

# **CITY COUNCIL PROCEEDINGS**

## **BEMIDJI, MINNESOTA**

### **Work Session – June 22, 2009**

Pursuant to due call and notice, a work session of the City Council of the City of Bemidji, Beltrami County, Minnesota, was held on Monday, June 22, 2009, at 5:30 p.m. in the Conference Room of City Hall, Mayor Lehmann presiding.

Upon roll call, the following Councilmembers were declared present: Lehmann, Johnson, Negard, Downs, Meuers, Waldhausen, Hellquist

Staff Present: City Manager John Chattin, Finance Director Ron Eischens, Public Works Director/Engineer Craig Gray, City Clerk Kay Murphy

Mayor Lehmann stated that the purpose of the work session was to discuss the 2010 budget and CIP cashflow. He stated that the cuts from the Governor were not as bad as anticipated but still bad nonetheless.

Chattin stated that being proactive with budget cuts has put the City in a better position. However, the City will still have a deficit budget in 2010 that will be compounded by increased costs for 2010. He stated that the initial budget for 2010 did not include \$300,000 for additional street bond debt payments and \$60,000 for volunteer firefighter pension fund shortfall. He stated that the Council needs to decide whether to levy back for the December 2008 unallotment and the 2009 unallotment and consider what a reasonable levy is for 2010.

Eischens stated that a 20% levy could equate to approximately a \$54 annual increase in property taxes for a \$100,000 home and \$110 for a \$200,000 home. Eischens stated that between the 2008, 2009 and 2010 LGA cuts, the firefighters' pension fund and street bonding needs; it would take a levy increase of 31 percent to bring the city's finances back to their current levels. Discussion continued on levy amounts with the low at 15% and high at 31%.

Hellquist stated that staff had been asked to provide information to the Council regarding staff positions, namely, liquor store management and the community development director.

Chattin stated that if there are cuts to positions, that he and department heads would make the recommendation.

Council discussed the following:

- Reorganization of the fire department and impact on the ISO rating for the City.
- Creation of a fire district. It was noted that the townships pay half of the expenses for the fire department.
- Pre-opening operating deficits at the BREC. Chattin stated that the two management firms have provided estimates for operating the BREC. Chattin stated that it is estimated that it will cost approximately \$500,000 by October 2010 for operating costs. Consensus of the Council was that the operating costs for opening the BREC should be capitalized and come from contingency funds.
- Dedicating previous airport funds for event center operations.
- Impact of annexation.

In summary, the Council requested the following from staff:

1. Review liquor store management positions and community development director position for possible cuts;
2. Levy increase between 15% and 31%;
3. Annexation – five year financial impact; and
4. Potential of other cuts or re-organization.

It was noted that street light utility fee is off the table.

Bonding Request

Chattin asked the Council to prioritize the two 2010 bonding requests, Hwy 197 trail bridge and Headwaters Science Center. Council consensus gave first priority to the trail bridge bonding request.

Irvine Avenue

Gray stated that at the July 6 Council meeting, Council will be asked to decide from two options on striping of Irvine Avenue. Council directed staff to notify the residents along the affected area. Waldhausen suggested a questionnaire on the City's website for residents to provide their comments.

**ADJOURN**

There being no further business, motion by Hellquist, seconded by Meuers, to adjourn the meeting. Motion carried. Meeting adjourned at 7:00 p.m.

Respectfully submitted,



Kay M. Murphy  
City Clerk