

SPECIAL JOINT MEETING

City of Bemidji and Beltrami County

Tuesday, July 1, 2014

A special meeting of the Bemidji City Council and the Beltrami County Board was held on Tuesday, July 1, 2014, in the County Administration Building.

City Council members present: Mayor Rita Albrecht, Michael Meehlhause, Roger Hellquist, Ron Johnson, Reed Olson, Nancy Erickson and Jim Thompson

County Board members present: Jack Frost, Joe Vene, Richard Anderson, Tim Sumner and Jim Lucachick

Staff Present: County Administrator Kay Mack, County Attorney Tim Faver, City Manager John Chattin, City Attorney Alan Felix, City Finance Director Ron Eischens, City Director of Public Works/Engineer Craig Gray and Deputy City Clerk Teresa Hanson

Mayor Albrecht opened the meeting at 5:30 p.m. to discuss items of mutual interest with county representatives. Thompson requested algae in Lake Bemidji be added to the agenda as an item of discussion.

Airport Initiatives

Commissioner Frost reported the budget was approved with a 13% increase and includes funds being set aside to fund future grant local match requirements. He noted the Airport Layout Plan (ALP) needs to be updated to remain in compliance with FAA guidelines at an estimated cost of \$522,000. The unexpected increase is attributed, in part, to an Airport Geographic Information System (AGIS) study required by the FAA every 5-7 years. There is a state grant for the AGIS study, which will pay for 95% of the fee, and the Airport needs to pay the remaining 5% (\$13,500). Frost noted he is concerned that those types of service and funding grants eventually change or are eliminated, which would then put that responsibility on the Airport Authority (taxpayers). Frost added Phase 5 of the Airport Reconstruction Project is completed (parking) and new bids are being accepted for the runway project due to changes in mix requirements, which drastically affected the bid process. Discussion followed on Airport Geographic Information System (AGIS) requirements, use of Passenger Facility Charges (PFCs) collected, how grant funds can be used toward specific projects and not operation and maintenance costs, and how the Airport Commission notification process could be improved in order to provide ample time and possible work sessions for members to review information prior to a meeting where action is requested.

Historical Society Support

Councilmember Erickson reported she is the City liaison and Charlene Sturk is the County liaison to the Beltrami County Historical Society (BCHS) Board. Since joining the board, she's learned the facility is open limited hours (Wednesday-Saturday 12-4 p.m.) due to lack of funding and was surprised to learn the county provides no financial support to the organization, but did at one time. She noted the city provides in-kind support such as a rent-free facility, repairs, utilities, insurance and leased land from Burlington Northern Railroad at an estimated value of \$19,609/year. Erickson indicated they only employ one half-time staff person, Director Dan Karalus, who continually tries to find time to work on securing grants for various projects while also operating the BCHS. She noted if the BCHS had more funding they could serve more tourists, residents and neighboring counties by extending their hours of operation. She was wondering why and when the County stopped their financial contributions.

Mack noted the BCHS carries the county name, but is not a county entity, so no funding is provided and she is unsure when financial support stopped. Mack and other commissioners noted they have not provided financial support for several years, but have worked with the BCHS on funding projects in the past and they are eligible to apply for development fund grants for special projects and initiatives. However, those funds cannot normally be used for operation and maintenance expenses.

Discussion continued on city and county guidelines for providing funds to non-profit organizations, how the BCHS currently serves those within and beyond our community and how that service could be improved with additional resources which may be applied for through the county development fund.

City and County Trail Systems

Mack said she could only brag about the city and county parks and trails and how both entities have worked individually and together to provide and improve upon the interconnectivity of parks and trails. She hopes to continue working together to benefit the community as well as the region.

Mayor Albrecht reported she recently learned the county disbanded their Park & Trail Advisory Committee (PTAC) but are in the process of creating a new board. She hopes a city representative will be appointed to serve on that board in order to maintain our joint interests and ventures. Albrecht added the Greater Minnesota Regional Parks & Trails Commission recently met and has been appointed by Governor Dayton to help greater Minnesota understand how to access Legacy Funds for regional park and trail amenities. A district planning committee is being formed for northwestern Minnesota and three Beltrami County residents have been appointed to the committee (Charlie Parsons, Sam Christianson and Sue Bruns).

Several councilmembers and commissioners also commented on the success of the city-county collaboration in the development of parks and trails and discussion continued on the proposed shooting sports park, possible grant funding available for that park, long range plans for improvements to the trail along the Birchmont Beach Road area, on-street trails and the anticipated 2015 project to improve access to the South Shore Trail near Clausen Avenue and First Street.

Fire Association

Chattin reported the process is stalled since legislators did not accept the Fire District concept due to tax exempt properties being required to pay fees for fire service. The Fire District Board believes this plan is the fairest way to charge for fire service. Some townships are hesitant to sign an agreement since their fees would increase and some council members question the governance model presented, so there is still a lot of work to do on the city's part. However, the next legislative session will be the telling point. The Fire District concept was initiated when further LGA cuts were anticipated and the city needed to try to level and stabilize funding and service for the Fire Department. The same concept is now being considered to also help level and stabilize street improvement funding.

Councilmember Hellquist indicated we are lucky to have a current workable agreement and about a year and a half ago the governance changed in order to better manage the association and work on key issues. However, there is still an issue with some townships in that they believe they are being over-charged.

Johnson added several legislators agreed governance with an 18-member board would be cumbersome and think the separate city and rural governance model is more suitable. In addition, some were concerned with how schools, churches, colleges, tax exempt and non-profit entities would fund the additional fees. Therefore, the city may need to consider different funding options and townships may need to increase fees in order to provide fire service.

Councilmember Erickson noted that since the city provides 56% of the funding for the Fire Department, it doesn't make sense to only have a 1/18 voice on one board and a 20% voice on the second board. She believes that would essentially give the city's ability and authority to provide fire service to the townships, which aren't statutorily required to provide service.

City updates

- Hospitality Tax

Chattin reported the purpose of the proposed tax is to subsidize the annual deficit of the Sanford Center, which will continue to operate at a deficit. Since it is a regional center, it should be paid for by regional funds and those who use the center, not just city tax payers, 49% of whom did not vote in favor of building the event center. A 1% tax on food, beverage and lodging would generate an estimated \$500,000/year to assist with the deficit and to fund future capital improvements.

Councilmember Olson indicated some businesses will pass the additional tax onto their customer and some may absorb it themselves to keep their pricing consistent. While he understands the concept, he believes the city also needs to look at other options.

Mayor Albrecht noted the event center draws people from the region to our community so the 1% tax would capture part of their spending dollars when they visit Bemidji or attend an event at the Sanford Center.

Discussion followed on the ability and plan to fund capital improvements/repairs, the economic impact and development the facility has had on the community, lack of support of the proposed tax by the Chamber of Commerce, why county residents weren't allowed to vote on building the event center (which is deemed by some as "taxation without representation") due to the fact there is no legal mechanism in place to allow county residents to vote if they don't reside in the city and it was not possible to do a county referendum on the issue.

- Street Improvement Districts

Mayor Albrecht reported the creation of Street Improvement Districts will provide a better mechanism for cities to assess road projects. The League of Minnesota Cities and Greater Coalition of Minnesota Cities are helping to create a more fair and equitable process to fund projects, which would replace the current assessment process.

- South Shore Beach and Lake Cleanup

Chattin indicated the Council's goal is to clean up the south shore beach and lake bottom. The City has applied for funding through the Lessard-Sams Outdoor Heritage Council at the encouragement of State Senator Tom Saxhaug, who chairs the committee. We hope to secure funds by the fall of 2015 in order to start a project to construct a park and renovate the existing bathhouse. Discussion followed on other possible funding sources, including asking for assistance from DNR Commissioner Tom Landwehr. Mayor Albrecht noted Council took the suggestion under advisement and worked closely with Fisheries and Ecological & Water Resources at the DNR in understanding what may work best for the area and the DNR provided an aquatic management plan and on-shore habitat restoration plan to include with the city's application.

County Updates

- Mississippi Headwaters Board membership

Commissioner Frost reported the board was established under Minnesota Statute to identify, protect and preserve the natural, cultural, scenic, scientific and recreational values of the Mississippi River's first 400 miles. The MHB is a consortium of 8 counties (Aitkin, Beltrami, Cass, Clearwater, Crow Wing, Hubbard, Itasca and Morrison) to establish guidelines and minimum standards for the river corridor. They also participate in grant administration, project and variance requests, river watch, science project judging, awareness and visioning sessions, and develop partnerships with key cities involved with planning, development and land use for the region. Discussion followed on storm water management, shoreland restoration, aquatic invasive species (AIS), and what projects or development have or could impact the area of concern.

- Veterans Home Initiatives – Veteran Housing Grants

Commissioner Vene indicated legislature will be accepting applications from five (5) communities to apply for grants to create housing for veterans (public or private). Beltrami County has spent about \$10,000 and received donated architectural services from Commissioner Lucachick and others on the committee to maintain existing services and attempt to establish a regional facility to meet the needs of veterans. Legislation introduced may require the veteran to be 70% disabled to qualify for residency or have received a purple heart or silver star, but those are not necessarily the veterans in need of assistance. They have identified 30,000+ veterans lacking any service or having no access to care due to their location. There is also concern if the existing veteran care centers will be able to continue to function and financially sustain themselves. All along the initiative has said they "support meeting the needs of veterans regardless of where they are found to be living". The county will apply for a \$50,000 planning grant to create a regional center, which will co-locate with the existing out-patient clinic. Land has already been donated by Sanford Health Systems and State Representative John Persell will work with the County on the grant.

Algae

Councilmember Thompson reported he would like to see a cleaner Lake Bemidji and the north end of the lake has become known as "the land of failing septic systems". Apparently sewage and phosphorus are making their way into the lake and may be a factor in the green

algae in the water. His family members have experienced issues with the effects of the algae on their skin and he recently heard of a dog that died after entering a Brainerd area lake containing algae. He fears toxic levels could harm a child as well if precautions aren't taken to keep the lake clean. He feels the city sewer system needs to be extended to the north side of the lake in order to preserve Lake Bemidji.

Public Works Director Gray indicated there are failing systems and some are only identified during the sale of property when a compliance inspection is required. He noted some counties now require an annual or bi-annual inspection of septic systems to identify those in need of repair or replacement to assure compliance and protect the environment.

Discussion continued on possible contamination, blue-green algae bloom due to phosphorus levels, potential toxicity levels, development in areas of the city with no access to water and sewer service and the importance of continuing to work with the county on projects.

Future Meetings

Mayor Albrecht noted that a strong city makes a strong county and vice versa, so the city and county should continue to meet to discuss items of mutual interest.

ADJOURN

The meeting adjourned at 7:07 p.m.

Respectfully submitted,



Teresa Hanson
Deputy City Clerk