

CITY COUNCIL PROCEEDINGS

BEMIDJI, MINNESOTA

Work Session – May 22, 2023

Pursuant to due call and notice, a work session of the City Council of the City of Bemidji, Beltrami County, Minnesota, was held on Monday May 22, 2023, at 5:30 p.m. in the Council Chambers of City Hall, Mayor Prince presiding.

Upon roll call, the following Councilmembers were declared present: Prince, Fiskevold Gould, Peterson, Johnson, Rivera, Eaton, Thayer

Staff Present: Finance Director Ron Eischens, City Attorney Katie Nolting, City Engineer Sam Anderson, Assistant City Attorney Andrea Kingbird, Fire Chief Justin Sherwood, Parks & Recreation Coordinator Marcia Larson, Building Official Todd Beito, Planning Administrator Jamin Carlson, Police Chief Mike Mastin, City Clerk/acting City Manager Michelle Miller.

Mayor Prince stated that the purpose of the meeting was for an initial discussion for the 2024 Financial Management Plan.

2024 Financial Management Plan

Eischens stated the purpose of the meeting was to discuss the 2023 Budget including review of personnel, capital and operational issues, provide council with staff recommendations related to budget decisions, and to receive council direction to continue working on the 2024 Budget.

- ❖ Personnel Required Costs - \$589,000 (8% levy increase):
 - Cost of living/step increases
 - Payroll taxes/Retirement
 - Fringe Benefits/Insurance Costs
 - Increased workers' compensation premiums

- ❖ Staff Recommended Personnel
 - Job Study results - \$465,000
 - Drug Task Force Officer - \$49,000
 - Fire Department Staffing - \$170,000
 - Parks & Recreation Staffing - \$90,000
 - Legal Assistant - \$87,000

- ❖ Staff Recommended Operational - \$587,000 (8% levy increase):
 - Inflation increase for operational costs - \$120,000
 - Law enforcement dispatch services - \$125,000
 - Law Enforcement Center capital costs - \$75,000
 - JPB dissolution and related costs - \$200,000
 - County IT/Assessing/Police IT - \$20,000
 - Public Works bond payment change - \$5,000
 - City Hall/Public Works building costs - \$42,000

- ❖ Other operational issues:
 - City Code Codification
 - City pay plan update for union negotiations
 - JPB Planning and Zoning ordinance update
 - Seasonal wage levels
 - Sanford Center Capital maintenance
 - Park Improvement funding
 - Proactive city building maintenance
 - Street reconstruction funding increase
 - Changes in five year equipment/project CIP
 - New City Hall/Fire Hall funding
 - Railroad Corridor
 - Future of Neilson Reise Arena
 - Lakeview Liquor upgrades
 - Tourist Information Center upgrades
 - Beltrami County Historic Depot

- ❖ Potential Revenue Increase
 - One time Public Safety Aid
 - LGA Increase
 - Northern Township Revenue Sharing

- Housing Aid
- Various other line items – includes increased Rural Fire contribution

If no cuts or new revenue, with a shortfall of \$1,666,000 equates to a 22% levy increase. Eischens stated that staff realizes that a 22% levy increase is not realistic and seeks direction from council on what an acceptable levy increase would be. Eischens again expressed the need for a special use tax to help fund regional assets. Eischens noted that a 1% levy increase is \$75,000 and a 5% levy increase is \$333,000. Tax increase on average home value of \$193,000 is \$170/year and tax increase on average business value of \$401,000 is \$711/year.

Council provided the following comments related to an acceptable levy increase:

- Thayer: 9% but could consider higher after discussion
- Rivera: 9%-15% (reduce from 15%)
- Peterson: Not double digit
- Eaton: 9%-15%
- Johnson: 10% but would consider higher if justified
- Prince: Single digit
- Fiskevold Gould: 10%-15%

ADJOURN

There being no further business, motion by Fiskevold Gould, seconded by Eaton, to adjourn the meeting. Motion carried. Meeting adjourned at 7:16 p.m.

Respectfully submitted,



Michelle R. Miller
City Clerk