

CITY COUNCIL PROCEEDINGS

BEMIDJI, MINNESOTA

Regular Meeting – December 1, 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, December 1, 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, Public Works Director/City Engineer Craig Gray, Finance Director Ron Eischens, City Clerk Kay Murphy

PRESENTATION OF THE COLORS

Boy Scout Troop No. 25 presented the colors and led the Pledge of Allegiance.

AMENDMENTS TO AGENDA

Mayor Albrecht called for any amendments to the agenda. **Motion by Thompson, seconded by Meehlhause, to approve the agenda as amended. Motion carried by unanimous vote.**

MINUTES

The following minutes were presented for approval:

Council Meeting	November 17, 2014
Sp. Work Session	November 17, 2014

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

CONSENT AGENDA

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

1. Claims Submitted by Finance Officer in the amount of **\$1,215,739.51**
2. Claims Submitted by VenuWorks for the Sanford Center in the amount of **\$76,905.32**
3. Miscellaneous Business License Renewals for 2015
4. Final Reading of Off/On Sale Beer License Renewals for 2015
5. Liquor, Sunday Liquor and Wine License Renewals for 2015
6. Appointment to the Charter Commission – Don Heinonen
7. Nominate Joint Planning Commission Members for Reappointment – Randy McGuire and Kellie Dixon
8. **RESOLUTION NO. 5921:** Accepting Donation in the amount of \$15,000 from Northwest Minnesota Foundation – Nymore Dog Park
9. Purchase a 2015 Ford Interceptor Sedan from Nelson Auto Center (\$27,293.98) – Police Department
10. Purchase a 2015 Ford Interceptor SUV from Nelson Auto Center (\$29,711.95) – Police Department

Motion carried by unanimous vote.

CITIZENS NOT ON AGENDA

No one appeared.

COMMITTEE REPORTS

Bemidji Youth Advisory Commission – Marshall Petri, BYA representative, reviewed upcoming Commission events.

TRUTH-IN-TAXATION HEARING

Finance Director Eischens reviewed the material for the Truth-In-Taxation presentation. He highlighted the 2015 budget noting the following changes from 2014:

- Property Tax Levy Increase of 8.7% (.2% decrease from last year)
- Net increase of 7.3%
- Tax rate increase of 4.5% which is less than the levy increase due to the increase in City property values

- Average homeowner would pay \$8 more in City taxes
- Average business owner would pay \$37 more in City taxes

He stated that if property owners are part of the Phase 1 annexation, their City property tax increase was significant. The simple answer is that in 2012 when the Townships and the City agreed to initiate annexation, the intent of the annexation was to bring the township residents up to the City property taxpayer level. The phase-in used by the County was incorrect and compounded the matter and made the increases more significant that they should have been.

Eischens noted that the Council made the following general budget adjustments:

- \$203,000 personnel cost increases – 2% staff cost of living increases, payroll taxes, PERA and the addition of three new positions.
- \$224,000 increase in capital items including, but not limited to, annual Sanford Center capital replacement, dehumidifier for Neilson-Reise Arena, 30th Street trail project.
- \$38,000 operational increases, i.e., fuel and insurance.

Eischens reviewed why property taxes vary from year to year, how city taxes are spent and other charts comparing Bemidji with like cities. The City's final budget and tax levy will be adopted by the Council at its December 15th meeting. The total budget is \$35 million.

Pursuant to published notice a public hearing was held regarding input on the 2014 Truth in Taxation. Mayor Albrecht opened the Public Hearing at 7:29 p.m., hearing no comments closed the Hearing at 7:30 p.m.

NEW BUSINESS

Assumption of Development Contract

Eischens stated that the City entered into a contract for private development with PACE Inc., in March 1995 to develop an area south of the Hospital which is called Cottage Park. This development is a Tax Increment Financing (TIF) district which is projected to terminate on December 31, 2016 based on current information. PACE is now interested in selling the property and assigning its rights and obligations under the contract to Whelan Properties, Inc., including the TIF note. Eischens stated that staff utilized the City's tax increment legal counsel, Stefanie Galey, to review and draft the necessary documents to approve the transaction. City staff believes Whelan Properties, Inc., meets the qualifications and financial responsibilities to assume and be responsible for the obligations of the Development Contract.

RESOLUTION NO. 5922: Approving the Assignment and Assumption of Development Contract between the City and Pace Development, Inc. was offered by Councilmember Hellquist, who moved its adoption, and upon due second by Councilmember Thompson was passed by unanimous vote.

Community Engagement and Design Work

Kurt Wayne, Development Specialist with the HRDC, reviewed a Community Design Team (CDG) proposal summarizing the scope of work, cost and timeline for providing technical planning and community engagement to the City of Bemidji to develop a network of designated and marked bicycle facilities with the goal of increasing bicycling in the city. He stated that BC/BS of Minnesota is providing \$20,000 to complete the work with CDG as outlined in the proposal. His purpose was to hear feedback from the City Council regarding the proposal.

Discussion continued regarding identifying bike trails and how they will be identified in the future. Gray advised the Council that what the report will detail will not be free nor will there be grant funds. He stated that the Council will have to make decisions on how to fund painting "green lanes" or other bike route identification.

Mayor Albrecht stated that the study will provide more information on how to connect different parts of our city in a safe and effective way. She stated it is another "tool" when talking about annual street reconstruction and the need for bike trails.

Petri commented that the BYAC would like to participate in any way they can.

Wayne concluded that there will be meetings in the next eight weeks and encouraged the Youth Advisory Commission members to attend.

Johnson inquired about the Nice Ride reservation system. Wayne stated that there will be some changes and perhaps relocate bikes where they will get better used.

Point of Sale (POS) System Software and Hardware

Eischens stated that in order to meet software and hardware requirements to process credit cards, the Sanford Center needs to upgrade its point of sale system (POS). He stated that he verified with the County IT Department and they confirm it is necessary. Eischens stated that the cost for the upgrade is \$41,295 which includes a \$21,000 discount for equipment trade-in. Upgrading the current system is the most cost effective approach. The City fund that accounted for construction of the Sanford Center has a remaining cash balance of \$130,000 and staff recommended using this source of funds to pay for the POS upgrade.

Councilor Erickson inquired if there were enough funds to pay for the Sanford Center leakage problem. Eischens responded that some bills have already been paid; however, there will be more expenses. Chattin commented that the Council will discuss this further at their work session on December 8.

Council discussed the point of sale system and it was noted that the City's liquor stores and city hall get upgraded as needed also in order to keep up with credit card companies and changing in software.

Motion by Thompson, seconded by Meehlhause, authorizing the upgrade of the Sanford Center Point of Sale system from North Country Business Products in the amount of \$41,295 utilizing the funds identified. Motion carried unanimously.

Nameless Coalition for the Homeless

Reed Olson, representing the Coalition, stated that they have received approximately \$35,000 in donations and pledges to fund their effort to provide nightly shelter for homeless, single males. It is their goal to find space in downtown Bemidji for up to 10 chronic inebriate individuals and to have that shelter in place for the winter of 2014. He further stated that 37 men and women accounted for 1,653 police calls in a 2 year period resulting in 188 jail bookings. On behalf of the Coalition, Olson requested that the City Council consider donating \$5,000 to help with the shelter.

Councilor Erickson stated that the City taxpayer contributes as a County taxpayer and could not support the request. She further stated that the Council has a policy of not giving to nonprofits as well as no budget for the request. Discussion continued regarding the Council's moratorium on giving to nonprofits.

Chattin stated that this shelter is a temporary solicitation to fill a gap for three to five years until a facility is built.

Motion by Hellquist, seconded by Meehlhause, to table the request from the Nameless Coalition for the Homeless until the December 15 Council meeting in order for the City Attorney to render an opinion regarding a donation. Motion carried unanimously.

ORDINANCES

Pursuant to published notice, a Public Hearing was held to receive input regarding an Ordinance Repealing Ordinance No. 100, 3rd Series, and Amending an Uncoded Section of Bemidji City Code Pertaining to Street Vacation. Mayor Albrecht opened the Public Hearing at 8:34 p.m., hearing no comments the public hearing was closed.

AN ORDINANCE Repealing Ordinance No. 100, 3rd Series, and Amending an Uncoded Section of Bemidji City Code Pertaining to Street Vacation was given a second reading.

Pursuant to published notice, a Public Hearing was held to receive input regarding an Ordinance Repealing Ordinance No. 101, 3rd Series, and Amending an Uncoded Section of Bemidji City Code (Authorizing the Sale of Real Property). Mayor Albrecht opened the Public Hearing at 8:35 p.m., hearing no comments the public hearing was closed.

AN ORDINANCE Repealing Ordinance No. 101, 3rd Series, and Amending an Uncoded Section of Bemidji City Code (Authorizing the Sale of Real Property) was given a second reading.

Pursuant to published notice, a Public Hearing was held to receive input regarding an Ordinance Repealing Ordinance No. 102, 3rd Series, and Amending an Uncoded Section of Bemidji City Code (Authorizing the Sale of Real Property). Mayor Albrecht opened the Public Hearing at 8:36 p.m., hearing no comments the public hearing was closed.

AN ORDINANCE Repealing Ordinance No. 102, 3rd Series, and Amending an Uncoded Section of Bemidji City Code (Authorizing the Sale of Real Property) was given a second reading.

ORDINANCE NO. 108, 3RD SERIES, Amending an Uncoded Section of the Bemidji City Code (Authorizing the Exchange and Conveyance of Real Property) was given a final reading and passed by unanimous vote.

Motion by Hellquist, seconded by Meehlhause, approving publication of a summary of Ordinance No. 108, 3rd Series. Motion carried unanimously.

UPCOMING COUNCIL MEETINGS

- Monday, December 8 5:30 p.m. Work Session – Sanford Center
- Monday, December 15 6:00 p.m. Open House – Councilmember Thompson
- Monday, December 15 7:00 p.m. Council Meeting

COUNCIL/STAFF REPORT

- Council members and staff provided updates on current events and meetings.
- The City Clerk will create a calendar for Councilmembers to sign up each month to go on Chat-A-Bout.

ADJOURN

There being no further business, motion by Olson, seconded by Meehlhause, to adjourn the meeting. Motion carried. Meeting adjourned at 9:00 p.m.

Respectfully submitted,



Kay M. Murphy
City Clerk