

## Mason Schirmer

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**From:** Charter <michaellinn@charter.net>  
**Sent:** Friday, October 31, 2014 10:45 AM  
**To:** Mason Schirmer  
**Subject:** Brian Kasten

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

Mason,

It has come to my attention that Brian Kasten attended last Wednesdays council meeting. It is my understanding, he spoke of the clean up issues at the property he rents from Mike Linn or Flyinghaus Properties LLC. I want to be perfectly clear, Brian Kasten does NOT speak on my behalf or Flyinghaus Properties LLC. Brian speaks on his own behalf as a business owner in Freeport. Brian has no legal or financial interest in my property, other than as a month to month renter of the property. Brian does not have any form of contract for deed, rent to own or any other type of purchase plan.

If you have any questions don't hesitate to call me,

Mike Linn  
Flyinghaus Properties LLC.

Sent from my AA iPad



## **CITY OF FREEPORT**

125 Main Street E – PO Box 301 – Freeport, MN 56331 – 320-836-2112 – FAX 320-836-2116  
For TTY/TDD Users 1-800-627-3529 or 711 Minnesota Relay Service [www.freeportmn.org](http://www.freeportmn.org)

### **RESOLUTION 2014-034**

#### **A RESOLUTION APPROVING ORDINANCE 2014-005 ENTITLED “AN ORDINANCE REPEALING AND REPLACING SECTION 500.50 OF THE FREEPORT CITY CODE RELATING TO BUILDING DESIGN STANDARDS” AND PROVIDING FOR AUTHORIZING SUMMARY PUBLICATION THEREOF**

**WHEREAS**, The City Council of the City of Freeport from time to time reviews the City Code for consistency with existing conditions and state and federal law; and,

**WHEREAS**, The City Council of the City of Freeport has found Section 500.50 of the City Code relating to building design standards is outdated; and,

**WHEREAS**, The City Council of the City of Freeport has studied proposed updated language and finds the repeal and replacement of the earlier version of Section 500.50 of the City Code is warranted; and,

**WHEREAS**, The City Council of the City of Freeport held a public hearing on the proposed Ordinance on November 25, 2014 following publication and posting as required under state law; and,

**WHEREAS**, The City Council of the City of Freeport has determined the title and a summary of Ordinance 2014-005, entitled ‘An Ordinance Repealing and Replacing Section 500.50 of the Freeport City Code Relating to Building Design Standards’ shall be published; and,

**WHEREAS**, Pursuant to Minnesota Statutes 412.191, Subdivision 4, the Council may, by a majority vote of its members, direct that only the title of the Ordinance and a summary be published with notice that a printed copy of the Ordinance is available for inspection by any person during regular office hours at the City Offices; and,

**WHEREAS**, Prior to the publication of the title and summary, the Council has read and approved the text of the summary and determined that it clearly informs the public of the intent and effect of the Ordinance.

**NOW THEREFORE BE IT RESOLVED** by the City Council of the City of Freeport, Minnesota that the title and summary of Ordinance 2014-005 entitled, ‘An Ordinance Repealing and Replacing Section 500.50 of the Freeport City Code Relating to Building Design Standards’ be published with notice that a printed copy is available for inspection by any person during regular office hours at the City Offices.

**BE IT FURTHER RESOLVED:** the publication shall read as follows:

“On November 25, 2014 the City Council of the City of Freeport approved Ordinance 2014-005, entitled, ‘An Ordinance Repealing and Replacing Section 500.50 of the Freeport City Code Relating to Building Design Standards.’

The following is a summary of Ordinance No. 2014-005, a copy of which is available in its entirety for review and/or photocopying during regular office hours at the City of Freeport, 125 Main Street East, Freeport MN.

The intent of this Ordinance is to require standing seems and concealed fasteners for metal roofs on dwellings within all zoning districts. This Ordinance repeals and replaces Section 500.50 of the City Code. The Ordinance shall be in full force and effect from and after the date of its passage and publication of a summary of the ordinance, according to law.”



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### **ORDINANCE 2014-005**

#### **AN ORDINANCE REPEALING AND REPLACING SECTION 500.50 OF THE FREEPORT CITY CODE RELATING TO BUILDING DESIGN STANDARDS**

##### **Section I**

The City Council of the City of Freeport, Minnesota hereby ordains Section 500.50 of the City Code is hereby repealed in its entirety and replaced with “Exhibit A” attached hereto and entitled ‘Section 500.50 – Building Design Standards.’

##### **Section II**

Effective Date. This Ordinance is effective upon its adoption and publication as prescribed by law.

Adopted by the City of Freeport on the 25<sup>th</sup> day of November, 2014.

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Matthew Worms, Mayor

ATTEST:

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Mason Schirmer, Clerk-Treasurer

## **Exhibit A**

### **500.50 Building Design Standards**

Subd. 1 – All single and multi-family dwellings, regardless of zoning, shall meet the following design criteria:

- A. Metal roofs are allowed provided they are constructed of new material with standing seams and concealed fasteners.



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### **RESOLUTION 2014-035**

#### **A RESOLUTION APPROVING ORDINANCE 2014-006 ENTITLED “AN ORDINANCE REPEALING AND REPLACING SECTION 2010 OF THE FREEPORT CITY CODE RELATING TO PUBLIC NUISANCES” AND PROVIDING FOR AUTHORIZING SUMMARY PUBLICATION THEREOF**

**WHEREAS**, The City Council of the City of Freeport from time to time reviews the City Code for consistency with existing conditions and state and federal law; and,

**WHEREAS**, The City Council of the City of Freeport has found Section 2010 of the Code relating to public nuisances is outdated; and,

**WHEREAS**, The City Council of the City of Freeport has studied proposed updated language and finds the repeal and replacement of the earlier version of Section 2010 is warranted; and,

**WHEREAS**, The City Council of the City of Freeport held a public hearing on the proposed Ordinance on November 25, 2014 following publication and posting as required under state law; and,

**WHEREAS**, The City Council of the City of Freeport has determined the title and a summary of Ordinance 2014-006, entitled “An Ordinance Repealing and Replacing Section 2010 of the Freeport City Code Relating to Public Nuisances” shall be published; and,

**WHEREAS**, Pursuant to Minnesota Statutes 412.191, Subdivision 4, the Council may, by a majority vote of its members, direct that only the title of the Ordinance and a summary be published with notice that a printed copy of the Ordinance is available for inspection by any person during regular office hours at the City Offices; and,

**WHEREAS**, Prior to the publication of the title and summary, the Council has read and approved the text of the summary and determined that it clearly informs the public of the intent and effect of the Ordinance.

**NOW THEREFORE BE IT RESOLVED** by the City Council of the City of Freeport, Minnesota that the title and summary of Ordinance 2014-006 entitled, ‘An Ordinance Repealing and Replacing Section 2010 of the Freeport City Code Relating to Public Nuisances’ be published with notice that a printed copy is available for inspection by any person during regular office hours at the City Offices.

**BE IT FURTHER RESOLVED:** the publication shall read as follows:

"On November 25, 2014 the City Council of the City of Freeport approved Ordinance 2014-006, entitled, ‘An Ordinance Repealing and Replacing Section 2010 of the Freeport City Code Relating to Public Nuisances.’

The following is a summary of Ordinance No. 2014-006, a copy of which is available in its entirety for review and/or photocopying during regular office hours at the City of Freeport, 125 Main Street East, Freeport MN.

The intent of this Ordinance is to ensure public nuisances are clearly defined and a process to address is clearly stated. This Ordinance repeals and replaces Section 2010 of the City Code. The Ordinance shall be in full force and effect from and after the date of its passage and publication of a summary of the ordinance, according to law.”



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### **ORDINANCE 2014-006**

#### **AN ORDINANCE REPEALING AND REPLACING SECTION 2010 OF THE FREEPORT CITY CODE RELATING TO PUBLIC NUISANCES**

##### **Section I**

The City Council of the City of Freeport, Minnesota hereby ordains Section 2010 of the City Code is hereby repealed in its entirety and replaced with “Exhibit A” attached hereto and entitled ‘Section 2010 – Public Nuisances.’

##### **Section II**

Effective Date. This Ordinance is effective upon its adoption and publication as prescribed by law.

Adopted by the City of Freeport on the 25<sup>th</sup> day of November, 2014.

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Matthew Worms, Mayor

ATTEST:

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Mason Schirmer, Clerk-Treasurer

## **Exhibit A**

### **City Code Section 2010 – Public Nuisances**

#### **2010.01 Public Nuisance Affecting Health**

A property owner whom keeps any of the following is guilty of maintaining a public nuisance, which is a misdemeanor:

1. exposed accumulation of decayed or unwholesome food or vegetable matter;
2. diseased animals running at large;
3. ponds or pools of stagnant water;
4. carcasses of animals not buried or destroyed within 24 hours after death;
5. accumulations of manure (Agriculture zone exempt), refuse or other debris;
6. privy vaults and garbage cans which are not rodent-free or fly-tight or which are so maintained as to constitute a health hazard or to emit foul and disagreeable odors;
7. the pollution of any well or cistern, stream or lake, canal or body of water by sewage, industrial waste or other substance;
8. noxious weeds and other rank growths of vegetation upon public or private property;
9. dense smoke, noxious fumes, gas and soot, or cinders, in unreasonable quantities;
10. public exposure of people having a contagious disease;
11. offensive trade or business as defined by law not operating under local license.

#### **2010.03 Public Nuisances Affecting Public Morals and Decency**

A property owner whom keeps any of the following is guilty of maintaining a public nuisance, which is a misdemeanor:

1. gambling devices, slot machines and punch boards, except as otherwise authorized by federal, state or local law;
2. betting, bookmaking, and all apparatus used in those occupations;
3. house kept for the purpose of prostitution or promiscuous sexual intercourse, gambling houses, houses of ill fame and bawdy houses;
4. places where intoxicating liquors is manufactured or disposed of in violation of law or where, in violation of law, people are permitted to resort for the purpose of drinking intoxicating liquor, or where intoxicating liquor is kept for sale or other disposition in violation of law, and all liquor and other property used for maintaining that place;
5. vehicle used for the unlawful transportation of intoxicating liquor, or for promiscuous sexual intercourse, or any other immoral or illegal purpose.

#### **2010.05 Public Nuisances Affecting Use and Safety**

A property owner whom keeps any of the following is guilty of maintaining a public nuisance, which is a misdemeanor:

1. Obstructions, including excavations, affecting use of public grounds, sidewalks or waters, except as permitted by ordinance or other applicable law;
2. Snow and ice not removed from public sidewalks within 24 hours after the weather event causing the condition has ceased;
3. Radio aerials or television antennae erected or maintained in a dangerous manner;
4. Any use of property abutting a public street or sidewalk which causes large crowds of people to gather, obstructing traffic and the free use of the street or sidewalk;
5. Hanging signs, awnings and other similar structures over streets and sidewalks, so situated as to endanger public safety, or not constructed and maintained as provided by Freeport City ordinance and other applicable laws;

6. Allowing rain water, ice or snow to fall from a structure upon any street or sidewalk, or to flow across any sidewalk;
7. Waste water cast upon or permitted to flow upon streets or other public properties;
8. Barbed wire fence less than six feet above the ground and within three feet of a public sidewalk or way;
9. Dangerous, unguarded machinery in any public place, or so situated or operated on private property;
10. Any well, hole or similar excavation which is left uncovered or in another condition as to constitute a hazard to any child or other person coming on the premises where it is located;
11. Obstruction of the free flow of water in a natural waterway or a public street, drain, gutter or ditch;
12. The placing upon any street, sidewalk or other public way any glass, tacks, nails, or other substance which may injure any person or animal or damage any pneumatic tire when passing over the substance;
13. The depositing of garbage or refuse on a public right-of-way or on adjacent property;
14. All other conditions or things which are likely to cause injury to the person or property of anyone.

### **2010.07 Public Nuisances Affecting Peace and Surrounding Neighborhood**

A property owner whom keeps any of the following is guilty of maintaining a public nuisance, which is a misdemeanor:

1. Trees, hedges, billboards or other obstructions which prevent people from having a clear view of all traffic approaching an intersection;
2. Insect-infested trees;
3. Wires and limbs of trees which are so close to the surface of a sidewalk or street as to constitute a danger to pedestrians or vehicles;
4. Obnoxious noises in violation of Minn. Rules Ch. 7030, as they may be amended from time to time which are hereby incorporated by reference into this code;
5. Discharging of the exhaust or permitting the discharging of the exhaust of any stationary internal combustion engine, motor boat motor vehicle, motorcycle, all-terrain vehicle, snowmobile or any recreational devices except through a muffler or other device that effectively prevents loud or explosive noises there-from and complies with all applicable state laws and regulations;
6. Using or operation or permitting the using or operation of any radio receiving set, musical instrument, phonograph, paging system, machine or other device for producing or reproduction of sound in a distinctly and loudly audible manner so as to disturb the peace, quiet and comfort of any person nearby. Operation of any device referred to above between the hours of 10:00 p.m. and 7:00 a.m. in a manner so as to be plainly audible at the property line of the structure or building in which it is located, or at a distance of 50 feet if the source is located outside a structure or building shall be prima facie evidence of a violation of this section;
7. Participation in a party or gathering of people giving rise to noise which disturbs the peace, quiet or repose of the occupants of adjoining or other property;
8. Buildings, fences and other structures that have been so poorly maintained that their physical condition and appearance detract from the surrounding neighborhood are declared to be public nuisances because they are unsightly, decrease adjoining landowners and occupants' enjoyment of their property and neighborhood, and adversely affect property values and neighborhood patterns. A building, fence or other structure is a public nuisance if it does not comply with the following requirements:
  - a. No part of any exterior surface may have deterioration, holes, breaks, gaps, loose or rotting boards or timbers;
  - b. Every exterior surface that has had a surface finish such as paint applied must be maintained to avoid noticeable deterioration of the finish. No wall or other exterior surface may have peeling, cracked, chipped or otherwise deteriorated surface finish on more than 20% of:
    - i. Any 1 wall or other flat surface; or
    - ii. All door and window moldings, eaves, gutters and similar projections on any 1 side or surface.

- c. No glass, including windows and exterior light fixtures and doors, may be broken or cracked, and no screens may be torn or separated from moldings;
  - d. Exterior doors and shutters must be hung properly and have an operable mechanism to keep them securely shut or in place;
  - e. Cornices, moldings, lintels, sills, bay or dormer windows and similar projections must be kept in good repair and free from cracks and defects that make them hazardous or unsightly;
  - f. Roof surfaces must be tight and have no defects that admit water. All roof drainage systems must be secured and hung properly and free from obstruction;
  - g. Chimneys, antennae, air vents and other similar projections must be structurally sound and in good repair. These projections must be secured properly, where applicable, to an exterior wall or exterior roof; and
  - h. Foundation walls shall be maintained plumb and free from open cracks and breaks and shall be kept in such condition so as to prevent the entry of rodents and other pests.
9. Abandoned or junk motor vehicles, as the constitutes 1) a hazard to the health and welfare of the people of the City in that they can harbor noxious disease, furnish shelter and breeding places for vermin, and present physical dangers to the safety and well-being of children and other citizens; 2) a blight on the landscape of the City and are detrimental to the environment; and 3) a waste of a valuable source of useful metal. The terms used shall have the following meanings given them:
- a. Abandoned Motor Vehicle shall mean a motor vehicle that:
    - i. Lacks vital component parts or is in an inoperable condition so it has no substantial potential for further use consistent with its designed functions; and has remained for a period of more than 48 hours on public property illegally (or more than 4 hours if posted); or
    - ii. Has remained on private property for more than 24 hours (or immediately, if posted) without the consent of the property owner.
  - b. Junk Motor Vehicle shall mean a motor vehicle that:
    - i. Is extensively damaged, with the damage including such things as tires or broken or missing wheels, motor, drive train or transmission, so as to render the vehicle inoperable; or
    - ii. Has not had a valid, current registration plate, or has not been properly licensed for operation within the State of Minnesota for a minimum of thirty (30) consecutive days.
  - c. Exposed shall mean
    - i. Not screened by a city-approved fence and therefore visible from any adjacent property, public right-of way, or sidewalk; or
    - ii. Not stored within a non-residential building (garage, accessory building, etc.).
10. Accumulations in the open of discarded or disused machinery, household appliances, automobile bodies, discarded or disused lumber or other building materials, wood, brush, yard waste, or other material in a manner conducive to the harboring of rats, mice, snakes or vermin, or the rank growth of vegetation among the items so accumulated, or in a manner creating fire, health or safety hazards from accumulation. Nothing in this section prohibits:
- i. the storage of machinery, auto bodies, or household appliances within a non-residential building; or
  - ii. the storage in the open of lumber, building materials, or wood that is:
    - 1. kept a minimum of twelve (12) inches above the ground or other surface, and
    - 2. fully screened by a city-approved fence, so as not to be visible from any adjoining properties, public right-of-way, or sidewalk.

## 2010.09 Other Public Nuisances

Whoever by act or omission declared by law, this ordinance, or any other Freeport ordinance to be a nuisance and for which no sentence is specifically provided is guilty of a misdemeanor.



## **2010.11 Enforcement**

The City Clerk, Building Official, or Law Enforcement Agency shall enforce the provisions relating to nuisances; the official shall have the power to inspect private premises and abate and eliminate nuisances using the following steps:

1. When a nuisance is identified, the property owner shall be provided a Notice of Violation, in writing. The Notice shall describe the nuisance, specify steps to be taken to abate and eliminate the nuisance, the time within which the nuisance shall be abated, and that the fact will be reported to city council if Notice is not complied with. Notice shall be served either in-person or by certified or registered mail upon the owner of record for the premises. If the owner of record is unknown, or the owner of record refuses to accept the Notice, the Notice shall be served by posting it on the premises.
2. If the Notice is not complied with within, the fact shall be reported to City Council. The City Council may, after Owner is provided an opportunity to be heard, determine that the condition identified in the Notice is a nuisance and further order that if the nuisance is not abated within the time prescribed by the City Council, the City may seek injunctive relief by serving a copy of the City Council Order and a Notice of Motion for Summary Enforcement.
  - a. Except for those cases determined by the City to require summary enforcement, written notice of any City Council Order shall be served as provided in Minnesota Statutes Section 463.17 (Hazardous and Substandard Building Act), as it may be amended from time to time.
  - b. Written notice of any Motion for Summary Enforcement shall be served as provided in Minnesota Statutes Section 463.17 (Hazardous and Substandard Building Act), as it may be amended from time to time.
3. The City Council may order that the nuisance be immediately abated or eliminated and failure to comply will result in summary enforcement and abatement, so long as the condition identified in the Order is a nuisance; and the public health, safety, or welfare will be unreasonably endangered by delay in abatement. The owner shall be notified in writing of:
  - a. the nature of the nuisance; and
  - b. the City's intention to seek summary enforcement; and
  - c. the time and place of the City Council meeting to consider summary enforcement.
4. Nothing in this ordinance shall prevent the City, without notice or other process, from immediately abating any condition which poses an imminent and serious hazard to human life or safety.

## **2010.13 Recovery of Cost**

### **Subd. 1 – Personal Liability**

The premises owner shall be personally liable for the cost of the abatement, including administrative costs. Soon after the abatement has been completed, the City Clerk shall prepare an invoice and mail it to the owner by certified mail. The amount shall be immediately due and payable to the City of Freeport.

### **Subd. 2 – Assessment**

On or before September 1 next following abatement of the nuisance, the City Clerk shall list the unpaid charges to be assessed under Minnesota Statutes Section 429.101, against each separate parcel to which the charges are attributable. The City Council may then spread the charges against the property under that statute and other pertinent statutes for certification to the County Auditor and collection along with current taxes the following year or in annual installments, not exceeding ten (10), as the City Council may determine in each case.



## CITY OF FREEPORT

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### RESOLUTION 2014-034

#### A RESOLUTION CERTIFYING UNPAID MUNICIPAL FEES AGAINST PROPERTY

WHEREAS; The City of Freeport as a policy, and allowed by State Statues, reserves the right to certify past due utility accounts or certain other past due municipal charges to a property owner's tax roll; and

WHEREAS; Such individuals or businesses are provided notice of the Council's consideration of certifying such past due accounts to property tax rolls as required by law; and

WHEREAS; Property owners are provided an opportunity to appear before the Council to discuss their past due accounts prior to the Council's consideration of assessment roll adoption;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF FREEPORT THAT: Having provided property owners with proper notice of pending assessment and the opportunity for a hearing at a formal council meeting; the City Council hereby certifies the following past due municipal charges to their associated property tax rolls:

<u>Property Owner</u>	<u>Address</u>	<u>Parcel #</u>	<u>Amount Certified</u>
Jerome Schieffer	203 2 <sup>nd</sup> St NE	54.32077.0000	\$675.00
<i>(Lawn Mowing: \$90/hr x .5 hours per x 15 mowings)</i>			

Dated this 25<sup>th</sup> Day of November, 2014

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

# Memo

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From: Mason Schirmer, Clerk-Treasurer

To: Freeport City Council

Date: November 20, 2014

Re: Changes to EDA Bylaws

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During the November 17<sup>th</sup> meeting, EDA members reviewed the Bylaws (city code 1405) and unanimously approved recommending multiple changes of the Bylaws to the City Council, including:

1. Reducing the board from 7 members to 5
2. Reducing the number of city council members from 2 to 1
3. Reducing term limits from 6-years to 4-years
4. Setting a 2-term limit
5. Clerk/Treasurer remains Secretary/Treasurer of EDA; however, no longer a voting member
6. Vacancies are appointed by the Board, instead of the Mayor

To change the Bylaws/City Code, see attached Resolution 2014-037. To view the EDA Bylaws and changes see attached Ordinance 2014-007.



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### **RESOLUTION 2014-037**

#### **A RESOLUTION CALLING FOR A PUBLIC HEARING ON ORDINANCE 2014-007, ENTITLED “AN ORDINANCE REPEALING AND REPLACING SECTION 1405 OF CITY CODE RELATING TO BYLAWS OF FREEPORT ECONOMIC DEVELOPMENT AUTHORITY”**

**WHEREAS**, the City of Freeport (the “City”) desires to consider amendments to Section 1405 of the Freeport City Code; and

**WHEREAS**, the City Council has done preliminary review of the statutory requirements and recommendations of the City Clerk; and

**WHEREAS**, Minnesota law requires the city to hold a public hearing before the City adopts or amends an ordinance.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council for the City of Freeport, Minnesota, as follows:

1. Public Hearing. The City shall hold a public hearing to consider adopting Ordinance 2014-007, on December 16, 2014, in the Freeport City Hall Council Chambers during the regular City Council meeting which convenes at 7:00pm.
2. Notice of Public Hearing. The City Clerk is authorized and directed to cause notice of the hearing to be published once in the official newspaper of the City at least 10 days prior to December 16, 2014. The publication is included as Appendix A of this Resolution.

DATED THIS 25<sup>TH</sup> DAY OF NOVEMBER, 2014

### **Appendix A**

#### Notice of Public Hearing

Notice is hereby given that a public hearing to discuss amending Freeport City Code 1405 entitled ‘Bylaws of Freeport Economic Development Authority’ will be December 16<sup>th</sup> in Freeport City Hall at 7pm. Contact Freeport City Hall at 836-2112 for more information.

## Exhibit A

### Section 1405 - Bylaws of Freeport Economic Development Authority

#### Subd.1 - Purpose

The Freeport Economic Development Authority is a public body politic and corporate and a political subdivision of the State of Minnesota. The primary purpose of the Authority is to serve as an Economic Development Authority pursuant to Minnesota Statutes 469.090 through 469.108. Provisions of Minnesota Statutes, the Enabling Resolution (Ordinance No. 1998-5-26), any modifications, which may be adopted, and the Bylaws of the Authority shall govern the Authority. The purpose of the Authority is to promote commercial and industrial development in the City of Freeport, Stearns County, and State of Minnesota, hereinafter referred to as the "City".

#### Subd. 2 - Office and Boundaries

The principal office shall be in the City Council Chambers at 125 Main Street East in the City. The Authority may also have offices at such other locations as Members of the Authority shall determine and upon approval by the Freeport City Council. The territory in which operations of the Authority are principally to be conducted consists of the City.

#### Subd. 3 - Members

1. The management of all the affairs, property and business of the Authority shall be vested in the members of ~~seven-five (75)~~ (75) persons, with ~~at least two (21)~~ (21) Members being ~~members~~ of the City Council. ~~The Mayor upon approval of the City Council shall appoint Members to the other five (5); those initially appointed shall be appointed for terms of two (2), three (3), four (4), five (5), and six (6) years respectively.~~
2. ~~Thereafter, all m~~Members shall be appointed for ~~six~~four-year terms.
3. The Members may exercise all of the powers of the Authority and do all such lawful acts and things as are required or permitted to be done pursuant to law, the Enabling Resolution or pursuant to the Bylaws, subject, however, to the approval of the City Council.
4. Meetings of the Authority shall be held at least quarterly in the principal office of the Authority in the City or at such other place as the Members may establish from time to time. A calendar of Meetings shall be set at the first meeting of the year. At least three (3) days written notice of such meetings shall be given to members.
5. Special Meetings of the Authority may be called at any time by the President or, in their absence, by the Vice-President or by two (2) Members as per Minn. Stat. §412.191 Subd.2.
6. All vacancies on the Authority shall be filled by ~~the Mayoral Board~~ the City Council appointment upon approval of the City Council. A Member selected to fill any vacancy shall hold office for the balance of the unexpired term to which appointed.
7. A quorum at all meetings of the Authority shall consist of a majority of all the Members, ~~but in No Case shall a quorum be less than four (4) Members.~~ Less than a quorum may, however, adjourn any meeting, which may be held on a subsequent date without further notice provided a quorum is present at such deferred meeting.
8. Compensation for attending meeting and actual expense shall be set by the City Council.
9. ~~10.~~ All meetings of the Authority shall be open to the public.
- 9.10. ~~Members shall be limited to 2 term limits~~

#### Subd. 4 - Officers

1. The Officers of the Authority shall be a President, Vice-President, and Secretary/Treasurer. The City Clerk/Treasurer shall serve as the Secretary/Treasurer. The other Officers shall be elected to one-

year terms. They shall hold the office until their successors are elected and are qualified. The President and Vice-President, shall be Members of the Authority. The Secretary/Treasurer need not be a Member of Authority and shall be appointed by the Members.

2. The President shall preside at all meetings of the Authority and govern such meetings in accordance with Roberts Rules of Order, Revised Edition.
2. The Vice-President shall exercise the functions of the President during the absence or disability of the President.
3. The Secretary shall issue notice for all meetings of the Authority called at the request of the
4. The Secretary shall keep minutes of all meetings, shall have charge of the Authority books and shall make such reports as required by the Authority and the City Council.
5. The Treasurer shall perform all duties incident to the office, which are properly required to the Treasurer by the Authority as set forth in Minnesota Statute 469.096, Subd 4.
6. In the case of the absence or the inability to act of any Officer of the Authority, the Authority may delegate the powers or duties of such Officers to any other Officer or any Member whom it may elect.
- ~~7. The Authority at any regular or special meeting may fill vacancies in any Office arising from any cause. The City Council must approve appointments.~~
- 8.7. The fees, if any, of all contracted agents of the Authority shall be fixed by the Members and approved by the City Council.

#### **Subd.5 - Subcommittees**

1. The Authority may appoint Subcommittees to assist in carrying out the functions of the Authority, such as Finance, Sites and Buildings, Public Information, Business and Community Contact, Community Revitalization.
2. The Authority may define the specific duties and responsibilities of each Subcommittee.

#### **Subd.6 - Attendance and Expenses**

1. Any Member who is absent from three (3) consecutive duly called meetings of the Authority shall be deemed to have resigned unless the President so notes such explanation in the records of the Authority.
2. Members and Officers shall be entitled to reimbursements for all expenses incurred in attendance at meetings and in the performance of duties on the behalf of the Authority as established in the City's Expense Policy.

#### **Subd. 7 - Finance and Administration**

1. The funds of the Authority are public funds and shall be deposited in the City's Official Depositories. All disbursements of funds shall be by check signed by the Mayor and City Clerk/Treasurer.
2. The Authority fiscal year shall be the same as the City's fiscal year.
3. The nature, number, and qualification of the staff required by the Authority to conduct its business according to these Bylaws shall comply with Minnesota Statutes 469.097.
4. The books and records of the Authority shall be kept at the Authority office of the City.
5. The purpose of the Authority shall be limited to promoting commercial and industrial development of the City and to provide a supply of adequate, safe, and sanitary dwellings for the City.

#### **Subd. 8 - Powers**

The Authority may exercise the powers described in this Article, subject, however, to the prior approval of the City Council.

1. The Authority may exercise all of the powers contained in the Act, Minnesota Statutes Chapter 469.090 through 469.108.

2. The Authority may exercise all the powers contained in the Housing Act, Minnesota Statutes Chapter 462.
3. The Authority may exercise all of the powers of an agency contained in the Development Act, Minnesota Statutes, Chapter 472A.
4. The Authority may exercise all the powers of a redevelopment agency contained in the Industrial Bond Act, Minnesota Statutes, Chapter 474
5. The Authority may exercise all of the powers of a City contained in the Housing Finance Act, provided authorized to do so by Ordinance of the City Council to Section 462.C.o2, Subdivision 6 of the Housing Finance Act.
6. The Authority may exercise such powers of an Authority contained in Tax Increment Act, Minnesota Statutes, Chapter 472.
7. The Authority may exercise such powers of an Authority contained in Minnesota Statutes
8. 469.001 to 469.047 (Housing and Redevelopment Authority)
9. The Authority may exercise such powers as may be contained in other laws applicable to economic development authorities not specifically described herein.

#### **Subd. 9 - Limits of Power**

1. The Authority shall not exercise any powers without prior approval of the City Council.
2. All official actions of the Authority must be consistent with the adopted Comprehensive Plan of the City.

#### **Subd. 10 - Annual Report and Budget**

1. The Authority will have available for the City's Auditor, a summary of the preceding year's revenues and expenditures within thirty (30) days after the close of the fiscal year to allow the Auditor to proceed in a timely manner in preparing an annual fiscal report.
2. The Authority shall prepare an annual report describing its activities and providing an accurate statement of its financial condition, together with additional matters and recommendations it deems advisable for the economic development of the City. The report shall be prepared and submitted to the City by February 1st of each year.
3. The Authority shall prepare an annual budget projecting anticipated expenses and sources of revenue. The report shall be prepared and submitted to the City annually.

#### **Subd. 11 - Notices**

1. Whenever the provisions of the Minnesota Statutes or these Bylaws require notice to be given to a Member or Officer, such notice shall be given, in writing, by depositing the same in the U.S. Mail, postage prepaid, addressed to the address of such Member at their residence as the same appears in the records of the Authority. The time of the mailing said notice shall be deemed the time of giving such notice.
2. A waiver of any notice in writing signed by a Member, whether before or after the time stated in said waiver for holding a meeting shall be deemed equivalent to a notice required to be given to any Member.

#### **Subd. 12 - Staff**

1. The City, upon recommendation of the Authority, may employ an Economic Development Coordinator. The Authority may employ other technical experts and agents as it may require and determine their duties, qualifications and compensation, subject to approval of the City Council.
2. The Authority may contract for the services of consultants, agents, public accountants and other persons needed to perform its duties and exercise its power with prior City Council approval.
3. The Authority may use the services of the City Attorney or general council as determined by the Members of the City Council.

### **Subd. 13 - Amendment of Bylaws**

Alterations, amendments or repeal of the Bylaws may be made by a majority vote at any meeting, if the notice of such meeting contains a statement of the proposed alteration, amendment or repeal. Notice of any alteration, amendment or repeal of the Bylaws shall be given in writing to each Member at least ten (10) days prior to the meeting at which said proposed alteration, amendment or repeal shall be considered. All amendments shall be subject to the approval of the City Council.

### **Subd.14 - Miscellaneous**

Except as authorized in Section 471.88, a Member, Officer or employee of the Authority must not acquire any financial interest, direct or indirect, in any project or in any property included or planned to be included in any project, nor shall the person have any financial interest, direct or indirect, in any contract or proposed contract for materials or services to be furnished or used in connection with any project. Furthermore, members of the Authority shall comply with the City Code of Conduct.



# Memo

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From: Mason Schirmer, Clerk-Treasurer

To: Freeport City Council

Date: November 20, 2014

Re: RLF Loan Pre-Application from Atkinson Well & Pump Ltd.

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Recently Rodney Atkinson submitted a Pre-Application for an RLF loan and expressed interest in obtaining an \$8,000 loan.

During the recent meeting of the EDA, the EDA reviewed the guidelines of the RLF as well as Atkinson's Pre-Application and unanimously recommend that the city council not invite Atkinson to submit a Formal Application and therefore deny the request on the basis that the project does not meet RLF Guidelines.

Along with this memo are the RLF Guidelines and Atkinson's Pre-Application.

For information on the Business Subsidy Policy and Criteria, visit [http://freeportmn.org/?page\\_id=1785](http://freeportmn.org/?page_id=1785).

## **OPERATING GUIDELINES FOR REVOLVING LOAN FUNDS SEEDED BY STATE MINNESOTA INVESTMENT FUND AWARDS**

A local unit of government may establish a Revolving Loan Fund (RLF) with funds from a variety of sources. The guidelines outlined in this document pertain only to a RLF seeded with funds received through the repayment of a loan provided from the state-funded Minnesota Investment Fund (MIF) or Economic Recovery Fund programs administered through the Department of Employment and Economic Development or its predecessors.

The local government must follow the RLF guidelines that were submitted with the initial MIF application and approved by your DEED Senior Loan Officer. Although the guidelines provide the policies and procedures for the reuse of these funds, the RLF policies and procedures must also adhere to the same requirements that are followed by the state's Minnesota Investment Fund program. In addition to the local government's underwriting criteria, the guidelines from Minn. Stat. 116J.8731 (some of which is summarized below) and from the Minnesota Business Subsidy Law (Minn. Stat. 116J. 993 and 116J.994) must be included in the policies and procedures

### **General Purposes and Guidelines for RLFs Seeded by the Minnesota Investment Fund**

#### ***Purpose and Goals***

The purpose of the RLF is to provide financial and technical assistance for the creation and retention of new employment. These objectives may be accomplished through the following means:

1. Create/retain permanent private sector jobs to fuel above-average economic growth consistent with environmental protection;
2. Investment in technology and equipment that increase productivity and provide for higher wages;
3. Leverage of private investment to ensure economic renewal and competitiveness;
4. Increase the local tax base to guarantee a diversified industry mix;
5. Improve the quality of existing jobs, based on increases in wages or improvements in the job duties, training, or education associated with those jobs;
6. Improve employment and economic opportunities and create a reasonable standard of living; and
7. Enhance productivity growth through improved manufacturing or new technologies.

One way to meet these objectives is to assist businesses that have location options outside Minnesota. These firms bring income into the state and raise the overall standard of living.

#### ***Eligible Expenditures***

The MIF-seeded funds may be used in a variety of ways include example noted below. More information is available in Minn. Stat. 116J.8731 and through conversations with your loan officer.

1. Provide loans, loan guarantees, interest buy-downs, and other forms of participation, ensuring that RLF funds are matched by private financing.
2. Fund strategic investments in renewable energy market development. Any expenditure for external marketing for renewable energy market development is not subject to the matching requirements listed above.
3. Provide entrepreneurs with training, other technical assistance, and financial assistance as defined by federal guidelines.

### ***Eligible Projects***

Assistance must be evaluated on the existence of the following conditions as noted in Minn. Stat. 116J.8731:

1. Creation or retention of jobs, or the improvement of jobs as measured by wages, skills or knowledge;
2. Increase in the tax base;
3. Attraction of private funds to the project;
4. Incapacity of local communities and finance partners to finance project;
5. Results in higher wage levels or workforce skills;
6. Supports development of microenterprises, as defined by federal guidelines, through technical assistance or financial assistance.
7. Need for assistance to retain existing business;
8. Importance of assistance to attract out-of-state business; and
9. The project promotes or advances the green economy.

The assistance cannot meet solely 7. or 8.; other conditions must also be present.

### ***Eligible Activities***

RLF's may be used to fund a variety of business activities including:

1. Acquisition of land
2. Construction or rehabilitation of facilities
3. Site improvements
4. Utilities or infrastructure
5. Machinery and Equipment
6. Training
7. Working capital

Advance approval from DEED is necessary if the local government would like to provide financing for activities not listed above. Approval is more likely to occur in projects that relate to business development and involve other local government funds.

### ***Ineligible Activities***

In contrast to federal MIF funds, there are industry limitations on how state MIF RLFs may be used. State MIF RLFs may not be used for the operation, construction or expansion of a casino, a sport facility that has a professional sports team as a principal tenant or any firm engaged in retailing merchandise. All assistance should follow the approved RLF guidelines. Please call your loan officer to discuss any prospective financing.

### ***Wage Goals***

Businesses receiving RLF-State MIF assistance must pay each employee total compensation, including benefits not mandated by law, that on an annualized basis is equal to at least 110 % of the federal poverty level for a family of four, which as of February 1, 2014 is \$12.61 per hour. Each year's compensation level changes and can be found on DEED's Business Finance MIF website.

### ***Other Eligible Uses of the Funds***

Minn. Stat. 116J.8731 allows local governments to loan or grant RLF funds to a regional development commission, other regional entities, or a certain statewide community capital funds to provide the local match required for capitalization of a regional or statewide RLF. Unlike federal MIF funds, state MIF funds held by local governments never lose their state identity and must follow all applicable laws and regulations.

***The local government must request permission from the DEED before it can commit to providing funds to***

**any of these organizations.** The local government does not have the authority to turn over to another entity, such as Port Authority, Economic Development Authority, Housing Authority, etc. revolving loan funds for any purpose; these entities may administer MIF transactions provided the MIF grantee still maintains control over the RLF.

#### **Conflict of Interest**

Minn. Stat. 471.87 and 471.88 provide guidance on conflict of interest in a MIF transaction. An actual conflict of interest shall be deemed to exist when a decision on a MIF transaction would compromise a duty to another party or if special advantage is deemed to occur. Potential conflict of interests should also be considered.

#### **Business Subsidy Law**

As mentioned on page 1, Minn. Stat. 116J.993 and 116J.994 must be followed in the administration of RLF-State MIF. These sections pertain to the definition of a business subsidy, public purpose of the subsidy, criteria, subsidy agreements, wage and job goals, timing of the project, public notice and hearing requirements, failure to meet goals, and reporting of information regarding the outcomes of the subsidy.

#### **Job Listing Requirements**

Per Minn. Stat. 116L.66, a business that receives grants or loans in an amount greater than \$200,000 must agree to list any vacant or new positions related to the financial assistance on the MinnesotaWorks.net job bank website.

#### **Prevailing Wage**

Per Minn. Stat. 116J.871, laborers and mechanics at the project site during construction, installation, remodeling, and repairs must be paid the state prevailing wage if the financial assistance is greater than \$500,000 for a loan. All contracts for publicly owned infrastructure using the RLF must comply with the prevailing wage provisions.

#### **Data Privacy**

The provision of any information related to any applications for assistance is guided by Minn. Stat. 13.591, particularly Subd 1 and 2.

*These operating guidelines provide a summary of how to administer revolving loan funds seeded with repayments from Minnesota Investment Fund loans. Specific transactions and RLF administration should be discussed with your DEED Senior Loan Officer. Other applicable state and federal laws and rules must also be followed.*