

CITY COUNCIL PROCEEDINGS

BEMIDJI, MINNESOTA

December 15, 2003

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, December 15, 2003, at 7:00 p.m. in the City Hall Council Chambers, Mayor Lehmann presiding.

Upon roll call, the following Council members were declared present: Downs, Erickson, Zachman, Lehmann, Meuers, Hellquist, Johnson. Absent: None.

Mayor Lehmann called for any amendments to the agenda. Motion by Zachman, second by Meuers, to add the following items to the Consent Agenda: Three (3) Lawful Gambling Applications. Motion carried by unanimous consent. Motion by Johnson, second by Downs, to add the Public Affairs Committee Report to the regular agenda. Motion carried by unanimous consent. Motion by Downs, second by Hellquist, to approve the amended agenda. All voted aye. Motion carried.

APPROVAL OF MINUTES

Minutes of the December 1, 2003 Truth-in-Taxation meeting, December 1, 2003 Regular Council Meeting and December 8, 2003 Council Work Session were presented for approval. Motion by Erickson, second by Zachman, to approve the minutes as presented. All voted aye. Motion carried.

CONSENT AGENDA

Lehmann asked for approval of the items on the Consent Agenda. Motion by Meuers, second by Zachman, to approve the Consent Agenda. All voted aye. Motion carried.

1. Approved four (4) pages of general business licenses and annual permits
2. Approved eight (8) off-sale beer licenses and three (3) on-sale beer licenses
3. Approved thirteen (13) renewal liquor licenses
4. Approved one club and two wine licenses
5. Approved a temporary on-sale liquor license for North Country Health Services
6. Approved gambling permit for Headwaters Gobblers raffle on 2/4/04
7. Approved Housing Rehab Grant Application No. 438.009
8. Approved Claims Submitted by Finance Officer
9. Authorized purchase of 2004 Snow Plow Truck in 2004
10. Approved **Resolution No. 5107** Authorizing Execution of Grant Agreement for Auto Theft Prevention Project
11. Approved three (3) Lawful Gambling Applications as follows:
 - a. Bemidji Youth Council to conduct Bingo on December 31, 2003
 - b. MN Darkhouse & Angling Assoc. to hold a raffle on March 7, 2004
 - c. MN Darkhouse & Angling Assoc. to hold a raffle on March 27, 2004

BEMIDJI YOUTH ADVISORY COMMISSION

Lehmann noted that the joint meeting with Councilmembers on December 14th was well received and resulted in good discussion.

BSU STUDENT SENATE REPORT

Jason Swanson noted that the Student Senate proposed a referendum to split the elections. BSU student body currently has an election in the fall to elect fall senators and one in the first six weeks of the 2nd Semester to elect spring senators as well as President and Vice-President for the following year. The referendum passed last week and will move the spring election to April. He also noted that the BSU Student Senate is interested in establishing a time in January 2004 to meet with the Youth Advisory Council.

BOYS & GIRL CLUB – PRESENTATION BY LENORE POTTER

Lenore Potter provided some background on the Boys & Girls Club of America, the establishment of a club in Bemidji, reviewed the mission statement, and discussed the organizational make-up. She noted that the club is currently located in the Seventh Day

Adventists School and serves first through fifth graders. The required programs are Character Leadership, Education & Career, Health & Life Skills and the Arts as well as sports, fitness & recreation. She noted that the programs would be expanded to include high school when the renovation of the Old High School (Building B) is complete. The Neilson foundation pledged \$500,000 to the Boys & Girls Club for renovation & construction and will match up to an additional \$250,000 for construction. Sue Engle, President of the Girls & Boys Club Board of Directors provided information about the operating budget and the capital campaign, which will begin in January 2004 when the Minnesota Twins are in Bemidji. She asked the City, County, and School District to support the Boys & Girls Club in their budgets, and provided some statistics on the positive impact Boys & Girls Clubs have on communities in relation to crime prevention and intervention as well as gang related activities.

PUBLIC AFFAIRS COMMITTEE

Councilmember Johnson reported on the December 10th meeting of the Public Affairs Committee. He noted that the committee met with representatives from cable providers (Charter Communications and Paul Bunyan Telephone) to discuss ways to make better use of our cable access. Discussion focused on re-broadcasting City Council meetings and Planning Commission meetings. Both Charter and Paul Bunyan were agreeable to the suggestion and the following schedule was recommended:

City Council: Live Broadcast – First and third Mondays of each month – 7pm
(if Monday is a holiday, meeting is rescheduled to Tuesday)

Re-broadcast – 9 am & 7 pm Wednesday and 1 pm Thursday of those weeks

Planning Commission: Live Broadcast – Fourth Monday of the month at 7pm

Re-broadcast – (9 am & 7pm Wednesday and 1pm Thursday of those weeks

It was also suggested that the January 12th joint work session with the Charter Commission be scheduled for broadcast. However, it was noted that the participants will probably be seated at tables on the main floor of the Council Chambers, making it difficult for microphones to pick up the discussion. Motion by Meuers, second by Downs to move forward with the proposed schedule with the exception of the joint work session on January 12th. Motion carried by the following vote; Ayes: Downs, Erickson, Zachman, Lehmann, Meuers, Hellquist, Johnson. Nays: None. Absent: None.

Johnson further noted that the city receives a franchise fee of 5% from both Charter and Paul Bunyan. In 2002 the City budgeted \$72,000 and received \$80,000. The City's 2003 budget included \$80,000 in cable fees, but will probably receive in excess of that amount due to the added number of households through annexation. Motion by Johnson, second by Hellquist, to earmark any excess funds that come in this year above the budgeted \$80,000, for future cable access development. Motion carried by the following vote: Ayes: Johnson, Hellquist, Meuers, Lehmann, Zachman, Erickson, Downs. Nays: None. Absent: None.

BOND SALE – Review of Proposals for the Sale of \$785,000 G.O. Improvement Bonds, Series 2003

Proposals were solicited for the sale of \$785,000 G.O. Improvement Bonds for the following improvement projects:

<u>Project No.</u>	<u>Description</u>
03-05	Sewer and Water South of Rako
03-02	Sewer and Water 26 th to 29 th Irvine to Park
03-09	Watermain 15 th Street
03-06	Cedar Lane Sewer\
03-07	Ash Avenue Water
02-14	Robin Lane

Finance Officer Ron Eischens provided the results of sale, noting there were five (5) bidders, with the low bid received from Robert W. Baird & Co. at an interest rate of 3.2686%.

RESOLUTION NO. 5108: A RESOLUTION AWARDED SALE OF \$785,000 GENERAL OBLIGATION IMPROVEMENT BONDS, SERIES 2003, FIXING THE FORM AND SPECIFICATIONS THEREOF, PROVIDING FOR THEIR EXECUTION AND DELIVERY, AND PROVIDING FOR THEIR PAYMENT was offered by Councilmember Zachman, who moved its adoption, and upon due second by Councilmember Downs, was passed by the following vote: Ayes: Erickson, Hellquist, Zachman, Meuers, Lehmann, Downs, Johnson. Nays: None. Absent: None.

PLANNING CASE #2003-25: Filed by George R. Gregg requesting to subdivide approximately 7.92 acres into four commercial parcels and a new city street. The property is situated south of Division Street West and East of the Hwy. 2 bypass. Planning Commission recommends approval of the Preliminary and Final Plats for the subdivision with two conditions: 1) The Preliminary and Final Plats identify four commercial parcels in Dick & Gloria's NW Commercial Addition, received November 12, 2003; and 2) The new street, Magnificent Seven Court SW, shall be paved and developed as a rural section (without curb and gutter) as identified on the drainage plan. The street will be approximately 1,337 feet long and extend from Division Street West or CSAH No. 7, south to the Bemidji Township line. Motion by Downs, second by Erickson, to accept the recommendation of the Planning Commission to approve the preliminary and final plats with conditions noted. Motion carried by the following vote: Ayes: Zachman, Meuers, Lehmann, Downs, Johnson, Erickson, Hellquist. Nays: None. Absent: None.

PLANNING CASE #2003-31: Filed by City of Bemidji, requesting a Zoning Ordinance Amendment to allow single-family residential dwellings in the B-2 (Shopping Center/Highway) district with a special use permit, for existing single-family residential structures only. Planning Commission recommends approval of a Zoning Ordinance amendment to allow single-family residential dwellings in the B-2 zone, with a special use permit, for existing single-family residential structures only. The use shall be governed by single-family residential district requirements. Motion by Zachman, second by Meuers, to accept the recommendation of the Planning Commission to approve the amendment. Motion carried by the following vote: Ayes: Meuers, Hellquist, Johnson, Downs, Erickson, Zachman, Lehmann. Nays: None. Absent: None.

PLANNING CASE #2003-32: Filed by Ron Cuperus requesting variances for removing existing wall-mounted signage adding additional signage for Ace Hardware, situated at 600 Paul Bunyan Drive South. Cuperus proposes to remove a 111 square foot roof mounted sign and add a new 141 square foot wall mounted sign on the north side of the building and retain an existing 15 square foot wall mounted sign, for a total of 156 square feet on the north side of the building. Fifty square feet are permitted for each business in a multi-tenant building in a B-2 zone, therefore, a 106 square foot variance is being requested. A second variance request has been submitted for relocating an existing sign from the north wall to the south wall of the building. The sign is 70 square feet in size so a 20 square foot variance is being requested. The Sign Ordinance was amended last year to permit 50 square feet of wall-mounted signage on the back, or Midway Drive side of the building for each business. Planning Commission recommends approval of 106 square foot and a 20 square foot variances for two wall-mounted signs to be installed on the north and south sides of the commercial building (Ace Hardware) situated at 600 Paul Bunyan Drive South, based on the five findings of fact. Motion by Zachman, second by Meuers, to accept the recommendation of the Planning Commission to approve the variances as noted. Motion carried by the following vote: Ayes: Hellquist, Meuers, Lehmann, Johnson, Downs, Erickson, Zachman. Nays: None. Absent: None.

PLANNING CASE #2003-33: Filed by City of Bemidji requesting a sign setback variance to replace a ground mounted sign which was removed during road construction at Lakeview Liquor, 510 Paul Bunyan Drive South. The sign is proposed to be situated at the front property line. A 15-foot front yard setback is required, therefore, a 15 foot front yard setback variance is being requested. Planning Commission recommends approval of a 15-foot front yard setback variance for a ground mounted sign to be reinstalled at 510 Paul Bunyan Drive South, based on the five findings of fact. Motion by Hellquist, second by Downs, to accept the recommendation of the Planning Commission to approve the variance. Motion carried by the following vote: Ayes: Lehmann, Hellquist, Downs, Johnson, Erickson, Zachman, Meuers. Nays: None. Absent: None.

PLANNING CASE #2003-34: Filed by Patrick Knoer, requesting a Special Use Permit to add an addition to his insurance office situated at 700 Bemidji Avenue North. Professional offices are allowed in the R-5 (Multiple-Family Residential) district with a Special Use Permit. Based on the five findings of fact, Planning Commission recommends approval of a special use permit for a 12-foot by 24-foot addition to be built onto an existing insurance business at 700 Bemidji Avenue North, with one condition; that the requested side yard setback variance (Planning Case #2003-35) is also approved. Motion by Erickson, second by Hellquist, to approve the special use permit as requested with one condition as noted. Motion carried by the following vote: Ayes: Hellquist, Downs, Johnson, Meuers, Zachman, Lehmann, Erickson. Nays: None. Absent: None.

PLANNING CASE #2003-35: Filed by Patrick Knoer, requesting a variance to build an addition on the south side of his insurance office situated at 700 Bemidji Avenue North. The side yard setback required for this use in an R-5 (Multiple-Family Residential) district is 20 feet. The addition is proposed to be 6 feet from the side property line, therefore, a 14-foot side yard setback variance is being requested. Based on the five findings of fact, Planning Commission recommends approval of a 14-foot side yard setback variance at 700 Bemidji Avenue North, which will allow the proposed 12-foot by 24-foot addition to be situated at the same 6-foot setback as the existing building. Motion by Erickson, second by Meuers, to approve the variance as requested. Motion carried by the following vote: Ayes: Downs, Erickson, Zachman, Lehmann, Meuers, Hellquist, Johnson. Nays: None. Absent: None.

PLANNING CASE #2003-37: Filed by Jenny Wagner & Roger Paskavan requesting to vacate the first 150 feet of the paper alley, east of Lincoln Avenue SE. Planning Commission recommends approval to vacate the paper alley located between 1st and 2nd Street SE from Lincoln Avenue SE east 150 feet, but the City shall retain all normal utility easements. Motion by Erickson, second by Johnson, to accept the recommendation of the Planning Commission as noted. Motion carried by the following vote: Ayes: Johnson, Hellquist, Meuers, Lehmann, Zachman, Erickson, Downs. Nays: None. Absent: None.

PUBIC HEARING: Application by Wal-Mart Stores, Inc. to operate a currency exchange company at 2025 Paul Bunyan Drive NW

Pursuant to mailed and published notice, copy of which was placed on file in the City Clerk's Office, a public hearing was held to consider an application by Wal-Mart Stores, Inc. to operate a currency exchange at 2025 Paul Bunyan Drive NW.

Mayor Lehmann opened the public hearing and invited anyone present to address the issue. No one appeared. The public hearing was closed.

PUBLIC HEARING: Five-year Capital Improvement Plan for 2004-2008

Pursuant to mailed and published notice, a copy of which was placed on file in the City Clerk's Office, a public hearing was held to consider the proposed five-year Capital Improvement Plan for 2004-2008. A copy of the proposed plan was provided. Minke noted the following changes:

Page 6	Water Department – CR 11 Watermain was moved from 2004 to 2005
Page 6	Water Department – Reference to Well #1 improvement – is actually the drilling of a new well – the well has failed and at some time in the future the reference will be changed to Well #7

Mayor Lehmann opened the public hearing. No one appeared. The public hearing was closed.

RESOLUTION NO. 5109: A RESOLUTION ADOPTING THE CITY OF BEMIDJI 2004 CAPITAL IMPROVEMENT AND EQUIPMENT REPLACEMENT PLAN with amendments noted was offered by Councilmember Hellquist, who moved its adoption, and upon due second by Councilmember Zachman, was passed by the following vote: Ayes: Zachman, Meuers, Lehmann, Downs, Johnson, Erickson, Hellquist. Nays: None. Absent: None.

RESOLUTION NO. 5110: A RESOLUTION APPROVING FINAL 2003 TAX LEVY COLLECTIBLE IN 2004 was offered by Councilmember Downs, who moved its adoption, and upon due second by Councilmember Meuers, was passed by the following vote: Ayes: Meuers, Hellquist, Johnson, Downs, Erickson, Zachman, Lehmann. Nays: None. Absent: None.

RESOLUTION NO. 5111: A RESOLUTION ADOPTING FINAL 2004 BUDGET was offered by Councilmember Meuers, who moved its adoption, and upon due second by Councilmember Hellquist, was passed by the following vote: Ayes: Hellquist, Meuers, Lehmann, Johnson, Downs, Erickson, Zachman. Nays: None. Absent: None.

NON-UNION SALARIES AND BENEFITS FOR 2004

Johnson questioned the strategy of increasing the contribution to the Cafeteria Plan rather than an equal amount of pay increase. He expressed concerns that the approach

would create an imbalance in pay equity that would need to be corrected at a later date. Some discussion followed regarding the requirements of pay equity. Minke discussed the need for a review and restructure of the current system within the City.

Hellquist noted that the proposed non-union salaries and benefits for 2004 has been discussed at least three times during the past six months and the majority of the Council was in agreement with the proposal to increase the Cafeteria Plan to a maximum of \$488 per employee per month and to contribute \$100 per employee per month to a VEBA account.

Erickson expressed opposition to the proposed benefits plan, based on the poor economic climate, noting that many elderly and low-income families live within the city and pay increasing taxes, utility rates and fees while experiencing reductions in service.

Meuers expressed support for the proposed benefits plan based on the demand for increased efforts and workload due to the cutbacks.

RESOLUTION NO. 5112: A RESOLUTION ESTABLISHING NON-UNION SALARIES AND BENEFITS FOR 2004, was offered by Councilmember Meuers, who moved its adoption, and upon due second by Councilmember Hellquist, was passed by the following vote: Ayes: Lehmann, Hellquist, Downs, Zachman, Meuers. Nays: Johnson, Erickson. Absent: None.

LIQUOR STORE EMPLOYEES AND LOCAL 49'ERS LABOR CONTRACTS

Labor agreements for liquor store employees and Local 49'ers were submitted for council review and approval. Some discussion followed regarding labor contract negotiations and the possibility of hiring someone outside the city to negotiate contracts for the City. The majority of the Council spoke in support of the City Manager and Finance Officer continuing to negotiate labor contracts in the best interest of the City. Motion by Hellquist, second by Meuers, to approve both contracts as submitted. Motion carried by the following 5-2 vote: Ayes: Hellquist, Downs, Meuers, Zachman, Lehmann. Nays: Johnson, Erickson. Absent: None.

CONSIDERATION OF HHDC REQUEST FOR HOUSING DEVELOPMENT ASSISTANCE

Minke noted that the Headwaters Housing Development Corporation (HHDC) has been developing a housing project in the area southwest of 1st Street NE and Gould Avenue named the Lincoln South Development. Ann Sand presented a request for assistance from the city for this project.

Minke suggested the Council consider the following:

1. Provide funds for the water, sewer and street construction and then make these improvements as special assessments against the property. The city traditionally defers special assessments for water and sewer until the property connects to the system. This practice costs the utility fund because the fund has to pay for the improvement, but may not be repaid for years and no interest is collected on the outstanding water/sewer assessments. He suggested the council consider loaning money from the UDAG fund to the HHDC for some of these costs. The HHDC could then repay the assessments at the time of completion and then have a 3-4 year interest-free loan from the UDAG funds, which would be repaid as houses are sold. This would encourage housing, access the UDAG funds, and not leave a debt in the utility fund.
2. Use the stormwater utility fund to fund a portion of the stormwater system as is customary for other development.

Motion by Downs, second by Johnson, authorizing the use of UDAG funds to assist the Lincoln South Development project. Motion carried by the following vote: Ayes: Downs, Erickson, Zachman, Lehmann, Meuers, Hellquist, Johnson. Nays: None. Absent: None.

CONSIDERATION OF PROPOSAL FROM NORTHWEST SERVICE COOP TO DO RENTAL HOUSING INSPECTIONS

