

CITY COUNCIL PROCEEDINGS

BEMIDJI, MINNESOTA

Work Session – Monday, April 8, 2019

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 8, 2019, at 5:30 p.m. in the Chambers of City Hall, Mayor Pro Tem Erickson presiding.

Upon roll call, the following Councilmembers were declared present: Meehlhause, Beard, Johnson, Rivera, Erickson, Thompson. Absent: Albrecht

Staff Present: City Manager Nate Mathews, Finance Director Ron Eischens, City Attorney Al Felix, Public Works Director/City Engineer Craig Gray, City Clerk Michelle Miller

Mayor Pro Tem Erickson stated the purpose of the work session was for 2018 Year End Financial Review and 2020 Financial Management Plan. A policy for small cell wireless facility equipment was added by staff. **Motion by Meehlhause, seconded by Beard to approve the agenda as amended. Motion carried by unanimous vote.**

2018 Year-End Financial Review

Eischens reviewed the City's general fund which reflects a deficit of \$123,090. This deficit is the result of decisions made by the city, mostly involving use of reserves summarized as follows:

- \$381,014 – transfer to Carnegie Project, including \$100,000
- \$315,700 – down payment on ladder truck, reduces 2019 deficit
- \$254,000 – transfer to liquor fund as part of bond sale
- \$ 34,000 – consultant services for ice study

Eischens noted that the special revenue construction fund has reserves of \$2.8 million. This amount represents special assessments collected on old street projects and accumulated Tourist Information Center rent. The City Engineer lists \$4.2 million of proposed uses for these reserves. Other items not on this list include Tourist Information Center maintenance or improvements, parking commitment (\$350,000) and further Historic Depot repairs.

Eischens stated that the City liquor stores had another successful year ranking 12th statewide include metro area stores. Sales increased 1.5% with operating profits of \$544,000. Liquor profits contributed \$451,000 in 2018 to reduce property taxes, equal to a 7.8% tax levy. The liquor fund has \$317,000 in unrestricted cash after projected construction costs and bond limitations. One item to keep mind is the commitment to repay the construction reserve account from the liquor fund of \$50,000 annually for five years for the Veteran's Home contribution. He noted that the new First City Liquor store is set to open sometime in May 2019.

Staff recommended Council approve a resolution designating fund balances as follows:

- General Fund cash flow and other unplanned expenses at \$5,888,395.
- Eliminate designated fund balance for the Carnegie Project of \$100,000.

RESOLUTION NO. 6218: Designating Fund Balances was offered by Councilmember Meehlhause, who moved its adoption, and upon due second by Councilmember Thompson was passed by unanimous vote.

2020 Financial Management Plan (FMP)

Eischens noted potential issues for the 2020 Financial Management Plan:

- Personnel Costs
 - Wage and benefit increases per union contracts
 - Payroll taxes and PERA costs on wage increases
 - Community Development Director position
 - Auto theft grant may not be continued
 - New facilities technician/manager position
 - New street department employee related to annexation, hired fall 2020
 - New police officer scheduled for January 2021
 - State increase to employer and employee contributions to PERA
 - Workers' compensation premium increases
- Water/Wellfield PFC and WWTP Issue
- Neilson Reise Arena

- Sidewalk Snow Removal
- 2020 Presidential Primary Election (additional election to the primary and general)
- Administrative/User Fees
- Sanford Center subsidy and additional capital replacement

Potential new or additional revenue sources:

- Franchise fees
- State bonding funds
- Special Use/Hospitality tax/sales tax
- LGA increase
- New Construction

No action was taken at this time. Council will meet in June to discuss further.

Small Cell Wireless Facility Equipment Policy

Felix stated that the Federal Communications Commission is allowing the installation of small wireless facilities on city street light fixtures and poles. While cities cannot regulate the installation of the equipment, they can adopt aesthetic standards for these wireless facilities. The deadline to adopt and publish a policy is April 15. Staff have drafted a proposed Small Cell Wireless Facility Equipment Policy regarding the Aesthetic Design, Review and Construction Criteria for Street Light Fixtures and Poles Installed in Conjunction with Small Cell Wireless Facility Equipment. This policy would require a permit for installations within the public right of way, and collocation agreements on City of Bemidji owned infrastructure.

Motion by Meehlhause, seconded by Beard to adopt the Small Cell Wireless Facility Equipment Policy as presented and direct staff to publish on the city website. Motion carried by unanimous vote.

Adjourn

There being no further business, motion by Meehlhause, seconded by Johnson, to adjourn the meeting. Motion carried. Meeting adjourned at 7:11 p.m.

Respectfully submitted,



Michelle R. Miller
City Clerk