

# CITY COUNCIL PROCEEDINGS

## BEMIDJI, MINNESOTA

### Regular Meeting – December 3, 2012

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 3, 2012 at 7:00 p.m. in the Council Chambers of City Hall, Mayor Larson presiding.

Upon roll call, the following Councilmembers were declared present: Larson, Waldhausen, Johnson, Albrecht, Negard, Thompson Absent: Hellquist

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

#### **AMENDMENTS TO AGENDA**

Mayor Larson called for any amendments to the agenda. City Clerk Murphy requested the addition of Councilor-elect Erickson to travel for the LMC Conference. **Motion by Johnson, seconded by Thompson, to approve the agenda as amended. Motion carried by unanimous vote.**

#### **MINUTES**

Minutes of the November 19, 2012 regular meeting and November 13, 2012 work session were presented for approval. **Motion by Negard, seconded by Albrecht, to approve the minutes as prepared. Motion carried by unanimous vote.**

#### **CONSENT AGENDA**

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

1. Claims submitted by the Finance Officer in the total amount of \$501,952.80
2. General Business Licenses Renewals for 2013
3. Approval of Liquor, Wine & Club License Renewals for 2013
4. Final Reading of Off/On Sale Beer License Renewals for 2013
5. **RESOLUTION NO. 5802:** Establishing Non-Union Salaries and City Pay Scale for 2013
6. **RESOLUTION NO. 5803:** Accepting Donations from Area Businesses or Organizations for 2012 Special Recreation Events
7. Authorized Grant Submission to Beltrami County for the Chief Bemidji Statue Project
8. Approved Purchase of Sewer/Vactor Truck – Sewer Department (MacQueen Equipment - \$292,295.64 and Rihm Kenworth - \$106,575.24)
9. Travel Authorization: 2013 LMC Conference for Officials – January 11-12, 2013 – Hellquist, Albrecht, Johnson, Erickson
10. Travel Authorization: State Chamber Sessions Priority Dinner – January 9, 2013 - Albrecht

**Motion carried by unanimous vote.**

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

- Bill Byer, President of Bemidji Food Shelf, raised a concern regarding property taxes on the building they recently purchased from a for-profit business. He stated that the property taxes are \$12,000 and was looking to appeal the City portion. Councilor Negard recommended that Mr. Byer contact the County Assessor in this regard.
- Leroy Stenstrom, Nymore, stated that his kids' own a home in South Lake Irving and are in the process of hooking up to City sewer. However, they have run in to additional cost due to the location of the sewer which was 30 to 40 feet off. This cost them additional money in digging and crew time and wanted to know what the city would do in this regard. City Engineer Gray responded that there is no guarantee that the location is as indicated.

#### **TRUTH IN TAXATION PUBLIC HEARING**

Finance Director Ron Eischens stated the purpose of the Truth in Taxation Hearing was to review the 2013 City budget and tax levy and noted that it is required by State law.

Eischens stated that the Council will approve the final budget at their regular meeting on December 17, 2012. He stated that in 2013 city services and staff will be maintained at 2012 levels except for: the addition of one police officer and a squad car; 2% increase in operating budget increase; 3% staff pay adjustments; capital budget increase of \$45,000, increased costs to provide services to annexed areas; and non-tax revenue reduced to reflect actual collection. The tax levy is proposed to increase 7.8% or \$302,232. He reviewed why property taxes vary from year to year, how city taxes are spent and other charts comparing Bemidji with like cities.

Pursuant to published notice a public hearing was held regarding input on the 2012 Truth in Taxation. Mayor Larson opened the Public Hearing at 7:35 p.m.

- Rich Siegert, owner of Green Mill/Hampton Inn, listed a number of concerns including the one percent franchise fee increase. He commented that property taxes are his biggest expense and the Council needs to keep costs down.
- Roger Heger, 706 Woodland Avenue SW, expressed concerns about the proposed tax increase and pay increases for staff.

With no further comments, Mayor Larson closed the Public Hearing at 7:58 p.m.

### **COMMITTEE REPORTS**

Bemidji Youth Advisory Commission – Hanna Lash, BYA representative,

BSU Student Senate – Waldhausen commented that he attended the Senate's meeting and the general consensus was that the parking around BSU is safer for the community.

Librarian's Report - Paul Ericsson, Branch Manager, reviewed upcoming events.

### **NEW BUSINESS**

Public Hearing - Revolving Loan Fund/Business Subsidy

Chattin stated that the Council should consider opening the public hearing and then continuing it until their next meeting due to delays associated with the financing approval process, the tentative December 15 closing goal may not be achievable.

Pursuant to published notice a public hearing was held regarding input on revolving loan fund loan/business subsidy/business subsidy agreement for Wayzata Bemidji Hospitality Associates. Mayor Larson opened the Public Hearing at 8:11 p.m.

- Rich Siegert commented that he does not know of any other hotel project in Bemidji that has been subsidized by the City.

Felix stated that use of UDAG funds is permitted and this is as an eligible project. He further commented that the loan would be for the construction of a connector on BEDA property between the event center and the hotel, which has a public outcome and benefit.

**Motion by Waldhausen, seconded by Johnson, to continue to public hearing until the December 17, 2012 meeting. Motion carried unanimously.**

### **2013 Library Budget Adjustment**

Paul Ericsson, Library Branch Manager, reviewed the Library's request for a budget adjustment for the following items that were overlooked:

- Increase in premiums for health insurance for four full time staff.
- Annual repair and replacement of computers. The three year replacement does have year-to-year up and down budget swings and this year has an increase over last year.
- Technical support for the automation system. This is not for additional staff at headquarters but a contract with the automation vendor which is essentially a required expense.

Johnson asked if the County would be making a similar budget adjustment. Ericsson responded that he will also be talking to the County Board.

**Motion by Albrecht, seconded by Negard, to adjust the 2013 Library budget as outlined contingent on the County making the same effort. Motion carried unanimously.**

**2013 Street Renewal Project**

Gray reviewed the 2013 Street Renewal feasibility report which outlines the proposed improvements, estimated costs and recommended assessments. The streets that are proposed to be included in the 2013 program are as follows:

- 5th Street SE (Lake Avenue to West end)
- Richards Avenue SE (5th Street SE to 4th Street SE)
- Stoner Avenue SE (5th Street SE to 4th Street SE)
- 2nd Street SE (Wood Ave to Central Avenue)
- Wood Avenue SE (3rd Street SE to 1st Street SE)
- Lincoln Avenue SE (3rd Street SE to 2nd Street SE)
- 9th Street NE (Bemidji Avenue to Lake Boulevard)
- 20th Street NW (Park Avenue to Irvine Avenue)
- Pine Ridge Avenue & Trail (23rd Street NW to 24th Street NW)
- 28th Street (Hannah Avenue to Pine Ridge Avenue)

Of the ten streets recommended for improvements, half are currently rural gravel surface roads and the others are older bituminous pavement with various storm sewer, drainage and utility needs. The estimated cost of the street reconstruction is \$1,219,000.

Gray stated that a neighborhood meeting to explain the project to all affected residents is scheduled for December 13 at 7 p.m. If the feasibility report is approved a public hearing will be held on January 7 by the City Council.

**RESOLUTION NO. 5804: Accepting Feasibility Report and Calling for a Public Hearing on the 2013 Street Renewal Project (Project #13-01) was offered by Councilmember Waldhausen, who moved its adoption, and upon due second by Councilmember Thompson was passed by unanimous vote.**

**UPCOMING COUNCIL MEETINGS**

- |                       |           |   |
|-----------------------|-----------|---|
| • Monday, December 10 | 5:30 p.m. | Work Session – Local Legislators/Fire District  |
| • Monday, December 17 | 6:00 p.m. | Open House Honoring Outgoing Mayor & Councilors |
| • Monday, December 17 | 7:00 p.m. | Council Meeting                                 |
| • Monday, January 7   | 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 Waldhausen, seconded by Thompson, to adjourn the meeting. Motion carried. Meeting adjourned at 9:05 p.m.

Respectfully submitted,

  
 Kay M. Murphy  
 City Clerk