

City Council Meeting
January 3, 2022

The Fergus Falls City Council held a regular meeting on Monday January 3, 2020 at 5:30 pm in the City Council Chambers. Mayor Schierer gave the invocation and the Pledge was recited. Schierer called the meeting to order at 5:31 pm and the following council members were in attendance: Thompson, Arneson, Gustafson, Hicks, Fish, Hagberg, Kvamme and Rufer.

Approval of Agenda

A motion and second were made by Hagberg and Fish to approve tonight's agenda with the removal of items 4 and 8 from the consent agenda and the removal of the letter of intent for city owned property for a discussion to be held at a later date. The motion carried.

Consent Agenda

The following items were approved under **Resolution #1-2022** by Gustafson: Motion approving the minutes from the December 20, 2021 City Council meeting. Motion approving the following licenses: Tobacco Lincoln Vapors; Mechanical A & E Plumbing & Heating, Bjorn's Heating & A/C, Air Mechanical, Mission Mechanical, Ugstad Plumbing, E & H Enterprises of Alexandria dba Ellingson Plumbing, Heating, A/C & Electrical, St Cloud Refrigeration dba SCR, Mid States Infloor Heat, Green's Plumbing; Metal Recycler Northern Metal Recycling; Excavator Comstock Construction, Ripley's Inc.; Paving/Sidewalk Comstock Construction; Minnesota Lawful Gambling Permit Fergus Falls Sertoma Club for raffle on May 22, 2022 at West Otter Tail County Fairgrounds. **Resolution #2-2022** designating the Daily Journal as the 2022 legal publication. **Resolution #3-2022** delegating the City Administrator, Finance Director, Assistant Finance Director, Payroll Officer and Human Resources Director the authority to make 2022 electronic fund transfers on behalf of the City of Fergus Falls. **Resolution #4-2022** adopting the 2022 Elected Officials Out of State Travel Policy. **Resolution #5-2022** declaring SummerFest, Over the River Festival and Shop, Move and Groove as 2022 community festivals. **Resolution #6-2022** approving the 2022 Transportation Agreement with Productive Alternatives. **Resolution #7-2022** providing a letter of support to the Fergus Falls School District for an application to the 2022-2023 Safe Routes to School Boost Grant program. The resolution was seconded by Thompson and was adopted.

Depositories

Kvamme asked if the action to approve the 2022 depositories could be delayed so the city could add local regional banks to the list of depositories. Finance Director Bill Sonmor explained the council does need to take action per state statute and the city's audit requirements. In the past, the city went out locally for Requests for Proposals (RFP) on Certificates of Deposits. These savings vehicles are no longer getting a good rate of return and the city is investing money in the 4M Fund. US Bank is the custodian of these funds and they are managed through the League of Minnesota Cities. There are no bank fees associated with US Bank due to the connection with the League of Minnesota Cities. If the city were to leave the 4M account and US Bank, it would need to go through an extensive RFP process and change the structure of the city's finances, which could also result in the need for additional staff to reconcile the accounts. Kvamme asked the city revisit this at a later time and Sonmor said he does frequently meet with local banks to see what services they offer that may benefit the city. Fish offered **Resolution #8-2022** designating the 2022 depositories, which was seconded by Arneson and was adopted.

Workforce Housing Development Grant

Hicks asked for more clarification on this grant and if the city was required to provide matching funds. Community Development Director Klara Beck said this grant would be used to cover the cost of building the market rate residential rental properties for the Campus View Estates development project. The city's investment in the project is the infrastructure and this contribution will cover the matching funds. Hicks offered **Resolution #9-2022** authorizing the submission of an application from the city to the Workforce Housing Development Program, on behalf of the campus View Estate housing project and noting if the grant is awarded, the city is authorized to enter into a grant contract with Minnesota Housing in an amount not to exceed \$195,000. The resolution was seconded by Hagberg and was adopted.

Ordinance 23

Ordinance 23, Eighth Series is the establishment of a 90 day study period and moratorium on the construction, enlargement or expansion of motels, hotels and apartment hotels. Hicks felt establishing a moratorium gives the impression the city is saying no and they are not business friendly. He was opposed to the length of time it would take to complete this study period and ordinance timeframe. City Planner Karin Flom said the Motel 7 is on the market for sale and the city has been getting numerous calls about converting the motel into apartments or extended stay rooms and staff has no guidance on how to answer the questions which have not been spelled out in the City Code. The study period would be used by the Planning Commission to update the definitions in our code. City Attorney Rolf Nycklemoe agreed it is not clear if a hotel apartment would be allowed at this location because of the lack of reference in the code. The purpose of the study period is to empower the Planning Commission to make a recommendation on allowed uses in that zone and once the 90 days are up, the moratorium would end. The study period also lets potential buyers know the city is looking at the proposed uses in this zone so it would not be a shock if they tried to take out a building permit to convert the structure. Flom said this study would take place as efficiently as possible with the Planning Commission so they can make an informed recommendation to the council. Arneson felt the study period was warranted so the city can provide clear code language for the future business owners. Rufer agreed there have been many changes in the long and short term rental businesses and it was in the city's best interest to update the language. He supported the moratorium to make sure we are not slowing down development, but encouraging it in the right way. Kvamme felt it was better to tell prospective investors about the city's intentions to study the definitions and zoning so they would not be surprised. Hicks asked if the plans for the hotel at the historic mill site would be affected by the moratorium. Flom said that property owner is aware of they need to complete the rezoning process and that the timeline would not adversely affect their plans. Thompson clarified if the Motel 7 was purchased and used as a motel, that would be allowed and this was confirmed. Ordinance 23, Eighth Series was introduced by Rufer and was declared to have its first reading.

Decertify TIF District VIII-I, Somerset Apartments

Fish offered **Resolution #10-2022** decertifying TIF District VIII-1, Somerset Apartments, which was seconded by Arneson and was adopted.

AGRI Grant Program

A number of community groups have been working on various aspects of a project that would be eligible for an AGRI Urban Agricultural Grant Program. The grant would consist of a one mile walking route encompassing NP Park, the Public Library, and Lake Region Healthcare campus that

expresses the five topics of THRIVE (expressing gratitude, kindness, finding your flow, social connections and values). The grant could provide up to \$50,000 for supplies and education related to the THRIVE walking route by supplying raised and ADA compliant edible gardens. The gardens would be used as an opportunity to teach children about gardening and agriculture. The downtown planters sponsored by businesses could also be utilized in the project if the grant is successfully obtained. Arneson expressed his support for the project and offered **Resolution #11-2022** authorizing the submission of a project proposal from the City of Fergus Falls to the AGRI Urban Agriculture Grant Program, which was seconded by Thompson and was adopted with Gustafson abstaining.

Resolution of Accounts

Fish offered a resolution authorizing the payments and claims in the amount of \$828,143.06, which was seconded by Hagberg and was adopted.

Acting Mayor

A motion and second were made by Gustafson and Rufer appointing Arneson as the 2022 Acting Mayor and the motion carried.

Council Appointments

A motion and second were made by Hicks and Thompson approving the following council appointments for 2022 and the motion carried.

Board of Equalization: Fish, Rufer, Arneson, Hicks

Business Development for Fergus Falls: Hicks

Fire Department Relief Association: Fire Chief, City Administrator, Fish

Fire Department Trust Fund: Fire Chief, Kvamme

Golf Board: Fish

Hockey Association: Gustafson

Investment Committee: City Administrator, Finance Director, Assistant Finance Director, Certified Financial Planner, Kvamme

Legislative Committee: Mayor, City Administrator, Arneson, Rufer

PEG Access Board: Hagberg

Personnel Committee: Hagberg, Gustafson

Senior Citizens: Thompson

Tax Levy Committee: Mayor, City Administrator, Fish

Visit Fergus Falls: Fish

West Central Initiative Economic Development District: Rufer

The meeting adjourned at 6:04 pm.

Lynne Olson