

CITY COUNCIL PROCEEDINGS

BEMIDJI, MINNESOTA

Special Meeting – July 18, 2006

Pursuant to due call and notice, a special work session of the City Council of the City of Bemidji, Beltrami County, Minnesota, was held on July 17, 2006, at 5:30 p.m. in the Conference Room of City Hall, Mayor Lehmann presiding.

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

Staff Present: Ron Eischens, Andy Mack, Alan Felix, Kay Murphy-Schuett

Mayor Lehmann stated that the purpose of the meeting to discuss the 2007 budget.

Eischens reviewed the 2007 preliminary general fund budget stating that based on the department requests and Council direction at the June 26 budget work session, the preliminary budget was prepared requiring the tax levy to nearly double. This increase is unreasonable and Council is faced with the challenge of reducing the budget and levy to an acceptable level. Eischens identified three areas that contribute to the large budget and levy increase: 1) increased equipment purchases; 2) additional personnel requests; and 3) higher supplies, utilities and maintenance costs which have been frozen for the past three years.

The following adjustments were made to the budget:

Equipment:

- Fire Department - Purchase one pumper truck over a two year period and defer replacement of the second pumper truck until the Long Range Planning Committee (Rural Fire Association and City) can review the 20-year equipment plan for the Fire Department.
- Street Department - Defer purchase of a forklift and replacement of downtown brick until 2008.
- Parks Department - Defer purchase of a turf aerator until 2008.

Personnel Requests:

- Fire Department – Eliminate adding a full-time firefighter and increase the current part-time firefighter to full-time status.
- Police Department – Budget for the potential loss of grant funding (Auto Theft Coordinator and Gang Officer) and these two officers would return to patrol status and increase one part-time position to full-time status.
- GIS Technician – Locate another Bemidji State University intern to assist in the GIS Coordinator rather than create a full-time position.
- City Engineer – Create a city engineer/public works director position to work with the City Engineer prior to retirement. It was noted that approximately 50% of the costs for this position would be paid for by projects a utility departments. Discussion followed regarding the City purchasing an engineering firm as an enterprise fund.
- Internal Auditor – Budget for a part-time (1 to 1 ½ days per week) auditor.

Other Items:

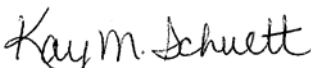
- Boy & Girls Club Support – Council consensus was to not include in the budget.
- Planning Department – Researching fees and will report back.
- Public Works Facility – Council will have a future work session to discuss the facility further.
- Street Funding – Due to the current levy amount staff recommended the preliminary budget eliminate levy funding for street projects.
- Local Government Aid – The LGA amount for 2007 is not available until the end of July. Although, Eischens does not anticipate a large increase and budgeted the same amount as 2006.
- Northview Manor – Council directed that the proceeds from the sale of the Northview Manor (approx. \$300,000) be used in the 2007 general fund to pay for the acquisition of the fire pumper truck.

Eischens noted that the City Assessor has estimated a 20% increase in market value for the City property in 2007. This means the City tax base for 2007 will be substantially larger.

ADJOURN

There being no further business, motion by Johnson, second by Meuers, to adjourn the meeting. Motion carried. Meeting adjourned at 7:21 p.m.

Respectfully submitted,


Kay Murphy-Schuett
City Clerk