

CITY COUNCIL PROCEEDINGS

BEMIDJI, MINNESOTA

Regular Meeting – December 7, 2015

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 7, 2015 at 6:00 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, Larson

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

AMENDMENTS TO AGENDA

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

MINUTES

The following minutes were presented for approval:

Council Meeting	November 16, 2015
Sp Work Session	November 23, 2015
Sp Work Session	November 30, 2015

Motion by Meehlhause, 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 Erickson, seconded by Olson, to approve the Consent Agenda items as follows:**

1. Claims Submitted by Finance Officer in the amount of \$1,932,127.86
2. Claims Submitted by VenuWorks for the Sanford Center in the amount of \$80,365.12
3. Business Licenses Renewals for 2016
4. First Reading of Off/On Sale Beer License Renewals for 2016
5. Liquor, Sunday Liquor, Club and Wine License Renewals for 2016
6. Transfer of 2015 Off Sale Beer License to new owner - 4th Street Tesoro
7. Declare Surplus Equipment – Dasher Pads at Sanford Center
8. Nominate Joint Planning Commission Member for Reappointment – Jeremy Berg
9. **RESOLUTION NO. 5980:** Authorizing Short Term Loan to Bemidji Regional Airport
10. **RESOLUTION NO. 5981:** Authorizing Execution of Agreement (Sex Trafficking Investigations & Training Grant Program)
11. Purchase of a 2016 Ford Police Interceptor SUV from Nelson Auto Center (\$29,812.95 plus specific costs estimated at \$7,700)
12. Purchase of a 2016 Dodge Ram SSV Pickup to be used as Animal Impoundment/CSO Vehicle – from Nelson Auto Center (\$26,693.98 plus specific costs estimated at \$30,100)
13. Purchase of two 2016 Ford Interceptor Sedans from Ford of Hibbing (\$54,962)
14. Amend the City's Purchasing Policy
15. 2015 Budget Amendment #2

Motion carried by unanimous vote.

CITIZENS NOT ON AGENDA

- Joe Greco, 5117 Bemidji Avenue, commented about the information received for the Phase II annexation.

COMMITTEE REPORTS

Bemidji Youth Advisory Commission – Sophie Warrick, BYA representative, reported on their 2016 events.

TRUTH-IN-TAXATION HEARING

Finance Director Eischens reviewed the 2016 City budget and tax levy. He highlighted the following items and noted that this presentation is available on the City's website.

Specific Budget Changes:

- Property Tax Levy Increase of 6.5% or \$296,000
- Average homeowner would pay \$10 more in City taxes
- Average business owner would pay \$80 more in City taxes
- Exception is Phase I annexed property

General Fund Expense Adjustments:

- 2% staff pay increases
- Increased police overtime
- Benefit contribution increases
- Auto theft grant renewal

The general fund provides the primary operating fund for the City. In 2016, the City reserves will be used to finance a new fire station at a cost of \$1.2 million which will save approximately \$350,000 in bond interest. The reserves will be repaid with future budget surpluses.

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 21st meeting. The total budget is \$33.8 million.

Pursuant to published notice a public hearing was held regarding input on the 2015 Truth-in-Taxation. Mayor Albrecht opened the Public Hearing at 6:29 p.m.

Joe Greco, 5117 Bemidji Avenue, asked about the proposed tax statement that he received showing Northern Township tax and asked if he would receive a new one now that his property was in city limits.

Eischens responded that there will be no change to his taxes due to the timing of the annexation. Eischens further stated that residents in Phase II annexation will begin seeing City taxes increase of 20% in 2017 and taxes will be phased in over five years.

Mr. Greco commented that LGA is tax dollars and that citizens are relying on the Council to manage the people's money as they would manage their own. He suggested that the Council pay attention on where they are spending money, i.e., the mural at the WWTF.

Mayor Albrecht stated that LGA is a contract the State made with local governments in the 1970's. She stated that it helps equalize taxes in low income counties and helps to keep property taxes low while funding essential services.

Tomy Hegland, 51395 Wisteria Drive, complained about the proposed taxes on property he owns at 905 Washington Avenue. Staff advised him to visit with the County Assessor in this regard.

Hearing no further comments, Mayor Albrecht closed the Public Hearing at 6:40 p.m.

NEW BUSINESS**Carnegie Library Rehabilitation Project**

City Manager Mathews stated that staff has reviewed the Grant Agreement with the MN Historical Society for the Carnegie Library Rehabilitation project to see what is required short and long-term, for construction and post-construction, if the Council accepts the grant. He noted the following requirements:

- Jobs reporting requirement entails incorporation of reporting-related grant agreement text within the actual construction documents.
- Declaration that must be filed against the legal description for the site and the 15-year "letter of agreement governing use of historic site" that must be signed and returned to MHS.
- Use contracts with Lessees to operate the facility shall be approved in writing by the Mn Historical Society.

Mathews also noted that receipt of these funds will trigger the first phase of the Carnegie Library project. The scope of work outlines that these specific funds will be used for the exterior façade restorations, as the building would be moved 17' east and placed upon a new foundation. It is expected that the first phase will commence in the spring of 2016.

Cathy Marchand, Treasurer for Friends of the Carnegie, noted that the Friends have raised the required match of \$58,280. Ms. Marchand provided an update on the fundraising to date indicating that the Friends have raised \$852,054 in grants, donations and pledges. The Friends have applied for another larger legacy grant and hope to hear within the next month whether the City will receive all or some of that request. She noted that this larger grant will have similar requirements as the State Capital Grant-in-Aid.

RESOLUTION NO. 5982: Authorizing Execution and Acceptance of a Minnesota Historical Society Capital Grants-In-Aid Agreement for the Carnegie Rehabilitation Project was offered by Councilmember Erickson, who moved its adoption, and upon due second by Councilmember Meehlhause was passed by unanimous vote.

2016 Street Renewal Project

City Engineer Gray reviewed the feasibility report for the proposed 2016 street renewal project. The streets that are proposed to be included in the 2016 program are as follows:

Park Avenue NW	8 th Street to 15 th Street
26 th Street NE	Bemidji Avenue to Birchmont Drive
Kay Avenue SE	3 rd Street to 2 nd Street

- Park Avenue will be completely reconstructed with new bituminous, curb and gutter and sidewalks. A new sidewalk will be added on the west side of Park Avenue between 8th and 9th Streets. The existing sanitary sewer mains are 75 years old and will be replaced and the 100-year old watermain which is only 4" diameter will be replaced with a new 8" watermain.
- 26th Street will be fully reconstructed as well as the sanitary sewer and watermain be replaced. A new five-foot sidewalk is proposed directly behind the north curb which will provide safer pedestrian access. Gray noted that he has received some calls regarding the proposed sidewalk.
- Kay Avenue is an existing gravel/dirt street that will be paved with new bituminous surface.

The estimated cost of the street reconstruction is \$1,543,972; of that amount \$216,246 will be assessed to the benefited property owners. A neighborhood meeting is scheduled for December 16 to explain the project to all affected residents and the official public hearing will be at the Council meeting on December 21.

RESOLUTION NO. 5983: Accepting Feasibility Report and Calling for a Public Hearing on December 21 regarding the 2016 Street Renewal Project (#16-01) was offered by Councilmember Hellquist, who moved its adoption, and upon due second by Councilmember Johnson was passed by unanimous vote.

Bemidji Firefighters' Relief Association

Mathews reviewed the Bemidji Firefighters' Relief Association (FRA) request to increase their 2015 pension benefit to \$6,575/year of service. This is a 9.6% or \$575 increase per year. In 2014 the FRA requested and received a 12% increase from \$5,350 to \$6,000. Mathews suggested that the Council consider adjusting the pension benefit level at the same rate as other city employees. He stated that this recommendation comes from 1) assessing the overall health of the FRA fund; 2) maintaining equity in evaluating and pay and benefit for all city staff and 3) an attempt to spread out FRA benefit adjustment request.

Hellquist made a motion per staff's recommendation which died for lack of a second.

Fire Chief Hoefler stated that it is a joint benefit shared with 18 other LGU's and the Rural Association approved the increase to the benefit at their quarterly meeting in October 2015.

Erickson inquired if the Rural Association can approve or obligate their respective townships, on an increase in benefit. Felix was uncertain without researching it further.

Bill Batchelder, FRA President, stated that the only option they will accept is an increase of \$575 and will not accept anything less. He commented that they have worked for six months with City staff and this increase is backed by the Rural Fire Association. He stated

that his membership had asked for a much higher amount and the FRA membership approved the \$575. He stated that the money is in the fund and the firefighters' deserve to have the increase to their benefits as they have done a great job in managing their funds. He further stated that they will be coming before the Council for increases of \$600 in 2016 and \$700 in 2017. He said they would agree to a 2% or 3% increase over time but they need to catch up. He concluded that the firefighters' respect the Council and would appreciate their support.

Bruce Hemstad, FRA Secretary, stated that according to State process, the Relief Association brings the request to the city for ratification or guarantee, their request is for an increase in pension benefit of \$575 or \$6,575.

Felix stated that the Association can increase it to whatever amount they want but if they want the guarantee of the city taxpayer, they would need to come to the city.

Olson stated that it is not a matter of whether the Council supports the Fire Department as they have demonstrated their support in many ways.

Discussion followed on whether the Rural Fire Association can obligate their member cities and townships to an increase in benefits.

Hellquist commented that the increase as recommended by the City Manager seemed fair and adequate.

Motion by Hellquist, seconded by Olson, adopting a FRA benefit level increase of 6.75% over a three year period: 2% in 2016, 2.25% in 2017 and 2.5% in 2018. Motion failed with the following vote: Ayes: Hellquist. Nays: Olson, Erickson, Larson, Albrecht, Meehlhause, Johnson.

Nameless Coalition for Homeless

Eischens provided information regarding a payment of \$5,000 to the Nameless Coalition for the Homeless which was submitted for approval on the bill list. He stated that the Nameless Coalition has met the requirements as requested by the Council at their December 15, 2014 meeting.

Councilmember Olson provided a brief update on the organization's progress on the new shelter which is taking a longer than hoped. However, their goal is to have the doors open in January to serve the homeless.

ORDINANCE

Pursuant to published notice, a continuation of a Public Hearing was held to receive input regarding Amending Chapter 24, Article III, Division I, Section 24.52 entitled "Use of Skateboards, Roller Skates and Roller Blades" of the Bemidji City Code. Mayor Albrecht opened the Public Hearing at 7:31 p.m.

- Kristjan Thorlacius, 319 Minnesota Avenue NW, stated that he was in favor of the ordinance as amended. He further commented that he is working with the BSU Student Senate regarding a policy on campus.

Hearing no further comments, Mayor Albrecht closed the Public Hearing at 7:33 p.m.

Motion by Olson, seconded by Meehlhause, to accept the additional modifications to the ordinance. Motion carried unanimously.

AN ORDINANCE Amending Chapter 24, Article III, Division I, Section 24.52 entitled "Use of Skateboards, Roller Skates and Roller Blades" of the Bemidji City Code was given a second reading.

UPCOMING COUNCIL MEETINGS

- Monday, December 14 5:30 p.m. Work Session – Visit Bemidji
- Monday, December 21 6:00 p.m. Regular Council Meeting

COUNCIL/STAFF REPORT

- Council members provided updates on current events and meetings.
- Meehlhause reported that the Sustainability Committee is developing a new mission statement as well as discussions about expanding the committee to regional.

- Mathews commented that in 2016 he will be forming an “ice committee” to discuss indoor ice in the Bemidji community. Erickson indicated an interest on serving on this committee.

ADJOURN

There being no further business, motion by Meehlhause, seconded by Olson, to adjourn the meeting. Motion carried. Meeting adjourned at 7:59 p.m.

Respectfully submitted,



Kay M. Murphy
City Clerk