

CITY COUNCIL PROCEEDINGS

BEMIDJI, MINNESOTA

Work Session – August 14, 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, August 14, 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: City Attorney Katie Nolting, City Engineer Sam Anderson, Fire Chief Justin Sherwood, Building Official Matt Ridlon, Planning Director Jamin Carlson, Police Chief Mike Mastin, Parks and Recreation Coordinator Marcia Larson, Accountant Sherry Rutledge, City Clerk/acting City Manager Michelle Miller.

Others: Ashley Feldewerd, Abdo Financial Solutions

Mayor Prince stated that the purpose of the meeting was to discuss the 2024 Financial Management Plan (Budget and Levy).

2024 Financial Management Plan (FMP)

Ashley Feldewerd with Abdo Financial Solutions, presented the 2024 Levy and General Fund Budget, stating that the preliminary tax levy will need to be set by the end of September and would be helpful for staff to have direction on issues and council initiatives, stating that the preliminary levy submitted can only decrease with final adoption in December.

Feldewerd reviewed the budget changes from the last work session of council:

EXPENSES:

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

- ❖ Job Study Results - \$474,000

- ❖ Staff Recommended Personnel - \$246,000
 - Drug Task Force Officer - \$49,000
 - Fire Department Staffing - \$150,000
 - Parks & Recreation Staffing - \$90,000
 - Legal Assistant - \$87,000
 - Remove Assistant City Manager – (\$130,000)

- ❖ Staff Recommended Operational - \$438,050:
 - Law Enforcement Center Lease - (\$200,000)
 - Sanford Center deficit - (\$188,000)
 - Increased Equipment costs - \$260,000
 - Law Enforcement Dispatch services - \$175,000
 - JPB Dissolution – increased City cost - \$200,000
 - Law Enforcement Center Maint - \$100,000
 - Increased City Hall/PW Bldg costs - \$42,000
 - County IT/Assessing/Police IT - \$20,000
 - Update City pay plan for Union Negotiations - \$20,000
 - City contribution to KRL system - \$4,050
 - PW Bond Payment - \$5,000

REVENUE:

- ❖ Proposed Revenue Increases - \$700,597
 - One time Public Safety Aid - \$75,000
 - LGA Increase - \$333,097
 - Reduced Northern Township Revenue Sharing - \$28,000
 - Various line items - \$203,000
 - Rural Fire Contribution (new firefighters) - \$61,500

RECAP OF BUDGET CHANGE:

Revenue Increases: \$ 700,597
Expense Increases: \$1,747,050
Shortfall: \$1,046,453 = Levy Increase: 13.96%

IMPACT ON PROPERTY TAXES:

\$150,000 @ 13.1% = 49% tax rate = \$26 per year increase
\$300,000 @ 14% = 49.3% tax rate = \$69 per year increase

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

- Thayer: supports 10%-11% levy – supports needs of law enforcement
- Rivera: supports funds for parks maintenance; supports proposed levy.
- Peterson: does not support levy over 9.99% - supports needs of public safety and parks; encourages creative financing
- Eaton: supports proposed levy
- Johnson: supports levy under 10%; supports public safety and more officers
- Prince: expressed concern on increased spending and the tax rate due to increased property values; has concerns of a 13.96% levy
- Fiskevold Gould: supports proposed levy

ADJOURN

There being no further business, motion by Peterson, seconded by Fiskevold Gould, to adjourn the meeting. Motion carried. Meeting adjourned at 7:23 p.m.

Respectfully submitted,



Michelle R. Miller
City Clerk