

**Exhibit A-2**  
**to Supplemental Letter Agreement**  
**Between City of Freeport (Client)**  
**and**  
**Short Elliott Hendrickson Inc. (Consultant)**  
**Dated August 27, 2024**

**Payments to Consultant for Services and Expenses**  
**Using the Lump Sum Basis Option**

The Agreement for Professional Services is amended and supplemented to include the following agreement of the parties:

**A. Lump Sum Basis Option**

The Client and Consultant select the Lump Sum Basis for Payment for services provided by Consultant. During the course of providing its services, Consultant shall be paid monthly based on Consultant's estimate of the percentage of the work completed. Necessary expenses and equipment are provided as a part of Consultant's services and are included in the initial Lump Sum amount for the agreed upon Scope of Work. Total payments to Consultant for work covered by the Lump Sum Agreement shall not exceed the Lump Sum amount without written authorization from the Client.

The Lump Sum amount includes compensation for Consultant's services and the services of Consultant's Consultants, if any for the agreed upon Scope of Work. Appropriate amounts have been incorporated in the initial Lump Sum to account for labor, overhead, profit, expenses and equipment charges. The Client agrees to pay for other additional services, equipment, and expenses that may become necessary by amendment to complete Consultant's services at their normal charge out rates as published by Consultant or as available commercially.

**B. Expenses Not Included in the Lump Sum**

The following items involve expenditures made by Consultant employees or professional consultants on behalf of the Client and shall be paid for as described in this Agreement.

1. Expense of overtime work requiring higher than regular rates, if authorized in advance by the Client.
2. Other special expenses required in connection with the Project.
3. The cost of special consultants or technical services as required. The cost of subconsultant services shall include actual expenditure plus 10% markup for the cost of administration and insurance.

The Client shall pay Consultant monthly for expenses not included in the Lump Sum amount.

**Exhibit B**  
**to Supplemental Letter Agreement**  
**Between City of Freeport (Client)**  
**and**  
**Short Elliott Hendrickson Inc. (Consultant)**  
**Dated August 27, 2024**

**A Listing of the Duties, Responsibilities and**  
**Limitations of Authority of the Resident Project Representative**

Through more extensive on site observations of the construction work in progress and field checks of materials and equipment by the Resident Project Representative (RPR), Consultant shall endeavor to provide further protection for Client against defects and deficiencies in the work of contractor (Work); but, the furnishing of such services will not make Consultant responsible for or give Consultant control over construction means, methods, techniques, sequences or procedures or for safety precautions or programs, or responsibility for contractor's failure to perform the Work in accordance with the Contract Documents. Contract Documents are the documents that govern or are pertinent to contractor's Work including but not limited to the agreement between Client and contractor, the contractor's bid, the bonds, specs, drawings, field orders, addenda, clarifications, interpretations, approved shop drawings and reports collectively called the Contract Documents. The duties and responsibilities of the RPR are further defined as follows:

**A. General**

RPR is an agent of Consultant at the site, will act as directed by and under the supervision of Consultant, and will confer with Consultant regarding RPR's actions. RPR's dealings in matters pertaining to the on site work shall in general be with Consultant and contractor keeping the Client advised as necessary. RPR's dealings with subcontractors shall only be through or with the full knowledge and approval of contractor. RPR shall generally communicate with Client with the knowledge of and under the direction of Consultant.

**B. Duties and Responsibilities of RPR**

1. Schedules: Review the progress schedule, schedule of shop drawing submittals and schedule of values prepared by Contractor and consult with Consultant concerning acceptability.
2. Conferences and Meetings: Attend meetings with contractor, such as preconstruction conferences, progress meetings, job conferences and other project-related meetings, and prepare and circulate copies of minutes thereof.
3. Liaison:
  - (a) Serve as Consultant's liaison with contractor, working principally through contractor's superintendent and assist in understanding the intent of the Contract Documents; and assist Consultant in serving as Client's liaison with contractor when contractor's operations affect Client's on-site operations.
  - (b) Assist in obtaining from Client additional information, when required for proper execution of the Work.
4. Shop Drawings and Samples\*:
  - (a) Record date of receipt of shop drawings and samples.
  - (b) Receive samples furnished at the site by contractor, and notify Consultant of availability of samples.
  - (c) Advise Consultant and contractor of the commencement of any Work requiring a shop drawing or sample if the submittal has not been approved by Consultant.
5. Review of Work, Observations and Tests:
  - (a) Conduct on-site observations of the Work in progress to assist Consultant in determining if the Work is in general proceeding in accordance with the Contract Documents.
  - (b) Report to Consultant whenever RPR believes that any Work is unsatisfactory, faulty or defective or does not conform to the Contract Documents, or has been damaged, or does not meet the requirements of any inspection, test or approval required to be made; and advise Consultant of

- Work that RPR believes should be corrected or rejected or should be uncovered for observation, or requires special testing, inspection or approval.
- (c) Determine if tests, equipment and systems start-ups and operating and maintenance training are conducted in the presence of appropriate personnel, and that Contractor maintains adequate records thereof; and observe, record and report to Consultant appropriate details relative to the test procedures and start-ups.
  - (d) Accompany visiting inspectors representing public or other agencies having jurisdiction over the Project, record the results of these inspections and report to Consultant.
6. Interpretation of Contract Documents: Report to Consultant when clarification and interpretations of the Contract Documents are requested by contractor and transmit to contractor clarifications and interpretations as issued by Consultant.
  7. Modifications: Consider and evaluate contractor's suggestions for modifications in drawings or specifications and report with RPR's recommendations to Consultant. Transmit to contractor decisions as issued by Consultant.
  8. Records:
    - (a) Maintain at the job site orderly files for correspondence, reports of job conferences, shop drawings and samples, reproductions of original Contract Documents including all addenda, change orders, field orders, additional drawings issued subsequent to the execution of the construction contract, Consultant's clarifications and interpretations of the Contract Documents, progress reports, and other related documents.
    - (b) Keep a diary or log book, recording contractor hours on the job site, weather conditions, data relative to questions of change orders, or changed conditions, list of job site visitors, daily activities, decisions, observations in general, and specific observations in more detail as in the case of observing test procedures; and send copies to Consultant.
    - (c) Record names, addresses and telephone numbers of all contractors, subcontractors and major suppliers of materials and equipment.
  9. Reports:
    - (a) Furnish Consultant periodic reports as required of progress of the Work and of contractor's compliance with the progress schedule and schedule of shop drawing and sample submittals.
    - (b) Consult with Consultant in advance of scheduled major tests, inspections or start of important phases of the Work.
    - (c) Draft proposed change orders and Work, obtaining backup material from contractor and recommend to Consultant change orders, and field orders.
    - (d) Report immediately to Consultant and Client upon the occurrence of any accident.
  10. Payment Requests: Review applications for payment with contractor for compliance with the established procedure for their submission and forward with recommendations to Consultant, noting particularly the relationship of the payment requested to the schedule of values, Work completed and materials and equipment delivered at the site but not incorporated in the Work.
  11. Certificates, Maintenance and Operation Manuals: During the course of the Work, verify that certificates, maintenance and operation manuals and other data required to be assembled and furnished by contractor are applicable to the items actually installed and in accordance with the Contract Documents, and have this material delivered to Consultant for review and forwarding to Client prior to final payment for the Work.
  12. Completion:
    - (a) Before Consultant issues a certificate of substantial completion, submit to contractor a list of observed items requiring completion or correction.
    - (b) Conduct final inspection in the company of Consultant, Client, and contractor and prepare a final list of items to be completed or corrected.
    - (c) Observe that all items on final list have been completed or corrected and make recommendations to Consultant concerning acceptance.

**C. Limitations of Authority**

Resident Project Representative:

1. Shall not authorize any deviation from the Contract Documents or substitution of materials or equipment, unless authorized by Client.
2. Shall not exceed limitations of Consultant's authority as set forth in the Agreement for Professional Services.
3. Shall not undertake any of the responsibilities of contractor, subcontractors or contractor's superintendent.
4. Shall not advise on, issue directions regarding or assume control over safety precautions and programs in connection with the Work.
5. Shall not accept shop drawing or sample submittals from anyone other than contractor.
6. Shall not authorize Client to occupy the Project in whole or in part.
7. Shall not participate in specialized field or laboratory tests or inspections conducted by others except as specifically authorized by Consultant.



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for All of Us®

## MEMORANDUM

TO: Jon Nelson  
FROM: Dave Blommel, PE (Lic. MN)  
DATE: August 23, 2024  
RE: CSAH 11 Sidewalk  
SEH No. FREEP GEN 023 14.00

Stearns County collected survey data on the CSAH 11 sidewalk on August 22<sup>nd</sup> and also took site photos at the same time. As expected, the survey confirms that there is currently backfall on the sidewalk in front of Freeport Screen Printing. The grades shown on the photo are current. When installed, the grades would have been 2% towards the curb and the ramp at 17%. If the panels are raised, I would expect the original grade to be restored.



Moving forward, the property owner has 3 options to improve the walk condition.

1. Use the concrete lifting quote to raise the walk in the settled area and restore the grades to the original construction.

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

2. Remove the walk and install a concrete step at the doorway. The step height would be between 4 inches and 6 inches depending on the slope chosen between the 4 foot pedestrian walkway and the beginning of the ramp.
3. Remove the walk and construct the "ramp" starting at the door. This would reduce the slope to 13.1% by starting 4' from the curb (the first 4' from the curb needs to be at 2%) and going to the door. There would be no flat spot in front of the door and the excavation could require modifications to the foundation wall.

The county has offered to utilize their crews to do the concrete removals or grinding as needed to help with the cost but can't participate in the replacement of the concrete. County records show the original installation was completed as desired by the property owner and within ADA guidelines at the time of installation. ADA rules allow for best fit scenarios and the ramp was determined to be the best fit during construction.

dwb

c: Jodi Teich, Stearns County

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**REVERMANN**  
— LAW —

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August 21, 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 July 24, 2024 through August 21, 2024, we have not given significant attention to any projects on behalf of the City of Freeport.

Sincerely,

REVERMANN LAW, P.A.

Scott E. Dymoke

cc: M. Eveslage

# Memo

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From: Jon Nelson, Clerk-Treasurer

To: Freeport City Council

Date: 08/23/24

Re: Repainting Main St Gazebo

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Last month I was directed to receive quotes from Arnzen Construction and Millwood Metalworks to repair the cracked pole on the gazebo. Millwood Metalworks does not have a mobile service and Mike Arnzen of Arnzen Construction recommended welding the crack at a cost of \$200. The work has since been completed.

Next step, prepare to discuss color combinations for the roof and structure.



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## BUDGET MEMO

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**TO:** MAYOR AND COUNCIL  
**FROM:** ABDO FINANCIAL SOLUTIONS, LLC  
**SUBJECT:** PRELIMINARY 2025 BUDGET  
**DATE:** AUGUST 27, 2024

### Introduction

Upon your request, we have summarized some of the key items for consideration in this years' budget. This is the DO NOT EXCEED preliminary tax levy that needs to be certified to Stearns County by September 30th. The City will continue to work on the budget and tax levy until the final is adopted in December.

### Budget Format

The 2024 Budget included the Council approved priorities for each department. These will continue to be reviewed and updated as needed in the 2025 budget.

Key items in this year's budget:

- The 2025 tax rate is proposed to decrease 2.17% to 66.93%
- The total 2025 tax levy is proposed to increase \$21,586 or 3.48% from 2024
  - The general levy increased \$21,586 or 7.93%
    - Factors relating to this increase include an increase in the public works expenses, legislative expenses, executive expenses, and building official expense.
  - The debt levy shows a decrease of \$43,989 for the 2025 Budget.
  - The capital levy shows an increase of \$43,989 for future capital needs for the 2025 budget.
- Staffing
  - The preliminary budget shows a 3% increase for COLA and a part-time permanent public works position.

## Tax Levy Summary

Overall, the property tax levy includes levies for general operations, EDA, capital equipment and improvements, and debt service. The 2024 actual and 2025 proposed property tax levies are listed below:

	2024 Levy	Proposed 2025 Levy	Increase (Decrease) from 2024	Percent Change from 2024
<b>General Levy</b>	\$ 272,130	\$ 293,716	\$ 21,586	7.93%
<b>EDA Levy</b>	42,000	42,000	-	0%
<b>Capital Levy</b>				
Capital Equipment	10,000	10,000	-	0%
Street Improvements	25,000	25,000	-	0%
Street Lights	20,000	20,000	-	0%
Sidewalk Capital Fund	40,000	40,000	-	0%
South End Park	6,000	6,000	-	0%
Future Capital	-	43,989	43,989	100.00%
<b>Debt Levy</b>				
Future Debt	206,000	-	(206,000)	-100.00%
2024A G.O. Tax Abatement Bond	-	136,007	136,007	100.00%
2024B G.O. Improvement Bond	-	26,004	26,004	100.00%
<b>Total</b>	<b>\$ 621,130</b>	<b>\$ 642,716</b>	<b>\$ 21,586</b>	<b>3.48%</b>
<b>Tax Capacity</b>	<b>\$ 898,859</b>	<b>\$ 960,280</b>	<b>\$ 61,421</b>	<b>6.83%</b>
<b>City Tax Rate*</b>	<b>69.10%</b>	<b>66.93%</b>	<b>-2.17%</b>	

The increase in tax capacity for the 2025 preliminary budget is allocated between the following categories as shown below. Included is information from Stearns County to show what portion of the increase in tax capacity is attributable to market changes and new construction.

<u>Property Type</u>	<u>2024 Tax Capacity</u>	<u>2025 Tax Capacity</u>	<u>Change</u>	<u>% Change</u>
Agricultural	22,036	20,921	(1,115)	-5.06%
Apartments	7,332	5,611	(1,721)	-23.47%
Commercial	276,474	169,703	(106,771)	-38.62%
Industrial	-	137,916	137,916	
Residential	552,141	568,331	16,190	2.93%
Utility	19,860	26,978	7,118	35.84%
Personal Property	21,016	30,820	9,804	46.65%
	<u>898,859</u>	<u>960,280</u>	<u>61,421</u>	<u>6.83%</u>

<u>Type</u>	<u>Tax Capacity Change</u>
Market changes	37,469
New Construction	23,952
	<u>61,421</u>

The impact of the proposed 2025 City of Freeport tax levy and tax rate is shown below:

<u>Property Type</u>	<u>Market Value</u>	<u>Taxable Market Value 2024</u>	<u>Taxable Market Value 2025</u>	<u>2024 Taxes Payable</u>	<u>2025 Taxes Payable</u>	<u>Increase (Decrease) in Property Taxes</u>
Residential	\$ 100,000	\$ 71,800	\$ 62,500	\$ 496	\$ 418	\$ (78)
Residential	200,000	180,800	171,500	1,249	1,148	(102)
Residential	300,000	289,800	280,500	2,003	1,877	(125)
Residential	400,000	398,800	389,500	2,756	2,607	(149)
Commercial	500,000	500,000	498,500	6,392	6,371	(21)

*Note: no change in market value has been assumed*