

Committee of the Whole
November 1, 2023

The Fergus Falls City Council held a Committee of the Whole meeting on November 1, 2023, at 7:00 am in the City Council Chambers. Mayor Schierer called the meeting to order, and the following council members were in attendance: Hicks, Fish, Job, Kvamme, Rufer, Kremeier, and Thompson. Rachels was absent.

Police Department Radios

The Police Department needs to replace their ageing 800 MHz radios. They are proposing the purchase of 16 radios at this time from their capital outlay budget and will phase in the purchase of the other radios as funds allow. The radios are \$5,500 each and Chief Bergren explained the high cost of inflation the department is seeing in all their equipment, staffing and vehicles. A motion and second were made by Fish and Job to recommend the council approve the expenditure of \$88,000 for the Police Department's 800 MHz radios and the motion carried.

Miscellaneous Public Safety Updates

Bergren provided an update on the mental health social worker position the city submitted a letter of support for earlier this year. The county has hired a social worker who will work with the department doing outreach. Since the closure of the state hospital, there has been a hole in providing mental health services and resources and this new position is a welcome addition to help address the needs of the community. Bergren spoke about the importance of the county's comprehensive suicide prevention plan as Otter Tail County has one of the highest suicide rates in the state. The biggest need is removing the stigma of mental health, especially in males ages 30-55 as they are the most unlikely population to reach out for help. He encouraged acceptance that your mental health is as important as physical health. Lastly Bergren said the county has formed a group of volunteers working on identifying potential uses of the \$3.5 million in opioid settlement funds. He will bring updates on their decisions.

Library Policies

The Library Board has recommended updates to the following policies: Conflict of Interest, Copyright, Fines and Fees, Record Retention, Minnesota Reciprocal Borrowing/Cooperation with Other Libraries. Kvamme asked about the elimination of late fines. Gail Hedstrom said eliminating these fees has provided more access to library materials for those facing income insecurity and other fees and fines make up the late fees. A motion and second were made by Kvamme and Rufer to recommend the council approve the updated library policies and the motion carried.

Economic Development Tools Survey

Lisa Workman presented the results of their recent business survey question: "How important is the use/availability of the economic development loans (Minnesota Investment Fund, the Revolving Loan Fund, Tax Increment Financing, and SBA loans) for the overall economic vitality of our communities in Fergus Falls, Otter Tail Council and West Central Initiative?" 90.66 of the respondents felt the economic development tools were Very Important/Important. The Chamber's new website will link businesses to these resources. Hicks spoke about the types of loans the city administers including the loans to bridge financial gaps and how these funds are easily accessible and necessary for community growth.

1010 Frontier Drive

The owner of the property at 1010 Frontier Drive is planning for two 20' x 53' building additions to their existing facility. The east building addition would encroach into the publicly owned permanent utility easement and the owner is requesting a 21' x 55' easement release. Staff have reviewed the requests and have no objections. The property owner will be responsible for all costs preparing the documents and recording fees. A motion and second were made by Fish and Thompson to recommend the council authorize the execution of the partial release of the permanent utility easement and the motion carried.

Downtown Riverfront Project Phase II Fencing

Members of the Senior Center expressed concerns with potential safety barriers between the splash pad users and sloping riverbank. When the project was bid, Bid Alternate 2 contained a continuation of the riverfront trail fencing, but the project did not have enough funding to support the projects in this alternate. Staff contacted Comstock to see if fencing could be added and they presented three options:

1. A decorative steel fence to match the Phase I fencing at a cost of \$47,560.50.
2. A wooden cedar split rail fence at a cost of \$17,314.05.
3. Monitor use and decide later.

If the council wants to proceed with fencing, the foundation work may be installed this fall, and the fence could be installed in the spring. The project would be paid through the contingency fund. Council members asked for an update on the available contingency funds. A motion and second were made by Fish and Kvamme to recommend the council approve the decorative fencing option and the motion carried with Hicks and Kremeier voting in opposition.

Landfill Phase 3B Expansion

The City of Fergus Falls owns and operates a Class I demolition site and Cell 3A is expected to reach capacity in 2024 or 2025. Dennis Kinser of Houston Engineering explained Fergus Falls has a unique operation as they were the first municipality required by the MPCA to provide an impermeable base liner and leachate collection system due to the clay base of the site. The MPCA is proposing new initiatives that will further affect the operations of the landfill including more groundwater contamination protections, restricting locations, and eliminating permit-by-rule facilities. They also have concerns with PFAS (polyfluoroalkyl substances) and Fergus Falls was selected as a high risk construction and demolition landfill which requires sampling.

It will soon be time for the city to decide on how to proceed with the landfill operations as the cost to operate a lined facility is exorbitant. The city could close the demolition cell, continue to operate it in the same manner, or transfer ownership of the facility. If the city proceeds with constructing Phase 3B, work on the design and permitting would need to begin soon to meet the MPCA permit expiration date of December 23, 2026. The estimated cost to construct 3B in 2024 is \$767,624.77 and the professional services contract \$196,567. Cell 3B would be expected to reach capacity in September of 2032.

Finance Director Bill Sonmor shared an analysis of the demolition rates. The city's outstanding bonds on Cell 3A are \$955,000. The 2024 construction cost for the next demo cell (3B) is projected at \$1.1 million and is projected to reach its capacity in 2032. In 2032 \$1.6 million would be needed to construct demo cell 3C and in 2033 \$155,000 needs to be expended for the partial closure of cells 3A

and 3B. If the city continues to expand the demo site, it will require a significant investment and it would result in increases to the existing demo rates. The city is speaking to the county about regionalization of demo disposal sites as the expiring permits for other sites will find it cost prohibitive to comply with MPCA regulations. The current demo operations are making a profit but if there is no revenue increase and cell 3B is constructed in 2024 the city will see a loss in 2025. By 2033 there would be a negative \$30,316 in the cash balance of the refuse fund. If the city implements a revenue increase and constructs cell 3B in 2024 the refuse fund cash balance will continue to operate profitably. In 2017 the demo rate per cubic yard was \$15.40. The current rate of \$30.40 per cubic yard would need to be increased to \$33.40 in 2024 and gradually raise to \$42.40 in 2030 to fund the demo cell improvements.

Otter Tail County is currently charging \$18.00 per cubic yard as their site does not yet require a liner or leachate collection. Other regional demo sites are also significantly lower, but the upcoming MPCA requirements will likely drive future rate increases. The city's higher rate than neighboring cells has not impacted the volume of materials coming into our demo cell and it is a contractor's choice to sacrifice price for convenience of not hauling materials to other sites. Staff will continue to bring information and solutions for the council to consider in determining the city's future in the demolition debris business. The Finance Department will be presenting a comprehensive overview of all city utility rates at an upcoming work session.

Transportation Alternatives Grant

In April of 2023 the council approved the final layout of the MnDOT project to replace the bridge at the junction of I-94 and Highway 210 W. The project will consist of three roundabouts and pedestrian access on each side of the bridge. The total project is estimated at \$16,000,000-\$17,000,000 and the city's share is \$700,000-\$750,000. The city has an opportunity to submit a Letter of Intent by November 3 for a Transportation Alternatives Grant for a trail segment on Western Avenue and can use municipal state aid funds for the project. A motion and second were made Rufer and Kvamme to authorize staff to submit a letter of intent and the motion carried.

After several miscellaneous announcements, the meeting adjourned at 8:18 am.

Lynne Olson