

City Council Minutes
June 2, 2025

The Fergus Falls City Council held a regular meeting on Monday June 2, 2025 at 5:30 pm in the City Council Chambers. Pastor Joey Kalan gave the invocation and the Pledge of Allegiance was recited. Mayor Hicks called the meeting to order at 5:33 pm and the following council members were in attendance: Rachels, Kilde, Fish, Job, Kvamme, Leighton, Kremeier and Mortenson.

Open Forum

Robyn Foss requested an update on the cost and status of the city's suit against the Daily Journal and asked if the city will be countersued. The billing is currently less than \$5,000 and a pre-trial is scheduled for June 23. The city entered a joint petition with the Daily Journal to determine their qualifications as a legal publication which will alleviate the community from counteraction. Foss commended city staff and administration for their competence and hard work and expressed her displeasure with council members attacking staff and making unreasonable demands for information without warning. She requested the Oaths of Office and Code of Conduct be provided for each council member and asked the Mayor to hold the council responsible when they treat staff poorly.

Approval of the Agenda

A motion and second were made by Kilde and Fish approving tonight's agenda and the motion carried.

PI 5381, 2025 Mill and Overlay Project Bid Award

Fish offered **Resolution #102-2025** awarding the bid for PI 5381, the 2025 mill and overlay project to Mark Lee Asphalt & Paving in the amount of \$242,913.60, which was seconded by Rachels and was adopted.

PI 5382 Bid Award

Kilde offered **Resolution #103-2025** awarding the bid for PI 5382, the 2025 seal coat project to Asphalt Preservation Company in the amount of \$94,886.78, which was seconded by Kvamme and was adopted.

Consent Agenda

The following items were approved under **Resolution #104-2025** by Fish: Motion approving the open and closed minutes from the May 19, 2025, City Council meeting and the May 28, 2025, Committee of the Whole meeting. Motion approving the following licenses: Mechanical Valley Service Mechanical; Minnesota Lawful Gambling Permit Minnesota Deer Hunters Association for raffle at JK Sports on October 1, 2025; Tobacco Cloud Trading Company (dba Smoke N Cloud); Fireworks Display Application SummerFest for June 13; Liquor License ABC Brewing Company. **Resolution #105-2025** accepting donations for the Fergus Falls Fire Department. **Resolution #106-2025** declaring Unit 2097, a police squad car as surplus equipment and authorizing its disposal. Motion directing the City Attorney to draft an amendment to City Code 91.52, Chicken permits. Motion directing the City Attorney to draft an amendment to City Code 34.02, Public Safety. **Resolution #107-2025** authorizing the use of Statewide Affordable Housing Aid funds for the acquisition of 801 W Stanton Avenue. **Resolution #108-2025** approving the Otter Express Public Transportation Joint Powers Agreement. The resolution was seconded by Job and was adopted.

2024 Annual Comprehensive Financial Report

Kvamme offered **Resolution #109-2025** accepting the 2024 Annual Comprehensive Financial Report, which was seconded by Leighton and was adopted.

Ordinance 67, Eighth Series

Ordinance 67, Eighth Series, Amending City Code 91.52 Chickens was introduced by Kilde and was declared to have its first reading.

Ordinance 68, Eighth Series

Ordinance 68, Eighth Series, Police Department was introduced by Rachels and was declared to have its first reading.

Interim Use Permit for 123 E Lincoln Avenue

Sugar High Cannabis Consulting & Dispensary LLC recently received an Interim Use Permit (IUP) for cannabis retail sales at 112 E Washington Avenue and have decided to go back to their original location at 123 E Lincoln Avenue. The Planning Commission has recommended the approval of a new IUP with the following conditions: a five-year timeframe; business hours are limited to 10 am-8 pm; no consumption on site, including samples. Fish offered **Resolution #110-2025** approving an Interim Use Permit for cannabis retail sales in a B-3 zone located at 123 E Lincoln Avenue as requested by Sugar High Cannabis Consulting & Dispensary LLC and recommended by the Planning Commission, which was seconded by Job and was adopted. As Interim Use Permits stay with the property address, not the owners, Emily McCune, Jasmine Sonmor (business owners) and Sander Habraken (property owner) were asked to rescind their previous IUP and all three provided their verbal consent to rescind the Interim Use Permit for 112 E Washington Avenue. Kvamme proposed less subjective language for the application. Mortenson asked his name to be redacted from written comments on the application and both business owners verbally agreed to the redaction.

Conditional Use Permit 226 E Lincoln Ave

FM Bank has requested a Conditional Use Permit (CUP) to install a pylon sign at their new location at 226 E Lincoln Avenue. The Planning Commission reviewed the request and recommended approval of the CUP with the following conditions: Inspection and approval of footings by the City Building Official; Use of automatic dimming technology and prohibition of flashing, blinking or strobing effects on the electronic message center; Consolidation of the two parcels comprising the site prior to issuing a Certificate of Occupancy; A visual inspection prior to the issuance of the sign permit to ensure the decorative pole will not obstruct sightlines for drivers exiting the parking lot. Fish offered **Resolution #111-2025** approving a Conditional Use Permit for a pylon sign in a B-3 zone located at 226 E Lincoln Ave as requested by FM Bank and recommended by the Planning Commission, which was seconded by Rachels and was adopted with Mortenson abstaining. Robyn Foss encouraged categorizing singular or double pole signs as structures making them subject to property taxes.

Moore Engineering Agreement

Last week the City Administrator and Personnel Committee proposed restructuring the engineering department and outsourcing this work to Moore Engineering. Moore submitted a ten-year Master Services agreement with a monthly flat fee of \$16,000 for general engineering services which would result in an annual savings of \$440,000. On the project engineering, they proposed a 15% fee on projects, which is considerably lower than what the city is currently paying. Mortenson objected to this process as he felt an RFP process should have been followed. Leighton felt the full council should

have been a part of the conversations and suggested removing the word diversity from the contract. Kilde spoke as a member of the Personnel Committee and said this was not a decision that was made lightly. This was a complex process involving multiple union groups. Bolton & Menk also submitted a proposal, but Interstate Engineering chose not to. Moore Engineering lowered their initial proposal after extensive negotiations with the Personnel Committee. She said an RFP can also tie the city's hands and this proposal is saving the taxpayers a significant amount of money each year.

DuWayne Cookman spoke about his personal experiences as an engineer, challenged the city to be more fiscally responsible, but to not proceed with this proposal. Robyn Foss called Leighton's suggestions to strike language an unnecessary political bombshell. Alex Schwarzhoff said Interstate Engineering chose not to submit a proposal as they did not feel they were given a fair shot to submit a competitive proposal. Moore Engineering representatives answered questions on project errors and how they will charge for project engineering work. Kilde offered **Resolution #112-2025** approving and entering into a Master Agreement and Task Order No. 1 with Moore Engineering, which was seconded by Rachels and was adopted with Mortenson voting in opposition.

Separation Agreement: Troy Hauge

Bremseth said the hardest part of this engineering restructuring process was the impact on the three engineering department employees and he thanked them for their service noting they have all been offered jobs with Moore Engineering. The Personnel Committee worked with the unions to provide severance agreements that include 4 months of wages, 4 months of single health insurance and paying out sick and vacation time balances. All three employees submitted resignation letters, and their last day of service is June 2. Fish offered **Resolution #113-2025** approving a separation agreement with Troy Hauge, which was seconded by Rachels and was adopted.

Separation Agreement: Matt Harrington

Job offered **Resolution #114-2025** approving a separation agreement with Matt Harrington, which was seconded by Kilde and was adopted.

Separation Agreement: Devin Reger

Kvamme offered **Resolution #115-2025** approving a separation agreement with Devin Reger, which was seconded by Rachels and was adopted.

Kyle Meyer Appointed City Engineer

Kyle Meyer from Moore Engineering has been proposed to be named as the City Engineer. He, along with several other members of the Moore team, including Troy Hauge will provide collaborative engineering services for the City of Fergus Falls. Meyer introduced himself, gave his background and explained how the new engineering services will function. Kilde offered **Resolution #116-2025** appointing Kyle Meyer as the City Engineer, which was seconded by Fish and was adopted.

Resolution of Accounts

Leighton offered a resolution authorizing the payments and claims in the amount of \$1,297,789.09, which was seconded by Fish and was adopted.

Council Comments

- Rachels is not able to attend the June 30 town hall meeting but encouraged the public to attend.

- Kilde thanked staff for their work on the aquatic center that opened today. She expressed appreciation for the departing engineering staff members and encouraged the community to attend the amateur radio club event on June 28-29 at the Otter Tail County Historical Society.
- Fish commented on today's large attendance and fun aquatic center grand opening and said the Humane Society also broke ground on their project today.
- Job reminded pet owners of their responsibility to pick up after their pets.
- Kvamme commended staff for their work at the aquatic center, the fabulous turnout and community support for the project. He felt staff and the Personnel Committee did terrific work to save the taxpayers money on the engineering proposal.
- Leighton commented on the new council's approach to conducting business, stated this council will not take a blind approach and spend money like the previous council did and the council will be the body to direct the administration.
- Kremeier thanked the departing engineering staff, thanked Naomi Schliesman for her efforts on the sculpture walk grand opening and is ready to move forward with pursuing an economic development director.
- Mortenson thanked the citizens that support his decisions and wanted to move forward with an economic development director.
- Hicks felt the city is moving forward in a positive manner with the farmers market, art walk, aquatics center, splash pad, and DeLagoon improvements. A job description for the economic development services will soon be crafted. He felt the scope of services offered by Moore Engineering will benefit our community and said the legislative committee met with Senator Rasmussen regarding the grants the city has received and not executed on yet including the dairy property, trail and rail crossings.

The meeting adjourned at 7:10 pm

Lynne Olson