

# COUNCIL PROCEEDINGS

## BEMIDJI, MINNESOTA

### Regular Meeting – December 18, 2023

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 18, 2023 at 6:00 p.m. in the Council Chambers of City Hall, Mayor Prince presiding.

Upon roll call, the following Councilmembers were declared present: Prince, Fiskevold Gould, Peterson, Johnson, Rivera, Eaton, Thayer.

Staff Present: City Manager Rich Spiczka, City Attorney Katie Nolting, City Engineer Sam Anderson, Assistant City Engineer Jenna Roberts, Planning Administrator Jamin Carlson, Building Official Matt Ridlon, Police Chief Mike Mastin, Fire Chief Justin Sherwood, Parks & Recreation Coordinator Marcia Larson, Recreation Supervisor Jamie Anderson, Parks Superintendent Scott Schroeder, City Clerk Michelle Miller

#### **AMENDMENTS TO AGENDA**

Mayor Prince called for any amendments to the agenda. **Motion by Peterson, seconded by Johnson, approving the agenda as presented. Motion carried by unanimous voice vote.**

#### **MINUTES**

The following minutes were presented for approval:

BEDA Meeting:	October 2, 2023
Council Meeting:	October 2, 2023
Sp Council Meeting:	October 3, 2023

**Motion by Eaton, seconded by Johnson, approving minutes as presented. Motion carried by unanimous voice vote.**

#### **CONSENT AGENDA**

Mayor Prince called for any amendments to be made to Consent Agenda. Rivera requested that the Claims Submitted by ASM Global for the Sanford Center be removed for discussion. The following Consent Agenda items were presented for approval. **Motion by Fiskevold Gould, seconded by Eaton, to approve Consent Agenda items as follows:**

1. Claims Submitted by Finance Officer in the Amount of \$700,803.54
2. Approve September Financial Statements for the Sanford Center Submitted by ASM Global
3. 2024 Business License Renewals
4. 2024 Liquor, Sunday Liquor and Wine License Renewals
5. Approve 1-4 Day Temporary On-Sale Liquor Permit (BSU – January 19-21, 2024)
6. Approve Appointment of Jill Beardsley to the Community and Police Advisory Board
7. Annual Reappointments for City Board/Commissions Ending December 31, 2023
8. **RESOLUTION NO. 6523:** Accepting Donations for 2023 for the Parks & Recreation Department
9. **RESOLUTION NO. 6524:** Accepting Donation from Minnesota Energy in the Amount of \$1,500 (Fire)
10. **RESOLUTION NO. 6525:** Accepting Responsibility as the Sponsoring Agency – 15<sup>th</sup> Street NW Trail (TA Grant Application)
11. **RESOLUTION NO. 6526:** Agreeing to Maintain Facility – 15<sup>th</sup> Street NW Trail
12. **RESOLUTION NO. 6527:** Approving 2024 City Pay Scale and City Benefit Contribution Level
13. **RESOLUTION NO. 6528:** Supporting Prioritizing Delivery of US Postal Service Mail
14. Approve Council Travel Authorization – 2024 Elected Leaders Institute (February 23-24) – Johnson

**Motion carried by the following roll call vote: Yeas: Johnson, Fiskevold Gould, Prince, Eaton, Peterson, Thayer, Rivera.**

#### **CITIZENS WITH BUSINESS NOT ON AGENDA**

- Michael Meehlhause, 415 Lakeshore Dr NE, provided comments regarding council comments.
- CT Marhula, 4524 Birchmont Dr NE #10, provided comments regarding public comments on agenda items.
- Rita Albrecht, 1911 Norton Avenue, provided comments regarding council actions.

#### **PUBLIC HEARING**

##### **Public Hearing for 2024-2028 Capital Improvement Plans for City of Bemidji**

Pursuant to published notice, a public hearing was held regarding input on the 2024 to 2028 Capital Improvement Plan for the City of Bemidji. Mayor Prince opened the Public Hearing at 6:16 p.m. hearing the following comments:

- CT Marhula, 4524 Birchmont Dr NE, #10, provided comments regarding capital improvement needs for the fire hall.

Hearing no further comments, Prince closed the public hearing at 6:18 p.m.

Resolution Adopting the 2024-2028 Capital Improvement Plan for City of Bemidji

**RESOLUTION NO. 6529: Adopting the 2024-2028 Capital Improvement Plan for City of Bemidji was offered by Councilmember Johnson, who moved its adoption, and upon due second by Councilmember Eaton was passed by the following roll call vote: Yeas: Thayer, Johnson, Eaton, Fiskevold Gould, Peterson, Prince. Nays: Rivera.**

Public Hearing for 2024-2028 Capital Improvement Plans for the Sanford Center

Bobby Anderson, Interim General Manager for the Sanford Center highlighted urgent capital improvement needs, including technology, parking lot, masonry and windows. Dave Jollette, Regional Vice President for ASM Global spoke about the support provided by ASM Global to Sanford Center staff regarding assessing capital improvement needs.

Pursuant to published notice, a public hearing was held regarding input on the 2024 to 2028 Capital Improvement Plan for the Sanford Center. Mayor Prince opened the Public Hearing at 6:42 p.m. hearing the following comments:

- Rita Albrecht, 1911 Norton Avenue, provided comments regarding not spending down capital improvement reserves.
- Pat Welle, 2315 Birchmont Dr NE, provided comments regarding creative financing options for the Sanford Center.

Hearing no further comments, Prince closed the public hearing at 6:50 p.m.

Resolution Adopting the 2024-2028 Capital Improvement Plan for the Sanford Center

**RESOLUTION NO. 6530: Adopting the 2024-2028 Capital Improvement Plan for the Sanford Center was offered by Councilmember Eaton, who moved its adoption, and upon due second by Councilmember Thayer was passed by the following roll call vote: Yeas: Rivera, Peterson, Johnson, Fiskevold Gould, Thayer, Prince, Eaton.**

**REPORT**

Parks and Recreation Annual Report

Recreation Coordinator Jamie Anderson, Parks Superintendent Scott Schroeder and Parks and Recreation Director Marcia Larson, presented the 2023 Parks and Recreation Summary.

ASM Global – Sanford Center Report

ASM Global Regional Vice President Leonard Bonacci, ASM Global Regional Vice President Dave Jollette, ASM Global Regional Director of Finance Justin Jokovich, and Interim General Manager Bobby Anderson provided a report on the Sanford Center and the projected loss for 2023. Mr. Bonacci reported that the general manager and the finance director were relieved from employment with ASM Global. Bobby Anderson was named the interim general manager and ASM Global Regional Director of Finance Justin Jokovich will be assisting the Sanford Center regarding finance director duties. A search for those two open positions will begin immediately. Pursuant to the contract with ASM Global, the city will be involved in the hiring of a general manager. Council addressed several questions and concerns with ASM Global staff. Jokovich outlined a proposed solution to help cover the proposed \$150,000 cash deficit to the 2023 budget, including: (1) \$50,000 refund of ASM Global management fees, (2) \$50,000 use of marketing funds and (3) \$50,000 use of 2023 Capital Improvement Funds. A special meeting of council in 2023 will be scheduled for council action on this proposal.

Mayor Prince called for a recess at 8:40 p.m. Meeting reconvened at 8:46 p.m. with all members present.

**NEW BUSINESS**

Consider Process for City of Bemidji City Manager Performance Evaluation

Council received a revised document from Flaherty & Hood regarding the Process for City of Bemidji City Manager Performance Evaluation from the November 20 council meeting discussion. Spiczka requested clear, concise and measurable goals and objectives related to the evaluation rubric for the city manager. Council discussed the following:

- Rivera emphasized setting unified goals and objectives from the council for the city manager.
- Fiskevold Gould stated that the feedback from council should not be anonymous so that councilmembers can speak to their responses with the city manager. Fiskevold Gould also suggests eliminating number five “Exceptional Performance” from the evaluation rubric scale.
- Thayer recommends defining a specific timeline related to the goals and objectives.

**Motion by Fiskevold Gould, seconded by Rivera, approving the Process for City of Bemidji City Manager Performance Evaluation with the following revisions: (1) council evaluation feedback will not be anonymous, and (2) eliminating number five “Exceptional Performance” from the evaluation rubric scale. Motion carried by the following roll call vote: Yeas: Peterson, Thayer, Fiskevold Gould, Prince, Rivera, Eaton, Johnson.**

Consider Resolution Approving Feasibility Report and Setting Public Hearing – 2024 Street Renewal Project – City Project 24-01

Anderson stated that a resolution was approved by the City Council on October 2, 2023 authorizing the preparation of a feasibility report on the proposed 2024 Street Renewal Project. Using a combination of city tax levy, utility funds and assessments this project will reconstruct approximately 0.6 miles of city street. City staff completed a feasibility report for the project and the next step in the Chapter 429 assessment process is to have the Council accept the report and set the public hearing date.

The feasibility report outlines the proposed improvements, estimated costs and recommended property assessments. The streets that are proposed to be included in the 2024 program are 3<sup>rd</sup> Street SE from Central Avenue to Scott Avenue and 3<sup>rd</sup> Street SE from Grant Avenue to Lake Avenue

3rd Street SE from Central Ave to Scott Ave

This road will be completely reconstructed with new bituminous pavement, curb and gutter, driveway aprons, and sidewalks to its current dimensions. The current street width is 29 feet and staff are proposing to widen that to 30 feet. The street currently has “calendar parking” and this will remain after the completion of the project. Sidewalks currently exist on both sides of 3<sup>rd</sup> Street from Central Ave to Scott Ave. These sidewalks will be removed and replaced with new sidewalks to meet ADA standards.

The existing segment of 1960 6” cast iron city water main and services will be replaced with a new 8” water main and new water services. This proposed project would replace those city mains with materials that would meet our current city standards.

3<sup>rd</sup> Street SE from Central Ave to Scott Ave would be assessed per the city’s current assessment policy of \$45/front foot and \$1,070 for each utility service that may be required. Corner lots are assessed for half of the property frontage abutting the project.

3rd Street SE from Grant Ave to Lake Ave

This road will be completely reconstructed with new bituminous pavement, curb and gutter, driveway aprons, and sidewalks to its current dimensions. The current street width is 24 feet with no curb and gutter and staff are proposing to widen that to 30 feet with curb and gutter. The street currently doesn’t have any parking regulations but is proposed to be signed for “calendar parking” as part of the project.

The 1975 city water main and sewer mains are currently PVC, meet our current city standards, and are not planned to be replaced. This section of city street does not currently have any off-street pedestrian trail or sidewalk. As mentioned in the report, staff can accommodate a 5-foot concrete sidewalk on the north side of the new street, but with the low traffic volumes and higher construction costs, staff are not recommending inclusion of a sidewalk as part of the project. If Council would like the sidewalk added into the project, the estimated cost would be \$125,000, which would likely need to come from ARP funds as the Construction Fund Reserves account couldn’t cover that additional amount.

3<sup>rd</sup> Street SE from Grant Ave to Lake Ave staff are proposing to assess at \$33/front foot, due to a previous \$12/front foot assessment in 1988 and 1992, and \$1,070 for each utility service that may be required. Corner lots are assessed for half of the property frontage abutting the project. Reducing the assessment amount from \$45 to \$33 reduces the overall street assessment for the project by roughly \$35,000.

The estimated cost of the total street reconstruction project is \$1,109,640. These costs include 15% for engineering design, construction inspection, and administration services.

Street Assessments	\$ 127,260
Sanitary Sewer & Water Assessments	\$ 5,350
Sanitary Sewer Utility Fund	\$ 20,000
Water Utility Fund	\$ 175,557
Storm Sewer Fund	\$ 303,668
General Tax Levy	\$ 385,000
Construction Fund Reserves	\$ 92,805
Project Total:	\$1,109,640

If approved, a public hearing will be held on the January 16, 2024 regular council meeting. All residents that are proposed to be assessed will be mailed a separate notice informing them of the public hearing.

Construction of the project would begin in May and is anticipated to be completed sometime in September 2024.

**RESOLUTION NO. 6531: Approving Feasibility Report and Call for Public Hearing on January 16, 2024 at City Hall, Council Chambers, 317 4<sup>th</sup> Street NW, at 6:00 p.m. for the 2024 Street Renewal Project - City Project 24-01 was offered by Councilmember Eaton, who moved its adoption, and upon due second by Councilmember Rivera was passed by the following roll call vote: Yeas: Eaton, Prince, Peterson, Thayer, Johnson, Rivera, Fiskevold Gould.**

Consider 2024 Sanford Center Budget

ASM Global Regional Vice President Dave Jollette, ASM Global Regional Director of Finance Justin Jokovich and ASM Global Regional Vice President Leonard Bonacci presented the 2024 Sanford Center Budget. Jokovich stated the proposed net loss is (\$350,598). Jokovich anticipates an increase of 9% in event income (including increased sponsorships) and a reduction of 5.83% in discretionary operating expenses. Council addressed several questions and concerns with ASM Global staff.

**Motion by Eaton, seconded by Peterson approving the 2024 Sanford Center Budget. Motion carried by the following roll call vote: Yeas: Prince, Rivera, Thayer, Johnson, Eaton, Fiskevold Gould, Peterson.**

Consider Final 2023 Tax Levy and 2024 City of Bemidji Budget

In a memorandum submitted to council, Spiczka stated that in September the council set a preliminary levy as documented below:

**Preliminary Levy for 2024 set in September**

General Fund	\$7,386,582	
Sanford Center Capital Replacement	210,000	11.65% increase
Street Improvements	385,000	
2007 G.O. Bonds Public Works Facility	<u>288,243</u>	
<b>Total All Levies</b>	<b>\$8,269,825</b>	<b>10.35% increase</b>

The absence of a City Manager and Finance Director has created a much more difficult budget process. The absences have forced staff to work a process without large input from above in balancing each department with each other. After making some adjustments, verifying some numbers and exploring some options, staff is making the following recommendations in light of the numbers council may support in passing a final levy for 2024.

The current budget does not include any additional or new staff hires. Staff agreed that removing money from operating costs is cutting out more pressing needs and is supportive of not adding new hires to maintain current operational funding. Without the presence of a City Manager who has seen the staff and departments at work it isn't possible to recommend which positions are more important than others or serve a greater need than others.

The budget also includes a few updates in CIP numbers as well as adjustments to the Sanford Center line items in light of the news we received of audited 2022 financials, 2023 projections and 2024 projections.

**Current Levy projection for 2024:**

General Fund	\$7,032,196	6.30% increase from 2023
Sanford Center Capital	\$ 210,000	
Street Improvements	\$ 385,000	
2007 G.O. Bonds PWF	\$ 288,243	
<b>Total Amount:</b>	<b>\$7,915,439</b>	<b>5.62% increase</b>

Below are options of adding in new hires that the council may support. It would include the dollar amount and approximate levy % impact of adding in those hires. Adjustments were made to the original cost projections to reflect an April 1, 2024 start date to any additional hires.

Rec Outreach Coordinator	\$ 44,633	.60% Levy impact
Task Force Officer	\$ 48,131	.65% Levy impact
*July 1 start date		
Parks Maintenance I	\$ 58,092	.78% levy impact
Legal Assistant	\$ 57,525	.77% levy impact
2 Firefighters	\$136,944	

\*Rural Fire Association did NOT approve their portion of the funding for two additional fire staff so they will not be able to be added in per contract.

Staff is requesting Council to approve the 2024 Budget that includes a general levy amount at or under the preliminary levy set in September.

Council discussed the following:

- Eaton supports the preliminary levy set in September
- Rivera supports the preliminary levy set in September and new hires at the discretion of the city manager.
- Johnson does not support any new hires and reiterated his concern with the planning and legal budgets.
- Thayer supports adding new hires of drug task force officer, parks maintenance and recreation outreach coordinator
- Peterson supports adding new hires of drug task force officer, parks maintenance and recreation outreach coordinator
- Fiskevold Gould supports the preliminary set in September
- Prince supports adding new hires of drug task force officer, parks maintenance and recreation outreach coordinator

**RESOLUTION NO. 6532: Approving Final 2023 Tax Levy Collectible in 2024 in the amount of \$8,269,825 was offered by Councilmember Peterson, who moved its adoption, and upon due second by Councilmember Thayer was passed by the following vote: Yeas: Peterson, Prince, Johnson, Thayer. Nays: Fiskevold Gould, Eaton, Rivera.**

**RESOLUTION NO. 6533: Approving Final 2024 Budget in the amount of \$58,323,727 which includes the addition of new hires of drug task force officer, parks maintenance and recreation outreach coordinator was offered by Councilmember Peterson, who moved its adoption, and upon due second by Councilmember Thayer, was passed by the following vote: Yeas: Johnson, Prince, Peterson, Thayer. Nays: Fiskevold Gould, Eaton, Rivera.**

Claims Submitted by ASM Global for the Sanford Center in the Amount of \$95,094.69

Rivera questioned the rental displacement of BSU hockey for events and being reimbursed for that displacement. Rivera also express concern regarding the purchase of candy for the parade is not an acceptable use of taxpayer funds.

**Motion by Peterson, seconded by Eaton approving claims submitted by ASM Global for the Sanford Center in the Amount of \$95,094.69. Motion carried by the following roll call vote: Yeas: Thayer, Johnson, Eaton, Rivera, Fiskevold Gould, Peterson, Prince.**

A special meeting of council was scheduled for Friday, December 22 at 3:00 p.m. regarding the 2023 Sanford Center deficit.

**UPCOMING COUNCIL MEETINGS**

- |                             |           |                     |
|-----------------------------|-----------|---------------------|
| • Monday, December 25, 2023 | CLOSED    | Christmas Day       |
| • Monday, January 1, 2024   | CLOSED    | New Year’s Day      |
| • Tuesday, January 2, 2024  | 6:00 p.m. | Annual BEDA Meeting |
| • Tuesday, January 2, 2024  | 6:00 p.m. | Council Meeting     |
| • Monday, January 8, 2024   | 5:30 p.m. | City Planning Board |

**ADJOURN**

There being no further business, motion by Fiskevold Gould, seconded by Peterson, to adjourn the meeting. Motion carried by unanimous voice vote. Meeting adjourned at 10:32 p.m.

Respectfully submitted,

  
 Michelle R. Miller  
 City Clerk