

City Council Meeting
July 6, 2021

The Fergus Falls City Council held a regular meeting on July 6, 2021 at 5:30 pm in the City Council Chambers. Pastor Tim Molter gave the invocation and the Pledge of Allegiance was recited. Council members in attendance were Fish, Hagberg, Kvamme, Thompson, Arneson, Gustafson and Hicks. Rufer was absent.

Approval of Agenda

A motion and second were made by Fish and Hagberg to approve tonight's agenda with the addition of a resolution approving a special sales tax law and the motion carried.

Bid Award PI 5337

PI 5337 is the 2021 mill and overlay project. Mark Lee Asphalt & Paving submitted the low bid in the amount of \$178,345.50. The City Engineer requested the council authorize the addition of adjacent street segments, not to exceed 25% (\$44,586.38). The total project cost is \$273,231.88. Kvamme offered **Resolution #129-2021** awarding the construction services contract to Mark Lee Asphalt & Paving in the amount of \$178,345.50 and authorizing the addition of street segments to the base contract in an amount not to exceed 25%. The resolution was seconded by Thompson and was adopted.

Bid Award PI 5338

PI 5338 is the 2021 seal coat project. ASTECH Corp submitted the low bid in the amount of \$141,363.95. The total project cost is \$169,200. Fish offered **Resolution #130-2021** awarding the construction services contract to ASTECH Corp. in the amount of \$141,363.95, which was seconded by Gustafson and was adopted.

Consent Agenda

The following items were approved under **Resolution #131-2021** by Hicks: Motion approving the minutes from the June 21, 2021 City Council meeting and the June 30, 2021 Committee of the Whole meeting. Motion approving the following licenses: Paving/Sidewalk Taves Construction Inc.; Minnesota Lawful Gambling Permit Fergus Falls Fish and Game Club for raffle at West Otter Tail County Fairgrounds on August 12, 2021; Full Liquor License Zens Steak and Seafood. **Resolution #132-2021** authorizing the funding of a request for public art restoration and preservation. **Resolution #133-2021** initiating PI 5314 and accepting the professional services agreement with Moore Engineering for preliminary design work in the amount of \$71,600. **Resolution #134-2021** approving a preliminary plat for a two lot subdivision of Timber Cove Addition at 1151 Friberg Avenue as requested by the Housing and Redevelopment Authority of Fergus Falls. The resolution was seconded by Hagberg and was adopted. Three items originally presented on the consent agenda were requested to be removed.

Hicks asked if the traffic lights could be adjusted for the benefit of pedestrian traffic in conjunction with PI 5333. The City Engineer will take the request into consideration of the project. Hicks offered **Resolution #135-2021** accepting the plans and specifications for PI 5333, the Union Avenue street and pedestrian improvement project and authorizing the advertising of bids. The resolution was seconded by Gustafson and was adopted.

Kvamme asked the citizen request to have a bike trail from the city limits to Broken Down Dam incorporated into the solar farm project be considered. It was clarified the Conditional Use Permit would not include the construction of a trail as a requirement, but the request would be noted in the comments. Kvamme offered [Resolution #136-2021](#) approving a Conditional Use Permit to develop, construct, operate and maintain a solar photovoltaic project in a R-A zone on 21 parcels as requested by Otter Tail Power Company. The resolution was seconded by Arneson and was adopted.

Hicks asked if the Westridge Mall was current on their utility bill prior to approving their plat. The agreement is contingent upon all city utilities and property taxes being paid in full prior to the plat being recorded. Hicks offered [Resolution #137-2021](#) approving a final plat for a two lot subdivision of Westridge Addition at 2001 W Lincoln Avenue as requested by the Westridge Mall Limited Partnership contingent upon approval of the Development Agreement. The resolution was seconded by Hagberg and was adopted.

Westridge Mall Development Agreement

The Development Agreement with the Westridge Mall was contingent upon the final plat previously discussed being approved. The final plat allows the subdivision of a parcel into one containing the footprint of the Dollar Store, some adjacent floor space and adjacent parking area, a standalone building along the frontage road and another containing the remainder of the existing Westridge mall footprint and parking lots. The Development Agreement outlines the separation of utilities, a common fire wall suppression system and compliance with all federal, state and local laws including permits, licensees, zoning, environmental and regulation. The city is requiring an easement in the event water must be shut off. Fish offered [Resolution #138-2021](#) approving a Development Agreement with Westridge Mall Limited Partnership, which was seconded by Thompson and was adopted.

Conduit Debt Hearing Date Set

Lake Region Healthcare Corporation requested the city issue revenue notes on their behalf. Camie Patterson stated the request would not exceed \$21,000,000 and the funds would finance the acquisition of an electronic medical records system. This project will enable Lake Region Healthcare to continue providing healthcare services in the community and help their organization recruit and retain staff. The principal and interest will be solely paid by the revenues of Lake Region Healthcare Corporation. Although there is no budget impact to the city, state law requires a public hearing is conducted prior to issuing conduit debt. The public hearing date would be Monday August 2, 2021 at 5:30 pm. Arneson offered [Resolution #139-2021](#) approving a resolution calling for an August 2, 2021 public hearing for a financing under Minnesota Statutes, Sections 469.152 through 469.165, as amended, on behalf of Lake Region Healthcare Corporation. The resolution was seconded by Hagberg and was adopted.

Dairy Property Purchase Agreement Extension

The City and Port Authority as the buyer and seller are each seeking an extension until October 1, 2021 to complete the appraisal process on the dairy property. A second addendum to the purchase agreement would need to be signed by both parties. Hicks offered [Resolution #140-2021](#) approving an extension to the closing date for the dairy property purchase agreement until October 1, 2021, which was seconded by Arneson and was adopted.

Airport Management Agreement

A rough draft of the Fixed Base Operator Airport Management Agreement between the City of Fergus Falls and Sky Crew Services, LLC was provided to the council on June 21. The working group met with their representatives to review and make revisions to a final draft which is being considered today. Arneson offered **Resolution #141-2021** approving the Fixed Based Operator Airport Management Agreement with Sky Crew Services, LLC, which was seconded by Hagberg.

Thompson was opposed to the agreement being awarded to Sky Crew Services. He said the city hired a professional consultant from the aviation community and went against their recommendation. He questioned if they had the qualifications or training necessary for this position and stated he would be voting against the resolution. Kvamme commended the working group on their efforts to put together this contract and the level of detail put into the document. He felt the amount of council involvement and oversight in this process could scare off future potential contract holders. He agreed with Thompson's reasons for voting in opposition and felt the city should be supporting the consultant's recommendation. Mayor Schierer felt a detailed contract is necessary when a business is managing a significant city asset, such as the airport. Hicks felt there were too many details in the agreement that were not requested in the RFP process. Arneson explained the working group incorporated the deliverables that Sky Crew promised during their interview into the agreement. The resolution was called to a vote and was adopted 5-2. Hicks, Fish, Hagberg, Arneson and Gustafson voted in favor while Kvamme and Thompson voted in opposition.

Sales Tax Resolution

The city submitted a request for authorization to seek voter approval for two projects which would be paid through a one-half of one cent sales tax. This request was included in the Omnibus Tax Bill recently signed into law. The state requires subdivisions 2 and 3 under MN Statute 645.021 be satisfied to make the special law effective. A resolution approving the law along with a certificate of approval must be filed with the Secretary of State's office. Once it is complete, the city would have the authority to seek voter approval for two projects in the November 2022 General Election. The cost estimate for the aquatic center project is \$7.8 million plus bond costs and issuance and the improvements at Delagoon Park are estimated at \$5.2 million plus bond and issuance costs. Voters would vote on each project separately. If one or both projects are successful, the sales tax would go into effect after the bonds for the library project have been paid, which is anticipated in late 2022. Fish offered **Resolution #142-2021** approving the special sales tax law for Fergus Falls contained in the Omnibus Tax Bill (2021 First Special Session Chapter 14), which was seconded by Thompson and was adopted.

Resolution of Accounts

Fish offered a resolution authorizing the payments and claims in the amount of \$2,647,722.52, which was seconded by Hagberg and was adopted.

The meeting adjourned at 6:02 pm

Lynne Olson