

City Council Minutes  
August 15, 2022

The Fergus Falls City Council held a regular meeting on Monday August 15, 2022, at 5:30 pm in the City Council Chambers. Tim Molter gave the invocation, and the Pledge of Allegiance was recited. Mayor Schierer called the meeting to order at 5:33 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 Fish and Hagberg to approve tonight's agenda with the removal of the Development Agreement from the consent agenda and the motion carried.

**Consent Agenda**

The following items were approved under **Resolution #164-2022** by Arneson: Motion approving the open and closed minutes from the August 1, 2022, City Council meeting and the August 10, 2022, Committee of the Whole meeting. Motion approving the following licenses: Sidewalk/Paving Dan Johnson Construction, Derosier Masonry, Buck's Paving; Sign Hanger Quick Signs of Willmar; Chickens Chelsey Beilhartz, 622 E Channing; Minnesota Lawful Gambling Permit Ducks Unlimited Maidens of the Marshes for raffle November 19, 2022, at the VFW Post 612, I-94 BMX Inc. for a raffle on September 13-17, 2022 at the I-94 Speedway; Wine and Strong Beer Liquor License A Center for the Arts-2022; Mechanical Vector Services. **Resolution #165-2022** accepting the compensation study. **Resolution #166-2022** calling for an election of a sales and use tax for city aquatics center and DeLagoon Park improvement project. **Resolution #167-2022** approving a Fergus Falls HRA levy request of 0.185% of the estimated market value within the City of Fergus Falls. **Resolution #168-2022** approving the Policy and Procedures for the Disposition of City Owned Real Estate. **Resolution #169-2022** urging the Minnesota State Legislature to call for a special legislative session. The resolution was seconded by Gustafson and was adopted.

**Development Agreement with Sky Crew Services**

Kvamme requested the Development Agreement with Sky Crew Services be removed from the consent agenda for further discussion. He cited three issues creating concern: the \$400 per month rent credit, not having professional plans and specifications and no identified funding source for this project. He agreed updating the airport lobby is a project to consider, but at a time when a project has been more defined, and a funding source has been designated. He spoke against the manager's repeated requests to amend their contract and recommended the council not proceed with authorizing staff to draft a Development Agreement for this project. Finance Director Bill Sonmor reviewed the five proposed airport projects and noted the city has not committed to all of these projects yet. The fuel system and runway lighting projects are out for bid, but he anticipates a \$222,482 funding shortfall for the five projects if all moved forward. He reiterated request for tonight is authorizing staff to draft a Development Agreement that will be brought to the council for their decision at an upcoming meeting. Sky Crew Services started some the demolition work without the city's approval and that would be at their own risk. City Engineer Brian Yavarow agreed the city has not committed to all of the airport improvement projects yet but did feel the drawings and work scope provided by Sky Crew Services meets the exceptions to state statutes and would not require an architect's work. Hicks was not comfortable with Sky Crew Services request for a rent credit of \$400 per month (or a total of \$24,000), but felt it is an issue that could be negotiated in a Development Agreement that the council will review. Thompson said he shared the same concerns as Kvamme. He felt the fuel system and

landing system lighting projects were a higher priority than remodeling the lobby at this time. He would be open to this project in the future when a funding source has been identified. Fish was also opposed to any rent credit. Staff confirmed it was not their intent to agree with the request for a rent credit. Rufer was in favor of allowing the agreement to be drafted so the council can consider it at a later date. He believed it is Sky Crew Services' intention to make our local airport a regional destination but also felt a funding source needs to be identified for the project. A motion and second were made by Hicks and Arneson to authorize staff to draft a Development Agreement with Sky Crew Services and the motion carried with Rufer, Arneson, Gustafson, Hicks, Fish and Hagberg voting in favor and Thompson and Kvamme voting in opposition.

### **Ordinance 30, Eighth Series**

Ordinance 30, Eighth Series, Mobile Food Trucks was adopted by a roll call vote.

### **Arena Chiller Purchase**

In February of 2022, the council approved a letter of intent and the drafting of a purchase agreement for the Roosevelt chiller system from the Fergus Falls Public School. The school will be purchasing their own system so it is possible both the cooling of the school buildings and year-round ice at the arena can be accommodated. The school offered to sell the existing chiller to the city for the community arena for \$575,000. The equipment purchase agreement has been finalized and the city and school district would be equally sharing the costs of splitting the system from the school at an estimated \$120,000. Funding has been secured for the chiller purchase and splitting costs. It is anticipated the school will shut down their cooling system on September 23, draining and separating the system shortly afterwards and the city taking ownership of the system on October 1 to accommodate ice for the first arena event on October 9. Fish offered **Resolution #170-2022** approving an equipment purchase agreement with Independent School District 544 for a chiller at the community arena, which was seconded by Hagberg and was adopted.

### **Resolution of Accounts**

Fish offered a resolution authorizing the payments and claims in the amount of \$2,237,689.56, which was seconded by Hagberg and was adopted.

The meeting adjourned at 5:52 pm

*Lynne Olson*