

City Council Minutes
June 21, 2022

A River Is....

Earlier this evening the city hosted an art exhibit for A River Is... Project Manager Kim Embretson thanked the city for their sponsorship of a grant from the Minnesota Cultural and Heritage Fund. The project involved numerous artists who provided their interpretation of the river. The artwork will be displayed in numerous community businesses over the next few weeks. Later this year it will be shared with the Breckenridge Library, the Moorhead Library and it will find its permanent home at the Fergus Falls Public Library. The artwork will be owned by the city and inventoried into the public art collection.

The Fergus Falls City Council held a regular meeting on Tuesday June 21, 2022, at 5:30 pm in the City Council Chambers. Pastor Kate Bruns gave the invocation and the Pledge of Allegiance was recited. Mayor Schierer called the meeting to order at 5:30 pm and the following council members were in attendance: Hicks, Fish, Kvamme, Rufer, and Gustafson. Hagberg, Thompson and Arneson were absent.

Approval of Agenda

A motion and second were made by Fish and Gustafson to approve tonight's agenda with a modification from a resolution to a motion for the issue pertaining to the discontinuation of the city's sales tax and the motion carried.

Stormwater Management Public Hearing

City Engineer Brian Yavarow provided a presentation on the city's stormwater management program. The city's MS4 permit requires an annual update and public hearing. He reviewed the origins of the program, the city's five-year permit, and the work conducted in the system. There are six minimum control measures in the program including public education and outreach, public participation/involvement, illicit discharge detection and elimination, construction site stormwater runoff control, post construction stormwater management and pollution prevention/good housekeeping for municipal operations. In 2021, city staff conducted 194 commercial site inspections, 502 residential site inspections, gave 77 verbal warnings, inspected 58 of the city's outfalls and mapped 58.28 miles of storm sewer into the city's GIS system. The MPCA is proposing an increase in the permit fees from \$400 per year to \$4,000. Kvamme asked if the city could dispute the large increase, but it is unlikely a request would deter a larger permit fee. A public hearing was opened at 5:48 pm. As no one appeared the hearing was closed. Residents and the council were encouraged to reach out to the city's stormwater manager, Matt Harrington with any additional questions or concerns.

Lake Region Healthcare Corporation Public Hearing

Kent Mattson explained their original intent of issuing healthcare facility notes was for a new electronic records system. Lake Region Healthcare Corporation is not expending the funds as quickly as anticipated and is requesting authorization to expand the expenditure of the proceeds to other medical equipment. The change in the purpose of the funds necessitates a public hearing, which opened at 5:51 pm. As no one appeared, the hearing was closed. Rufer offered **Resolution #127-2022** relating to the Municipal Industrial Act; approving the amended use of proceeds by Lake Region Healthcare Corporation, which was seconded by Fish and was adopted.

Bid Award Airport Weather Observation System

Quotes were opened for PI 9350, the airport automated weather observation system relocation and replacement project. Neo Electrical Solutions provided the low bid in the amount of \$95,540, which was lower than the engineer's estimate. Staff will work with SEH now that all costs are known. The application is due June 30, 2022, and once the state grant offer is received, it will be presented to the council for approval. The project is a reimbursable expense through the state airport grant program and the anticipated funding share is 70% MnDOT and 30% local funds. Hicks offered **Resolution #128-2022** awarding the bid for the Airport Weather Observation System to Neo Electric Solutions in the amount of \$95,540 contingent upon the receipt of a state grant offer and authorizing city staff to submit the state grant application for PI 9350, which was seconded by Kvamme and was adopted.

Consent Agenda

The following items were approved under **Resolution #129-2022** by Fish: Motion approving the following licenses: Paving/Sidewalk Visionary Concrete Inc.; Minnesota Lawful Gambling Permit to Fergus Falls Fish and Game Club for a raffle on August 18, 2022, at the West Otter Tail County Fairgrounds; Excavator Mark & Brenda Construction Inc. dba Delzer Construction. **Resolution #130-2022** decertifying Tax Increment District 4-12 (Aura Capital LLC). Motion appointing Jacob Nelson to the Natural Resources Advisory Committee. **Resolution #131-2022** approving a \$74,999 Economic Development and Façade Loan to Christopher Cadem Law Group, LLC as recommended by Business Development of Fergus Falls. Motion directing staff to prepare a policy for the sale of city owned property. **Resolution #132-2022** initiating Public Improvements 5350, 7215 & 8230; combining these projects into City Project 5959, the Stanton Avenue reconstruction project: Union to Broadway. **Resolution #133-2022** ordering the Preliminary Engineering Report for CP 5959, the Stanton Avenue reconstruction project and accepting Moore Engineering's professional services proposal for the preparation of the preliminary design in the base amount of \$32,166. **Resolution #134-2022** initiating PI 9351, the instrument landing system replacement project and accepting SEH's professional services proposal for design in the amount of \$79,500. **Resolution #135-2022** initiating PI 8232, the 750,000-gallon ground storage reservoir replacement project and accepting Interstate Engineering's professional services proposal in the amount of \$95,000. The resolution was seconded by Hicks and was adopted.

Hicks asked for an amendment in the attendance records of the June 6 council minutes and then offered a motion to approve the amended minutes from the June 6, 2022, City Council and work session meeting and the June 15, 2022, Committee of the Whole meeting minutes, which was seconded by Fish and was adopted.

Ordinance 28, Eighth Series

Fish introduced Ordinance 28, Eighth Series, amending the zoning map from R-A and I-2 to R-4 at 301 S Buse Street as requested by the Fergus Falls Port Authority and it was declared to have its first reading.

Discontinuing Local Option Sales Tax

In 2016, the voters approved the implementation of a one half of one cent sales tax to help fund the cost of the expansion and betterment of the Fergus Falls Public Library. The city issued General Obligation Sales Tax Revenue Bonds to finance the library project and the final payment on the bonds will be December 1, 2023. The city has collected sufficient donations and sales tax proceeds to pay the remaining debt service payments on the bonds and will be discontinuing the local option sales tax. The Minnesota Department of Revenue requires a 90-day notice to the end the sales tax, which takes

place at the end of a quarter. A motion and second were made by Hicks and Gustafson directing the City Attorney to draft an ordinance discontinuing the local option sales tax as of September 30, 2022, and the motion carried.

General Obligation Tax Increment Revenue Bonds

The city is putting in the infrastructure for the Campus View Addition. They are issuing bonds for the infrastructure in this housing development, the capitalized interest and costs of issuance. Doug Green of Bakertilly provided an overview of the bond structure. The goal of the tax increment district is to capture the value of the project and in lieu of special assessments, replace the value with tax increment when collected. If there is not enough collected, then assessment bills would be sent out. The total amount is \$1,670,000 General Obligation Tax Increment Revenue Bonds, Series 2022A. The interest rates will be slightly higher than normal as this project benefits private development. After reviewing the sources and uses of funds, the timeframe and debt service schedule, Gustafson offered **Resolution #136-2022** approving the authorization for the issuance of General Obligation Tax Increment Revenue Bonds, Series 2022A (Campus View Development project), which was seconded by Hicks and was adopted.

Communications Specialist Position

The council has been exploring the addition of a full-time communications specialist position. Staff have been working on communications and social media posts when they have time amongst other job duties. Employing a dedicated staff member to conduct the internal and external communications of the city would help residents be more informed and engaged with the city. If approved, staff recommended beginning their job duties by September and funding the position through the remainder of the year with the fund balance (\$37,000). A job description is being created with a salary range of \$65,749-\$88,782. The position would also be allotted a \$50,000 budget for the various media mediums. The approximately \$114,000 allocated would be funded in the tax levy process. Rufer expressed his support of the creation of the communications specialist position. Kvamme did as well and asked about the expectation of attending council meetings, which was affirmed. Hicks advised this position should have a balance of time in meetings and functionality. Rufer offered **Resolution #137-2022** approving the creation of a Communications Specialist position within the City Administration Department, which was seconded by Gustafson and was adopted.

Resolution of Accounts

Fish offered a resolution authorizing the payments and claims in the amount of \$1,117,567.53, which was seconded by Kvamme and was adopted.

The meeting adjourned at 6:24 pm.

Lynne Olson