

CITY COUNCIL PROCEEDINGS
BEMIDJI, MINNESOTA
Special Meeting/Work Session – February 24, 2009

Pursuant to due call and notice, a special meeting/work session of the City Council of the City of Bemidji, Beltrami County, Minnesota, was held on Tuesday, February 24, 2009, at 5:30 p.m. in the Conference Room of City Hall, Mayor Lehmann presiding.

Upon roll call, the following Councilmembers were declared present: Lehmann, Waldhausen, Johnson, Downs, Negard, Meuers. Absent: Hellquist (joined at 5:40 p.m.)

Staff Present: City Manager John Chattin, City Attorney Alan Felix, City Engineer Craig Gray, Finance Director Ron Eischens, Fire Chief Richard Sathers, City Clerk Kay Murphy

Mayor Lehmann stated that the purpose of the work session was to discuss budget reductions.

Chattin reviewed line by line the 2009 and 2010 increased revenue or saving measures proposed by staff. He noted that there will be some service reductions because of the proposed budget. He further noted that the City cannot cut overtime in the police department and still provide the same services. Chattin noted that there are no tax increases in the proposed budget strategy, however, there is a fee proposed.

Chattin stated that a vast majority of overtime is due to the police department. He stated that the City will work with LELS union and attempt to get some of the same concessions as were obtained from the 49er's union. He noted that the City has a Memorandum of Understanding with the 49er's regarding overtime which will allow flexible scheduling. Chattin stated that police training creates a lot of the overtime. However, staff is confident that overtime can be reduced by 50% citywide.

Gray stated that from a public works perspective, essential services will still be maintained. There will be instances where the Council may be called if staff is not available to assist a customer or citizen. The customer may have to wait an extra day for assistance.

Chattin commented that the water and sewerline departments have had significant overtime scheduled in the past for weekend coverage and staff has taken steps to reduce that overtime.

Johnson asked if levy limits could be lifted from law enforcement costs. Eischens stated that the city has checked on this and it has been a wash but staff will continue to consider.

Chattin stated that other savings have been realized by establishing a city dog kennel, amending the City Hall and Public Works building cleaning contracts, increased township fire contribution, increased rental license revenues, and copier purchased under budget. In addition, staff proposes to terminate the meter reading contract by April 1, 2009 and have the meters read by city staff. He further noted that the retirement of the Public Works Director in the spring gives the city an opportunity to reorganize the public works department and realize savings.

Hellquist joined the meeting at 5:40 p.m.

Chattin stated that the School District has agreed to reimburse the city for the middle school resource officer. He recommended that the job classification study be deferred until 2011, and to eliminate the GIS intern and the Community Development intern, and eliminate the temporary engineering employee for 2009 and 2010.

Gray stated that it is much cheaper to hire a temporary engineering employee but this summer current staff should be handle the job.

Actions Recommended

Chattin stated that staff recommends elimination of comp time for exempt employees, purchase of 50% of the police in-car computers, reduce police training center renovations and no COLA for 2010. He noted a \$20,000 revenue increase with former JEDC funds to

the city and noted a \$20,000 increase in revenue with implementation of administrative fines by July 1, 2009.

Chattin stated that staff is recommending implementation of a street light utility fee. Currently, the City spends approximately \$170,000 on electricity and approximately \$40,000 a year for maintenance of our street lights. There are several cities that currently have this fee and many more considering it. With the implementation of the proposed street light utility fee the city could realize revenue of \$133,000 in 2009 and approximately \$200,000 in following years. Staff feels that this is a key part for the City's plan for budget reduction. The Council could consider two options: charge the same fee for all property or separate fee for residential or commercial. Staff recommends \$2.50/residence and \$5.00/business per month or a flat fee \$3.25/month for all property.

Eischens stated that the revenue is on a per parcel basis and there are 5,500 parcels in the city.

Lehmann commented that there may be a higher incidence of reports of lights being out. Felix stated that initial complaints will come from people being charged this fee when they have no street lights and the fairness argument.

Hellquist asked if there was already a fee. He suggested that the cost be increased to businesses.

Waldhausen asked what rental property would be classified as, commercial or residential. Eischens responded commercial. Discussion continued on how the billing would occur. Eischens suggested that the fee be charged per parcel and not by mailing address.

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.

Meuers stated concerns about the street light fee and its affect on those living on fixed or limited incomes.

Chattin stated that the proposed budget does not include any layoffs. However, if there are any retirements, staff will look at potential ways to cut costs. Chattin further stated that he would not be surprised if the City lost additional funding from the state.

Discussion continued regarding charging per parcel or per resident. Eischens stated that the challenge is administering the collection of the funds per address. How do you address vacant parcels for example, where there is no address. Eischens stated that the City currently sends out 4,000 utility bills per month and to generate the same revenue it would be \$4.25 per month.

Motion by Negard, seconded by Hellquist, to approve actions recommended by staff and implementation of a street light utility fee - \$2.50 for residential and \$5.00 for commercial. Motion carried unanimously.

Motion by Johnson, second by Meuers, at 6:24 p.m. to close the meeting in accordance with Minnesota Statute Section 13D.05, Subd. 3 for the purpose of reviewing confidential or non-public appraisal data relating to the acquisition of real property, as well as to develop or consider offers or counter-offers for the purchase of said property. Motion carried unanimously.

At this time Sathers left the meeting.

Motion by Johnson, second by Downs, to reopen the meeting at 6:50 p.m. Motion carried unanimously.

Public Works Reorganization

Chattin briefly reviewed the proposed public works department reorganization. One of the goals is to eliminate the chief operator positions which will be accomplished through attrition and with one reclassified to an exempt position. He stated that no action needs to be taken by Council at this time; he simply wanted to make them aware of the reorganization.

ADJOURN

There being no further business, motion by Downs, seconded by Negard, to adjourn the meeting. Motion carried. Meeting adjourned at 6:54 p.m.

Respectfully submitted,



Kay M. Murphy

City Clerk