

# **CITY COUNCIL PROCEEDINGS**

## **BEMIDJI, MINNESOTA**

### **Regular Meeting – December 17, 2007**

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, December 17, 2007 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, Erickson, Downs, Meuers, Markeson, Hellquist. Absent: Johnson.

#### **AMENDMENTS TO AGENDA**

Lehmann called for any amendments to the agenda. Motion by Downs, second by Meuers, to approve the agenda as presented. Motion carried by unanimous vote.

#### **MINUTES**

Minutes of the December 3, 2007 regular meeting, December 3, 2007 Truth in Taxation meeting, December 7, 2007 B.E.D.A. meeting and November 27, 2007 work session were presented for approval. Motion by Erickson, second by Markeson, to approve the minutes as presented. Motion carried by unanimous vote.

#### **CONSENT AGENDA**

The following Consent Agenda items were presented for approval. Markeson requested that items 12, 13 and 14 be removed from the Consent Agenda and added to New Business. Motion by Downs, second by Markeson, to approve the Consent Agenda items as follows:

1. Approved Claims submitted by the Finance Officer in the total amount of \$1,840,977.85.
2. Approved miscellaneous business licenses renewals for 2008.
3. Held Final Reading and approval of Beer License Renewals for 2008.
4. Approved Liquor Licenses Renewals for 2008.
5. **RESOLUTION NO. 5454:** Approving a Gambling Permit by Bemidji Baseball Association at the Corner Bar.
6. **RESOLUTION NO. 5455:** Approving a Gambling Permit by Bemidji Baseball Association at the Garden Grill & Pub.
7. Approved Service Agreement with MII Life Incorporated for 2008.
8. Authorized hiring of a collection agency to collect past due Fire Service Calls (RCB Collections of Hibbing).
9. Approved Budget Change No. 17.
10. Approved purchase of a new copier for the Public Works Facility from North Country Business Products in the amount of \$10,440.

Motion carried by unanimous vote.

#### **COMMITTEE REPORTS**

##### **Bemidji State University Senate**

Cody Nelson, BSU Student Senate President, reported that the Senate's main discussions have been focused on the budget and tuition increases. He stated that tuition will be going up by 4%. He stated that there may be an opportunity to reduce the tuition. He stated he had just received exciting news that BSU received a grant from Campus Compact and with that students will be more engaged with the community and the community more engaged with the students.

#### **PUBLIC HEARINGS**

##### **2008-2012 Capital Improvement and Equipment Replacement Plan**

Pursuant to published notice, a Public Hearing was held to receive input regarding adopting the City of Bemidji 2008 Capital Improvement and Equipment Replacement Plan. Mayor Lehmann opened the Public Hearing at 7:25 p.m., hearing no comments the public hearing was closed.

Hellquist commented that in the Resolution it indicates \$160,000 being budgeted for liquor store improvements with no definition of what will be done there. Every other item is detailed as to where the money will be spent and he would like to see that clarification in the future.

**RESOLUTION NO. 5456: Approving the 2008-2012 Capital Improvement Plan was offered by Councilmember Markeson, who moved its adoption, and upon due second by Councilmember Meuers was passed by unanimous vote.**

### **OLD BUSINESS**

#### Lease Agreement with Enterpoint LLC

City Attorney Alan Felix stated that the City currently charges \$10,000 annually as rent on the tower. Eischens took some time to check with other cities about what they are charging on water towers or similar facilities for rent. The information he received indicated that the other cities lease amounts were, on average, somewhere between \$18,000 and \$22,000 per year and that they did not differentiate the rent between providers, whether it is an internet company or cell phone provider, etc. Felix stated that the question is whether the Council wants to enter into a lease agreement in an amount significantly less than what the other two tenants on the tower are paying currently.

Fred Stinar, Enterpoint LLC, located at 502 Beltrami above radio station, stated that they are currently set up on the tower experimentally to do some testing and so far there has been no interference with the other tenants' frequencies. He further explained that the cell companies have antennas that go all of the way around the tower and that their signals do cover a much larger territory than what Enterprise is planning to use. The other tenants also have an actual building/facility on the grounds, where Enterpoint has only one panel connected to the tower itself that shoots out about 100 degrees and its' signal covers approximately one mile of territory. He stated that Enterpoint does have a unit over in Cass Lake and they are requesting to pay the same rent as what they pay in Cass Lake.

Felix pointed out that the other two tenants may also have more equipment on the tower itself. For example, they may have more than one panel attached.

Erickson stated that the lease rate is not set by square foot or square inch just by the privilege of using public property. She stated that the City's current rate is already considerably less than other cities and feels that to be fair to everyone, it should be the same base rate. She asked Mr. Stinar what their company provides for a service and he explained that it is a Wi-Fi service, or wireless internet.

Markeson asked if there is limitation on the water tower to the number of tenants that can rent the space.

Felix stated that it depends on the possibility of interference with other tenants, law enforcement, radio stations, etc. He pointed out that in the lease, the City is able to terminate if there are interference problems. He also pointed out that the lease is a 5 year agreement with renewal options. Lehmann stated that a year or so ago when there were franchise fee discussions, the Council was concerned about one utility being charged differently than the other. Enterprise is requesting to pay \$4,200 per year, which is roughly half of what the other two users are paying. Erickson expressed concern that the public is not receiving its just due, regardless of whether the company can afford the rent amount. Downs suggested that the Council come up with some guidelines to follow. He stated that he has no problem starting lower, but does not want it to affect other Lease renewals if they find this unfair. Lehmann suggested that maybe staff should put together a proposed policy, making some recommendations to the Council so that in the future, these issues would not need to be brought to Council and staff could take care of them.

**Motion by Erickson, second by Hellquist, establishing the current rent for use of the water tower at \$9,700 (base amount). Motion carried by unanimous vote.**

### **NEW BUSINESS**

#### Authorized funding source for the Sea, Waslaski and Schnell property acquisitions.

Markeson stated that he wanted to understand why the entire property purchase is being paid for out of the Parks and Recreation budget, as it will affect the future development of parks and trails. Markeson stated that his biggest concern was that there was \$900,000 set aside in the Parks and Recreation budget for both acquisition and development of parkland and if it is all used for purchasing, there will be no money for development.

Dave Smith, Chair of Parks and Trails Commission, stated that last February it was brought to the Parks and Trails Commission's attention that the Sea property had come up for sale and that the City bought the parcel. He stated that this is a dynamic part of Bemidji's plan, but is concerned that the City may end up taking too much out of sales tax money and will run short. He further stated that he does not want to get into a situation where development of a park is not going to get the improvements already planned. He pointed out that when Parks and Trails budget was redone, \$900,000 was considered for parkland acquisition and development with the understanding of the potential for grant money. He questioned whether those grants have been explored any further.

Felix replied that the grant applications that former Assistant City Planner Rita Albrecht applied for have been denied.

Downs stated that the City needs to look at finding a grant writer when looking for the new Parks and Recreation Director.

Chattin stated that the Council had not formerly approved payment for these properties to come from the sales tax funding so if Council does not want it to come from there, it would be added to the \$14 million Bonding Ordinance. Lehmann stated that he believes that the Sea property was already approved to be paid by the sales tax, but that if the Council wished, the Waslaski and Schell properties could be added to bonding.

Erickson stated that the Council should have known that with the cost of land, most of \$900,000 was going to be used for acquisition rather than development.

Markeson pointed out that if all three parcels are paid out of that \$900,000, there will only be \$240,000 left and he felt that that is an extremely small amount for development.

Felix commented that there is a fourth parcel within the planned SE Lake Bemidji Park that may need to be purchased in the future.

Motion by Erickson, second by Hellquist, to authorize \$659,587.00 to purchase the Sea, Waslaski and Schnell parcels be paid for with the current sales tax funds. Motion failed with the following vote: Ayes: Lehmann, Erickson, Hellquist. Nays: Meuers, Downs, Markeson.

Motion by Markeson to approve the purchase of the Sea and Schnell properties totaling \$533,000 with the sales tax funds and the additional Waslaski property, \$125,836, be added to the bonding. Motion failed for lack of a second.

Motion by Downs, second by Markeson, to pay for half of the Waslaski and Schnell with current sales tax funds and the other half added to the bonding. Motion failed with the following vote: Ayes: Meuers, Downs, Markeson. Nays: Erickson, Lehmann, Hellquist.

Erickson stated that there is a need to develop SE Lake Bemidji by as many means as possible. The purchase of this land is an investment for the community. The \$900,000 was set aside for property acquisition. It is the Council's job to reduce the bonding rather than add to it. Adding to the bonding is placing the public in jeopardy with the possibility of property tax increases.

Markeson stated that the property has to have a good park plan and needs to be developed for the best resale value.

Eischens commented that he will be recommending to Council that the \$14 million bonding amount be increased to \$14.5 million to cover what has already been purchased.

**Motion by Erickson, second by Hellquist, to authorize that the \$659,587.00 to purchase the Sea, Waslaski and Schnell parcels be paid for with the current sales tax funds. Motion carried with the following vote: Ayes: Lehmann, Erickson, Hellquist, Meuers. Nays: Downs, Markeson.**

#### 2008 Final Tax Levy

**RESOLUTION NO. 5457: Approving the 2008 Final Tax Levy of \$2,846,213 was offered by Councilmember Downs, who moved it adoption, and upon due second by Councilmember Erickson was passed by the following vote: Ayes: Lehmann, Erickson, Downs, Meuers, Hellquist. Nays: Markeson.**

2008 Final Budget

**RESOLUTION NO. 5458: Approving the 2008 Final Budget of \$38,265,786 was offered by Councilmember Erickson, who moved it adoption, and upon due second by Councilmember Meuers was passed by the following vote: Ayes: Lehmann, Erickson, Downs, Meuers, Hellquist. Nays: Markeson.**

Tourist Information Center Lease Agreement

**Motion by Markeson, second by Downs, to approve the revised Tourist Information Center Combined Lease and Operational Agreement. Motion carried by unanimous vote.**

Joint Planning Board Agreement

**Motion by Meuers, second by Hellquist, to approve the revised Joint Planning Board Agreement. Motion carried by unanimous vote.**

Parks and Recreation Director

Chattin stated that since Haluptzok's retirement there have been changes considered in the job description for the new Parks and Recreation Director. He further stated that the description has changed from mowing grass and keeping parks going to managing approximately \$10 million in redevelopment projects. In addition, the new position would require a Bachelor's Degree and would be a pay grade level 13. He would like the position advertised and filled as soon as possible.

Downs suggested moving the experience with grant writing from the job duties section to the education and experience section, as it will be very critical in the future to have grants.

Erickson suggested that under the tools and equipment used, that it should be expected that the individual should have some knowledge of the equipment used by the people they supervise. Chattin suggested putting equipment used under the knowledge, skills and abilities section.

**Motion by Downs, second by Markeson, to approve the new criteria for the Parks and Recreation Director with the changes as indicated and directed staff to advertise for the position. Motion carried by unanimous vote.**

Waterfront Committee Presentation

Lehmann stated that in the proposal the Waterfront Committee is requesting \$10,000 from the sales tax fund to help fund the planning process and send applications to Northwest Minnesota Foundation and the Minnesota Historical Society.

Downs stated he was not in favor of park money being used to fix up the Carnegie building.

Erickson stated that she can support it because she felt that a portion of the total dollars that will be spent on the waterfront project should be contributed by the parks and trails dollars.

**Motion by Meuers, second by Markeson, to approve up to \$10,000 from the Parks and Trails sales tax as match for applications to Northwest Minnesota Foundation and the Minnesota Historical Society in order to fund a planning process for the Waterfront area. Motion carried by unanimous vote.**

Bemidji Pioneer Fire Department Relief Association

Bruce Hemstad, President of the Relief Association, stated that the Association is requesting that the Council adopt an addendum to the Bemidji Pioneer Fire Department Relief Association's by-laws to guarantee a pension benefit increase to \$5,100 per year of service for fully vested members beginning January 1, 2008. He stated that until a firefighter becomes vested (10 years of services), those funds remain in the pension fund. If a firefighter left and had accrued money in the fund, but left service before 10 years, that money remains in the fund. Mr. Hemstad noted that the Council approved a 10% increase of the pension benefit effective May 1, 2006.

Erickson stated that she is not going to support a 23% increase.

**Motion by Downs, second by Markeson, approving the ratification of the Bemidji Pioneer Fire Relief Association Constitution and By-laws. This amendment increases the service pension benefit to \$5,100 per year for fully vested members effective January 1, 2008. Ayes: Lehmann, Meuers, Downs, Markeson. Nays: Erickson, Hellquist.**

Chat-A-Bout Topic for January 2008

Mayor Lehmann will go on the January Chat-a-Bout program and do a preview of the State of the City Address.

**ORDINANCES**

Ordinance Amending Chapter 14 relating to Erosion and Sedimentation Control

**Motion by Meuers, second by Erickson to approve the amendment to the proposed Ordinance Amending Chapter 14 of the Bemidji City Code. Motion carried by unanimous vote.**

**ORDINANCE NO. 23, 3<sup>RD</sup> SERIES, AN ORDINANCE AMENDING CHAPTER 14 OF THE BEMIDJI CITY CODE ADDING ARTICLE VII RELATING TO EROSION AND SEDIMENTATION CONTROL** was given a final reading and passed by unanimous vote.

Ordinance - Bemidji Economic Development Authority

**Motion by Markeson, second by Downs, to amend the language from \$14 million to \$14.5 million throughout the proposed Ordinance. Motion carried by unanimous vote.**

Pursuant to published notice, a Public Hearing was held to receive input regarding the Pledge of the City’s Full Faith Credit and Resources to Bonds to be issued by the Bemidji Economic Development Authority in a Principal Amount no to Exceed \$14.5 million. Mayor Lehmann opened the Public Hearing at 8:50 p.m., hearing no comments the public hearing was closed.

**AN ORDINANCE** Consenting to the Pledge of the City’s full Faith, Credit and Resources to Bonds to be issued by the Bemidji Economic Development Authority in a Principal Amount Not to Exceed \$14.5 million was given a second reading.

**EVENTS CENTER UPDATE**

Rita Albrecht, HRDC, provided an update to the Council stating that the HRDC is currently working on three pieces: (1) Strategy for funding facility; (2) Completing framework of lease agreement with BSU; (3) Strategy of how to cover operation and maintenance (O&M) costs. They are also hoping for an opportunity in next ten days to visit with Council regarding operation and maintenance costs and hope that by the first week in January they will be able to get all three pieces to come together and hold a public open house in an informal setting to show the renderings, floor plan, site layout and hear comments.

**CITIZEN NOT ON AGENDA**

Kathy Gorrick, 1070 Lake Avenue NE, read a statement. Her family has been concerned by a recent Pioneer article which stated that the City may be looking to save money at their Wastewater Treatment Plant. She stated that they are worried about the loss of jobs as her husband is employed at the City’s wastewater treatment plant. She further commented that it was a major concern of theirs that the City is willing to spend \$14 million for the Event Center property, but is trying to save money, and possibly cutting people’s jobs in order to do so.

Mayor Lehmann stated that the request for proposal does not mean that the plant will be privatized and even if it is found to be more efficient to work that way, it is not anticipated that any City employee will lose their jobs. He assured Mrs. Gorrick that the Council takes her concerns to heart.

**UPCOMING MEETINGS**

- |                             |           |   |
|-----------------------------|-----------|---|
| • Monday, December 24, 2007 | Noon      | Special City Council Meeting                    |
| • Monday, January 7, 2007   | 7:00 p.m. | City Council Meeting                            |
| • Monday, January 14, 2007  | 5:30 p.m. | Work Session – Heritage Preservation Commission |
| • Monday, January 21, 2007  | 5:30 p.m. | City Council meeting                            |
| • Monday, January 28, 2007  | 5:30 p.m. | Work Session – Events Center/Leo A. Daly        |

**COUNCIL/STAFF REPORT**

- Chattin stated that he attended the Bemidji Leads Stewardship retreat on Wednesday and anticipates seeing some structure changes on how Bemidji Leads operates. On Thursday he attended lease negotiations with Bill Krueger, will attend the Airport Commission meeting Tuesday, meeting with the DNR on Wednesday and Race Relations on Thursday.
- Lehmann stated that Downs traveled to St. Paul on his behalf to receive the award from the Governor's office regarding Bemidji's nomination as "Capital for a Day". Lehmann asked the Council to authorize the travel. **Motion by Hellquist, second Meuers to authorize the travel expense for Downs. Motion carried by unanimous vote.**
- Downs stated that it was an honor to go down and receive the award from the Governor on behalf of Mayor Lehmann for Bemidji, Capital for a Day. He attended the Park and Trail Commission meeting and the possible skateboard park was discussed. The plan is for it to be put in City Park by the Neilson Reise Arena. John Winters will attend the next Parks and Trails meeting to give additional information about skateboard parks on January 8 at 4:30 p.m.
- Markeson stated that Parks and Trails made a motion that the skateboard park be located next to the Armory on City property.
- Hellquist stated that he attended the Joint Powers Board meeting and they hosted interviews for an Administrative Assistant. He stated that they were down to four candidates and that there would be a meeting Tuesday morning to come up with the person who will be recommended. There were 20 applicants for the position.
- Erickson stated that last Tuesday she met with the volunteer firefighters, Wednesday she attended the JPB Board meeting and Thursday morning met with the lease agreement negotiating team for the Events Center.

**ADJOURN**

There being no further business, motion by Downs, second by Meuers, to adjourn the meeting and reconvene as the Bemidji Economic Development Authority. Motion carried. Meeting adjourned at 9:25 p.m.

Respectfully submitted,



Shawn M. Swenson  
Deputy City Clerk