

# CITY COUNCIL PROCEEDINGS

## BEMIDJI, MINNESOTA

### Regular Meeting – October 19, 2015

Pursuant to due call and notice, a regular meeting of the City Council of the City of Bemidji, Beltrami County, Minnesota, was held on Monday, October 19, 2015 at 6:00 p.m. in the Council Chambers of City Hall, Mayor Albrecht presiding.

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

Staff Present: City Manager Nate Mathews, City Attorney Alan Felix, Public Works Director/City Engineer Craig Gray, Deputy City Clerk Michelle Miller

#### **AMENDMENTS TO AGENDA**

Mayor Albrecht called for any amendments to the agenda. **Motion by Johnson, seconded by Hellquist, to approve the agenda as prepared. Motion carried by unanimous vote.**

#### **MINUTES**

The following minutes were presented for approval:  
Council Meeting      October 5, 2015

**Motion by Erickson, seconded by Meehlhause, to approve the minutes as prepared. Motion carried by unanimous vote.**

#### **CONSENT AGENDA**

Councilor Larson requested that the Revised Sewer and Water Access Charge Policy be removed for further discussion. Councilor Erickson requested that the request to Waive Permit Fees from the Homeless Coalition be removed for further discussion. **Motion by Johnson, seconded by Hellquist, to approve the Consent Agenda items as follows:**

1. Claims Submitted by Finance Officer in the amount of \$1,087,981.02
2. Claims Submitted by Venuworks for the Sanford Center in the amount of \$22,858.20
3. General Business Licenses - 2015
4. **RESOLUTION NO. 5969:** Accepting a \$2,000 donation for Cameron Park in honor of P. James Cameron
5. Appointment of Cory Boushee to the Joint Planning Commission
6. **RESOLUTION NO. 5970:** Approving Application for a Gambling Permit (Confidence Learning Center at Bemidji Bowl)

**Motion carried by unanimous vote.**

#### **CITIZENS NOT ON AGENDA**

Becky Schueller, Evergreen Youth & Family Services, spoke about the upcoming homeless survey to be conducted by the Wilder Research Center. She stated that this survey is completed triannually and helps in local, state and federal planning to address homelessness for services and capital funding for homeless housing. The study will be conducted October 22. The survey will be focused on where individuals stayed the night of October 21. The survey will be conducted on adults and high school youth. School volunteers will be helping conduct the surveys on high school youth at the High School Commons.

#### **COMMITTEE REPORTS**

Bemidji Youth Advisory Commission – Elizabeth Thompson, BYAC representative, reported that the Commission has several subcommittees working on upcoming events, including Winter Fest, J7, and April Fool's Day, and will be seeking sponsorships and donations to help fund various events.

#### **OLD BUSINESS**

Resolution Adopting Assessment Roll for Delinquent Utility Account for Skyline Village Reflecting Costs for Services Provided During the Year 2015

The adoption for this delinquent utility account was continued from the October 5 meeting. City Manager Nate Mathews stated that the city has received objections related to the utility costs. The conversations that Mathews and City Attorney Al Felix have had regarding what the owner feels is fair and equitable to pay on this delinquent account is beyond what staff can recommend to accept with the policies that are currently in place. The Finance Director

supports recommending assessing the full delinquent amount. Felix stated that staff did offer a lower settlement amount but did not hear back from the owner until the day of the council meeting and that number was far beyond a reasonable settlement that the City could accept.

**RESOLUTION NO. 5971:** Adopting Assessment Roll for Delinquent Utility Account Reflecting Costs for Services Provided During the Year 2015 for Skyline Village in the amount of \$112,235.49 was offered by Councilmember Hellquist, who moved its adoption, and upon due second by Councilmember Erickson was passed by unanimous vote.

### **NEW BUSINESS**

#### **Consider Authorization and Execution of Minnesota Energy Resources Corporation Gas Easement**

Minnesota Energy Resources Corporation (MERC) is requesting the City to convey a ten (10) foot wide easement corridor along and through the former railroad corridor owned by the City situated just south of Paul Bunyan Drive SE between the Paul Bunyan Trail Bridge on the east and the south end of former Midway Drive on the west side of the Mississippi River (just behind the Mayflower Building in Union Square).

The easement is desired in order for MERC to install a new underground 12-inch gas pipeline. The new line will enhance service to gas customers in and north of the City of Bemidji. A 12-inch gas line already exists in this same area, however, that line is situated mainly within the right-of-way shoulder of Paul Bunyan Drive. The City previously granted Otter Tail Power an easement in the same general corridor for the overhead lines that were relocated there in the recent past. Of course, this former railroad corridor also serves as the corridor for the City's east-west grant-in-aid recreational trail.

City Staff has negotiated with MERC a proposed monetary consideration of \$20,000. Additionally, Staff have negotiated the terms and wording presented in the proposed easement, primarily with the goal of harmonizing the shared use of the corridor with the existing trail and overhead electric utility, and emphasizing preservation of the trail surface itself as well as trees and landscaping (or the restoration/replacement if impacted).

The document is complete but for the future incorporation of a surveyed centerline for the gas easement. Ideally, for accuracy, that survey would be completed after the pipeline is actually installed and the centerline description incorporated into the easement document at that point.

Erickson directed some questions for clarification of the easement which staff answered.

**Motion by Hellquist, seconded by Olson, to authorize the Conveyance of an Easement to Minnesota Energy Resources Corporation for Installation of an Underground Gas Pipeline in the Former Railroad Corridor. Motion carried by unanimous vote.**

#### **Public Hearing on Proposed Assessments for the 2015 Street Renewal Project (City Project #15-01 – Sherman Drive)**

Project 15-01 and the proposed assessments for the project were established by the Council at an October 13, 2014 Work Session. Because the roads were either gravel (White Birch & Piper) and/or did not have curb and gutter (Sherman) Council, based on staff's recommendation, determined that the city's current policy of \$38/front foot would not be applicable or equitable for this project, and set the assessments for each parcel at \$2,540 per lot, regardless of frontage. No city utilities exist in the area and thus there were no assessments for sanitary sewer or water services.

The total project cost ended up being \$507,383 and the assessments for the project total \$153,670. The remainder of the project will be paid with the street property tax levy (\$275,000) and storm water utility funds (\$78,713). The assessments will be spread over a 15-year period with an interest rate of 3.00%.

It is Gray's opinion that each parcel on the assessment roll has benefitted from the project in an amount greater than or equal to the proposed assessment and further recommends that the Council hold the assessment hearing and adopt the resolution approving the assessment roll for City Project 15-01.

Pursuant to published notice a public hearing was held regarding input on Proposed Assessments for the 2015 Street Renewal Project (City Project #15-01 – Sherman Drive). Mayor Albrecht opened the Public Hearing at 6:32 p.m.

Stephen Vencel, 4240 Sherman Drive, stated that he will be paying the assessment under protest because the project does not meet the specifications that the City used to bid the project. He stated that there is a fair amount of the wearing course on the south side that is open graded which will lead to early deterioration of the surface.

Hearing no further comments, Mayor Albrecht closed the public hearing at 6:35 p.m.

In response to Mr. Vencel's comments, Gray stated that upon inspection there was one area that did not meet the requirements and was required to go back and seal coat that area. Gray felt that the rest of the project met the specifications and had no additional issues.

**RESOLUTION NO. 5972:** Adopting Assessment Rolls for City Project #15-01 - 2015 Street Renewal Project was offered by Councilmember Erickson, who moved its adoption, and upon due second by Councilmember Meehlhause was passed by unanimous vote.

Public Hearing on Proposed Assessments for the 2015 Street Renewal Project (City Project #15-02 – Irvine Avenue)

Gray reviewed the reconstruction of Irvine Avenue which included replacement of the underground sanitary sewer, water main, storm sewer and complete reconstruction of the roadway surface, concrete curb and gutter and sidewalks.

Assessments to benefitting properties were proposed as a Chapter 429 Special Assessment project and according to the City's Public Improvement & Assessment Policy. The assessments are set at \$38/front foot for each parcel and anyone receiving new utility services would be assessed an additional \$1,070 for each new service received. Corner lots are assessed at 50% of their frontage. There were 10 parcels assessed for new sanitary sewer services and no parcels for new water services.

The assessments will be spread over a 15-year period at an interest rate of 3%. It is staff's opinion that each parcel on the assessment roll has benefitted from the project in an amount greater than or equal to the proposed assessment and further recommends that the Council hold the assessment hearing and adopt the resolution approving the assessment roll for City Project 15-02.

Pursuant to published notice a public hearing was held regarding input on Proposed Assessments for the 2015 Street Renewal Project (City Project #15-02 – Irvine Avenue). Mayor Albrecht opened the Public Hearing at 6:39 p.m.; hearing no comments, the Public Hearing closed at 6:40 p.m.

**RESOLUTION NO. 5973:** Adopting Assessment Rolls for City Project #15-02 - 2015 Street Renewal Project was offered by Councilmember Hellquist, who moved its adoption, and upon due second by Councilmember Johnson was passed by unanimous vote.

Adopt Revised Sewer Access Charge (SAC) and Water Access Charge (WAC) Policy Revisions

Larson requested that this item be removed from the consent agenda for further discussion. Mathews stated that this was brought before Council to address changes to existing services lines; if a customer upgrades their current service line, this addresses what that corresponding fee would be. The fee the existing customer pays will be lower than the fee for putting in a brand new line of the same size.

Larson stated that he has been asked where that money goes since it does not directly impact or benefit the participant. Gray stated that the SAC and WAC both go into their respective water utility fund or sanitary utility fund. Those funds are used to repaint water towers, re-drill wells, and for waste water treatment plant improvements.

Albrecht recited the purpose of the policy for clarification of this question.

**Motion by Hellquist, seconded by Meehlhause, to approve the revised Sewer Access Charge (SAC) and Water Access Charge (WAC) Policy. Motion carried by unanimous vote.**

Waive Permit Fees for Homeless Coalition (522 America Ave NW) (\$896.00)

Erickson requested that this item be removed from the consent agenda for further discussion. Erickson stated that past practice has been to waive these fees for Habitat for Humanity and she supports that request because Habitat takes tax forfeited properties and creates property tax paying entities by building homes on that property. Therefore, there will be an eventual return on those dollars once the homeowner occupies that home and begins paying property

taxes. Erickson stated that these waived fees would not be recovered since the Homeless Coalition would be a tax exempt property once it is operational.

Reed Olson, Board Chair for the Homeless Coalition, spoke on this issue before the Council. He stated that the board requested this waiver since it will be helping to provide housing, temporary or otherwise, to individuals in the community that are not able to find housing.

Meehlhause inquired if there is a precedent for waiving fees for a group besides Habitat. Albrecht stated that when Village of Hope was building a 2 million dollar facility, Rebecca Hoffman came before the City Council and requested wavier of SAC and WAC fees for about \$24,000; however, it was stated in the motion that those dollars needed to come from an Economic Development Fund since this was an economic development issue and stable shelter for the homeless was needed in our community. Erickson stated that the City needs to treat all groups fairly and the City is either going to support these requests or not. Mathews commented that this request satisfies the criteria of serving a public interest.

**Motion by Meehlhause, seconded by Larson, to waive the Building and Mechanical Fees for the Homeless Coalition Project (522 America Ave NW) (\$896.00). Motion failed by the following vote: Ayes: Meehlhause, Johnson, Albrecht. Nays: Hellquist, Erickson, Larson. Olson abstained from the vote.**

**ORDINANCE**

Erickson advised Council that the Deer Management Committee voted to increase the application fee for the deer hunt from \$5.00 to \$8.00 and asked that the fee schedule reflect that increase for the next reading of the ordinance.

**AN ORDINANCE** Amending the Bemidji City Code, Adopting an Amended Fee Schedule for 2016 was given a first reading.

**UPCOMING COUNCIL MEETINGS**

- Monday, October 26 No meeting
- Monday, November 2 6:00 p.m. Regular Council Meeting
- Monday, November 9 5:30 p.m. Work Session – City Manager’s Review

**COUNCIL/STAFF REPORT**

- Council members provided updates on current events and meetings.

**ADJOURN**

There being no further business, motion by Hellquist, seconded by Olson, to adjourn the meeting. Motion carried. Meeting adjourned at 7:15 p.m.

Respectfully submitted,



Michelle R. Miller  
Deputy City Clerk