

CITY COUNCIL PROCEEDINGS

BEMIDJI, MINNESOTA

September 8, 2003

Pursuant to due call and notice, a meeting of the City Council of the City of Bemidji, Beltrami County, Minnesota, was held on Monday, September 8, 2003, at 5:30 p.m. in the Conference Room at Bemidji City Hall; Mayor Lehmann presiding.

Present: Lehmann, Hellquist, Meuers, Johnson, Erickson, Zachman.
Absent: Downs
Staff & Others: Minke, Eischens, Sherman

Mayor Lehmann called the meeting to order and noted that the Council decided to hold a joint meeting with the Planning Commission and the Parks and Recreation Commission to discuss the following recommendations from the November, 2001 Park Plan:

- ◆ A park dedication ordinance that is consistent with State statute. Typically, cities often require a 10 percent land dedication or cash in lieu of land for public parks and open space purposes.
- ◆ Trail easement ordinance that requires the provision of trails as part of a development plan to connect the development to the larger trail and sidewalk system.
- ◆ Wetland preservation ordinance, which includes setback requirements and assurance that stormwater runoff will not be detrimental to the wetland system.
- ◆ Tree preservation ordinance, which requires the protection and/or replacement of significant trees on a development site following established criteria.

2004 Preliminary Budget

Mayor Lehmann noted that at their meeting on August 18, 2003, the council reached consensus on a number of assumptions that went into the 2004 budget recommendation by the City Manager. He noted that two issues required additional discussion and are presented at tonight's meeting. Those issues were the early retirement incentive for three employees and the proposed increased contribution of \$125 per employee to the employee cafeteria plan.

City Manager Minke noted that the city has offered various retirement incentives periodically since the mid 1990's. However the incentive was not based on particular business reasons and was not targeted to specific policy goals. In this case, he noted there is a business reason – the budget shortfall and levy limit - and there is a policy goal – restructuring the engineering and public works departments and reduce the workforce. He noted that during the past 6 months the council has discussed the early retirement incentive with the majority of the Council expressing support. Minke explained that the early retirement incentive will save the city approximately \$124,000 in 2004 and allow the city to restructure the engineering and public works departments.

Councilmembers Johnson and Erickson expressed opposition to both issues. Their concerns relating to the early retirement incentive dealt with fairness to other employees nearing retirement, reducing the number of employees in departments that are already stretching to provide services, assignment of duties to other employees who already carry heavy workloads, and the possibility of additional requests from employees in 2005 when further cuts are necessary due to a continuing budget crunch. Erickson felt that there is no permanent cost savings, considered the incentive unfair to other employees nearing retirement age, and expressed concerns for low/moderate income constituents who pay the bill through taxes. Both preferred layoffs over a retirement incentive.

Zachman, Lehmann, Hellquist, and Meuers expressed support for the budget as presented.

Hellquist observed that department directors appear to be supportive of the proposal as being what they need and what they can get by with.

Lehmann spoke in support of the reorganization and the addition of the GIS position.

Meuers supported the retirement incentive and proposed reorganization as a business decision.

During discussion of the proposed increased contribution to the Cafeteria Plan, it was noted that in 2003, even though employees received an increase in salary, many actually lost net take home pay due to increased health insurance premiums. The recommended contributions to the Cafeteria Plan are pre-tax dollars used to help pay the increased cost of health insurance and would provide a greater benefit to the lower paid employee. Erickson and Johnson were opposed to the proposed increase. Both felt that wages should be frozen, offer a modest increase to the Cafeteria Plan and use the remaining dollars to retain the employees in streets and sanitation who are slated for early retirement.

Resolutions adopting the preliminary levy and the preliminary budget were presented for Council consideration.

RESOLUTION NO. 5078: A RESOLUTION ADOPTING THE PRELIMINARY 2004 BUDGET was offered by Councilmember Hellquist who moved its adoption, and upon due second by Councilmember Zachman, was passed by the following 4-2 vote: Ayes: Hellquist, Meuers, Lehmann, Zachman. Nays: Johnson, Erickson. Absent: Downs.

RESOLUTION NO. 5079: A RESOLUTION APPROVING THE PRELIMINARY 2003 TAX LEVY COLLECTIBLE IN 2004 was offered by Councilmember Hellquist, who moved its adoption, and upon due second by Councilmember Meuers, was passed by the following 4-2 vote: Ayes: Lehmann, Hellquist, Zachman, Meuers. Nays: Johnson, Erickson. Absent: Downs.

ADJOURN

There being no further business presented for discussion, motion by Zachman, second by Meuers, to adjourn the meeting. All voted aye. Motion carried. Meeting adjourned 7:00 p.m.

Respectfully submitted

Shirley Sherman, City Clerk