



Freeport City Council Regular Meeting Agenda  
Freeport City Hall • October 29, 2013 • 7:00 pm

7:00pm I. Call to Order

7:01pm Open Public Forum

7:06pm II. Approve Agenda – *Motion to approve agenda*

7:07pm III. Consent Agenda – *Motion to approve consent agenda*

- a. Approval of September 24, 2013 regular meeting minutes; and
- b. Approval of October 15, 2013 special meeting minutes; and
- c. Approval of claims paid October 7, 2013 (\$18,294.49)
- d. Approval of claims paid October 21, 2013 (\$5,431.15)
- e. Approval of claims to be paid dated October 24, 2013 (\$45,926.35) – **Updated Before Meeting**

7:08pm IV. Reports (Informational Only, No Action)

- a. Clerk-Treasurer
- b. ~~Public Works Director~~ – **Removed from Agenda**
- c. Engineer

7:20pm V. Old Business

- a. Answers to Budget Workshop Questions
- b. Errors & Omissions Insurance Statement
- c. DEED Grant Application Status
- d. Famo Feed, Inc. Tax Abatement Termination – *Motion to terminate agreement*

7:45pm VI. New Business

- a. Resolution 2013-025 – *Motion to approve Resolution 2013-025*
- b. Resolution 2013-026 – *Motion to approve Resolution 2013-026*
- c. ~~Closed Meeting – Motion to close the meeting in as per MN Statue 13D.01 Subd. 3 to consider an offer for the sale of Lot 1 Block 1 Freeport Industrial Park Plat 6~~ – **Removed from Agenda**
- d. ~~Land Sale – Motion to approve the sale of Lot 1 Block 1 Plat 6 for (insert sale price)~~ – **Removed from Agenda**
- e. ~~Employee Benefits – Motion to approve continuation of benefits~~ – **Removed from Agenda**
- f. Annual Limited Liability Coverage Waiver Renewal – *Motion to not waive limits*
- g. Fire Department Officer Appointment – *Motion to approve officers as recommended*

8:15pm VII. Other (Informational Only, No Action)

- a. Letter regarding activities for children
- b. 316 8<sup>th</sup> St SE (on agenda at the request of Council Member Rodney Atkinson)
- c. Opportunity for Councilors to ask for items to be added to the next meeting agenda

8:25pm VIII. Adjourn – *Motion to adjourn*

Next Regular Meeting: November 26, 2013

FREEPORT CITY COUNCIL  
REGULAR MEETING MINUTES  
September 24, 2013

A special meeting of the Freeport City Council was convened at 7:00 P.M. by Mayor Matt Worms with Council Members Carrie Goebel, Ron Ritter, Ken Goebel and Rodney Atkinson present.

Also in attendance: Carol Moorman (Melrose Beacon), Tim Mauseth (Xcel Energy), Noel Klinnert (Xcel Energy), Jon Bjonc (Xcel Energy), Mark Osendorf (Xcel Energy), Rod Bemis (Xcel Energy), Al Beste (208 2<sup>nd</sup> Ave SW), Keith Fischer (109 3<sup>rd</sup> St SW), and Steve McDonald (Abdo, Eick and Meyers)

Staff in attendance: Mason Schirmer and Dave Blommel.

The Pledge of Allegiance was said by those in attendance.

OPEN PUBLIC FORUM

No comments received.

PUBLIC HEARING: XCEL VARIANCE REQUESTS (LOT SIZE AND SETBACK)

Worms moved and C. Goebel seconded a motion to open the public hearing. Motion carried 5-0. Public hearing opened at 7:01 P.M. Mauseth presented information regarding Xcel Energy's substation expansion project. Mauseth said Xcel is purchasing approximately 2.44 acres of property from Al Beste, on which to construct a new substation to serve Freeport. Schirmer said Resolution 2013-021 would allow for a lot to be created less than ten acres in size. Mauseth said Xcel Energy would access the lot by way of Al Beste's driveway. Atkinson said zoning the property Residential would eliminate the need for a variance. Schirmer said rezoning would require a separate public hearing process. Schirmer said the variance is unique because Xcel Energy provides essential services, not easily replicable. Worms said the property owner did not request to be rezoned. Fisher asked about the future of the lines throughout the area near the existing substation. Mauseth explained how the new substation would affect the area and the service lines. Mauseth said Xcel Energy's goal is to complete the new substation before summer 2014. Mauseth said when the new substation is operational; the existing substation would be deconstructed and the lot would be sold. Atkinson said Xcel Energy should donate the future bare lot to the City of Freeport. C. Goebel moved and K. Goebel seconded a motion to close the public hearing. Motion carried. Public hearing closed at 7:22 P.M.

CONSENT AGENDA

Atkinson asked to move approval of claims distributed to be the last item on the agenda. C. Goebel moved and Ritter seconded a motion to approve the consent agenda without item d (approval of claims). Motion carried 4-0 (Atkinson abstained).

REPORTS

Engineer

Blommel said some grass seeding remains to be completed.

### Public Works Director

No report.

### Clerk-Treasurer

Schirmer said he recently attended the University of Minnesota, St. Paul Campus to address a governor-appointed authority tasked with creating a Dairy Research/Education and Consumer Outreach Facility. Schirmer said he asked the authority to consider Freeport as a possible site for the facility. Schirmer said he addressed the authority after the Kandiyohi Economic Development Authority presented. Schirmer said he also recently attended election training for the upcoming special election to fill the vacant Stearns County Commissioner District 5 seat.

### OLD BUSINESS

#### 2011 Insurance Claim

Schirmer said he spoke multiple times with the League of Minnesota Cities Insurance Trust regarding the city's Municipal Bond Coverage. According to the LMCIT, the actions taken during the 2011 Insurance Claim would not be covered by the Bond policy. Schirmer said he was also advised by the City Attorney, that the Municipal Bond Coverage would not apply. Schirmer said it was up to Council to give direction. Atkinson moved C. Goebel seconded a motion to discontinue all further discussions regarding the 2011 Insurance Claim. Motion carried 5-0.

#### Famo Feed, Inc. Tax Abatement Default

Schirmer said a letter was sent to Famo regarding the Council's intent to terminate the tax abatement agreement if the Company does not remedy the non-compliance. Schirmer said he received a phone call from John Beste regarding the letter. Beste said the action taken by the Council was a "slap in the face." Beste said the Company upheld their responsibility to build a building and that it wasn't their fault the valuation did not meet the agreed-upon amount.

### NEW BUSINESS

#### Resolution 2013-021

K. Goebel moved and Ritter seconded a motion to approve Resolution 2013-021 a resolution approving a variance of eight acres reducing the required ten acre minimum lot size to two acres in the agricultural district to allow construction of essential services at lot forty-nine auditor's subdivision number five. Motion carried 5-0.

#### Resolution 2013-022

C. Goebel moved and Ritter seconded a motion to approve Resolution 2013-022 a resolution approving minor subdivision of lot forty-nine auditor's subdivision number five. Motion carried 5-0.

#### Resolution 2013-023

K. Goebel moved and Ritter seconded a motion to approve Resolution 2013-023 a resolution approving a variance of four feet reducing the required one-hundred foot front yard setback to ninety-six feet in the agricultural district to allow construction of essential services on tract "a" of lot forty-nine auditor's subdivision number five. Motion carried 5-0.

#### Xcel Distribution Plans

Osendorf presented on the future electricity distribution of Xcel Energy. Osendorf said that as soon as the new substation is online, the city will experience an extended power-outage as the old substation is taken offline and the new substation put into service.

### 2012 Audit Presentation

McDonald presented information from the 2012 Audit report. C. Goeble moved and K. Goebel seconded a motion to receive the 2012 Audit Report. Motion carried 5-0.

### City Code 500.45 (regarding fences)

Worms moved and C. Goebel seconded a motion to authorize Schirmer to prepare a revised fence ordinance to be reviewed at the next regular council meeting. Motion carried 5-0.

### Wellhead Protection Plan Proposals

Schirmer said the City received two proposals from consultants to write Phase 2 of the Wellhead Protection Plan, in response to the request for proposals approved at the previous regular council meeting. Schirmer said the lowest cost proposal was \$5,162. Schirmer said the consultants whom submitted proposals were both equally recommended by Minnesota Rural Water Association. Schirmer recommended accepting the \$5,162 proposal. Atkinson said he wanted to write the document himself, to save the city money. Atkinson said he has the ability to write the document and he can rely on the internet for help. Atkinson said it is the wellhead protection committee that will write the plan, not he (statement was made without first asking wellhead protection committee members for their opinion). Atkinson pleaded with Council for permission to official write Phase 2 of the Wellhead Protection Plan. Worms moved and K. Goebel seconded a motion to authorize Rodney Atkinson to write Phase 2 of the Wellhead Protection Plan. Motion carried 5-0.

### Purchasing Policy

Schirmer presented a draft policy regarding purchasing and paying invoices. Schirmer said the document was a work-in-progress and that he was showing it to council so that they could see what may be presented in the near future. Schirmer recommended not to approve the document, as it is still in draft form.

### Quarterly Financial Report

Schirmer presented the third quarter financial report which included a cash report, expenditure report, and revenue report.

### Employee Performance Evaluation

Council evaluated the performance of Clerk-Treasurer Mason Schirmer and agreed his performance has been exceptional. Each council member shared their opinion of Schirmer and commended him for his efforts. Worms moved and K. Goebel seconded a motion to acknowledge successful completion of the training period and to provide Clerk-Treasurer Schirmer a salary of \$50,000 per year and \$8,000 per year health insurance. Motion carried 5-0.

### Approval of Claims Distributed 8/26/13, 9/3/13, 9/9/13, 9/16/13

Atkinson said he has tried continuously to change the bill-paying process, but has had no success. Atkinson said he has been running into a brick wall, and that he is getting tired. Schirmer reminded Atkinson that a policy is being development, and was addressed earlier in the meeting. Atkinson said something must happen now, and that he is done waiting. Atkinson moved to approve "this god-for-saken piece of paper in its entirety (referring to Resolution 2013-024 Disbursement and Payment of Claims Policy). Schirmer asked if he had read the document. Atkinson replied that he had not. K. Goebel seconded the motion. Motion carried 3-2 (C. Goebel opposed, Ritter opposed). Schirmer reminded Council that claims had yet to be approved. Atkinson said he will not approve claims for invoices already paid. Schirmer reminded Council that only three members are needed to approve a motion. C. Goebel moved and Ritter seconded a motion to approve the claim distributed 8/26/13 (\$13,550.15), 09/03/13 (\$29,070.34), 09/09/13 (\$14,095.19), and 09/16/13 (\$5,014.82). Motion carried 5-0.

ADJOURNMENT

Worms moved and K. Goebel seconded a motion to adjourn. Motion carried 5-0. Meeting adjourned at 11:32 P.M.

---

Mason Schirmer, City Clerk

---

Matthew H. Worms, Mayor

FREEPORT CITY COUNCIL  
SPECIAL MEETING MINUTES  
October 15, 2013

A special meeting of the Freeport City Council was convened at 6:10 P.M. by Mayor Matt Worms with Council Members Ken Goebel, Ron Ritter, Carrie Goebel and Rodney Atkinson present.

Staff in attendance: Mason Schirmer.

The Pledge of Allegiance was said by those in attendance.

REVIEW OF 2014 BUDGET AND TAX LEVY

Schirmer said he reviewed the budget again, since the meeting packet was distributed. Schirmer said he was able to identify more opportunities to shift funds between accounts in an attempt to ensure sufficient budget dollars for each line item object code. Schirmer said the shifting of dollars results in a nominal increase to the fund total.

Worms suggested going through the general fund expenditure budget line by line. Council discussed postage expense.

Atkinson asked about liability insurance. Schirmer said the 2013 actual liability insurance originates from the renewal payment made in November 2012 for insurance and that since the city now uses accrual accounting methods, only a portion of the payment was applied to 2012 expenses and the rest was applied to 2013 expenses. Schirmer said the city will renew liability insurance again in November; thus, the 2013 actual total will increase. Schirmer said the 2013 Budget used an Insurance account to consolidate all general fund insurance expenses. Schirmer said discontinuing the use of an Insurance account and instead dividing the expense among existing accounts, such as General Government and Streets will help the city get a better understanding of the true costs associated with each service.

Atkinson asked if it would be better if the city renewed insurance in January. Schirmer said he would check with the city's insurance agent regarding renewal dates.

Atkinson asked if the city owned it's printer machine. Schirmer said no, that the machine is rented from a company. C. Goebel suggested that the agreement is more likely a lease. Atkinson asked if the machine did more than printing. Schirmer said the machine is a combination printer/copier/scanner/fax.

Atkinson asked if Stearns County will pay for election judge compensation for the upcoming county commissioner election. Worms said the city pays for it.

Atkinson asked how the formula used to calculate local government aid is impacted by the city's tax levy. Schirmer said the formula is complicated; however, Melrose City Administrator Mike Brethorst would be good resource to ask, since he is a member on the Minnesota Association of Small Cities and testified at the state capital on the formula. Atkinson said he does not want

Mike Brethorst's opinion. Schirmer said he would look into the LGA's relationship to city tax levy.

Atkinson asked how many tax increment financing districts remain within the City. Schirmer said he is aware of one, created for Swaney White Flower Mill reconstruction.

C. Goebel moved and Atkinson seconded a motion to authorize the purchase of Utility Billing Analysis Software from Black Mountain. Motion carried 5-0.

Atkinson suggested budgeting to use one-hundred percent of Local Government Aid and to setup sinking funds. Schirmer said he would ask the city's financial consultant Joe Rigdon (KDV, Ltd) for information on how to properly setup and administrate so-called "sinking funds."

#### ADJOURNMENT

Worms moved and K. Goebel seconded a motion to adjourn. Motion carried 5-0. Meeting adjourned at 7:17 P.M.

---

Mason Schirmer, City Clerk

---

Matthew H. Worms, Mayor

10/07/13  
08:06:32

CITY OF FREEPORT  
Claim Approval List  
For the Accounting Period: 10/13

Page: 1 of 1  
Report ID: AP100V

1109-1115

\* ... Over spent expenditure

Claim/	Check	Vendor #/Name/ Invoice #/Inv Date/Description	Document \$/ Line \$	Disc \$	PO #	Fund Org Acct	Object Proj	Cash Account
1110		15 ALBANY MUTUAL TELEPHONE	384.40					
	10146343	10/01/13 8362112	94.08			101 41000	320	10100
	10146439	10/01/13 8362278	67.06			101 43100	320	10100
	10146670	10/01/13 8362685	18.61			601 43225	320	10100
	10146670	10/01/13 8362685	18.60			602 43250	320	10100
	10146498	10/01/13 8362411	39.05			225 42200	320	10100
	10146498	10/01/13 8362413	36.31			225 42200	320	10100
	10146344	10/01/13 8362116	71.64			101 41000	320	10100
	10146920	10/01/13 8367158	39.05			101 41000	320	10100
		Total for Vendor:	384.40					
1109		70 CENTERPOINT ENERGY	33.39					
	09/18/13	Fire Hall	19.24			225 42200	382	10100
	09/18/13	Maintenance Building	14.15			101 43100	382	10100
		Total for Vendor:	33.39					
1114		107 DANNY'S DISPOSAL & RECYCLING,	125.09					
	10/01/13	Fire Hall	29.09			225 42200	383	10100
	10/01/13	City Hall	96.00*			101 43100	383	10100
		Total for Vendor:	125.09					
1111		174 GOPHER STATE ONE CALL, INC.	13.05					
	79797 09/30/13	Email Tickets	6.53			601 43225	300	10100
	79797 09/30/13	Email Tickets	6.52*			602 43250	300	10100
		Total for Vendor:	13.05					
1115		605 HEARTLAND DOOR SALES INC.	17,528.00					
	15582 09/23/13	Fire Hall Doors	17,128.00*			409 49240	366	10100
	15582 09/23/13	Extra Windows in Fire Hall	400.00*			225 42200	430	10100
		Total for Vendor:	17,528.00					
1112		510 VERIZON WIRELESS	113.94					
	9711829427 09/19/13	Cellphone	113.94			101 43100	320	10100
		Total for Vendor:	113.94					
1113		525 XCEL ENERGY	96.62					
	383899211 09/18/13	Water Tower	96.62*			601 43225	381	10100
		Total for Vendor:	96.62					
		Total:	18,294.49					

18,294.49

Authorized by:  10-10-13



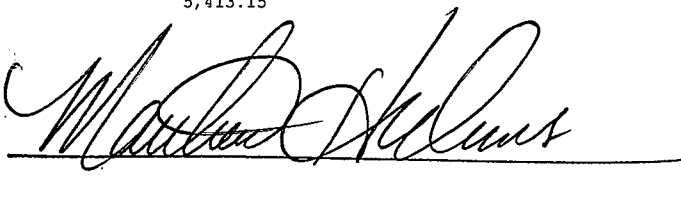
1116-1120

10/21/13  
08:04:05CITY OF FREEPORT  
Claim Approval List  
For the Accounting Period: 10/13Page: 1 of 1  
Report ID: AP100V

\* ... Over spent expenditure

Claim/	Check	Vendor #/Name/ Invoice #/Inv Date/Description	Document \$/ Line \$	Disc \$	PO #	Fund Org Acct	Object Proj	Cash Account
1117		76 CENTRAL MINNESOTA CREDIT UNION	134.79					
	09/02/13	Beacon	1.35*			101 41000	433	10100
	09/09/13	USPS	2.92			601 43225	200	10100
	09/16/13	Voice Recorder	46.60			101 41000	210	10100
	09/30/13	late Fee	10.00			101 41000	430	10100
	09/30/13	Water Supplies	46.08*			601 43225	210	10100
	09/30/13	Street Supplies	27.84			101 43100	210	10100
		Total for Vendor:	134.79					
1119		189 HEALTH PARTNERS	1,997.40					
	44703884	10/07/13 Mason Schirmer	729.60			101 41400	130	10100
	44703884	10/07/13 Jon Stueve	966.80			101 43000	130	10100
	44703884	10/07/13 Jon Stueve Retro	301.00			101 43000	130	10100
		Total for Vendor:	1,997.40					
1118		437 STAR PUBLICATIONS LLC	40.20					
	129673	09/18/13 9/11/13 Notice of Public Hear	40.20*			101 41800	350	10100
		Total for Vendor:	40.20					
1116		504 USA BLUE BOOK	511.32					
	161129	09/25/13 Dewatering Pump	511.32			415 43100	510	10100
		Total for Vendor:	511.32					
1120		525 XCEL ENERGY	2,729.44					
	10/02/13	302188142	446.87*			601 43225	381	10100
	10/02/13	302252262	64.10			101 43160	381	10100
	10/02/13	302290398	331.33			101 41000	381	10100
	10/02/13	302679657	52.72			101 43100	381	10100
	10/02/13	302700297	22.32			602 43250	381	10100
	10/02/13	302947044	351.12*			601 43225	381	10100
	10/02/13	303193187	19.84			602 43250	381	10100
	10/02/13	303616049	84.37			225 42200	381	10100
	10/02/13	303936749	46.17			101 43160	381	10100
	10/02/13	303956738	408.22			101 43160	381	10100
	10/02/13	303963984	255.75			101 43160	381	10100
	10/02/13	303985901	35.70			101 43160	381	10100
	10/02/13	304083816	13.30			101 43160	381	10100
	10/02/13	304098414	17.45			602 43250	381	10100
	10/03/13	Street Light Service	580.18			101 43160	381	10100
		Total for Vendor:	2,729.44					
		Total:	5,413.15					

5,413.15

Authorized by: 

10/28/13  
08:55:09

CITY OF FREEPORT  
Claim Approval List  
For the Accounting Period: 10/13

Page: 1 of 5  
Report ID: AP100V

\* ... Over spent expenditure

Claim/ Check	Vendor #/Name/ Invoice #/Inv Date/Description	Document \$/ Line \$	Disc \$	PO #	Fund Org Acct	Object Proj	Cash Account
1132	25 AMERIPRIDE LINEN & APPAREL	46.71					
	10/04/13 2200431344 Monthly Service	43.71*			101 41000	410	10100
	10/04/13 Sales Tax	3.00			101 41000	450	10100
	Total for Vendor:	46.71					
1152	52 BLACK MOUNTAIN SOFTWARE, INC.	1,606.93					
	17622 10/18/13 Rate analysis software	1,315.20			415 43100	510	10100
	17622 10/18/13 Rate analysis software	92.40*			601 43225	210	10100
	17622 10/18/13 Rate analysis software	92.40			602 43250	210	10100
	17622 10/18/13 Sales tax	12.71*			601 43225	450	10100
	17622 10/18/13 Rate analysis software	90.42			415 43100	510	10100
	17622 10/18/13 Annual tax prorated	0.05*			601 43225	450	10100
	17622 10/18/13 Yearly main rate analysis	1.87*			601 43225	210	10100
	17622 10/18/13 Yearly main rate analysis	1.88*			601 43250	210	10100
	Total for Vendor:	1,606.93					
1150	70 CENTERPOINT ENERGY	35.56					
	10/17/13 Fire Hall	20.18			225 42200	382	10100
	10/17/13 Maintenance Building	15.38			101 43100	382	10100
	Total for Vendor:	35.56					
1136	84 CITI LITES, INC.	21.00					
	43362 07/22/13 43362 Locate	21.00*			101 43160	300	10100
	Total for Vendor:	21.00					
1135	553 DAKOTA SUPPLY GROUP, INC.	1,631.34					
	8136615 10/11/13 5 water meters	1,526.40*			601 43225	210	10100
	8136615 10/11/13 Sales tax	104.94*			601 43225	450	10100
	Total for Vendor:	1,631.34					
1129	123 DYMOKE LAW OFFICE, P.A.	147.00					
	10/01/13 Legal Advice	88.20*			225 42200	300	10100
	10/01/13 2011 sewer backup research	58.80			101 41000	302	10100
	Total for Vendor:	147.00					
1155	134 EMERGENCY APPARATUS MAINTENANCE,	742.06					
	70187 10/16/13 Pump test & service	742.06			225 42200	220	10100
	Total for Vendor:	742.06					
1138	145 FINKEN WATER CENTERS	16.03					
	10/01/13 Metered Rental H2O Softener	15.00*			101 41000	410	10100
	10/01/13 sales tax	1.03			101 41000	450	10100
	Total for Vendor:	16.03					

10/28/13  
08:55:09

CITY OF FREEPORT  
Claim Approval List  
For the Accounting Period: 10/13

Page: 2 of 5  
Report ID: AP100V

\* ... Over spent expenditure

Claim/	Check	Vendor #/Name/	Document \$/	Disc \$						Cash
		Invoice #/Inv Date/Description	Line \$		PO #	Fund Org Acct	Object Proj	Account		
1123		155 FREEPORT FARM CENTER, INC	220.09							
	12373	09/13/13 Mower Maintenance	220.09*			101 45200	220			10100
		Total for Vendor:	220.09							
1140		171 GENERAL CONSTRUCTION SERVICES,	10,000.00							
	10/11/13	Water Tower final payment	10,000.00			415 43100	510			10100
		Total for Vendor:	10,000.00							
1148		187 HAWKINS, INC.	1,839.32							
	3525343	10/08/13 3525343 Chemicals	1,826.25*			601 43225	440			10100
	3525343	10/08/13 sales tax	13.07*			601 43225	450			10100
		Total for Vendor:	1,839.32							
1121		219 JOANN TIMP	205.20							
	10/14/13	9/9/13-10/21/13	205.20*			101 41000	300			10100
		Total for Vendor:	205.20							
1144		228 JON STUEVE	112.60							
	10/21/13	Water Operator Training-Jon	45.00			601 43225	330			10100
	10/21/13	Water Operator Training-Ryan	45.00			601 43225	330			10100
	10/21/13	Mileage to water training	22.60			101 43000	335			10100
		Total for Vendor:	112.60							
1139		597 KDV, LTD	4,032.00							
	180744	09/30/13 Ind. Park review bonds	280.00			300 46500	430			10100
	179153	09/11/13 2012 Financial review	3,289.76*			415 43100	300			10100
	179153	09/11/13 2012 Financial	462.24*			101 41000	300			10100
		Total for Vendor:	4,032.00							
1141		256 LEAGUE OF MINN CITIES INS. TRUST	789.00							
	187459	09/01/13 Membership dues	749.00*			101 41000	433			10100
	192237	10/11/13 2013 Regional Meeting-Schirmer	40.00			101 41400	330			10100
		Total for Vendor:	789.00							
1145		606 LOREN'S TREE & LAWN SERVICE	1,993.56							
	09/17/13	Seading around new water tower	1,993.56*			415 43100	300			10100
		Total for Vendor:	1,993.56							
1134		269 MARCO, INC.	312.99							
	10/17/13	238810808 11/10/13-2/10/14	292.86*			101 41000	410			10100
	10/17/13	sales tax	20.13			101 41000	450			10100
		Total for Vendor:	312.99							

10/28/13  
08:55:09

CITY OF FREEPORT  
Claim Approval List  
For the Accounting Period: 10/13

Page: 3 of 5  
Report ID: AP100V

\* ... Over spent expenditure

Claim/	Check	Vendor #/Name/	Document \$/	Disc \$					Cash
		Invoice #/Inv Date/Description	Line \$		PO #	Fund Org Acct	Object Proj	Account	
1122		596 MASON SCHIRMER	110.27						
	09/25/13	Training Registration	15.00			101 41400	330	10100	
	09/24/13	Election Training	33.12			101 41450	335	10100	
	10/22/13	Picked-up Auto Mark	28.25			101 41450	335	10100	
	10/24/13	LMC Regional Mtg	33.90			101 41400	335	10100	
		Total for Vendor:	110.27						
1156		290 METRO FIRE	2,030.11						
	48072 09/06/13	RS1 jacket/pants	2,030.11*			225 42200	210	10100	
		Total for Vendor:	2,030.11						
1125		309 MINNESOTA LIFE INSURANCE CO.	8.00						
	09/13/13	Mason Schirmer	4.00			101 41400	131	10100	
	09/13/13	Jon Stueve	4.00			101 43000	131	10100	
		Total for Vendor:	8.00						
1131		310 MINNESOTA MAYORS ASSOCIATION	30.00						
	09/01/13	Mayor's Membership Dues	30.00*			101 41300	433	10100	
		Total for Vendor:	30.00						
1154		317 MINNESOTA STATE FIRE DEPARTMENT	135.00						
	10/28/13	Membership Dues	135.00*			225 42200	433	10100	
		Total for Vendor:	135.00						
1126		332 MONSON CORPORATION	11,194.79						
	13656SB 09/09/13	Maintenance	4,867.29			101 43100	311	10100	
	13656SB 09/09/13	Water Tower Rd. Expansion	6,327.50*			415 43100	300	10100	
		Total for Vendor:	11,194.79						
1130		336 MUNICIPAL DEVELOPMENT GROUP,	360.00						
	100213 10/03/13	Fence Ordinance Draft/Misc	360.00			101 41800	300	10100	
		Total for Vendor:	360.00						
1149		385 QUILL	61.78						
	6386744 10/14/13	Office supplies	57.80			101 41000	210	10100	
	6459539 10/16/13	sales tax	3.98			101 41000	450	10100	
		Total for Vendor:	61.78						
1153		387 RAHNS OIL & PROPANE, INC	304.97						
	09/30/13	Fire Dept	105.74			225 42200	215	10100	
	09/30/13	City	166.12			101 43100	215	10100	
	09/30/13	EDA	33.11			300 46500	210	10100	
		Total for Vendor:	304.97						

10/28/13  
08:55:09

CITY OF FREEPORT  
Claim Approval List  
For the Accounting Period: 10/13

Page: 4 of 5  
Report ID: AP100V

\* ... Over spent expenditure

Claim/	Check	Vendor #/Name/	Document \$/	Disc \$						Cash
		Invoice #/Inv Date/Description	Line \$		PO #	Fund Org Acct	Object Proj	Account		
1143		397 RINKE-NOONAN, LTD	1,651.70							
	217228	09/17/13 2012 audit	25.00			101 41000	302	10100		
	217229	09/17/13 Famo Tax Abatement	178.20			101 41000	302	10100		
	217235	09/17/13 Famo Tax Abatement	62.30			101 41000	302	10100		
	217293	09/18/13 Assess. Appeal-Keith Fischer	272.30*			415 43100	302	10100		
	218450	10/14/13 Famo Tax Abatement	79.20			101 41000	302	10100		
	218449	10/14/13 2011 Insurance claim discussio	35.00			101 41000	302	10100		
	218401	10/14/13 Assess. Appeal-Keith Fischer	999.70*			415 43100	302	10100		
		Total for Vendor:	1,651.70							
1124		412 SCHERPING ELECTRIC INC	791.10							
		09/17/13 Street Light Maintenance	791.10*			101 43160	311	10100		
		Total for Vendor:	791.10							
1127		418 SEH, INC.	741.00							
	273189	09/14/13 New Water Tower&Water Main Map	741.00*			415 43100	300	10100		
		Total for Vendor:	741.00							
1151		440 STEARNS CO AUDITOR/TREASURER	461.80							
	00000043	10/17/13 Special Assessment fees 2013	394.80*			101 41550	304	10100		
	00000043	10/17/13 TNT-notice mailing 2013	67.00*			101 41000	350	10100		
		Total for Vendor:	461.80							
1128		450 STEARNS COUNTY RECORDER	138.00							
	00001586	10/01/13 3 Resolutions for xcel	138.00			101 41000	430	10100		
		Total for Vendor:	138.00							
1146		608 THE FLOWER BASKET	50.23							
	31757	10/14/13 Condolences	50.23			101 41000	430	10100		
		Total for Vendor:	50.23							
1137		567 TRI-STATE PUMP & CONTROL INC	3,934.24							
	34596	10/01/13 Parts & Labor	3,934.24*			602 43250	300	10100		
		Total for Vendor:	3,934.24							
1133		504 USA BLUE BOOK	77.20							
	171664	10/08/13 Safety Glasses	72.23*			101 43000	210	10100		
	171664	10/08/13 sales tax	4.97			101 43100	430	10100		
		Total for Vendor:	77.20							
1147		525 XCEL ENERGY	94.77							
	387535963	10/17/13 Water Tower	94.77*			601 43225	381	10100		
		Total for Vendor:	94.77							
		Total:	45,926.35							

## Mason Schirmer

---

**From:** Atkinson Well & Pump <rodney@albanytel.com>  
**Sent:** Tuesday, October 29, 2013 12:03 PM  
**To:** 'Mason Schirmer'  
**Attachments:** Mason.PDF

mason

i think we should cut out the bullshit and start working together. i was testing you with that email. all council is my personal email atkinson@albanytel.com. if there is any concern of open meeting issues i will put that on you since the only people i sent the email to was you and me. it was extremely upsetting to see the little confidence you have in me. an attorney? let us get real. robert's rules has all the tools you need. the mayor can choose to not recognize anyone. the discussion can have a time limit. if we read the book closer we can probably find other ways to control a meeting if it gets out of hand. i will go to the line, but i will not cross it. if i do i trust you will let me know immediately. i was appointed to the council because the mayor violated zoning. al williams resigned as part of the penalty for that violation. from day one i held zoning and the permits as a sacred cow. for us to be transparent with the public, we need to have this violation and our choice to not take enforcement action entered in the public record. this will give our residents guidance. each of us come to the table with many different life experiences that form who we are. i hope it is not a bad thing to let any elected official have due time to address something that is at the core of their beliefs. one idea i have always held dearly is "if the good lord would have made us all the same, he would have only made one of us" and "the minority vote today may be the majority vote tomorrow".

guess i am done venting. so you tonight. i will try to wear white to represent goodness and civility.

rodney

## Mason Schirmer

---

**From:** Mason Schirmer <cityfrpt@albanytel.com>  
**Sent:** Tuesday, October 29, 2013 9:05 AM  
**To:** 'Atkinson Well & Pump'  
**Cc:** mattworms@albanytel.com; Carrie - Home (for council packet); Ron and Elaine Ritter (grandparonnie@hotmail.com)  
**Subject:** RE: Freeport Agenda

Attention City Council Members,

Cease this line of communication. The email below suggests Rodney Atkinson directly communicated to other City Council members about city business (an item clearly stated on the upcoming meeting agenda). The open meeting law prohibits the discussion of city business outside of an open meeting. The communication may be viewed as an open meeting law violation and potentially expose the City to liability.

To protect yourself from future liability; it is recommended that any time you receive such emails, reply **"Do not include me in any such discussion, as it might be perceived to be an open meeting law violation."**

To discuss further, contact me directly.

Sincerely,

**MASON SCHIRMER, CLERK-TREASURER**  
**CITY OF FREEPORT, MN**  
**(320) 836-2112**

---

**From:** Atkinson Well & Pump [mailto:rodney@albanytel.com]  
**Sent:** Monday, October 28, 2013 6:13 PM  
**To:** 'Mason Schirmer'  
**Cc:** all council  
**Subject:** RE: Freeport Agenda

"could we also have info on the 316 8th permit such as the original and subsequent actions at this property so we can see the timeline. i am concerned that if we look the other way we will have set a standard that will require us to extend the length of time or ignore all violations" i told you i would always warn you of my intentions. i will be making a motion to eliminate any penalty for noncompliance and to extend the permit to 18 months. it is ironic that they are the only people with storm damage on the north side of their house i verified this with art van heel. i never have and never intend to let my personal feeling change my councilor decisions. as an example, i like the beste's but i changed the motion cuz i realized i made a mistake. i wear rodney atkinson resident hat, atkinson well & pump hat, and rodney atkinson councilor hat. i think i have more respect for the process of government and for the city of freeport than anyone. i try to make all my decisions based on four principals. 1) is it viable 2) is it sustainable 3) is it as fair as possible 4) is as equal as possible. certainly mason has the privilege and obligation of poisoning the council's opinion, that is the way government goes. there is no ambiguity as to right and wrong.  
rodney

---

**From:** Mason Schirmer [mailto:cityfrpt@albanytel.com]  
**Sent:** Monday, October 28, 2013 11:37 AM  
**To:** RODNEY@ALBANYTEL.COM; Carrie - Home (for council packet); Ron and Elaine Ritter; mattworms@albanytel.com  
**Subject:** FW: Freeport Agenda

Good Morning,

I am just forwarding information received from the City Attorney.

Sincerely,

**MASON SCHIRMER, CLERK-TREASURER**  
**CITY OF FREEPORT, MN**  
**(320) 836-2112**

---

**From:** Adam Ripple [<mailto:ARipple@rinkenoonan.com>]  
**Sent:** Friday, October 25, 2013 9:47 AM  
**To:** Mason Schirmer  
**Subject:** RE: Freeport Agenda

Mason,  
Hopefully our discussion this morning was helpful. Here's a recap of what we discussed.

It is ok for council members to discuss properties and their owners by name at a council meeting. You will prepare a short memo for the council to frame the discussion regarding the issue Mr. Atkinson asked to add to the agenda. With respect to Member Atkinson's concerns, it is appropriate for him to discuss building permit issues spurred by the actions of his neighbor, but if he crosses the line and proceeds to act with malice or personal animosity towards the neighbor he likely can no longer be impartial and neutral and has a conflict of interest.

Given Mr. Atkinson's prior comments, we discussed a few hypotheticals. The council should stop the discussion if Mr. Atkinson begins a personal attack on his neighbor or they should ask that Mr. Atkinson not proceed further from the council table as a council member with respect to this issue due to a conflict. However, there is no way to force Mr. Atkinson to recuse himself other than peer and citizen pressure. To the extent that Mr. Atkinson does not recuse himself and proceeds to push the issue out spite or animosity towards his neighbor, the mayor or council should call him out of order. As we discussed at our special meeting earlier this week, the council has a couple tools in the event things get out of control. Someone can move to end debate or discussion and move on to the next agenda item; someone can move to take a short recess; or someone could move to adjourn the meeting altogether. If things do get ugly, the council should do whatever it takes to stop things and make it clear that the council does not condone the use of a member's elected official position to further a personal dispute.

Let me know if you have any questions.

Adam A. Ripple  
Attorney

**RINKE NOONAN**  
Suite 300, US Bank Plaza  
P.O. Box 1497  
St. Cloud, MN 56302  
(320) 251-6700 General  
(320) 257-3868 Direct  
(320) 656-3500 Fax

[website](#) | [email](#) | [bio](#) | [map](#)



For prompt assistance, please contact my paralegal,  
Julie Fincher at (320) 656-3527 or [jfincher@rinkenoonan.com](mailto:jfincher@rinkenoonan.com)



**From:** Mason Schirmer [<mailto:cityfrpt@albanytel.com>]

**Sent:** Friday, October 25, 2013 8:13 AM

**To:** Adam Ripple

**Subject:** Freeport Agenda

Adam,

Here was the agenda for the upcoming meeting.

Sincerely,

**MASON SCHIRMER, CLERK-TREASURER**

**125 MAIN STREET EAST,**

**FREEPORT, MN 56331**

**(320) 836-2112**

**[WWW.FREEPORTMN.ORG](http://WWW.FREEPORTMN.ORG)**



# Memo

---

From: Mason Schirmer, Clerk-Treasurer

To: Freeport City Council

Date: October 29, 2013

Re: Council Member Actions

---

## **Timeline of Events**

Friday, Oct 25<sup>th</sup> – I send a copy of the upcoming meeting agenda to the City Attorney for review.

Friday, Oct 25<sup>th</sup> – City Attorney provides feedback regarding Council addressing an agenda item.

Monday, Oct 28<sup>th</sup> – I present Mayor Worms with the City Attorney's response. Worms suggested forwarding the information to City Council Members.

Monday, Oct 28<sup>th</sup> – Council Member Rodney Atkinson sends me an email regarding city business and his intent to make motions and the rationing for his position. In the email CC (carbon copy) line, '[all council](#)' is shown. Atkinson also states that "**Mason has the privilege and obligation of poisoning the council's opinion.**"

Tuesday, Oct 29<sup>th</sup> – In an effort to prevent Council Members from committing an open meeting law violation, I sent an email to Rodney Atkinson and other Council Members, instructing the conversation to stop.

Tuesday, Oct 29<sup>th</sup> – Rodney Atkinson emails me, saying his previous email was a "test" and that the 'all council' contact was his own email address.

## **What Does This Mean?**

My understanding of my job as Clerk-Treasurer is to conduct the city as Council directs. However, I feel a significant amount of my time is used-up addressing inappropriate emails. Rodney Atkinson's emails have been a distraction and left me feeling uncomfortable. I take direction from Council, yet I have an individual council member forcing me into uncomfortable positions. This is not how I expect to take direction from the City.

During the recent Oct 22<sup>nd</sup> Special City Council Meeting, City Attorney Adam Ripple said "Council Members should respect everyone and the process." I do not feel respected and I do not feel the process is being respected.

Is this an appropriate use of my time and the City's resources? Am I supposed to participate in these games or "tests?" Does Council want to act like nothing happened and potentially expose the City to liability?

FREEPORT EDA BOARD MINUTES  
REGULAR MEETING  
September 16, 2013

The regular meeting of the Freeport EDA Board was called to order by President Matt Worms at 12:00 P.M. with members Carrie Goebel, Mason Schirmer, Jim Hemker, Bud Heidgerken and Andy Welle present.

APPROVAL OF THE AGENDA

Hemker moved and Goebel seconded a motion to approve the agenda. Motion carried 5-0.

APPROVAL OF THE MINUTES

Goebel moved and Welle seconded a motion to approve the August 26, 2013 minutes. Motion carried 5-0.

OLD BUSINESS

Community Survey Update

Schirmer said that in an effort to reduce costs and maximize the number of people reached, the survey will be redeveloped into an advertisement and published in area newspapers. The advertisement would emphasize that lots are available and ideas for business in Freeport are welcome.

Industrial Lots for Sale

Schirmer said he is working closely with the city's accounting consultant Joe Rigdon (KDV) to determine total debt outstanding from the creation of the industrial lots and the minimum sale price which can be offered. Schirmer said he would have more information available at the next meeting.

NEW BUSINESS

Carr's Tree Service Inquiry

Schirmer said he was recently contacted by Skip from Carr's Tree Service in Freeport, inquiring about available land for sale. Skip said the company is considering building a building. Schirmer informed him of the Industrial Lots. Skip said he is forwarding the information to Bradley Carr and that the City should expect a call.

Famo Feed, Inc. Tax Abatement Default

Worms said Famo Feed, Inc. had made an agreement with the City in 2010 for tax abatement; however, the Company's new improvements did not meet the minimum established within the agreement and are now in Default. Worms said his business did construction work for the Company and that he was abstaining from discussion and voting. Worms left the room.

Heidgerken expressed his dissatisfaction with the tax abatement agreement. Hemker moved and Heidgerken seconded a motion to recommend to the City of Freeport that the tax abatement agreement with Famo Feed, Inc. be terminated. Motion carried 4-0. Worms returned to the room.

Hemker said he was concerned about the lack of policy and procedures involved in applying for tax abatement. Hemker said applications for tax abatement should include three (3) years of financial records, current year-to-date financials, a statement of position from an independent financial analysis, and should satisfy criteria of hardship, employment, and valuation. Hemker moved and Heidgerken seconded a motion to draft a tax abatement policy. Motion carried 5-0.

NEXT MEETING

Schirmer said the next meeting will be Monday, October 21, 2013 at noon in City Hall.

ADJOURN

Worms moved and Schirmer seconded a motion to adjourn the meeting at 1:22 P.M. Motion carried 5-0.

---

Matthew Worms, President

---

Mason Schirmer, Secretary

# Memo

---

From: Mason Schirmer, Clerk-Treasurer

To: Freeport City Council

Date: October 23, 2013

Re: Budget Workshop Questions

---

During the recent Budget Workshop on October 15<sup>th</sup>, some questions were raised. Following the meeting, I researched each and have prepared a response:

1. Is Local Government Aid affected by the Levy set by Council?

No. Local Government Aid is determined by a communities' ability to pay (taking into account total market value, populations, median incomes, etc.), not what actually the community pays (i.e., the levy).

2. Would changing the policy renewal date to January help budgeting?

During the workshop, I explained Accrual Accounting. Rodney asked if changing the insurance policy coverage period to January 1<sup>st</sup> – December 31<sup>st</sup> would make budgeting easier. Because the City now uses Accrual Accounting, the answer is no (budgeting would remain the same).

If the City were to change the policy period to January 1<sup>st</sup> – December 31<sup>st</sup>, the budgeting would remain the same. The City would still need to pay for the insurance in the month prior (which is in the previous year/current year). The check will show-up on the budget report in the 2013 actuals column. If it helps, think of daily operations as using Cash Basis Accounting, and that all the financials are turned into Accrual Accounting format after the year ends.

The accrual accounting process of crediting the expense to the next year (the year the insurance is used in) does not actually happen until after the end of the year. Joe Rigdon of KDV will stop in someday in 2014 and make the necessary adjusting entries.

3. Can the City use 'sinking' funds

Yes. The City would need to approve the creation of new funds as well as approve the transfer of dollars into those funds.

Joe Rigdon recommends keeping the General Fund's fund balance at a level which can support 6-9 months of operations.



CONNECTING & INNOVATING  
SINCE 1913

## Local Government Aid 101: 2014 and Beyond

Updated June 2013

The first official LGA program was created in 1971 and provided funds to counties on a per capita basis for allocation to cities in proportion to their property tax levy. Since its inception, LGA has undergone many changes—some minor and some bringing about significant reforms. LGA is distributed using a complex formula that compares a city's spending needs with its ability to raise revenue. After several years of cuts to the appropriation, the 2013 Legislature enacted the first significant reforms to the LGA program since 2003. The Legislature also increased the appropriation for city aid payments. This document provides a brief overview of LGA's recent history and highlights the changes for aid payments beginning in 2014.

### Funding Level

In 2003, the Legislature reduced funding for LGA by 25 percent, eliminated the inflation index and implemented significant formula changes. The December 2008 LGA payment was reduced through a process called unallotment. Cities lost LGA to unallotment and legislative action in 2009 and 2010. The 2011 special session resulted in cuts to 2011 and 2012 as well as a permanent reduction to the LGA appropriation. The 2012 legislature passed an LGA freeze for 2013 payments. The LGA appropriation grew by \$80 million for 2014. The total aid distributed will increase to \$507 million. In 2015, cities will receive \$509.1 million; in 2016 and beyond, the appropriation will be \$511.6 million.

Year	Total LGA (\$s)
2003 certified	586,848,950
2003 final	464,941,977
2004	437,466,461
2005	436,558,200
2006	484,558,200
2007	484,558,200
2008 certified	484,148,487
2008 final	430,638,682
2009 certified	526,148,487
2009 final	481,521,933
2010 certified	536,671,457
2010 final	426,535,519
2011 certified	527,100,646
2011 final	425,345,348
2012 certified	425,237,611
2013	427,494,945
2014	507,598,012
2015	509,100,000
2016 and beyond	511,600,000

The total LGA distribution is shown below for 2003 through 2016.

## Formula Basics

A city's share of the LGA distribution is determined by a complex formula that compares a city's *expenditure need* and its *ability to pay*. Each city's expenditure need is measured based on several statistical variables. These variables or factors attempt to identify characteristics that cause differences in the amount cities spend to provide the same level of service. Calculated expenditure need is then compared to the city's ability to pay or revenue-raising capacity (i.e., property taxes). This difference, or gap, is the city's unmet need. A city's LGA payment is a computed as a percentage of that gap. The percentage of the gap that is funded by LGA is based on the total available appropriation for the program and is the same for all cities that receive LGA in that year.

Prior to the 2013 reforms, the factors used to calculate city need were largely based on 2000 Census data. The age of the data underlying the formula and the repeated cuts to the appropriation highlighted the need for significant reform.

### Expenditure Need Variables

The 2013 reforms implement three need formulas for cities.

For cities below 2500 population, need is defined by city population size only.

For cities between 2500 and 10,000 population, need is defined by the percent of housing built before 1940, household size, and population decline (%) since the peak population level of the last 40 years.

For cities over 10,000 population, need is defined by the average number of jobs per capita, the percent of housing built before 1940, the percent of housing built between 1940 and 1970, and a sparsity adjustment for cities with fewer than 150 residents per square mile.

### Calculating Unmet Need

To calculate a city's *need* the values for each variable are multiplied by fixed coefficients. These coefficients were determined by a statistical process called multiple regression. The coefficients weigh the variables according to their relative importance in explaining differences in city spending need. The sum of these products is a per capita dollar expenditure need. Multiplying the per capita need by the population gives the total expenditure need, which is then compared to an individual city's ability to pay.

*Ability to pay* is defined as a city's capacity to raise revenue via property taxes. This is calculated by applying the statewide average city tax rate based on the prior year's levy to the city's tax base.

The difference between a city's total *expenditure need* and its *ability to pay* is its unmet need. The portion of unmet need filled by LGA is adjusted so that the total of all distributions equals the current appropriation.

### Aid Bases

As a result of the 2013 reforms, there are no longer any aid bases used in calculating LGA amounts for cities. Some of the aid bases of the past were for regional centers, for small cities, and

for specific circumstances, such as flood recovery.

### **Year-to-year changes**

A city's LGA payment amount can change from year to year. For 2014 only, no city can receive less in LGA than it did in 2013. Beginning with aids payable in 2015, no city's aid can decrease by more than 5% of its previous year's levy or \$10 per capita.

### **Resources**

League of Minnesota Cities

<http://www.lmc.org/page/1/property-tax-state-funding-fiscal-issues.jsp>

- LGA Key Terms
- LGA Timeline
- LGA Key Points

House Research: Basic Information on State Aids

<http://www.house.leg.state.mn.us/hrd/topics.aspx?topic=32>

House Research estimate of 2014 LGA payment amounts:

<http://www.house.leg.state.mn.us/hrd/issinfo/Ch143.pdf>

Additional information on the LGA formula and aid distributions can be obtained by contacting LMC Policy Analysis staff.

### **Timing of Payments**

The Department of Revenue notifies cities of their LGA amounts for the following year by July 31<sup>st</sup>. Cities receive the aid in two equal payments—the first in mid-July and the second in late December.





**Commercial Exchange Corporation**  
*Insurance Services*

---

116 FIRST AVENUE NORTH • P.O. BOX 176 • FREEPORT, MINNESOTA 56331-0176 • (320) 836-2161 • (320) 836-2160 FAX

---

October 4, 2013

City Of Freeport  
125 East Main Street  
P O Box 301  
Freeport, MN 56331

RE: Errors and Omission's coverage LMCIT Covenant #CMC 34788

Attn: Mason Schirmer

The words error, omission or errors and omission, is mentioned in various sections of the LMCIT Covenant with the City of Freeport and is not limited to bond, property, auto, or liability coverage.

By definition, the Covenant does not extend "Professional Errors and Omissions" coverage to the City, it Council, EDA, employees, etc.

Under Covenant terms and conditions, the LMCIT limits its duty to pay on behalf of or to indemnify the city for any act, error, omission or violation:

- a. Which constitutes malfeasance in office; or
- b. Which constitutes willful neglect of duty; or
- c. Which constitutes bad faith; or
- d. Which constitutes dishonesty on the part of the covered party; or
- e. Which constitutes the willful violation of a statute or ordinance by any official, employee, or agent of the city.

In conclusion, the LMCIT insurance Covenant will pay those sums that the City becomes legally obligated to pay as damages of bodily injury or property damage to which the insurance applies.

If a city employee, member of council, or EDA is concerned about their personal liability as it pertains to their actions while performing their assigned duties for the City of Freeport, I would suggest that they seek coverage under a personal umbrella.

Sincerely,

GJ "Fritz" Hoeschen

SOCIETY OF CERTIFIED INSURANCE COUNSELORS



Website: [www.cecinsurance.com](http://www.cecinsurance.com) • E-Mail: [cec@cecinsurance.com](mailto:cec@cecinsurance.com)

September 27, 2013

The Honorable Matt Worms  
Mayor, City of Freeport  
125 Main St. E, PO Box 301  
Freeport, MN 56331-0301

**RE: Redevelopment Grant Program**  
**Project: Old Creamery Site**

Dear Mayor Worms:

The Department of Employment and Economic Development has completed its review of the 25 applications for the Redevelopment Grant Program received on August 1, 2013. We are not able to offer you a grant at this time because your project did not score within the funding range and competition for the grant funds was very high due to the limited amount of funds available.

If you would like to discuss your application, or other funding programs that may be applicable to your project, please call me at 651-259-7454.

Sincerely,



Meredith Udoibok, Director  
Office of Brownfields and Redevelopment

C: Mason Schirmer

**Business and Community Development Division**

**CITY OF FREEPORT, MINNESOTA  
RESOLUTION 2013-025**

**CAPITALIZATION POLICY**

Capital Assets

Capital assets are major assets that benefit more than a single fiscal period. Typical examples are land, improvements to land, easements, buildings, building improvements, vehicles, machinery, equipment, works of art and historical treasures, infrastructure, and various intangible assets. Capital assets are reported in the applicable governmental or business-type activities columns in the City's government-wide financial statements.

Infrastructure assets are long-lived capital assets that normally are stationary in nature and normally can be preserved for a significantly greater number of years than most capital assets. Examples of infrastructure assets include roads, bridges, tunnels, drainage systems, water and sewer systems, dams, and lighting systems.

Capital assets for the City are defined as assets with an estimated useful life in excess of two years and an initial, individual cost of the following:

- Land and Improvements                      \$10,000 or more
- Buildings and Improvements              \$10,000 or more
- Other Improvements and Infrastructure    \$25,000 or more
- Vehicles, Machinery, and Equipment      \$5,000 or more
- Other Various Intangibles                  \$5,000 or more

Capital assets are reported at their historical cost. In the absence of historical cost information, the asset's estimated historical cost may be used. Assets donated by parties outside the City should be reported at their fair value on the date the donation is made. The historical cost of a capital asset should include the following:

- Ancillary charges necessary to place the asset in its intended location (such as freight charges)
- Ancillary charges necessary to place the asset in its intended condition for use (such as installation and site preparation charges)
- Capitalized interest

The historical cost of a capital asset should include the cost of any subsequent additions or improvements but exclude the cost of repairs. An addition or improvement, unlike a repair, either enhances a capital asset's functionality (effectiveness or efficiency), or it extends a capital asset's expected useful life. For example, periodically resurfacing a road would be treated as a repair (the cost would not be capitalized), while adding a new lane constitutes an addition (a cost that would be capitalized).

## Depreciation

Depreciation is the portion of the cost of a capital asset charged as an expense during a particular period. In accounting for depreciation, the cost of a capital asset, less any salvage value, is prorated over the estimated useful life of such an asset, and each period is charged with a portion of such cost. Through this process, the entire cost of the asset is ultimately charged off as an expense. The City's capital assets are depreciated using the straight line method over the following estimated useful lives:

- |   |                 |
|---|-----------------|
| • Land and Improvements                 | Not Depreciated |
| • Buildings and Improvements            | 10 to 50 years  |
| • Other Improvements and Infrastructure | 20 to 50 years  |
| • Vehicles, Machinery, and Equipment    | 5 to 20 years   |
| • Construction in Progress              | Not Depreciated |

## Sale of City-Owned Assets

Per Minnesota Statute 15.054, officers and employees of the City are generally prohibited from selling City-owned assets to another officer or employee of the City. This prohibition does not apply to the sale of items acquired or produced for sale to the general public in the ordinary course of business. In addition, City employees and officers are allowed to sell City assets if the sale is in the normal course of their duties.

Assets no longer needed for public purposes can be sold to a City employee (but not to an officer) under the following conditions:

- There has been reasonable public notice and the property is sold by public auction or sealed bid.
- The employee is the highest responsible bidder.
- The employee who buys the property must not be directly involved in the public auction or sealed bid process.

There is no exception that allows the sale of City-owned real estate to a City officer or employee.

DATED THIS 29<sup>TH</sup> DAY OF OCTOBER, 2013

Motion by:

Second by:

Council members voting in favor:

Opposed or abstained:

---

Matthew Worms, Mayor

ATTEST:

---

Mason Schirmer, Clerk-Treasurer

**CITY OF FREEPORT, MINNESOTA  
RESOLUTION 2013-026**

**RESOLUTION APPOINTING ELECTION JUDGES FOR SPECIAL PRIMARY ELECTION**

WHEREAS, Minnesota Statute 204B.21 requires each municipality to select qualified election judges for each primary and general election conducted within its jurisdiction, and;

WHEREAS, the City of Freeport has received from the Stearns County Auditor a list of persons named by party affiliation as individuals who may have an interest in serving in such a capacity and have added those names to the current poster of past election judges and city staff has assembled a comprehensive list for city council consideration;

WHEREAS, a special primary election will be held November 19, 2013;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF FREEPORT THAT: The City Council of Freeport hereby: 1) establish an hourly compensation rate of \$14.00 for judge chairs and \$12.00 for judges during the special primary election to be held November 19, 2013; and 2) hereby appointed to serve as election judges:

Mary Ann Laing as Chair,  
Dorothy Van Heel,  
Gail Osendorf,  
Laura Hoeschen,  
Jan Thelen,  
Irene Goebel, and  
Mason Schirmer, City Clerk-Treasurer

DATED THIS 29<sup>TH</sup> DAY OF OCTOBER, 2013

Motion by: \_\_\_\_\_

Second by: \_\_\_\_\_

Council members in favor: \_\_\_\_\_

Opposed or abstained: \_\_\_\_\_

\_\_\_\_\_  
Matthew Worms, Mayor

ATTEST:

\_\_\_\_\_  
Mason Schirmer, Clerk-Treasurer

Drafted by:     Mason Schirmer, Clerk-Treasurer  
City of Freeport, MN, 125 Main Street East, PO Box 301, Freeport, MN 56331

## SECTION I: LIABILITY COVERAGE WAIVER FORM

Cities obtaining liability coverage from the League of Minnesota Cities Insurance Trust must decide whether or not to waive the statutory tort liability limits to the extent of the coverage purchased. The decision to waive or not to waive the statutory limits has the following effects:

- *If the city does not waive the statutory tort limits*, an individual claimant would be able to recover no more than \$500,000. on any claim to which the statutory tort limits apply. The total which all claimants would be able to recover for a single occurrence to which the statutory tort limits apply would be limited to \$1,500,000. These statutory tort limits would apply regardless of whether or not the city purchases the optional excess liability coverage.
- *If the city waives the statutory tort limits and does not purchase excess liability coverage*, a single claimant could potentially recover up to \$1,500,000. on a single occurrence. The total which all claimants would be able to recover for a single occurrence to which the statutory tort limits apply would also be limited to \$1,500,000., regardless of the number of claimants.
- *If the city waives the statutory tort limits and purchases excess liability coverage*, a single claimant could potentially recover an amount up to the limit of the coverage purchased. The total which all claimants would be able to recover for a single occurrence to which the statutory tort limits apply would also be limited to the amount of coverage purchased, regardless of the number of claimants.

Claims to which the statutory municipal tort limits do not apply are not affected by this decision.

This decision must be made by the city council. **Cities purchasing coverage must complete and return this form to LMCIT before the effective date of the coverage.** For further information, contact LMCIT. You may also wish to discuss these issues with your city attorney.

\_\_\_\_\_ accepts liability coverage limits of \$\_\_\_\_\_ from the League of Minnesota Cities Insurance Trust (LMCIT).

Check one:

- ☐ The city **DOES NOT WAIVE** the monetary limits on municipal tort liability established by Minnesota Statutes 466.04.
- ☐ The city **WAIVES** the monetary limits on tort liability established by Minnesota Statutes 466.04, to the extent of the limits of the liability coverage obtained from LMCIT.

Date of city council meeting \_\_\_\_\_

Signature \_\_\_\_\_ Position \_\_\_\_\_

*Return this completed form to LMCIT, 145 University Ave. W., St. Paul, MN. 55103-2044*

# Memo

---

From: Mason Schirmer, Clerk-Treasurer

To: Freeport City Council

Date: October 23, 2013

Re: Fire Department Officer Recommendations

---

The Fire Department Officer Appointment Committee (Matt Worms, Ron Ritter, Glen Meyer, Corey Overmann, Larry Hoeschen) interviewed Fire Department Officer applicants the evening of Wednesday, October 23<sup>rd</sup>.

After interviewing applicants, the Committee hereby recommends the following Fire Department Officer Appointments:

Chief – Dean Jungles

1<sup>st</sup> Assistant Chief – Natascha Hennen

2<sup>nd</sup> Assistant Chief – Jason Hoppe

***Motion to approve officers as recommended***

# - Suggestions /

Just wondering if the City of  
Freeport, could have more things  
for kids to do....., like a  
Skating Rink? - There really is  
no place for kids to hang out.  
Just an idea if you could bring it  
up at a meeting - We would  
appreciate it. - Thank you



# Memo

---

From: Mason Schirmer, Clerk-Treasurer

To: Freeport City Council

Date: October 28, 2013

Re: 316 8<sup>th</sup> St SE

---

On September 30, 2013 the City received a call from someone asking if a property owner had obtained a permit to replace a window. Staff asked Dan Marthaler for guidance; Marthaler said the work being done was in conjunction with a 2012 building permit following the hail storm. Marthaler suggested allowing the work.

Staff confirmed a building permit was applied for and received on 8/21/12. The property owner was made aware that permits are traditionally only valid for 12-months; however, staff instructed the property owner that the City would allow the work to be done under the original permit since it was due to the same event (2012 hail storm).

Later, Rodney Atkinson called to say he intended to confront the property owner about using a permit that should have been expired on 8/21/13. Soon thereafter, the property owner stopped-in to City Hall and applied for a new building permit.

Presently, the City has no grievances with 316 8<sup>th</sup> St SE. Property owner obtained all necessary permits and cooperated fully with staff.

## What was the original permit?

In August 2012, the property owner applied for a permit to re-shingle. The project cost was \$14,000. The recent improvement was window replacement with a project cost of \$3,100. According to Dan Marthaler, had the property owner originally obtained a \$17,100 permit (adding the two projects together) would have yielded an additional state surcharge of only \$1. The City would end-up spending more than a \$1 in staff time trying to recoup the \$1, so Marthaler recommended allowing the work.

## Why didn't the property owner originally indicate window replacement along with re-shingling?

According to the property owner, the \$14,000 original project cost did include window replacement. The work just was not done until recently due to a lengthy process with their insurance company.

## Wasn't the original permit expired?

The "good for 1 year" practice is used to encourage property owners to get their work done in a timely manner (so a property owner doesn't have a stack of shingles sitting in their front yard for 10 years, yet claiming they are for work to be done in accordance with a permit obtained 10 year prior). The "1 year" deadline is arbitrary; it's pulled-out of thin air. The important part of the entire process is that property owner came to the city for a permit in the first place.