

CITY COUNCIL PROCEEDINGS

BEMIDJI, MINNESOTA

Regular Meeting – March 2, 2009

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, March 2, 2009 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, Waldhausen, Johnson, Hellquist, Downs, Negard, Meuers

Staff Present: City Manager John Chatten, 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 Meuers, seconded by Hellquist, to approve the agenda as presented. Motion carried by unanimous vote.**

MINUTES

Minutes of the February 17 regular meeting and February 23, February 24 work sessions were presented for approval. The following corrections were noted:

- Lehmann noted a typo on Page 2 of the February 17 minutes (Gary should be Gray)
- Johnson noted the following change to the February 24 minutes: “Johnson asked how much the city could save if we were able to turn the street lights on one hour later or shut them off one hour earlier. Gray responded that it would be tough to determine at this point, but if we spend \$200,000 per year on electrical costs we would save 10% or \$20,000 if the lights were on 10% less time.”

Motion by Hellquist, seconded by Johnson, to approve the minutes as corrected. Motion carried by unanimous vote.

CONSENT AGENDA

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

1. Approved Claims submitted by the Finance Officer in the total amount of \$185,525.14
2. Approved miscellaneous business licenses for 2009
3. Approved Consumption & Display Permit Renewal – Americinn Lodge & Suites
4. Approved Purchase of a Replacement Pickup – Water Department (Bob Lowth Ford in the amount of \$20,651)

Motion carried by unanimous vote.

COMMITTEE REPORTS

Bemidji Youth Advisory Commission – Lucas Feltes, BYA representative, reported that the Commission continues to work on their June 7 Youth Day, have planned a listening lunch on Thursday for Bemidji Leads Livability group and are developing a video journal for youth in the community which will provide information on activities for youth in the community.

Bemidji State University - Ryan Schwinger, Senate Co-President, stated that the Senate is anticipating the Governor's forecast on February financials this week and the response from the BSU President. The Senate is encouraging a letter campaign by students to make their voices heard in St. Paul.

NEW BUSINESS

Memorandum of Understanding

Chatten stated that he has been working with the Local 49ers union to consider changing the overtime provisions of their contract to accommodate more flexible scheduling. The Memorandum of Understanding (MOU) will allow for considerably more scheduling flexibility and reduce the City's overtime compensation by more than 50%. This provision will be reassessed at the end of the year, when the new contracts are being negotiated, to

determine if those provisions should be kept in the new contract. He thanked the 49ers for their cooperation in drafting the MOU.

Motion by Hellquist, seconded by Johnson, to approve the Memorandum of Understanding with the Local 49ers Union. Motion carried unanimously.

Event Center

Council reviewed the bids on the Event Center and discussion the following:

- Johnson asked about the seating at the event center. Clinton Gronhovd, Kraus-Anderson Construction, seating has been delayed as he wanted Leo A Daly to review them and make sure they are appropriate. The City has not received an example of the chairs.
- Home team lockers will be wood and visitor lockers will be metal.

Jerry Spangler, retired painting contractor, stated that the low painting bidder for the BREC has been investigated by the Department of Labor & Industry for questionable labor practices. He requested that the Council consider delaying awarding of the painting bid.

Gronhovd stated that the Council could wait on awarding the bid. He has talked with the painting contractor and they have indicated that they have covered their expenses in their bid. He has no record of Mr. Spangler’s comments.

Felix advised the Council does not have to award to the lowest dollar bid, but to the lowest responsible bid. If the Council is considering not to award to the lowest dollar bidder, that action should be based on specific reasons as to why the lowest dollar bid is not the lowest responsible bid. The Council has to give the bidder an opportunity at a public hearing to discuss their qualifications as to why they should be awarded the bid. Felix stated that a background check could be done and evidence gathered. Felix further commented that contractors provide a performance bond which secures their performance at the amount of the bid.

Mayor Lehmann suggested that a background investigation be done and hold off awarding the bid at this point and discuss it at next week’s work session.

Chattin commented that if in fact there is evidence presented, the Council should not wait more than 30 days as all bids may be thrown out based on the performance bond.

Kraus-Anderson recommended award of contracts to the following bidders and permission to reject and rebid the work scopes noted.

<u>Work Scope</u>	<u>Contractor</u>	<u>Bid Amount</u>
3.1 Building Concrete	Bruce’s Contracting	\$1,586,600.00
4.1 Exterior Masonry	Con’s Masonry	\$1,811,050.00
4.2 Interior Masonry		\$1,811,050.00
6.2 Architectural Woodwork (Material Only)	Northern Woodwork, Inc.	\$228,128.00
7.2 Roofing	On Hold Pending Review	
7.3 Fireproofing	Custom Drywall, Inc	See Work Scope 9.1
7.4 Joint Sealants	Sunrise Specialty Contracting Inc.	\$110,640.00
8.1 Door and Frames	Kendall Doors & Hardware	\$263,779.00
8.2 Coiling Doors	St. Cloud Overhead Door	\$90,645.00
8.4 Aluminum and Glass	Capital City Glass	\$727,513.00
7.3 Fireproofing & 9.1 Drywall Combination bid	Custom Drywall, Inc.	\$2,688,800.00

9.2	Tile Work	On Hold Pending Review	
9.3	Acoustical	Central Minnesota Ceiling Inc	\$193,100.00
9.4	Flooring	MCI Inc.	\$380,685.00
9.5	Resinous Flooring	Reject All Bids	
9.6	Painting	Jarl Pederson & Sons, Inc.	\$298,000.00
9.7	Terrazzo Flooring	Advanced Terrazzo & Tile Co. Inc.	\$239,800.00
10.1	Operable Partitions	Hufcor Minnesota	\$124,748.00
10.2	Specialties (Material Only)	J.S. Cates Construction Co. Inc.	\$374,000.00
11.1	Dock Equipment	PS Doors	\$45,100.00
11.2	Food Service Equipment	Dakota Food Equipment	\$407,388.96
12.1	Arena Seating &		
12.2	Telescoping Stands	On Hold Pending Review	
13.1	Ice Rink	Commercial Refrigeration Sys, Inc	\$942,544.00
14.1	Elevators	Schindler Elevator Corporation	\$197,500.00
21.1	Fire Protection	Brothers Fire Protection	\$259,555.00
22.2	Plumbing	Knapp Grover, Inc	\$1,365,000.00
23.1	HVAC Work	Peterson Sheet Metal	\$3,930,000.00
23.2	Testing & Balancing	On Hold Pending Review	
26.1	Electrical	API Electric Company	\$4,486,000.00
31.2	Site Work	On Hold Pending Review	
32.1	Site Concrete	On Hold Pending Review	
32.2	Asphalt Paving	On Hold Pending Review	
32.3	Landscaping	Peterson Companies Inc.	<u>\$ 494,837.00</u>
		Total Recommended:	\$21,245,412.96

<u>Alternate No.</u>	<u>Description</u>	<u>Recommendation</u>
1	Terrazzo in lieu of Resinous Terrazzo Add: \$239,800.00 Resinous Deduct: <u>\$166,825.00</u> (Bid not awarded, budget # only). Add: \$ 72,975.00	YES
2	Wood in lieu of Metal Locker Wood Add: \$85,532.00 Metal Deduct: <u>\$17,000.00</u> Add: \$68,532.00	YES
3	Eliminate Outlot Grading Deduct: \$214,735.00	YES
4	Pavement Texturing System Add: \$40,000.00	YES
5	Abandon First Street Lift Station Add: \$47,500.00	YES

6	Add for Tree Lighting Add: \$118,426.00	YES
7	Added Sprinkler Coverage above Seating Area Add: \$ 21,235.00	YES
8	Display Cases Add: \$ 12,260.00	YES
9	Poly Pipes Deduct: \$ 20,000.00	NO
11	Holeless Elevator (Voluntary Alternate) Deduct: \$ 16,300.00	YES

Motion by Downs, seconded by Johnson, to award contracts to the bidders and include alternates as recommended by Kraus-Anderson Construction for the Bemidji Regional Event Center. In addition, hold awarding the painting contract pending verification. Motion carried with the following vote: Ayes: Johnson, Downs, Hellquist, Waldhausen, Negard, Lehmann. Nays: Meuers.

Budget Reduction – BREC

Chattin stated that the bids for the BREC were \$12.3 million under construction estimates. This is one of the few positive impacts of our current economy. He stated that almost \$20 million of the budget is anticipated from land sales and TIF. However, given the current economy, the build-out is anticipated to be slower than originally hoped for. That will reduce the City’s TIF potential and could also be reflected in sluggish land sales. He recommended that the Council reduce the total project budget by \$10 million and use any savings in excess of \$10 million for contingencies. Thereby eliminating the City’s need for TIF and help the City meet its budget challenges.

Waldhausen asked for an explanation of the benefit of the City not using TIF.

Chattin stated that the City using TIF was bit of a stretch. Given the economy and no hotel partner at this time, the City could offer a potential developer TIF instead of the City using those dollars.

Motion by Hellquist, seconded by Negard, to reduce the Bemidji Regional Event Center project budget by \$10 million and increase contingencies by any additional savings. Motion carried unanimously.

ORDINANCE

AN ORDINANCE Amending Chapter 26, Adding Article VIII to the Bemidji City Code Pertaining to the Operation and Maintenance of the Street Lighting System in the City of Bemidji

Meuers stated that she will be changing her yes vote to a no vote and thought that staff should explore other options for savings, i.e., turning off every other street light.

Hellquist responded that the Public Works Committee had considered turning off every other light approximately 3 years ago.

Johnson asked about adjusting the sensors on the street lights or turning off every other street light. Gray will follow up.

AN ORDINANCE Amending the Bemidji City Code, Adopting an Amended 2009 Fee Schedule (Adding a Street Light Utility Fee)

LIBRARIAN REPORT

Paul Ericsson, Librarian, reviewed events planned at the Library during March to promote literacy and reading, encourage and support the arts.

EVENT CENTER UPDATE

Clinton Gronhovd, Kraus-Anderson, will be preparing contracts for the bids awarded this evening. He commented that the main focus will be to get the building enclosed before winter. The groundbreaking/ribbon cutting ceremony is planned for April 3.

CITIZEN NOT ON AGENDA

No one appeared.

UPCOMING MEETINGS

- Monday, March 9 5:30 p.m. Work Session – City Park Plan
- Wed., March 11 6:00 p.m. GBJPB
- Monday, March 16 7:00 p.m. Council Meeting
- Monday, March 23 5:30 p.m. Work Session – Construction Issues w/ Kraus-Anderson

COUNCIL/STAFF REPORT

- Negard reported that recently Paul Bunyan Transit celebrated its 10th year Anniversary and served over 800,000 customers and have increased its bus fleet.
- Johnson reported that he attended the Volunteer Firefighter annual meeting.
- Downs commented about the stimulus money and believes that there is still an opportunity for the City to receive some of this funding. He stated that after the BREC is built, there should not be an at-grade crossing at 1st Street.
- Waldhausen reported the following upcoming meetings: Veterans Task Force Saturday, March 7 at 10 a.m., Heritage Commission March 9 at 4:00 p.m. and Parks & Trails Commission March 10 at 4:30 p.m.
- Lehmann attended the Citizen’s Patrol banquet and complimented them for their fine work.
- Chattin stated that the DNR will be at City Hall to make their offer regarding on the land on southshore. He has been working with CSL and another consultant regarding an RFP for soliciting an operator for an event center. Dektronics will be visiting with staff regarding the scoreboard sign. Meeting with DNR on Friday regarding the boat ramp and maintaining accessibility.

ADJOURN

There being no further business, motion by Downs, seconded by Hellquist, to adjourn the meeting. Motion carried. Meeting adjourned at 8:06 p.m.

Respectfully submitted,


 Kay M. Murphy
 City Clerk