

# CITY COUNCIL PROCEEDINGS

## BEMIDJI, MINNESOTA

### Regular Meeting – May 15, 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 Monday, May 15, 2006 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: Markeson, Hellquist, Johnson, Erickson, Downs. Absent: Lehmann, Meuers.

#### **AMENDMENTS TO AGENDA**

Downs called for any amendments to the agenda. Motion by Hellquist, second by Johnson, to approve the agenda as amended. Motion carried by unanimous vote.

#### **MINUTES**

Minutes of the May 1, 2006 regular meeting, May 2, 2006 Board of Review and the May 8, 2006 regular work session were presented for approval. Motion by Erickson, second by Hellquist, to approve the minutes as presented. Motion carried by unanimous vote.

#### **CONSENT AGENDA**

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

1. Approved Claims submitted by the Finance Officer in the total amount of \$412,483.41.
2. Approved miscellaneous business licenses.
3. Authorized **RESOLUTION NO. 5320** to Not Waive the Monetary Limits on Tort Liability Established by M.S. 466.04.
4. Authorized **RESOLUTION NO. 5321** Designating New Polling Places – Ward 2 and Ward 3.
5. Extended the time for Whispering Meadows Final Plat – September 1, 2006 (Mark Dickinson).
6. Authorized an Agreement with Braun Intertec for Old Mn/DOT Yard on Rako Street Phase II Site Assessment.
7. Authorized purchase of a used vehicle in the amount of \$17,392.54 from Spaulding Motors – Building Department.
8. Authorized purchase of paint sprayer – Street Department.
9. Authorized trade-in of current mower and purchase of two new mowers – Parks Department.
10. Approved tree preservation and replacement plan for First National Bank.
11. Approved a request from Downtown Development Authority to hold the Paul Bunyan Days Sidewalk Sale on June 17, 2006.

Motion carried by unanimous vote.

#### **COMMITTEE REPORTS**

Bemidji Youth Advisory Commission – Jordan Marshal reported that the Commission continues to make plans for the June 7 Youth Day.

#### **PRESENTATION**

##### Central School PTO

Julie Loxtercamp, PTO Central School, made a presentation to the Council regarding the Central School playground. She stated that the playground is in dire need of improvements, including up to date playground equipment and beautification of school grounds. The playground gets high use doubling as a neighborhood play space. The Central School students and families are deserving of a safe, fun and beautiful playground and play area. Ms. Loxtercamp stated that the purpose for coming before the City Council was to get the word out to the public and perhaps work more closely with the City.

Johnson suggested that they use Channel 2 public access television to get the word out and work with the City Clerk in this regard. Johnson further suggested a work session to work together with the Central PTO.

#### Charter Commission Update

Paul Richards, Charter Commission Member, stated that the Charter is a Council-Manager form of government and the Commission takes it seriously when making amendments to the document. He then reviewed the proposed amendments:

1. Preamble – Richards stated that the Commission added a preamble to the document which is taken from the Minnesota Model Charter which gives a purpose of the Charter.
2. Section 2.06, The Mayor – Richards stated that this amendment deletes a sentence that is duplicated in Section 3.09 and, more importantly, the Commission felt it would be good to have an annual state of the city address from the Mayor in the month of January.
3. Section 2.09, Interference with Administration – Provided a definition of not interfering with administration of employees by the Council. Felix stated that the language for the Charter mirrors the State Statute. Felix commented that there is an interplay that the manager needs to know what is going on and Council should direct those questions through him. The manager should be able to direct the resources of staff to help not to hinder the process. Downs expressed concerns about over burdening the city manager with questions when they can speak directly to the department head.
4. Section 6.01, The City Manager – The Commission is recommending removal of the last sentence so the Council would not be restricted when bargaining with the city manager. Erickson expressed concerns about the requirement for a resolution to remove a city manager and asked if the manager was an “at will” employee. Felix stated that the manager is not an “at will” employee but a contract employee. The reasons for removal of the city manager do not necessarily have to be for cause. Felix stated that the city attorney works under the direction of the city manager but is legal counsel for the Council. The city attorney has a unique relationship, which is treated differently by Charter and State Statute. Johnson commented that the Bemidji City Charter should spell the relationship with the city attorney.
5. Section 6.05, Purchases and Contracts – Updated the amount from \$15,000 to \$20,000 for city manager to make purchases according to State Statute.
6. Section 3.09 (Publication of Ordinances) – Richards stated that the Commission felt that a five-seventh vote for a summary publication was too restrictive and that a majority vote would suffice.

Johnson stated that he visited with the Charter Commission regarding amending the Charter to give the council more say in hiring and firing of staff. In researching other cities that are similar to Bemidji’s Charter, Johnson found that the Charter Commission can change the way they do that.

Felix stated that as a general rule the City with a Charter such as Bemidji’s has all the powers of a statutory city, however, our Charter does reflect the Council-Manager form of government for a charter city. Felix suggested that the Council could meet with the Charter Commission and review the Charter. Felix stated that employment issues are not easy things to deal with and the Council may ultimately decide this is something they want to steer clear of.

#### **PUBLIC HEARING**

##### North Country Health Services – Revenue Bonds

Pursuant to published notice a public hearing was held regarding input on the Issuance of Health Care Facilities First Mortgage Revenue Bonds. Downs opened the Public Hearing at 7:56 p.m., hearing no comment the Public Hearing was closed.

Stefanie Galey, Faegre & Benson, Bond Counsel for the City of Bemidji, reviewed the request for the sale of revenue bonds to refund outstanding debt on behalf of the North Country Health Services (NCHS). The City has assisted NCHS with their on-gong facility building and expansion program by issuance and sale of bonds under the Municipal Industrial Development Act. NCHS is seeking to avail of a favorable interest rate market to refund bonds previously issued (Series 1995 and 1996 bonds). Consequently, NCHS is requesting the City issue Series 2006 Bonds to refund those earlier bonds. NCHS is paying the City an administrative fee of \$10,000 as well as covering all other costs associated with

the sale and issuance of the Bonds. These Bonds are limited obligations payable solely from revenues pledged and will not constitute a charge upon any funds of the City or its general taxing authority.

**RESOLUTION NO. 5322:** Adopting the Issuance and Sale of Health Care Facilities First Mortgage Revenue Refunding Bonds on Behalf of North Country Health Services Under the Minnesota Municipal Industrial Development Act; Authorizing the Execution of a Fifth Supplemental Indenture of Trust, a Fifth Amendment to Mortgage Loan Agreement and a Bond Purchase Agreement; and Authorizing the Use of an Official Statement was offered by Councilmember Erickson, who moved its adoption, and upon due second by Councilmember Markeson was passed by unanimous vote.

### **PLANNING CASE**

#### Planning Case #2006-07

Downs reviewed Planning Case #2006-07 stating that First National Bank is requesting two variances for their proposed new bank building which will be situated at 1600 Paul Bunyan Drive N.W. The first variance being requested is for a proposed 28 foot by 38 foot (1,064 square foot) canopy for A.T.M. machines. This structure is proposed to extend to the side property line, to the newly proposed north-south City Street. A 10 foot side yard setback is required on this B-4 (Heavy Business) zoned parcel; therefore, a 10 foot side yard setback variance is being requested. The second variance involves a request to provide less than the required four-percent live landscaping for one of the three proposed parking lots on this property. The Zoning Ordinance requires this landscaping for parking lots with 40 or more spaces. The Bank proposes extensive interior landscaping in one of the other three proposed parking lots, but none in a proposed employee parking lot with 51 parking spaces. Therefore, a variance is being requested for this proposal to provide no interior landscaping in the third parking lot. Planning Commission recommended approval of the two variances with the following condition that signage is included that identifies the exit only and entrance only.

Motion by Erickson, second by Hellquist, to approve a 10 foot side yard setback variance to allow a canopy for the ATM Machine and a variance to the landscaping requirement to allow no interior landscaping in the third parking lot with the condition that First National Bank provide signage that identifies the entrance only (south of the ATM location) and exit only (north of the ATM location) based on the five findings of fact being met. Motion carried unanimously.

### **OLD BUSINESS**

#### North Central Door – Revenue Bonds

Stefanie Galey stated that North Central Door Company has submitted a request to the City for Revenue Bond financing for the development and construction of a new manufacturing facility (relocation to JOBZ in the Industrial Park). The requested financing is in an amount up to approximately \$6,800,000. Similar to the NCHS request, these will be limited obligation bonds, payable solely from revenues pledged by North Central Door and do not constitute a charge upon any other funds of the City or its general taxing authority. The City should approve the preliminary resolution expressing intent and then at a subsequent meeting hold a public hearing on the issuance of the bonds and pass a formal resolution approval of the bonds. Costs associated with the bond sale, including the City's administrative fee, are to be covered by North Central Door.

**RESOLUTION NO. 5323:** Giving Preliminary Approval to a Project and the Issuance of Industrial Development Revenue Bonds and Authorizing Application for Allocation of Issuance Authority was offered by Councilmember Hellquist, who moved its adoption, and upon due second by Councilmember Erickson was passed by unanimous vote.

#### Waville Wastewater Treatment Agreement with Northern Township

Felix reviewed the request to amend the Memorandum of Understanding with Northern Township for accepting waste from Waville Wastewater Plant.

Erickson asked about the 10 cents per gallon charge for waste removal.

Felix stated that in reviewing the agreement with Northern Township staff concurs that the charges are higher than they need to be based on our experience with how the acceptance of waste is going. It is proposed at this time to lower the charge per gallon to two cents per

gallon. The new rate relates in terms of actual homeowner cost of \$120 per month per home.

Motion by Erickson, second by Hellquist, authorizing the amendment of the existing Memorandum of Understanding with Northern Township. Motion carried unanimously.

#### Public Works Facility

Felix stated that the Public Works Committee was directed at the last Council meeting to review their recommendation of TKDA as architect for the proposed Public Works Facility. After review, the Committee is recommending the City hire the firm of Richard Rude Architectural.

Motion by Erickson, second by Markeson, authorizing the City to enter into an agreement with Richard Rude Architectural for a preliminary study at a fee of \$6,500 for the proposed Public Works Facility. Motion carried unanimously.

#### **NEW BUSINESS**

Chat-A-Bout Topic – Markeson with the BYAC representative will go on the June 5 Chat-A-Bout to discuss the June 7 Youth Day event.

#### **ORDINANCES**

**ORDINANCE NO. 428, 2<sup>ND</sup> SERIES**, AN ORDINANCE AMENDING THE ZONING MAP ADOPTED IN CHAPTER 13, SECTION 13.08 OF THE BEMIDJI CITY CODE (Planning Case #2006-03 – Bemidji Development) was given a final reading and passed by unanimous vote.

**AN ORDINANCE** Amending the Zoning Map adopted in Chapter 13, Section 13.08 of the Bemidji City Code (Planning Case #2004-35 – Matt Sparby/Harold Gordon) was given a first reading.

Motion by Markeson, second by Hellquist, to postpone the first reading of six (6) Charter amendments until further research can be done on the ordinances proposed. Motion passed by unanimous vote.

#### **UPCOMING MEETINGS**

- May 22 @ 5:30 p.m. – Special Work Session – Utility fund cash flow analysis
- May 23 @ 5:30 p.m. – Special Work Session – Labor Negotiations

#### **COUNCIL/STAFF REPORT**

- Markeson commented that Bemidji Green Up group will plant trees along the Hwy 2 bypass east entrance on June 3 starting at 9 a.m. Markeson reported that the Diamond Point Open House was held on May 9. Discussion followed regarding having parking permits for residents in the BSU area. Markeson stated he recently attended a First City of Lights. The group is working on ways to raise funds for event and discussed placing a flyer with a future utility billing.
- Hellquist reported that the stormwater group met reviewing the proposals for the stormwater project and will be interviewing two firms.
- Johnson received a letter from League of Mn Cities to travel to Cohasset on June 1. Motion by Erickson, second by Hellquist, approving travel for Councilor Johnson to attend the League meeting in Cohasset on June 1. Motion carried.
- Johnson stated that the Joint Powers Board recently and draft ordinances will be completed by the end of June.
- Erickson reported that a Interview Committee will be interviewing financial consultants to complete a feasibility study for the proposed Bemidji Regional Event and Convention Center and should have a recommendation for the Council at their next regular meeting.
- Felix reported that he and the Mayor met with KRL to discuss the city's concerns. Good news the rep from the other jurisdictions – Cass County, Wadena who expressed the desire that the City stay with Kitchigami. The KRL Board will come back to the city with what they perceive as the concerns.
- Downs stated that the Freedom Defenders Veterans Memorial dedication will be on May 20 at 2:00 p.m.

**ADJOURN**

There being no further business, motion by Johnson, second by Hellquist, to adjourn the meeting. Motion carried. Meeting adjourned at 8:55 p.m.

Respectfully submitted,



Kay Murphy-Schuett  
City Clerk