

# **CITY COUNCIL PROCEEDINGS**

## **BEMIDJI, MINNESOTA**

### **Work Session – Monday, November 25, 2019**

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, November 25, 2019, at 5:30 p.m. in the Chambers of City Hall, Mayor Albrecht presiding.

Upon roll call, the following Councilmembers were declared present: Albrecht, Meehlhause (arrived 5:32), Beard, Johnson, Rivera, Erickson, Thompson.

Staff Present: City Manager Nate Mathews, Finance Director Ron Eischens, City Attorney Alan Felix, City Engineer Craig Gray, Community Development Director Steve Jones, City Clerk Michelle Miller

Mayor Albrecht stated the purpose of the work session was to discuss special use tax.

#### **Special Use Tax**

Mathews stated that with the City's bonding bill request as well as the possible request to the legislators for sales tax, it was recommended that the City hire a lobbying firm to help with those initiatives. Benefits of having a lobbyist could help with all of the different timelines, especially since we do not know what the MPCA mandates will be for the wastewater treatment facility. Other benefits of having a lobbyist is having that person in St. Paul that can attend hearings and advise city officials of those hearings. Consensus of council was to gather proposals from lobbying firms for future consideration.

#### **Food & Beverage Tax**

Albrecht invited Pat Welle, a local economist, as well as being a member of the Sanford Center Board of Directors, to speak about the importance of creating a different revenue stream, either food & beverage tax, hospitality tax or lodging tax in order to help pay for capital improvement projects and help reduce the demand on property taxes to pay for the Sanford Center. Welle also participated in the Special Use Tax Committee meetings. He stated that Bemidji is performing more like a midsize regional center, which are closer to the metro area. He described the factors that are causing the Sanford Center to underperform, including the pressures on the city budget are worse than projected and the burden is falling on the property taxpayers. Welle suggests a mid-course adjustment by seeking a special use tax revenue stream. An increase in lodging tax could help draw in more conventions. While his message is appreciated by the council, the audience that needs convincing are those groups that have opposed increasing lodging taxes and implementing a hospitality tax.

Beard suggested a food and beverage tax that could possibly be shared between the Sanford Center and the Neilson Reise Arena. The message to skeptics could be that since Bemidji is growing in population and workforce because of its success as a regional center, growth at hospitality related businesses may be more due to those factors rather than attracting new visitors. The question posed to council was does it want to pursue a 1% food and beverage tax in 2021. A lobbyist could also help the council with this question.

**Motion by Meehlhause, seconded by Beard to recess the meeting. Motion carried. Meeting recessed at 6:53 p.m.; Albrecht stated the council will reconvene in the conference room for closed session at 7:00.**

Council reconvened in the conference room at 7:00 p.m. It was noted that all council members and staff noted above were present.

**Motion by Meehlhause, seconded by Rivera, to close the meeting in accordance with Minnesota Statute Section 13D.05, Subd. 3(b) for the purpose of discussing with the City Attorney Threatened and Pending Litigation. Motion carried unanimously. Meeting closed at 7:01 p.m.**

The Council discussed threatened and pending litigation with the City Attorney in closed session.

**Motion by Meehlhause, seconded by Beard to reopen the meeting. The meeting reopened at 8:05 p.m.**

**Adjourn**

There being no further business, motion by Rivera, seconded by Meehlhause, to adjourn the meeting. Motion carried. Meeting adjourned at 8:06 p.m.

Respectfully submitted,

A handwritten signature in blue ink that reads "Michelle R. Miller". The signature is written in a cursive style with a large initial "M".

Michelle R. Miller  
City Clerk