

CITY COUNCIL PROCEEDINGS

BEMIDJI, MINNESOTA

Work Session – October 13, 2014

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, October 13, 2014, at 5:30 p.m. in the Conference Room of City Hall, Mayor Albrecht presiding.

Upon roll call, the following Councilmembers were declared present: Albrecht, Hellquist, Johnson, Olson, Erickson, Thompson Absent: Meehlhause

Staff Present: Finance Director Ron Eischens, Public Works Director City Attorney Alan Felix, Fire Chief Dave Hoefler, City Clerk Kay Murphy

Others Present: Fire Relief Representatives - Bill Batchelder, Bruce Hemstad, Jeff Skime

Fire Relief Association Request

Bill Batchelder, Association President, stated that periodically when their fund balance warrants it, they come before the Council to guarantee an increase in benefit. He stated that the City of Bemidji has donated less than one-tenth of one percent of their funds in the last 100 years. Municipalities guarantee the benefit increase in the case of a market correction. He stated that they have a 5% built in reserve.

Bruce Hemstad, Association Secretary, stated there is no contribution required for 2014 and they met with the Long Range Planning Committee who unanimously supported the Bemidji Fire Relief Association request to increase their lump sum pension plan from \$5,350 to \$6,000. He reviewed the funding ratios from 1996-2013. Funds have averaged 106.7% of required funding. He noted that there were five years when they were underfunded and the City helped bring them back to 100% funding. He stated the current balance is just under \$2.5 million.

Hemstad reviewed the schedule form for lump-sum pension plans assuming an annual benefit level of \$6,000. He stated that the Association By-laws requires that funding be at the 105% level or higher for three years in a row before requesting a benefit adjustment. Discussion continued regarding the value of the firefighters, average pay and service they provide to city.

Hellquist asked what would happen if the top seven retired? Hemstad stated that the funding ratio does not change but it would reduce some of the fund's earning ability.

Erickson noted that this is a 12% increase in one year and if underfunded the City would have to make up the difference. She stated that the Fire Association could increase their benefits without the City's backing.

Fire Chief Hoefler stated that Fire Administration is in favor of the increase and that it is a sound financial plan.

Olson stated that there is a recruitment problem and the City needs to retain our volunteer firefighters and increasing the benefit is one way we can do that.

Motion by Hellquist, seconded by Olson, to approve the increase in benefit level from \$5,300 to \$6,000 for the Fire Relief Association's pension plan. Motion carried unanimously.

Sherman Drive Project

Gray stated that work has begun on the feasibility report for the 2015 Street Renewal Project that the City Council authorized. The project will include the reconstruction of Sherman Drive from Lake Avenue to Piper Drive with the paving of Piper Drive and White Birch Avenue; both are gravel roads. He stated that three roads are considered rural roads as they have no curb and gutter or storm sewer and the drainage is handled by adjoining road ditches. The proposed project will involve the removal and replacement of bituminous on Sherman Drive and the paving of White Birch and Piper Drive. He stated that the city's current assessment policy of \$38/front foot is not very applicable, since the properties will not be receiving the benefit of concrete curb and gutter, storm sewer, or concrete driveway aprons. Absent the benefit of these improvements combined with the large lot sizes it is difficult to meet the benefit test at \$38/front foot.

Gray stated that staff have reviewed and are recommending that the assessments on the proposed project be calculated on a per lot basis, with each lot paying the same amount. The current policy of \$38/front foot has resulted in the affected property owners paying between 18%-20% of the project cost each of the last six years. Staff is proposing that the City use the same proportions on this project. Gray stated that the current estimate for the project is \$710,000 and at 20% of that amount, divided equally among the affected parcels the assessment to each parcel would be \$2,540.

Council agreed with Gray's recommendation of \$2,540 per parcel assessment.

City Manager's Job Description

Council reviewed a revised draft of the job description for city manager. Councilor Thompson recommended removal of the reference to "close visual work". Council concurred. The Council consensus was that the job description was acceptable as amended.

Executive Search Firms

The following proposals were received for Executive Search Firms to conduct the city manager job search:

<u>Consultant</u>	<u>Base Bid</u>	<u>Expenses</u>
Brimeyer Fursman	\$11,800	\$2,950
Springsted, Inc.	\$14,500	\$2,500
Novak Consulting	\$23,900	\$2,500
Gov HR USA	\$19,500	\$2,000

Council discussed merits of the two lowest bidders. Eischens stated that funding for the firm would come from the savings from the manager's wage.

Motion by Erickson, seconded by Johnson, accepting the proposal from Springsted, Inc. in the amount of \$14,500 plus \$2,500 for miscellaneous expenses. Motion carried with the following vote: Ayes: Albrecht, Erickson, Johnson, Hellquist, Olson. Nays: Thompson.

Update

Mayor Albrecht provided a brief update on the Lessard Sams grant stating that the full amount has been recommended to the State Legislature.

ADJOURN

There being no further business, motion by Hellquist, seconded by Johnson, to adjourn the meeting. Motion carried. Meeting adjourned at 6:48 p.m.

Respectfully submitted,


 Kay M. Murphy
 City Clerk