

# CITY COUNCIL PROCEEDINGS

## BEMIDJI, MINNESOTA

### Regular Meeting – May 7, 2018

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, May 7, 2018 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, Hellquist, Johnson, Lehmann, Erickson, Larson

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

#### **AMENDMENTS TO AGENDA**

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

#### **MINUTES**

The following minutes were presented for approval:

|                       |                |
|-----------------------|----------------|
| Work Session:         | April 9, 2018  |
| Regular Council:      | April 16, 2018 |
| Special Work Session: | April 23, 2018 |
| Board of Review:      | April 23, 2018 |

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

#### **CONSENT AGENDA**

The following Consent Agenda items were presented for approval. **Motion by Lehmann, seconded by Johnson, to approve the Consent Agenda items as follows:**

1. Claims Submitted by Finance Officer in the amount of \$806,666.53
2. Claims Submitted by VenuWorks for the Sanford Center in the amount of \$386,044.18
3. Miscellaneous Business Licenses for 2018
4. Miscellaneous Liquor Licenses for 2018
5. **RESOLUTION NO. 6152:** Adopting Performance Measures for 2017
6. Approving Membership in HGACBuy for Fire Department Purchase(s)
7. Award of Quote for Jefferson Avenue Culvert Replacement Project – City Project 18-09 to Gladen Construction (\$27,906.00)
8. Authorize Boiler Repair at Sanford Center and Award of Quote to Higgins Heating (\$23,543.73)
9. **RESOLUTION NO. 6153:** Approving the Site & Related Requests for the 74th Annual Jaycees Water Carnival
10. Award of Quote for Disposal of Street Sweepings to J.D. Hansen Construction (\$44.00/ton)
11. Award of Quote for Lift Station Refurbishment to Electric Pump Systems (\$27,368)
12. Travel Authorization – CGMC – May 9, 2017 - Johnson

**Motion carried by unanimous vote.**

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

Linda Kingery spoke about the Citizens Climate Lobby initiative.

#### **COMMITTEE REPORTS**

Bemidji Youth Advisory Commission – Vanessa Petrich reported that they continue planning for the J7 event. The June 7 event will be held at City Park.

BSU Student Senate – No report.

#### **PUBLIC HEARING**

NPDES Permit – Storm Water Pollution Prevention Program

Gray reviewed the National Pollutant Discharged Elimination (NPDES) permit which requires an annual meeting to update the Council as well as allow the public to make oral and/or written

comments on the adequacy of the City’s Storm Water Prevention Program (SWPPP). He highlighted accomplishments in 2017 which included:

1. Completed 21 commercial site plan reviews within the city. Development and designs were reviewed for compliance with city and state runoff treatment and runoff requirements.
2. Articles were published in the city’s newsletter about storm water management.
3. Updated storm water system map in the City of Bemidji.
4. Inspected the condition of 66 of the city’s storm sewer outlets and 29 storm water ponds in 2017.
5. Erosion Control Residential & Commercial Site Inspections totaled 63 sites.
6. The Street Department used the city’s rubber tired back hoe on storm water maintenance on the following:
  - Cleaning ends of culverts (outfalls)
  - Ditch dredging
  - Pond dredging (small ponds or swales)
  - Installing rip rap materials
7. 2,544 LF of storm water pipe cleaned.
8. 1,809 miles of street sweeping which collected 516 cubic yards of street sweepings.
9. 19 manholes and catch basins had minor repairs completed.
10. 43 cubic yards of material was removed from storm sewer outfalls in ditches.
11. Designed a formal Permanent Stormwater Facilities Agreement Document.

Gray noted that there are 178 storm sewer outlets and 29 stormwater ponds. Additionally, there are 105 private stormwater ponds that staff will need to work with developers in getting maintenance agreements for. Staff will continue to expand the required work and provisions that the City needs to do for the MS4 Permit.

Mayor Albrecht opened the hearing at 6:18 p.m. Linda Lemmer, 155 Gemmel Avenue, reported on an outlet in the area. Hearing no additional comments, Albrecht closed the hearing at 6:19 p.m.

**NEW BUSINESS**

**Manager’s Performance Review Summary**

Mayor Albrecht stated that at an April 23, 2018 work session the Council reviewed the City Manager’s progress on his 2017 goals and provided feedback. Mathews presented proposed goals for 2018, which the Council approved. The Council observed that 2018 has been a busy and challenging year. Council provided feedback in areas of performance where Nate excels and areas where he can improve. Council expressed their appreciation for his work over the past year. The manager has a very complex job, which Nate has approached with enthusiasm and creativity. The Council expressed their full support for the City Manager.

**Northern Dental Access Center Annual Report and Consideration of USDA Rural Development Certificate of Support**

Jeanne Edevold Larson, Executive Director of Northern Dental Access Center, reported that they are serving 80-100 patients per day with 23,000 patient encounters in 2017. In order to serve more residents in the region, they are planning an expansion project at the current location. Due to higher than anticipated costs, they are seeking a loan above the \$300,000 currently raised. They will be applying to the USDA Rural Development Community Facilities loan program which requires local government support.

**Motion by Hellquist, seconded by Erickson to provide a Certificate of Support to Northern Dental Access Center for their application to the USDA Rural Development Community Facilities program. Motion carried unanimously.**

**Consider Award of Bid for New City Liquor Store – City Project 17-13**

Gray stated that bids were opened on May 3 for the construction of the new liquor store. They were very pleased with the bids results, coming in under the estimated cost of \$3,700,000. The following bids were received:

|                               |             |
|-------------------------------|-------------|
| Baratto Brothers Construction | \$2,661,000 |
| Bradbury Stamm Construction   | \$2,824,495 |
| Construction Engineers, Inc.  | \$2,856,980 |
| Community Contractors, Inc.   | \$2,973,000 |

If the low bid and contingency fund is approved, Gray provided the following total costs of the project:

|                              |                    |
|------------------------------|--------------------|
| Baratto Brothers Bid         | \$2,661,000        |
| Change Order Contingency     | \$ 133,050         |
| DSGW Professional Services   | \$ 205,500         |
| Internal Engineering Charges | \$ 25,000          |
| FFE/Shelving/Security        | \$ 130,000         |
| Testing/Commissioning        | \$ 35,000          |
| Land Purchase                | \$ 775,000         |
|                              | <u>\$3,964,550</u> |

The anticipated completion date is November 2018; however, flexibility was given in the bid documents of a June 2019 completion date.

Larson expressed concern regarding the professional services amount paid to DSGW based on the premise of a 4.1 million dollar project.

**Motion by Meehlhause, seconded by Larson to award the low bid for the construction of the new city liquor store to Baratto Brothers Construction in the amount of \$2,661,000 and establishing a contingency amount of \$133,050 for the project. Motion carried with the following vote: Ayes: Meehlhause, Johnson, Larson, Albrecht. Naves: Hellquist, Lehmann, Erickson**

Consider Award of Bid for Sanford Center Roof Repair

Eischens stated that the upper level roof membrane of the Sanford Center received damage during a strong wind event in July of 2017. An insurance claim was filed and approved. The following bids were opened on April 17:

| Bidder                     | Base Bid      | Alternate   | Total         |
|----------------------------|---------------|-------------|---------------|
| Berglund Heating & Roofing | \$ 111,240.00 | \$ 4,547.00 | \$ 115,787.00 |
| A&R Roofing                | \$ 127,720.00 | \$ 8,440.00 | \$ 136,160.00 |
| Thelen Heating & Roofing   | \$ 145,000.00 | \$ 3,000.00 | \$ 148,000.00 |
| C.L. Linfoot Company       | \$ 143,296.00 | \$ 9,138.00 | \$ 152,434.00 |

The alternate provides additional mechanical roof reinforcement. Eischens stated that this will help protect the roof from high winds coming from Lake Bemidji. Insurance will pay for all but the \$5,000 insurance deductible and the roof reinforcement.

**Motion by Erickson, seconded by Hellquist to award the Sanford Center roof repair to Berglund Heating, Sheet Metal and Roofing in the amount of \$111,240 as well as bid alternate no. 1 for \$4,547 for a total of \$115,787 with funding provided by insurance proceeds for all but \$9,547 which will be paid for with City reserves. Motion carried unanimously.**

Consider Award of Quote for 2018 Alley Paving

Gray stated that the 2018 Capital Improvement Plan includes \$30,000 for paving of various alleys within the City. The alleys being proposed are located west of Bemidji Avenue, north of 15<sup>th</sup> Street NW and south of Paul Bunyan Drive NW and a snowplow turn around area at the end of Woodland Avenue SW.

The following quotes were received:

|                         |           |
|-------------------------|-----------|
| Northern Paving, Inc.   | \$ 87,000 |
| Knife River Materials   | \$ 89,000 |
| Bemidji Bitminous, Inc. | \$101,250 |

The quote is only for the bituminous work; with the shaping, grading, prep work and class 5 gravel work to be done by the street department. Funding will be as follows: \$30,000 (CIP), \$30,000 from storm water maintenance and \$27,000 from construction reserves. After completion of this project, Gray stated there is about 2.5-3 miles of alley work remaining.

**Motion by Lehmann, seconded by Meehlhause, to award the alley paving quote to Northern Paving, Inc., in the amount of \$87,000. Motion carried unanimously.**

Consider Approval of Change Order #01 for the Anne Street Sewer Extension Project – City Project No. 18-05

Gray stated that staff received a request from 1217 Anne Street NW to provide future sanitary service to their property located roughly 200 feet east of the current project limit. They determined that the additional service could be extended. This would result in an

estimated \$20,000 increase under the current contract, but it will add two additional sanitary sewer service connections. Gray stated that the owner intends to connect either this year or next year.

**Motion by Meehlhause, seconded by Larson, to approve Change Order #01 to Reierson Construction, Inc. in the amount of \$20,000 for the Anne Street Sewer Extension Project – City Project 18-05. Motion carried unanimously.**

Consider Resolution Authorizing Release of City's Restriction on the use of the Nymore Arena Property and Execution of a Quit Claim Deed

Felix stated that Independent School District 31 has requested that a restriction of "construction of recreational facilities only" placed on the property in 1973 be removed by executing a Quit Claim Deed to ISD 31 releasing the use restriction of the Nymore Arena property. He further stated that with the building of the arena, that requirement has been satisfied.

**RESOLUTION NO. 6154: A Resolution Authorizing the Release of Deed Restriction on Use of Nymore Arena Property and Execution of Quit Claim Deed was offered by Councilor Erickson and upon due second by Councilor Johnson passed with the following vote: Ayes: Albrecht, Meehlhause, Hellquist, Johnson, Lehmann, Erickson, Larson**

Consider Resolution Accepting Petition to Annex Certain Property Along Fifteenth Street Northwest (Hard Rock Investments, LLC)

Felix stated that the City received a petition for annexation from Hard Rock Investments, LLC pursuant to Minnesota Statutes Section 414.033, Subd. 2(3) which allows the City to annex this property by ordinance. Before the ordinance can be given a first reading, the City Council must accept the petition by resolution. The owner of the property states that the property is currently vacant and zoned residential.

**RESOLUTION NO. 6155: A Resolution Accepting Petition to Annex Certain Property Along Fifteenth Street Northwest (Hard Rock Investments, LLC) was offered by Councilor Erickson and upon due second by Councilor Meehlhause passed with the following vote: Ayes: Albrecht, Meehlhause, Hellquist, Johnson, Lehmann, Erickson, Larson**

Delta Dental MIF Loan Forgiveness Request

Mathews stated that on March 19, 2018 the City Council approved an application to the Minnesota Department of Employment and Economic Development for grant loan funding with the Minnesota Investment Fund to Stratacor (Delta Dental). On April 13, 2018 the City received notice that the State approved a loan of \$1,000,000 to Stratacor, of which the State has forgiven \$900,000 of that amount because of the project's economic impact. The City has two options to consider for the remaining \$100,000:

1. Forgive the remaining \$100,000.
2. Complete a loan to the company, and as the loan is repaid, the City is able to use it for revolving loans.

If the City does not forgive this amount, there are restrictions on the use of the money. Mathews stated that he has invited Tiffany Fettig to provide an update on our revolving loan fund program at a future meeting.

**Motion by Lehmann, seconded by Erickson to not forgive the \$100,000 Minnesota Investment Fund loan balance to Stratacor. Motion carried with the following vote: Ayes: Albrecht, Meehlhause, Johnson, Lehmann, Erickson, Larson. Nays: Hellquist**

Carnegie Library Update and Request

Mathews stated that over the past few weeks, the Save the Carnegie Committee members have met, conducted a survey and held public input sessions at City Hall. They have also reviewed with WSN the bids received in March in more detail with Winkelmann Building and Nor-Son Construction for the purpose of removing those costs associated with moving the building 15 feet from its location. From the public feedback received, the Carnegie Committee members have determined that they do not want to move the building or remove it from the National Register. Catherine Marchand, Treasurer of the Friends of the Carnegie Committee, also provided information to the Council for this request. By not moving the building, the project costs are significantly reduced, and it appears that many community members would support the project if the building is not moved. There is still a project

shortfall, however, the committee is very committed to continue to raise money and seek donations to close that gap.

Council discussed the following:

- There is no clear use of the property when complete.
- Hellquist stated that the City’s original support of the project was predicated on moving the building back 15 feet; therefore, he feels that the City’s \$100,000 contribution is no longer valid and requires council action.
- The front entrance could be closed as a main entrance. Plans include moving the main entrance to the back of the building.
- The money held by the City could possibly be returned to the donors. Money held at the Northwest Minnesota Foundation cannot be returned.
- City officials are stewards of the Carnegie building and should do what we can to save it. Often times, the public sector needs to step up and do what the private sector cannot.

**Motion by Erickson, seconded by Meehlhause, to amend the Carnegie Library project by 1) not moving the building, 2) entering into a revised design contract with WSN, and 3) rebidding the project this year, under the condition that the State of Minnesota is agreeable to these changes, and the grants are still eligible to be received under a revised project. Motion carried with the following vote: Ayes: Erickson, Albrecht, Johnson, Meehlhause. Nays: Larson, Lehmann, Hellquist.**

**ORDINANCE**

**AN ORDINANCE** Annexing Property along Fifteenth Street NW to the Corporate Limits of the City of Bemidji (Hard Rock Investments, LLC) was given a first reading.

Pursuant to published notice, a Public Hearing was held to receive input regarding Amending the Bemidji City Code, Adopting an Amended 2018 Fee Schedule. Mayor Albrecht opened the Public Hearing at 8:06 p.m. William Hartwell objected to the amount of the fee of the Immobilization Device Removal. Hearing no additional comments, the public hearing was closed at 8:09 p.m.

**AN ORDINANCE**, Amending the Bemidji City Code, Adopting an Amended 2018 Fee Schedule was given a second reading.

**UPCOMING COUNCIL MEETINGS**

- Monday, May 21 5:00 p.m. Public Works Committee (Sanford Center CIP)
- Monday, May 21 6:00 p.m. Council Meeting
- **Tuesday, May 29 5:30 p.m.** Work Session – BYAC discussion and preliminary discussion on upcoming strategic planning session

**COUNCIL/STAFF REPORT**

- Council members provided updates on current events and meetings.

**ADJOURN**

There being no further business, motion by Lehmann, seconded by Johnson, to adjourn the meeting. Motion carried. Meeting adjourned at 8:32 p.m.

Respectfully submitted,



Michelle R. Miller  
City Clerk