

CITY COUNCIL PROCEEDINGS

BEMIDJI, MINNESOTA

Regular Meeting – January 17, 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, January 17, 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: Downs, Meuers, Erickson, Johnson, Lehmann, Hellquist, Markeson.

AMENDMENTS TO AGENDA

Lehmann called for any amendments to the agenda. The following additions were requested:

- Gambling Application - Curling Club raffle on March 18, 2006
- Pay Equity Implementation Report
- Council Travel to Grand Rapids - January 27-28 – Johnson, Erickson & Hellquist
- Council Travel to St. Paul in April - Downs

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

MINUTES

Minutes of the January 3 regular meeting and January 9, 2006 work session were presented for approval. Hellquist corrected the January 9 work session stating that he was a certified contractor with the federal government and they pay him with a credit card. Motion by Erickson, second by Downs, to approve the minutes as amended. Motion carried by unanimous vote.

CONSENT AGENDA

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

1. Approved Claims submitted by the Finance Officer in the total amount of \$1,754,706.84.
2. Approved renewal of miscellaneous business licenses/permits.
3. Approved the following applications for Lawful Gambling:
 - Pull-tabs – American Legion Auxiliary – 3/24/06 & 3/25/06 @ American Legion Club
 - Bingo – Northwoods Coalition for Battered Women – 3/2/06 @ Eagles
 - Raffles – Beltrami Humane Society – 5/6/06 and 5/7/06 @ Bemidji Bowl
 - Raffle – Paul Bunyan Vintage Auto Club – 7/16/06 @ High School
 - Raffle – Bemidji Curling Club – 3/18/06 @ Curling Club
4. Approved Appointment of Jaclyn Ryder to Charter Commission.
5. Approved Council Travel:
 - March 28 - Bemidji Day @ Capital – Lehmann, Johnson, Downs
 - March 30 – LMC @ Capital – St. Paul – Lehmann, Markeson, Downs
 - January 27-28 – LMC @ Grand Rapids – Johnson, Erickson, Hellquist
 - April – Parks & Trails – St. Paul - Downs

Motion carried by unanimous vote.

COMMITTEE REPORTS

Bemidji Youth Advisory Commission

Leslie Rith-Najarian reported that BYAC is planning a listening lunch and an open forum. The listening lunch is planned for February 1. The open forum will divide into three groups for discussion with the youth about parks & recreation, their ideas and the regional event center. Dave Hengel gave a presentation regarding the event center to the BYAC. The commission discussed various activities they thought could take place at the event center, i.e., prom. Ms. Rith-Najarian shared a letter from BYAC's President Jon Staff stating their support for the regional event center in Bemidji.

PRESENTATION – Dragon Boat Festival

Gary Johnson, president of Bemidji Area Chamber Commerce, gave a presentation for a Dragon Boat Festival to be held in Bemidji in conjunction with the Crazy Daze on August 4 and 5, 2006. It is unlike anything that has been done in the Bemidji area and the waterfront area is ideal.

Shelly Geerdes, co-chair and member of Rotary and Chamber, stated that both groups have approved a budget for this event using the Great White North as the organizer. Paul Bunyan Telephone will be the main sponsor of the event. She stated that there is a lot of community support already for the event. Discussion continued on how the races are held and the festival.

Mr. Johnson asked for the Council's support as they bring in their various permits for the event. Consensus of the Council was that they support the Dragon Boat Festival and will approve a resolution at their next regular meeting for use of the waterfront.

UNFINISHED BUSINESS

Request for Proposals for Labor Negotiation Services

Hellquist stated that typically when an RFP comes back on a situation of this nature and asked if the scope of services would be delineated. For instances, if the City decides it does not want a specific part of it, can it be removed from the contract or is it a lump sum amount.

Minke stated that professional services of this nature are typically negotiated. The proposal is designed to generate as much information as the firm might have on what it is they do.

Erickson commented that the scope of services area does not include any meeting with staff to get information. She stated that the Council does not want to exclude the staff from being advisory or information providers in this process. She wondered if that was a given or if that should be a part of the scope of services that it includes staff.

Lehmann responded that through the process of compiling data staff would be included in this discussion.

Hellquist stated that in his opinion it becomes the Council's job to determine the strategy and economic parameters based on staff input and then meet with the firm. Lehmann stated that in the past Council has met with staff to set the parameters. In addition to meeting with staff, Council will have to meet with the labor negotiator.

Lehmann commented that the staff has previously worked on labor negotiations and have done an admirable job. He stated that using staff has kept costs of negotiation minimal. Lehmann commented that as proposed the Council will be spending upwards of \$20,000 for labor negotiation service.

Motion by Downs, second by Hellquist, to approve the Request for Proposals for Labor Negotiations and review by the Public Works Committee. Motion carried with the following vote: Ayes: Johnson, Markeson, Downs, Erickson, Hellquist. Nays: Lehmann, Meuers. Absent: None.

NEW BUSINESS

Northview Manor Subsidy

Minke reviewed the Council Agenda stating that US Bank (bond trustee) and Great Lakes Management are requesting additional funds for the Northview Manor project. Currently, Great Lakes Management is requesting \$10,000 for operational needs and US Bank is requesting \$8,313.65 to cover debt service shortfalls. This will not be the last request for funds as US Bank has stated there will be monthly shortfalls for the rest of 2006.

Erickson stated that Eischens had suggested a transfer of \$40,000 to cover a shortfall over an indefinite period of time but she would like it be placed on the Consent Agenda each month for the Council approval and better realize the shortfall. Discussion continued on the amount of funds to transfer. Felix asked if there were any fees involved for these transfers. Eischens stated that there is no administrative fee.

Motion by Erickson, second Johnson, to transfer UDAG funds in the amount of \$18,313.65 which is the current shortfall for Northview Manor. Motion carried unanimously.

Pay Equity Implementation Report

Minke stated that every three years the City, like all political subdivisions of the state, is required to complete the Pay Equity Implementation Report.

Eischens stated that one of the purposes of the pay equity study which was done in 2004 was to make sure the pay schedule that was in place would meet pay equity compliance. That study is what determined the job points for each particular job classification.

Motion by Downs, second by Johnson, to approve the report and authorize the Mayor to sign so that it can be submitted to the Department of Employee Relations. Motion carried unanimously.

ORDINANCES

Felix stated that per the Council's direction, new and/or revised 20 year franchise ordinance agreements, along with corresponding franchise fee ordinances, have been "negotiated" with Otter Tail Power Company, Beltrami Electric and Aquila utility companies and are presented for the first reading. He stated that the proposed franchise fee(s) are setup on a per meter basis, with rates structured to reflect residential, small user and larger user categories, as discussed and decided upon by the Council at its November 14, 2005 work session. Once the three reading ordinance process is complete and assuming adoption by the Council, the ordinances will be published and "Acceptance of Franchise(s)" sent to the respective utilities for execution and filing.

Erickson stated she recalled at a League of Minnesota meeting that there was some discussion about a new statutory requirement for locating underground lines on city right-of-way. It was discussed that there was new equipment that potentially would be required because of the depth and how expensive it would be for cities. She stated she was uncertain if the locate requirement was in place and asked if it was needed in these ordinances.

Felix stated that these types of issues are what the City is working on this through the right-of-way ordinances which will complement the franchise ordinances. There are requirements of the Homeland Security Act and how it applies to gas utilities in particular.

AN ORDINANCE Granting to Beltrami Electric Cooperative, Inc. a Minnesota Cooperative Association, its successors and assigns, 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 for such purposes was given a first reading.

AN ORDINANCE Implementing an Electric Franchise Fee on Beltrami Electric Cooperative, Inc., for Providing Electric Service within the City of Bemidji was given a first reading.

AN ORDINANCE Granting to Otter Tail Power Company, A Minnesota Cooperative Association, its successors and assigns, 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 for such purposes was given a first reading.

AN ORDINANCE Implementing an Electric Franchise Fee on Otter Tail Power Company for Providing Electric Service within the City of Bemidji was given a first reading.

AN ORDINANCE Granting to Aquila, Inc., A Natural Gas Utility, D/B/A Aquila Networks, a Delaware Corporation, its successors and assigns, 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 for such purposes was given a first reading.

AN ORDINANCE Implementing a Gas Franchise Fee on Aquila, Inc., D/B/A Aquila Networks, for Providing Gas Service within the City of Bemidji was given a first reading.

UPCOMING MEETINGS

- February 13, 2006 work session Topics – 1) SE Lake Bemidji update with regards to the City's involvement with that project; and 2) Rural Fire Contract
- Parks & Recreation Commission meeting on Tuesday, January 24 with Jeff Schoenbauer of Bauer & Associates

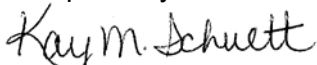
COUNCIL/STAFF REPORT

- Lehmann - Polar Daze Events are on January 19 and 22.
- Meuers reported that the Public Affairs Committee discussed Council pay and per diem and will discuss this further. The Charter Commission subcommittee met with the Public Affairs Committee and reported on what they have been working on and asked that they meet with the Council to review the City Charter. Meuers provided an update on Library stating that she met with Roger Hellquist, Al Felix, Joe Vene, Jack Frost and Tony Murphy to discuss library issues and discussed what steps to take next. They will meet one more time before the Council and County Commission meet together. Meuers stated that the Library Board met on January 17 with guests that would like to hold a public meeting to be co-sponsored with the Library Board perhaps the Friends of the Library. There is no representation from the Library Board with KRL at this time. Meuers will attend the meetings in an unofficial manner.
- Downs stated that he is planning another Paul Bunyan Trail ride to be held in August. After discussion, the Council suggested August 10 as a possible date.
- Johnson commented that the last Event Center meeting was taken up by the Tony Murphy regarding the Library. They thought it was good for the Committee to hear the "real" story. Tony Murphy gave a good presentation to the Committee. Johnson suggested that this presentation be part of the public meeting regarding the Library.
- Hellquist reported that the DDA will meet on Wednesday, January 18 for its regular meeting with its new president, Pat Donnay.
- Markeson reported that at a DDA meeting they mentioned that there are about 50-90 individuals from the federal building that are interested in the parking their vehicles in the proposed parking ramp. Attended a Bemidji Race Relations Race freedom walk at BSU with Mayor Lehmann on January 16.

ADJOURN

There being no further business, motion by Hellquist, second by Markeson, to adjourn the meeting. Motion carried. Meeting adjourned at 8:45 p.m.

Respectfully submitted,



Kay Murphy-Schuett
City Clerk