

City Council Work Session
February 5, 2024

The Fergus Falls City Council held a work session on February 5, 2024, at 4:00 pm in the City Council Chambers to discuss the city's long-term plans for the Pebble Lake Golf Course. Mayor Schierer called the work session to order, and the following council members were in attendance: Rachels, Hicks, Fish, Job, Kvamme, and Kremeier. Rufer and Thompson were absent.

On December 4, 2023, the Fergus Falls City Council adopted a resolution extending the lease management agreement with the Pebble Lake Golf Board through the end of 2024 and appointed a sub-committee of two council members, two members of the Pebble Lake Golf Club and staff to negotiate the terms of the extended lease agreement. The mayor appointed council members Scott Kvamme and Anthony Hicks to serve. Kvamme said the sub-committee successfully navigated a one-year extension to their management lease agreement and the purpose of tonight's meeting is to discuss the city's long-term vision for the Pebble Lake Golf Course.

Dusty Christensen and Wade Jyrkas, representing the Pebble Lake Golf Course spoke of the board's constraints to make improvements to a city asset. They need the city's approval to purchase equipment and have a limited budget. The \$40,000 the golf course receives annually from the city once covered the most expensive piece of equipment but that is no longer the case. The city budget allocation has not changed since 2008. They said if the city retains the ownership of the course, then more funding needs to be allocated. They asked if the city would consider selling the golf course to the board and getting out of the management of the course. The course could be sold over a 3-5-year period as it transitions to its membership becoming course owner/operators. Christensen did not feel the taxpayers should be paying for the golf course and said if the city removes the \$40,000 from their budget and turns it over to the golf board, he said it would remain a public course.

Hicks felt the city's half-in/half-out approach is not working well and restricts the volunteer board. He cited their recent turnaround in operations, and his belief the course should be run like a business. He encouraged the city to decide if they are willing to let another entity run the golf course without the city's control; continue to run as is or decide if the city should fully take over the management of the entire course and be responsible for the day-to-day management. It was recommended the City Attorney opine on the legality of the city being able to sell the property. If the sale is allowable, the city needs to determine a purchase price. Rachels felt the number of golf rounds generated should be factored into the cost and he advocated the city continue with an RFP process. Kremeier spoke about the community's passion for this asset and felt the golf board was the most qualified entity to run the golf course as they know the business whereas the city does not. Fish felt it would be too costly for the city to run the golf course as a city department and the need to replace aging equipment. He was concerned it be retained as a public course and Christensen explained they feel it could be member owned and operated similarly to the course in Minnewaska.

Mayor Schierer agreed everyone wants to course to remain a public course, and a tool to promote both recreational and tourism opportunities for the community. There have been significant investments made in the course and a deal needs to be structured to protect the city and its taxpayers. He felt if the course is to remain a public course in perpetuity, it should go to a non-profit organization that invests their profits back into the golf course and it is in the city's best interest to consider all options. When the city sells public land, it must be done over two meetings so the public is informed,

and other buyers can be notified. The council was in consensus the current structure is not working and a new approach needs to be taken. Kvamme reiterated the wishes of the council are to keep the course public and a valuable resource for the community and with its high value a fair price would need to be agreed up. The sub-committee would take today's discussions into consideration when they meet again, and an update will be provided this spring. The meeting was adjourned at 4:47 pm.

Lynne Olson