

City Council Minutes
April 18, 2022

The Fergus Falls City Council held a regular meeting on April 18, 2022 at 5:30 pm in the City Council Chambers. Tim Molter and Ramona Heitman each offered an 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: Rufer, Thompson, Arneson, Gustafson, Hicks, Fish, Hagberg and Kvamme.

Approval of Agenda

A motion and second were made by Hagberg and Fish approving tonight's agenda with the addition of an update from the County Assessor's Office (petitions and communications) and the motion carried.

PI 6077 Final Cost Hearing

Tonight is the final cost hearing for PI 6077, the 2021 sidewalk and driveway program projects. Property owners interested in these improvements petitioned 100% for the work and agreed to the terms of the assessment. The interest rate 4.0% and the assessments are variable depending on the assessment value. The final cost is \$75,526.17 and the city budgets \$30,000 per year to cover its share of these projects. The public hearing was opened and as no one appeared, the hearing was closed at 5:36 pm. Thompson offered **Resolution #87-2022** adopting the final cost assessment for PI 6077, which was seconded by Arneson and was adopted.

Quote for Dr. Allen Magnuson Park

Hicks offered **Resolution #88-2022** awarding the quote for concrete work at the Dr. Allen Magnuson Park in the amount of \$39,330 to Skjeret Concrete, which was seconded by Fish and was adopted.

Proclamation: Arbor Day

Mayor Schierer read a proclamation declaring April 29, 2022 as Arbor Day and May 2022 as Arbor Month.

County Assessor's Office Update

County Assessor Kevin Scheidecker addressed the council regarding the factors that went into the determinations of home values, the ensuing effects on taxes and the valuations of commercial properties. Each year their office re-evaluates 65,000 parcels of land within the county. When they looked at all sales from October 1, 2020-September 31, 2021 and compared the sale prices to the assessed values, they found the values in all types of properties throughout the county had risen sharply. State statute requires the ratio for median sales to be between 90-105% for all types of property. Since the county's values were too low, the values needed to be raised to fit within the prescribed ratio. If the county does not adjust the values to this ratio, the state would step in and do it. Every type of parcel was selling for higher rates than in years past and he shared lakeshore property on Pelican Lake is now selling for \$8,000 per frontage foot. Fergus Falls had over 200 residential property sales during that time and the number of sales was attributed to low interest rates, more people working remotely due to COVID and a shift from metro to rural areas. Once the notice valuations were mailed out, their office was flooded with calls and they are trying hard to contact each person to address the questions and concerns. The biggest question they receive is will the higher home value equate to a higher tax to be paid. Scheidecker explained the taxes will go up, but not at the same rate as the home valuation. If a single property were increasing by 40%, then it would be unlikely their taxes would follow at the same

rate. Commercial and industrial properties were a focus on the county's valuation system last year and these valuations have created a large volume of calls from the property owners. They discovered many of these properties were not within the 90-105% ratio and the market is driving the need for the increase in these valuations. The county has invested in new valuation software for these types of properties and the county is working hard on fixing the discrepancies in these valuations.

The city's board of equalization meeting is scheduled for April 21 at 9:30 am at the Government Services Center. This is the public's opportunity to appeal their values with their elected officials. Scheidecker encouraged any property owner with concerns to call their office prior to the meeting so the information needed to make recommendations can be prepared. When asked about the calculations of homestead credits, he explained the homestead value exclusion is the portion excluded from taxation and the credit goes to zero when the property value reaches \$413,000. Thompson felt it was unfair the property values can be raised so high and the credit is being removed. Scheidecker agreed and said it is an issue the state legislature needs to address and until that time their office must continue operating within the confines of the state statute. He confirmed if the market goes down, there will be a decrease in the property values and noted there are very few residential properties available at this time.

Consent Agenda

The following items were approved under **Resolution #89-2022** by Fish: Motion approving the minutes from the April 4, 2022 City Council meeting and the April 13, 2022 Committee of the Whole meeting. Motion approving the following licenses: Paving/Sidewalk Ferguson Asphalt & Paving, Robert Nordick Construction; Mechanical Climate Makers Inc.; Fireworks Sales TnT Fireworks for sales at 3302 W Highway 210 from June 20-July 5. **Resolution #90-2022** authorizing the city to purchase playground equipment using funds donated by Affinity Plus Credit Union. Motion directing staff to work with Lakes Area 360 and the Daily Journal on photography projects inside the Kirkbride. **Resolution #91-2022** authorizing entering into a contract with the YMCA to provide lifeguards at Pebble Lake Beach. Motion reappointing Dennis Hagstrom to the HRA Board. **Resolution #92-2022** accepting the project plans and specifications for PI 5354, the 2022 seal coat improvement project and authorizing the solicitation of quotes for the project. **Resolution #93-2022** approving the rental rates for summer ice at the community arena and approving related use group contracts. Motion directing the Planning Commission to reconsider the proposed transitional housing zones and to work with the Police Department on the proper location of transitional housing projects. The resolution was seconded by Thompson and was adopted.

Ordinance 27

Ordinance 27, Eighth Series, Amending the zoning map for the property located at 432-438 Western Avenue from R-4 to B-2 as requested by SW Properties, LLC was introduced by Hicks and declared to have its first reading.

Ordinance 26

Ordinance 26, Eighth Series, Amending the City Code Sections 32.28, Chapter 113 and Sections 32.26, 35.57 and 53.05 was adopted by a roll call vote

Resolution of Accounts

Fish offered a resolution authorizing the payments and claims in the amount of \$2,402,297.91, which was seconded by Hagberg and was adopted.

PI 9508, RTC Phase III Work Scope

At the April 4, 2022 council meeting, staff was directed to provide a revised work scope for stabilization and mothballing the remaining buildings on the RTC campus. Bruce Paulson of Stantec presented a list of proposed projects and alternates. Bruce Paulson of Stantec reviewed the proposed scope of work included in Buildings 1, 22, 23, 24, 26, 27, 28 and 29. Most of this work focuses on window repair and replacement, efforts to prevent water from entering the building, air quality issues, replacement of shingles and underlayment to prevent water intrusion and the removal of invasive vegetation at the building's foundation. The proposal also includes four alternates for Buildings 1, 23, 27, and 29. Stantec would begin the design and submit plans to SHPO at the 30, 60 and 90 day intervals for a fee of \$92,000 plus reimbursable mileage and printing costs estimated to be no more than \$2,000. The project fees would be funded by the remaining state grant funds. Hagberg offered **Resolution #94-2022** accepting Stantec's professional services agreement for Phase 3 design in the amount of \$92,000 and order the project plans and specifications, which was seconded by Fish and was adopted.

The meeting adjourned at 6:14 pm

Lynne Olson