

Committee of the Whole Meeting
November 30, 2022

The Fergus Falls City Council met as a Committee as a Whole on November 30, 2022 at 7:00 am in the City Council Chambers. Mayor Schierer called the meeting to order and the following members were present: Hagberg, Kvamme, Arneson, Hicks, Fish. Rufer, Thompson and Gustafson were absent.

Rental Registration Fees

In 2019 the City Council revised the rental registration code, which allows rental units registered as a standard practices rental unit prior to November 15, 2018, to be exempt from mandatory inspections unless an event occurred, as specified in code that would then require a unit to be inspected and brought into the best practices requirements. The “best practice” program goal is to be proactive in reducing life safety hazards in rental property. Approximately 70% of the rental property landlords have opted into the best practices program that incentivizes participants by charging only a unit fee and no building fee if they allow inspections and comply with life safety requirements. Staff are proposing a \$5.00 per unit increase for standard practice participants, from \$20 per unit to \$25 per unit beginning with the 2024 renewals. A motion and second were made by Hicks and Arneson to recommend the council increase the rental unit fees for standard rental from \$20 per unit to \$25 per unit for those in the standard rental program and the motion carried.

Garbage Truck Purchase

Unit 226, a garbage truck is scheduled for replacement next year. Staff are seeking authorization to purchase a 2023 Freightliner M2 106 dual steer truck equipped with a Neway 24 yard ASK body and arm lift. Instead of trading in the old truck, staff proposed keeping this truck in the fleet to use in backup situations. Breakdowns in equipment may take days to remedy if parts are not immediately available which disrupts the service schedule and can lead to overtime situations. The truck’s cost is \$322,856.72 and funding would come from the Equipment Enterprise Fund. It would be ready in approximately 16 months. The cost is a 27% increase from the last garbage truck purchase made in 2019. A motion and second were made by Fish and Hagberg to recommend the council authorize the purchase of a 2023 Freightliner garbage truck and the motion carried.

Ordinance Related to THC Product Sales

A few weeks ago, the council adopted an ordinance regarding the zoning requirements to sell THC products. Otter Tail County is proposing a moratorium on all THC sales unless individual cities opt out of the moratorium because they have their own ordinance language in place. In an effort to be business friendly to the businesses that are already selling THC products, the City of Fergus Falls is proposing a THC licensing ordinance that addresses licensing, rules, sales management controls, checking of identification, enforcement, compliance checks, license fees and regulatory issues. Staff drafted an ordinance outlining these licensing regulations and proposed a first reading of the ordinance on December 5. If the city does not adopt the ordinance and the county’s moratorium takes effect, the businesses currently selling THC products would have to cease all sales. Council members asked questions about liability insurance, sampling, off site sales and penalties which staff will incorporate into the language considered in the ordinance process. Council members expressed their support of more stringent regulations at the onset of the ordinance and asked if Police Chief Kile Bergren would address the issue at the December 5 meeting. Kvamme asked about the taxes generated by THC product sales and staff will be working with the state to address the taxation issue. A motion and

second were made by Arneson and Hagberg to recommend the council direct the City Attorney to draft an ordinance related to THC product sales with the first reading to be held on December 5 and the motion carried.

Shoreline Management Ordinance

Last year the DNR informed the city they need to amend the shoreline management ordinance by December 21, 2022, to include bodies of water within the city boundaries after an annexation. Minnesota Statutes Section 103F.221, Subd.1 states the city must be in substantial compliance with municipal shoreline management standards and criteria established by the state, so staff reviewed the ordinance in full and suggest changes that bring the ordinance into compliance with DNR requirements as well as compliance with other parts of City code. Staff brought the ordinance language to the Planning Commission for their input and review of the following changes: The inclusion of all water bodies over a certain size within current city limits; updating the height limit of buildings up to 30 feet to match other height regulations in the zoning code; designating a portion of the river known as the Pisgah Reservoir as General Development, and adding density requirements to Planned Units of Development within the shoreline management area. Council members asked if the height restriction would affect future development opportunities and staff explained the 30-foot building height restriction matches other height restrictions within our code. There were questions about the city's ability to grandfather existing shoreline properties under the code and staff confirmed existing structures would fall under previous regulation while new properties would be required to conform to updated code. Staff said developers have requested more direction on the city's density requirements in the PUD process and these would now be clearly defined. There were also questions about the subjective nature of changes and who has the final word on decisions. Laurel Kilde, Chair of the Planning Commission, spoke about the Planning Commission's desire to minimize changes and their conversations with Julie Aadland of the DNR about property owners retaining the ability to have control over their property without another level of regulation. Laurel reminded Council that they would be approving very few changes; the bulk of the ordinance would remain the same. Community Development Manager Klara Beck reminded Council that original ordinance language was based on model ordinance language from the DNR. A motion and second were made by Hicks and Fish to recommend the council direct the City Attorney to draft an ordinance related to Shoreland Management with the first reading to be held on December 5 and the motion carried. In conjunction with this ordinance revision Mayor Schierer spoke about complaints the city receives when big boats run on these smaller, narrow bodies of water and requested the City Attorney address the size of boat motors and wakes allowed on lakes within the city limits.

Airport Fuel System

When accepting the bids for PI 9348, the airport fuel system replacement project in September, the bid award was contingent upon the city receiving the final state grant offer. That offer has been received and if acceptable and approved, the city could begin construction in the spring. The total project cost is \$808,050 and a 70/30 cost share between the state and city would amount in a local share of \$242,415. The city's equipment internal service fund has sufficient funds to cover this cost. A motion and second were made by Fish and Hicks to recommend the council accept the MN State Grant Agreement No. A5601-55 for PI 9348 and the motion carried.

Professional Services Proposal

Upon acceptance of Otter Tail Power's Letter of Intent for a tract of land to install a permanent electrical substation facility for their new express feeder program, the city was asked to provide a Phase I environmental site assessment and a Phase II assessment if deemed necessary by Otter Tail Power. The 0.3 acre of land is located on city property at the former wastewater treatment plant site. Otter

Tail Power is also requesting a permanent ingress/egress easement to construct new facilities prior to decommissioning the existing facility. The city solicited professional service proposals for this assessment and McCoy Environmental provided a quote of \$1,875 for their work. When asked about the smaller than normal professional services proposal staff responded they had provided a great deal of information for the background of the report and said if Phase II is required, the fee would likely be larger. The project costs are proposed to be funded by the Sanitary Sewer Enterprise Fund. A motion and second were made by Kvamme and Arneson to recommend the council accept McCoy Environmental's professional services proposal for Phase I of an environmental site assessment in the amount of \$1,875 and the motion carried.

Other Business

Hicks asked staff to adjust the timer sequence for the pedestrian crossing at the Lincoln and Union intersection noting it takes multiple cycles of the lights changing before pedestrians get the safe crossing symbol.

The meeting adjourned at 7:39 am

Lynne Olson