

Committee of the Whole  
July 10, 2024

The Fergus Falls City Council met as a Committee of the Whole on July 10, 2024, at 7:00 am in the City Council Chambers. Mayor Schierer called the meeting to order, and the following council members were in attendance: Job, Kvamme, Rufer, Kremeier, Rachels and Hicks. Fish was absent.

**Memorandum of Understanding with Local Union #248**

Earlier this year the Fergus Falls Police Department promoted two sergeants to the position of lieutenant. The Local #248 Union representing these employees wants to create a memorandum of understanding to identify the new positions and acknowledge their coverage within the bargaining unit. This temporary agreement will expire at the end of the year as the city will be entering a contract year. A motion and second were made by Job and Rachels to recommend the council approve signing this memorandum of understanding with the Local #248 Union and the motion carried.

**Ordinance 58, Cannabis Zoning**

The city has been working on a zoning ordinance allowing cannabis sales for several months. After the council did not obtain the five affirmative votes necessary to allow cannabis retail sales in a B-6 zone on June 17, several council members asked staff for an amendment that would more closely mirror the Planning Commission's recommendation to allow retail sales in a B-3 zone with a conditional use permit (CUP) and to instill a buffer to not allow these sales within 250 feet of any public or private school, daycare, residential treatment facility or any other cannabis business. After meeting with the Council Cannabis Committee, Chief Bergren proposed an ordinance to allow sales in a B-3 (or downtown) zone with an interim use permit and in the B-6 zone or in the industrial zones with a conditional use permit.

Last month the state provided a guide for local governments on adult-use cannabis and on June 24 the Office of Cannabis Management opened the application process which includes a lottery system and preference to applicants with social inequities. The City of Fergus Falls must issue at least one license since our population exceeds 12,500. Although each city is allowed to address zoning, the county is developing a model ordinance to address registration laws. The city will decide on hours of operation, the number of allowed licenses, the registration ordinance, and building and fire codes to address cannabis business concerns. Bergren reiterated the necessity of our city deciding on the zoning ordinance or the implication to the community of having no authority over the zoning at all. Klara Beck spoke about the need to have fairness in the city's zoning and at least one zone needs to allow these sales without an interim use permit. Rufer thanked staff for their work on this ordinance, commented on public sentiment to allow cannabis sales, and spoke in favor of the interim use permit compromise. Kvamme spoke about the burden this new legislation places on cities, credited our staff for being proactive in addressing this issue, and the city's ability to choose the parameters and number of licenses for the registration process. Rachels advocated allowing retail sales in a B-6 zone with no conditional use permit. A motion and second were offered by Hicks and Rachels to recommend the council hold a first reading of the amended ordinance on July 15 and the motion carried. Rufer left the meeting at 7:28 am.

**City Information Technology System**

The city's current IT system was created and internally maintained for the past 40 plus years by a city employee that has retired. Without this staff and support, the city has decided it is time to replace

and update the system. Staff looked at multiple demos and are recommending Civic Systems LLC. Finance staff members commented on the internal efficiencies the system can offer with staffing, and the need to move into an online system that will provide better customer service options for our residents including a mobile app. The modals included within this proposal are: accounts payable with ACH, accounts receivable, cash receipting, community development (including building permits, code enforcement, field inspections, planning and zoning), fixed assets, general ledger (for accounting, budgeting and financial reporting), a department head dashboard, payroll, project accounting, special assessments, utility billing. Staff proposed adding business and animal licensing to the modals, which would add an additional \$12,000. Civic Systems will help the city with implementation, data migration for the past 3-5 years and training. If the council is in favor of the proposal, the new system would be implemented 12-18 months from the signing of the contract.

The cost of the new system includes the license fee, purchase price, one time conversion/setup, and training for a total cost of \$235,000, which can be paid over three years. Travel costs for the training and conversion would be an additional \$10,241 and an annual hosting, update and support free of \$45,775 after the system has been implemented. The city's current annual budget for the existing system is \$44,200, which will end and can be applied to the new system's annual fee. The city also annually budgets \$36,000 for system replacement and did not backfill an IT position vacated earlier this year. The city would use the general fund and enterprise funds to help fund the expense. Hicks agreed it was time for the city to move forward with a new system, asked several questions and offered a motion that was seconded by Kvamme to recommend the council accept the Civic Systems, LLC proposal and authorize signatures on the contract and the motion carried.

#### **Landfill Equipment Purchase**

Unit 280 is a 2002 track loader (bulldozer) at the landfill with nearly 9000 hours of use in its 20 years of service and getting parts has been problematic. Staff recommend the purchase of a 2025 Caterpillar Model 963 track loader to replace the aging unit. The purchase price is \$438,382.16 which reflects a state contract price discount of \$137,276.88 and a trade-in credit of \$34,000. The purchase is planned and budgeted for 2024 and would be delivered in 6 months. A motion and second were made by Hicks and Rachels to recommend the council approve the purchase of a new track loader for the landfill and the motion carried.

#### **CP 5961- Junius Avenue Reconstruction Project**

Interstate Engineering provided a professional engineering services proposal for final design of City Project 5961, the Junius Avenue reconstruction project in the amount of \$112,610. Staff will soon have completed plans and specifications and will go seeking approval to advertise for bids. The city would like to start the project this year, but offering flexibility with the contractors may give more favorable bids. A motion and second were made by Rachels and Job to recommend the council accept Interstate Engineering's professional services proposal for final design of CP 5961 in the amount of \$112,610 and the motion carried.

The meeting adjourned at 7:53 am.

*Lynne Olson*