

City Council Meeting  
June 17, 2024

The Fergus Falls City Council held a regular meeting on Monday June 17, 2024, at 5:30 pm in the City Council Chambers. Kevin Patch 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 in attendance: Hicks, Fish, Job, Kvamme, Rufer, Kremeier and Rachels.

**Open Forum**

Maury Foss asked the council to reconsider No Mow May. He encouraged the plantings of perennial flowers and shrubs for pollinators rather than letting yards grow unsightly with dandelions and weeds.

Kathy Sieg reminded the council they are elected to represent the city and to provide more communication to the residents.

**Approval of the Agenda**

A motion and second were made by Hicks and Fish to approve tonight's agenda as presented.

**Third Ward Vacant Position**

At tonight's work session a 4-3 motion was made to appoint Mike Mortenson to fill the vacant ward three council seat. Kremeier offered **Resolution #115-2024** appointing Mike Mortenson to fill the vacant third ward council seat, which was seconded by Job and the resolution was defeated on a 4-3 vote. Voting in favor were Hicks, Job, Kvamme and Kremeier. Voting in opposition were Fish, Rufer, and Rachels.

A motion and second were offered by Hicks and Rachels to suggest the Charter Commission review the Charter's vacancy language and recommend guidelines on when a vacancy would be filled by an election or council action and the motion carried. Kvamme offered a motion to reopen the application process with the intent to appoint a council member at the July 15 meeting and the motion died for a lack of a second.

**CP 5961, Preliminary Cost Hearing**

City Project 5961 is the reconstruction of the sanitary sewer, water main, storm sewer, sewer and water services and bituminous street improvements on Junius Avenue from Union Avenue to Cascade Street. The total estimated project cost is \$1,872,389 and the project funding would come from special assessments, enterprise funds and PIR 429 bonds. Special assessments rates would not exceed 7% over a 15-year period. The preliminary cost hearing opened at 5:47 pm and as no one appeared, the hearing was closed. Hicks offered **Resolution #116-2024** ordering the project plans and specifications for CP 5961, which was seconded by Rufer and was adopted.

**Bid Award PI 5377**

Bids were opened for PI 5377, the 2024 mill and overlay project. The project scope is Sherman: Channing to Everett; Sheridan: Channing to Adolphus; Adolphus: Sheridan to Mabelle Avenue and Mabelle: Adolphus to Channing. The low bid of \$245,514.80 was received from Mark Lee Asphalt, which was below the engineer's estimate. A one block segment on Channing had been initially selected as a bid alternate, but Pebble Shores Drive is in greater need of bituminous patching and overlay. This work would be an additional \$61,300. The total project cost would be \$361,164.80

Fish offered **Resolution #117-2024** awarding the bid for PI 5377, the 2024 mill and overlay project to Mark Lee Asphalt & Paving in the amount of \$245,514.80, and to add street segments to the base contract in an amount not to exceed 25%, which was seconded by Kvamme and was adopted.

### **Contracted Mowing Services**

Hicks offered **Resolution #118-2024** awarding the 2024-2025 contracted mowing services to Atlas Outdoor Services, which was seconded by Fish and was adopted.

### **Retirement: Randee Remer**

Fish offered **Resolution #119-2024** acknowledging the retirement and 23 years of service from Randee Remer, which was seconded by Rufer and was adopted.

### **Legislative Update**

Representative Jeff Backer spoke about various legislative actions in the last session including the Lake Alice grit chambers.

### **Consent Agenda**

The following items were approved under **Resolution #120-2024** by Rufer: Motion approving the minutes from the June 3, 2024, City Council meeting and the June 12, 2024, Committee of the Whole meetings. Motion approving the following licenses: Paving/Sidewalk A/C Masonry; Mobile Food Vending Permit This Little Piggy Inc., Mother Goose & Beans, Rejoice Coffee Company, Miller Concessions, Dang! That's Good!; Full Liquor Stella's Restaurant and Bar; Minnesota Lawful Gambling Permit for Elizabeth Lions Club for BINGO at the West Otter Tail County Fairgrounds July 17-20. **Resolution #121-2024** finalizing the sale of city owned property located adjacent to 1018 E Mt. Faith Ave. **Resolution #122-2024** accepting the Preliminary Engineering Report for PI 8231 & 7224; initiate PI 7224, the Scenic Drive sanitary sewer on Scenic Drive and setting the preliminary improvement project hearing date for August 5. **Resolution #123-2024** initiating PI 7225, the NW area (Frontier Drive) stormwater analysis; to 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. The resolution was seconded by Kvamme and was adopted.

### **2024A Bond Issuance**

The city has determined it is necessary to issue \$16,870,000 in General Obligation Bonds, Series 2024A to finance the acquisition, construction, improvement and equipping of an aquatics center; the construction, improvement, betterment and equipping of the DeLagoon improvement project and various street improvement projects. Rachel offered **Resolution #124-2024** authorizing the issuance of 2024A Bonds, which was seconded by Hicks and was adopted.

### **Ordinance 58, Eighth Series**

On June 3 the council held a first reading of Ordinance 58, Eighth Series, which would restrict cannabis sales in zones other than B-6 or higher. On June 12 the Chief of Public Safety proposed an ordinance amendment that would allow sales in a B-3 (downtown) district with an interim permit. The city attorney explained the differences between a conditional use permit and an interim permit noting the city would have the ability to put reasonable conditions on businesses operating under these permits. Mayor Schierer opened the floor to public comments.

- Emily McCune voiced her frustration as the owner of Sugar High and felt the council's comments were personal opinions rather than facts. She reviewed the differences in hemp-

derived and cannabis products and asked for an example of what they are doing that would constitute a public safety concern. She felt the council violated state law but stated she would be fine with the conditional use process if her business would not be required to move. City Attorney Nycklemoe quoted Minnesota statute language 342.13 which states a local unit of government may adopt reasonable restrictions on the time, place and manner of the operation of a cannabis business provided such restrictions do not prohibit the establishment or operation of a cannabis business.

- Jacob Buettner reminded the council these products are legal, if they agree with them or not and if the city is seeking economic growth, they need to prioritize the free operation of business, including in the downtown zone.
- Mike Donoho said allowing cannabis businesses in the B-6 zone would be a concern as the entrance for many visitors to the community and he advocated to allow established businesses to continue operating in the downtown district with a conditional use permit.
- Kris Stach felt like his business Elevate was being treated unfairly and he cited various studies of the safety of cannabis and the public safety concerns. The B-6 zone proposed by the council would only allow business in the former mall and big box stores, which is not financially feasible. He asked the council to reconsider allowing sales downtown.

Kvamme said the legalization of marijuana is a state decision forced upon the city and the city is doing the best they can without a lot of guidance from the state. These businesses can continue selling hemp-derived products downtown. He felt the B-6 and higher zones were a good compromise and starting point for the allowed zoning use and stated his opinion these are not family friendly products and should be restricted from downtown. Mayor Schierer stated the market is quickly changing and the hemp derived products will soon be phased out which will drive these businesses out of business. He felt that regardless of people's opinion on marijuana, it will soon be legal to sell and by not supporting these businesses, the council is sending the message these businesses don't matter to the community. The council was asked to vote on the ordinance they had a first reading for on June 3 which is only allowing the sales in B-6 or higher zones. The ordinance failed 4-3 to get the 5 necessary votes. Voting in favor of the ordinance were Job, Kvamme, Kremeier and Rachels. Voting in opposition of the zoning ordinance were Hicks, Fish, and Rufer. Mayor Schierer suggested the Council Cannabis Committee reconvene and reconsider allowing the B-3 sales with an interim or conditional use permit. He reminded the council that without any zoning rules, these products would be allowed in any zone.

### **Resolution of Accounts**

Fish offered a resolution authorizing the payments and claims in the amount of \$3,263,576.61, which was seconded by Rufer and was adopted.

The meeting adjourned at 6:47 pm to a closed meeting to consider a real estate transaction as allowed by MN Statute 13D.05. The City Council reconvened an open meeting at 7:34 pm. A motion and second were made by Rachels and Fish to suspend the RFP for golf course management services and the motion carried. The council plans to bring a letter of intent from the Pebble Lake Golf Course board to the July 1 council meeting for public discussion.

The meeting adjourned at 7:35pm.

*Lynne Olson*