

City Council Meeting
April 17, 2023

The Fergus Falls City Council held a regular meeting at 5:30 pm in the City Council Chambers. Pastor 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 present: Rufer, Kremeier, Thompson, Rachels, Hicks, Fish, Job and Kvamme.

Approval of the Agenda

A motion and second were made by Thompson and Fish to approve tonight's agenda with the removal of item #6 from the consent agenda and the motion carried.

S.P. 5601-35 Public Hearing

Officials from MnDOT and SRF Consulting presented three design alternatives for the reconstruction and bridge replacement on Hwy 210 from 0.4 miles W of Junction WB I-94. Their preferred design is Option A which will feature three roundabouts, a trail and pedestrian access on each side of the bridge. The estimated project cost is \$16-\$17 million and the city's estimated share is \$700,000-\$750,000. The public hearing was opened at 5:46 pm.

- Written comment of supportive for the enhanced bike and pedestrian trails from Jake Krohn
- Wayne Hurley, 501 W Birch Avenue spoke in support of the project and said the trail is eligible for transportation alternatives funding to help offset the costs. He asked the council to consider extending the trail to the existing bike/pedestrian trail on Lincoln Avenue.

The hearing closed at 5:48 pm. Kvamme offered **Resolution #68-2023** approving the final layout of S.P. 5601-35, which was seconded by Hicks and was adopted.

TIF District 4-16

FM Bank is seeking a redevelopment Tax Increment Financing (TIF) district to demolish the former ShopKo building and build a new bank along with other business opportunities on the site. Tom Denaway from Baker Tilly reviewed the TIF plan, rationale for the request, timeline, revenue projections and outlined the statutory requirements that qualify the project as a Redevelopment TIF District. The total proposed budget is \$325,826 and includes the developer pay-as-you-go reimbursement for demolishing the building, city administrative fees, and other city TIF eligible uses. The TIF district would be in place for seven years. The public hearing was opened at 6:11 pm.

- Duwayne Cookman, 543 W Stanton asked why the council would consider TIF since it was his understanding the funding was meant to bring in new revenue.
- Lisa Workman, representing the Chamber of Commerce spoke in favor of TIF as an economic development tool to incentivize developers to revitalize blighted areas and attract new businesses to Fergus Falls.
- Laurie Mullen, 2840 Lakewood Drive felt it was wrong to ask taxpayers to fund the TIF funding request from FM Bank when other banks did not request it for their projects. She read statements about their profits and disputed the condition of the ShopKo building as blighted. She asked the council to oppose the TIF funding for FM Bank and to use available dollars to fund street improvements.
- NeTia Baumann representing Greater Fergus Falls spoke about their role in providing education and assistance to get a project done. She referenced the state statutes allowing banks to receive TIF funding and felt this is a good project to anchor a main corner of the city's

downtown corridor. She commented on the other businesses that would be housed on this site and their potential to expand the tax base.

- Wayne Hurley, 501 W Birch Ave did not express an opinion for or against the project but said this project would match the goals of the city's Downtown Master Plan.
- Jasmine Sonmor, representing Aura Fabricating spoke about the TIF funding they received to build their business and said TIF is an essential tool to overcome the barriers and provide a jump start to a project through this economic development tool. She felt this project would provide a snowball effect on other businesses to enhance the downtown area and supported the city providing the TIF funding.
- Lee Rogness, 212 Anna Court commented on the need to expand economic development opportunities and this project would expand the tax base of both the city and county. He felt the bank's plan to demolish, rather than redevelop the current building, was reasonable considering the building's condition and past use and felt this was a small investment that would see a large gain on the tax base. He said the application was vetted and was found to meet the terms of the state statute and he encouraged the city to see this as a positive economic development opportunity.
- Tasha Rohlfs spoke as the founder of Otter Cove and commented on the many philanthropic endeavors of FM Bank within the community and felt providing this TIF funding would be a way to support the bank in turn.

The public hearing closed at 6:40 pm. Fish offered **Resolution #69-2023** approving the creation of TIF District 4-16 as requested by FM Bank, which was seconded by Rufer. Kremeier responded to various speakers at the public hearing and reviewed the capital earnings of the bank. He was frustrated a financial institution is seeking public funding and suggested if the bank spent less on charitable donations, they would not need to use TIF funding. Hicks felt the bank could go forward with their project without these funds, asked why the bank has not shared any design plans and felt the building was in usable condition. He did not agree that the bank's charitable actions in the community should weigh into the council's decision. Mayor Schierer disagreed FM Bank was making any claim they should be given TIF because of their community support and said their purpose for requesting TIF is to remove a blighted building and replace it with not only their bank, but remarked this project will allow additional business opportunities on the new site while also creating an opening at their current site. Fish asked if any other banks would have been eligible for TIF funding had they requested it. Job felt the project could move forward without TIF funding and asked if their project conforms to the city's development plan and asked Baker Tilly to amend their memo. Kremeier shared a message sent to Council Member Job's employer asking to get her support on the project. He felt council member Rachels has a conflict of interest as he and the FM Bank President jointly own a trucking business building in another community. City Attorney Rolf Nycklemoe opined a conflict of interest exists if the council members receive a direct financial benefit to a project. Rachels clarified his role and said he did not have a direct financial interest in the FM Bank project. The resolution was called to a vote and was adopted by a 5-3 vote. Council members Rufer, Thompson, Rachels, Fish and Kvamme voted in favor while council members Kremeier, Hicks and Job voted in opposition.

CP 5959, Stanton Avenue Preliminary Cost Hearing

City Project 5959 is a street and utility reconstruction project proposed on Stanton from Union to Broadway. The city conducted an appraisal of the affected residents to ensure the value of the project will not adversely affect their property value. Affected residents and businesses were notified of the

project and their potential special assessments. The total project cost is estimated at \$2,801,807.76. The preliminary project public hearing opened at 7:00 pm.

- Darlene Reiter, 518 W Stanton asked if the city would guarantee the work would be done correctly and referenced the last time the project was done, it needed repair a year later.
- Phyllis Scharnberg, 517 W Stanton spoke in favor of the project and asked to see a diagram of the proposed work. She was supportive of removing trees, asked questions about the width of the sidewalk, access to the properties and whose responsibility it is for snow removal. She also expressed concerns with the speed of traffic and semi-trucks using this roadway.
- Rochelle Bartels, 529 W Stanton wanted more clarification on the project and felt the letter residents received was confusing. She asked if the project would be addressing the streets as well as the utilities. She asked about access, sidewalks, her driveway, and snow removal. She addressed the condition of the soils below the surface and was in favor of removing the large “humps” that have developed in the roadway.
- DuWayne Cookman, 543 W Stanton lives on a corner lot and asked why he would be charged an assessment for each side of his lot. He was concerned with the proposed sidewalk coming within 10 feet of his front door and felt a sidewalk would benefit the city more than the homeowner. He expressed concerns with snow removal, the pilings that haven’t settled from past road improvements and the multiple water main line breaks along this roadway.
- Cecila Schumacher, 543 W Stanton was concerned with being assessed for a lot and a half and felt this project was infringing on their home and she was not in favor of removing trees or proceeding with the project.
- Don Reiter, 518 W Stanton said when Stanton Avenue was installed in 1984 the city had to dig it up again one year later and he wanted a guarantee the project would work.

The public hearing closed at 7:15 pm. City Engineer Brian Yavarow will craft responses to the questions posed tonight and use the feedback to refine the plans prior to the final design. He explained this is a total reconstruction project of the street and utilities which will require replacing the unsuitable materials below the street surface. The sidewalk is a part of the Glacial Edge Trail path to connect the downtown riverfront project to the former dairy site. He reviewed the proposed timeline and next steps. Rachels offered [Resolution #70-2023](#) ordering the project plans and specifications for CP 5959, the Stanton Avenue: Union to Broadway street and infrastructure project, which was seconded by Hicks and was adopted.

PI 5314 Award Bid

The low bid for PI 5314, the Union and Lincoln Avenue street improvement project was received from Mark Sand and Gravel in the amount of \$1,950,424.01. The city is waiting for MnDOT to finalize their bid approval. The total estimated project cost is \$2,438,024. The federal share is \$816,000, the state share is \$1,560,423 and the local share is \$61,600. Hicks offered [Resolution #71-2023](#) awarding the construction services contract for PI 5314, the Union and Lincoln Street improvement project to Mark Sand & Gravel in the amount of \$1,950,424.01 contingent upon receiving all remaining state approvals, which was seconded by Thompson and was adopted.

Arbor Day Proclamation

Mayor Schierer read a proclamation declaring April 28 as Arbor Day.

Consent Agenda

The following items were approved under **Resolution #72-2023** by Rufer: Motion approving the minutes from the April 3, 2023 City Council meeting, the April 12, 2023 Committee of the Whole meeting and the April 13, 2023 Council/Staff retreat. Motion approving the following licenses: Fireworks Display I-94 Speedway for June 30 at the I-94 Speedway; Mechanical Dakota Plains Mechanical, Legacy Plumbing; Minnesota Lawful Gambling Permit Fergus Falls Rotary Foundation for a raffle on May 31 at 622 E Vernon Avenue. Motion appointing Barry Heinen to the HRA Board for a five-year term. **Resolution #73-2023** approving a \$50,000 Economic Development loan to Daniel and Kathryn Rosendahl as recommended by Business Development for Fergus Falls. **Resolution #74-2023** approving budget adjustments. **Resolution #75-2023** approving the upgrade of the city's computer system i Power 9 computer to a Power 10. **Resolution #76-2023** approving a Memorandum of Agreement between the State of Minnesota and Local Governments and authorizing participation in national opioid settlements. **Resolution #77-2023** accepting project plans and specifications for CP 5960, the 2023 Street and Utility Improvement Project No 1 and authorizing the advertising of bids. **Resolution #78-2023** authorizing the City Engineer and City Attorney to execute the permanent and temporary easement agreements with United States of America, acting by and the Administrator of General Services for PI 9767, the Downtown Riverfront Phase II project. **Resolution #79-2023** setting the final cost hearing for PI 6079, the 2022 Sidewalk Program for May 15, 2023 at 5:30 pm in the City Council Chambers. **Resolution #80-2023** accepting a \$2,500 donation from Inga Johnson Endowment Fund with West Central Initiative and approving the related 2023 budget adjustments to the General Fund donations and Park and Recreation expenditures. **Resolution #81-2023** authorizing staff to accept the Outdoor Lighting and Municipal Services Agreement between the City of Fergus Falls and Otter Tail Power Company for PI 9767, the Downtown Riverfront Project Phase II, East block site improvements. The resolution was seconded by Fish and was adopted.

After clarifying the proposed timeline to amend the city code, a motion and second were made by Hicks and Thompson directing the City Attorney to amend City Code 90.24 (B), Time of Allowed Construction Activities.

Ordinance 36

Ordinance 36, Eighth Series, Vacation of drainage and utility easement was adopted by a roll call vote.

Maintenance Operations Supervisor

The city is proposing the addition of a Maintenance Operations Supervisor position at the community arena to maintain and staff year-round ice operations. 2023 will be the first year of running year-round ice after the permanent chiller was installed. This person will be a city employee with benefits that will be allocated similarly to other arena contracts: ISD #544 33%; Fergus Falls Hockey Association 38%; Fergus Falls Skating Association 11.50%; City of Fergus Falls 17.50%. The city intends to market and sell ice time to outside users which will help off-set the cost and the of the new position aligns with the city's priority work of maintaining current assets. Fish offered **Resolution #82-2023** approving the creation of a Maintenance Operator Supervisor position at the community arena, which was seconded by Rachels and was adopted.

Resolution of Accounts

Fish offered a resolution authorizing the payments and claims in the amount of \$1,504,984.56, which was seconded by Rachels and was adopted.

Naming Rights for Phase II Downtown Riverfront Project

The Downtown Riverfront Phase II fundraising group is seeking authorization to implement a Naming Rights Policy for this phase of the project. Hicks asked the verbiage stating the committee has the right to decline donations be removed from the policy. Hicks offered **Resolution #83-2023** approving Naming Rights Policy for use by the Phase II Fundraising Committee, with the proposed amendment, which was seconded by Rufer and was adopted.

Review of April 13 Council/Staff Retreat

City Administrator Andrew Bremseth provided an overview of the April 13 staff/council retreat. The conversation centered on policy, process, roles and responsibilities. The council discussed their projects and priorities and plan to focus on streets and infrastructure projects, including finding additional revenue sources for these projects, planning for capital expenditures and equipment, prioritizing the maintenance of current city assets, and technology needs of the city. More information including a proposed Code of Conduct for Elected Officials will be discussed at the April 26 Committee of the Whole meeting.

The meeting adjourned at 7:48 pm

Lynne Olson

Open Forum

Kenneth Barros, 124 W Cherry Avenue recently moved to Fergus Falls and asked the city to investigate the vehicle speed along Cherry Avenue. He expressed his concern for the children and pedestrians in the area and suggested a stop sign be placed on Cherry at North Park Street and other measures taken to slow down traffic in the area. City staff were directed to take the comments under advisement.