

City Council Minutes  
March 1, 2021

The Fergus Falls City Council held a regular meeting on Monday March 3, 2021 at 5:30 pm in the City Council Chambers. Pastor Mark Tungseth of Good Shepherd Church gave the invocation and the Pledge of Allegiance was recited. Mayor Schierer called the meeting to order at 5:32 pm and the following council members were in attendance: Hagberg, Kvamme, Rufer, Thompson, Arneson, Gustafson and Hicks. Fish was absent.

**Approval of the Agenda**

A motion and second were made by Thompson and Gustafson approving tonight's agenda and the motion carried.

**Consent Agenda**

The following items were approved under **Resolution #32-2021** by Kvamme: Motion approving the minutes from the February 16, 2021 City Council meeting, the February 24, 2021 Committee of the Whole meeting and the February 25, 2021 City Council work session. **Resolution #33-2021** adopting an amended Data Request Policy and request form. **Resolution #34-2021**, a resolution of support for Otter Tail County to submit a grant request for the Organics Recycling Pilot Program. The resolution was seconded by Hagberg and was adopted.

**Licenses**

After receiving clarification about a license, a motion and second were made by Kvamme and Gustafson to approve the following licenses: Mechanical Hebron Brick & Supply; Excavator Consolidated Communication Enterprise Services, Inc. and the motion carried.

**Ordinance 11, Eighth Series**

Ordinance 11, Solar Energy Systems is being considered for a first hearing tonight. The ordinance was crafted after extensive research and incorporating the numerous public comments that have been provided. The Planning Commission held multiple public hearings and recommended the council introduce the ordinance in the version provided tonight. Mayor Schierer opened up the meeting to public comments. Katie Tysdal asked the city's setbacks be lengthened and referenced the setback requirements from the Aurdal Township ordinance be used. Kvamme asked that the distribution lines be required to be placed underground. He also suggested that the language regarding fencing allow that it "may be" rather than "must be" required, and asked there be some requirements for screening. City Administrator Andrew Bremseth explained a Conditional Use Permit (CUP) will be required for those pursuing solar projects and the CUP will address these types of concerns on an individual basis. Rufer introduced Ordinance 11, Eighth Series, Solar Energy Systems and it was declared to have its first reading.

**Hoot Lake Solar Environmental Assessment Worksheet**

Otter Tail Power is planning a 49.9 megawatt solar farm, and Minnesota Rules 4410 require an Environmental Assessment Worksheet (EAW) is prepared for this project. The City of Fergus Falls has been designated as the Responsible Government Unit (RGU), which is required to review and approve the EAW document. A 30 day public comment period, that included a public hearing and presentation concluded on December 30, 2020 and the city received 3 agency letters along with 37 public comment letters. The EAW document has been completed and submitted for a final decision.

The city, as well as Braun Intertec who was hired to do an independent review of the document, have both determined it is complete and agree it addresses the reasonably foreseeable environmental impacts of the project. Arneson offered **Resolution #35-2021** accepting the Hoot Lake Solar Findings of Fact and Record of Decision for a negative declaration not requiring an Environmental Impact Statement, which was seconded by Hicks.

Brian Draxten of Otter Tail Power thanked the city for their work and said they support the recommendation the project does not have a significant environmental impact. Once the council approves the resolution, Otter Tail Power would have the authority to apply for the permit. He explained the reasons the project is being designed at the current levels, the environmental benefits and the value to the community. Otter Tail Power has provided each of the eight affected homeowners with three choices and they have one year to decide which option they would like to pursue so they don't feel pressure to make an early decision.

Jason Hill spoke on behalf of the Aurdal Township Board to request setbacks similar to the ordinance they have adopted. There were concerns with the EAW and negative declaration and stated the township would have like to have been involved in choosing the Responsible Governmental Unit. Katie Tysdal asked for clarification on the proposed height of the solar panels. Randy Synstelien of Otter Tail Power said the flexibility of the ordinance is important as they have not yet secured all of the equipment. The height of the panels will be covered in their request for a Conditional Use Permit. Barbara Finseth asked if the Aurdal Township ordinance addresses individual agreements or compensation for affected property owners prior to providing a permit. Tere Mann was concerned with the process and asked if the council understands the difference between an EAW and EIS. She questioned how the city was designated as the Responsible Governmental Unit and asked the council to slow down the process and she felt this project was progressing too quickly. Megan Beckler asked about the differences between a conditional use permit and a variance and requested the ordinance have more screening requirements. Bremseth said these questions are more directed at the ordinance language, not the EAW and listed examples such as home based businesses or signs are times when the city authorizes conditional use permits. The burden to find uniqueness in a variance would be challenging for a solar farm, making a conditional use permit the appropriate mechanism for solar requests. The resolution was called to a vote and was adopted.

### **PI 9768, Downtown Riverfront Project**

Bolton & Menk has substantially completed the project plans and specifications for PI 9768, the Downtown & Riverfront Balcony and River Bank Enhancement and Stabilization Project and estimate the project cost to be \$2,550,000. The city would like to advertise the project for bids with an anticipated bid opening in April. Ten key features of the project were reviewed including:

1. Removal, excavation and replacement of the west parking lot with a new parking configuration. This will be done in phases to maintain the use of the parking lot to the maximum extent practical.
2. New utility extensions and relocations as needed. Water quality improvements will be facilitated by the installation of sump manholes.
3. New market structure with storage and restroom facilities. A bid alternate will include three season features such as heaters and glass garage doors for the marketplace.
4. Decorative reinforced concrete surfacing plaza/trail with landscaping.
5. River overlook with ornamental fencing.
6. Decorative lights in conjunction with Otter Tail Power Company.

7. Court Street utility work with a raised pedestrian crossing to enhance the regional trail.
8. Vegetative enhancement to the existing river bank.
9. Installation of decorative kiosks and sign archways.
10. Various other amenities.

Renderings of the site improvements were shared. Once bids are received, the total project budget will be developed along with a contract recommendation to the council. Funding sources for the project consist of LCCMR, city bonds, private donations and state bonding aid. City Engineer Brian Yavarow explained this project is only addressing the west block improvements and the east parking lot will be used for staging and the temporary storage of equipment. Kvamme offered **Resolution #36-2021** ordering the plans and specifications and authorizing the advertisement of bids for PI 9768, the Downtown Riverfront project, which was seconded by Arneson. He offered an amendment to his resolution to include the project be bid with an alternate to provide utility hookups for vendors using the marketplace structure. Arneson agreed to the amendment and the resolution was adopted

#### **Variance for Downtown Riverfront Project**

Gustafson offered **Resolution #37-2021** approving a shoreline variance extension for downtown riverfront improvements for an additional two years, which was seconded by Hagberg and was adopted.

#### **Sales Tax Project Amendment**

On January 19, 2021 the council adopted Resolution #16-2021, authorizing the city to seek legislative approval for three city projects to be funded by a one-half cent local sales tax. Our local representative asked the city to pare down their sales tax requests. At the February 25 council work session, there was a consensus to remove the \$2.5 million request for trail projects. Eliminating this project would decrease the city's request from \$21 million to \$17,700,000 and reduce the overall sales tax collection period from 16 years to 13 years. Legislative approval is required to implement a sales tax, but the voters would have the ultimate say in the project moving forward in the November 2022 General Election. The two projects the city would like to pursue are the aquatics center and improvements in Delagoon Park. The estimated cost for the aquatic center is \$7.8 million and the Delagoon projects are estimated at \$5.2 million. When the cost of issuing bonds and interest is added, the total cost projection is \$10.6 million for the aquatics center and \$7.1 million for the Delagoon project. These costs could be lower if the sales tax collection comes in better than expected. Rufer offered **Resolution #38-2021** to support the authority to impose a local sales tax to fund specific capital improvements providing regional benefit, to establish the duration of the tax and the revenue to be raised by the tax, and to authorize the city to issue bonds supported by the sales tax revenue, which was seconded by Arneson and was adopted with Hicks voting in opposition.

#### **Space Lease for Bigwood Event Center**

Last year Ruhr Development informed the city they did not intend to renew their agreement to operate the city owned Bigwood Event Center. The city has been working on the hotel management (Fergus Falls Lodging, LLC) on the transition and a space lease has been proposed. In exchange for the city allowing the hotel to keep their hotel lobby and check-in desk in its current location (which is city owned space) they would agree to take care of the ground maintenance for the event center including snow removal, lawn care and cleaning the public restrooms. Ruhr Development will be responsible for all outstanding fees owned to the city for their previous operation of the event center. The lease is a one year agreement, followed by a month to month agreement with a 60 day notice requirement

to end the agreement. Thompson offered **Resolution #39-2021** authorizing the Mayor and City Administrator to execute a space lease with Fergus Falls Lodging, LLC for the Bigwood Event Center Space Lease, which was seconded by Kvamme and was adopted.

### **Bigwood Event Center Management**

The pandemic shut down most events in 2020 and thus far in 2021. Staff has been working under the assumption the city would operate the Bigwood Event Center once events are allowed again. Phone calls have been steadily coming in looking for space to host conferences, meetings and special events. If the city is to reopen the facility in 2022, a director position would need to be added later in 2021 so they can begin marketing, planning for staffing and preparing supplies. Jean Bowman of Visit Fergus Falls has been helping with this transition and taking the phone calls from those looking for space. She spoke about the facility and role it plays with our residents and visitors and the event center's importance to the community as there are no other large group spaces available at this time. A motion and second were made by Rufer and Kvamme to direct staff to include a Bigwood Event Center manager in the city's budgeting plans and the motion carried.

### **Resolution of Accounts**

Kvamme noted his employer is listed on the city's list of claims, but he does not receive direct financial compensation for this claim. Hagberg offered a resolution authorizing the payments and claims in the amount of \$1,124,597.79, which was seconded by Rufer and was adopted.

### **Airport Manager Update**

A motion and second were made by Arneson and Gustafson to convene a working group consisting of the City Engineer and Human Resources Director, Council Members Arneson and Hagberg and two members of the Airport Advisory Board meet and discuss the next steps in hiring of the airport manager and to report back with an update at the March 15 council meeting. The motion carried unanimously.

The meeting adjourned at 6:28 pm.

*Lynne Olson*