

# CITY COUNCIL PROCEEDINGS

## BEMIDJI, MINNESOTA

### Regular Meeting – February 18, 2020

Pursuant to due call and notice, a regular meeting of the City Council of the City of Bemidji, Beltrami County, Minnesota, was held on Tuesday, February 18, 2020 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, Rivera, Erickson, Thompson.

Staff Present: City Manager Nate Mathews, Finance Director Ron Eischens, City Engineer Craig Gray, Community Development Director Steven Jones, City Clerk Michelle Miller

#### **AMENDMENTS TO AGENDA**

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

#### **MINUTES**

The following minutes were presented for approval:  
Council Meeting: February 3, 2020

**Motion by Johnson, seconded by Meehlhause, to approve the minutes as presented. Motion carried by unanimous vote.**

#### **CONSENT AGENDA**

Albrecht called for any items to be pulled from the consent agenda. The following Consent Agenda items were presented for approval. **Motion by Meehlhause, seconded by Thompson, to approve the Consent Agenda items as follows:**

1. Claims Submitted by Finance Officer in the amount of \$959,952.42
2. Claims Submitted by VenuWorks for the Sanford Center in the amount of \$130,314.60
3. Approve General Business Licenses for 2020
4. **RESOLUTION NO. 6287:** Appointing Election Judges for March 3, 2020 PNP Election
5. **RESOLUTION NO. 6288:** Appointing Election Judges for May 12, 2020 Ward 2 Special Election
6. Approve Appointment of Denise Bina to HRA
7. Approve Purchase of GPS for Surveying and Construction Staking (\$34,088.38)
8. Travel Authorization – LMC Legislative Action Day, March 18-19 - Johnson

**Motion carried by unanimous vote.**

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

No appearance.

#### **REPORTS**

Public Affairs Committee – Mathews stated that the Public Affairs Committee met on Tuesday, February 11, together with the City Attorney and the Beltrami County Auditor-Treasurer regarding the Phase III Annexation and Ward Boundaries. He reported that pursuant to Minnesota Statutes, Section 204B.14, Subd. 3, after January 1, 2020 and until legislative redistricting is completed, no changes can be made in the boundaries of any election precinct. Through confirmation with the Secretary of State's Office, all of the annexed properties must go into Ward 3, Precinct 2 since that is the only existing, immediately adjacent precinct that would not cross a congressional district boundary. Mathews further stated that the city will have an opportunity to modify the ward boundaries during the redistricting process. Consensus of the committee was to accept the recommendation from the county auditor and the Secretary of State for all newly annexed property to go into Ward 3, Precinct 2. Mathews stated that no council action is required.

Greater Bemidji – Dave Hengel reported an update on the Delta Dental development project and stated that he and Ron Eischens are looking to close the grant out shortly. He provided economic statistics that shows the growth and strength of the Bemidji area economy. Additionally, he provided an update on activity at Greater Bemidji, including the annual meeting which will be held on Friday, February 21 and the staffing changes due to the departure of Tiffany Fettig. Hengel concluded by updating council on Greater Bemidji's Annual Action Plan.

#### **NEW BUSINESS**

##### Consider Pre-Development Agreement for Financial Feasibility Study

Jones stated staff has been working with Mitch Rautio on a potential development. The proposed development is large and would include over 75 single family lots, multi-family and commercial

areas. It would like be done in three phases. Jones reported that this is a complicated and expensive endeavor and the developer is asking the city to undertake a preliminary financial feasibility study in anticipation of a future request for assistance with the project in the form of TIF or Tax Abatement. This is a small first step that will cost \$2,000 to be completed by Ehlers and paid for by the developer. Council and staff discussed various questions and comments.

**Motion by Meehlhause, seconded by Johnson, approving the preliminary pre-development agreement between the City and Mitch Rautio. Motion carried unanimously.**

Consider Resolution Awarding Bid – 2020 Birchmont Drive Reconstruction Project – City Project 20-02

Gray stated that bids were opened on February 11 for the Birchmont Drive Reconstruction Project from 10<sup>th</sup> Street NE to 14<sup>th</sup> Street NE, with the following three bids received:

Gladden Construction:	\$948,885.52
Reierson Construction:	\$692,631.71
Sparky's Construction:	\$677,551.30

Gray stated that Sparky's has completed numerous projects for the City and is capable of completing this project. The low base bid of \$677,551.30 will result in a total project cost of approximately \$779,185 after design engineering and construction inspection costs which is roughly \$31,000 more than the estimated amount. Construction will begin in late-May with an anticipated completion by August 2020.

**RESOLUTION NO. 6289: Awarding Bid to Sparky's Construction in the amount of \$677,551.30 for the 2020 Birchmont Drive Reconstruction Project – City Project 20-02, was offered by Councilmember Erickson, who moved its adoption, and upon due second by Councilmember Meehlhause was passed by unanimous vote.**

Consider Near Term Water Treatment Plant – Approve Plans and Specifications and Authorize Advertisement for Bids – City Project 20-03

Gray stated that staff and Barr Engineering have been working on the design of a near term (Phase I) water treatment plant. Four bid packages have been prepared and are ready to be advertised upon council approval. They include:

1. Precast building panels with an estimated cost of \$670,000
2. Iron and Manganese Treatment System (needed to treat minerals before being the PFC removal process) with an estimated cost of \$1,250,000
3. Granulated Activated Carbon (GAC) Treatment system that will remove the PFC compounds with an estimated cost of \$1,200,000
4. Water Plant General Contractor Bid Package to build the plant and install the two treatment systems with an estimated cost of \$2,450,000

The precast panels and treatment vessels will take approximately 4-6 months to receive. Gray stated their goal is to have the plant up and running by the end of the year. Staff is recommending to proceed with the building of a permanent structure now to eliminate "lost costs" of a temporary structure. The estimated construction cost of the four bid packages is \$5,570,000. The total project cost with engineering and architectural design fees and construction inspection and administration costs is estimated to be \$6,280,000.

Eischens stated that since the city has pending requests to the State of Minnesota in the form of stating bonding and a local sales tax request, he needs to move forward as though none of those will take place. Eischens presented a best case and worst case scenario for cash flowing the project. The worst case scenario would require a 42% water rate increase. Additionally, the city may need to issue short-term debt until other funding sources are determined. Council and staff discussed various issues and concerns regarding the City's bonding and sales tax request. Erickson stated that even if the City receives its full bonding request the city would still need sales tax to keep water rates from increasing substantially. Barr Engineering representatives provided additional information regarding council questions and concerns.

**Motion by Meehlhause, seconded by Rivera, approving the plans and specifications for the Near Term Water Treatment Plant – City Project 20-03 and authorizing advertisement for bids; approving a professional services agreement with Barr Engineering in the amount of \$250,000 for the remainder of the design for the near term plant; and authorizing staff to enter into a professional services agreement for construction services with Barr Engineering in an amount not to exceed \$230,000. Motion carried unanimously.**

MPCA

Gray stated that in addition to the design of the water treatment plant, the City is working with the MPCA on a potential environmental impact regarding the PFAS levels in the wells. This project

is enrolled in the Superfund Program. The MPCA has approved the near term water treatment plant and the next step is for the City to prepare and submit a remedial investigation work plan to the Superfund Program. However, a full RI will not be undertaken at this time, instead, a limited groundwater investigation will be done focused on delineation of the PFAS plume. Barr Engineering has submitted a proposed scope of work, deliverables and schedule for council consideration. The total cost for this portion by Barr Engineering is estimated at \$15,000. Funding for this will come from general fund reserves.

**Motion by Thompson, seconded by Meehlhause, to enter into a limited remedial investigation groundwater investigation contract with Barr Engineering in the amount of \$15,000. Motion carried unanimously.**

Consider Resolution Declaring Intent to Reimburse Certain Expenses from Bond Proceeds

Eischens stated that this will give the City flexibility to issue bonds to meet water treatment project costs until alternative funding sources are determined.

**RESOLUTION NO. 6290: Declaring the Official Intent of City of Bemidji to Reimburse Certain Expenditures from the Proceeds of Bonds to be Issued by the City, was offered by Councilmember Meehlhause, who moved its adoption, and upon due second by Councilmember Johnson was passed by unanimous vote.**

**UPCOMING COUNCIL MEETINGS**

- Monday, February 24 5:30 p.m. 2021 Financial Management Plan (FMP)
- Thursday, February 27 7:00 p.m. Annual Joint LGU Fire Department Meeting (Station 1)
- Monday, March 2 6:00 p.m. Council Meeting
- Monday, March 9 5:30 p.m. Work Session – 197 Corridor Improvements (MNDot)

**ADJOURN**

There being no further business, motion by Meehlhause, seconded by Thompson, to adjourn the meeting. Motion carried. Meeting adjourned at 7:54 p.m.

Respectfully submitted,



Michelle R. Miller  
City Clerk