

City Council Minutes
August 16, 2021

The Fergus Falls City Council met for a regular meeting on August 16, 2021 at 5:30 pm in the City Council Chambers. Mayor Schierer gave the invocation and the Pledge of Allegiance was recited. The meeting was called to order at 5:32 pm. Council members in attendance were Rufer, Thompson, Arneson, Gustafson, Hicks, Fish, Hagberg and Kvamme.

Approval of the Agenda

A motion and second were made by Arneson and Fish to approve the agenda and the motion carried.

PI 9769 Quote Awarded

Kvamme offered **Resolution #167-2021** awarding the quote for PI 9769, the Court Street parking lot improvement project to Ben Wolden Landscaping in the amount of \$64,350.95, which was seconded by Thompson and was adopted.

Retirement: Mary Jo Igelstad

Fish offered **Resolution #168-2021** acknowledging the retirement of Mary Jo Igelstad and recognizing her 46 years of service to the City of Fergus Falls, which was seconded by Hagberg and was adopted.

Retirement: Kathy Sporre

Thompson offered **Resolution #169-2021** acknowledging the retirement of Kathy Sporre and recognizing her 30 years of service to the City of Fergus Falls, which was seconded by Arneson and was adopted.

Consent Agenda

The following items were approved under **Resolution #170-2021** by Hagberg: Motion approving the minutes from the August 2, 2021 City Council meeting and the August 11, 2021 Committee of the Whole meeting. Motion approving the following licenses: Mechanical Cool Sys Light Commercial Solutions, Town and Country Heating Cooling & Refrigeration, Lakeside Plumbing & Heating Inc.; Minnesota Lawful Gambling Permit Ducks Unlimited Maidens of the Marshes for bingo and raffle at the VFW on October 3, I-94 BMX for raffles at I-94 Speedway on September 15-18. **Resolution #171-2021** authorizing the installation of Opticom emergency vehicle preemption systems on traffic lights within the city. **Resolution #172-2021** accepting a matching grant award for the Fergus Falls Fire Department from the MN DNR Fire Department Assistance Program. **Resolution #173-2021** certifying miscellaneous invoices. Motion directing staff to provide quotes and a plan for upgrading the city's email system. The resolution was seconded by Rufer and was adopted.

Hicks requested two items be removed from the consent agenda for further discussion. Staff is seeking authorization to determine budgetary needs to develop a comprehensive plan. Hicks asked the plan be established in-house by staff rather than using as a consultant. He referenced past studies as well as the RTC master plan and feels the city is paying for reports that don't provide more information than what was known prior to the study. Mayor Schierer said the RTC master plan was required by SHPO in order to provide nearly \$3.5 million in state funding for demolition projects on the campus. Rufer agreed the city would not have spent funds on the RTC master plan unless it was required by the state. He was in favor of the city developing a comprehensive plan that will provide guidelines and a plan for the city's future growth. Hicks offered a motion directing staff to determine budgetary

needs for a comprehensive plan and to report the options back to the council, which was seconded by Rufer and was adopted.

After questioning the delay and confirming no further extensions would be granted to the variance request for the construction of a detached garage, Hicks offered **Resolution #174-2021** approving a variance extension for the construction of a detached garage at 228 W Adolphus Avenue until November 16, 2021, which was seconded by Fish and was adopted.

Ordinance 17, Eighth Series

Ordinance 17, Eighth Series, Amending the zoning map from R-1 to R-4 for Campus Addition as requested by Prairie View Development was introduced by Fish and was declared to have its first reading.

TIF Hearing Date Set

The owner of the former mill property is seeking the city's assistance in the redevelopment of this historic property. Kevin Bartram is requesting an analysis for the use of tax increment financing and will be paying for Baker Tilly's services to determine if this financing option is warranted. He is also asking the city to submit an application for DEED's redevelopment grant program. The city does not have a financing plan in place for matching funds at this time and there is no commitment for the city to provide any such matching funds. Gustafson offered **Resolution #175-2021** setting a public hearing for the use of Tax Increment Financing for the former mill property for October 18, 2021 at 5:30 pm in the City Council Chambers, which was seconded by Hagberg and was adopted. Hicks offered **Resolution #176-2021** authorizing the submission of an application to DEED's Redevelopment Grant program to help fund the redevelopment of the former mill property, which was seconded by Arneson and was adopted. Fish offered **Resolution #177-2021** affirming the council's support for Tax Increment Financing contingent upon the "but/for" analysis for the former mill property, which was seconded by Rufer and was adopted.

Purchase Agreement for 702 S Tower Road

St. Francis Health Services is a non-profit organization looking to expand group home services into Fergus Falls. They have submitted a letter of intent and request to move a house to the property located at 702 S Tower Road. The land is properly zoned for this use, but a conditional use permit would be required for the operation of a group home. A motion and second were made by Kvamme and Hagberg directing the City Attorney to draft a Purchase Agreement with St. Francis Health Services for a city owned parcel of land located at 702 S Tower Road. The City Attorney reviewed possible options to establish a purchase price including the county assessor's valuation, a single or multiple appraisal system or a bare land market analysis from a realtor. Kvamme and Hagberg agreed to amend their motion to direct the City Attorney to draft a Purchase Agreement between the city and St. Francis Health Services for a city owned parcel of land located at 702 S Tower Road after obtaining a market analysis on the value of the property from a professional realtor and the motion carried.

Resolution of Accounts

Fish offered a resolution authorizing the payments and claims in the amount of \$1,774,715.74, which was seconded by Hagberg and was adopted. Kvamme requested staff review credit card fees after the budget cycle has been completed.

Port Authority Bond Issuance Update

At tonight's Port Authority meeting, the sale of \$1,465,000 in General Obligation bonds to help finance Phase I of the downtown riverfront project was approved. Staff is continuing to review project expenses and the level of contingency funds set aside for the project. The council will be asked to consent to the bond issuance in September and the proceeds are expected in October.

Regional Treatment Center Master Plan

Three associates from Collaborative Design Group presented the RTC Master Plan which was a requirement of the State Office of Historic Preservation prior to the city receiving funds for further demolition on the historic RTC campus. They reviewed the methods used to gather public engagement including a survey that asked respondents for their ideas on redevelopment. A majority of the 1403 respondents supported reuse of this historical treasure and those who did not cited economic concerns of too much time and money to retrofit the buildings. The consultants answered questions about the respondents, the areas they come from and their responses. Survey data is available within their full report, which has been uploaded to the city's website. The report evaluated the significance of buildings and spaces and the existing conditions. The advisory group looked at eight options and narrowed the best reuses to two possibilities, residential healing for PTSD or housing. The group ultimately landed on housing as the best possible reuse of the buildings as well as keeping the bare land for parkland. The consultants reviewed their findings on transportation improvements they feel should be made on the roadways and provided recommendations on how the city should spend the remaining \$1.5 million state funds to stabilize the existing structures. Kvamme thanked the advisory group and consultants for their work and stressed the report shows the respondents support reuse of the former regional treatment center and pointed out the report says the structure is in solid condition and a significant asset for the community. He proposed the council start discussing the best use of the remaining state funds on stabilization, particularly roofing, groundwater infiltration and ventilation issues prior to the 2022 deadline to expend the funds. Mayor Schierer felt the city has done a good job of making progress on the RTC campus while also moving forward on other community projects. He cited the private redevelopment of the nurses' cottage and the city's success in demolishing the structures that were in the worst condition. After confirming the report is a guide for redevelopment and its acceptance does not bind the city into following any of the recommendations, Kvamme offered **Resolution #178-2021** accepting the RTC Master Plan, which was seconded by Gustafson and was adopted with Hicks voting in opposition.

The meeting adjourned at 6:34 pm.

Lynne Olson