

PUBLIC AFFAIRS COMMITTEE AGENDA

***September 24, 2019 ~ 5:15 p.m.
City Hall Conference Room***

(Administration, Personnel, Legal, Finance, PEG Access, Municipal Liquor, Police & Fire)

1. CALL TO ORDER
2. FIRE RELIEF PENSION
3. LIQUOR STORE WEBSITE & ADVERTISING FOLLOW-UP
4. ADJOURN

MISSION STATEMENT

Provide leadership and coordination for the City Council in public policy areas related to:

- *Internal council policies and procedures*
- *External relations to other units of government and service providers*
- *Community governance and civic relations*
- *Advisory boards and commissions*

PUBLIC AFFAIRS COMMITTEE **AGENDA ITEM**



Meeting Date: September 24, 2019

Action Discussed: Consider Bemidji Volunteer Firefighters' Relief Association (FRA) Pension Benefit

Prepared By: Ron Eischens, Finance Director *Ron*
Nate Mathews, City Manager *Nate*

FRA Trustee member Beard and City staff discussed pension fund status and benefit levels with FRA officers and trustee board members.

The current pension benefit guaranteed by the City is \$6,857 per year of service. The FRA membership increased the benefit level to \$7,800 independently in September 2018 and plan to increase it to \$8,150 in September 2019 to demonstrate their willingness to shoulder a portion of the financial risk. They believe their investment portfolio is able to safely grant this benefit increase and withstand a significant stock market correction before the City would be liable to contribute to cover the guarantee.

Based on the understanding from 2018 Public Affairs Committee and Council action, increases of 7% would be considered providing surplus positions were adequate as shown below:

- **Pension benefit increase:**
 - 7% for 2020 - \$7,337 per year of service
 - 7% for 2021 - \$7,850 per year of service

During the annual review of the investment fund, the surplus position, based on the City's proposed 2020 pension benefit level is 130%, versus the 105% stated in their By-Laws. This provides a cushion against future market downturns, minimizing the risk of a required City contribution.

Council approval of any pension benefit increase carries with it a "financial guarantee", meaning that if the FRA is unable to fund the pension benefit, the City is financially obligated to maintain the benefit level. This liability is spread out over a period of 10 years. The Rural Fire Association is also guaranteeing their portion of any pension shortfall through their contract for fire services with the City.

The President of the FRA requests Council approval of their By Law changes, see attached.

Recommendation:

With an adequate investment surplus position, staff recommend approving the FRA request for a pension benefit increase of \$480, or 7%, to a level of \$7,337 per year of service, effective 1/1/2020 with an annual review next year. The understanding includes proposed increases for 2021 as follows:

- \$513, or 7%, effective 1/1/2021 for an annual benefit of \$7,850

Public Affairs Committee recommend to City Council approval of the 2020 pension benefit level, as it must be acted on for each increase.

APPENDIX A
BASE SUM

The Base Sum Amount is: \$ 3,750

<u>Date Approved By Members</u>	<u>Amount</u>	<u>Approved By City Council Resolution</u>
September 26, 2000	\$3,750	October 22, 2000
April 25, 2006	\$4,150	June 5, 2006
October 30, 2007	\$5,100	December 17, 2007
September 24, 2013	\$5,350	December 16, 2013 (Effective 1/1/2014)
August 26, 2014	\$6,000	October 13, 2014 (Effective 1/1/2015)
September 27, 2016	\$6,252	October 17, 2016 (Effective 1/1/2017)
September 26, 2017	\$6,408	September 18, 2017 (Effective 1/1/2018)
October 30, 2018	\$6,857	October 15, 2018 (Effective 1/1/2019)
September 24, 2019	\$7,337	October 7, 2019 (Effective 1/1/2020)
September 26, 2017	\$7,000	(Effective December 31, 2017) **No City Council Approval Received
September 25, 2018	\$7,800	(Effective December 31, 2018) **No City Council Approval Received
September 24, 2019	\$8,150	(Effective December 31, 2019) **No City Council Approval Received



Bemidji
**Pioneer Firefighters Relief
ASSOCIATION**

318 5th ST NW
BEMIDJI, MINNESOTA 56601
Established 1897

August 30, 2019

Mr. Nate Matthews, City Manager
City Hall
316 4th Street NW
Bemidji, MN 56601

Greetings Nate,

The Bemidji Volunteer Fire Department Relief Association Board of Trustees is requesting that the following resolution be included on the October 7, 2019 City Council meeting agenda:

“Be it resolved to approve an amendment to Appendix A of the Bemidji Volunteer Fire Department Relief Association By-Laws to ratify a Benefit Level increase from \$6587.00 to \$7337.0.0 annually, effective January 1, 2020.”

Also attached is a copy of Appendix A showing how it would reflect the new benefit level it were to be approved.

Respectfully,

Ben Hein
President
Bemidji Pioneer Volunteer Fire Department Relief Association

PUBLIC AFFAIRS COMMITTEE **AGENDA ITEM**



Meeting Date: September 24, 2019

Action Discussed: Discuss liquor store advertising

Prepared By: Ron Eischens, Finance Director *Ron*

Background

Liquor store advertising is an area staff reviewed in conjunction with the new store opening. Summary information listed below:

- Annual advertising budget of \$30,000
 - Hard to measure return on advertising investment
 - In the past, advertising was much less, sales still increased
 - Majority of budget was spent on print advertising
 - Changed dollar allocation to 1/3 print, 1/3 radio and 1/3 "City determined"
- Customer comments at new store
 - Many tourists stopping by
 - ND plates - "don't stop at Happy Harry's anymore"
- Best "advertising" is store **location, customer service and product selection**

New advertising ideas:

- New website
 - Visit website at: <https://evolvecs.wixsite.com/bemidji-liquor>
 - Please review
 - Comments and input desired
- Beer/Bourbon/Brat festival summer 2020
 - \$5,000 sponsor fee
 - Should City sponsor?
 - Possible Bourbon vendor sponsor
 - Beer sponsor – Bemidji Brewing

- E-ticket coupons @ Sanford Center
 - Attract “new” customers to store
 - List discount on ticket
 - % of purchase over base amount or flat dollar amount
 - 14 day time limit
 - 1 coupon per person per transaction per day
 - List what profits are/have been used for
 - Reduce property taxes
 - Special projects
 - Park improvements
 - Subsidize street projects
 - Library construction
 - DEPOT remodeling
- Scoreboard advertising at Sanford Center
- Stadium cups
- Facebook advertising

Recommendation:

Provide direction on items listed above.