

CITY OF BEMIDJI
CITY COUNCIL PROCEEDINGS
April 26, 2004 - 5:30 p.m. - SPECIAL MEETING

Pursuant to due call and notice, a SPECIAL MEETING of the City Council of the City of Bemidji, Beltrami County, Minnesota, was held on Monday, April 26, 2004 at 5:30 p.m., in Council Chambers of City Hall. Mayor Lehmann presided.

Upon roll call, the following Council members were declared present: Lehmann, Erickson, Hellquist, Zachman, Meuers, Downs, Johnson. Absent: None.

Mayor Lehmann noted the purpose of the meeting was to review and discuss the Airport financial condition, review the proposed amendments to the Council Means/Guidelines, and review the City's long range goals for presentation at the City-Townships Joint Planning Committee meeting on Wednesday, April 28, 2004.

REVIEW AIRPORT FISCAL CONDITION

Councilmember/Airport Commissioner Johnson discussed the 2003 budget shortfall at the airport and expressed the need for an additional contribution of \$37,836 each from the City and County to cover 2003 operating expenses in addition to the budgeted contribution for 2004. Reasons for the 2003 shortfall were discussed. It was felt that the shortfall is primarily due to the increased cost of operations. In the past the airport was operated as a city department and its operations blended into the larger picture of the city. Passenger Facility Charge (PFC) receipts and funds received from timber sales at the airport were used to help fund operations in the past rather than being dedicated for airport projects. Capital projects were adjusted when personnel costs and snow removal costs increased, to make the annual City-County contributions work.

Airport Manager VanLeeuwen discussed the need for increased contribution to cover the shortfall, but noted that it does not take into account matching funds needed to take advantage of Federal grant funds, which requires a 95/5 match. VanLeeuwen noted that the Entitlement Funds this year are \$900,000 (\$50,000 local share). He expressed the need to reinvest in the airport to replace things that are showing depreciation. He also noted that the airport needs to move forward with a runway shift to accommodate the influx of development at the intersection of Highways 197 and 71 (the existing clear zone). Without the runway shift, he said the airport will lose entitlement funding. He explained that in 2003 if the airport had not been able to find matching funds to purchase the snowplow, the airport would have lost its' authorization to collect PFC and would have had to pay back any fees that had been collected.

At their April meeting, the Airport Commission discussed the need for long-term emergency reserves and operating cash reserves. The recommendation was for a contribution of \$224,000 from each City and County in 2004 to establish reserves, cover the 2003 shortfall and provide operating capital for 2004.

It was noted that earlier this year, the city designated \$85,000 from 2003 funds to assist with the airport shortfall. Discussion followed regarding the ability to come up with another \$142,000 in 2004. Downs asked about the unresolved issue of double-taxation by the County since 1982 and suggested that the City pursue repayment of those tax dollars to enable the City to cover the shortfall. Erickson explained that the Joint Airport Agreement provides that in the event the County levies for its share of airport contributions, real estate located within the city limits of the City of Bemidji shall be excluded. It is believed that since 1982, the City and County have both been taxing city residents for the airport.

Following discussion, Councilmembers agreed to pursue restitution from the County in this regard. Motion by Erickson, second by Downs, to designate \$85,000 in 2004 toward the \$224,000 requested by the Airport Commission and make a request to the County to pay the remaining \$140,000. Motion carried by unanimous vote.

REVIEW THE COUNCIL MEANS STATEMENT

On February 9, 2004, the Council was provided a draft of a means statement to help guide the Council. After discussion, Councilmembers Downs and Erickson volunteered to review the document and provide recommendations for Council discussion. Council members were provided a redline copy of the proposed changes for discussion. Each segment of the document was discussed, some of the recommended amendments were

adopted, and others were revised. Motion by Downs, second by Erickson, to adopt the Bemidji City Council Guidelines as amended. Motion carried by unanimous vote.

Following is a summary of the final amendments:

Document title: **“BEMIDJI CITY COUNCIL GUIDELINES”**

Council Policy Role:

- #1 – leave the word “will” – “The Council will be the initiator of policy...” do not change to “may”.
- Delete #2 and #3
- #4 is renumbered to #2

Maximizing Effectiveness:

- #2 – amend by adding “by staff and the Council to the end of the second sentence.
- Delete #3

Council-Mayor Role:

- #1 – amend by adding “publicly” (“...without limiting other Council members’ ability to speak publicly on issues.”)
- Delete #2
- #3 is renumbered to #2

Communication:

- Delete #3
- #7 change “regularly” to “annually”

Performance Accountability:

- #1 change to read “City Council will evaluate City Manager annually on all aspects including stated goals.”
- Delete #3
- Renumber 4 & 5 to 3 & 4

REVIEW CITY’S LONG RANGE GOALS FOR PRESENTATION TO THE CITY-TOWNSHIPS JOINT PLANNING COMMITTEE

Mayor Lehmann invited Herb South, citizen liaison on the Joint City/Townships Planning Committee, to participate in a discussion regarding the City Manager’s recent communication setting forth a plan for incremental annexation of areas from Bemidji and Northern Townships. The 10-year plan –

- Identifies areas for annexation between the city and Bemidji & Northern Townships
- Provides for extension of water & sewer into any area that is within the 10-year orderly annexation plan
- Provides for a joint task force to develop a comprehensive plan and a unified vision
- Provides for development of a Comprehensive Plan/Zoning Ordinance
- Provides for a joint Planning Commission that would administer the Joint Zoning Ordinance
- Provides for an annual “summit” of all governing bodies and the Joint Planning Commission to review progress and amend the agreement.

Lehmann noted that the plan would be presented at the next Joint City/Townships Planning Committee meeting on Wednesday, April 28th and requested feedback from the council.

Discussion followed regarding the length of the plan – some council members felt that the plan should be more aggressive over a shorter period of time, based on comments from township residents who favor annexation.

Concerns were expressed regarding the extension of water and sewer to areas before they are annexed, even though these utilities are not available to some areas currently in the city. Cautions were expressed regarding the impact on the existing wastewater treatment facility and the ability to provide other services to the expanded area. Council ultimately agreed that the incremental steps over a 10-year time period were reasonable and flexible enough to work.

Lehmann, Zachman, Johnson, Hellquist, and Meuers expressed support for the proposed 10-year plan. Downs and Erickson expressed support with some reservations.

Adjourn

With no further business presented for discussion, the meeting was adjourned at 8:00 PM.

Respectfully submitted,

Shirley Sherman, City Clerk