

CITY COUNCIL PROCEEDINGS

BEMIDJI, MINNESOTA

Work Session – April 22, 2013

Pursuant to due call and notice, a work session of the City Council of the City of Bemidji, Beltrami County, Minnesota, was held on Monday, April 22, 2013, at 5:30 p.m. in the Conference Room of City Hall, Mayor Albrecht presiding.

Upon roll call, the following Councilmembers were declared present: Albrecht, Meehlhause, Johnson, Olson, Erickson, Thompson. Councilmember Hellquist arrived at 6:00 p.m.

Staff Present: City Manager John Chattin, Finance Director Ron Eischens, Public Works Director/City Engineer Craig Gray, City Clerk Kay Murphy

Energy Audit

Madonna Rykken, Business Development Manager - Honeywell, stated that working with city staff they have reviewed utility bills, visited with each of the department heads and finally surveyed each building to identify possible areas where improvements could be made to save energy costs. Some of the benefits in making energy improvements identified are:

- Reduce energy uses;
- Extend equipment life;
- Maintenance cost and time;
- Maximum system performance
- Better comfort; and
- Address deferred maintenance issues.

Gaven Benson, Engineer - Honeywell, briefly reviewed some of the savings he identified at various city buildings.

Rykken reviewed the two options available for the City when pursuing a guaranteed energy savings contract. The first option is municipal legislation and the second option is the State of Minnesota's new guaranteed energy program.

Eischens stated that staff is looking at it to generate savings which is very complicated. He stated that staff likes the idea of the Department of Commerce who would help with the process in particular with the contract language.

City Engineer Gray stated that he has talked with both of the superintendents at the WWTF and they are all three in agreement that the design of the facility needs to be undertaken by engineering firms that have experience in the design of WWTF. These firms need to be selected by city staff based on experience and qualifications. He further stated that they do not believe it would be beneficial for the City to have Honeywell or Johnson Controls or any other energy company designing treatment process projects at the plant.

Rykken responded that the City would select the design firm.

Motion by Johnson, seconded by Thompson, to enter into a joint powers agreement with the Minnesota Department of Commerce to facilitate requests for proposals to select a firm to do an energy assessment. Motion carried unanimously.

Discussion - Third Liquor Store

Mayor Albrecht stated that the Council first needs to decide if it is interested in having a third liquor store. If they are not, then there is no point in discussing the proposal with Pace Development to locate a liquor store at Westridge Shopping Center.

Councilor Johnson stated that the City Council has discussed expanding to a third liquor store but for various reasons have not.

Motion by Hellquist, seconded by Erickson, to stay with two liquor stores.

Hellquist stated that he was not in favor of third store because it does not make good business sense. He further stated that he has received a number of negative comments regarding adding another liquor store. He further stated that the market is only so big.

Johnson stated that adding a third liquor store would allow the City to expand its services and offer more product variety. He commented that a liquor store on the west side of the city is a better location.

Erickson expressed concerns about diluting sales at the two existing stores the city currently operates.

Chattin stated that there are two reasons why the Council might consider adding another liquor store: 1) increase sales with a guarantee at the end of the 3rd year that would allow the City to opt out; and 2) the north store is degraded and not large enough to handle the market and could eventually be closed if needed.

Councilor Erickson left the meeting at 6:55 p.m. due to another engagement.

Motion failed with the following vote: Ayes: Hellquist, Olson, Thompson. Nays: Johnson, Meehlhause, Albrecht. Absent: Erickson.

Mayor Albrecht commented that the existing north store is not a location that gives the City a competitive advantage. The building is 40 years old, has poor access and no room for expansion. She stated that the City does not necessarily need three stores but might want to consider transitioning out of the north store. She concluded by saying the Council has an opportunity to expand with less risk.

Motion by Johnson, seconded by Meehlhause, to expand to a third liquor store. Motion failed with the following vote: Ayes: Johnson, Meehlhause, Albrecht. Nays: Hellquist, Olson, Thompson. Absent: Erickson.

ADJOURN

There being no further business, motion by Hellquist, seconded by Olson, to adjourn the meeting. Motion carried. Meeting adjourned at 7:00 p.m.

Respectfully submitted,


Kay M. Murphy
City Clerk