

CITY COUNCIL PROCEEDINGS

BEMIDJI, MINNESOTA

Regular Meeting – February 21, 2006

Pursuant to due call and notice, a regular meeting of the City Council of the City of Bemidji, Beltrami County, Minnesota, was held on Tuesday, February 21, 2006 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 additions/corrections were requested:

- 9a. Add Council Travel – St. Paul – February 22 – Mayor
12. Remove Seatbelt Enforcement Awards from Agenda

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

MINUTES

Minutes of the February 6 regular meeting and February 9 and February 13, 2006 work sessions were presented for approval. Motion by Downs, second by Markeson, to approve the minutes as presented. Motion carried by unanimous vote.

CONSENT AGENDA

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

1. Approved Claims submitted by the Finance Officer in the total amount of \$535,682.22.
2. Approved miscellaneous annual permit/business license renewals.
3. Approved Gambling licenses:
 - Bingo – Northwoods Coalition for Battered Women – April 17 @ Eagles Club
 - Raffle – Bemidji Rotary Club – August 5 @ Waterfront
 - Raffle – BSU – April 30 @ BSU John Glas Field House
4. Approved renewal of Consumption & Display Permits:
 - AmericInn Lodge & Suites
 - Holiday Inn Express
5. Appointed Councilmember Erickson to Suicide Prevention Task Force (Healthy Kids Health Community).
6. Authorized purchase of a pickup for Building Department - \$13,648.
7. Approved **RESOLUTION NO. 5302** Revoking Municipal State Aid Street (7th Street from Minnesota Avenue to America Avenue).
8. Approved **RESOLUTION NO. 5303** Establishing Municipal State Aid Street (America Avenue between 5th Street to 7th Street).
9. Approved Travel to St. Paul on February 22 – Mayor Lehmann.

Motion carried by unanimous vote.

COMMITTEE REPORTS

Public Works Committee: Hellquist reported that the Public Works Committee will be meeting with DDA representatives regarding a parking management agreement. The Committee has reviewed Labor Negotiation RFP's and the Council will be interviewing two firms. Mediation training for the Council is scheduled on February 28 at 11:30 a.m. at City Hall.

Public Affairs Committee: Meuers reported that the Committee has discussed a pay increase for the councilmembers and only allow per diem for travel. In addition, the Committee continues to discuss a strategic planning retreat for the Council.

Charter Commission: Minke reported that the Charter Commission is proposing a State of the City address from the Mayor along with other minor changes to the Charter. Minke stated that starting in March the Assistant City Attorney will be advising the Charter Commission.

Parks & Recreation Commission: Meuers reported there will be an open house regarding Diamond Point Park looking for input from the public on March 9, 6-8 p.m. There will be a survey included with utility billing and available on the City's website.

Heritage Preservation Commission: Markeson reported that at the Commission's last meeting Dave Hengle gave a presentation on the Event Center. A subcommittee of the Commission will begin the process to inventory the older buildings in Bemidji.

PRESENTATIONS

Fishing Has No Boundaries: Jim McKeon, Co-Chair Fishing Has No Boundaries, stated that once again they are requesting use of the waterfront for their 2006 fishing event. He reported that last year there were 82 anglers for the event.

RESOLUTION NO. 5304: Authorizing Use of Waterfront for Fishing Has No Boundaries was offered by Councilmember Erickson, who moved its adoption, and upon due second by Councilmember Johnson was passed by unanimous vote.

Jaycees Annual Water Carnival: Char Blashill, Chairman of the 62nd Annual Carnival, stated that this year the Jaycees Water Carnival will be Thursday, June 29 – July 4. She requested that the tent set up time be June 21st. Ms. Blashill stated that proceeds from the Jaycee Water Carnival are donated to several organizations which will be determined after the event.

RESOLUTION NO. 5305: Authorizing Use of Waterfront for Jaycees 2006 July 4th Celebration was offered by Councilmember Downs, who moved its adoption, and upon due second by Councilmember Meuers was passed by unanimous vote.

PLANNING CASES

Planning Case 2005-19: Assistant Planner Rita Albrecht reviewed Planning Case 2005-19 stating that the City of Bemidji is requesting to amend the Bemidji Zoning Ordinance, pertaining to the three existing industrial zones, I-1 (Industrial Park District), I-2, (Light Industrial District), and I-3 (Heavy Industrial District). The City is proposing to reduce the industrial zones from three to two and to amend the permitted and special uses in the districts. Planning Commission recommended approval.

Lehmann asked if the standard for air quality language standards and air pollution control was strong enough. Albrecht responded that any activity that requires an air quality permit would have to abide by the current state standard. Felix stated that typically when air quality state standards change, they usually give entities a period of time to conform or specifically state that it allows entities to be grandfathered in. He stated that the general language does give the City strength to enforce the state regulations.

Erickson asked for clarification on the statement "if said use is not sufficiently similar to any other use regulated in this ordinance, the use shall be prohibited." She asked who prohibits it and asked for clarification of the process.

Minke stated that the Planning Commission makes the review and the Planning office will make the response upon the findings made by the Planning Commission. Minke further stated that the City Charter gives the Council the authority to establish boards or commissions to advise the Council with respect to any municipal function. Minke stated that the boards or Planning Commission can advise the Council, they cannot decide for the Council. In the final analysis the applicant has the ability to appeal the Planning Commission's decision to the City Council and then the Council has the opportunity to weigh in and make that decision.

Felix stated that his interpretation is the Planning Office makes a determination and if the applicant disagrees with the Planning Office's determination they would bring it to the Planning Commission and ultimately the City Council.

Lehmann stated that the City Council should have the final say and this language should be clarified.

Downs stated that residents in Ward 4 are opposed to allowing the asphalt plant wording in the industrial district. Downs further stated that there is a great deal of opposition from the residents in his ward.

Planning Case 2006-01: Lehmann reviewed Planning Case 2006-01, stating the City is requesting to rezone several properties that are currently zoned I-2 Light Industrial and one property that is currently zoned I-3 Heavy Business Industrial. These properties will be rezoned to appropriate zones as dictated by their location. Properties will be changed to the following zones: A-O Agriculture Open, R-4 Multiple Family Residential, B-2 Shopping Center/Highway Business. Planning Commission recommended approval.

Albrecht stated that two property owners have expressed their opposition to the rezoning of their properties and asked that their properties be excluded from the rezoning; namely, Bemidji Woolen Mills and Frenzel Fertilizer. The property owners have requested that their properties maintain the current I-2 Industrial District zone. In light of the testimony received, the Planning Commission recommended approval of all rezonings as listed except those properties to be rezoned B-3 (Central Business District), thereby excluding the challenged properties as well as the entire Railroad Corridor (between the Mississippi River and Park Avenue).

Albrecht further stated that City staff met with the two property owners (Bill Batchelder and Terry Frenzel) on February 16 and discussed the implications of either excluding or rezoning the affected properties and seeking a consensus for a solution that would meet the needs of the City and the property owners. Factors that were considered were: the current business activity on these properties support and enhance the economic viability of the downtown, current uses on these properties are not incompatible with permitted B-3 uses and at the time of the 2000 rezoning of SE Lake Bemidji area (former Georgia Pacific property) to B-2 (Shopping Center/Highway), the North Central Door property remained an industrial zone. Therefore, staff supports the exclusion of these two properties from the rezoning.

Ordinances for both cases will be brought to the March 6, 2006 meeting for a first reading.

UNFINISHED BUSINESS

Bemidji Public Library

Lehmann stated that it is the intention of the Council at their joint meeting with Beltrami County and the City of Blackduck to rescind the Master Agreement with the Kitchigami Regional Library (KRL) system. However, this does not necessarily commit the City to leaving the KRL system; it is a way for us to start a process of negotiations with the current KRL Board and to restore the services at the Bemidji library. Lehmann stated that the Council is committed to restoring services but need to negotiate with KRL.

Felix reported the results from the Beltrami County Board meeting held earlier. He stated that the County took action to restore services to the 2005 service level and the funds will come from the County general fund surpluses and is conditioned on the negotiation of the restoration of services to the 2005 level. The County approved a resolution of intent to rescind the Master Agreement with KRL effective December 31, 2006. The County directed staff to negotiate the transition of library services, orderly departure from KRL and transfer to another library system. Finally, the County appointed County Chair Vene, Commissioner Frost, County Administrator Murphy and County Attorney Faver to serve on the negotiating committee with members from the City and the City of Blackduck.

Lehmann commented that the resolution to rescind does not commit the City to anything, however, by State Statute the City has to give a certain timeframe of notice. There is a process involved in any transition whether it is moving to another system or staying within the current system.

Margaret Olson stated that there is an urgency to fix the problem at the library. Ms. Olson expressed concerns about the lack of public input into what has happened as far as rescinding or staying with KRL.

Charles Frederickson stated he is a concerned user of the library services and it is clear to him that there has been anger and mistrust in the process. He commented that when the City meets with KRL to negotiate, it will be a bruising experience and he wanted to say on record that we are all adults and victims of inappropriate accusations. Mr. Frederickson suggested that it would be a great pity having come this far with negotiations underway if they were to breakdown immediately because of personality issues. He observed that on

both sides there have been less than stellar communication skills and felt the all parties should keep focused.

Lehmann assured Mr. Frederickson that he is not entering this with any malice but going into the negotiation with an open mind and expecting that the City will work something out.

Joanne Henningsgaard, Kitchigami representative appointed by the City for the past two years and a member on the Library Board for the past six years, stated that there has been a lot of misinformation presented to the community and felt that the City approached it favorably. However, she was disappointed with the low priority that it was assigned by the Public Affairs Committee. She asked why it was so important to rescind the library system with KRL at this time. Ms. Henningsgaard commented that she is suspicious of the County and does not trust them. Ms. Henningsgaard commented that the other systems should be looked at more closely before rescinding the agreement with Kitchigami. She suggested that the County may get a good deal with the switch to another system and the City may not.

Felix stated he has not had any personal contact with any other library system. He has heard that the other systems have communicated to County representatives that they do not want to engage in anything other than a cursory discussion until the City and County make up their mind if they are going to rescind from current system. Felix stated this is the first step to be able to allow those types of negotiations to occur. The benefit of starting now allows time to negotiate with KRL and the other systems.

Ms. Henningsgaard stated that the library employees are swamped. There are wonderful committed people working there and they need to be taken care of immediately. Ms. Henningsgaard asked the Council to get on the phone and set up a meeting with KRL as soon as possible.

William Smith thanked the Council for their commitment to restore the library services to the 2005 level. Mr. Smith stated he has spoken with the Directors from Lake Agassiz and Northwest Regional systems, the State Librarian and KRL Director Marian Ridge. He stated he did this as a citizen because he is concerned that the information the public has been getting is poor. The Directors of both Agassiz and Northwest told him that they are not taking a position on Beltrami's affiliation with their systems. He commented that the state process to join another system is a very public process and involves library staff, members of the public, members of the council and county board. He suggested that the public be involved in the process. Mr. Smith stated that if we do what we are supposed to, we will come to a solution.

Robert Olson stated that money should be a separate item and then rescind from the library system. Mr. Olson commented that negotiation is a way to solve a problem not demanding a solution.

RESOLUTION NO. 5306: Intent to Rescind Master Agreement with Kitchigami Regional Library System was offered by Councilmember Meuers, who moved its adoption, and upon due second by Councilmember Johnson was passed by unanimous vote.

Motion by Meuers, second by Johnson, to include the Mayor on the committee for negotiation. Motion carried by unanimous vote.

Resolution – 24th Street

Erickson commented that she questioned the special assessments for stormwater provision and visited with the City Engineer who stated that the policy states that any new stormwater sewer provided often requires a financial participation and/or a special assessment by the adjacent property owners. She stated that this policy surprised her as there is already have a stormwater utility fee attached to the property taxes and thought that it was unfair that property owners previous to receiving direct benefit from stormwater sewer have paid the stormwater sewer assessment all along and then once the direct benefit comes to them they have to pay a special assessment.

Freeberg stated that the Council adopted Public Improvement Policy specifically about special assessments as they relate to water, sewer and street storm sewer projects. It states that 50% of the cost of stormwater sewer construction will paid by fee. He stated that many times stormwater cannot be separated from a street project.

Lehmann stated that the City has already implemented this policy on projects that have occurred.

Erickson felt that properties are being double billed for stormwater.

Minke commented that whenever you charge a fee there is marginal price costing or full price costing. The City decided to charge a marginal cost pricing which does not capture enough money through the fee to pay for all the stormwater improvements that are needed throughout the city. Therefore, the rest of the money comes from special assessments. The other theory is full price costing which would charge a stormwater fee that would be high enough revenue to pay for all of the improvements contemplated.

Motion by Erickson, second by Meuers, to have the policy on the stormwater utility reviewed by the Public Works Committee. Motion carried unanimously.

RESOLUTION NO. 5307: Accepting a Petition, Ordering Preparation of a Feasibility Report (24th Street from Pine Ridge Avenue approximately 300 feet east of Hannah Avenue) was offered by Councilmember Erickson, who moved its adoption, and upon due second by Councilmember Meuers was passed by unanimous vote.

NEW BUSINESS

Service Fee – Humane Society

Meuers reported the Public Affairs Committee reviewed the current agreement with the Bemidji Veterinary Clinic. She stated that the Humane Society provides a service to our community by providing shelter to our community for animals. If the pet is deemed adoptable by the Animal Control Officer, it will go to the Humane Society if they have room. There is value to the City for what the Humane Society does, safe for animals that have no home, etc.

Erickson asked if the Humane Society is normally at capacity.

Geri Hickerson, Humane Society Board Chair, stated that they receive 91 animals from the area pounds. They take in animals that would have been otherwise destroyed. Every animal that leaves the facility is spayed or neutered.

Motion by Downs, second by Hellquist, to pay \$100 per month for 2006 as a service fee to the Beltrami Humane Society for their services in our City. The fee will be paid from the contingency fund. Motion carried unanimously.

Voluntary Contribution to Minnesota Coalition of Cities

Lehmann reminded the Council that St. Cloud did not renew their membership for 2006 with the Coalition and the Coalition is asking for a voluntary contribution from the rest of the members to fund the shortfall.

Johnson recommended that there is an upcoming meeting with the Coalition and recommended tabling this item second meeting in March.

Chat-A-Bout Topic – Councilmember Meuers will discuss the Curling Celebration on the March 6 Chat-A-Bout.

ORDINANCES

ORDINANCE NO. 417, 2ND SERIES, An Ordinance Granting to Beltrami Electric Cooperative, Inc. permission to construct, operate, repair and maintain in the City of Bemidji, MN, an electric distribution system and transmission lines, including necessary poles, lines, fixtures and appurtenances, for the furnishing of electric energy to the City, its inhabitants, and others, and to use the public ways and public grounds was given a final reading and passed by unanimous vote.

Motion by Downs, second by Meuers, publish a summary of Ordinance No. 417, 2nd Series. Motion carried by unanimous vote.

ORDINANCE NO. 418, 2ND SERIES, An Ordinance Implementing an Electric Franchise Fee on Beltrami Electric Cooperative, Inc., for Providing Electric Service within the City of Bemidji was given a final reading and passed by unanimous vote.

ORDINANCE NO. 419, 2ND SERIES, An Ordinance Granting to Otter Tail Power Company permission to construct, operate, repair and maintain in the City of Bemidji, MN, an electric distribution system and transmission lines, including necessary poles, lines, fixtures and

appurtenances, for the furnishing of electric energy to the City, its inhabitants, and others, and to use the public ways and public grounds of the City was given a final reading and passed by unanimous vote.

Motion by Meuers, second by Downs to publish summary of Ordinance No. 419, 2nd Series. Motion carried by unanimous vote.

ORDINANCE NO. 420, 2ND SERIES, An Ordinance Implementing an Electric Franchise Fee on Otter Tail Power Company for Providing Electric Service within the City of Bemidji was given a final reading and passed by unanimous vote.

Motion by Downs, second by Hellquist to accept change the proposed changes to the Aquila, Inc. franchise fee. Motion carried by unanimous vote.

ORDINANCE NO. 421, 2ND SERIES, An Ordinance Granting to Aquila, Inc. permission to construct, operate, repair and maintain in the City of Bemidji, MN, a gas distribution system including necessary gas pipes, mains and appurtenances, for the transmission or distribution of gas to the City, its inhabitants, and other, and transmitting gas into and through the City, and to use the public ways and public grounds of the City was given a final reading and passed by unanimous vote.

Motion by Downs, second by Meuers, to publish summary of Ordinance No. 421, 2nd Series. Motion carried by unanimous vote.

ORDINANCE NO. 422, 2ND SERIES, An Ordinance Implementing a Gas Franchise Fee on Aquila, Inc., D/B/A Aquila Networks, Providing Gas Service within the City of Bemidji was given a final reading and passed by unanimous vote.

UPCOMING MEETINGS

- Special Work Session – February 27 – DDA Parking Management Agreement
- Council Training – February 28 – 11:30 a.m. – Interest Based Bargaining
- Special Work Session – March 2 – 5:30 p.m. - Interview Labor Negotiations Firms
- Open House – Diamond Point Park – March 9; 6-8 p.m.
- Work Session - HRDC - Rako Street Improvement – March 21; 5:30 p.m.

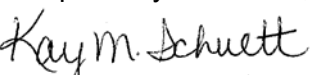
COUNCIL/STAFF REPORT

- Minke handed out an updated 2006 work session schedule for the Council's review.
- Lehmann reported that he will be attending a Legislative hearing regarding the Event Center on February 22. He stated he addressed the D.A.R.E. conference in Bemidji this past weekend which was well attended.
- Meuers reported that a Curling Committee has been planning a celebration for the homecoming of our two Olympic curling teams. The celebration is scheduled for Sunday, March 12 and ask that the community join in.
- Erickson reported that the Underage Drinking, Drug and Violence Task Force recently held a strategic planning session. She reported that she is on two subcommittees. One of their objectives is to provide a safe place for youth to hang out. In addition, they are looking at ways to reduce meth in our community.
- Erickson expressed concerns about the potential for Asian bird flu. There is a group in our community that is preparing for a potential disaster. Council consensus was to invite Mary Marcel from Beltrami Nursing Service and Beryl Wemberg to attend a future council meeting with a presentation.
- Hellquist reported that the DDA Task Force for downtown long-range vision meets 7:45 a.m. on Wednesday, February 22 at City Hall.

ADJOURN

There being no further business, motion by Meuers, second by Johnson, to adjourn the meeting. Motion carried. Meeting adjourned at 9:38 p.m.

Respectfully submitted,


Kay Murphy-Schuett
City Clerk