

City Council Minutes
February 3, 2025

The Fergus Falls City Council held a regular meeting on Monday February 3, 2025 at 5:30 pm in the City Council Chambers. Pastor Jim Johnson gave the invocation and the Pledge of Allegiance was recited. Mayor Hicks called the meeting to order at 5:32 pm. Council members in attendance were Rachels, Kilde, Fish, Job, Kvamme, Leighton, Kremerier and Mortenson.

No open appeared for the open forum.

Approval of the Agenda

A motion and second were made by Kilde and Fish approving tonight's agenda with the addition of a resolution of support for the Lake Alice water quality project and the removal of an item from the consent agenda and the motion carried.

Property Tax Rebates for 2103 Weyrens Road and 803 E Mt Faith Ave

Two additional requests that meet the program criteria for property tax rebates were received prior to the December 31 program deadline. The public hearing was opened at 5:33 pm and as no one appeared, the hearing was closed. Fish offered **Resolution #10-2025** approving a property tax rebate for 2103 Weyrens Road, which was seconded by Mortenson and was approved. Job offered **Resolution #11-2025** approving a property tax rebate for 803 E Mt Faith Ave, which was seconded by Kilde and was adopted.

Bid Award PI 5362

Bids were opened by the county for PI 5362, the Fir/Friberg roundabout project and the low bid was submitted by Joe Riley Construction in the amount of \$2,053,005.55. This is a joint project between the City and Otter Tail County and the city was awarded \$790,000 from the Local Road Improvement Program which covers 100% of the city's eligible costs. The city plans to replace 1940's water and sewer pipes in the area in conjunction with this project at an estimated cost of \$336,723.76. Utilities and engineering expenses are not eligible for the grant funds so this work will be funded through state aids and the city's water and sanitary sewer enterprise funds. Fish offered **Resolution #12-2025** consenting to the city's cost participation and awarding the construction contract for PI 5362, the Fir Avenue and Friberg Avenue roundabout improvement project, which was seconded by Kilde and was adopted with Leighton voting in opposition.

Consent Agenda

The following items were approved under **Resolution #13-2025** by Kilde: Motion approving the minutes from the January 21, 2025, open and closed City Council meetings and the January 29, 2025, Committee of the Whole meeting. Motion approving the following licenses: Mechanical Esser Plumbing & Heating, Aquarius Home Services, Ugstad Plumbing; Minnesota Lawful Gambling Permits for Ducks Unlimited Maidens of the Marshes for a raffle and BINGO on March 22, 2025, at the Eagles Aerie and Heart O' Lakes High School Fishing League for a raffle on April 27, 2025, at the Fergus Falls High School. **Resolution #14-2025** declaring surplus IT equipment and authorizing its disposal. **Resolution #15-2025** appointing Sharon Hintgen to serve as the Fergus Falls Public Library representative on the Viking Library System governing board. **Resolution #16-2025** accepting the plans and specifications and authorizing the advertising of bids for PI 8232, the demolition of the 750,000-gallon ground storage reservoir demolition project. **Resolution #17-2025** approving a

variance to create two non-conforming lots at a parcel located at 911 Springen Avenue as recommended by the Planning Commission. The resolution was seconded by Fish and was adopted.

Library Policies

Kvamme asked that Section I (e) of the library's the Art Policy be amended as it currently reads "provide equity and inclusion". Library Director Gail Hedstrom said the intent with the art policy is to ensure their permanent and circulating art collections are diverse in mediums, cultures and perspectives and equitable access to art is available to everyone. A motion and a second were made by Kvamme and Leighton suggesting the library board amend this language in the Art Policy and the motion carried.

Westridge Mall Agreements

Leighton made a motion to table the Westridge Mall conversations tonight and the motion died for a lack of a second.

The first action being considered tonight is the city's participation in the Otter Tail County EDA. In January of 2019 the county formed a county economic development authority as allowed by state statute. The County Commissioners approved the establishment of the EDA which is also known as the Community Development Agency or CDA. Cities and townships must adopt a resolution authorizing the participation in the EDA. The organization works in an additive and supportive manner to help communities with projects that need the county's assistance such as assistance in supporting local businesses, expanding and diversifying the tax base and increasing employment opportunities. Fish offered **Resolution #18-2025** authorizing the City of Fergus Falls to participate in the Otter Tail County EDA, which was seconded by Rachels and was adopted.

A motion and second were made by Leighton and Mortenson to table any further discussion on the Westridge Mall and the motion failed 3-5 by a voice vote. Voting in favor were Leighton, Kremeier and Mortenson. Voting in opposition were Rachels, Kilde, Fish, Job, and Kvamme.

Assignment and Novation Agreement with Otter Tail County

Kilde offered **Resolution #19-2024** approving the Assignment and Novation Agreement with Otter Tail County contingent upon prioritizing the distribution of proceeds from a sale be used to pay back the state grant and any Otter Tail County or City funds. Any unsecured debt, (approximately \$400,000) is to be payable if money remains after repaying the county. This action is an effort to pay back the county taxpayer. Additionally, a joint task force comprised of members of the Fergus Falls City Council and CDA to work on the redevelopment of the mall remains in place for the duration of the county's ownership of this property and the resolution was seconded by Job and was approved with Leighton abstaining.

A motion and second were made by Mortenson and Kilde stating the city's official position that the county needs to address the fire suppression systems by separating the utilities of the four affected businesses as soon as possible and the motion carried.

Assignment and Assumption Agreement Contingencies

This resolution addresses what is owed to the unsecured creditors. All creditors of the Westridge Mall have entered agreements ensuring any money after the sale of the property could be reimbursed what is owed to them. The county will be the entity to secure agreements with each creditor, including

the city. Fish offered **Resolution #20-2025** approving the assignment and assumption agreement contingent upon the successful closing of a real estate transaction which was seconded by Rachels and was adopted with Leighton voting in opposition.

A motion and second were made by Kremeier and Mortenson recommending the CDA to prioritize separating the businesses from other portions of the building and the motion carried with Leighton voting in opposition.

Parking Lot Maintenance Agreement with YMCA

A motion and second were made by Kilde and Fish directing staff to prepare a Maintenance Agreement between the YMCA of the Northern Sky and the City for the former gas station parking lot located at 1040 E Fir Ave and the motion carried.

Resolution of Accounts

Fish offered a resolution authorizing the payments and claims in the amount of \$1,238,478, which was seconded by Rachels and was adopted.

Lake Alice Water Quality Project

Kvamme offered **Resolution #21-2025** supporting a two-year extension of the Lake Alice water quality pilot project until 2027 and to support the request of an additional state-funded appropriation which was seconded by Job and was adopted.

Other Business

Kilde asked for project status updates at future meetings. Leighton felt the mall task force should be meeting daily and Mayor Hicks reminded him this is now a county project. Cecelie Cookman asked about the four businesses affected by the purchase of the mall and the Mayor said the City, County and Otter Tail Power have all had conversations with the business owners.

The meeting adjourned at 6:35 pm to a Port Authority meeting.

Lynne Olson