



City of Fergus Falls Committee of the Whole Agenda

June 12, 2024

7:00 am

City Council Chambers

A. Call to Order

B. Roll Call

C. Discussion Items

1. Overview of Upcoming Bond Sale

Bill Sonmor

2. Scenic Drive Infrastructure Projects

Brian Yavarow

Requested Action: Recommendation to the council to accept the Preliminary Engineering Report for PI 8231 & 7224; initiate PI 7224, the Scenic Drive sanitary sewer on Scenic Drive and to set the preliminary improvement project hearing date for August 5

3. Frontier Drive Stormwater Analysis Project

Brian Yavarow

Requested Action: Recommendation to the council to initiate PI 7225, the NW Area (Frontier Drive) Stormwater Analysis; accept the MPCA's SWC Grant in the amount of \$52,855 and to accept Bolton & Menk's professional services agreement for stormwater analysis in the amount of \$58,728

4. Cannabis Zoning Ordinance Update

Kile Bergren

D. Additional Agenda Items

Announcements

June 17 4:30 pm City Council work session: Third Ward Vacancy Interviews
5:30 pm City Council meeting

June 19 Most city offices and facilities closed for observation of Juneteenth

June 26 Committee of the Whole meeting 7:00 am

Adjourn



Council Action Recommendation

Page 1 of 1

Meeting Date: June 12, 2024

Subject: General Obligation Bonds, Series 2024A

Recommendation:

At the City Council meeting on June 17, 2024, the City Council will be requested to authorize the sale of bonds to finance the Aquatic Center, DeLagoon Park Improvements, and 2024 Street Improvement projects.

Background/Key Points:

The City of Fergus Falls received authorization from the voters of Fergus Falls and the Minnesota State Legislature to use a 0.50% local option sales tax to finance the Aquatic Center up to \$10,800,000 and the DeLagoon Park Improvement project up to \$5,200,000 plus an amount for interest and bond issuance costs for both projects. The City Council awarded contracts for the construction of the projects and the time has come to issue bonds to finance the projects. The local option sales tax was effective on October 1, 2023 and will run through December 31, 2037.

The City Council also awarded construction contracts for two street and utility reconstruction projects (City Projects 5959 and 5960) and now bonds need to be issued to finance the projects.

Budgetary Impact: The local option sales tax will be used to fund the debt service for the Aquatic Center and the DeLagoon Park Improvement projects. Special assessments and property tax levies will be the funding sources for the debt service of the 2024 Street Improvement projects.

Respectfully Submitted: Bill Sonmor, Finance Director and Doug Green, Baker Tilly

Attachments:

Power Point Slides



City of Fergus Falls, MN

General Obligation Bonds, Series 2024A

- Aquatic Center
- DeLagoon Park Improvements
- 2024 Street Improvements

Series 2024A Bonds - Sources and Uses

	Improvement Portion	Sales Tax Revenue Portion	Issue Summary
Sources Of Funds			
Par Amount of Bonds	\$1,195,000	\$15,675,000	\$16,870,000
Total Sources	\$1,195,000	\$15,675,000	\$16,870,000
Uses Of Funds			
Deposit to Project Construction Fund	\$1,174,862	\$15,445,000	\$16,619,862
Total Underwriter's Discount (0.800%)	\$9,560	\$125,400	\$134,960
Costs of Issuance	\$7,941	\$104,159	\$112,100
Rounding Amount	\$2,637	\$441	\$3,078
Total Uses	\$1,195,000	\$15,675,000	\$16,870,000



Series 2024A Bonds – Sales Tax Portion

Date	Principal	Coupon	Interest	Total P+I
02/01/2025	-	-	-	-
02/01/2026	680,000	3.95%	915,661	1,595,661
02/01/2027	1,015,000	3.80%	583,581	1,598,581
02/01/2028	1,050,000	3.70%	545,011	1,595,011
02/01/2029	1,090,000	3.65%	506,161	1,596,161
02/01/2030	1,130,000	3.66%	466,376	1,596,376
02/01/2031	1,170,000	3.66%	425,018	1,595,018
02/01/2032	1,215,000	3.67%	382,196	1,597,196
02/01/2033	1,260,000	3.68%	337,605	1,597,605
02/01/2034	1,305,000	3.84%	291,237	1,596,237
02/01/2035	1,355,000	3.98%	241,125	1,596,125
02/01/2036	1,410,000	4.12%	187,196	1,597,196
02/01/2037	1,465,000	4.28%	129,104	1,594,104
02/01/2038	1,530,000	4.34%	66,402	1,596,402
Total	15,675,000	-	5,076,670	20,751,670

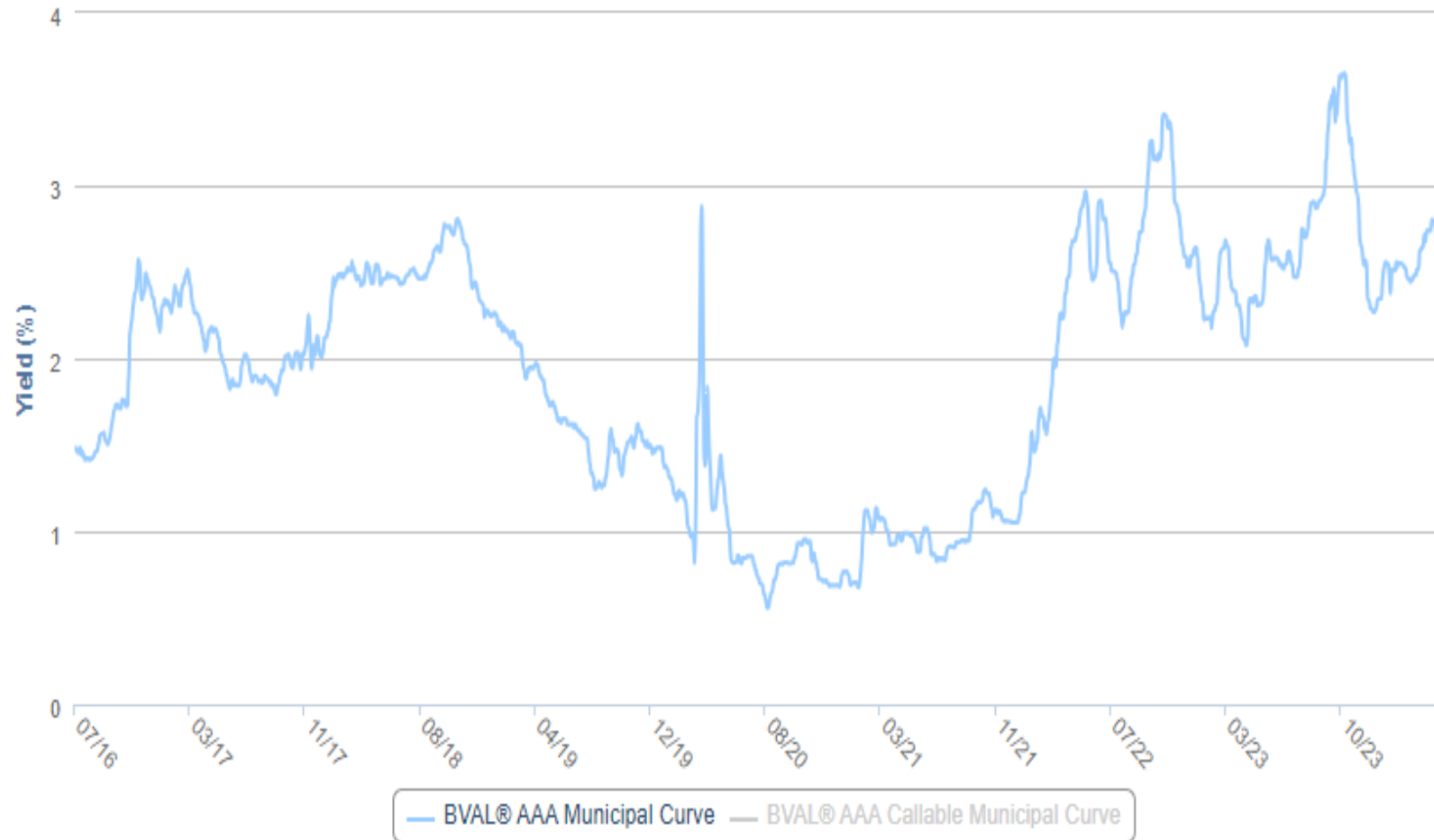


Series 2024A Bonds – PIR Portion

Date	Principal	Coupon	Interest	Total P+I	105% of Total	Assessment	Levy Required
02/01/2025	-	-	-	-	-	-	-
02/01/2026	90,000	3.95%	69,699	159,699	167,684	78,920	88,764
02/01/2027	75,000	3.80%	42,911	117,911	123,807	39,460	84,347
02/01/2028	80,000	3.70%	40,061	120,061	126,064	39,460	86,604
02/01/2029	80,000	3.65%	37,101	117,101	122,956	39,460	83,496
02/01/2030	85,000	3.66%	34,181	119,181	125,140	39,460	85,680
02/01/2031	90,000	3.66%	31,070	121,070	127,124	39,460	87,664
02/01/2032	90,000	3.67%	27,776	117,776	123,665	39,460	84,205
02/01/2033	95,000	3.68%	24,473	119,473	125,447	39,460	85,987
02/01/2034	100,000	3.84%	20,977	120,977	127,026	39,460	87,566
02/01/2035	100,000	3.98%	17,137	117,137	122,994	39,460	83,534
02/01/2036	105,000	4.12%	13,157	118,157	124,065	39,460	84,605
02/01/2037	110,000	4.28%	8,831	118,831	124,773	39,460	85,313
02/01/2038	95,000	4.34%	4,123	99,123	104,079	17,983	86,096
Total	\$1,195,000	-	\$371,497	\$1,566,497	\$1,644,822	\$530,963	\$1,113,859



Historical Interest Rates – Bloomberg Index of AAA rated 10-Year Yield



Series 2024A Bonds – Timeline

DATE	EVENT
June 17, 2024	City Council authorizes bond sale
June 20, 2024	Credit rating call with Moody's
July 15, 2024	Bond sale and consideration of award
August 1, 2024	Receive bond proceeds





Council Action Recommendation

Page 1 of 2

Meeting Date:

June 12, 2024 – Committee of the Whole

June 17, 2024 – City Council

Subject:

Scenic Drive Infrastructure – Pebble Shores Drive to Pebble Hills Drive

Recommendation:

- Accept the Preliminary Engineering Report (PER) for PI Nos. 8231 & 7224
- Initiate P.I. No. 7224 – Sanitary Sewer on Scenic Drive: From 200’ South to 660’ South of Pebble Shores Drive.
- Set the Preliminary Improvement Project Hearing date for P.I. No.s 7224 & 8231 for **August 5, 2024**

Background/Key Points:

The Preliminary Engineering Report is complete for the above referenced project.

The PER recommends that Option No. 1 (12” water main constructed adjacent to 2nd Addition to Pebble Hills Estates) and Option No. 3 (8” Sanitary Sewer constructed from 200’ South to 660’ South of Pebble Shores Drive) move forward as projects.

In general, from an engineering standpoint, these projects are feasible, cost effective, and necessary to complete underground infrastructure improvements in the immediate area. Please refer to the attached report for detailed information.

A portion of this public improvement project is proposed to be special assessed per City Policy following MN Statute Chapter 429 requirements. The proposed amount funded by special assessments consists of portions of the 12” watermain, 8” sanitary sewer main and 6” sewer service improvements that abuts the benefitting property. Unique conditions exist for the special assessment of a “new” construction project because of the varied nature of the ownership and usage of the affected property (undeveloped lots, back lots, unplatted property, etc.). Also, consideration should be given to the existing deferred special assessments established in past practice to encourage development in the overall area. It is thought that conferring “Deferred” status on all these “new” special assessments would be consistent with past practice in this particular area. Recovery of these new costs, as well as the currently deferred costs, would be through the future connection to the City utility systems as these lots develop.

The preliminary assessment roll has been prepared using a “Unit” special assessment method as was used for previous infrastructure improvements in this area.

If acceptable, the next step is to schedule the **Preliminary Improvement Project Hearing for August 5, 2024, at 5:30 P.M. in these Council Chambers.** A legal publication along with individual notices will be sent to all subject properties.

Budgetary Impact:

The preliminary estimated construction cost is \$365,000 (Option 1 + Option 3). Tentatively the funding sources are as:

- PIR Bonds (Sanitary Sewer & Water main Special Assessment - Deferred)
- City Sanitary Sewer Fund
- City Water Fund

Respectfully Submitted:

Brian Yavarow, P.E. - City Engineer

Attachments:

Project Location Map

Preliminary Engineering Feasibility Report for PI Nos. 8231 & 7224



Preliminary Engineering Report

2024 Water Main & Sanitary Sewer Improvements

P.I. No. 8231

P.I. No. 7224


Scenic Drive

Second Addition to Pebble Hills Estates


Pebble Hills Estates First Addition

Prepared by:
City of Fergus Falls, Engineering Department

I hereby certify that this plan, specification, or report was prepared by me or under my direct supervision and that I am a duly Licensed Professional Engineer under the laws of the State of Minnesota.



Brian P. Yavarow, P.E.
Registration No. 48363



Date

June 2024
P.I. No. 8231, etc.

2024 Water Main & Sanitary Sewer
Improvements
Public Improvements No. 8231 & 7224
Feasibility Report
Fergus Falls, Minnesota

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- Table 2 – Opinion of Probable Costs – Option 2
- Table 3 – Opinion of Probable Costs – Option 3
- Table 4 – Breakdown of Assessable Footage

List of Exhibits

- Exhibit 1 – Project Location Map

Background

The City of Fergus Falls City Council has authorized the Engineering Department to prepare a report outlining estimated costs, special assessments, and schedule for construction of a 12” Water Main and 1” water services Improvement. The project is on Scenic Drive adjacent to the seven lots of the 2nd Addition to Pebble Hills Estates. This project is hereafter referred to as P.I. No. 8231.

A map of the proposed project area is included in this report as Exhibit 1.

This report will provide the estimated costs and proposed special assessments associated with the proposed project. This information is intended to assist the City Council and affected property owners in deciding the feasibility of the project from an engineering/financial standpoint.

This improvement has been initiated by a 100% Petition from the original property owner for the seven lots in the 2nd Addition of Pebble Hills Estates. Since that time three lots have already been transferred to new owners (Two of which are currently backlots for the owner on Pebble Hills Drive). Four lots remain in ownership with the original petitioner. Also, the petition does not mention the unplatted property to the north and east, adjacent to Scenic Drive, which would also benefit from this improvement in the future. **For these reasons, the proposed improvement should follow the full process for a preliminary project hearing. This project should be treated as if it had been initiated solely by City Council action, requiring a super majority vote to move forward from the preliminary project hearing.**

This report also reviews the completion of the sanitary sewer and services on Scenic Drive to serve Lots 2-5, Block 1, Pebble Hills Estates 1st Addition. **This project is hereafter referred to as P.I. No. 7224, would need to be initiated by the City Council, and would follow the same process as noted for P.I. No. 8231.**

Existing Conditions

P.I. No. 8231: The improvement area consists of undeveloped property for future residential housing located on Scenic Drive, located adjacent to or across from and including, the recently platted (2022) seven lots of the 2nd Addition to Pebble Hills Estates. The entire project area is presently served by existing sanitary sewer and sewer services as well as a minimum maintenance, aggregate surface road. This entire undeveloped area has “deferred” special assessments in place for those previously completed improvements.

The existing 12” water main stops on the north edge of the 2nd Addition of Pebble Hills Estates. There is also another existing water main at the south intersection of Pebble Hills Drive and Scenic Drive. This gap in the existing 12” water main layout is approximately 2,100 feet in length.

P.I. No. 7224: The improvement area consists of platted lots and undeveloped property for future residential housing located on Scenic Drive, located across from, and including, Lots 2-5, Block 1, Pebble Hills Estates 1st Addition. This project area is presently served by an existing water main as well as a minimum maintenance, aggregate surface road. This area has

“deferred” special assessments in place for previously completed improvements.

Proposed Improvements

There are three options to be considered regarding the limits of the proposed improvements. These will be addressed separately as follows:

Option 1 (P.I. No. 8231): The improvements proposed to the Public Improvement No. 8231 area will consist of the construction of approximately 1,100 lineal feet of 12” Water Main. The original petition included 1” water lines as part of the project to serve future houses on the seven newly platted lots in 2nd Addition of Pebble Hills Estates. These property owners should separately request the installation of any desired water services because of the nature of the existing backlot ownership in this area. This area is part of the submitted petition. This water main would also serve the unplatted property to the north and east, adjacent to Scenic Drive. As this property is currently unplatted no water services will be installed to the unplatted property as part of this improvement. The proposed water main would be installed beneath the existing ditch (greenspace) therefore, future water service installations could happen via trenchless methods and be installed at the optimal location to serve the adjacent properties’ needs. The existing road will be restored to its original condition at the completion of the project.

Option 2 (P.I. No. 8231 Extended): This report will also address the possible extension of the 12” water main for an additional 1,000 lineal feet. This would cover the gap between the south end of the originally petitioned 2nd Addition of Pebble Hills Estates, proceed along the R/W adjacent to Block 1 of the 3rd Addition to Pebble Hill Estates and end at the intersection of Scenic Drive and Pebble Hills Drive. This additional extension work would allow for completion of the intended water main loop which would provide more reliable service to the area residents as well as less potential maintenance for the City. This water main would also serve the unplatted property to the east, adjacent to Scenic Drive. Water Services will not be installed for the currently unplatted property as part of this improvement. The potential installation of 1” water services into the existing eight platted lots (3rd Addition) on the west side of Scenic Drive is to be considered under this option, only at the request of the individual property owners. Similar to option No. 1, the proposed watermain would be installed beneath the existing ditch (greenspace) therefore, future water service installations could happen via trenchless methods and be installed at the optimal location to serve the adjacent properties’ need. The existing road will be restored to its original condition at the completion of the project.

Option 3 (P.I. No. 7224): This report will further address the possible extension of the 8” sanitary sewer main to the west for an additional 450 lineal feet. This extension would complete the sanitary sewer system on Scenic Drive and provide potential service to an additional four platted lots. The 4” Sewer Services would also be installed at this time to connect to these lots as part of this project because of their location under a future street improvement. There are five (estimated) unplatted lots in the same area (opposite side of street) that would not sewer service installation into Scenic Drive, unless specifically requested by the property owners, as they are designed to be served by an existing sanitary sewer main located in their rear yard area.

Right of Way

Most of the construction activity can be accommodated within the existing street right-of-way or on public easements. Any additional instances where work is identified in final design to be constructed outside of these areas will require the acquisition of additional easements.

Cost Summary

The following is a breakdown of the engineer's opinion of probable costs. A detailed breakdown is provided in the appendix.

Option 1 (P.I. No. 8231):

Table 1			
Opinion of Probable			
Costs Total Project Cost			
	Total Project	City Cost	Assessable Cost # (Deferred)
Construction	\$ 181,000	\$ 61,000	\$ 120,000
Misc. Costs*	\$ 54,000	\$ 18,000	\$ 36,000
Grand Total	\$ 235,000	\$ 79,000	\$ 156,000

Assessable Cost includes \$ 0 in "Active" special assessments, \$ 145,000 in "New Deferred" special assessments and \$11,000 in "New Deferred" special assessments assigned to the City Water Fund.

*Misc. Costs include legal, fiscal, admin, engineering, contingency, and soil borings.

Option 2 (P.I. No. 8231 Extended):

Table 2			
Opinion of Probable			
Costs Total Project Cost			
	Total Project	City Cost	Assessable Cost #
Construction	\$ 159,000	\$ 49,000	\$ 110,000
Misc. Costs*	\$ 48,000	\$ 15,000	\$ 33,000
Grand Total	\$ 207,000	\$ 64,000	\$ 143,000

Assessable Cost includes \$ 0 in "Active" special assessments, \$ 141,000 in "New Deferred" special assessments, and \$2,000 in "New Deferred" special assessments assigned to the City Water Fund.

*Misc. Costs include legal, fiscal, admin, engineering, contingency, and soil borings.

Option 3 (P.I. No. 7224):

Table 3			
Opinion of Probable			
Costs Total Project Cost			
	Total Project	City Cost	Assessable Cost #
Construction	\$ 99,000	\$ 8,000	\$ 91,000
Misc. Costs*	\$ 30,000	\$ 3,000	\$ 27,000
Grand Total	\$ 129,000	\$ 11,000	\$ 118,000

Assessable Cost includes \$ 0 in “Active” special assessments, \$ 59,000 in “New Deferred” special assessments, and \$59,000 in “New Deferred” special assessments assigned to the City Sewer Fund.

*Misc. Costs include legal, fiscal, admin, engineering, contingency, and soil borings.

Special Assessments

The special assessments were calculated in accordance with City policy for funding new construction projects. The assessable costs for a 12” water main is reduced as the City is funding the “oversizing” cost of a 12” water main relative to the cost of the standard 6” or 8” residential water main.

The property abutting Scenic Drive will be assessed on a “Unit” basis. Residential corner lots and residential lots with multiple frontages are included in a special assessment category one time regardless if the short side or long side is abutting the improvement. Residential lots will only be assessed one time for any specific type of new improvement.

The assessable footage was broken down by parcel and denotes the assessable footage for each parcel as derived from the Otter Tail County records. This information was incorporated into a “per unit” basis as a method of assessment.

Option 1 (P.I. No. 8231): There are deferred special assessments currently levied against the property which has recently (2022) been platted as the seven lots of 2nd Addition of Pebble Hills Estates. These previously deferred special assessments are proposed to remain “deferred” because of this improvement. The “Total” associated costs are shown in detail on Exhibit 2 on a per parcel breakout. The unplatted property on the north and east side of Scenic Drive will also be assessed on a “unit” basis using an estimated number of units. There would be no water services installed on this project due to the water main’s proposed location in the green area beyond the gravel road surface.

It is proposed that both the platted and unplatted areas receive only “New Deferred” special assessments for the costs associated with this project.

Option 2 (P.I. No.8231 Extended): There are deferred special assessments currently levied against the eight existing platted lots (Block 1 of Pebble Hills Estates 3rd Addition) on the west side of Scenic Drive north of its intersection with Pebble Hills Drive. These previously existing special assessments will remain deferred as will the existing special assessments assigned to the unplatted property. The unplatted property on the east side of Scenic Drive will also be assessed on a “unit” basis using an estimated number of units.

There would be no water services installed on this project due to the water main’s proposed location in the green area beyond the gravel road surface.

It is proposed that both the platted and unplatted areas receive only “New Deferred” special assessments for the costs associated with this project.

Option 3 (P.I. No. 7224): There are deferred special assessments currently levied against the four existing platted lots (Lots 2-5, Block 1 of Pebble Hills Estates 1st Addition) on the south side of the 3400 block of Scenic Drive and 5 (estimated lots) in the unplatted property on the north side of the same area. These previously existing special assessments will remain deferred. In this situation it is expected that any new special assessments resulting from this project would also be granted “deferred” status by the City Council. The City would install 4” sewer services to the four platted lots to complete the planned underground infrastructure in the area.

The five (estimated) unplatted lots are designed to be served from an existing sanitary sewer main located in their rear yard area. For this reason, sewer services for the unplatted property would not be installed into Scenic Drive unless specifically requested by the property owner. The total for Option 3 shown in this report does include the cost of the sewer services for the four platted lots. The unplatted property on the north side of Scenic Drive will also be assessed on a “unit” basis using an estimated number of units.

It is proposed that both the platted and unplatted areas receive only “New Deferred” special assessments for the costs associated with this project.

The “Total” associated costs are shown in detail for Option 1 (Exhibit 2), Option 2 (Exhibit 3) and Option 3 (Exhibit 4). All options are recommended to use a “unit” basis on a per parcel breakout

The following table breaks down the total assessable footage or units with respect to the proposed improvements:

Table 4		
Option 1		
Breakdown of Project Footage or units		
Total Project footage (Residential)	2,203	L.F.
Total Assessable Footage	2,203	L.F.
Total Assessable “Units”	17.25	Each
Option 2		
Breakdown of Project Footage or units		
Total Project footage (Residential)	1,980	L.F.
Total Assessable Footage	1,980	L.F.
Total Assessable “Units”	16.25	Each
Option 3		
Breakdown of Project Footage or units		
Total Project footage (Residential)	965	L.F.
Total Assessable Footage	965	L.F.
Total Assessable “Units”	9	Each

The “Unit” assessment rate for water main is determined by dividing the total associated utility improvement costs (less the City’s Share of the 12“watermain “oversizing” cost) by the total benefiting “units”.

Based on this methodology the residential costs per “unit” yields an estimated **\$9,100/unit Water Main as an assessable cost under Option 1.**

Under Option 2 the estimated costs are \$8,825/unit Water Main.

The “Unit” assessment rate for sanitary sewer main is determined by dividing the total associated utility improvement costs by the total benefiting “units.”

Under Option 3 the estimated costs are \$ 11,800/unit Sanitary Sewer Main and \$ 2.900/unit Sewer Service (Total = \$ 14,700 per lot).

Note: It is recommended that the existing and proposed (New) special assessments resulting from this project be placed in the status of “deferred special assessments.” These special assessments would then be activated upon the development (connection to City infrastructure) of each individual lot benefitted by this project. This would result in additional (New) deferred special assessments in the amount of \$ 145,000 (Option 1: P.I. No. 8231), \$ 141,000 (Option 2: P.I. No. 8231 Extended), and \$ 59,000 (Option 3: P.I. No. 7224).

See Exhibit 2 (Option 1), Exhibit 3 (Option 2), and Exhibit 4 (Option 3) for the individual property breakout of estimated “New Deferred” special assessment costs

Conclusion & Feasibility

Option 1 (P.I. No. 8231): Having investigated the facts relating to construction of the proposed improvements, it is my opinion, from an engineering standpoint, this project is feasible, cost effective, and necessary to provide the service requested by the property owners’ petition. Feasibility is contingent upon City Council findings with respect to project financing.

Option 2 (P.I. No. 8231 Extended): Having investigated the facts relating to construction of the proposed improvements, it is my opinion, from an engineering standpoint, this project is feasible and cost effective. While desirable in the long term, the necessity of the Option 2 improvement is not immediate. The City’s share of the improvement costs would increase under this option both in the short term (construction cost) and the long term (additional deferred special assessment costs). Feasibility is contingent upon City Council findings with respect to project financing.

Option 3 (P.I. No. 7224): Having investigated the facts relating to construction of the proposed improvements, it is my opinion, from an engineering standpoint, this project is feasible and cost effective. It is desirable from the City’s standpoint as it would complete the underground utility infrastructure in this portion of Scenic Drive. That would increase the possibility of the

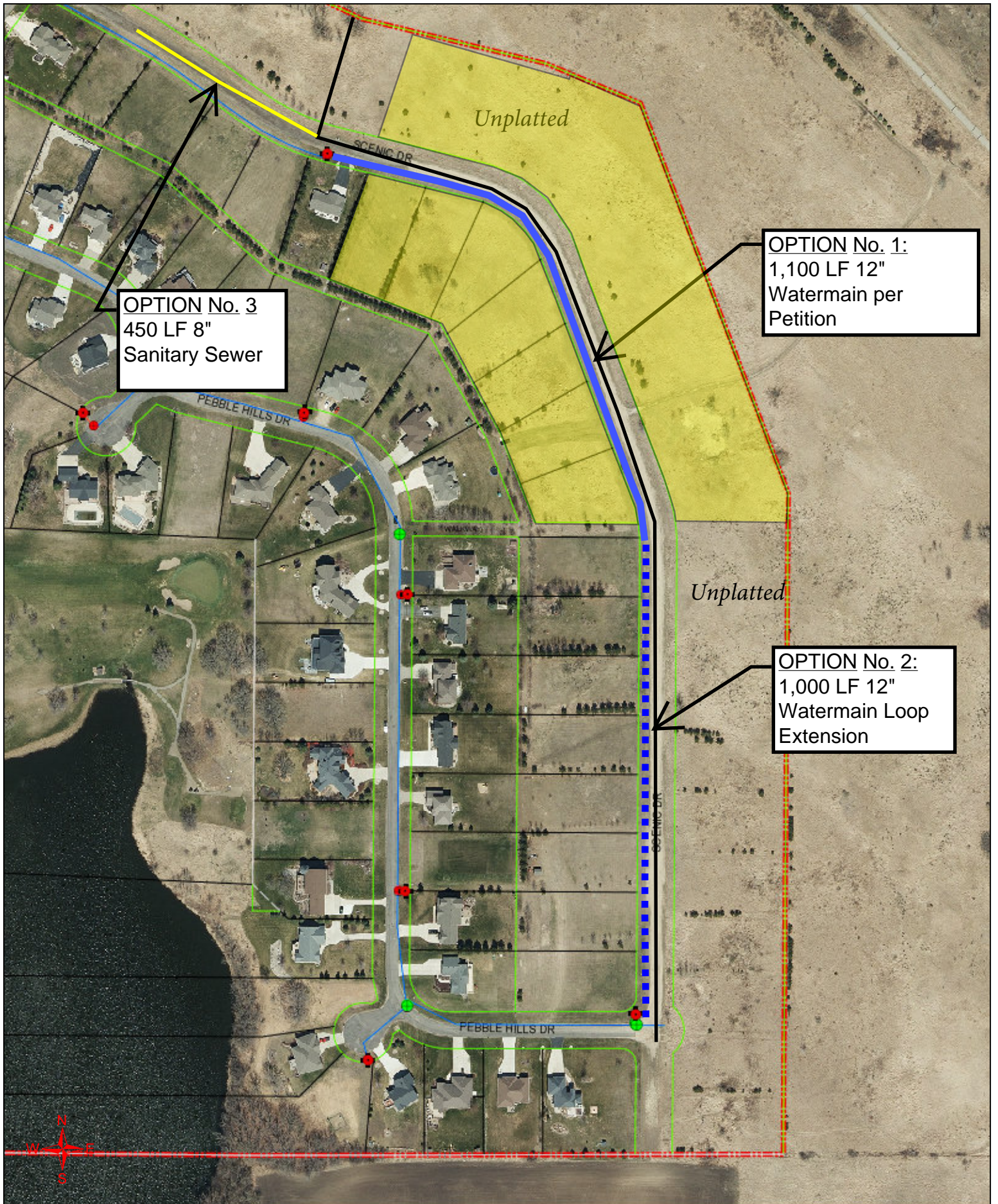
development of the existing lots which would aid the City in recovering its past “existing deferred” and proposed “new deferred” special assessments from this area.

Other Considerations

The availability of Contractors to bid on the improvement project is currently undetermined. The required construction materials may be in short supply, extremely high in cost, or both. These issues could require a delay in the anticipated construction schedule. Several similar projects are currently under City contract and scheduled for construction in 2024 which should increase bidding desirability for this proposed project.

Recommendation

I recommend the City Council Order the preparation of the Plans and Specifications for **Option 1 and Option 3 improvements**. Upon the completion of the above City staff will further review the project plans and estimated improvement costs, including special assessment costs. Then a Preliminary Project Hearing could be scheduled to further discuss the project.





Council Action Recommendation

Page 1 of 1

Meeting Date:

June 12, 2024 – Committee of the Whole

June 17, 2024 – City Council

Subject:

P.I. No. 7775 - N.W. Area (Frontier Drive) Stormwater Analysis

Recommendation:

- Initiate PI No. 7225 – N.W. Area Stormwater Analysis Project
- Accept the MPCA’s SWC Grant in the amount of \$52,855.00
- Accept Bolton & Menk’s professional services agreement for Stormwater Analysis in the amount of \$58,728.00

Background/Key Points:

The Frontier Drive and Western Avenue area in the northwestern portion of the City currently drains an approximately 500 acre watershed thru an existing City owned storm sewer pipe network. The stormwater collected discharges into I-94 R/W and flows downstream into a large culvert beneath TH 210 and eventually into the Otter Tail River. In 2020, MnDOT contacted the City about concerns from City drainage entering MnDOT R/W and potential excess MnDOT permitted discharges by the City. Increased stormwater discharge could potentially impact these critical transportation facilities.

The purpose of this project is to identify sources of stormwater runoff currently contributing to recurring drainage concerns in this area of the City and to develop drainage improvement alternatives and solutions to reduce current flooding, reroute storm water away from developed areas and critical infrastructure, identify inadequate storm drain systems within the study area, as well as identify potential solutions that address the impacts of changing climate and increasing rainfall conditions. The deliverable will be coordinated with the Minnesota Department of Transportation (MNDOT) to address the permitted flow questions and solution to obtain funding for future implementation if needed.

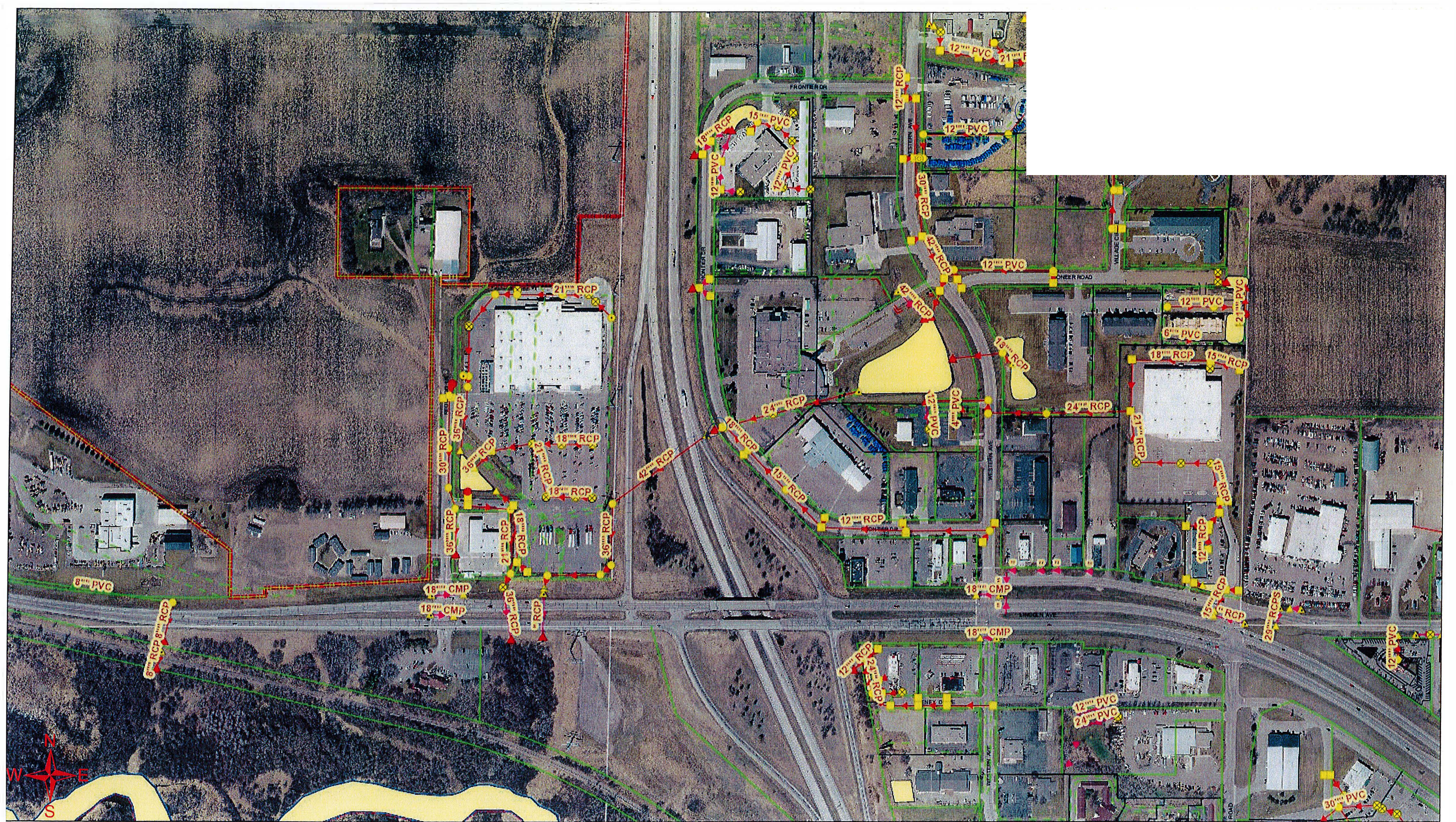
Budgetary Impact:

The total estimated cost for this analysis is \$61,700.00. This amount includes professional services and City staff time. The SWC grant share is \$52,855.00 (86%) and the Local share is \$8,845.00 (14%). I am proposing to fund the local share thru the Storm Sewer Enterprise Fund.

Respectfully Submitted:

Brian Yavarow, P.E. - City Engineer

Attachments:



1 inch = 364 feet

I-94 Storm Sewer

This map has been compiled from information on file at the City of Fergus Falls Engineering Department. The City of Fergus Falls makes no representation and assumes no liability for errors, omissions, or inaccuracies contained on this map. This map should not be used for boundary survey information.

This grant contract is between the state of Minnesota, acting through its Commissioner of the **Minnesota Pollution Control Agency**, 520 Lafayette Road North, St. Paul, MN 55155-4194 ("MPCA" or "State") and the **City of Fergus Falls**, 112 W Washington Avenue, Fergus Falls, MN 56537 ("Grantee").

Recitals

1. Under Minn. Stat. § 116.03, subd.2, the State is empowered to enter into this grant.
2. The State is in need of the **Frontier Drive Drainage Improvement Project Project (project)**.
3. Grantee will comply with required grants management policies and procedures set forth through [Minn.Stat.§16B.97](#), subd. 4 (a) (1).
4. The Grantee represents that it is duly qualified and agrees to perform all services described in this grant contract to the satisfaction of the State. Pursuant to [Minn.Stat.§16B.98](#), subd.1, the Grantee agrees to minimize administrative costs as a condition of this grant.

Grant Contract

1. Term of Grant Contract

1.1 Effective Date. May 13, 2024, Per [Minn. Stat.§16B.98](#), Subd. 5, the Grantee must not begin work until this grant contract is fully executed and the State's Authorized Representative has notified the Grantee that work may commence. Per [Minn.Stat.§16B.98](#) Subd. 7, no payments will be made to the Grantee until this grant contract is fully executed.

1.2 Expiration Date. June 30, 2025, or until all obligations have been satisfactorily fulfilled, whichever occurs first.

1.3 Survival of Terms. The following clauses survive the expiration or cancellation of this grant contract: Liability; State Audits; Government Data Practices and Intellectual Property; Publicity and Endorsement; Governing Law, Jurisdiction, and Venue; and Data Disclosure.

2. Grantee's Duties

The Grantee, who is not a state employee, will perform the duties specified in **Attachment A** which is attached and incorporated into this grant contract.

3. Time

The Grantee must comply with all the time requirements described in this grant contract. In the performance of this grant contract, time is of the essence.

4. Consideration and Payment

4.1 Consideration. The State will pay for all services performed by the Grantee under this grant contract as follows:

- (a) **Compensation.** The Grantee will be paid according to the breakdown of costs contained in **Attachment A**, which is attached and incorporated into this grant contract. Grantee certifies they will provide no less than 10% (ten percent) of the total grant amount as cash match or in-kind services.

- (b) Travel Expenses.** Reimbursement for travel and subsistence expenses actually and necessarily incurred by the Grantee as a result of this grant contract will not exceed the total amount set forth in the travel expense items of the detailed budget section of **Attachment A**, which is attached and incorporated into this grant contract; provided that the Grantee will be reimbursed for travel and subsistence expenses in the same manner and in no greater amount than provided in the current "Commissioner's Plan" promulgated by the Commissioner of Minnesota Management and Budget (MMB). The Grantee will not be reimbursed for travel and subsistence expenses incurred outside Minnesota unless it has received the State's prior written approval for out of state travel. Minnesota will be considered the home state for determining whether travel is out of state.
- (c) Total Obligation.** The total obligation of the State for all compensation and reimbursements to the Grantee under this grant contract will not exceed **\$52,855.00 (Fifty Two Thousand Eight Hundred Fifty Five Dollars and Zero Cents)**.

4.2 Payment

- (a) Invoices.** The State will promptly pay the Grantee after the Grantee presents an itemized invoice for the services actually performed and the State's Authorized Representative accepts the invoiced services. Invoices must be submitted timely and according to the following schedule:

Invoices for expenses incurred to-date may be submitted as frequently as monthly. First invoice is required no later than 6 (six) months or midway through the project, whichever comes first. Email updates about the status of the project are required to be provided to the State's Authorized Representative whenever an invoice is submitted to MPCA Accounts Payable. The State's Authorized Representative will not approve an invoice through the state system without this project update. A final invoice for payment of remaining grant funds expended by the project is required to be submitted at the completion of the project after a Grant Project Final Report, in a format provided to the Grantee by the MPCA, has been submitted to the State's Authorized Representative and approved. Payment of the final 10% (ten percent) of grant funds will be held back until the project is completed satisfactorily and all deliverables have been submitted and approved.

Invoices must be emailed to mpca.ap@state.mn.us, cc'd to the State's Authorized Representative, and contain the following information:

- Name of Grantee
- Grantee's Authorized Representative
- State's Authorized Representative
- SWIFT Contract No.
- Total amount requested for this invoicing period
- Invoice number
- Invoice date
- Invoicing period (actual working period covered by the invoice)
- Cumulative amount of grant expended to date
- Amount of match expended this invoicing period
- Cumulative amount of match expended to date
- Time and material breakdown for invoicing period:
 - Itemization **by each task worked on that period and for each position that worked on it** showing actual hourly rates, hours worked and total dollar amounts (divided into grant-funded and match); consultant invoices may be requested

- Receipts for supplies and any other itemized materials costs to be reimbursed with grant funds or counted as match
- Itemized per diem expenses, stipends or similar; receipts may be requested to be submitted with invoice
- Other items as requested

If there is a problem with submitting an invoice electronically, please contact the Accounts Payable Unit at 651-757-2491.

The Grantee shall submit an invoice for the final payment within 15 (fifteen) days of the original or amended end date of this grant contract. The State reserves the right to review submitted invoices after 15 (fifteen) days and make a determination as to payment.

(b) Unexpended Funds. The Grantee must promptly return to the State any unexpended funds that have not been accounted for annually in a financial report to the State due at grant closeout.

4.3 Contracting and Bidding Requirements

Per [Minn. Stat. §471.345](#), grantees that are municipalities as defined in Subd. 1 must follow the law.

(a) For projects that include construction work and have a total project cost of \$25,000 or more, prevailing wage rules apply per [Minn. Stat. §§177.41](#) through [177.44](#). These rules require that the wages of laborers and workers should be comparable to wages paid for similar work in the community as a whole.

(b) The grantee must not contract with vendors who are suspended or debarred in MN: <https://mn.gov/admin/osp/government/suspended-debarred/>.

5. Conditions of Payment

All services provided by the Grantee under this grant contract must be performed to the State's satisfaction, as determined at the sole discretion of the State's Authorized Representative and in accordance with all applicable federal, state, and local laws, ordinances, rules, and regulations. The Grantee will not receive payment for work found by the State to be unsatisfactory or performed in violation of federal, state, or local law.

6. Authorized Representative

The State's Authorized Representative is **Liz Wiese**, 7678 College Road, Ste 105, Baxter, MN 56425, 651-757-5072, liz.wiese@state.mn.us or successor and has the responsibility to monitor the Grantee's performance and the authority to accept the services provided under this grant contract. If the services are satisfactory, the State's Authorized Representative will certify acceptance of each invoice submitted for payment.

The Grantee's Authorized Representative is **Brian Yavarow, P.E.**, 112 W Washington Avenue, Fergus Falls, MN 56537, 218-332-5413, brian.yavarow@ci.fergus-falls.mn.us, or successor. If the Grantee's Authorized Representative changes at any time during this grant contract, the Grantee must immediately notify the State.

7. Assignment, Amendments, Change Orders, Waiver, and Grant Contract Complete

7.1 Assignment. The Grantee shall neither assign nor transfer any rights or obligations under this grant contract without the prior written consent of the State, approved by the same parties who executed and approved this grant contract, or their successors in office.

7.2 Amendments. Any amendments to this grant contract must be in writing and will not be effective until it has been executed and approved by the same parties who executed and approved the original grant contract, or their successors in office.

7.3 Change Orders. If the State's Authorized Representative or the Grantee's Authorized Representative identifies a change needed in the workplan and/or budget, either party may initiate a Change Order using the Change Order Form provided by the MPCA. Change Orders may not delay or jeopardize the success of the Project, alter the overall scope of the Project, increase or decrease the overall amount of the Contract, or cause an extension of the term of this Contract. Major changes require an Amendment rather than a Change Order. A Change Order also is required to name a successor if the State's Authorized Representative or the Grantee's Authorized Representative is no longer available to fulfill that role.

The Change Order Form must be approved and signed by the State's Authorized Representative and the Grantee's Authorized Representative in advance of doing the work included in the Change Order. Documented changes will then become an integral and enforceable part of the Contract. The MPCA has the sole discretion on the determination of whether a requested change is a Change Order or an Amendment. The state reserves the right to refuse any Change Order requests.

7.4 Waiver. If the State fails to enforce any provision of this grant contract, that failure does not waive the provision or the State's right to enforce it.

7.5 Grant Contract Complete. This grant contract contains all negotiations and contracts between the State and the Grantee. No other understanding regarding this grant contract, whether written or oral, may be used to bind either party.

8. Liability

The Grantee must indemnify, save, and hold the State, its agents, and employees harmless from any claims or causes of action, including attorney's fees incurred by the State, arising from the performance of this grant contract by the Grantee or the Grantee's agents or employees. This clause will not be construed to bar any legal remedies the Grantee may have for the State's failure to fulfill its obligations under this grant contract.

9. State Audits

Under Minn. Stat. § 16B.98, subd.8, the Grantee's books, records, documents, and accounting procedures and practices of the Grantee or other party relevant to this grant contract or transaction are subject to examination by the State and/or the State Auditor or Legislative Auditor, as appropriate, for a minimum of six years from the end of this grant contract, receipt and approval of all final reports, or the required period of time to satisfy all state and program retention requirements, whichever is later.

10. Government Data Practices and Intellectual Property

10.1 Government Data Practices

The Grantee and State must comply with the Minnesota Government Data Practices Act, [Minn. Stat. Ch. 13](#), as it applies to all data provided by the State under this grant contract, and as it applies to all data created, collected, received, stored, used, maintained, or disseminated by the Grantee under this grant contract. The civil remedies of [Minn. Stat. §13.08](#) apply to the release of the data referred to in this clause by either the Grantee or the State. If the Grantee receives a request to release the data

referred to in this Clause, the Grantee must immediately notify the State. The State will give the Grantee instructions concerning the release of the data to the requesting party before the data is released. The Grantee's response to the request shall comply with applicable law.

10.2 Intellectual property rights

(a) Intellectual property rights. The State owns all rights, title and interest in all of the intellectual property rights, including copyrights, patents, trade secrets, trademarks, and service marks in the Works and Documents created and paid for under this grant agreement. Works means all inventions, improvements, discoveries (whether or not patentable), databases, computer programs, reports, notes, studies, photographs, negatives, designs, drawings specifications, materials, tapes, and disks conceived, reduced to practice, created or originated by the Grantee, its employees, agents, and subcontractors, either individually or jointly with others in the performance of this grant agreement. Works includes "Documents." Documents are the originals of any databases, computer programs, reports, notes studies, photographs, negatives, designs, drawings, specifications, materials, tapes, disks, or other materials, whether in tangible or electronic forms, prepared by the Grantee, its employees, agents, or subcontractors, in the performance of this grant agreement. The Documents shall be the exclusive property of the State and all such Documents must be immediately returned to the State by the Grantee, at the Grantee's expense, upon the written request of the State, or upon completion, termination, or cancellation of this grant agreement. To the extent possible, those Works eligible for copyright protection under the United States' Copyright Act will be deemed to be "works made for hire." The Grantee assigns all right, title, and interest it may have in the Works and the Documents to the State. The Grantee must, at the request of the State, execute all papers and perform all other acts necessary to transfer or record the State's ownership interest in the Works and Documents.

(b) Obligations.

- (1) Notification.** Whenever any invention, improvement, or discovery (whether or not patentable) is made or conceived for the first time or actually or constructively reduced to practice by the Grantee, including its employees and subcontractors, in the performance of this grant agreement, the Grantee shall immediately give the State's Authorized Representative written notice thereof, and must promptly furnish the Authorized Representative with complete information and/or disclosure therein.
- (2) Representation.** The Grantee must perform all acts and take all steps necessary to ensure that all intellectual property rights in the Works and Documents are the sole property of the State, and that neither Grantee nor its employees, agents, or subcontractors retain any interest in and to the Works and Documents. The Grantee represents and warrants that the Works and Documents do not and will not infringe upon any intellectual property rights of other persons or entities. Notwithstanding Clause Liability, the Grantee shall indemnify, defend, to the extent permitted by the Attorney General, and hold harmless the State, at the Grantee's expense, from any action or claim brought against the State to the extent that it is based on a claim that all or part of the Works or Documents infringe upon the intellectual property rights of others. The Grantee will be responsible for payment of any and all such claims, demands, obligations, liabilities, costs, and damages, including, but not limited to, attorney fees. If such a claim or action arises or in Grantee's or the State's opinion is likely to arise, the Grantee must, at the State's discretion, either procure for the State the right or license to use the intellectual property rights at issue or replace or modify the allegedly infringing Works or Documents as necessary and appropriate to obviate the infringement claim. This remedy of the State will be in addition to and not exclusive of other remedies provided by law.

- (3) **License.** The State hereby grants a limited, no-fee, noncommercial license to the Grantee to enable the Grantee's employees engaged in research and scholarly pursuits to make, have made, reproduce, modify, distribute, perform, and otherwise use the Works, including Documents, for research activities or to publish in scholarly or professional journals, provided that any existing or future intellectual property rights in the Works or Documents (including patents, licenses, trade or service marks, trade secrets, or copyrights) are not prejudiced or infringed upon, that the Minnesota Data Practices Act is complied with, and that individual rights to privacy are not violated. The Grantee shall indemnify and hold harmless the State for any claim or action based on the Grantee's use of the Works or Documents under the provisions of Clause 10.2(b)(2). Said license is subject to the State's publicity and acknowledgement requirements set forth in this grant agreement. The Grantee may reproduce and retain a copy of the Documents for research and academic use. The Grantee is responsible for security of the Grantee's copy of the Documents. A copy of any articles, materials or documents produced by the Grantee's employees, in any form, using or derived from the subject matter of this license, shall be promptly delivered without cost to the State.

11. Workers' Compensation

The Grantee certifies that it is in compliance with [Minn. Stat. §176.181](#), subd. 2, pertaining to workers' compensation insurance coverage. The Grantee's employees and agents will not be considered State employees. Any claims that may arise under the Minnesota Workers' Compensation Act on behalf of these employees and any claims made by any third party as a consequence of any act or omission on the part of these employees are in no way the State's obligation or responsibility.

12. Publicity and Endorsement

12.1 Publicity. Any publicity regarding the subject matter of this grant contract must identify the State as the sponsoring agency and must not be released without prior written approval from the State's Authorized Representative. For purposes of this provision, publicity includes notices, informational pamphlets, press releases, research, reports, signs, and similar public notices prepared by or for the Grantee individually or jointly with others, or any subcontractors, with respect to the program, publications, or services provided resulting from this grant contract. All projects primarily funded by state grant appropriations must publicly credit the State of Minnesota, including on the grantee's website when practicable.

12.2 Endorsement. The Grantee must not claim that the State endorses its products or services.

13. Governing Law, Jurisdiction, and Venue

Minnesota law, without regard to its choice-of-law provisions, governs this grant contract. Venue for all legal proceedings out of this grant contract, or its breach, must be in the appropriate state or federal court with competent jurisdiction in Ramsey County, Minnesota.

14. Termination

14.1 Termination by the State. The State may immediately terminate this grant contract with or without cause, upon 30 days' written notice to the Grantee. Upon termination, the Grantee will be entitled to payment, determined on a pro rata basis, for services satisfactorily performed.

14.2 Termination for Cause. The State may immediately terminate this grant contract if the State finds that there has been a failure to comply with the provisions of this grant contract, that reasonable progress has not been made or that the purposes for which the funds were granted have not been or will not be fulfilled. The State may take action to protect the interests of the State of Minnesota, including the

refusal to disburse additional funds and requiring the return of all or part of the funds already disbursed.

14.3 Termination for Insufficient Funding. The State may immediately terminate this grant contract if:

- (a) It does not obtain funding from the Minnesota Legislature.
- (b) Or, if funding cannot be continued at a level sufficient to allow for the payment of the services covered here. Termination must be by written or fax notice to the Grantee. The State is not obligated to pay for any services that are provided after notice and effective date of termination. However, the Grantee will be entitled to payment, determined on a pro rata basis, for services satisfactorily performed to the extent that funds are available. The State will not be assessed any penalty if the contract is terminated because of the decision of the Minnesota Legislature, or other funding source, not to appropriate funds. The State must provide the Grantee notice of the lack of funding within a reasonable time of the State's receiving that notice.

15. Data Disclosure

Under [Minn. Stat. § 270C.65](#), subd. 3, and other applicable law, the Grantee consents to disclosure of its social security number, federal employer tax identification number, and/or Minnesota tax identification number, already provided to the State, to federal and state tax agencies and state personnel involved in the payment of state obligations. These identification numbers may be used in the enforcement of federal and state tax laws which could result in action requiring the Grantee to file state tax returns and pay delinquent state tax liabilities, if any.

To protect Grantee's personal data, Grantee is strongly encouraged to obtain and use a Minnesota tax identification number.

16. Reporting Requirements

Final Report. By the date specified in the project workplan and in a format provided by the MPCA, the Grantee shall submit a final report to the MPCA, plus all project deliverables identified in the workplan.

If the States Authorized Representative determines that the information submitted in the Final Report and/or Project Deliverables is inadequate, the Grantee shall prepare and submit additional / corrected information reasonably requested by the State's Authorized Representative. The Final Report and Project Deliverables shall not be approved by the State's Authorized Representative and final payment shall not be disbursed unless the Report and Deliverables contains the specified information to the satisfaction of the State's Authorized Representative.

Signatures

Title	Name	Signature	Date
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Admin ID

FERGUS FALLS POLICE DEPARTMENT

122 West Junius Avenue, Fergus Falls, MN 56537
PHONE (218) 332-5555 x FAX (218) 332-5554

To: Mayor and City Council
From: Kile Bergren, Chief of Public Safety
Ref: Cannabis Zoning
Date: June 12, 2024

After the June 3, 2024 city council meeting, I was asked to address some of the questions that came up during the public discussion regarding the cannabis zoning ordinance. Staff was also requested by the mayor and several council members to provide an alternative to the cannabis ordinance that more closely aligned with the recommendations of the planning commission. Included with this memo is a copy of an amended version of the cannabis zoning ordinance with those changes highlighted which include cannabis sales in the B3 (Downtown) zone with a conditional use permit.

ORDINANCE NO. 58, EIGHTH SERIES

AN ORDINANCE OF THE CITY OF FERGUS FALLS, MINNESOTA, RELATING TO CANNABIS, AMENDING CHAPTER 154.002 DEFINITIONS, CHAPTER 154.040, B-6, SHOPPING CENTER BUSINESS DISTRICT AND CHAPTER 154.041, I-1, PLANNED INDUSTRIAL DISTRICT OF THE CITY CODE.

THE CITY OF FERGUS FALLS DOES ORDAIN:

Section 1. City Code Chapter 154.002, Definitions, Cannabis Business is hereby added to read as follows:

CANNABIS BUSINESS. “Cannabis Business” means any of the cannabis businesses licensed by the State of Minnesota pursuant to MSA Chapter 342.

Section 2. City Code Chapter 154.038, B-3, General Business District, subparagraph (C), is hereby amended by adding the following conditional use:

(8) Cannabis Retailer;

(a) A cannabis retailer shall not be located within 250 feet from any public or private school, daycare, residential treatment facility, and from any other cannabis business.

Section 3. City Code Chapter 154.040, B-6, Shopping Center Business District, subparagraph (B)(2), is hereby amended by adding the following uses:

(h) Cannabis Microbusiness;

(a) A cannabis microbusiness shall not be located within 250 feet from any public or private school, daycare, residential treatment facility, and from any other cannabis business.

(b) A cannabis microbusiness can operate in a B-6 zone for food processing and packaging purposes if no industrial processing or processing of raw materials is allowed.

(i) Cannabis Mezzobusiness;

(a) A cannabis mezzobusiness shall not be located within 250 feet from any public or private school, daycare, residential treatment facility, and from any other cannabis business.

(b) A cannabis mezzobusiness can operate in a B-6 zone for food processing and packaging purposes if no industrial processing or processing of raw materials is allowed.

(j) Cannabis Cultivator;

(a) A cannabis cultivator shall not be located within 250 feet from any public or private school, daycare, residential treatment facility, and from any other cannabis business.

(b) If in a zone other than an agricultural zone, a cannabis cultivator can only grow indoors of up to 30,000 square feet and is not permitted to grow outdoors.

(c) A cannabis cultivator can operate in a B-6 zone for growing, cultivating and packaging purposes if no industrial processing or processing of raw materials is allowed.

Section 4. City Code Chapter 154.041, I-1, Planned Industrial District, (B), is amended by adding the following uses:

(24) Cannabis Retailer;

(a) A cannabis retailer shall not be located within 250 feet from any public or private school, daycare, residential treatment facility, and from any other cannabis business.

(25) Cannabis Microbusiness;

(a) A cannabis microbusiness shall not be located within 250 feet from any public or private school, daycare, residential treatment facility, and from any other cannabis business.

(b) A cannabis microbusiness can operate in a I1 through I3 zone for food processing and packaging purposes, industrial processing, processing of raw materials, and retail sales with proper state licensing.

(26) Cannabis Mezzobusiness;

(a) A cannabis mezzobusiness shall not be located within 250 feet from any public or private school, daycare, residential treatment facility, and from any other cannabis business.

(b) A cannabis mezzobusiness can operate in a I-1 zone for food processing and packaging purposes, industrial processing or processing of raw materials.

the following use:

(27) Cannabis Cultivator;

(a) A cannabis cultivator shall not be located within 250 feet from any public or private school, daycare, residential treatment facility, and from any other cannabis business.

(b) If in a zone other than an agricultural zone, a cannabis cultivator can only grow indoor of up to 30,000 square feet and not permitted to grow outdoors.

(c) A cannabis cultivator can operate in a I-1 zone for growing, cultivating, processing and packaging and processing of raw materials.

(28) Cannabis Manufacturer;

(a) A cannabis manufacturer shall not be located within 250 feet from any public or private school, daycare, residential treatment facility, and from any other cannabis business.

(b) A cannabis manufacturer can operate in a I-1 zone for food processing and packaging purposes, manufacturing, industrial processing or processing of raw materials.

(29) Cannabis Wholesaler;

(a) A cannabis wholesaler shall not be located within 250 feet from any public or private school, daycare, residential treatment facility, and from any other cannabis business.

(b) A cannabis wholesaler can operate in a I-1 zone for food processing and packaging purposes, manufacturing, industrial processing or processing of raw materials.

Section 5. Effective date. The effective date of this ordinance shall be the _____ day of _____, 2024.

Section 5. Summary Publication. Pursuant to Minn. Stat. §412.191, in the case of a lengthy ordinance, a summary may be published. While a copy of the entire ordinance is available without cost at the office of the City Clerk, the following summary is approved by the City Council and shall be published in lieu of publishing the entire ordinance.

ORDINANCE NO. 58, EIGHTH SERIES

AN ORDINANCE OF THE CITY OF FERGUS FALLS, MINNESOTA, RELATING TO CANNABIS, AMENDING CHAPTER 154.002 DEFINITIONS, CHAPTER 154.040, B-6, SHOPPING CENTER BUSINESS DISTRICT AND CHAPTER 154.041, I-1, PLANNED INDUSTRIAL DISTRICT OF THE CITY CODE.

THIS ORDINANCE was introduced on the _____ day of _____, 2024, and adopted by the City Council of the City of Fergus Falls, Minnesota, on the _____ day of _____, 2024, by the following vote:

AYES:

NAYS:

ATTEST:

APPROVED:

City Administrator

Mayor

Published in the Fergus Falls Daily Journal on _____.

barb/acityoffergusfalls/ords/8thseries/Ord58