

**CITY COUNCIL PROCEEDINGS**  
**BEMIDJI, MINNESOTA**  
**Regular Meeting/Work Session – September 10, 2007**

Pursuant to due call and notice, a regular meeting/work session of the City Council of the City of Bemidji, Beltrami County, Minnesota, was held on Monday, September 10, 2007, at 5:30 p.m. in the Council Chambers of City Hall, Mayor Lehmann presiding.

Upon roll call, the following Councilmembers were declared present: Lehmann, Markeson, Hellquist, Johnson, Erickson, Downs, Meuers.

Staff Present: Ron Eischens, John Chattin, Brian Freeberg, Craig Gray, Kay Murphy  
Other Present: Springsted, Inc. Representatives - Brenda Kruger and Nick Dragisich

Mayor Lehmann stated that the purpose of the meeting to discuss sewer access charge and water access charge (SAC/WAC) fees. In addition, the Council will consider a resolution approving the preliminary 2007 tax levy collectible in 2008.

**SAC/WAC FEES**

Nick Dragisich, Springsted Inc., reviewed a connection fee study they completed for the City to assist in developing connection fees for water and wastewater services. He stated that connection fees should be determined to provide a fair and equitable recovery of the costs associated with providing water and wastewater utility services to new customers to avoid placing these costs on existing customers.

**Wastewater Connection Fee**

Mr. Dragisich reviewed the formula used to arrive at a connection fee and the system's capabilities. The connection fee is comprised of three components, the value of the current assets, the portion of previous issued debt related to new growth, and the projected acquisition cost of anticipated capital improvements related to growth. He suggested a fee based on the meter size and proposed a sewer connection fee for customers connected to only sewer. The total connection fee per equivalent residential unit (ERU) is the sum of the three connection fees or \$2,930 for a 5/8 inch size meter.

Councilor Markeson asked if the connection fee would be charged to the Birchmont project residents. Mayor Lehmann responded that this project is already in process. City Engineer Gray suggested that no connection fee be charged if connected to the system prior to a particular date, i.e., January 2010. Mayor Lehmann stated that another thing the Council should take into consideration is the impact on township residents that are being annexed.

**Water Connection Fee**

Mr. Dragisich reviewed the connection fee for water services which is comprised of three components like the sewer service. Discussion continued regarding the current assets of the water utility and the cost of anticipated capital improvements related to growth. The total connection fee per ERU is the sum of the three connection fees which would be based on the meter size or \$1,485 for a 5/8 inch meter.

Discussion continued on potentially charging a monthly rate charged on the water and sewer bill. Johnson commented that new customers could pay a higher rate.

Gray suggested that staff meet with Springsted regarding developing a lower fee. Chattin commented that one of the reasons to consider SAC/WAC is it is one of the most equitable ways to collect fees. Mr. Dragisich suggested that new construction and homes pay the fee up front, and existing homes be structured in a way that is more palatable. Discussion continued regarding the amount of the sewer and water access charge and various options available.

**Council consensus was that staff and Springsted develop an equitable solution for both existing and new construction SAC/WAC fees for Council's consideration at a special Council meeting.**

**PRELIMINARY 2008 LEVY**

Mayor Lehmann reviewed the 2008 Preliminary Tax Levy which includes a 9.9% levy increase. The Council will meet with department heads to discuss the services they provide and what their unmet needs may be.

Councilor Markeson commented that it is unfortunate that the Council could not see the details of the budget prior to setting the levy. He stated his concerns that the levy would not provide needed funds to maintain city streets, city buildings, city parks and improvements to the liquor stores. Councilor Markeson stated that the proposed levy does not take care of the needs for our City and it is fiscally irresponsible and encouraged fellow Councilors to vote against the levy.

Mayor Lehmann stated that this is a good budget based on the staff's recommendation and he will support the resolution.

Councilor Downs commented that it is fiscally responsible to keep the levy down. Discussion continued on maintenance of city parks. Councilor Johnson agreed with Councilor Markeson's comments, however, the big pressure should be on restoring LGA as the cuts that the City has to make are due to the lack of LGA. Councilor Downs stated that this will be a good talking point Bemidji Day at the Capital.

Councilor Erickson stated that the House and Senate were in favor of restoring LGA, however, the Governor was not.

**RESOLUTION NO. 5428: A Resolution Approving Preliminary 2007 Tax Levy Collectible in 2008 was offered by Councilmember Erickson who moved its adoption, and upon due second by Councilmember Downs was approved with the following vote: Ayes: Hellquist, Lehmann, Meuers, Johnson, Downs, Erickson. Nays: Markeson.**

**ADJOURN**

There being no further business, motion by Hellquist, second by Meuers, to adjourn the meeting. Motion carried. Meeting adjourned at 6:50 p.m.

Respectfully submitted,

  
Kay M. Murphy  
City Clerk