

# CITY COUNCIL PROCEEDINGS

## BEMIDJI, MINNESOTA

### Regular Meeting – December 5, 2011

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 5, 2011 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, Hellquist, Albrecht, Negard, 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

Mayor Larson welcomed Boy Scout Troop #25 to the meeting.

#### **AMENDMENTS TO AGENDA**

Mayor Larson called for any amendments to the agenda. **Motion by Johnson, seconded by Thompson, to approve the agenda as presented. Motion carried by unanimous vote.**

#### **MINUTES**

Minutes of the November 21, 2011 regular meeting, November 21, 2011 special work session, November 21, 2011 Special BEDA meeting and November 28, 2011 special work session were presented for approval. **Motion by Albrecht, seconded by Hellquist, 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 Hellquist, to approve the Consent Agenda items as follows:**

1. Claims submitted by the Finance Officer in the total amount of \$1,212,109.04
2. Claims submitted by the Sanford Center in the total amount of \$178,644.27
3. Miscellaneous Business License Renewals for 2011
4. Miscellaneous Business License Renewals for 2012
5. Liquor License Renewals for 2012
6. Final Reading – On and Off Sale Beer License Renewals for 2012
7. 1-4 Day Temporary On-Sale Liquor License – Event on 1/26/2012 at Sanford Center – Bemidji Area Chamber
8. **RESOLUTION NO. 5729:** Authorizing Payment to Meet the 2010 Maintenance of Effort Requirement for the Bemidji City Library (\$6,977)
9. **RESOLUTION NO. 5730:** Accepting Donations from Area Businesses and/or Organizations for 2011 Special Recreation Events
10. Nominated Joint Planning Commission Members for Reappointment – Richard Slinkman, Reed Olson

**Motion carried by unanimous vote.**

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

Alan Brew, Heritage Preservation Commission Chair, appeared before the City Council regarding their decision to relocate or demolish the Carnegie Library building. He stated that the HPC's mission is to preserve the City's heritage and they are opposed to the City Council's decision. He stated that the comment made that the building is falling down is simply not true. He observed that when the building was nominated to the State Historic Preservation, it was in good condition. Brew stated that the Commission is willing to find funding resources to upgrade the building and work toward finding a use for the building.

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

Pursuant to published notice a public hearing was held regarding input on the 2011 Truth in Taxation. Mayor Larson opened the Public Hearing at 7:16 p.m.

Finance Director Ron Eischens stated the purpose of the Truth in Taxation Hearing was to review the 2012 City budget and tax levy and noted that it is required by State law. He noted that the increase in property tax rate from 43.13 to 45.85 or 6.3% is due primarily to

state change in homestead credit program which reduces the City's tax base by over 7% resulting in a higher tax rate. The overall budget increase for 2012 is \$672,000 or 2%. He stated that staff felt the operations budget for the Sanford Center was insufficient and increased the 2012 budget by \$50,000. He stated that the Council will approve the final budget at their regular meeting on December 19, 2011.

With no further comments, Mayor Larson closed the Public Hearing at 7:30 p.m.

### **COMMITTEE REPORTS**

Bemidji Youth Advisory Commission – Annie Donovan, BYA representative, reported on upcoming BYAC activities and the upcoming listening lunch.

BSU Student Senate – Joe Moubry, BSU Student Senate representative, stated that the Student Senate has passed a bill supporting the retrofitting of exercise equipment to make energy at the fitness center utilizing \$8,000 of "green" fees. Discussion continued regarding the trail lighting. Chattin stated that he has received confirmation from BSU that they are committing \$20,000 toward the cost of lighting.

Librarian's Report - Paul Ericsson, Branch Manager, reviewed staffing requirements at the library and upcoming events.

### **NEW BUSINESS**

#### Hospitality Tax

Chattin stated that the Sanford Center was built, in part, to create an economic boom for our region. Bringing people to Bemidji was the goal and it seems that we have achieved that goal. He stated that the City of Mankato has covered their event center operation losses with a food, beverage and entertainment tax. Chattin proposed that the City seek legislative authority to impose up to a 1% tax on food, beverage and lodging.

Negard stated that the building is very fine and draws use to the areas restaurants and hotels. However, no capital replacement has been set aside. The CSL report recommended \$200,000/annually for capital improvements.

Thompson stated he received a call from the owner of Super 8 who stated that he has seen no additional business due to the event center.

Hellquist stated that perhaps a tax is justified during hockey season but at what point are we "killing the golden goose".

Albrecht stated she would consider food and beverage and perhaps entertainment but was not in favor of the additional tax to lodging as they already are paying 3%.

Johnson commented that it was too premature to consider a tax as the event center is still "in flux". He noted that the CSL study for the operation of the event center gave the facility five years to establish itself.

**Motion by Waldhausen, seconded by Negard, to discuss the hospitality tax at the January 9, 2012 work session. Motion carried unanimously.**

### **ORDINANCE**

**ORDINANCE NO. 77, 3<sup>RD</sup> SERIES**, AN ORDINANCE Amending an Uncoded Section of the Bemidji City Code (Authorizing the Sale of Real Property – Gemmel Avenue Lot) was given a final reading and passed by unanimous vote.

**Motion by Waldhausen, seconded by Hellquist, approving publication of a summary of Ordinance No. 77, 3<sup>rd</sup> Series. Motion carried unanimously.**

### **UPCOMING COUNCIL MEETINGS**

- Wednesday, December 7      6:00 p.m.      Special LGU Meeting with Bemidji & Northern Townships – M. Rice
- Monday, December 12      5:30 p.m.      Work Session – Manager's Review & - Continuation of Visioning – D. Murphy
- Monday, December 19      6:15 p.m.      Special Work Session - Redistricting
- Monday, December 19      7:00 p.m.      Regular City Council Meeting

### **COUNCIL/STAFF REPORT**

- Council members provided updates on current events and meetings.

**ADJOURN**

There being no further business, motion by Johnson, seconded by Hellquist, to adjourn the meeting. Motion carried. Meeting adjourned at 8:45 p.m.

Respectfully submitted,



Kay M. Murphy  
City Clerk