

CITY COUNCIL PROCEEDINGS

BEMIDJI, MINNESOTA

Work Session – July 14, 2014

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, July 14, 2014, at 5:30 p.m. in the Conference Room of City Hall, Mayor Albrecht presiding.

Upon roll call, the following Councilmembers were declared present: Albrecht, Meehlhause, Hellquist, Johnson, Olson, Erickson, Thompson

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

Others Present: Miller McDonald – Sandy Nelson; Venuworks – Curtis Webb and Mike Cronin; Bemidji Downtown Alliance - Mitch Rautio

Via Phone: James Thomson, Kennedy & Graven

Detachment – Bemidji Township

Mayor Albrecht noted that there were a number of people at the meeting regarding the detachment process.

Attorney Thomson stated this is before the Council as the mediated settlement agreement, as upheld by the arbitrator and by the court, contained a provision that states “the City and the Township agree to detach certain properties that were annexed to the City in phase one.” Property owners must submit a detachment petition and may be considered if not currently served or eligible to be served by city municipal water and sewer. Thomson stated he asked City staff to put together maps that both the City and Township will need to agree upon under the agreement.

Gray reviewed the maps stating that he has evaluated all of the Phase I parcels to determine which ones are not currently served by city sewer and water. In order to be considered as served by city utilities, the property must have a utility main in a public roadway or easement in front of the property that they could reasonably connect into without crossing private property. He noted that there were 241 parcels annexed in Phase 1 of which 76 parcels are currently served with water or sewer. The City has received 139 detachment requests of the 165 parcels eligible.

Erickson asked about the timeline for filing detachment petitions. Thomson responded that there is no deadline in the Agreement and he will be talking to the Bemidji Township attorney. He stated that when the resolution comes back to the City Council, that would be the deadline. Thomson stated there was no action needed by the City Council at this time.

Gray noted two parcels that are yellow with crosshatched brown have city watermain available and have submitted a detachment request. Thomson stated that these two parcels might be problematic as all the parcels surrounding them have petitioned for detachment. The Council may decide to let them detach. Gray stated that it is not clear cut

on these two parcels as it is on other ones. Discussion continued on the distance for the parcels to hookup.

Mayor Albrecht noted that if the Council adopted the map there would be some non-contiguous parcels. Thomson stated that the main problem is jurisdiction over the roads which would typically be handled with an agreement. He will be working with the Township Attorney regarding this issue.

Albrecht asked what the likelihood that Municipal Boundary Adjustments would approve a map with a number of islands on it? Thomson responded that the Township Attorney has agreed with him that they would run the maps by the Municipal Boundary prior to submission.

Thomson stated that the agreement calls for a mutual agreement between the City and Township. If not reached, it would go to the mediator.

Albrecht noted that current City residents may be voting as City residents in the Primary and if the detachment is approved prior to November, would vote as a township resident. Mayor Albrecht concluded that the Council has reviewed the maps but no action was needed at this time.

2013 Audit

Eischens handed out a 2013 Summary Financial Report which he has prepared to inform the community of the City's financial activity in a simple, easy-to-read format which highlights the City's Audit. He stated that he has opted to not print due to the cost of printing but the report is available on the City's website as well as sending to some of the local agencies. He noted that there was one significant change wherein the City makes a market value adjustment to the City's investments at the end of year. It is a paper entry and does not affect the cash. That entry was a \$1 million at the end of the year causing a \$1 million unrealized loss.

Sandy Nelson, Miller McDonald, Inc., reviewed the 2013 Audit with the Council. Ms. Nelson noted the following items from the Audit:

- Internal control findings 07-1 – Preparation of Financial Statements by Auditor. The City's Auditor prepares the financial statements and is noted as a significant deficiency by the management. City has noted the findings and taken it under advisement. Due to the level of knowledge required and the time necessary to prepare the financial statements, the Council does not feel it has the resources to resolve the finding at this time.
- 13-1 – Insufficient Pledged Collateral – State Statutes requires pledged collateral in the amount of 110% of deposits held in excess of the amount insured by FDIC. Eischens will monitor and inform the financial institutions of the pledge collateral requirements and follow up in December.
- 13-2 – Late Disbursement Payments. Eischens responded that city staff have been informed of the legal requirement to pay invoices within 35 days of receipt. In addition, all invoices are being date stamped when they are received. If not paid within 35 days, department heads are noting on the invoice why it is not being paid.

Sober Parking Permit

Mitch Rautio, Bemidji Downtown Alliance (BDA) member, reviewed a recommendation from the Alliance and hospitality businesses to implement a “Safe Choice Temporary Parking Permit” on a trial basis with the understanding that adjustments may be made as needed. He stated that this will be a “tool in the bartender’s bag” to help them with giving those who have drunk too much a safe alternative to getting behind the wheel of their vehicle. He noted that only six permits (or some number) will be allowed per month.

Mayor Albrecht stated that there seems to be misinformation in the community that somehow it was the mayor or council that makes the downtown parking lot rules which they did not.

Rautio stated that the BDA administers the parking program downtown and works closely with City staff. It was a decision of BDA and City staff to make all downtown parking lots signed uniformly with the exception of the lots on 4th & Beltrami and 5th & Beltrami.

Gray asked if the Council wanted to take action on this as they have not done so in the past. Gray commented that he does not see how this “safe choice permit” will make the lots get cleared of snow faster and he will still receive complaints from “certain” downtown businesses.

Mayor Albrecht stated that the BDA is requesting this and the goal of the permit has nothing to do with snow. The goal of the permit is to keep people from making the choice of drinking and driving home intoxicated.

Councilmember Olson stated that it bothers him that when we shape policies for a few. He stated that there are many more downtown residents that are in the lots than those that will leave a car parked after drinking too much.

Consensus of the Council was they liked the “Safe Sober Parking Permit” idea but did not want to create a City policy but leave it up to the Bemidji Downtown Alliance.

Sanford Center - Venuworks Contract

Chattin stated that the City has had its ups and downs with Venuworks; however, things have been running much better at the Sanford Center under the direction of Curtis Webb. There have been more events and less turmoil. The Finance Director put together information on what it would look like if the City took over operation of the event center. He noted that, in general, it would be a wash if the City or Venuworks runs it. He stated that there are portions of the contract that are not to the City’s benefit or revenues in the contract that potentially creates a liability for the City. His recommendation was that the City Council direct staff to begin negotiations with Venuworks.

Curtis Webb, Executive Director at the Sanford Center, stated that he is the only employee with Venuworks who has a “no compete clause”. He stated that he has good staff at the event center.

Johnson stated that the City has not been happy with Venuworks and was at a point of terminating the contract until Curtis Webb was hired. He stated that there are more things to look at and not just salaries. Johnson discussed the makeup of the operation of Mankato’s event center and felt there are some economies of scale to be gained, i.e., insurance. He

commented that Mankato is able to hire people that know the industry and have less turnover.

Albrecht stated that there are benefits to be gained by using Venuworks and there might be items on both sides to be learned.

Chattin stated that financially it does not make sense for the City to manage the event center. He noted that the manager of Mankato's event center is contracted by the City of Mankato and has an extreme amount of discretion.

Hellquist stated that temp worker management could be difficult and the City has no real HR person with certification. He stated that if the payroll is taken in-house by the City there is the cost of adopting the time clock system and would overburden the current staff.

Erickson commented that she would be interested in learning more about the Mankato operations as well as the Sanford Center.

Consensus of the Council was to have further discussion about the Venuworks contract with additional information provided at their September 8 work session. Staff will provide the Council a copy of the current contract.

ADJOURN

There being no further business, motion by Meehlhause, seconded by Olson, to adjourn the meeting. Motion carried. Meeting adjourned at 7:32 p.m.

Respectfully submitted,

Kay M. Murphy
City Clerk