

CITY COUNCIL PROCEEDINGS

BEMIDJI, MINNESOTA

Regular Meeting – June 6, 2011

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, June 6, 2011 at 7:00 p.m. in the Council Chambers of City Hall, Mayor Larson presiding.

Upon roll call, the following Councilmembers were declared present: Larson, Waldhausen, Johnson, Hellquist, Albrecht, Negard, Thompson

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

AMENDMENTS TO AGENDA

Mayor Larson called for any amendments to the agenda. **Motion by Johnson, seconded by Hellquist, to approve the agenda as presented. Motion carried by unanimous vote.**

MINUTES

Minutes of the May 16, 2011 regular meeting and May 23, 2011 work session were presented for approval. **Motion by Waldhausen, seconded by Thompson, to approve the minutes as prepared. Motion carried by unanimous vote.**

CONSENT AGENDA

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

1. Claims submitted by the Finance Officer in the total amount of \$2,268,390.30
2. Claims submitted by the Sanford Center in the total amount of \$80,278.73
3. Miscellaneous Business License Renewals for 2011
4. 2011 Budget Modification #3
5. Updated Investment Policy
6. Quote to Surface and Repair Tennis Court at Nymore Park (\$17,395)
7. **RESOLUTION NO. 5697:** In Support and Commitment for the Bemidji City Park Interlink Trail Project and Authorization to Submit a Grant Application to the Safe Routes to School Grant Program

Motion carried by unanimous vote.

CITIZENS NOT ON AGENDA

Chuck Stombaugh, Bemidji Resident, stated that approximately 3½ years ago the City adopted a noise ordinance and he would like to see more enforcement of loud exhausts and stereos.

John Casper, Bemidji Resident, stated he would like the Chief Bemidji Statue to remain where it is and wondered if the three surrounding reservations had been contacted. Waldhausen responded that the descendants of Chief Bemidji and area reservations have been involved and are in favor of a "life-like" statue. Waldhausen further stated that the plan is to move the current statue to the history center.

COMMITTEE REPORTS

Bemidji Youth Advisory Commission – Andrew Sherf, BYA representative, gave an update on the upcoming June 7 event.

NEW BUSINESS

Evergreen House Request

Becky Schueller, Director, reviewed Evergreen's request for City support in the form of waiving City fees for their project on Middle School Drive NW. Schueller stated that Evergreen provides significant financial value by providing services for area youth and families. The proposed supportive housing project is not welfare, as residents will pay rent. In addition, the City will gain a new water/sewer account and new revenues from this housing project valued at approximately \$580/month or \$7,000/year.

Negard asked if they have received support from the County or the other counties that they serve. Schueller responded not at this time out it will help if the City of Bemidji and County weigh in first.

Motion by Hellquist, seconded by Thompson, to waive 10% of the permit fees not to exceed \$4,786 for the proposed Evergreen Supportive Housing Project. Motion carried unanimously.

RESOLUTION NO. 5698: Authorizing Receptivity to a Department of Employment and Economic Development Small Cities Development Project Award (Evergreen House Supportive Housing Project) was offered by Councilmember Albrecht and upon due second by Councilmember Hellquist was passed by unanimous vote.

North Country Park – Phase I

Marcia Larson, Parks & Recreation Director, reviewed the bids received for construction of Phase I of North Country Park. Phase I includes the main parking lot with lighting, a bituminous trail from 30th Street connecting to the play area and grass walking trail, one basketball court, baseball field (irrigation, fencing, foul poles, grading and seeding) and bathroom/maintenance facility. Four bids were received for park construction and the lowest bidder was Reierson Construction, Inc., in the amount of \$697,695.91. The Parks & Trails Commission has reviewed the bid and recommended the following:

- Reduce the amount of the contract award to Reierson to \$634,339.16 by eliminating tree irrigation, waste receptacles, coniferous trees and rock wall. Freeberg & Grund is willing to provide volunteers to help with the rock wall.
- Reduce the inspection/construction closeout services contract with Freeberg & Grund to \$36,920.
- Re-allocate \$77,478 in sales tax funds to North Country Park which are currently set aside for Nymore Park and on-street signage and stripping.
- Allocate the balance of project costs in the amount of \$30,000 from the 2011 liquor store profits.

Larson stated that the total construction cost for all phases of the project is \$1.4 million (plus engineering). The final plans for Phase I represent a cost effective plan that will create needed infrastructure and amenities. She stated that the funds designated for this project include: sales tax funds in the amount of \$600,000 (\$250,000 for North Country Park and up to \$350,000 for a baseball field) and parkland dedication funds in the amount of \$75,000.

Discussion continued regarding the funding for Nymore Park and the parking lot. Marcia Larson indicated that there has been some investments in Nymore Park.

Eischens recommended the Council utilize liquor store funds for the balance of the project in the amount of \$30,000, as it has been the desire of the Council to use it for visible projects.

Motion by Johnson, seconded by Negard, to award the bid for North Country Park Phase I project to Reierson Construction in the amount of \$634,339.16, inspection/construction closeout services contract with Freeberg & Grund on a hourly basis not to exceed \$36,920, re-allocate sales tax funds from Nymore Park and street signage and stripping in the amount of \$77,478, and allocate the balance of the project costs of \$30,000 from 2011 liquor profits. Motion carried unanimously.

Street Sweeper

Public Works Director Gray stated that the City spent approximately \$12,000 on repairs to the 2001 Elgin Street sweeper so it would be ready for the heavy 2011 spring clean-up season. The City has now received an offer from the City of Fosston to purchase the sweeper in the amount of \$45,000 which is more than the City would receive on a trade-in. Gray stated that Fosston would like the sweeper as soon as possible and it was his recommendation that the City sell it to them. He stated that the 2011 Capital Improvement Plan includes \$160,000 for the purchase of a new sweeper and with the \$45,000 applied toward the purchase the new sweeper will be within the approved amount. He further stated that the new sweepers are not out on the state bid yet and the City can operate with two sweepers until the fall.

Motion by Hellquist, seconded by Albrecht, to declare the 2001 Elgin sweeper as surplus equipment and authorize the sale of the sweeper to the City of Fosston in the amount of \$45,000. Motion carried unanimously.

Solar Panels

Erika Bailey-Johnson, Sustainability Committee representative, stated that with support from the City, the solar project for the Sanford Center can become a reality. The entire project cost is estimated to be \$250,000 with the variable being the size of the solar photovoltaic system. The Sustainability Committee is seeking a Resolution of Support from the City Council to apply for grants from First National Bank in the amount of \$15,000 and Wal-Mart in the amount of \$5,000 to assist with some of the project costs.

Hellquist stated that he would like better communication and better information.

Negard stated that for six months the Council has been asking for detailed financial information and has received nothing tangible. He commented that he would rather see BSU take the lead on this as it is educational.

Motion by Negard, seconded by Hellquist, to not discuss the solar panels again until the Sustainability Committee has accurate financial information for the Council's consideration. Motion carried with the following vote: Ayes: Hellquist, Larson, Waldhausen, Johnson, Negard. Nays: Albrecht, Thompson.

Albrecht asked the City Manager what information staff has gotten to assist with the solar panel project? Chatten replied that the City will have to submit an amendment to the use agreement with the State and amend the agreement with the DNR, as the panels would encroach on their trail.

Motion by Thompson, seconded by Albrecht, to authorize a Resolution Approving an Application to First National Bank Bemidji Foundation and Wal-Mart Bemidji for a Grant to Purchase and install Solar Photovoltaic Panels at the Sanford Center. Motion failed with the following vote: Ayes: Albrecht, Thompson. Nays: Johnson, Negard, Hellquist, Larson, Waldhausen.

ORDINANCESRental Ordinance Amendment

Pursuant to published notice, a Public Hearing was held to receive input regarding an Ordinance Amending Chapter 10, Article II of the Bemidji City Code relating to Rental Housing Registration Code. Mayor Larson opened the Public Hearing at 7:50 p.m.

The following individuals spoke in opposition to the proposed rental ordinance amendment:

- Mark Dickinson, 2310 Birchmont Drive NE, suggested that the Council table this ordinance amendment at this time and work with the rental owners.
- Lyle Erickson, 1489 Becida Road SW, compared the increase in fees to "robbery".
- Nellie Withoff, 5150 Sherman Drive NE, stated she has no problems with her rentals and was not in favor of a fee and inspection every year.
- Darrell Carter, 2605 Division Street NW, stated he has met with landlords and tenants a couple of times and urged the Council to table the matter until the group could arrange a meeting to discuss the proposed changes with the City Attorney.
- Jack Lindquist, 803 Bemidji Avenue, stated that the fee is a 500% increase and would be taking money that he would use to improve his rentals.
- Duane Sea, 4555 Island View Drive NW, stated that the proposed ordinance amendment was offensive and questioned the City's requirement for a list of renters and their license plate numbers.
- Becky Schueller, Evergreen House, asked the Council to table this item as it has been a record year for foreclosures and homelessness.
- Patty Brooks, 16725 Old Grouse Road NW, stated that rentals as well as low income housing are needed in Bemidji. She suggested that the Council utilize the "good" landlord's expertise to develop the ordinance. She stated that homeowner occupied property should be subject to the same rules.
- Jutta Goetz, 3280 Greenbriar Lane NE, asked where the anti-landlord sentiment was coming from. She further commented that she is opposed to being held responsible for the behavior of her renters and to evict bad renters is a lengthy process.
- Cathy Perry, 5229 Woodberry Ct., urged the Council to act in the best interest of all the residents. In particular, protect the rights of all people regardless of race, religion, sexual orientation, etc. She stated that the Council should have received a letter from Outfront Minnesota outlining their concerns regarding unintended consequences of the proposed revisions to Bemidji's Housing Registration Code.

She asked the Council to consider re-establishment of the Human Rights Commission.

- Brandon Eddy, 215 13th Street NE, stated that BSU students support the community and the dorms at BSU are unacceptable to most students.
- Laura Straw, HRA Director, asked the Council to consider tabling this matter. She stated that the proposed fee is a 3,240% increase which places an unfair burden on multi-unit apartments. She stated that the changes to the rental ordinance could endanger future housing stock.
- Jeff Grabowski, 1301 Minnesota Avenue NW, stated that the proposed ordinance amendment discriminates against minorities.
- Paul Hofland, 4569 Carver Road, stated that homeowner occupied homes next to his rentals don't mow or take care of their property.
- Nancy Erickson, 508 Lincoln Avenue SE, suggested that the Council take a bus tour of the City with the building official. She stated that rental owners pay non-homestead taxes, one and a half times higher insurance and higher stormwater fees. She stated that not all the problems experienced in Bemidji can be directed at rental properties.
- Aleesha Larsen, 1417 Bemidji Avenue N, stated she is a BSU student and that if the Council increases the inspection fee it will be passed onto the renter. She commented that it could deter future students from attending BSU.
- Rebecca Hoffman, Evergreen House, suggested that the Council consider exempting housing that provides services to homeless individuals or families.
- Richard Lust, St. Paul, stated that he owns a rental which he hopes to move back to in the future.
- Yvonne Burr, 7206 Alpine Road NW, questioned the need for an additional inspection by the City when the rental is already inspected by Bi-CAP and/or HUD.
- Paul Nelson, 2805 Manor Ct SW, stated that he was part of the committee that helped to develop the current rental registration code. The goal at that time was to develop a rental ordinance to protect the welfare and safety of renters while maintaining affordable housing in Bemidji. He would like the Council to table or trash the proposed ordinance.
- Lorrie Richardson, 516 14th Street NW, suggested that the City look at Crime Free Prevention Programs and increase enforcement of the current codes.
- Jeff Janiksela, 4303 Bass Lake Road NE, read the purpose of the existing rental registration ordinance.
- Tad Sonneman, 4926 Nebish Road NE, stated that he bought Northview Manor from the City five years prior and it was operating in the red. Property values are down and people are unable to afford to move out of their home into a senior rental.
- William Hartwell, 1722 Lakeview SE, questioned the need for license plate numbers of renters. He further stated that the increase in cost would be difficult to pass on to renters.
- Jerry Pickett, 2512 Beltrami Avenue, stated that the good landlords should not be punished for the bad ones.
- Darla Desautel, Board of Realtors, stated that this is not a good time economically to impose additional fees. She questioned the \$1,000 conversion fee and its intended purpose. She suggested that the enforcement of the current ordinance would solve most of the issues.
- Ben Hein, 621 Scott Avenue SE, stated that there are a number of homeowner occupied properties that are not up to code.
- Andrew Erholtz, 9862 Gull Lake Road, stated he owns a number of rentals and works with City staff to make sure they are up to code. He provided the Council a copy of program fees used by Sacramento which starts low and increases for repeated inspections and for rescheduling of the inspection.
- Loree Pederson, 5204 Birchmont Drive NE, stated that the City should look at court cases that have or currently are going on in this regard.
- Nate Allen, 1706 Paul Bunyan Drive SE, stated that his rental is well taken care of but wondered how some rentals pass inspection.
- Teresa Westlie, 417 America Avenue NW, stated that she owns several rentals inside and outside the city limits and maintains her property.
- Adam Smith, 3741 County Rd 45, stated that he buys bad properties and should have torn them down but instead remodels them. He stated that he hires people to maintain his property and provides jobs and housing for the community. He stated that this is not the time to put more fees on people.
- Allan Erickson, 1489 Becida Road SW, stated that there are people that have to rent their property because they are unable to sell their home due to job relocation. He commented there are some tenants that are just bad tenants.

Council discussion continued regarding finding solutions to the rental property, discussions with stakeholders, utilizing the rental database to communicate with landlords and implementation of crime free prevention programs.

A motion by Thompson to continue the public hearing and second reading of the Ordinance amending the City Code regarding Rental Registration died for lack of a second.

Motion by Hellquist, seconded by Waldhausen, to continue the public hearing and second reading of the Ordinance Amending Chapter 10, Article II of the Bemidji City Code Relating to Rental Housing Registration Code until August 1, 2011. In addition, form an ad hoc committee made up of three council members, three landlords, three tenants, and city staff to meet not less than two and no more than three times to make recommendations to the proposed rental ordinance. Motion carried unanimously.

Fee Schedule

Motion by Hellquist, seconded by Negard, to continue the public hearing and second reading of the Ordinance Amending the 2011 Fee Schedule until August 1, 2011. Motion carried unanimously.

LIBRARIAN'S REPORT

Paul Ericsson, Branch Manager, reviewed upcoming events at the Bemidji Public Library for the month of June and the 2011 summer reading program.

UPCOMING COUNCIL MEETINGS

- Monday, June 13 5:30 p.m. Work Session – Review Park Plan
- Monday, June 20 7:00 p.m. Council Meeting
- Special BEDA Meeting
- Monday, June 27 5:30 p.m. Work Session – Strengths Strategy –
Discovery Overview

COUNCIL/STAFF REPORT

- Council members provided updates on current events and meetings.

ADJOURN

There being no further business, motion by Waldhausen, seconded by Negard, to adjourn the meeting. Motion carried. Meeting adjourned at 10:25 p.m.

Respectfully submitted,



Kay M. Murphy
City Clerk