



CITY OF FREEPORT

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October 27, 2020 – Meeting Minutes

A regular meeting of the Freeport City Council was convened at 7:00 pm by Mayor Mike Eveslage, and councilmembers Sarah Blake, Ben Ettle, Tim Hennen, and Jake Renneker.

Staff in attendance: Clerk-Treasurer Joan Wall, Public Works Director Loren Goebel, City Engineer Dave Blommel, City Attorney Scott Dymoke, Fire Chief Andy Grieve.

Others in attendance:

Carol Moorman (Star Post)

Branden Roering (Freeport Fire Dept)

Nick Arnzen (212 2nd Ave NW)

Stephanie Hennen (303 3rd St SE)

Troy Frieler (313 2nd St NW)

Adrianna Brenny (Foley, MN)

Jonathan Brenny (Foley, MN)

Approve Agenda

Wall asked to add claim #4303 for Community Technology Center to the consent agenda. Ettle moved to approve with the addition, seconded by Renneker. Motion carried 5-0.

Public Forum

No comments

Consent Agenda

Renneker moved to approve the consent agenda, seconded by Hennen. Motion carried 5-0.

Reports

Clerk-Treasurer Report

Dymoke recommended the Council meet in person for canvassing votes instead of virtually. It was decided to meet Thursday, November 12 at 6:00 pm.

Council agreed to schedule a special meeting Tuesday, December 8 at 7:00 pm to work on the 2021 budget.

During review of the financial statements, Hennen was concerned about the small increase in cash in the sewer fund considering our project for next year. He suggested we look at this when we work on the 2021 budget.

Fire Department Report

Grieve reported that nine new sets of turnout gear arrived. These were covered by insurance due to damage. The fire department decided to go with Drager air packs from Alex Air Apparatus and they have been ordered. Grieve purchased a Lucas machine which does chest compressions. It cost \$14,800, and the

Freeport Lions donated \$10,000 and St Rosa Jaycees gave \$2,500. The company will come out on November 19 to train them on the new Lucas machine. Seven members went to Sacred Heart School for fire prevention week and kids got to spray water. The fire department responded to three medical calls, one mutual aid car fire, two cancelled calls, and one structure fire last month. They also performed one rental inspection.

Public Works Report

Goebel reported that the MPCA audit is officially done and it went all right. Preferred Controls is still working on the SCADA system and will hopefully finish in the next month. Kotzer fixed the alley behind Hennen Flooring and the water tower painting is complete.

Engineer Report

Blommel stated he thought the public hearing went pretty well, as there weren't a lot of major complaints and there was good attendance. People understand there is a lot of need for the project and most questions were related to calculations. Hennen mentioned a couple people who have an extra lot, but he is wondering if they are even buildable lots. Blommel explained those lots are nonconforming, but they could currently build because they were grandfathered in. If they combined the extra lot with the lot containing the house, they wouldn't be able to split it off in the future because they wouldn't be able to create conforming buildable lots. Dymoke explained the City's ordinance has different requirements based on when the lot was created. If the vacant lot was sold the buyer could build a house on it. We would still want them to meet setbacks, but we would allow a house to be built. If the owner combined the lots, they would forfeit the grandfathered in rights to a nonconforming lot. Eveslage asked how soon we need to let the two affected residents know how they can proceed. Blommel said a lot combination would need to be done before the final assessment, which would be about a year from now. The property owner would need to have a survey done of the original lots and a new legal description for the new lot. If the property owner has an abstract showing the legal description, it would be much easier for them, but they would still need a certificate of survey prepared showing the new legal description. Blommel explained it is a council decision to determine if this parcel is worth an assessment. Right now, our ordinance says we should assess it because it is buildable, but Council could choose not to assess it. Blommel stated we would add new water and sewer service to the empty lot if they don't combine it. Eveslage asked how do we advise the residents? Does it depend on what they want to do in the future? Blommel said yes, it depends. We don't want to advise them what to do, just give them the options.

Blommel explained Resolution 2020-15 is the next step in the project process. Council has 5 ½ months to approve it, but sooner is better if we want to start in the spring. Council should figure out how to pay for the project before they approve this resolution. Blommel recommends bringing in a financial advisor to assist with the analysis. If Council chose to go with USDA Rural Development then we wouldn't need a financial advisor. We could get up to a 40-year term loan at 2 1/8% with them with no prepayment penalty. A 40-year loan would help us keep the levy as low as possible. Blommel doesn't recommend 40 years for street paving, but it would be fine for utilities. Hennen asked about using local institutions for financing. Blommel said if Council chose USDA, then it would not be local unless we got a one- or two-year loan for interim financing locally. Usually Minnesota Rural Water (MRWA) is where we would go for interim financing. MRWA is a really good option because they don't charge interest until we make a draw on the loan. Blommel explained he could add to our current PFA report to prepare the report for the USDA for around \$5,000. The forgivable loan from PFA didn't work out this year with the bonding bill, so if we start construction in the spring, we wouldn't be able to apply for it. We would need to delay construction if we wanted to try to apply next year. The USDA loan is very tempting because we're already a borrower with them, it's a favorable interest rate, and it's a very stable program. In the open municipal bond market, we're

seeing callable bonds at seven years and Freeport wouldn't be able to swing that. As far as financial advisors, Eveslage stated Todd Hagen with Ehlers burned a lot of bridges with the City with the last interaction we had. Blommel said he has had good luck with David Drown Associates and a couple people who used to work there have started their own business. He could reach out to them for us. Blommel said we should do this in November so surveying could be done sooner than later. Blommel stated David Drown Associates could also do the bond issue. Hennen asked, So USDA is the old reliable? Blommel said yes, especially when it's a loan only (no grants) project. There is less oversight and they are more flexible. Eveslage stated he would like to keep things as local as possible. Blommel believes the least risky option with the least fees is USDA, but he doesn't know if it is 100% a cost savings. USDA offers a flexible term and has the security of the Federal government behind it. They will look at our existing debt and see if we should refinance. At our current rate of 2%, that's not likely. Eveslage asked if we should we have Jim Hemker come in. Blommel stated Hemker could explain the bond market to Council, but he wouldn't be the one to analyze our debt, etc. A financial advisor will go more in depth into our financials and give us options. After further discussion, Hennen stated he is leaning toward USDA, and Renneker and Ertle agreed. Blommel will get us a couple financial advisor quotes that we can look at during the November 12 council meeting.

Blommel would like to take Council on a tour in the spring to look at the streets, including 7th Street, to see which ones can wait to be fixed and which ones can't. It would be a good opportunity to get a quote from the contractor who would already be in town doing work.

Attorney Report

No significant items to report on.

Old Business

None

New Business

EDA Appointment

Renneker moved to approve the appointment, seconded by Ertle. Motion carried 5-0.

Leasing a Lot in the Industrial Park

No additional information.

Loren's Review

Dymoke explained it is Goebel's option to have the review closed or open. Goebel said to keep it open.

Hennen stated Goebel does a really decent job. The streets are nice, the water is clear, and the sewer is running.

Eveslage stated Goebel is flexible with the time demands of the job. He believes problem solving is his best trait. There are some things he would like to see changed, with attitude being a big one. Eveslage thinks Goebel is harder than he needs to be on the equipment. The Expert T billing thing wasn't the best decision. Eveslage agrees that Goebel does the job he was hired to do, and there is room for improvement.

Renneker talked to some people who said Goebel resolved their issues and thought he did a good job. He is happy to see Goebel flush the hydrants as often as he does.

Ettle stated he thinks Goebel does a good job overall. Snow removal is done better than it was in the past and hydrants are getting flushed. Ettle has gotten comments about negative attitude from people out there. Ettle knows Goebel is straightforward and blunt and has told people that is how Goebel is. Ettle thought Goebel should know that is how he's being perceived.

Goebel is asking for a raise to \$25.50. He noted Eveslage's review has some items marked as a 1 – unacceptable performance. He hopes Eveslage didn't get mad at something one day and decided to give a bad score. He stated no one discussed an incident with him so he could make an improvement. Eveslage stated he has 12 years' experience in assessment and analysis, and he is looking at the whole year. He has talked to Goebel about delegating in the past. Eveslage gave examples indicating why scores were low in a few categories and stated the review is not personal. Eveslage explained we are held accountable by the voters, and he is going off what he has heard from voters. Goebel asked if Wall could be notified when they hear these negative things so she can let him know about it before it goes on a piece of paper.

Each of the council members stated they were not in favor of a pay raise because of the circumstances we are in with the pandemic and because Wall and Austing did not receive raises this year. Renneker and Hennen both mentioned they have been hearing more about businesses cutting pay, not raising pay. Several council members also stated they want to see better, more timely communication happening among staff and Council. The consensus of Council is for no pay raise.

Adjourn

At 8:30 pm Blake moved to adjourn, seconded by Renneker. Motion carried 5-0.

Mayor, Mike Eveslage

City Clerk-Treasurer, Joan Wall