

City of Freeport

From: Chase Johnson <chase@johnsonjet-line.com>
Sent: Thursday, December 30, 2021 9:41 AM
To: cityfrpt@albanytel.com
Subject: 5 Year Program
Attachments: 12-30-21 City of Freeport, Mn (5 year contract).pdf

Loren, if the city was to enter into a 5 year maintenance program these are the prices they would lock in for the duration of the program. Same with any emergency calls even in the middle of the winter. The only thing that will be charged is our unit price per foot and our mobilization rate. That is a big piece of mind for the city going forward knowing that if they do have a back up they wont have extremely high service calls. The last 5 year contract we ended up finding some problem areas to address going forward. So the way I broke up these numbers is including the problem areas into every year section to keep it equal going forward. This did raise the footage each year by just a little bit but will be the most accurate way to do it going forward. Now I am proposing a 5 year again where we get every section equal and start back over the right way.

Also, if you would like to add in some storm sewer jetting, televising, and/or mapping we could do that while we do sections. No need to lock in for prices we will honor these contract prices for storm sewer if you wish to do so. That way you can pick what you would like to do each year if any. We have been seeing a lot of city contracts add some or all of the storm sewer going forward because they have no clue what exactly they have. With all the utilities getting bored underground the last few years it seems the storm sewer is taking a toll with getting hit. Since it's unlike a sanitary sewer where someone will back up right away, it's many years after they are complete and out of town before you will notice and a road starts sinking in. Anyways, I just wanted to throw that out there as well.

The league of Minnesota cities requires municipalities to clean their entire gravity system within 5 years. They dont state how this needs to be done just within 5 years to stay compliant. All of our programs are compliant with them and if there are any claims they have reached out to me directly in the past to get any data as well. I try to break up most programs to 5 years to keep the cost down as much as possible to the city. Part of our record keeping for the sewer jetting is keeping a detailed sewer cleaning report. Each line cleaned will be documented with how many feet jetted, any heavy cleaning, notes to what we have pulled out of each line segment. This is submitted to the city yearly but we also keep records. Something that sets us apart from most sewer cleaning companies is that while we are jetting the lines, we are also vacuuming up the debris. Most companies do not do this because it takes more time. Instead of pushing the problem further down the line we feel it's necessary to vacuum this up each line segment. By doing this, it gives us accurate data as to what is going on in each individual line as well. After we have cleaned the entire town and start back over, this data is very helpful if we start getting lots of sand/debris from a line. We now know that there is an issue in that line and it should be televised for a possible break.

We also use the most state of the art equipment in the market. Our televising units have a 3D mainline inspection, 3D manhole inspection, CCTV mainline, & Lateral Launching capabilities. Our new jet/vac combo unit has a sewer wastewater recycler unit that we can suck up the sewer water, filter it, and reuse to clean the line, saving the city by not having to pull many thousands of gallons of fresh water from the system.

So I have attached the new 5 year program in this email. Please feel free to give me a call with any questions. We really look forward to working with you for many years to come and appreciate the past business and nice working relationship. Hope you have a happy new year and we will chat soon! Thank you



Chase Johnson
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Price Quote for City of Freeport, Mn

Quote Date: December 30, 2021

CUSTOMER: City of Freeport, MN

PROJECT: 5 Year Sanitary Sewer Maintenance Program – Starting in 2022

PLEASE MARK DESIRED LEVEL AND DURATION OF SERVICE

<input type="checkbox"/> Clean or Televis -	8" – 12" Pipe approx. 8,016 ft. /year @ \$0.71/ft.	= \$5,691.36
<input type="checkbox"/> Clean & Televis -	8" – 12" Pipe approx. 8,016 ft. /year @ \$1.35/ft.	= \$10,821.60
<input type="checkbox"/> GPS Mapping -	Sanitary mainline mapping approx. 4 hours /year @\$300/hour	= INCLUDED
Mobilization -	Each Trip (double if clean & televise)	= \$300.00
<input type="checkbox"/> Emergency Calls -	See details below	= \$TBD (<i>no charge on multi-year plan</i>)

Duration: ☐ 2022 ☒ 2022 thru 2026 ☐ 2022 thru _____ (specify)

Deliverables & Specifications: In connection with its work on the Project, JIL will satisfy performance standards and produce deliverables as follows:

- NASSCO PACP Certified camera operator;
- Clean and Televis in accordance with NASSCO standards;
- Cleaning and Televising reports (color with still pictures);
- Televising video (your choice of DVD, VHS, or USB flash drive format); and
- GPS mapping of Sanitary mainlines only and emergency call service at no additional cost under multi-year maintenance program.

THIS PRICE QUOTE COVERS ONLY THE SERVICES AND SPECIFICATIONS LISTED ABOVE, AND IS GOOD FOR 30 CALENDAR DAYS FROM THE QUOTE DATE.

Additional Fees & Modifications: The fees and/or services listed below are not included in the above Price Quotes. Consequently, if you add these fees and/or services to the Project your total costs will increase. In the alternative, you can request to modify your service plan in order to manage expenses (e.g., reduce pipe footage in response to increased price-per-foot).

- Add additional lines at same segment price per foot quoted above;
- Root cutting, tap cutting, and lift station cleaning charged additional \$350/hr. with 1 hour minimum;
- LETS (lateral evaluation television system) camera to launch from mainline into the service lateral up to 160 feet;
- Pipe sizes over 12" charged additional \$0.05/ft. per pipe size increase (added to unit prices for pipe under 12" quoted above);
- After 3 full jetting passes, "heavy cleaning" will be charged (up to 3 more passes) at same unit price per foot quoted above (until complete or directed by Customer).
- Downtime: If JIL provides any of the services listed in the "Customer Obligations" section, below, you will be charged a rate of \$350/hr. (per crew) until regular contract work can be resumed.
- Emergency Rates: If you are on a multi-year maintenance program, then emergency calls are charged at contracted mobilization and unit rates as specified in this Price Quote. If you are not on a multi-year maintenance program and if work needs to be done within 36-hours of a request, you will be charged a flat rate of \$500 plus \$375/hr. (per crew) from the time the crew is deployed from its then current location until the requested emergency work is completed.
- If the cost of fuel exceeds \$3.50/gallon, a fuel surcharge will be added to the fee for Mobilization.

Customer Obligations: Customer (and your designated contractor(s), where applicable) is obligated to perform as outlined below. Failure to satisfy these obligations will increase the total cost of the Project, and in some cases may prevent JIL from performing contracted services. If JIL performs any of these obligations on your behalf, we are entitled to reimbursement for all costs incurred, as well as fees charged at the hourly rate as specified in the prior section under "Downtime."

- Provide solid access, locate, and expose manholes in specified Project work areas;
- Provide water, dump site, and sewer bypass pumping, if necessary; and
- Provide/secure bonds, if needed.

GENERAL TERMS & CONDITIONS

1. Fees & Payment Terms.

- (a) Regular Contracted Services: Services performed under a multi-year plan will be billed according to the terms listed in this Price Quote, and invoiced within 30-days of performance. You agree to issue payment within 45-days of the invoice date.
- (b) Emergency Service: Unless otherwise agreed, you will be invoiced immediately upon completion of any emergency services, and you agree to pay the invoiced amount within 10-days of the emergency service invoice date.
- (c) JLL will be entitled to payment for any services actually performed that are not included in this Price Quote, and reimbursement for any actual expense/cost paid on your behalf, pursuant to the terms provided above.
- (d) You acknowledge and agree that payment constitutes your expressed approval and acceptance of all work and services as performed by JLL.
- (e) Overdue Invoices & Attorney's Fees: If any invoiced amount is not received by JLL by the applicable due date, then without limiting JLL's rights or remedies, (i) those charges may accrue late interest at the rate of 1.5% of the outstanding balance per month, or the maximum rate permitted by law, whichever is lower, and/or (ii) JLL may condition the performance of any remaining services under this Price Quote on payment terms shorter than those specified in Section 1(a) and 1(b), above. Customer further agrees to reimburse JLL for any reasonable legal, collection, and/or attorney's fees incurred to effect settlement and payment of any past due amounts.

2. Duration, Renewal & Termination.

- (a) This Project will commence upon execution of this Price Quote by both parties and last for the duration specified above. JLL, in consultation with you, will determine the schedule for performing services for the duration of the Project, including the date of final service. JLL will notify you when the date of final service has been determined.
- (c) This Project Agreement will not renew automatically. The parties must enter a new agreement at the conclusion of this Project if they desire to continue service. Scope, pricing, and all other aspects of service will be negotiated at that time.
- (d) The term of this Project may be extended or terminated prior to the date of final service upon the mutual agreement of the parties. If terminated prior to the date of final service, JLL shall be entitled to compensation for any services performed and expenses incurred up to the date of termination.

3. Independent Contractor. The relationship between JLL and Customer is that of independent contractor. JLL is not an employee of the Contractor. It is JLL's responsibility to withhold all federal, state, or local income taxes, social security taxes, unemployment, and other payroll taxes required by law for services rendered under this Project Agreement.

4. Confidentiality. Any information, documents, materials, machines, processes, or other aspects of JLL's work on the Project is considered to be proprietary and confidential, and you agree not to disclose or use it for your own benefit or for the benefit of any third-party without first receiving written consent from JLL.

5. Acceptance & Effectiveness. By signing below, you accept the terms and conditions of this document in its entirety. Any addendums or additions shall be made in writing and signed by both parties. If the parties subsequently enter into any contract, agreement, etc., then it will be considered to constitute acceptance of this Price Quote irrespective of any provision therein to the contrary. Furthermore, this Price Quote shall be incorporated by reference and made a fully enforceable part of that contract, agreement, etc. Unless otherwise agreed to by the parties, any and all inconsistencies between this document and a subsequently entered contract, agreement, etc. will be resolved in favor of this document.

6. Failure to Exercise or Enforce. Except as provided under Section 1(d), above, the failure of either party to enforce or exercise their rights shall not be construed to be a waiver of such right and/or the right to insist upon strict compliance with the obligations or the terms herein.

7. Severability. The terms of this Price Quote are severable, and if any term or provision is declared by a court of competent jurisdiction to be illegal, the remainder of the provisions shall continue to be valid and fully enforceable.

8. Choice of Law, Forum Selection & Costs; NASSCO Guidelines. This Agreement shall be construed and interpreted according to the substantive law of Minnesota, excluding the law of conflicts. Any action brought to enforce the terms and conditions provided herein, or for the breach thereof, shall be brought and tried in Minnesota. To the extent permitted by law, the losing party in any lawsuit, arbitration proceeding, etc. between Customer and JJ-L (and properly adjointed third-parties) shall pay the reasonable legal fees and costs of the prevailing party. The guidelines published by the National Association of Sewer Service Companies (NASSCO) ([available here](#)), as updated from time to time, shall be the primary authority for defining industry terms, establishing standards of performance, and for addressing all other industry-specific questions or matters.

9. Force Majeure. The parties shall not be held responsible or liable for any loss, damage, or delay in the performance of the Project due to strikes, walkouts, acts of God, governmental restrictions, enemy action, civil commotion, public health crises or stay-at-home or shelter-in-place orders, unavoidable casualty, or other causes similar or dissimilar that are beyond their control.

This Price Quote is JLL's best attempt to summarize the scope and estimate the cost of your project. By signing below, you represent that you have read the Price Quote in its entirety (including the "General Terms & Conditions" listed above), that you understand all its terms, that we have accurately described the services to be performed, and that you agree to pay the rates quoted for those services. You promise to honor the terms and to perform in the manner specified throughout this document, and you acknowledge that both of us intend for this document to govern the relationship between us as it relates to the Project. ACCORDINGLY, we both promise to take all necessary steps to incorporate this Price Quote, in its entirety, into any contract, agreement, etc. that we may enter in the future in connection with this Project (irrespective of any provisions to the contrary).

Please sign below and submit by fax (320-965-2309) or e-mail (chase@johnsonjet-line.com) within 30 days of the date at the top of page one.

PRINT NAME: _____ TITLE: _____

SIGNATURE: _____ DATE: _____

☐ I AM AUTHORIZED TO EXECUTE THIS DOCUMENT AND TO ACT ON BEHALF OF THE CUSTOMER NAMED HEREIN..

Memo

From: Joan Wall, Interim Clerk-Treasurer

To: Freeport City Council

Date: 1/20/2022

Re: Ordinance 2022-01 Fee Schedule

The only changes I made were increasing the usage-based and flat rate water service fees by 4%. This is based on Jason Murray's prior analysis recommending we increase water fees by 4% per year.



CITY OF FREEPORT

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

ORDINANCE 2022-01

AN ORDINANCE FIXING THE LICENSE, CONSUMPTION AND PERMIT FEES UNDER THE FREEPORT CITY CODE OF 1995 (APPENDIX I)

BE IT ORDAINED BY THE CITY COUNCIL OF FREEPORT, MINNESOTA:

Section 1. The Freeport City Code of 1995 authorizes the City Council to fix the fees and charges imposed by the Code for various city services. The fees and charges imposed may be amended from time to time by the council and is to be entitled Appendix I.

Section 2. The license, consumption and permit fees, as well as other related charges, are hereby amended, as follows:

<u>City Code</u>	<u>Description</u>	<u>Fee (\$)</u>
500 - Zoning		
	Building Permit	per Building Inspector's fee schedules
	Conditional Use or Variance Requests	150.00
	Rezoning Request	250.00
	Zoning Permit	25.00
510 – Rental Housing		
	Rental Registration License Fee (annual)	75.00
	Delinquency Penalty	5% each day late
	Reinspection Fee	50.00
605 - Noxious Weeds		
	Minimum Charge for Removal	95.00
	Equipment Use Fees:	
	Tractor, Mower, and Labor (hourly)	90.00
	Lawn Tractor, Lawn Mower, and Labor (hourly)	60.00
705 - Private Drains		
	Disposal into Sanitary Sewer Violation (monthly)	75.00

710 - Wastewater Service Charges

Usage Charge with Meter (per 1,000 gallons)	2.23
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Flat Charges (monthly)

Commercial, Without Meter	35.18
Commercial, Convenience Store/Car Wash	38.49
Commercial, Large Business (e.g. service station, church)	32.92
Commercial, Liquor Stores, On/Off Sale	37.75
Commercial, Restaurants	73.16
Commercial, Small Business	30.89
Residential, Without Meter	38.33
Residential, Manor Apartments	155.56
Residential, Multiple Family	54.32
Residential, Single Family	26.86
School	52.60

Other

Wastewater Bulk Dumping Fee	25.00
Wastewater Hook-up Charge (per parcel)	1,200.00
Wastewater Main Stub-out Charge (per parcel)	3,800.00

715 - Water Service Charges*Usage-based Charges (per 1,000 gallons)*

Usage Charge with Meter	2.16
Usage Charge Irrigation Meter	3.19
Water Tower Debt Service Fee	2.40
Water Tower Maintenance Fee	1.72
Hydrant Water Sales	10.00

Flat Charges (monthly)

Service Charge	7.57
Water Security Fee	.81
Water Testing Fee	.49
Water Tower Debt Service Fee	3.13

Other

Disconnect	50.00
Reconnect	50.00
Late Payment Fee (monthly)	15.00
Utility Labels (full or partial set)	35.00
Water/Sewer Account Update	15.00
Water Account/Meter Investigation	20.00
Water Hook-up Charge (per parcel)	1,200.00
Water Main Stub-out Charge (per parcel)	3,800.00
Water Meters	actual cost of meter

910 – Animals and Pets

Animal License Fee	5.00
Boarding (per day)	8.00
Animal Impound Fee, 1 st Offense	50.00
Animal Impound Fee, 2 nd Offense	75.00
Animal Impound Fee, 3 rd Offense	100.00
Animal Disposal Fee	75.00

925 - Fire and Rescue Department

Defibrillator	100.00
Air Bags	100.00
Jaws (extrication)	200.00
Generator	200.00
Cold Compress	2.00
Gloves	5.00
Bandages	10.00
Splints	5.00
Blankets	10.00
Responders, Resident (hourly per responder)	20.00
Responders, Non-Resident (hourly per responder)	40.00
Oxygen	25.00
Suction	15.00
Foam (per 5 gallons)	125.00
Administrative Fee	30.00
Vehicles: Pumpers #1 & #2 (per vehicle)	425.00
Vehicles: Water Truck, Rescue Van (per vehicle)	325.00
Vehicles: Brush Truck (per vehicle)	300.00

1005 - Peddlers and Solicitors

10-day permit within a 12-month period	50.00
30-day permit within a 12-month period	100.00
90-day permit within a 12-month period	150.00
Violation (daily)	25.00

1100 - Public Parks

Park Rental (daily, includes shelter/gazebo)	35.00
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1200 - Liquor and Beer

Off-Sale Liquor (annual)	100.00
On-Sale 3.2% (annual)	200.00
On-Sale Liquor (annual)	2,345.00
Special Sunday Sales (annual)	200.00
Temporary On-Sale 3.2%	15.00
Temporary On-Sale Liquor	25.00

2010 - Public Nuisance

Nuisance Response (minimum)	95.00
Equipment Use Fees:	
Tractor, Mower, and Labor (hourly)	90.00
Lawn Tractor, Lawn Mower, and Labor (hourly)	60.00

Other

Administrative Staff Time (hourly)	85.00
Annexation Request Security Deposit	1,000.00
Blanket Easement Vacation	Actual cost
Business Subsidy/Industrial Park Purch Security Deposit	5,000.00
Charitable Gambling Transaction Fee	25.00
City Hall Room Rental	35.00
Copying Charge (per page)	0.25
Driveway Aprons, Curb and Gutter	Actual cost
Lawn Tractor, Lawn Mower & Labor (hourly)	90.00
Map Creation	50.00
Map Request	10.00
Mileage Reimbursement	Current IRS rate
Special Assessment Search	10.00
Street Reconstruction (per the Manual of Assessment Standards and Policies)	

Adopted by the Freeport City Council this 25th day of January, 2022.

Michael Eveslage, Mayor

ATTEST:

Joan Wall, Interim Clerk-Treasurer



CITY OF FREEPORT

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RESOLUTION 2022-01

A RESOLUTION APPOINTING FREEPORT STATE BANK AS OFFICIAL DEPOSITORY

RESOLVED, That Freeport State Bank, is hereby designated as a depository for the funds of this corporation, and any officer or other person hereinafter named is hereby authorized for and on behalf of this corporation to open or to continue an account or accounts with said Bank and to execute and deliver to said Bank signature card or cards supplied by said Bank containing specimen signatures of the officers or other persons hereinafter named and agree to said Bank's Rules and Regulations Governing Bank Accounts, and that any officer of this corporation or any other person hereinafter named is hereby authorized, for and on behalf of this corporation, to endorse or cause to be endorsed, to negotiate or cause to be negotiated, and to deposit or cause to be deposited in such account or accounts from time to time checks, drafts and other instruments and funds payable to or held by this corporation.

RESOLVED, That checks, drafts or other withdrawal orders and any and all other directions and instructions of a charter with respect to funds of this corporation now or hereafter with said Bank may be signed by any two of the following:

Michael Eveslage (Mayor) Joan Wall (Clerk-Treasurer) and said Bank is hereby fully authorized to pay and charge to such account or accounts any checks, drafts or other withdrawal orders so signed, and to honor any directions or instructions so signed, whether or not payable to the individual order of or deposited to the individual account of or inuring to the benefit of any of the foregoing officers or persons.

RESOLVED, That any Two of the following: Michael Eveslage, (Mayor) Joan Wall, (Clerk-Treasurer) hereby is or are authorized, for and on behalf of this corporation, at any time or from time to time to borrow money from The Freeport State Bank in such amounts, for such times, at such rate or rates of interest and upon such terms as he or they may see fit; to execute and deliver notes or other evidences of indebtedness of this corporation therefor, and renewals and extensions thereof; to sell, assign, transfer, pledge, mortgage or otherwise hypothecate to said Bank any bills receivable, accounts, contracts, warehouse, receipts, bills of lading, stocks, bonds, chattels, real estate or other property of this corporation as security; to give guaranties and other undertakings to said Bank; to discontinue with said Bank bills receivable of this corporation and to authorize modifications and extensions with respect thereto and to waive demand, presentment, protest and notice of dishonor; and to do, authorize and agree to any and all other things at any time or from time to time in connection with any of the foregoing as or they may deem appropriate.

RESOLVED, That said Bank shall be entitled to rely upon a certified copy of these resolutions until written notice of modification or rescission has been furnished to and received by said Bank

(Confirmation continued on next page)

DATED THIS 25TH DAY OF JANUARY, 2022

Motion by:

Second by:

Council members in favor:

Opposed or abstained:

Michael Eveslage, Mayor

ATTEST:

Joan Wall, Interim Clerk-Treasurer



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RESOLUTION 2022-02

A RESOLUTION APPOINTING CENTRAL MINNESOTA CREDIT UNION AS OFFICIAL DEPOSITORY

The undersigned, Michael Eveslage (Mayor) Joan Wall (Clerk-Treasurer), each being first duly sworn, certifies, states and alleges the following so as to induce CENTRAL MINNESOTA CREDIT UNION (hereinafter “Credit Union”, which shall include Lender in any banking capacity, as the context may require) to enter into loans, security agreements, mortgages and other agreements related to lending and banking with CITY OF FREEPORT (hereinafter “the Corporation”).

1. That CITY OF FREEPORT, is a duly organized existing Corporation under the law of the state of Minnesota or if not incorporated under the law of the state of Minnesota, authorized to do business in the state of Minnesota; and
2. That there are no proceedings pending or threatened for dissolution or forfeiture of the Corporation’s charter or authority to act in the state of Minnesota, whether voluntarily or involuntarily; and
3. That the Corporation is in good standing with the state of Minnesota and is presently in compliance with all applicable statutes, laws and regulations relative to the Corporation’s charter to own, operate and do business of the nature it is presently transacting and will hereafter transact in the state of Minnesota; and
4. That there is no provision in the Corporation’s charter, or bylaws or articles of the Corporation limiting the power of the board of directors as which thereafter executes this certification and authorization.

RESOLVED, that Credit Union is hereby designated as a depository for the funds of this corporation and any officer this corporation is hereby authorized to open or cause to be opened an account or accounts with Credit Union on such terms, conditions and agreements as shall be required by or to deposit or cause to be deposited in such account or accounts any money, checks, drafts, orders, notes and other instruments for the payment of money and to make any other agreements deemed advisable in regard thereto.

RESOLVED, that any one of the following officers or successors are hereby authorized in the name of this Corporation to:

Michael Eveslage as, Mayor
Joan Wall as, Clerk-Treasurer

and Credit Union is hereby authorized to charge to the account of the Corporation any checks, drafts or other withdrawal orders, so signed, in closing those payable to the individual order of the person signing the same and including also checks or other withdrawal orders payable to Credit Union or to any other person or entity, which are applied in payment of any other indebtedness owing to Credit Union from the person or persons who signed such checks or other withdrawal orders.

RESOLVED, that any two of the following:

Michael Eveslage as, Mayor
Joan Wall as, Clerk-Treasurer

Be and hereby are authorized to borrow money or make application for and obtain for and obtain Letter of Credit for an behalf of the Corporation; to make any agreements in respect thereto; and to sign, execute and deliver promissory notes, acceptance or other evidences of indebtedness therefor, or in renewal thereof, in such amounts and for such time, at such rate of interest and upon such terms as they see fit; and are hereby authorized to endorse, assign, transfer, mortgage , or pledge to Credit Union the bills receivable, warehouse receipts, bills lading, stocks, bonds, real estate, or other property now or hereafter owned by the Corporation, and to discount the same, to unconditionally guarantee payment of any or all bills receivable so negotiated or discounted, and to waive demand, protest and notice of non-payment.

RESOLVED, all resolutions herein contained shall continue in force until express written notice of its recession or modification has been furnished to and received by Credit Union.

RESOLVED, that all transaction, if any, in respect to any deposits, withdrawals, rediscounts and borrowing by or in behalf of the Corporation with Credit Union prior to adoption of the resolutions herein contained be and the same hereby are in all things ratified, approved and confirmed.

RESOLVED, that any of the persons named above be and they are hereby authorized and empowered to make any and all other contracts, agreements, stipulations and order which they may deem advisable, from time to time, with Credit Union in respect to transactions between the Corporation and Credit Union in regard to funds deposited with Credit Union, money borrowed from Credit Union or any other business transacted by and between the Corporation and Credit Union.

RESOLVED, that any and all resolutions heretofore adopted by the City Council of the Corporation and certified to Credit Union as governing the operation of the corporation's account(s) with Credit Union, be and are hereby continued in full force and effect, except as the same may be supplemented or modified by the foregoing.

DATED THIS 25TH DAY OF JANUARY, 2022

Motion by:

Second by:

Council members in favor:

Opposed or abstained:

Michael Eveslage, Mayor

ATTEST:

Joan Wall, Interim Clerk-Treasurer



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RESOLUTION 2022-03

A RESOLUTION APPROVING DONATIONS RECEIVED IN 2021

WHEREAS, Minnesota State Statute 465.03 requires that governing bodies must formally accept donations and contributions and that every such acceptance shall be by resolution of the governing body adopted by a two-thirds majority of its members, expressing such terms in full; and

WHEREAS, The City seeks to properly accept and record donations and contributions in accordance with all state statute and state auditor requirements;

NOW, THEREFORE; The Freeport City Council formally accepts the following donations and any stipulations:

Donor Name	Amount	Stipulation
Freeport Lions	752.37	Street signs
Freeport Lions	2,238.00	Senior Center concrete work
Christmas Care Drive	200.00	Fire Department
Roving Hillbillies Snowmobile Club	500.00	Fire Department
Freeport Lions	2,000.00	Fire Department – Ham BBQ
Eric & Lisa Streed	100.00	Fire Department

(Continued on next page)

DATED THIS 25TH DAY OF FEBRUARY, 2022

Motion by:

Second by:

Council members in favor:

Opposed or abstained:

Michael Eveslage, Mayor

ATTEST:

Joan Wall, Interim Clerk-Treasurer



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RESOLUTION 2022-04

A RESOLUTION APPROVING THE DISBURSEMENT AND PAYMENT OF CLAIMS POLICY

Disbursement and Payment of Claims Policy

Expenditures

In order for an expenditure of public funds to be lawful, it should meet both of the following standards:

Public purpose

There must be a public purpose for the expenditure. The Minnesota Supreme Court has generally concluded that “public purpose” means an activity that meets all of the following standards:

- The activity will benefit the community as a body.
- The activity is directly related to functions of government.
- The activity does not have as its primary objective the benefit of a private interest.

The Minnesota Supreme Court has also held that the general objective of a public purpose is to promote the following for all of a city’s residents:

- Public health
- Safety
- General welfare
- Security
- Prosperity
- Contentment

Authority

There must be specific or implied authority for the expenditure in statute. Specific authority is usually fairly clear. In contrast, whether authority is implied by a particular statute is subject to interpretation. The city should consult with its city attorney as to whether authority for a specific expenditure is implied.

Payment of Claims

Pursuant to Minnesota Statute § 412.271, subd.1, no disbursement of city funds shall be made except by an order drawn by the mayor and clerk-treasurer. Except when issued for the payment of judgments, salaries and wages previously fixed by the City Council or by statute, principal and interest on obligations, rent and other fixed charges, the exact amount of which has been previously determined by contract authorized by the City Council, no order shall be issued until the claim to which it relates has been audited and allowed by the City Council.

Prompt Payment of Claims

Minnesota Statute § 471.425 requires that cities pay each vendor obligation according to the terms of the contract or, if no contract terms apply, within the standard payment period unless the city in good faith disputes the obligation.

The following requirements must be met:

- For cities who have regularly scheduled council meetings at least once a month, the standard payment period is defined as within 35 days of the date of receipt.

- A city shall calculate and pay interest to a vendor if the city has not paid the obligation according to the terms of the contract or, if no contract terms apply, within the standard payment period.
- The rate of interest calculated and paid by the city on the outstanding balance of the obligation not paid according to the terms of the contract or during the standard payment period shall be 1.5 percent per month or part of a month.
- No interest penalties may accrue against a purchaser who delays payment of a vendor obligation due to a good faith dispute with the vendor regarding the fitness of the product or service, contract compliance, or any defect, error or omission related thereto. If such delay undertaken by the city is not in good faith, the vendor may recover costs and attorney's fees.
- The minimum monthly interest penalty payment that a city shall calculate and pay a vendor for the unpaid balance for any one overdue bill of \$100 or more is \$10. For unpaid balances of less than \$100, the city shall calculate and pay the actual interest penalty due the vendor.

Immediate Payment of Claims

Pursuant to Minnesota Statute § 412.271, subd. 4, when payment of a claim based on contract cannot be deferred until the next City Council meeting without loss to the city through forfeiture of discount privileges or otherwise, it may be made immediately if the itemized claim is endorsed for payment by at least a majority of all the members of the City Council. The claim shall be acted upon formally at the next City Council meeting in the same manner as if it had not been paid, and the earlier payment shall not affect the right of the city or any taxpayer to challenge the validity of the claim.

Cash Disbursement Guidelines

The Clerk-Treasurer will be responsible for implementing and providing internal control for all disbursements.

1. General Guidelines

- a. All general disbursements will be approved in advance by the City Council. The following exceptions may be made upon approval of the Mayor and Clerk-Treasurer:
 - i. Debt service payments, including principal, interest, and fiscal agent fees
 - ii. Payroll and related liability payments
 - iii. Investment purchases
 - iv. Sales tax payments
 - v. Postage replenishment
 - vi. Contract or other payments that have specific City Council pre-approved payment instructions
 - vii. Payments to the following vendors:
 1. Albany Mutual Telephone
 2. Blue Cross Blue Shield of MN
 3. CenterPoint Energy
 4. Central MN Credit Union (Credit Card)
 5. DHIA Laboratories
 6. Finken Water Centers
 7. League of Minnesota Cities Insurance Trust (LMCIT)
 8. Minnesota Life Insurance Company
 9. Northland Trust Services, Inc.
 10. Rahn's Oil & Propane, Inc.
 11. Star Publications LLC
 12. Verizon Wireless
 13. Waste Management
 14. Xcel Energy
- b. All general disbursements, other than from payroll, petty cash, or made electronically, will be made by pre-numbered checks.
- c. In accordance with Minnesota Statutes § 471.38 and § 471.391, checks by which claims are paid may have printed on their reverse side, above the space for endorsement thereof, the following statement: "The undersigned payee, in endorsing this check declares that the same is received in payment of a just and correct claim against the city, and that no part of it has heretofore been paid." When endorsed by the

payee named in the check, such statement shall operate and shall be deemed sufficient as the required declaration of the claim.

- d. Under no circumstances will blank checks be signed in advance.
- e. Paying off of vendor statements (rather than invoices) will be prohibited.
- f. Electronic claims will be utilized for all general disbursements.
- g. Unpaid invoices will be maintained in a file by the Administrative Assistant.

2. General Disbursement Process

- a. All invoices received by the city will be generally opened and date stamped by the Administrative Assistant, who will:
 - i. Verify that the goods and/or services were received
 - ii. Verify that the amount of the invoice is correct
 - iii. Attach packing slips or bills of lading
 - iv. Complete an electronic claim, including:
 - 1. Vendor name and address
 - 2. Invoice number
 - 3. Account coding
 - 4. Description of invoice
 - 5. Amounts
 - v. Present a Claim Approval List and attached invoices to the Clerk-Treasurer
- b. The Clerk/Treasurer processes all authorized payments by:
 - i. Verifying that all amounts due and account codes are accurate
 - ii. Reviewing application of sales tax on each invoice for propriety
 - iii. Initialing the Claim Approval List to indicate approval
 - iv. Copying any specific invoices for the City Council's review
 - v. Providing a copy of the Claims Listing report to the City Council for approval during the regularly scheduled City Council meetings
 - vi. Providing explanation to the City Council for all disbursements within the accounts payable report
- c. Checks will be signed and mailed on the day following City Council approval of the Claims Listing and accounts payable reports:
 - i. Two authorized signers (Mayor and Clerk-Treasurer) will sign all approved checks, while verifying that all checks are accurate by comparing the check and amount to the approved Claim Approval List and invoices
 - ii. After authorized signatures are obtained, the Administrative Assistant will mail the approved disbursements:
 - 1. A check including stub will be mailed to the vendor
 - 2. A check stub will be attached to the invoice, which will then be filed

Electronic Disbursement Process

- d. Electronic or wire transfers will generally be for:
 - i. Debt service payments, including principal, interest, and fiscal agent fees
 - ii. Payroll and related liability payments
 - iii. Investment purchases
 - iv. Sales tax payments

The Clerk-Treasurer will be responsible for implementing and providing internal control for all electronic or wire transfer disbursements by documenting the process and anticipating the funds to be wired to the designated depository on a particular date and time as well as preparing appropriate general ledger transactions, including payments and adjusting journal entries.

Credit Cards

In accordance with Minnesota Statute § 471.382, the City Council may authorize the use of a credit card by any city officer or employee otherwise authorized to make a purchase on behalf of the city. If a city officer or employee

makes or directs a purchase by credit card that is not approved by the City Council, the officer or employee is personally liable for the amount of the purchase. A purchase by credit card must otherwise comply with all statutes, rules, or city policy applicable to city purchases.

Dated This 25th Day of February, 2022

Motion by:

Second by:

Council members in favor:

Opposed or abstained:

Michael Eveslage, Mayor

ATTEST:

Joan Wall, Interim Clerk-Treasurer



CITY OF FREEPORT

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

2022 Appointments

	2021	2022
Official Depositories	Freeport State Bank Central Minnesota Credit Union League of MN Cities	
Finance Committee	City Council	
Street Commissioners	City Council	
Legal Advisor	Dymoke Law Office	
Legal Prosecutor	Stearns Co Attorney's Office	
Park & Recreation Commissioner(s)	Mike Eveslage Jake Renneker	
Acting Mayor	Tim Hennen	
2 nd Acting Mayor	Jake Renneker	
EDA Council Rep.	Tim Hennen	Sarah Blake
Weed Inspector	Loren Goebel, Public Works Director	
Health Officer	CentraCare Health-Melrose	
Assessor	Stearns County	
Newspaper	Star Post & Sauk Centre Herald	
Public Examiner	Schlenner Wenner & Co.	
Engineer	SEH, Inc.	
Building Inspector	Mark Harren- MidCentral Code Enforcement	
Emergency Management Director	Fire Department Chief	
Acting Emergency Management Director	Fire Department First Assistant Chief	

Zoning Administrator	Clerk-Treasurer
Zoning Officers	City Council
Data Practices Compliance Officer	Clerk-Treasurer
Liaison to Chamber of Commerce	Clerk-Treasurer