

CITY COUNCIL PROCEEDINGS

BEMIDJI, MINNESOTA

Regular Meeting – August 4, 2008

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, August 4, 2008 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, Johnson, Erickson, Downs, Meuers, Markeson, Hellquist

Staff Present: City Manager John Chattin, City Attorney Alan Felix, City Engineer Craig Gray, Finance Director Ron Eischens, City Clerk Kay Murphy

AMENDMENTS TO AGENDA

Mayor Lehmann called for any amendments to the agenda. Motion by Johnson, seconded by Downs, to approve the agenda as presented. Motion carried by unanimous vote.

MINUTES

Minutes of the July 21, 2008 regular meeting, July 21, 2008 special work session and July 28, 2008 work session were presented for approval. Motion by Downs, seconded by Hellquist, to approve the minutes as corrected. Motion carried by unanimous vote.

CONSENT AGENDA

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

1. Approved Claims submitted by the Finance Officer in the total amount of \$1,598,793.00
2. Approved miscellaneous business licenses for 2008
3. Approved two 1-day Temporary Consumption & Display Permits for Bemidji Chamber Events on 10/14/08 and 12/9/08
4. Approved two 1-4 Day Temporary On-Sale Liquor Licenses for BSU Events on 10/7/08 and 1/31/09
5. Approved Transfer of Liquor License to new Owner – James Sutton, Backyard BBQ (formerly Hardtimes Saloon)
6. Authorized Structural Engineering Services for Lake Bemidji West Shore Trail – City Project #08-18
7. **RESOLUTION NO. 5500:** Authorizing Execution of Agreement (Safe & Sober Communities)
8. Approved Appointment to Charter Commission – Charlene Fisher
9. Authorized Engineering/Architectural Services for Wastewater Treatment Plant Rooftop Air Unit Replacement – City Project 08-22
10. **RESOLUTION NO. 5501:** Designating Polling Places and Election Judges for the 2008 Primary and General Elections

Motion carried by unanimous vote.

NEW BUSINESS

Event Center

Erickson stated she asked for this item to be removed from the Consent Agenda because she wanted a separate vote on the matter as she is not in favor of the construction of the event center.

Mayor Lehmann stated that he believed that the event center is the anchor for development on the southeast Lake Bemidji.

Downs noted that the event center has been downsized to keep it within the budget.

Johnson noted that the State has closed the door to the availability of sales and use tax and that the event center is the catalyst for the development of this area.

Hellquist asked if the resolution could be changed to reflect that the project is for development of the southeast Lake Bemidji. City Attorney Felix responded that the language used for the resolution is directly from the Chapter 154, Art. 5, §3 of the Special Legislation (Subd. 2, Part 2).

RESOLUTION NO. 5502: Adopting the City of Bemidji Approving 2008 Special Legislation Authorizing Imposition (Extension) of One-Half of One Percent (Half Cent) Sales and Use Tax for the Bemidji Regional Event Center was offered by Councilmember Johnson, who moved its adoption, and upon due second by Councilmember Markeson was passed by the following vote: Ayes: Johnson, Downs, Markeson, Lehmann. Nays: Meuers, Hellquist, Erickson.

Freedom Defenders Veterans Memorial

Lee Coe, Chair of the Freedom Defenders Veterans Memorial (FDVM) Board stated this memorial was built to honor those that have fought or are fighting to keep our country free. Coe noted that there were a couple of items left to do at the site which included a plaque for those who contributed more than \$1,000 and to plant trees behind the memorial to provide a nice backdrop. In addition, the FDVM Board would like to establish a memorandum of understanding with the City for on going maintenance of the memorial. Staff will work with the Board.

RESOLUTION NO. 5503: Transferring Ownership of the Freedom Defenders Veterans Memorial to the City of Bemidji was offered by Councilmember Hellquist, who moved its adoption, and upon due second by Councilmember Johnson was passed by unanimous vote.

Nymore Days – Corner Bar & Fishing Has No Boundaries

Steve Carter, owner Corner Bar, stated that he is requesting permission to hold a fundraiser on September 5 for Fishing Has No Boundaries. He stated that he does not intend to close any streets but plans to fence in the Corner Bar parking lot. He has talked to a few of the neighbors regarding the event. Mr. Carter stated that he has hired a small band and has it faced toward the east (swamp) so as to limit the noise and requested that the band be allowed to play until 12:30 p.m. He will be serving food from 5-7 p.m. and the food will be available all evening for guests.

Council discussed the following:

- Smaller event;
- Pick up of trash in area;
- Provide additional bathroom facilities;
- Providing additional security; and
- Discontinue band at midnight. It was noted that the Police Chief recommended that the band stop at 10 p.m.

RESOLUTION NO. 5504: Approving the Temporary Off-Premises Liquor Permit for Nymore Days to include the band ending at midnight was offered by Councilmember Erickson, who moved its adoption, and upon due second by Councilmember Downs was passed by unanimous vote.

Shriners Fundraiser Dance

Mark Wilcox, owner Garden Grill & Pub, stated that in conjunction with the Ground Round and the Headwaters Shriners Club he is sponsoring an event on Friday, September 5. They are requesting use of the Rotary Pavilion at the waterfront to hold the fundraiser for the Shriners Children Hospital. He stated that approximately 300 Shriners will be in town for the event.

Council discussed the following:

- Providing additional security; and
- Band will play from 7 p.m. to midnight.

Joe Dunn, Chairman of the Shriner Football Game, stated that \$6,500 last year went directly to the Shriners hospital. Mr. Dunn stated that there are a number of Shriner events during the weekend, including a parade on Sunday, September 6. Mr. Dunn stated that this event will help the community, the Shriners Hospitals and area merchants.

RESOLUTION NO. 5505: Approving the Site for the Shriners Fundraiser Dance on September 5, 2008 (Rotary Pavilion) was offered by Councilmember Markeson, who

moved its adoption, and upon due second by Councilmember Hellquist was passed by unanimous vote.

G.O. Improvement Bonds

Myron Knutson, PFM Group, stated that he has received a total of six bids and the low bid is from M&I Bank at a true interest rate of 4.0977%. The bonds are triple A rated. He further stated that the rates received compare favorably with the other sales.

Eischens commented that the bonds were sold for the purpose of paying for Birchmont Drive, Industrial Park expansion and Bemidji Avenue projects.

RESOLUTION NO. 5506: Awarding Sale of \$4,310,000 General Obligation Improvements Bonds, Series 2008, Fixing the Form and Specifications thereof, Providing for their Execution and Delivery, and Providing for their Payment was offered by Councilmember Downs, who moved its adoption, and upon due second by Councilmember Johnson was passed by unanimous vote.

Downtown Revitalization – Phase Two

Tim Flathers, HRDC, stated that the City was able to access more than \$600,000 in grant funds from the Minnesota Department of Employment and Economic Development (DEED) to help finance the renovation of commercial buildings and affordable rental housing units in downtown. Eighteen rental units are being renovated and fourteen storefront commercial renovations projects are underway. Because of the additional interest in the downtown, a phase two extension of the existing applications seems appropriate. HRDC is working with property owners to market the program and has been the point of contact for property owners who are on the waiting list for funding.

Motion by Johnson, seconded by Erickson, to enter into a contract with HRDC to prepare the second phase application for funding through the Small Cities Development Program at a cost of \$2,000 using UDAG funds. Motion carried unanimously.

Midway East West Trail

City Engineer Gray stated that the city received five bids for the Midway East West Railroad Trail. The low bid is from local contractor J.D. Hanson in the amount of \$206,015.40. This project is scheduled for completion in 2008 and involves the construction of a paved trail along the abandoned railway corridor from 5th Street NW to 1st Street E. The trail will be 10 feet wide and approximately 9,600 feet long. It will ultimately connect to the Paul Bunyan State Trail near the “wye” area. Gray stated that the amount is \$85,000 less than what was presented to the Parks & Trails Commission in April and will be a direct savings of sales tax revenues. The City will receive \$157,600 from Federal Aid Enhancement funds for this project. The remaining \$117,400 would be funded with sales tax revenues.

RESOLUTION NO. 5507: Accepting Bid and Awarding Contract for Midway East West Trail (City Project #08-07) was offered by Councilmember Downs, who moved its adoption, and upon due second by Councilmember Markeson was passed by unanimous vote.

Industrial Park Expansion

City Engineer Gray stated that the city received sixteen bids for the Industrial Park Expansion Project. The low bid is from Arcon Construction in the amount of \$2,052,750.59. The project will construct sanitary sewer, watermain, and roadways to add 68 acres to the Bemidji Industrial Park. It is funded primarily through a \$1.2 million grant from the U.S. Dept. of Commerce – Economic Development Administration. In addition, a DEED grant and a MIF grant will account for \$1.6 million of the project costs, \$300,000 will be paid from City stormwater and water utility funds, and \$666,000 will be paid by assessments to the benefitted properties.

RESOLUTION NO. 5508: Accepting Bid and Awarding Contract for Industrial Park Expansion (City Project #08-11) to Arcon Construction was offered by Councilmember Erickson, who moved its adoption, and upon due second by Councilmember Meuers was passed by unanimous vote.

ORDINANCES

Amended 2008 Fee Schedule

Motion by Erickson, seconded by Hellquist, to approve the additional fee increases as proposed by the city clerk for increases to business and liquor license fees. Motion carried unanimously.

Pursuant to published notice, a Public Hearing was held to receive input regarding an Amended 2008 Fee Schedule. Mayor Lehmann opened the Public Hearing at 7:57 p.m.

Mitch Rautio, Keg n Cork, asked for an explanation for the increase in the liquor license fee. City Clerk stated that the fee increase proposed is to cover the increase cost of doing business, i.e., office staff, police enforcement.

Mayor Lehmann read a letter from Murray Williamson, owner of Peppercorn Restaurant. Mr. Williamson stated that he is opposed to a liquor fee increase and would like to see the on sale liquor fee reduced to \$2,500 for restaurants with 35% food sales.

With no further comment, Mayor Lehmann closed the Public Hearing at 8:00 p.m.

AN ORDINANCE Adopting an Amended 2008 Fee Schedule was given a second reading.

ORDINANCE NO. 31, 3RD SERIES, AN ORDINANCE Amending Chapter 16, Article II of the Bemidji City Code Relating to Fire Code was given a final reading and passed by unanimous vote.

EVENT CENTER UPDATE

Bill Merrill, Leo A Daly, stated that they are in the process of updating the exterior design for the event center. He stated that it is similar to the design previously accepted by the Council.

Chattin stated that the City has received fee proposals from WSN and Leo A Daly for site development. These will be fixed price proposals. Staff has not had time to review the proposals and event center design.

Erickson asked if there would be an out clause if, say in January, the Council decided to discontinue the construction of the event center.

Chattin stated that 90% of the development will be consumed prior to January.

Johnson stated that while attending the Coalition meeting recently he visited with the Mankato City Manager Pat Hentges and discussed their event center. He stated that the Mankato event center generates approximately \$20 million dollars in economic impact annually. He felt that it was important that the Council visit Mankato to learn more about operations and maintenance and other ways to find revenue sources.

Hellquist called for a point of order as it is an election year and felt that Councilor Johnson's comments were turning into a campaign speech.

LIBRARIAN REPORT

Paul Ericsson, Librarian, reported that August 4 was the finale to the summer reading program. He reviewed the statistics of library services. He stated that customers coming into the library have continued to grow as well as circulation. Discussion continued on budget concerns at the library; in particular, fuel costs.

CITIZEN NOT ON AGENDA

Daniel Gazelka, local resident, commented that he had concerns regarding the event center costs. He stated that what is being proposed is not what was voted on by the citizens of Bemidji. He had concerns that with the state of the economy people will not be able to afford the extra tax let alone the cost of entry into the event center. Gazelka encouraged the Council to proceed slowly.

UPCOMING MEETINGS

- Monday, August 11 5:30 p.m. Work Session – 2009 Budget
- Wednesday, August 13 6:00 p.m. GBJPB
- Monday, August 18 7:00 p.m. Council Meeting

COUNCIL/STAFF REPORT

- Hellquist stated that the Council makeup will change in January and that the Council should be careful about the contracts that are written regarding the event center. He

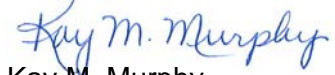
suggested that the Council also be careful and conservative on the spending prior to 2009.

- Downs stated that the annual Paul Bunyan Trail Ride will be on Thursday, August 4, 2008.

ADJOURN

There being no further business, motion by Hellquist, seconded by Meuers, to adjourn the meeting. Motion carried. Meeting adjourned at 8:47 p.m.

Respectfully submitted,



Kay M. Murphy
City Clerk