

City Council Minutes
March 7, 2022

The Fergus Falls City Council held a regular meeting on March 7, 2022 at 5:30 pm in the City Council Chambers. Pastor Doug Dent 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 Agenda

A motion and second were made by Hagberg and Thompson to approve tonight's agenda with the removal of three items from the consent agenda and the motion carried.

Housing Tax Rebates

The city received two applications for a housing tax rebate of \$5,000 each. One home is being built at 1793 Shoreview Drive and the other does not have a designated address yet, but will be located off Ridgewood Drive. This parcel number is 71002500004115. The public hearing was opened at 5:35 and as no one appeared, the hearing was closed. Gustafson offered **Resolution #54-2022** approving a housing tax rebate for 1793 Shoreview Drive as requested by William J. and Karla K. Zander, which was seconded by Thompson and was adopted with Hicks voting in opposition. Hagberg offered **Resolution #55-2022** approving a housing tax rebate for PIN 71002500004115, which was seconded by Rufer and was adopted with Hicks voting in opposition.

Consent Agenda

The following items were approved under **Resolution #56-2022** by Arneson: Motion approving the February 22, 2022 City Council minutes; Motion approving the following licenses: Mechanical Moe's Plumbing LLC, SJKK Plumbing & Heating Inc., Excavator Ferguson Brothers Excavating Inc., Minnesota Lawful Gambling Permit FFAYA DBA Otter Golf for raffle on April 20, 2022 at the Pebble Lake Golf Course; Motion directing the City Attorney to draft an ordinance amending the zoning map from I-2 General Industrial to B-3 General Business District for the property located at 309 W Stanton Avenue as requested by the Flour Mill (Kevin Bartram); Motion appointing Jona Brown to the Heritage Preservation Commission. The resolution was seconded by Hicks and was adopted.

Pedestrian Path Grant Application

Hicks offered **Resolution #57-2022** authorizing the submission of an grant application by the city to the Lake Region Arts Council Spring Legacy Organization program in support of the *Grow, Empower, Thrive* pedestrian path, which was seconded by Hagberg and was adopted with Gustafson abstaining.

Variance for 2001 W Lincoln

The Planning Commission has recommended the city approve a variance for the proposed Lot 1, Block 1 in the Westridge Second Addition to create a lot not meeting the minimum setback and lot size requirements in the B-6 zone as requested by the Westridge Mall Limited Partnership. A motion and second were offered by Hicks and Arneson to table the approval until the city is assured the mall owner is current with their utility bill and all other fees owed the city. Hicks commented on the past situations where the city is helping the mall owner, but then finding they owe the city thousands of dollars. The City Administrator and City Attorney commented on the last development agreement the city had with the mall ownership. The agreement gives the city the ability to shut off the water if

the utilities are not paid. The Finance Director checked the city records and reported the mall is current on their utility bill. Hicks and Arneson agreed to drop their motion to table the conversation. Hicks then offered **Resolution #58-2022** approving a variance for the proposed Lot 1, Block 1 in the Westridge Second Addition to create a lot not meeting the minimum setback and lot size requirements in the B-6 zone for the Westridge Mall Limited Partnership, which was seconded by Arneson and was adopted. The council members asked staff to remind the mall owner of their obligation to stay current on their utility bills and taxes prior to asking for any additional action by the council.

Preliminary and Final Plat Westridge Second Addition

Gustafson offered **Resolution #59-2022** approving a preliminary and final plat to create one subdivision “Westridge Second Addition” as requested by Westridge Mall Limited Partnership, which was seconded by Hagberg and was adopted.

Ordinance 24

Ordinance 24, Eighth Series, Amending Chapter 154.002 Definitions was introduced by Hicks and declared to have its first reading. The City Planner was asked to provide additional definitions of lodging house to the council prior to the second reading.

Ordinance 25

Ordinance 25, Eighth Series, Amending City Wards and Precinct Boundaries was introduced by Rufer and was declared to have its first reading.

Community Arena Chiller

The chiller at the school district is unable to make summer ice and adequately cool the school simultaneously. The school will be purchasing their own chiller system and the city has already agreed to purchase the school’s old chiller. The user groups have requested the city find a solution to allow them to have summer ice without a break in services. Commercial Refrigeration Systems has a trailer mounted chiller that can temporarily provide the capacity to keep ice at the arena. The cost to rent the temporary system and make it operational is \$21,000 and this would be funded by the capital funds in the arena budget. The user groups have agreed to pay all other costs for the chiller system other than this temporary system. The system has components that will be installed and will be available for future use if the need arises to do maintenance or repairs on the house system. Gustafson offered **Resolution #60-2022** authorizing staff to sign an agreement with Commercial Refrigeration Systems to provide a trailer mounted chiller to be used at the community area to provide ice skating opportunities to the community during the months of June and July, which was seconded by Arneson and was adopted.

Resolution of Accounts

Hagberg offered a resolution authorizing the payments and claims in the amount of \$1,289,010.85, which was seconded by Rufer and was adopted.

Annual Investment Update

Finance Director Bill Sonmor provided the city’s annual investment update. He reviewed the city’s investment objectives, policy, earnings and the historic market value of the investments. The city’s liquid cash and investment balances are held with the Minnesota Municipal Money Market Fund (4M Fund). The balance of the 4M Funds was \$12.4 million as of December 31, 2021. The city is holding onto a higher balance than normal due to the current interest rate environment. The city also invests

long-term funds managed by Galliard Capital Management. The portfolio had a value of \$30.6 million as of December 31, 2021. The portfolio earned a negative (.87%) return before fees and (1.06%) after fees in 2021. This equated to a decrease of \$922,000 in the fair value of the investments. Over the past ten years, the portfolio earned a positive return of 2.3%. Sonmor reviewed the city's eight funds (General Fund; Special Revenue Fund; Debt Service Fund; Capital Projects Fund; Enterprise Fund; Internal Service Funds; Trust and Agency Fund and Fiscal Host Fund) and commented on the purpose and value of each fund. The balance of these funds totals \$42,915,702.96.

The meeting adjourned to a closed meeting for threatened litigation per Minnesota Statutes Section 13D.05, subd. 3(b) at 6:10 pm.

Lynne Olson