

Council Proceedings

Special Meeting/Work Session

December 10, 2004

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 Friday, December 10, 2004, at 12:00 noon in the City Hall Conference Room, Mayor Lehmann presiding.

Upon roll call the following Council members were declared present: Zachman, Meuers, Lehmann, Downs, Johnson, Erickson, Hellquist.

Staff Present: Minke, Sherman, Mack

Others: Representative Frank Moe, Senator Carrie Ruud, Councilmember-elect Onen Markeson

Lehmann called the meeting to order at 12:20 p.m. and expressed appreciation to the legislators for their willingness to listen to some of the concerns of Council and City staff regarding legislative issues that may be forthcoming in the 2005 session.

Local Option Sales Tax: Lehmann noted this is one of the top priorities of the City of Bemidji and expressed the frustrations the community is experiencing as they continue holding on to the hope of getting the sales tax issue approved.

Ruud noted that there was never any issue of support from the Senate where it was unanimously passed two times. The problem was in the House where the Tax Chairperson was adamant against sales taxes and would not hear the Bill. The question now is whether the new Tax Chairperson (Krinke) will be more favorable and allow the issue to work through the legislative process.

Moe expressed awareness that parks and recreation are fundamental to the City of Bemidji and acknowledged the need for a revenue source. He suggested working with other Republicans whose districts are trying to pass the same issue.

Erickson asked whether the legislators needed anything further from the City to move this issue forward.

Ruud expressed the need to make sure the community is aware of the fact that the local option sales tax has a sunset.

Johnson asked whether there is a shelf life on an issue after it has been approved by the voters. He suggested that Bemidji has changed since the voters passed the referendum and there may be other options for use of the sales tax now that did not exist at the time the vote was taken. Ruud felt the City could not change the original intent of the referendum - however, the legislature may not look favorably upon a referendum that is too old. Moe agreed, noting that the power of the popular vote diminishes with time.

Minke suggested there could be a lack of understanding that the projects are capital, not operating projects. He questioned whether this information should be used from a strategic perspective in the pursuit of getting a hearing in the House.

Carrie was uncertain whether that strategy would have an impact.

Trail Bonding: Lehmann noted that LCMR and the House both had designated some bonding monies for Bemidji in the 2004 session, but the issue was not completed. Lehmann expressed frustration with the trail completion. He noted the state brought the trail into the City of Bemidji from the North and South but has not taken an active role in completing the last 5,000 feet within City limits. Bemidji is hopeful that the local option sales tax or the bonding bill will come through in the next legislative session.

Minke reported a meeting on December 9th with Paul Swenson – DNR supervisor. Swenson expressed their preference for the split trail option and their willingness to pursue funding for that option. The City is working on developing the costs for the split trail option and hope to have that done by the end of the month. Minke also noted that the language in the \$400,000 LCMR grant has been modified to make DNR the lead agency rather than the city. Swenson supported that change as well.

Local Government Aid: Lehmann noted that further cuts to LGA would be devastating. He expressed the need for legislative support.

Moe expressed the desire to maintain LGA levels but noted that the state has a \$1.4 billion budget shortfall. At this point no one is certain how that will be made up. He expressed the need to be vigilant on all fronts because in the end there will be a combination of revenue and spending reductions.

Minke – commented about LGA from a rural perspective, noting that some issues are geographic. As an example, when LGA is cut in order to fund K-12 education, it not only hurts the City of Bemidji, but the region because, when funds are redirected to education, most of the funding goes to the metro area and very little comes back to Bemidji School District – a double whammy.

Ruud was opposed to cutting LGA but would not promise anything, expressing the need to be able to react to the situation as it happens.

Minke asked the legislators to share their priorities when it comes to maintaining programs or funding levels.

Ruud listed education, LGA for cities, transportation, and the bonding bill.

Moe expressed the need to work together across party lines on issues such as transportation, education, equitable funding for hospitals, and LGA.

Johnson asked about the prospects of Bemidji State University getting funding for a new hockey arena.

Moe admitted that the idea has merit, but based on other funding requests for the Bemidji area, he doesn't see it happening in 2005. He felt there might be some planning funds but probably not construction funds. He expressed the need for this to be a community wide effort and the need for a broader funding source.

Ruud agreed and suggested other funding sources such as the Amateur Sports Association.

Annexation Legislation: Minke talked about the Joint Powers Agreement between the City and Northern and Bemidji Townships as a way to manage growth and work cooperatively. He noted that the City and the townships found that they were not satisfied with the current law and wanted to find a better solution. That was the common ground that brought the parties to the table to talk about annexation, growth, water & sewer issues, etc. Minke expressed strong support for the current law, unless there is an agreement between the City and Township Associations for joint change.

Ruud expressed appreciation for the cooperation between Bemidji and the townships.

Moe expressed hope that the example set by Bemidji will be one that will set precedence for cities and townships to get together in the future.

Adjourn

Lehmann expressed appreciation to Moe and Ruud for listening as the Council illustrated the issues they feel are important to the city and region.

There being no further business presented for discussion at this time, the meeting adjourned at 1:10 p.m.

Respectfully submitted,

Shirley Sherman, City Clerk