



Building a Better World  
for All of Us®

# MEMORANDUM

TO: Freeport City Council  
FROM: Dave Blommel, PE (Lic. MN)  
DATE: March 21, 2024  
RE: Council Update  
SEH No. FREEP GEN 14.00

### Welle’s Country Acres Phase 4

Bids were opened at City Hall and electronically via Quest CDN at 10:00 a.m. on Thursday, March 14, 2024. A total of 10 bids were received ranging between \$1,161,480.56 and \$1,885,817.76. The low bid was submitted by Kuechle Underground Inc. of Kimball, Minnesota in the amount of \$1,161,480.56.

We still have 2 funding scenarios. I think scenario 1 is the most likely, but I explained below the rationale behind looking at both. USDA has not provided guidance on which will govern.

### Scenario 1

USDA generally considers all street costs to be ineligible for a new street. This would be what I would expect to hear from them upon approval. If that is the case, we can expect to fund \$465,609.15 with a City bond and finance \$1,047,255.40 over 40 years at 3.75% with USDA. Our letter of conditions is based on these calculations.

#### Scenario 1

	Sewer	Water	Storm	Street	Total
As Bid	\$424,088.32	\$193,375.52	\$153,964.57	\$321,612.57	<b>\$1,093,040.98</b>
General	\$8,461.40	\$3,858.22	\$3,071.90	\$6,416.81	<b>\$21,808.33</b>
Turf	\$18,092.43	\$8,249.78	\$6,568.43	\$13,720.62	<b>\$46,631.25</b>
Utility Engineering	\$100,950.63	\$46,031.41	\$36,649.96		<b>\$183,632.00</b>
Street Engineering / Platting				\$105,560.00	<b>\$105,560.00</b>
Legal / Admin	\$16,404.19	\$7,479.97	\$5,955.52	\$12,440.32	<b>\$42,280.00</b>
Testing	\$1,163.97	\$530.75	\$422.58	\$882.71	<b>\$3,000.00</b>
Interest	\$6,561.68	\$2,991.99	\$2,382.21	\$4,976.13	<b>\$16,912.00</b>
<b>Total</b>	<b>\$575,722.62</b>	<b>\$262,517.63</b>	<b>\$209,015.16</b>	<b>\$465,609.15</b>	

**Scenario 2**

As we switched area specialists (again) they asked for me to include some street costs with the final estimates. In this scenario we are looking to fund \$335,023.56 ourselves and borrowing \$1,246,280.58 from USDA over the 40 years. I think this is less likely to occur but would be nice to have the option.

**Scenario 2**

	<b>Sewer</b>	<b>Water</b>	<b>Storm</b>	<b>Street</b>	<b>Total</b>
As Bid	\$508,752.63	\$281,779.18	\$164,683.79	\$206,264.96	<b>\$1,161,480.56</b>
General	\$9,552.50	\$5,290.78	\$3,092.16	\$3,872.90	<b>\$21,808.33</b>
Turf	\$20,425.46	\$11,312.90	\$6,611.74	\$8,281.15	<b>\$46,631.25</b>
Utility Engineering	\$97,803.33	\$54,169.63	\$31,659.05		<b>\$183,632.00</b>
Street Engineering / Platting				\$105,560.00	<b>\$105,560.00</b>
Legal / Admin	\$18,519.52	\$10,257.27	\$5,994.79	\$7,508.42	<b>\$42,280.00</b>
Testing	\$1,314.06	\$727.81	\$425.36	\$532.76	<b>\$3,000.00</b>
Interest	\$7,407.81	\$4,102.91	\$2,397.92	\$3,003.37	<b>\$16,912.00</b>
<b>Total</b>	<b>\$663,775.30</b>	<b>\$367,640.47</b>	<b>\$214,864.80</b>	<b>\$335,023.56</b>	

All of these costs are inclusive of engineering, finance, and other soft costs. All of those other costs listed are theoretical maximums. I expect many of those costs to under-run. For instance, USDA had budgeted \$121,000 in extra engineering costs for construction staking, platting, and permits. To date we have only used less than \$50,000 of that (between the 2021 project and Welle combined). I expect an under-run of probably \$50,000 on that category alone.

Requested Council Action – Award bid to Kuechle Underground in the amount of \$1,161,480.56 pending concurrence of USDA staff.

**Street Light Construction Services**

As we discussed at your meeting in February, having minimal services provided will help to ensure the City is getting the product we are looking for. At the meeting we discussed the estimated total being between \$5,000 and \$10,000. We are on the low end of that range with estimated cost of \$4,800. This scope includes review of the contractor provide shop drawings and 2 site visits.

Requested Action – Approve Supplemental Letter Agreement for professional services.

**Lead Line Inventory**

As we have discussed, SEH is assisting the City of Freeport with its service line inventory to determine how many lead services may be in use within the City. The Minnesota Department of Health is paying for these services directly and Freeport is not being billed. In the next week, all residents of Freeport will receive a letter asking them to help with the lead line survey. For those unable to fill out the survey, we will provide an in-person review of their service line to get as many homes as possible completed by the July 15, 2024 deadline.

dwb/mrb  
 Enclosures



Building a Better World  
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March 21, 2024

RE: City of Freeport, Minnesota  
Welle's Country Acres Phase 4  
SEH No. FREEP 153897 14.00

Honorable Mayor and City Council  
c/o Mr. Jon Nelson  
City Clerk / Treasurer  
City of Freeport  
125 East Main Street  
Freeport, MN 56331

Dear Mr. Nelson:

Bids were opened via QuestCDN for the above referenced improvement at 10:00 a.m. on Thursday, March 14, 2024. A total of 10 bids were received ranging between \$1,161,480.56 and \$1,885,817.76. The low bid was submitted by Kuechle Underground Inc. of Kimball, Minnesota in the amount of \$1,161,480.56. A complete tabulation of bids is enclosed.

We know of no reason the project should not be awarded to the low bidder for the amount of \$1,161,480.56.

Sincerely,

A handwritten signature in blue ink that reads "David Blommel".

David Blommel, PE  
City Engineer  
(Lic. MN)

dwb/mrb

Enclosure

c: Tyler Ray, USDA Rural Development

x:\fj\lfreep\153897\1-gen\14-corr\_welle\2024.03.21 | city recommend award.docx

Engineers | Architects | Planners | Scientists

Short Elliott Hendrickson Inc., 2351 Connecticut Avenue, Suite 300, Sartell, MN 56377-2485

320.229.4300 | 800.572.0617 | 888.908.8166 fax

SEH is 100% employee-owned. Affirmative Action - Equal Opportunity Employer

## Supplemental Letter Agreement

In accordance with the Supplemental Letter Agreement between City of Freeport ("Client"), and Short Elliott Hendrickson Inc. ("Consultant"), effective July 25, 2023, this Supplemental Letter Agreement dated March 26, 2024 authorizes and describes the scope, schedule, and payment conditions for Consultant's work on the Project described as: **2024 Street Light Improvements – Construction Administration.**

**Client's Authorized Representative:** Jon Nelson  
**Address:** 125 Main Street East, PO Box 301, Freeport, Minnesota 56331  
**Telephone:** 320.836.2112 **email:** clerk@freeportmn.org

**Project Manager:** Dave Blommel  
**Address:** 2351 Connecticut Avenue, Suite 300, Sartell, Minnesota 56377  
**Telephone:** 320.229.4349 **email:** dblommel@sehinc.com

**Scope:** The Services to be provided by Consultant:

We propose to provide the following construction phase services for this project:

- Shop Drawing review – Currently Estimated at 8 hours
- Attend virtual Preconstruction meeting - Estimated at 2 hours
- Post Construction Punch list development – Estimated at 10 hours
  - Site visit by SEH outdoor lighting Staff
  - Physical review of installation and list of corrections required
- Punch list follow up inspection (if necessary) – Estimated at 8 hours
  - Site visit by SEH outdoor lighting staff to review items identified during initial inspection.
- Review of project closeout paperwork
  - IC 134 and Final payment

### Resident Project Representative Services

RPR services will not be provided with this contract.

### Schedule:

SEH will complete the shop drawing review within 10 days of receipt. The punch list development will be completed after the contractor notifies the city that the project is substantially complete. Follow-up inspection will be completed after contractor notifies the city that the punch list has been corrected.

### Payment:

The fee is hourly estimated to be \$4,800 including expenses and equipment.

The payment method, basis, frequency, and other special conditions are set forth in attached Exhibit A-1. Additional work, if required, shall be compensated in accordance with the standard hourly rate schedule.

**Other Terms and Conditions:** Other or additional terms contrary to the Master Agreement for Professional Services that apply solely to this project as specifically agreed to by signature of the Parties and set forth herein: None.

**Short Elliott Hendrickson Inc.**

**City of Freeport**

By:   
Full Name: Dave Blommel  
Title: Client Service Manager

By: \_\_\_\_\_  
Full Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**Dymoke Law Office, P.A.**

408 Main Street East, Unit 5

PO Box 127

Melrose, Minnesota 56352

Telephone (320) 256-4205

Fax (320) 256-7201

March 20, 2024

Jon Nelson  
City of Freeport  
125 Main Street East  
Freeport, MN 56331

BY ELECTRONIC MAIL

Re: Monthly Legal Report

Dear Mr. Nelson:

During the period from February 14, 2024 through March 20, 2024, we have not given significant attention to any projects on behalf of the City of Freeport.

Respectfully submitted,  
Dymoke Law Office, P.A.

*Scott E. Dymoke*  
by Scott E. Dymoke

cc: M. Eveslage

# Memo

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From: Jon Nelson, Clerk-Treasurer

To: Freeport City Council

Date: 03/22/24

Re: City Prosecution Contract Update – Janelle Kendall, Stearns County Attorney

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Stearns County Attorney Janelle Kendall will be in attendance to discuss our prosecution contract with Stearns County.

# Memo

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From: Jon Nelson, Clerk-Treasurer

To: Freeport City Council

Date: 03/22/24

Re: Freeport Streetscape – Policy Plans & Broad Tier Environmental Review

Resolution 2024-07 – Adopting Small Cities Development Grant Plans & Documents in the City of Freeport

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The following message was sent with the documents prepared by DSI that are necessary to use our SCDP money towards the streetlight project.

**Recommendation:** Accept documents and approve Resolution 2024-07

Hi Jon,

The Broad Tier Environmental Review and Policies & Plans are completed. Below, I have included a brief description of each of the Policies & Plans, the adopting resolution, and Environmental Review Documents and Supporting Documents.

Below is a brief explanation of the Policies and Plans in the attached documents: “1. Freeport Policies & Plans” and “1b. Resolution Adopting Policies and Plans.”

**Policies and Plans:**

- 1) **“Certification for a Drug-Free Workplace”** – *(Requires Mayor’s signature, included in the Adopting resolution)*
  - a. This document states that the City will continue to make a good-faith effort to maintain a drug-free workplace on all sites.
  
- 2) **“Excessive Force Policy”** - *(Requires Mayor’s signature, included in the Adopting resolution)*
  - a. The City will not use excessive force by law enforcement against people who engage in NON-violent civil rights demonstrations within the city’s jurisdiction.
  - b. If, for some reason, there is a non-violent civil rights demonstration, the City will not bar entrance to (or exit from) the location subject to the non-violent protest.
  
- 3) **“Section 3 Plan”** - *(Requires Mayor’s signature, included in the Adopting resolution)*
  - a. This plan outlines how the City and its sub-recipients, contractors, and subcontractors will comply with HUD’s Section 3 Requirements, as applicable, in implementing the City’s SCDP grant.
    - i. The City will direct work toward Section 3 Workers, Targeted Section 3 Workers, and/or Section 3 Businesses.
    - ii. Work will also be directed toward women- or minority-owned businesses. Being a Section 3 Worker, a Section 3 Business, or a woman- or minority-owned business is not required; however, preference is given to ensure that employment and other economic opportunities are directed to low- and very low-income persons and businesses.
  
- 4) **“Procurement Standards”** - *(Requires Mayor’s signature, included in the Adopting resolution)*
  - a. The City will follow procurement standards in all matters pertaining to the Small Cities Development Grant Program and will be consistent with the provisions of the Common Rule procurement procedures.
  
- 5) **“Resolution Adopting Small Cities Development Grant Plans & Documents”** – *Requires council to make a motion to adopt the resolution and signature by the Mayor.*

**\*\*Due to Section 3 and Women or Minority-Owned Business Plan, the City must display a Section 3 poster at City Hall, which I have provided. See attachment: "2b. City of Freeport Section 3 Poster." In addition to the poster, to comply with the plan, each contractor will need to complete a "Section 3 Business Certification Form". See Attachment: "2. Freeport Section 3 Women or Minority-Owned Business Certification Form with Income Limits."**

I have included a brief description of the Environmental Review Documents listed below. The Council will need to approve the Mayor to sign all Environmental Review Documents. See the attached document: "1. Freeport Certificate of Categorical Exclusion & Part 58 Broad Tier Review."

**Environmental Review Documents:**

- 1) **"Certificate of Categorical Exclusion" - Requires Mayor's signature.**
  - a. This document indicates the work being done in the City and what type of Environmental Review needs to be completed.
  
- 2) **Broad-Level Environmental Review- Requires Mayor's signature.**
  - a. This document lists all compliance Statutes, Executive orders, and Regulations of a Broad Tier Environmental Review, whether the city complies with each category, and how that determination was made.

Lastly, I've attached the Broad Tier Environmental Review Supporting documentation, which provides the documentation for the determinations made on the Part 58 Broad Tier Review. See attachment: "2. City of Freeport- Broad Tier Environmental Review Supporting Documents." Please keep this on file with the signed documents.

If you have any questions or need clarification, please let me know. I am here to help.

Best wishes,

Jessica Foley  
Director of Community Development  
**Development Services, Inc.**



**RESOLUTION 2024-07**

**ADOPTING SMALL CITIES DEVELOPMENT GRANT PLANS & DOCUMENTS IN  
THE CITY OF FREEPORT**

**BE IT RESOLVED**, by the City Council of the City of Freeport that the following Small Cities Development Grant plans and documents are hereby adopted:

“Certification for a Drug-Free Workplace”

“Excessive Force Policy”

“Section 3 and Women or Minority-Owned Business Plan”

“Procurement Standards”

Dated this 26th day of March, 2024.

Signed:

\_\_\_\_\_  
Mike Eveslage, Mayor

Attested:

\_\_\_\_\_  
Jon Nelson, Clerk-Treasurer