



CITY OF FREEPORT

125 Main Street E – PO Box 301 – Freeport, MN 56331 – 320-836-2112
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November 24, 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)

Nick Arnzen (212 2nd Ave NW)

Carrie Goebel (207 3rd Ave SE)

Jason Murray (David Drown Associates)

Matt and Maxwell Lurken-Tvrdik (514 1st Ave N)

Approve Agenda

Wall asked to add claims #4340-4343 for Freeport Electric, Hennen Lumber, Metro Sales, and Stryker to the consent agenda. Eveslage asked to add Small Business Assistance under New Business. Ettle moved to approve with the additions, seconded by Hennen. Motion carried 5-0.

Public Forum

No comments

Consent Agenda

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

Reports

Clerk-Treasurer Report

The residents who were invited to attend tonight's meeting regarding cleaning up their properties did not attend.

Fire Department Report

Grieve reported that the Lucas machine is in service now because all firefighters received training on how to use it. He explained that it is a machine that does chest compressions. The fire department responded to six medical calls, and two cancelled fire calls. They are still practicing safety protocols for COVID and haven't needed to use the senior citizen center for quarantining any firefighters.

Public Works Report

L Goebel reported that the City will be getting a couple bills from Jerry Mayers: fixing the wing on the plow truck should be less than \$500, fixing the Hiniker on the ton truck should be less than \$1,000. L Goebel asked if council wanted to spend about \$500 to get the control unit working for the snow ease,

which is a small bucket on the back of the ton truck that spreads sand. Council directed L Goebel to get it fixed/replace control unit.

Renneker asked if we wanted to talk about piling snow and what to do with snow in the alley behind city hall. Hennen already visited with Rahn's asking them to not put snow on Tom Gruber's yard. It was agreed to keep it within the fence and if we have to haul it away at some point, we'll do that.

Engineer Report

Blommel helped Jason Murray out with information for the financial analysis.

Attorney Report

Nothing further to add.

Old Business

2021 Project Funding – Presentation by Jason Murray from David Drown Associates

Murray believes the City can minimize raising water and sewer rates and can fund the project more with the levy. From the presentation:

- Water fund bond payments go out several years yet.
- Projected water fund cash balances show we need to raise water rates about 4% each year for about the next five years. The requirement to set aside funds for the USDA reserve fund make up more and more of the cash balance in the future.
- The impact of a 4% per year increase for residential water is about \$1.60 per month.
- Sewer fund bond payments are done in 2023 and we are in a favorable interest rate environment.
- It looks like sewer rates are strong enough to keep cash healthy into the future, including for the USDA reserve.
- The sewer fund can handle more debt.
- Conventional borrowing versus USDA:
 - Conventional borrowing has more fees for issuance costs.
 - The assumption is special assessments will go out 20 years to match the length of the bond.
 - Total costs for conventional are about \$3.8 million.
 - USDA borrowing has much lower issuance costs and up to a 40-year amortization.
 - Total costs for USDA are about \$4.4 million.
 - Murray believes USDA is the best choice. The City can lock in interest rates now and we'll have level payments over the life of the loan, but we can also prepay. The City will need to have a temporary loan for interim financing, then USDA comes in with the final loan at the end of the project. Assuming about \$787,000 in special assessments with a term of 20 years at 4%, the City will bring in \$58,000 per year in revenue. With current debt being paid off 2/1/20 and 2/1/22, the City is in a good place to bring on new debt.

Murray asked how likely is it that the project will be done by the summer of 2021? The City will want to have a USDA loan in place in 2023. Blommel said because it's loan only we have a chance of getting the project done next year. Eveslage added there will be change orders, so how much will the project actually cost? Blommel stated there is a 10% contingency included in the project cost.

Murray thinks the City needs a water rate increase even if we weren't doing a project. Council was very appreciative of the information Murray presented. Murray stated we can fine-tune the analysis when we do bids. Blommel stated we hope to bid in April.

New Business

Small Business Assistance

Eveslage stated Freeport's three restaurants/bars will be shut down for four weeks. Can the City help advertise for them on our website and put an ad in the newspaper that includes their daily specials? Carrie Goebel mentioned putting something on the bank marquee. Blake wondered if we should prorate liquor licenses again. Eveslage stated there is talk of more small business relief coming. Hennen moved to approve an ad for the businesses on behalf of the City, seconded by Renneker. Motion carried 5-0.

Adjourn

At 8:04 pm Hennen moved to adjourn, seconded by Blake. Motion carried 5-0.

Mayor, Mike Eveslage

City Clerk-Treasurer, Joan Wall