

CITY COUNCIL PROCEEDINGS

BEMIDJI, MINNESOTA

Work Session – July 13, 2020

Pursuant to due call and notice, a special meeting of the City Council of the City of Bemidji, Beltrami County, Minnesota, was held on Monday, July 13, 2020 at 5:30 p.m. in the Council Chambers of City Hall, Mayor Albrecht presiding via video and telephone conference.

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

Staff Present: City Manager Nate Mathews, City Attorney Alan Felix, Assistant City Attorney Katie Nolting, City Engineer Craig Gray, Finance Director Ron Eischens, Parks and Recreation Director Marcia Larson, City Clerk Michelle Miller

Mayor Albrecht called for any amendments to the agenda. Rivera asked for an initial discussion to mandate wearing of masks be added to the agenda. Motion by Meehlhause, seconded by Rivera to approve the agenda as amended. Motion carried. Mayor Albrecht stated the purpose of the meeting was to discuss the 2021 Budget and discuss a possible city wide wearing of mask mandate.

2021 Budget (Financial Management Plan)

Eischens began the meeting by recapping the primary topics discussed at the February Budget Discussion Work Session. Those included Phase III annexation, Sanford Center Capital Funding and Operations. The recommendations provided by staff reflect a zero tax rate increase, meaning if property values stay the same, there is no city tax increase. Eischens stated that the City tax rate has remained the same since 2015 due to market value growth. Eischens summarized the revenue adjustments which resulted in a revenue increase of \$130,000.

Expense adjustment increases include the following:

- Personnel Costs - \$448,200
- Annexation Revenue Sharing - \$86,000
- Fire Station 4 Lease - \$55,000
- Reduced Police Department Grant Funding - \$46,000
- City Building Maintenance - \$40,000
- Public Works Operation Expenses - \$25,000
- Technology/Licensing - \$30,000
- Council Dues and Travel - \$16,000
- Police Records Clerk Services - \$15,000
- Carnegie Operating Costs - \$13,000
- Capital Improvement Plan - \$29,000
- Decrease – Elections – (\$10,000)

Eischens provided information on the 2020 tax levy which comprises of four categories for a total of \$6.1 million:

- General Fund - \$4.9 million
- Sanford Center Capital Replacement - \$230,000
- Street Improvement Program - \$425,000
- Debt Repayment - South Shore and PW Building - \$590,000

With the adjustments made above, the amount necessary to reach a zero rate impact is (\$266,000). Eischens set forth the following options to achieve that goal:

- Reallocate levy amounts discussed above
- Use reserves – construction or general fund
- Service reductions – budget cuts
- Combination of above

Staff set forth the following recommendations:

- Street Improvement levy reallocation - \$40,000
 - Reduce street levy by \$40,000 – reallocate to general fund
 - Increase assessment charge per linear foot to \$45 versus \$38 (2009)

- Increases revenue by \$40,000
- Sanford Center Capital reduction - \$200,000
 - Reduce CIP from \$230,000 to \$30,000 – reallocate to general fund
 - Capital funding not adequate – need a special use tax
- Public Works Building bond refinancing savings - \$26,000

Combination of the above generates the necessary \$266,000 shortfall which would accomplish the net zero tax rate impact.

Eischens noted items not included in the 2021 budget:

- Police Officer
- JPB Enforcement Position
- Fire staff reorganization
- Operating expenses
- Sales tax collections to cover bond payments (so far has remained strong)

Removing the \$200,000 from the levy for the Sanford Center Capital Improvement Plan will be difficult for a future council to add back.

Albrecht stated that the Joint Planning Board consisting of City Council members and Northern Township Board members had agreed to fill an enforcement position that had been vacated and not filled. There is some disagreement on whether now is the right time to fill that position. Staff stated that this position could keep busy as a full time employee. Additionally, Felix, reminded council of the potential civil/criminal actions that could come from increased enforcement of Joint Planning issues. There is also the question of how to prosecute the violations located outside of city limits. Erickson disagrees with the split of the costs to operate the joint planning office. Northern Township contributes 18%, the City 52%, the airport 2% and 28% from fees.

Motion by Erickson, seconded by Johnson to freeze hiring the Joint Planning enforcement position.

Meehlhause stated that the city benefits from partnerships with other organizations. For the health of this partnership with Northern Township, this position needs to be filled and figured out how to fund.

Motion failed by the following roll call vote: Yeas: Erickson. Nays: Johnson, Albrecht, Meehlhause, Rivera.

Motion by Meehlhause, seconded by Rivera, to move forward with hiring the Joint Planning enforcement position. Meehlhause withdrew to make a motion with more direction.

The position is currently funded for 2020. However, it still needs to be determined how to fund it for 2021 going forward. Albrecht stated that the Joint Planning Board meets on August 12 and feels this discussion could be held before that meeting.

Motion by Meehlhause, seconded by Rivera, to move forward with hiring the Joint Planning enforcement position and direct staff to budget the position in the future.

Felix reiterated the issue of how to enforce violations outside of city limits as well the increased workload on the legal department for administering violations. Nolting suggested working to figure out the legal issues pertaining to enforcement before hiring the position.

With the understanding that the legal department will meet with Northern Township Officials to try to resolve the issues surrounding civil and criminal actions with regard to joint planning enforcement, Meehlhause withdrew his motion.

Johnson stated that separate discussions should take place with regard to the Sanford Center. Council consensus was to move forward with the current staff recommendations for the 2021 Budget. Eischens stated that staff will meet with Council in August for additional budget discussions.

Discuss City Wide Mask Mandate

Rivera stated that in light of the increase of Covid-19 cases in the Bemidji area, she feels the City Council should start a conversation to consider a city wide mask order. Staff will prepare options for council consideration at the July 20 meeting.

ADJOURN

There being no further business, motion by Erickson, seconded by Meehlhause, to adjourn the meeting. Motion carried. Meeting adjourned at 8:26 p.m.

Respectfully submitted,



Michelle R. Miller
City Clerk