

# CITY COUNCIL PROCEEDINGS

## BEMIDJI, MINNESOTA

June 6, 2005

Pursuant to due call and notice, a regular meeting of the City Council of the City of Bemidji, Beltrami County, Minnesota, was held on Monday, June 6, 2005, at 7:00 p.m. in the Council Chambers of City Hall, Mayor Lehmann presiding.

Upon roll call, the following Councilmembers were declared present: Lehmann, Markeson, Hellquist, Johnson, Erickson, Downs, Meuers.

### **AMENDMENTS TO AGENDA**

Lehmann called for any amendments to the agenda. The following correction was made to the agenda:

- Item #18 – should be the continuation of the 2<sup>nd</sup> Reading of an Ordinance establishing fees for Fire Emergency Services

Motion by Hellquist, second by Meuers, to approve the agenda as amended. Motion carried by unanimous vote.

### **MINUTES**

Minutes of the May 16, 2005 regular meeting, May 3, 2005 Board of Review, and May 9 and 23, 2005 work sessions were presented for approval. Motion by Markeson, second by Erickson, to approve the minutes with a correction to the May 3 minutes, adding Ron Bouchie. Motion carried by unanimous vote.

### **CONSENT AGENDA**

The following Consent Agenda items were presented for approval. Motion by Downs, second by Hellquist, to approve the remaining Consent Agenda items as follows:

1. Approved Claims submitted by the Finance Officer in the total amount of \$735,227.78.
2. Approved two firework applications (Thrifty White and Target Store).
3. Held final consideration of an application to transfer a beer license at Breaker's (new owner – John Vaughn).
4. Authorized travel for Councilmember Meuers to attend a Land Use Work Shop in Little Falls (May 11, 2005) and Detroit Lakes (June 23, 2005).
5. Approved summary of Ordinance No. 405, 2<sup>nd</sup> Series, entitled Tree Preservation and Replacement for publication.

Motion carried by unanimous vote.

### **COMMITTEE REPORTS**

#### **Bemidji Youth Advisory Commission:**

Silas Bowman updated the Council on Youth Day activities which will be held on Tuesday, June 7. Mayor Lehmann read and signed a Proclamation declaring June 7<sup>th</sup> as Youth Day in Bemidji.

In addition, a retreat is planned for this fall and recruiting new members for the Youth Advisory Commission, 14-19 years of age.

#### **Public Works Committee:**

Councilmember Roger Hellquist updated the Council on the Public Works Committee meeting held last Wednesday regarding the City's arena. The ice making system at the arena is broken and it is estimated that it will cost at least \$400,000 to repair. The Public Works Committee is exploring repairing or replacing the equipment as well as examining other partnerships in the community with the other arena agencies.

Downs stated that the Community Arena at the new high school is struggling and it is a great facility. Downs commented that he would like to see the City partner with high school and youth hockey.

Erickson asked if the Curling Club was affected. Hellquist responded no, the Curling Club has its own ice making system.

Markeson commented that the Public Works Committee is reviewing how many sheets of ice that the City of Bemidji needs.

Hellquist stated that the Public Works Committee will meet again on June 8 to discuss this issue further and he will update the Council at their next meeting.

**REQUEST TO USE WATERFRONT FOR 2005 KRAUS-ANDERSON WALLEYE CLASSIC**

Bob Fitzgerald, Kraus-Anderson Marketing Director, presented a request to use the waterfront area for the 5<sup>th</sup> annual Kraus-Anderson Walleye Classic fishing tournament on Lake Bemidji on June 18, 2005. There will be 200 anglers in the event this year with over \$75,000 in cash and prizes available to the participants. Mr. Fitzgerald stated that more than \$130,000 has been raised from the fishing tournament, which has been donated to local groups, i.e., Special Olympics, Youth Hockey and Fishing Has No Boundaries. Council approved the following resolution.

**RESOLUTION NO. 5230:** A RESOLUTION APPROVING THE SITE FOR THE 2005 KRAUS-ANDERSON WALLEYE CLASSIC was offered by Councilmember Hellquist, who moved its adoption, and upon due second by Councilmember Johnson, was passed by unanimous vote.

**HHDC FUNDING PARTNERSHIP**

David Minke reviewed the request from the Headwaters Housing Development Corporation (HHDC) stating that in 2004 the City entered into a partnership with HHDC and provided a loan to the corporation for the construction of infrastructure for Lincoln South Housing Project. HHDC is proceeding with their long range project planning and asked if the City is interested in future similar partnerships and specifically, if the Council is willing to reserve some of the UDAG funds for future projects.

Anne Sand, HHDC, commented that the UDAG loan provided by the City helped put in the infrastructure and the development has turned out nice. As homes are sold, HHDC pays the City for a portion of the loan.

Lehmann commented it is an effort to develop neighborhoods and it is a very nice addition to our community.

Erickson commented these are interest free loans provided through UDAG and she supports the use of these dollars.

A motion was made by Meuers, second by Downs, to support working with the HHDC in the future and consider the use of UDAG funds similar to the Lincoln South project. Motion passed by unanimous vote.

**SOUTHEAST 40 ACRES DISCUSSION**

On Tuesday, May 25, 2005, the bid proposals were opened for the extension of sanitary sewer and water into the Southeast 40 Acres (City Project No. 03-13) with the following results:

Young Excavating, Inc.	\$852,230.35
Spruce Valley Corp.	\$913,201.07
Christiansen Ind. Developers	\$919,980.37
SJ Louis Construction	\$1,005,437.67
Gordon Construction	\$1,160,742.84

Freeberg explained that the cost of installing water and sewer on this project is higher than the estimate. The total amount bid included two alternate routes for one of the sanitary sewers. By awarding the contract for one of these routes and also making a bid correction on the low bid, the amount to be awarded in a contract is reduced to \$817,089.47. There are close to 40 homes in this project area but we are estimating 57 connections, which the city is paying for 17 of the 57. When the project is done, there is no assurance that any of the 17 lots will be subdivided. The City is also paying for the sewage lift station on the premise that it will serve a larger area. Letters were mailed out to area residents explaining the increase in cost last week.

Lehmann asked if consideration had been given to charging a sewer connection to Calvary Cemetery. The Cemetery may wish to install a comfort station for those visiting grave sites in the future. Freeberg said he had not considered that.

Erickson asked Freeberg to explain the two alternate routes for the sanitary sewer and the original bid being reduced by \$35,000.

Freeberg received a request from a group of property owners to run the sanitary sewer line behind their homes as their septic tanks are located there. This will require an easement from each person along this line. Freeberg has met with the property owners of which three have contacted him stating that they would not grant an easement. Therefore, the sanitary sewer will be run in the street.

Debra Nelson, 1600 5<sup>th</sup> Street SE, stated that she is very angry about the proposed cost of the project. She owns a 31 year old doublewide and they will not be able to recoup this cost in the value of the home. Folks in this area will not be able to afford this assessment.

**RESOLUTION NO. 5231:** A RESOLUTION ACCEPTING BID FOR SOUTHEAST 40 ACRES WATER & SEWER PROJECT #03-13 (Nymore area) was offered by Councilmember Johnson, who moved its adoption, and upon second by Councilmember Erickson, was passed by unanimous vote.

**RESOLUTION NO. 5232:** A RESOLUTION ACCEPTING PETITION AND ORDERING PREPARATION OF A FEASIBILITY REPORT (Extension of Sewer along Minnesota Avenue NW, between Algoma and Anne Street) was offered by Councilmember Erickson, who moved its adoption, and upon due second by Councilmember Markeson, was passed by unanimous vote.

**RESOLUTION NO. 5233:** A RESOLUTION AUTHORIZING AGREEMENT NO. 87878 WITH MN/DOT FOR PAYMENT OF THE CITY'S SHARE OF THE COSTS FOR BITUMINOUS MILLING AND SURFACING AND OTHER ASSOCIATED CONSTRUCTION TO BE PROVIDED UNDER STATE PROJECT NO. 0416-41 (Bemidji Avenue from TH 197 to the north City limits) was offered by Councilmember Downs, who moved its adoption, and upon due second by Councilmember Erickson, was passed by unanimous vote.

### **REVIEW OF CITY'S ASSESSMENT & CONNECTION POLICY**

Minke advised that the Council has been discussing the assessment and connection policy and had directed staff to work on proposed revisions. He indicated that the Joint Planning Board has met and have scheduled time to discuss this issue at their next meeting.

Erickson expressed concerns about property owners paying the connection charge and then requiring them to connect within 90 days of notice. She does support the payment of the connection charge but would like deferral of connection based on the current schedule.

Johnson observed that the Joint Powers Board could not believe that the Council did not charge for the connection charge at time of installation.

Discussion continued on the 90-day notification requirement in the Bemidji Code. Felix clarified that in the 1980's the City received a Federal EPA grant with a condition of acceptance that structures that have a need for sewer connection hookup to the City system.

Motion by Meuers, second by Markeson, to approve the following changes to the City's Policies for Public Improvements:

- Maintain the deferral for senior citizens as permitted in State Statute and as explained on Page 6 of the City's current policy.
- Add a provision to the existing policy which would allow the interest rate to be set on a project by project basis by the Council with the intent that the interest rate would be approximately one percent above the City's cost of borrowing money. In projects where the City uses internal financing, the Council would estimate the interest rate based on what it would cost the City to borrow the money.
- Delete Section 3.B.3, Subd. D on Page 16 of the current Policy.
- Amend Section 1.D.12 and allow for the deferral of special assessments for undeveloped property for a period of up to five years or until the property is developed. Interest would accrue and be payable from the date of the assessment.

- Retain the schedule for deferral of sewer hookup as outlined on Page 16 of the current policy and allow continued use of private wells until they fail, but prohibit the drilling of new wells.

Motion passed with a unanimous vote.

### **PINNACLE DEVELOPMENT AGREEMENT**

Jim Holmes, City's Special Legal Counsel, stated that the Developer and City are close to an agreement for the Development Agreement. The items in the Agreement that Pinnacle outlined in the memo have been resolved with the exception of the allowable professional office space on the second floor. Staff has been unwilling to go above 20,000 sq. ft. without discussing it with the Council. The Developer wanted 45,000 sq. ft. and informally indicated they could live with 35,000 sq. ft.

Howard Rosten, Attorney for Pinnacle, stated that he appreciates the time that staff has put into this Developer Agreement. He stressed that the professional office space will only be on the second floor and the Developer has formally requested 35,000 sq. ft. and they would like further consideration by the Council if there comes a time that additional square footage is needed. He indicated that the main floor will be retail as proposed to the Council.

Lehmann is concerned that the professional offices might be a drain from current existing professional businesses. He would prefer to see new businesses locate in these offices.

Howard Rosten commented that the square footage for the mall office would be 10,000 sq. ft. and 25,000 sq. ft. of professional offices. Obviously, to fill the space as retail would pay more for square footage.

Johnson was not too concerned about the professional space and felt that this might eliminate some of the professional strip malls going in around town.

**RESOLUTION NO. 5234:** A RESOLUTION APPROVING DEVELOPMENT AGREEMENT BETWEEN CITY AND PINNACLE VILLAGE OUTLETS, LLC FOR PINNACLE VILLAGE MALL DEVELOPMENT was offered by Councilmember Hellquist, who moved its adoption, and upon due second by Councilmember Johnson, was passed by 5-2 vote as follows: Ayes: Erickson, Markeson, Lehmann, Hellquist, Johnson. Nays: Meuers and Downs.

### **DEER MANAGEMENT PLAN**

Minke reviewed the Deer Management Plan stating that on May 23 the City Council adopted the Deer Management Plan. The plan was written by a committee headed by Councilmember Erickson and represents the City's efforts to control deer population within the corporate limits. He requested that the Council review the implementation and agree on a strategy on how the City will go forward with the choices that are outlined in the Plan.

Erickson stated that Steve Caron, DNR Wildlife Manager, is the DNR contact and has been working with this committee since the beginning. The plan also requires submittal to the DNR for approval based on the reduction suggestions, which has been done.

Lehmann commented that more information needs to get out to the public.

Erickson stated that she and Rod Witt were on Chat-A-Bout to provide information regarding the Deer Management Plan. Education would also be provided through the DNR, Soil & Water Conservation District and other resources.

An Ordinance Prohibiting Deer Feeding within Bemidji City limits and Imposing Penalties for Violations was given a first reading.

### **PRELIMINARY FEASIBILITY REPORT FOR WATER & SEWER IN BIRCHMONT DRIVE AREA/NORTHERN TOWNSHIP**

Freeberg provided the Council a preliminary feasibility report for extending city water and sewer services on Birchmont Drive in Northern Township. Freeberg stated because the City is going into Northern Township there are additional planning issues. Beltrami County is the administrator of the Shoreland Zoning Ordinance and will determine what is a buildable lot and what parcels are appropriately assessed as buildable lots. A tentative meeting is scheduled with Northern Township officials and Freeberg has met with the County. Estimated cost per connection is \$15,000 each. There are some options to put in a lower

cost system which requires a sewer pump at each home, however, there is more cost to the homeowner, and higher maintenance costs.

Freeberg has included reconstructing the road in the current cost estimates to its present dimension. However, he needs to discuss that with the County Engineer to explore the addition of a pedestrian and bicycle trail along Birchmont Drive. The County was intending to overlay this year but has put it off.

Freeberg further explained that the system designed for Birchmont Drive would incorporate the side streets and he will be inviting those residents to the neighborhood meeting to get a feel for their needs.

He encouraged the Council to attend the informational meeting scheduled for Tuesday, June 21 at 7:00 p.m. (location to be determined).

### **ORDINANCES**

An Ordinance Authorizing the Sale of Tax Forfeited Lots to the Headwaters Housing Development Corporation was given a first reading.

Continue second reading of an ordinance establishing the fees for Fire Emergency Services.

Discussion followed regarding a cap on the total amount of the bill that could be generated for any single fire call. The Council discussed both a \$250 limit and a \$500 limit. The consensus of the Council was for a cap of \$250.

Markeson commented that citizens felt that they were already paying for fire services in their property taxes. He was concerned about collecting through a collection agency or assessments.

James Aylesworth, Nymore resident, stated he would like the Council to consider the cost eliminating subsidizing the arena and eliminate charging fees for fire emergency services.

Motion by Downs, motion to amend the ordinance to cap the fee at \$250, second by Erickson. Motion carried with a unanimous vote.

An Ordinance Establishing the Fees for Fire Emergency Services was given a second reading.

Motion Downs, second by Meuers, continuing the final readings of Ordinances amending the Pawnshop Ordinance and the 2005 Fee Schedule until the July 5, 2005 Council meeting. Motion carried.

### **UPCOMING MEETINGS**

- June 9 – 5:30 p.m. – Special City Council Meeting – Manager Review. Council will reschedule this meeting.
- June 13 – 5:30 p.m. – Work Session (2005 Budget & Finance, CGMC Legislative Update)

### **COUNCIL/STAFF REPORTS**

Downs reported that the City should explore a partnership with the Paul Bunyan Trail Association and Minnesota Parks & Trails Council, which will give us a stronger voice at the Legislature.

Markeson reported that the Heritage Preservation Commission recently met and the new chair is Cindy Serratore. She has a strong interest and will be an asset to the committee and the City. Hellquist and Markeson recently met with the Downtown Planning Task Force regarding Phase 2 and 3 of several steps in implementing a plan for downtown.

Hellquist reported that the DDA Task Force meets at 7:30 a.m. on June 8. The DDA has included the Bemidji Leads statement called “One Shared Destiny” as one of their values.

Lehmann encouraged people to attend the pancake breakfast day at the Sr. Center this Saturday 8-10:30 a.m. Lehmann reported that June 30 will be Interdependence Day – Bemidji Leads is asking community leaders to sign the Interdependence Day Proclamation. The exact time and location to be determined. On June 20<sup>th</sup> there will be a resolution for the Council to adopt in this regard.

**ADJOURN**

There being no further business, motion by Downs, second by Hellquist, to adjourn the meeting. Motion carried. Meeting adjourned at 9:50 p.m.

Respectfully submitted,

Kay Murphy-Schuett  
Deputy City Clerk