

City Council Minutes
May 19, 2025

The Fergus Falls City Council held a regular meeting on Monday May 19, 2025 at 5:30 pm in the City Council Chambers. Pastor Doug Dent of Federated Church gave the invocation and the Pledge of Allegiance was recited. The meeting was called to order at 5:32 pm and the following council members were in attendance: Mortenson, Rachels, Kilde, Fish, Job, Kvamme and Leighton. Kremeier was absent.

Approval of Agenda

A motion and second were made by Rachels and Kilde approving tonight's agenda as presented and the motion carried.

PI 6081 Final Cost Hearing

The final cost public hearing for PI 6081, the 2024 sidewalk and driveway improvement project opened at 5:36 pm and closed when no one appeared. Fish offered **Resolution #92-2025** adopting the final cost assessments for PI 6081, which was seconded by Leighton and was adopted.

PI 8232 Bid Award

Bids were opened for PI 8232, demolition of the 0.75 MG ground storage reservoir. The low bid was in the amount of \$387,500. The total project cost is \$575,000. Fish offered **Resolution #93-2025** awarding the construction services contract to SF Excavating & Septic Systems Inc. in the amount of \$387,500, which was seconded by Kilde and was adopted.

Proclamation: Public Works Week

Mayor Hicks read a proclamation declaring May 18-24 as Public Works Week.

Waste Water Treatment Plant Award

Len Taylor presented an MPCA Wastewater Treatment Plant Award. The certified staff at the plant were recognized for consistent compliance, accurate and timely reporting and their work to protect the water quality of the river.

Humane Society Update

Chris Cannon and Kristi Lausch from the Otter Tail County Humane Society announced they are breaking ground on a shelter expansion on June 2. As the only animal shelter in the county, they receive half of their strays from the Fergus Falls area and partner with the community to find "forever" homes. They described the need for additional space and services the shelter provides. To date they have raised \$1.9 million of their \$2.1 million project. In addition to the \$12,000 the city annually provides the shelter they requested the city either provides \$45,000 to cover the temporary shelter expenses; matches the \$75,000 Veden Trust grant or replenishes the \$400,000 in reserves they are using to meet the project goal over 4 years.

Consent Agenda

The following items were approved under **Resolution #94-2025** by Job: Motion approving the minutes from the May 5, 2025, council meeting, the May 7, 2025, council work session and the May 14, 2025, Committee of the Whole meeting. Motion approving the following licenses: Mobile Food Vendor Hobby Farmer Foods; Sign Hanger Summit Locations LLC; Chicken Permit Wyatt & Kim

Danielson, 2027 Tower View Road. **Resolution #95-2025** entering a School Resource Officer contract with ISD 544; **Resolution #96-2025** naming the fire department training grounds as the Daniel C. Ness Training Grounds. Motion appointing Scott Kvamme and Anthony Hicks to represent the City of Fergus Falls on the Otter Express Joint Powers Board. **Resolution #97-2025** approving budget adjustments. The resolution was seconded by Fish and was adopted.

Bigwood Event Center

Since taking over the Bigwood Event Center in 2020, the city has been subsidizing its operations with proceeds from the liquor store. The council is interested in selling the facility and reached out to the broker handling the sale of the adjoining hotel. They believe the Bigwood is more likely to sell and continue to operate as a convention center if it can be marketed simultaneously with the hotel. When the facility was constructed in 2000, a portion of the funding came from state bonding with the stipulation the state's portion must be repaid if the facility is sold. The city's lobbyist has been working on a language amendment to allow the city to instead use the funds for another public purpose expenditure, but it would not be allowed to go back into the city's General Fund. Visit Fergus Falls will continue promoting the event center with the goal of maintaining the Bigwood as a functioning convention center. The Bigwood Event Center remains open, is staffed and seeking bookings. The proposed listing agreement from Marcus & Millichap recommends a \$500,000 purchase price for the facility. If a sale proceeds, the City Charter requires land sales to take place at two meetings; one to present the purchase and the second with the council taking action to approve or disapprove. Kvamme offered **Resolution #98-2025** authorizing entering a broker representation with Marcus & Millichap for the Bigwood Event Center, which was seconded by Kilde and was adopted.

Greater Minnesota Housing Infrastructure Grant

On April 29, a Planned Unit of Development to construct 34 single family homes on the city owned property at 801 W Stanton Avenue (the former Checkers site) was introduced. This R-4 parcel has long been considered a site for affordable multi-family house. Greater Minnesota Housing has a infrastructure grant that can be used to cover up to 50% of the capital costs of the public infrastructure to support a qualifying housing development and the deadline to submit a proposal is June 12. The grant requires a city resolution stating there are non-state matching resources for the project. TIF redevelopment district 4-17 has been established and the TIF revenues are eligible as non-state matching funds. Kvamme offered **Resolution #99-2025** supporting the city's grant application to Greater Minnesota Housing Infrastructure grant and certifying the availability of matching funds, which was seconded by Kilde and was adopted by a 5-2 vote. Voting in favor were Rachels, Kilde, Fish, Job and Kvamme. Voting in opposition were Mortenson and Leighton.

Nomadic Arcade Loan

Business Development for Fergus Falls recommended the city approve a \$37,000 façade loan to Nomadic Arcade LLC (Carl Zachmann) for a custom-built mobile arcade mobile unit. The loan funds would be used for equipment, materials, website development and refinancing of expenses at a lower interest rate. The loan would have 2% interest for 7 years, a 1% origination fee on the loan amount and a personal guarantee from Zachmann. Kilde offered **Resolution #100-2025** approving a \$37,000 façade loan to Nomadic Arcade LLC and authorizing the Mayor and City Administrator to sign the related loan agreements, which was seconded by Fish and was adopted.

Comfort Inn Loan

Business Development for Fergus Falls recommended the city approve a \$126,000 Intermediary Relending Program loan to MAA Durga Inc.(Comfort Inn) at 425 Western Avenue. The loan funds would be used to upgrade the exterior façade of the building. The following loan terms were recommended: 5.5% interest on a 20-year amortization schedule with a balloon payment at year 10; 1.5% origination fee on the loan amount; all document recording fees; personal and corporate guarantees from the borrower; key-man life insurance policies assigned to the city. The city would be in the third position on the loan. Kilde offered **Resolution #101-2025** approving a \$126,000 Intermediary Relending Program loan for MAA Durga Inc. and authorizing the Mayor and City Administrator to sign the related loan documents and business subsidy agreements, which was seconded by Rachels and was adopted.

Resolution of Accounts

Fish offered a resolution authorizing the payments and claims in the amount of \$1,936,644.53, which was seconded by Kvamme and was adopted.

Council Comments

- Mortenson expressed appreciation for the active military personnel viewing the council meetings.
- Rachels encouraged residents to attend town hall meetings.
- Kilde stressed the city's available business programs and loans.
- Fish advocated the city donate liquor store profits to support the Humane Society.
- Job reminded the public of the May 29 open house for the aquatic center and the June 2 grand opening.
- Kvamme invited the public to attend the sculpture walk grand opening (May 31), the downtown walking tour (May 22) and RTC grounds tour (May 23) led by the OTC Historical Society.
- Leighton felt the city should have one place for information- the public website and did not believe social media platforms should be used.
- Hicks encouraged support for local businesses and felt the city should financially support the Humane Society's expansion project.

The meeting adjourned to a closed session at 6:58 pm pursuant to MN Stat. 13D.05, subd 3(b) for attorney-client privilege to discuss pending litigation.

Lynne Olson