

CITY COUNCIL PROCEEDINGS

BEMIDJI, MINNESOTA

Regular Meeting – November 3, 2014

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, November 3, 2014 at 7:00 p.m. in the Council Chambers of City Hall, Mayor Albrecht presiding.

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

Staff Present: City Manager John Chattin, City Attorney Alan Felix, Public Works Director/City Engineer Craig Gray, Finance Director Ron Eischens, City Clerk Kay Murphy

PROCLAMATION

Mayor Albrecht proclaimed November 16-24 as Hunger and Homeless Awareness Week in Bemidji.

AMENDMENTS TO AGENDA

Mayor Albrecht called for any amendments to the agenda. The following item was requested to be added to the agenda: Update on the Mayflower Building – Dave Hengel. **Motion by Johnson, seconded by Thompson, to approve the agenda as amended. Motion carried by unanimous vote.**

MINUTES

The following minutes were presented for approval:

Council Meeting	October 20, 2014
Work Session	October 13, 2014

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

CONSENT AGENDA

The following Consent Agenda items were presented for approval. **Motion by Meehlhause, seconded by Thompson, to approve the Consent Agenda items as follows:**

- 1) Claims Submitted by Finance Officer in the amount of **\$630,827.27**
- 2) Claims Submitted by VenuWorks for the Sanford Center in the amount of **\$34,717.70**
- 3) Approved Miscellaneous Business Licenses – 2014
- 4) **RESOLUTION NO. 5914:** Establishing Fares for Donald Andree Limousine Service
- 5) **RESOLUTION NO. 5915:** Accepting Donation from Enbridge Energy in the amount of \$1,000 for the Purchase of Firefighting Nozzles – Fire Dept.
- 6) **RESOLUTION NO. 5916:** Accepting Donation from Eagles in the amount of \$1,000 for the Purchase of Automated External Defibrillator (AED) and CPR Training Supplies
- 7) Change Order No. 1 – Chief Bemidji Platform Construction in the amount of \$600 – Parks Dept.

Motion carried by unanimous vote.

CITIZENS NOT ON AGENDA

No one appeared.

COMMITTEE REPORTS

Bemidji Youth Advisory Commission – Marshall Petrie, BYA representative, reported on upcoming Commission activities.

Librarian's Report - Paul Ericsson, Branch Manager, highlighted upcoming Library events. Ericsson discussed his resignation and the transition plans for hiring a new branch manager.

NEW BUSINESS

Irvine Avenue & 30th Street Project - City Project #15-02

Gray stated that the City will be awarded approximately \$737,000 of federal aid transportation highway money for the reconstruction of Irvine Avenue from Paul Bunyan

Drive to 30th Street. The feasibility report outlines the proposed improvements, estimated costs and recommended property assessments. He then reviewed the proposed improvements and financing for the project. He stated that Irvine Avenue will be narrowed but will not affect the driving public. Gray stated that a neighborhood meeting for those affected properties is scheduled for November 6, 2014.

RESOLUTION NO. 5917: Accepting a Feasibility Report and Ordering a Public Hearing for November 17, 2014 for Irvine Avenue and 30th Street Project (#15-02) was offered by Councilmember Hellquist, who moved its adoption, and upon due second by Councilmember Meehlhause was passed by unanimous vote.

Revised Curling Club Lease Agreement

Chattin commented that the revised Curling Club Lease Agreement is an attempt to “fix” a longstanding lease which will allow subletting of the facility on occasion. He further stated that it limits the City’s liability on that facility.

Felix stated that the existing lease is sixteen years old with four years to go and City staff have sat down with Curling Club members to update and address concerns. In addition the past summer also brought to light the issue of energy savings that could be achieved by a re-examination of the negotiated use rate with Otter Tail Power for the entire Nielsen-Reise complex, including the Curling Club premises. In light of the utility savings, a proposed reduction in the city’s participation from \$10,000 to \$5,000 was recommended.

Johnson asked if the arena and curling club were two separate buildings. Felix responded they share a common entrance but he believed they were two standalone operations.

Erickson stated that the City has contributed \$10,000 and now \$5,000 and asked why the City doesn’t do the improvements and felt it was “odd”. Eischens stated that the funds do not go directly to the Curling Club; they submit invoices for reimbursement to the Parks & Recreation Director. Gray responded that staff would rather the Curling Club take care of maintenance and improvements for their portion of the building.

Olson stated that the Curling Club spends more than the City’s contribution.

Council discussed the following corrections/changes to the lease:

- Reduce the lease term from twenty years to ten years.
- Remove the language regarding maintenance in Section 5(e) and revise it to state capital expenditures.

Motion by Hellquist, seconded by Johnson, to approve the revised Curling Club Lease agreement in substantially the form presented with corrections noted. Motion carried unanimously.

Hiring of Tax Increment Consultant

Eischens stated that the City recently received a tax increment financial (TIF) application from the developer interested in redeveloping the old high school site. In order to evaluate this project and TIF proposal, the City requires outside expertise. Tax increment is not an area City staff deal with regularly nor have the experience to properly evaluate so we sought proposals from known consultants and advertised in the League’s website. We received three proposals from the following companies: Springsted, Ehlers, and the PFM Group. The hourly rates were similar from all the firms which were reviewed by staff and they recommend the hiring of Ehlers as well as Stefanie Galey as the legal counsel.

Albrecht stated that the developer is concerned about an open ended contract and their financial responsibility. Chattin suggested that staff can visit with Ehlers and the Developer regarding the potential cost. Discussion continued regarding the financial responsibility of the developer.

Felix stated that the tax increment consultants represent the City not the developer. He recommended that the developer should look seriously at hiring their own consultant to act in their best interest. Felix stated that the developer paid \$7,500 to start the TIF process.

Motion by Erickson, seconded by Meehlhause, to approve the hiring of Ehlers as the City’s TIF Financial Consultant and Stefanie Galey of Faegre, Baker and Daniels as the TIF Legal Counsel. Motion carried unanimously.

Mayflower Building

Dave Hengel, Executive Director of Greater Bemidji, stated that they have signed a purchase agreement with Kraus Anderson for the Mayflower building and anticipated closing either this week or next. He reviewed the building plans and stated that it will be a spectacular building. He noted that all the leases are in place which will create jobs in the community and should be opened in February. Hengel stated that the cost estimate from Kraus Anderson has been adjusted. He stated that the City is a partner in this project and asked that the Council consider waiving or reducing the building and mechanical permit fees as a partner.

Thompson asked where the permit fees go that are collected. Chattin stated that it goes to the general fund.

Erickson stated that the City has supported the project but she cannot support waiving the building permit fees for the project.

Albrecht stated that the funds that were used for this project are UDAG funds.

Motion by Thompson, seconded by Olson, to waive the building permit, plan review and mechanical fees for the Mayflower project. Motion carried with the following vote: Ayes: Meehlhause, Albrecht, Johnson, Thompson, Olson. Nays: Hellquist, Erickson.

Street Funding Option Recommendations for Cities

Albrecht stated funding options are being developed to take to the State.

Gray stated that the proposals would not help the MSA streets which are already funded adequately. He stated that the only way to get away from assessments is to look at a street improvement district or wheelage tax.

Council directed staff to e-mail Bemidji's recommendations to Mayor Coleman.

ORDINANCES

AN ORDINANCE Amending an Uncoded Section of the Bemidji City Code (Authorizing the Exchange and Conveyance of Real Property) was given a first reading.

Pursuant to published notice, a Public Hearing was held to receive input regarding Amending the Bemidji City Code, Adopting an Amended Fee Schedule for 2015. Mayor Albrecht opened the Public Hearing at 8:22 p.m., hearing no comments the public hearing was closed at 8:23 p.m.

AN ORDINANCE Amending the Bemidji City Code, Adopting an Amended Fee Schedule for 2015 was given a second reading.

UPCOMING COUNCIL MEETINGS

- Monday, November 10 5:30 p.m. Canvassing Board (Chambers)
- Monday, November 17 5:00 p.m. Special Work Session – Search Firm
- Monday, November 17 7:00 p.m. Council Meeting

COUNCIL/STAFF REPORT

- Council members provided updates on current events and meetings.

ADJOURN

There being no further business, motion by Meehlhause, seconded by Thompson, to adjourn the meeting. Motion carried. Meeting adjourned at 8:40 p.m.

Respectfully submitted,


Kay M. Murphy
City Clerk