



CITY OF FREEPORT

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August 27, 2013 – City Council Meeting Minutes

A regular 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, Jon Beste (Famo Feed, Inc.), Matthew Beste, Mike Brethorst (MAOSC Board Member), Fritz Laing, and Gerald Meyer (Mid Central Heating & AC).

Staff in attendance: Mason Schirmer and Jon Stueve.

The Pledge of Allegiance was said by those in attendance.

OPEN PUBLIC FORUM

No public comment was provided.

CONSENT AGENDA

C. Goebel asked for Approval of Claims be removed from the consent agenda and discussed during the Clerk's Report. Schirmer recommended the following agenda changes: 1) Move-up Public Works Director's report to follow Public Hearing; and 2) Move-up Michael Brethorst presentation to follow Public Works Director's report. C. Goebel moved and Ritter seconded a motion to approve the consent agenda with the above agenda corrections. Motion carried 5-0.

PUBLIC HEARING (Variance requested at 300 Industrial Drive)

Worms moved and K. Goebel seconded a motion to open the public hearing. Motion carried 5-0. Public hearing opened at 7:02 PM.

Schirmer presented a variance request from Gerald Meyer (dba Mid Central Heating & AC) to allow a nine-foot (9') high fence at 300 Industrial Drive. Schirmer said the applicant wants to construct a fence using wood poles and sheet steel. Schirmer said Freeport City Code 500.45 limits fence height to eight feet (8') high. Schirmer presented a memo from Cynthia Smith-Strack of Municipal Development Group, Inc. (MDG) recommending denial of the variance request. Meyer said the additional height would ensure his service vehicles are concealed. Worms said that there is no guarantee that a future service vehicle will not exceed nine feet in height. Meyer said he also stores scrap steel and other recyclables of value on the property, and that the fence would deter theft. In referring to the memo from MDG, Schirmer said Minnesota Statute requires communities to consider if the plight of the landowner is due to circumstances unique to the property not created by the landowner. Atkinson said he is in favor of nine-foot, ten-foot, or even twelve-foot high fences in I-1 Industrial Zones. Atkinson suggested that the ordinance is out of date and should be reviewed. Worms said a solid fence made of wood and sheet steel will be significantly impacted by wind. Worms said he is not in favor of eight-foot high solid fences now. Worms said eight feet is too tall for a fence since it obstructs views and changes the essential character of an area.

C. Goebel moved and K. Goebel seconded a motion to close the public hearing. Motion carried 5-0. Public hearing closed at 7:20 PM.

ITEMS MOVED-UP ON AGENDA

Report from Public Works Director

Stueve said he received an estimate of \$5,000 to repair portions of the street surfaces on 3rd Ave NE, 7th St SE, Main St W, and 2nd AVE NE. Stueve said he also received an estimate of \$6,327.50 to repair the service road between 4th Ave SW and the new water tower, an expense that would be paid for with remaining USDA funding. C. Goebel moved and Atkinson seconded a motion to authorize the street repairs of \$5,000 and service road repairs of \$6,327.50. Motion carried 5-0.

Presentation from Mike Brethorst, MAOSC Board Member

Brethorst presented information on the mission of Minnesota Association of Small Cities. Brethorst shared a list of member cities and emphasized that the focus of the MAOSC is to support communities with populations of 5,000 or less. Council agreed to include the membership fee in the upcoming 2014 budget workshop discussion.

OLD BUSINESS

Fire Hall Door Replacement

Schirmer said that during the previous meeting the City had received estimates from two companies for the replacement of the Fire Hall overhead doors. Schirmer said that following the previous council meeting, he found that the estimates were for doors with slightly different r-factors (insulation rating). Schirmer asked Council which door they prefer; further, Schirmer said if Council would like to add a second window to each door they could do so at a cost of \$400 since this would not be covered by insurance (it would be an enhancement). C. Goebel moved and K. Goebel seconded a motion approving the proposal submitted by Heartland Door Sales with the addition of a second window to each door. Motion carried 5-0.

NEW BUSINESS

Gerald Meyer Variance Request

Worms moved and K. Goebel seconded a motion to deny the variance request to construct a fence nine-foot in height at 300 Industrial Drive. Motion carried 5-0.

Famo Feed Tax Abatement Default

Worms said he is abstaining from discussion and decision. Worms said his business (Worms Ready Mix) received payment from Famo Feed, Inc. for services provided related to the new improvement in question. Worms left the room.

Schirmer said Famo Feed, Inc.(aka the company) is in default according to the tax abatement agreement entered into with the City of Freeport July 27, 2010. Schirmer presented Article V Section 5.1 stating, "the company agrees that the minimum improvements shall be a minimum value for taxation purposes of at least \$336,000 upon completion." Schirmer presented the 2013 property tax statement for the property which shows improvements totaling \$308,700. Schirmer said he confirmed with Rinke Noonan Law Firm, that the company is in default. Schirmer

presented Article VIII Section 8.2 regarding remedies on default and said according to Rinke Noonan law firm the City does not need to negotiate with the company and can take any action the City believes is appropriate. J. Beste said the building construction cost exceeded \$400,000. Schirmer said the agreement states “value for taxation purposes,” not project cost. Schirmer recommended reducing tax abatement by an amount equal to the decrease in tax liability from building a lesser valued building. Schirmer said Stearns County Senior Appraiser Steve Chmielewski estimated the lesser value building resulted in the company having a decrease in tax liability of \$1,221; as a result, Schirmer recommended decreasing the yearly \$4,000 tax abatement by \$1,221 to \$2,779 resulting in a total tax abatement of \$27,790 instead of \$40,000. Atkinson moved and K. Goebled seconded a motion to approve amending the tax abatement agreement stating a reduction in total tax abatement to \$27,790. Motion carried 4-0. Atkinson said he feels more information is needed. C. Goebel agreed that more information would be appreciated. Atkinson moved and K. Goebel seconded a motion to rescind the previous motion and schedule a special meeting to discuss the matter on Tuesday, September 17, 2013 to begin at 7pm in the Freeport City Hall. Motion carried 4-0. Previous motion null.

Worms returned to the meeting.

Wellhead Protection

K. Goebel moved and C. Goebel seconded a summary motion to: 1) appoint Public Works Director Jon Stueve and Clerk-Treasurer Mason Schirmer co-wellhead protection managers; 2) appoint Jon Stueve (Public Works Director), Mason Schirmer (Clerk-Treasurer), Matt Worms (Mayor), Rodney Atkinson (Councilor) and Drinking Water Supply Management Area (DWSMA) volunteers Jon Wilwerding, Pete Welle and Dennis Heidgerken to the Wellhead Protection Committee; and 3) authorize a request for proposals (RFP) to be used in the selection of a qualified consulting firm to assist the City with completing a wellhead protection plan. Motion carried 5-0.

2014 Proposed Budget and Tax Levy

Schirmer presented a proposed 2014 budget and tax levy. Atkinson asked how much money is the City certified to receive in Local Government Aid (LGA). Schirmer said the city is certified to receive \$108,215; however the proposed budget only includes \$71,650 (66%) to help account for any potential decreases that may occur. C. Goebel moved and K. Goebel seconded a motion to approve Resolution 2013-020 A Resolution Adopting Proposed 2014 Budget and Ordering Certification of Proposed 2014 Tax Levy To County Auditor. Motion carried 5-0.

Schirmer suggested scheduling a budget workshop meeting. Council approved scheduling a special meeting to discuss the 2014 budget and tax levy on October 8, 2013 to begin at 6 PM at the Freeport City Hall.

Fire Department, Chief Position

Schirmer said Chief Noah Van Beck announced he will not be seeking re-appointment as Chief.

Old Water Tower

Schirmer presented comments received from the public regarding the old water tower. Schirmer said almost all comments expressed strong support for keeping the water tower. Schirmer said he

is still waiting for direction on what to do with the old water tower. Atkinson suggested creating a committee of volunteers to help fundraise. Council agreed to leave the old water tower standing.

LBAE Training

Schirmer said Local Board of Appeal and Equalization training will be held 11/13/13 in Waite Park if anybody is interested in attending.

Other

Atkinson said he did not agree with how the City presently pays bills. Atkinson said he does not agree with paying bills before council approves them. Atkinson said there was an instance in the past when a bill was paid that should not have been. Schirmer asked council if the claim in question was approved. Worms said the claim was approved. Atkinson said he knows the claim was approved; however, he feels it should not have been and said he wants to know what would happen if a claim was paid yet not approved. Schirmer said he has asked the League of Minnesota Cities (LMC) for information on how other cities pay their bills. Atkinson said it needs to change now and that the City does not need to wait for the LMC to do so. Schirmer reminded council that the advice from the LMC is free and that the discussion was not on the agenda. Schirmer said it is his recommendation to wait for more information before taking action on such a sensitive matter. Worms said past councils reviewed each line item on all the bills before approving payment; as a result, council meetings would last until midnight and all bills would be approved anyways. Worms said it is a responsibility of the Clerk-Treasurer to review all bills before paying. Atkinson said he just doesn't think it is right and it should be changed. Schirmer asked Atkinson if a decision must be made immediately, or can it wait until more information is received. Worms asked if a list of vendors and the funds used to pay each could be created. C. Goebel asked if bills could be preapproved for certain purchases but other purchases would need council review. Schirmer said he would look into the bill paying process.

REPORTS

Clerk-Treasurer

Schirmer said the workers compensation audit was completed earlier this month, as well as the 2012 Audit. Schirmer presented council with a copy of the audit and the management letter and said Steve from Abdo, Eck and Meyer (the auditing firm) will be at the September regular City Council meeting to answer any questions. Schirmer recommended reviewing the document prior to the meeting. Schirmer presented the minutes of the July Economic Development Authority meeting.

C. Goebel moved and Ritter seconded a motion to approve claims distributed 7/31/13 through 8/12/13. Motion carried 5-0.

CLOSED SESSION

K. Goebel moved and Atkinson seconded a motion to close the city council meeting on advice from council. Motion carried 5-0. Meeting closed at 10:15 P.M.

C. Goebel moved and Ritter seconded a motion to reopen the city council meeting. Motion carried 5-0. Meeting reopened at 10:29 P.M.

ADJOURNMENT

Worms moved and C. Goebel seconded a motion to adjourn. Motion carried 5-0. Meeting adjourned at 10:30 P.M.