

CITY COUNCIL PROCEEDINGS

BEMIDJI, MINNESOTA

Regular Meeting – December 15, 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, December 15, 2008 at 7:00 p.m. in the Council Chambers of City Hall, Mayor Pro-tem Downs presiding.

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

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 Pro-tem Downs called for any amendments to the agenda. Motion by Meuers, seconded by Johnson, to approve the agenda as presented. Motion carried by unanimous vote.

MINUTES

Minutes of the December 1, 2008 regular meeting and December 1, 2008 were presented for approval. Motion by Meuers, seconded by Erickson, 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, seconded by Markeson, to approve the Consent Agenda items as follows:

1. Approved Claims submitted by the Finance Officer in the total amount of \$453,204.90
2. Approved Miscellaneous 2009 Business License Renewals
3. Final Reading of Beer license renewals – 2009
4. Approved Liquor and Club license renewals – 2009
5. Approved 2008 Budget Change No. 6
6. Approved Public Works Facility Change Order No. 8
7. Directed Staff to Photo-Document Historic Structure (Old Box Factory)
8. **RESOLUTION NO. 5531:** Establishing Municipal State Aid Street (Scott Ave from 4th Street to Roosevelt Road SE)
9. **RESOLUTION NO. 5532:** Revoking Municipal State Aid Street (10th Street from Irvine Avenue to Bemidji Avenue)
10. Amended Award for Asbestos Removal at former City Garage (Building Systems Corp. - \$16,800)
11. Approved Council Travel Authorization:
 - Parks & Trails Council Workshop in Walker 1/30/09-1/31/09 – Downs
 - St. Paul / LMC – 12/9/08 - Mayor

Motion carried by unanimous vote.

COMMITTEE REPORTS

Bemidji Youth Advisory Commission – No one appeared.

BSU Student Senate – No one appeared.

PUBLIC HEARINGS

Street Reconstruction Plan and Intent to Issue General Obligation Bonds

Pursuant to published notice, a Public Hearing was held to receive input regarding Street Reconstruction Plan and Intent to Issue General Obligation Bonds. Mayor Pro-tem Downs opened the Public Hearing at 7:05 p.m., hearing no comments the public hearing was closed.

RESOLUTION NO. 5533: Approving Street Reconstruction Plan and the Issuance of Approximately \$1,000,000 General Obligation Street Reconstruction Bonds Thereunder was offered by Councilmember Hellquist, who moved its adoption, and upon due second by Councilmember Johnson was passed by unanimous vote.

2009-2013 Capital Improvement Plan

Pursuant to published notice, a Public Hearing was held to receive input regarding 2009-2013 Capital Improvement Plan. Mayor Pro-tem Downs opened the Public Hearing at 7:07 p.m., hearing no comments the public hearing was closed.

RESOLUTION NO. 5534: Adopting the City of Bemidji 2009 Capital Improvement and Equipment Replacement Plan was offered by Councilmember Hellquist, who moved its adoption, and upon due second by Councilmember Meuers was passed by the following vote: Ayes: Johnson, Meuers, Hellquist, Markeson, Downs. Nays: Erickson. Absent: Lehmann.

OLD BUSINESSUpdated Purchasing Policy

Chattin stated that staff has amended the purchasing policy as suggested by the City Council at the December 1, 2008 meeting.

Erickson asked that Section 501.504 be further amended requiring that all bids that are opened be presented to the Council for their consideration.

Motion by Erickson, seconded by Meuers, approving the updated Purchasing Policy adding language to Section 501.504 as follows: “along with the final tally of all bids received”. Motion carried unanimously.

NEW BUSINESSLiquor License for Vilella's Bada Bing

City Attorney Felix stated that as a part of the City's annual renewal of on-sale liquor licenses, the Police Department reviews the licensee's renewal application and unless there have been liquor law violations warranting further consideration of renewal eligibility, the Police Chief signs off on the renewal as not opposing the application. In the case of Bada Bing's renewal, the police department initially expressed its opposition to renewal of their liquor license. However, since that time, the Police Chief has visited with the owner and discussed how the establishment and its employees can better manage patrons to eliminate the occurrence of alcoholic beverages leaving the establishment, as well as how to better control activities. Consequently, the Police Chief has signed off on the renewal application and recommends renewal of Bada Bing's license.

Chris Vilella, owner of Bada Bing, has visited with the chief and captain regarding problems at Bada Bing. He stated that security is provided Tuesday through Saturday and they quit serving alcohol at 12:45 p.m. Mr. Vilella stated that he had been providing a bus for transportation of patrons but is rethinking that. Mr. Vilella stated he has recently moved to town and will be able to keep a closer watch on his business.

Erickson asked if there was a conditional use permit that the Council could consider.

Felix replied that there is no conditional license; however, the code does provide other avenues for the Council if there is a problem in the future.

Johnson asked about the how the other businesses compared. Felix stated that he does not have any statistics.

Motion by Meuers, seconded by Hellquist, to approve the renewal of Bada Bing on-sale liquor license. Motion carried unanimously.

Pawnbroker License for Better Days Pawn

City Attorney Felix stated that the Police Department expressed opposition to renewal of the license because of three (3) ordinance violations incurred by Mr. Josefson this past year. The Police Chief has spoken with Mr. Josefson and discussed the seriousness of the violations. At this point, it is the observation that Mr. Josefson has a better appreciation as to importance of adherence to ordinance requirements and, in particular, to Automated Pawn System (APS) reporting requirements. Such adherence is critical to law enforcement's ability and efforts to stop and/or prevent criminal efforts to dispose of stolen property.

Felix stated that though Chief Johnson maintains his recommendation, it is his recommendation that the Council renew the license application, with the Council's

admonition to the Licensee that any future violation could result in future action taken by the Council with respect to the license.

Don Josefson, owner Better Days Pawn, stated that he received three tickets this summer which were mistakes on his part which he does not deny. However, he is doing everything possible to comply.

Downs stated that he believed that it is an important service that Mr. Josefson provides in our community.

Felix reiterated that if there are problems there are opportunities within the pawnbroker ordinance for remedy.

Johnson asked if there were other occurrences like this at the other pawnshops. Felix stated yes, but not three in a short period of time.

Meuers asked about the item that was removed from the pawn shop. Josefson responded that a camera was taken home to show his wife and he forgot to bring it back in. He stated he was not concealing or hiding the item.

Erickson asked about the serial number removal. Josefson stated that the item did not have one and he did not remove it.

Motion by Hellquist, seconded by Johnson, to renew the Better Days Pawn license. Motion carried with the following vote: Ayes: Erickson, Hellquist, Johnson, Downs, Markeson. Nays: Meuers. Absent: Lehmann.

JEDC Renewal

Chattin stated that the City has received a request from the Joint Economic Development Commission for renewal of their revised sub-recipient grant.

Larry Young, JEDC Director, stated the Board of Directors of the JEDC requested that the Bemidji City Council re-establishing the sub-recipient grant agreement it has had in the past with JEDC for administering the City Development Fund and Revolving Loan Program. They proposed that a new contract be drawn up for 2009, with the option of being able to ask the City Council for additional annual renewals. He stated that the JEDC would like permission to use \$20,000 of interest earnings from the funds in 2009 to support the development and business recruitment work of the JEDC. He then reviewed the accomplishments of the JEDC stating that this year they were successful in recruiting EXB Solutions to Bemidji.

Pete Aube, manager at Potlatch and JEDC Board member, asked that the Council consider continuing the partnership with the JEDC. He stated that Bemidji is one of the most vibrant and visionary cities that he has seen. He stated that Board members contribute \$20,000 annually plus their time monthly.

Markeson stated the thought was the new community developer would take over what the JEDC does for the City. He asked for a clarification on the difference between what the community developer director and the JEDC would provide.

Young stated that the community developer position is internally focused, the event center is going to take a great deal of time, and the JEDC is externally focused.

Hellquist read the City's community development director's job description which states that the position's duties and responsibilities include "working with the finance department to manage, coordinate and ensure that associated existing loan and grant programs are administered according to program guidelines. Manages the city's revolving loan fund." He stated that he takes umbrage with many of the items that Mr. Young stated in his letter of request. He noted that the letter contained the same information that was provided last year. Hellquist stated that in 21 years we have had only three loans.

Council discussed the following:

- Using the \$20,000 to fund the City's Community Development Director.
- Markeson commented that the JEDC does provide a service to the community.
- It was noted that Beltrami County contributes \$30,000 to the JEDC.

Johnson stated that the JEDC spends a lot of time on many projects.

Hellquist stated that the HRDC and NW Minnesota Foundation do the same thing.

Motion by Hellquist, seconded by Erickson, to not renew the revised sub-recipient grant agreement with the Joint Economic Development Commission for 2009, to use the \$20,000 to supplement the salary of the City's community development director, and have the community developer director administer the development fund. Motion carried with the following vote: Ayes: Meuers, Hellquist, Erickson, Downs. Nays: Markeson, Johnson. Absent: Lehmann.

Felix stated that the revolving fund is under JEDC's management and staff will need to sit down with the JEDC to transfer the funds to the City. Hellquist commented that the BEDA can assist with managing the funds.

Barb Fellman, 1105 America Avenue NW, stated that the JEDC provides a valuable service to the community.

2009 Final Tax Levy

The Council discussed LGA and the status of funding from the State. Eischens stated that the City does not know at this point. Discussion continued on the LGA formula.

Chattin stated that the LMC has been working with the CGMC to come up with new formulas. The reason for LGA is to help cities that need the help, however, they cannot agree on a formula without including metro cities that don't need the funds. The CGMC is more in line with the rural cities and continues to push it for the poorer cities.

RESOLUTION NO. 5535: Approving the 2009 Final Tax Levy was offered by Councilmember Hellquist, who moved its adoption, and upon due second by Councilmember Markeson was passed by unanimous vote.

Erickson stated that she could not support the budget because of the line items for the Southshore Development.

RESOLUTION NO. 5536: Approving the 2009 Final Budget was offered by Councilmember Johnson, who moved its adoption, and upon due second by Councilmember Markeson was passed by the following vote: Ayes: Hellquist, Downs, Johnson, Markeson. Nays: Meuers, Erickson. Absent: Lehmann.

2009 LELS Sergeant's Unit Contract

Chattin stated that the LELS sergeant's contract is in-line with other union and non-union contracts as they represent 3% wage increase and \$40 monthly increase in benefits for 2009.

Erickson noted that perhaps the Council should consider rescinding the non-union wage increase of 3% for 2009.

Chattin commented that he agreed with Councilor Erickson, however, the real problem is equity. The Governor would like to freeze wages for everyone and make an effort to have union contracts renegotiated. The City's union contracts run through 2009 and the unions would not wish to reopen. The best the Council can do right now is rescinding the 3% increase for non-union and not fund the Sergeants. However, staff believes that the best solution for 2009 is to approve the 3% wage increase and contract negotiations for 2010 and 2011 will likely see a wage freeze unless we see significant economic improvements.

Eischens commented that it is important to treat all the groups the same. He recommended that the City wait until it knows the ramifications of the LGA outcome.

Discussion continued on other possible ways to cut costs, i.e., minimize overtime, establishing a hiring freeze, laying off, etc.

Motion by Markeson, seconded by Johnson, to approve the 2009 LELS Sergeant's contract. Motion passed by unanimous vote.

Airport Authority

Harold VanLeeuwen, Airport Manager, stated that in the spring of 2003 the Bemidji-Beltrami County Airport Commission began the process of moving the airport to a regional airport supporting the north-central portion of Minnesota. The first step was the renaming of the airport to identify it as the regional airport serving a broader community. The second step was to begin researching the process to become an authority. He stated that moving to an

authority would serve several important purposes which include providing a visible and transparent method of funding the airport to all residents of the county, and alleviating perceived inequities in funding through this visibility; the ability to allow other communities to enter into the Authority and allow their participation in determining the direction and use of the airport.

RESOLUTION NO. 5537: Authorizing and Directing the Execution of a Revised Agreement between the City of Bemidji and the County of Beltrami, Minnesota, for the continued Joint Administration of Airport Zoning, pursuant to the Authority conferred upon the City and County by Minnesota Statutes §471.59 and Minnesota Statutes Chapter 360 (this resolution and revised agreement supersedes all previous ordinances and agreements pertaining to the Joint Powers Operation of the Airport) was offered by Councilmember Erickson, who moved its adoption, and upon due second by Councilmember Johnson was passed by unanimous vote.

Felix stated that the City's half interest in the airport property will be transferred to the County and in turn the Airport Authority will lease the property.

RESOLUTION NO. 5538: Authorizing and Directing the Creation of an Airport Authority Pursuant to Minnesota Statutes §§360.0425 to .0427, with said Airport Authority empowered as a Special Taxing District to Adopt and Certify a Property Tax Levy Pursuant to Minnesota Statutes Section 375.066 was offered by Councilmember Meuers, who moved its adoption, and upon due second by Councilmember Erickson was passed by unanimous vote.

Lake Bemidji West Shore Trail

Gray stated that about a month ago concerns about preserving the concrete steps and walls were expressed by the State. The State has selected Summit Envirosolutions to study the problem and the City's share of the contract is \$1,991.07. He stated the project is still to begin in the spring.

RESOLUTION NO. 5539: Entering into Phase II Architectural History Study Contract with MnDOT for Lake Bemidji West Shore Trail – City Project 08-18 was offered by Councilmember Meuers, who moved its adoption, and upon due second by Councilmember Hellquist was passed by unanimous vote.

City Manager's Performance Review Summary/Auto Allowance

Motion by Hellquist, seconded by Meuers, to table the City Manager's Performance Review Summary and Auto Allowance until the January 6, 2009 City Council meeting. Motion carried unanimously.

ORDINANCE

Felix stated that there is a zoning component to regulating outdoor stoves and furnaces. Staff believes that a more concerted discussion should occur between the zoning board, fire department and building office.

Motion by Erickson, seconded by Hellquist, to withdraw an Ordinance Amending Chapter 14 of the Bemidji City Code to Regulate the Burning of Solid Fuels in External or Outdoor Free-Standing Stoves or Furnaces. Motion carried unanimously.

David Mathisen, 4670 Sherman Drive NE, concerned about the JPB handling this. He stated that everyone is an environmental sinner every time a person starts their car.

EVENT CENTER UPDATE

Leo A Daly provided an update for the City Council. Work Session next Monday night regarding several event center issues including a bidding schedule. Design Review Committee will be presenting information on the interior of the building.

Erickson asked if the bidding will be going out prior to the bonding. Chattin stated that the schedule will determine that and will be reviewed at Monday's meeting.

Discussion continued regarding brick versus poured slab for the building. There was a consensus that the lower walls would be looked at on the back side of the building.

UPCOMING MEETINGS

- Monday, December 22 5:30 p.m. Work Session – Event Center
- Tuesday, January 6 7:00 p.m. Regular Council Meeting

- Monday, January 12 5:30 p.m. Work Session -TBD
- Tuesday, January 20 7:00 p.m. Regular Council Meeting


COUNCIL/STAFF REPORT

- Downs handed out plaques to Erickson and Markeson thanking them for their years of dedication to the City.
- Johnson stated that the Airport Commission will meet this week. Special JPB meeting on December 18.
- Gray updated Birchmont Drive Assessment Appeals. Process closed and the City Attorney and he are working on those. Met with the subcommittee of the DDA and they approved a parking lot re-design for the lot behind Morrell's.

ADJOURN

There being no further business, motion by Meuers, seconded by Hellquist, to adjourn the meeting. Motion carried. Meeting adjourned at 9:36 p.m.

Respectfully submitted,


Kay M. Murphy
City Clerk