

City Council Minutes  
August 4, 2025

The Fergus Falls City Council held a regular meeting on Monday August 4, 2025 at 5:30 pm in the City Council Chambers. Pastor Tim Molter gave the invocation and the Pledge of Allegiance was recited. Mayor Hicks called the meeting to order at 5:32 pm and the following council members were in attendance: Kvamme, Leighton, Kremeier, Mortenson, Rachels, Kilde, Fish and Job.

**Open Forum**

DuWayne Cookman questioned the cost of engineering services and Mayor Hicks addressed these concerns.

**Approval of Agenda**

A motion and second were made by Kvamme and Rachels approving tonight's agenda with the removal of two items from the consent agenda and the addition of an item to reconsider the buffer zones for cannabis retailers and the motion carried.

**Consent Agenda**

The following items were approved under **Resolution #137-2025** by Fish: Motion approving the open and closed minutes from the July 21, 2025, Council meetings and the July 30, 2025, Committee of the Whole meeting. Motion approving the following licenses: Excavator Mark Bergerud, Cityside Improvements; Paving/Sidewalk Skjeret Concrete; Minnesota Lawful Gambling Permit for the Fergus Falls College Foundation raffles on December 15, 2025, at M-State and on February 1, 2026, at M-State; Mobile Food Vendor Permit for Four Little Forks. Motion directing the City Attorney to draft changes to the city ordinance regarding utility billing. **Resolution #138-2025** approving and authorizing signatures on the MOU with M-State regarding sexual assault victims on campus. **Resolution #139-2025** approving the DeLagoon Campground rates. The resolution was seconded by Kilde and was adopted.

**G.O. PIR Bonds Series 2025A**

Gate City Bank proposed a 10-year term, non-callable fixed bond at a rate of 4.0% from Gate City Bank for the Junius and Shoreview projects. Kilde offered **Resolution #140-2025** awarding the sale of a \$716,000 General Obligation PIR Bonds, Series 2025A, pledging special assessments and levying a tax for the payment thereof, which was seconded by Fish and was adopted.

**PI 5855, the Lincoln Alleyway Project**

Public Improvement 5855 is the reconstruction of the alleyway between Lincoln Avenue and Cavour Avenue from Union Street to Cascade Street including the replacement of storm sewer pipes and inlets. An alternative bid to reconstruct the three adjacent city-owned parking lots along the south side of Cavour Avenue will be included. Rachels offered **Resolution #141-2025** approving the plans and specifications for PI 5855, the Lincoln Avenue alleyways and parking lot reconstruction project, which was seconded by Kilde and was adopted with Leighton voting in opposition.

**Fire Department Donations**

Leighton conducted a fundraising campaign for the fire department and presented a check in the amount of \$7,750 to Chief Muchow. These funds will be added to other donations and used to purchase wildland fire protection equipment. Kilde offered **Resolution #142-2025** accepting a

donation to the Fergus Falls Fire Department and adjust the 2025 donations revenue budget and fire department expenditures budget, which was seconded by Fish and was adopted.

### **Ordinance 70**

Ordinance 70, Eighth Series, Utility Charges was introduced by Fish and declared to have first reading.

### **PI 5367, TH 210 Utility Relocation**

Public Improvement 5367 is a utility project to relocate the city's water and sewer mains out of MnDOT's interstate right-of-way. The project is necessary to prepare for the construction of the roundabouts on TH 210 next year. The total construction cost is estimated at \$771,517 with \$639,900 coming from MnDOT and the remaining funds to be paid from city utility enterprise funds. Kvamme offered **Resolution #143-2025** approving the plans and specifications for PI 5367, and authorizing Interstate Engineering to advertise for bids, which was seconded by Job and was adopted.

### **Interim Use Permit: 112 E Washington Ave**

VTDO, LLC, dba Serenity Dispensary applied for an Interim Use Permit (IUP) to operate a cannabis retail store at 112 E Washington Avenue. This property was previously approved for an IUP, but the applicant changed their mind and moved to a new location and rescinded the request. The Planning Commission held a public hearing and recommended the council approve the IUP with the following conditions: a five-year time frame for the IUP, business hours are limited to 10 am-8 pm; no consumption, including sampling is allowed on site; property owners must obtain written consent from each of the neighbors and that consent has been provided. Rachels offered **Resolution #144-2025** approving an Interim Use Permit for cannabis retail sales at 112 E Washington Avenue, which was seconded by Fish. Kvamme offered an amendment to reduce the timeframe from 5 years to 3 years and both Rachels and Fish consented to the amended resolution. The resolution to approve the IUP with a 3-year time frame was called to a vote and resulted in a 4-4 tie which required the mayor to vote. The resolution was adopted 5-4 with Rachels, Kilde, Fish, Job and Hicks voting in favor while Kvamme, Leighton, Kremeier and Mortenson voted in opposition.

### **Resolution of Accounts**

Fish offered a resolution authorizing the payments and claims in the amount of \$1,217,695.74, which was seconded by Kilde and was adopted.

### **Cannabis Registration Process**

Because the population of Fergus Falls is greater than 12,500, state law requires the city to issue at least one cannabis registration. City Ordinance 59 states the city shall issue at least one registration for a cannabis retail business and may issue up to 2. At the July 30 Committee of the Whole meeting staff proposed a timeline for the cannabis registration process that would allow prospective cannabis businesses to submit applications to the city from August 8-September 8 and the council deciding which registration(s) to grant at the September 15 council meeting. This process to allow an active city registration process while continuing to seek state licensure. The state has since changed the timeline that allows a city to permit a cannabis business before the state process is complete.

Minnesota Statute 342.22 Subd 3 states a local unit of government shall issue a retail registration to a cannabis retailer that:

- (a) has a valid license or license preapproval issued by the Office of Cannabis Management

- (b) has paid the registration fee or renewal fee
- (c) is found in compliance with checks performed by a local unit of government
- (d) is current on all property taxes and assessments at the location where the retail establishment is located

After obtaining the local registration requirements, each establishments still needs full state approval to sell cannabis. If more than one application comes in that meets the conditions, the council could use their selection policy to choose which business they grant a registration to. The city has 30 days to respond to the state if a prospective business meets the zoning requirements. Kilde offered **Resolution #145-2025** to proceed with a cannabis registration period over a 12-month period and allowing for changes to meet the state's licensing process and if there are site issues to be resolved, the city could rank the business if they are still in the process of gaining site control, which was seconded by Rachels.

Mortenson suggested opening the local registration process immediately with a first-come, first-serve approach. Any applications received shall be time stamped and sent to the council for approval at their next meeting. The resolution was called to a vote and failed 0-8. Mortenson offered **Resolution #146-2025** offering the city the ability to license a state pre-approved candidate effective immediately, which was seconded by Kremeier, and the resolution was adopted.

#### **New Business-Cannabis Buffer Zones**

Under state statute a local unit of government may prohibit the operation of a cannabis business within 1,000 feet of a school, or 500 feet of a day care, residential treatment facility, or an attraction within a public park that is regularly used by minors, including a playground or athletic field. The City of Fergus Falls imposed a buffer of 250 feet for these entities under Ordinance 58. A motion and second were made by Kvamme and Mortenson directing the City Attorney to draft ordinance amendments reconsider the buffer zones to the state statutes and the motion carried.

The meeting adjourned at 6:44 pm

*Lynne Olson*