

City Council Minutes
May 17, 2021

The Fergus Falls City Council held a regular meeting on Monday May 17, 2021 at 5:30 pm in the City Council Chambers. Pastor Lee Kantonen gave the invocation and the Pledge of Allegiance was recited. Mayor Schierer called the meeting to order at 5:33 pm. Council members in attendance were Arneson, Gustafson, Hicks, Fish, Hagberg, Kvamme, Rufer and Thompson.

Approval of the Agenda

A motion and second were made by Rufer and Hagberg approving tonight's agenda with the following additions: Resolution accepting the quote for PI 7766, the storm sewer improvement for 1220 N Tower Road (consent); Resolution awarding a 2021-2023 hayland lease agreement (new business) and Resolution declaring community festivals (consent) and the motion carried.

Proclamation: Public Works Week

Mayor Schierer read a proclamation of appreciation for our Public Works employees and declared May 16-22 as Public Works Week. Public Works Director Len Taylor thanked the council for their recognition of our public works employees and the vital services they provide for our community.

Consent Agenda

The following items were approved under **Resolution #92-2021** by Thompson: Motion approving the minutes from the May 3, 2021 City Council meeting and the May 12, 2021 Committee of the Whole meeting. Motion approving the following licenses: Demo/Hauler of Building Waste Rachel Contracting; Mechanical All Seasons Heating & A/C; Chickens Cindy Jensen 544 W Summit Avenue (renewal), Callie Shea and Alex Lais 615 S Woodland Drive (new); Minnesota Lawful Gambling Permit Elizabeth Lions Club for Bingo at the W Otter Tail County Fair July 21-24. **Resolution #93-2021** accepting the conveyance of a stormwater pond (Outlot A) to the city contingent upon the authorization for the City Engineer and City Attorney to prepare the Storm Water Maintenance Agreement and the preparation of the ingress/egress easement to allow city access to Outlot A. **Resolution #94-2021** initiating PI 7767, the Pebble Lake Golf Course delineation and drainage improvement project and accepting Stantec's professional services proposal for wetland delineation in the amount of \$8,050. **Resolution #95-2020** setting a final cost hearing for CP 5955, the 2021 street and utility improvement project for Whitford Street and the Bancroft Avenue area for June 21, 2021. **Resolution #96-2021** approving the consent to assignment of the investment management agreement between the City of Fergus Falls and Galliard Capital Management Inc. to GRCR LLC and Reverence Capital Partners LP. **Resolution #97-2021** accepting the quote for PI 7766, the storm sewer improvement for 1220 N Tower Road, the West Tool & Design expansion project, to Leitch Excavating Inc. in the amount of \$47,669.27. **Resolution #98-2021** declaring SummerFest, the Over the River Festival and Shop, Move and Groove as 2021 community festivals. The resolution was seconded by Gustafson and was adopted.

Ordinance 7 Eighth Series

Ordinance 7, Eighth Series, Interim Emergency Succession was adopted by a roll call vote.

Land Purchase on Southview Drive

On May 3, the council introduced a land sale of approximately two acres to Lonnie and Danielle Ballweg on Southview Drive. The City Charter states at least ten days must separate the introduction

and final sales of city property. A number of neighbors have come forward saying they were not aware the city was considering this land sale and asked the city to slow down the process and not approve the final sale this evening. A letter from Amanda Saint and Andrew Kutzke was submitted into record and their concerns how a private shop would adversely affect how they use their land and their request for the further dialogue to see how a sale would affect the neighborhood were relayed. Mike Robertson, 2312 Lakeview Drive said this request blindsided the neighbors and he was concerned about access points for a driveway and the effect on property values if a shop was constructed in a wooded area. He advocated other neighbors be allowed an opportunity to purchase the land and also requested the council slow down their process and provide more information to the neighborhood.

A motion and second were made by Rufer and Fish to table this discussion so a meeting can be held with the neighborhood to gather their input. Hicks stated he was fine with a short delay, but he believes the city needs to be careful with setting a precedence of having a contract and then opening up a property for other buyers. The City Attorney said there technically is no contract. Selling city owned property is done by the council's discretion and if they want to finalize the land transaction tonight, they should take action to enter into a purchase agreement. Arneson spoke about the process laid out in the City Charter and how the time between the introduction and final sales offer this very type of opportunity for others to add input, but he would like to see a deadline for this issue to come back before the council in light of the rising construction costs. Rufer said he has heard requests from the neighbors to delay this process and he did not feel gathering their input would set a bad precedence. He agreed having this matter come back to the council in a timely manner would be in everyone's best interest and said he would coordinate a meeting with the neighborhood as soon as possible. The motion to table the final land sale carried with Hicks voting in opposition.

Airport Manager/FBO

A working group comprised of Council Members Arneson and Hagberg, City Engineer Brian Yavarow, Human Resources Director Mike Hartwell, City Attorney Rolf Nycklemoe and Airport Advisory Board members Andrew Yaggie and Robbie Olson has met four times to help select a new Airport Manager/Fixed Based Operator (FBO). Justin Arneson reviewed context of each of these meetings and said they have made a recommendation for the council to select Sky Crew Services. A motion and second were made by Arneson and Hagberg directing the City Attorney to draft an Airport Management and FBO contract with Sky Crew Services. Thompson said he would be voting in opposition to appointing Sky Crew Services. He referenced rumors and petitions being spread about Alexandria Aviation to the Alexandria City Council and his belief the rumors were spread by friends and associates of Sky Crew Services to sway the city's decision. He did not feel the city should hand over an airport to candidates who do not have experience or formal training with MnDOT or the FAA when the proposal from Alexandria Aviation clearly shows a candidate with more experience and a proven track record in his mind. Mayor Schierer said he spoke to the Alexandria Mayor who confirmed there were communications from people in Fergus Falls with their City Council members, but these conversations did not influence any decision making. Kvamme said the word local has been used often in this hiring process and he shared his opinion that the Fergus Falls Airport is a regional asset as it serves a broad area and the original consultant's recommendation to select Alexandria Aviation is the direction the city should be taking. Clarification was provided that the city was not making a final selection at this time as the draft agreement, including the length of the contract, would be reviewed by the working group. This group would also be making a recommendation on the length of time considered in the contract. The motion was called to a vote and carried on a 5-3 vote. Voting

in favor were Arneson, Gustafson, Hicks, Hagberg and Rufer while Thompson, Fish and Kvamme voted in opposition.

Resolution of Accounts

Fish offered a resolution authorizing the payments and claims in the amount of \$3,509,244.52, which was seconded by Hagberg and was adopted after explaining the use and need for a charge for sewer cameras.

Franchise Fees

At the May 12 Committee of the Whole meeting, staff reviewed the city's pavement management plan and suggested the city consider franchise fees to create a dedicated funding source for street improvements. City Administrator Andrew Bremseth explained how cities have the statutory ability to adopt an ordinance that charges a fee to utility companies for using the city's right of way. These nominal fees are monthly passed onto the customers and the proceeds are dedicated to funding street improvement projects. Bremseth said he has already had brief conversations with Otter Tail Power Company and Great Plains Natural Gas to give them a heads up this conversation may be coming. He was reminded that Lake Region Electric also serves customers within the city limits. The city would continue to set aside levy funding for chip seal and mill and overlay projects. Kvamme asked if cable and telephone companies could also be sources of franchise fees. Bremseth said the city already collects franchise fees from Park Region Telephone and Spectrum and those funds help fund PEG Access. The city could charge above and beyond those fees, but with so many competitive streaming services, this would likely be detrimental to these businesses in our community. Hicks asked if the city is making Great Plains Natural Gas and Otter Tail Power the "bad guys" if they are the ones asking for the additional taxes. There was discussion about how this funding mechanism has everyone paying their fair share for road improvements. A motion and second were made by Rufer and Gustafson to direct staff to begin the process of looking into franchise fees as a funding source for street improvements and the motion carried.

Hayland Lease Agreement

Staff recommended awarding a two year hayland lease to Daryl Tysdal. He provided the only bid and has leased this land in the past. Tysdal's bid on Parcel 1, 14.5 acres, is \$312.50 and his bid on Parcel 2, 1.4 acres, is \$36.35. Tysdal would be responsible for paying the taxes. The lease payments would be credited to the city's water fund. Staff explained the location and layout of the land noting the Otter Tail Power feeder line that goes through the property. Kvamme offered **Resolution #99-2021** awarding a two year hayland lease to Daryl Tysdal, which was seconded by Fish and was adopted.

Emergency Powers

Hicks felt it was time to lift the city's emergency powers declaration due to the COVID-19 pandemic. Bremseth said the city has not used the emergency powers for over a year and the main reason for enacting the powers was to seek FEMA reimbursement for covid related expenses. CARES funding and the American Rescue Plan have provided funding sources for the city to access and use. He commented on the usefulness and flexibility the declaration provided the city in allowing businesses outdoor seating and carry-out signage that normally would not be allowed. He did not believe the powers were abused and that they were put to good use. Hicks offered **Resolution #100-2021** lifting the city's emergency powers declaration, which was seconded by Arneson and was adopted. Bremseth said as of June 1, the city plans to go back to all in person meetings. This will include City

Council, Committee of the Whole, Port Authority and all meetings of the city's various boards and commissions. The public will be invited to participate in the meetings in public or to view the meetings on the city's You Tube channel or PEG Access.

The meeting adjourned at 6:18 pm

Lynne Olson