

CITY COUNCIL PROCEEDINGS
BEMIDJI, MINNESOTA
Special Meeting/Work Session – December 22, 2008

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 Monday, December 22, 2008, 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, Markeson, Hellquist, Johnson, Erickson, Meuers. Absent: Downs

Others Present: Dennis Parker, Design Review Committee; Clinton Gronhovd, Kraus-Anderson

Staff Present: City Manager John Chattin, City Attorney Alan Felix, Community Development Director Rita Albrecht, Finance Director Ron Eischens, City Engineer Craig Gray, City Clerk Kay Murphy

Motion by Meuers, seconded by Hellquist, to amend the agenda adding discussion about the City Manager's evaluation. Motion carried unanimously.

Manager's Evaluation

Mayor Lehmann stated that overall the City Manager meets the expectations of the City Council. Lehmann stated that a report will be mailed to the Council summarizing the evaluation.

Hellquist stated that the Manager's contract states that the performance review should be reviewed by the entire Council and it should be done before the first of the year.

A Special Work Session was set for Tuesday, December 30 at 5:30 p.m. to review the City Manager's performance with him.

Overview of Interior Design Concepts

Dennis Parker, Design Review Committee representative, stated that the event center's color palette is taken from nature, bringing the landscape of the northwoods into the heart of the building. Rich earth tones with saturated color add as much warmth to the building as possible.

Albrecht stated that the attempt is to bring the outdoors inside. Discussion continued regarding the seating and adding drink holders to the seats.

Masonry Walls/Design

Chattin stated that staff met recently with masonry unions regarding adding brick and block to the event center. It was felt by the architect and construction manager that an alternate bid package would not be beneficial, as the City would have to go through the redesign work and, after bidding, could be left with no change in the structure. It was decided to redesign most of the lower wall to accommodate block and brick. The City will incur additional design costs of \$38,000 for the additional masonry.

Chattin stated that he has spoken with the union and they have agreed, verbally, to pay the design costs.

Mayor Lehmann commented that the intent is to use local contractors as much as possible for the event center.

Hellquist asked if there was a \$100,000 grant coming from the unions provided that the bricklayer that gets awarded the bid is union. Chattin stated there is still \$62,000 available after the \$38,000 for the design change.

Motion by Hellquist, seconded by Johnson, to approve the design change to accommodate the additional masonry at a cost of \$38,000 to be reimbursed by the unions. Motion carried unanimously.

Short-term Bonding

Eischens stated that staff recently heard from the DEED representative who informed him that the Dept. of Finance has added the stipulation that in order to release the \$20 million

grant to the City, the City will have to bond for the entire sales tax bond amount of \$44 million.

Chattin stated that he has spoken with the Deputy Commissioner regarding this requirement and she will be checking with the Secretary of State. However, bond counsel has advised that there could be positive arbitrage in doing so.

Eischens stated that one benefit in selling bonds in one sale is reduced bond issue costs. Bond counsel is exploring an option to invest the excess bond proceeds in the interim.

Hellquist stated that the number of potential bidders has decreased and read an article which stated that the timing is “dour” for selling bonds. Hellquist stated that he has concerns about getting the bonds sold before awarding the bids.

Chattin noted that the bids are not being awarded until February. Chattin commented that the long-term bond issues are not good at this point and unlikely. The short-term bond issue should not be a problem according to bond counsel.

Eischens stated that the City can do two 3-year short-term issuances.

Motion by Markeson, seconded by Johnson, directing staff to work with bond consultants to issue short-term bonds in the amount of up to \$44 million for approval at the January 20, 2009 City Council meeting or before with the condition that no bids are awarded before the sale of the bonds. Motion carried with the following vote: Ayes: Meuers, Lehmann, Johnson, Hellquist, Markeson. Nays: Erickson.

Plans & Specifications, Schedule

Chattin stated that the specifications are 90% ready and Kraus-Anderson is requesting authorization to bid out the work on the BREC.

Hellquist stated that he would like to see the specifications before he can approve them. He suggested that they be made available for Council’s review at a work session.

Consensus of the Council was to review the event center specifications at the January 12, 2009 work session.

Motion by Hellquist, seconded by Johnson, to submit bids per the schedule as provided by Kraus-Anderson. Motion carried with the following vote: Ayes: Lehmann, Hellquist, Markeson, Meuers, Johnson. Nays: Erickson.

ADJOURN

There being no further business, motion by Hellquist, seconded by Markeson, to adjourn the meeting. Motion carried. Meeting adjourned at 6:38 p.m.

Respectfully submitted,



Kay M. Murphy
City Clerk