

# CITY COUNCIL PROCEEDINGS

## BEMIDJI, MINNESOTA

### Regular Meeting – Tuesday, July 5, 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 Tuesday, July 5, 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, City Attorney Alan Felix, Public Works Director/City Engineer Craig Gray, Finance Director Ron Eischens, Police Chief Jerry Johnson, City Clerk Kay Murphy

#### **AMENDMENTS TO AGENDA**

Mayor Larson called for any amendments to the agenda. Councilor Johnson requested addition of Travel Authorization under the Consent Agenda to attend the 2011 CGMC Summer Conference in Grand Rapids (August 3-5). **Motion by Johnson, seconded by Thompson, to approve the agenda as amended. Motion carried by unanimous vote.**

#### **MINUTES**

Minutes of the June 20, 2011 regular meeting, June 13 and June 27 work sessions, and the May 2 and June 20, 2011 BEDA meetings were presented for approval. **Motion by Negard, seconded by Waldhausen, to approve the minutes as prepared. Motion carried by unanimous vote.**

#### **CONSENT AGENDA**

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

1. Claims submitted by the Finance Officer in the total amount of \$508,389.77
2. Claims submitted by the Sanford Center in the total amount of \$90,561.31
3. Miscellaneous Business License Renewals for 2011
4. Purchase of a 2011 Elgin Street Sweeper from State Bid in the amount of \$178,314
5. Travel Authorizations:
  - Minnesota GO Steering Committee meeting - St. Paul 9/8/11 – Albrecht
  - 2011 CGMC Summer Conference – Grand Rapids 8/3-8/5 - Johnson

**Motion carried by unanimous vote.**

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

No one appeared.

#### **OLD BUSINESS**

##### **Solar Panel Discussion**

Chattin stated that a letter of intent to proceed with negotiating with tenKsolar, Inc. and Energy Alternatives Solar (EAS) for the development of a 32-kilowatt solar electric project has been provided for Council's consideration.

Bob Long, Consultant with tenKSolar, stated that the original location for the panels was the Sanford Center and after discussions with the Sustainability Committee and City staff they are now proposing a roof mounted system on the Public Works Building. He stated that they have confirmed that a different location does not affect the \$100,000 State grant. He then went on to describe the system and terms of the solar panel lease. The total estimated project cost is \$250,000. EAS would lease the system back from Bemidji and make all lease payments in advance in the amount of \$150,000. The City would lease the equipment for 72 months at \$287/month. Assuming a current cost per kWh of \$0.08 the net cost to the City during the term of the lease would be \$17/month. He stated that the City would be the legal owner of the system.

Negard commented that \$250,000 for the solar panel project is expensive electricity and will cost the taxpayers of Bemidji.

Waldhausen expressed concerns about subsidizing with taxpayer dollars at a rate of 80 percent or more.

Council discussed the following:

- Cleaning of the solar panels. Long stated that EAS would clean the panels 1-2 times a year during the lease period.
- Snow. Long stated the solar panels are self-cleaning and snow typically melts off after 1-2 days.
- Educational Component. The price does include a monitoring system but not off-site monitors. Long stated that perhaps with OTP and BSU assistance the educational component at another location could be included.
- Cold Temperatures. Long stated that solar panels work better in colder temperatures.

Gray expressed concerns about the cost of replacement of inverters and, if the Council decided to place solar panels on the Public Works Building, he would be recommending that the City continue to lease the panels at the end of 6 years.

Long commented that some cities set up reserves to cover the cost of replacing inverters and panels.

Albrecht stated that the federal government has recognized the need to move to renewable energy sources and was in favor of the solar panel project. She stated that it was a wise investment to move from fossil fuels to alternative forms of energy.

Mayor Larson asked for an estimate of staff time to work on the proposed solar panels. Felix responded that not as much time as it would have been on the “bond encumbered” Sanford Center property. Felix further stated there will be contracting questions and he would have to research the Uniform Bidding Statute.

Chattin stated that some of the contract issues could be simplified by utilizing other city contracts.

Long suggested that there are template contracts available from Kennedy & Graven.

Todd Daniels, Syback Solar, stated that he is familiar with the tenK product and likes the product. He commented that this is an opportunity to get funds back to our community.

**Motion by Thompson, seconded by Albrecht, to approve a letter of intent with the consultant for a solar panel project. Motion failed with the following vote: Ayes: Johnson, Albrecht, Thompson. Nays: Waldhausen, Hellquist, Negard, Larson.**

## **NEW BUSINESS**

### **Budget Modification #4**

Eischens reviewed budget modification #4 stating that previous Council actions approved expenditures and additional funding for repair of the Nymore tennis courts as well as the construction of North Country Park. The Police Chief indicated grants funding two police officer positions, gang officer and auto theft investigator, will end on June 30 and not be renewed for next year. Chief Johnson has requested that they be placed on patrol duty and not laid off. Eischens noted that the police department is already down two officers due to retirements. He stated that by granting this request, the Council is committing to retain these positions for the remainder of 2011 at a cost of \$68,000 with funding from reserves which will need to be replaced. Furthermore, to retain these positions for 2012 the cost is \$137,000 which equates to a 3.4% levy increase. If levy limits remain in place for 2012, this additional funding may mean cuts in other departments.

Chief Johnson stated that the plan is for the officers to do patrol, however, they will continually reassess the utilization of officers.

Discussion followed regarding using reserves to fund services in the city. Albrecht stated that she did not like using reserves as it just moves the problem “down the road” and at budget discussion time will be looking to replace those funds. Council consensus was that providing police service is a priority.

**Motion by Hellquist, seconded by Negard, to approve 2011 Budget Modification #4. Motion carried unanimously.**

### **Midway Drive Bridge Repair**

Gray stated that on June 17, 2011 the City opened bids for rehabilitation and repair of the Midway Drive Bridge. Three bids were received with the low bid from Robert Schroeder Construction in the amount of \$495,470.50. He stated that the bridge has a number of

structural issues that need repair and in 2008 the City was selected to receive \$160,000 in Federal Transportation Funds so that the bridge could be used as a trail bridge. He reviewed the project funding:

Original Federal Enhancement Allocation	\$160,000
Federal Enhancement Dollars Added	\$ 84,000
City Parks Sales Tax Allocated	\$ 36,000
Liquor Store Profits	<u>\$130,000</u>
Total Previously Approved Funding	\$410,000
Current Shortfall	\$175,000
Additional District 2 ATP Dollars	\$ 50,000
Additional City Funding Required	\$125,000

Gray stated that there are two items that the City could delete from the project which would reduce the cost by \$20,000 which brings the City's additional share to \$105,000. He stated because the project involves federal funds the low bid needs to be submitted to the state for approval. The state shutdown could delay this requirement. The contractor has extended his bid award deadline to August 8.

Discussion continued regarding delay of repairing the bridge and exploring other funding sources. Albrecht suggested that perhaps the Snowmobile Club could be approached to assist with the City's share or other trail users.

Eischens noted that the funding source for the \$105,000 is the cash reserves and would require a 2.5% levy increase next year, or cut \$105,000 in services, to replace those reserves.

A motion by Thompson to allocate up to an additional \$105,000 toward the project and authorizing the award of the bid to Robert Schroder Construction, Inc. in the amount of \$495,470.50 died for lack of a second.

**Motion by Waldhausen, seconded by Albrecht, to postpone the Midway Drive Bridge Repair (City Project #08-10) discussion until the August 1, 2011 Council meeting. Motion carried unanimously.**

#### Industrial Street Light Repair

Gray stated that on June 24, 2011 the city received two bids for repair to street lights in the Industrial Park. EAPC has reviewed the bids and recommends award to Bessler Brothers' Electric in the amount of \$42,745. The Council allocated \$60,000 (cash reserves) toward the project in May and Gray recommends that the project budget remain at \$60,000 which will allow for any unknowns that arise to also be taken care of.

**Motion by Hellquist, seconded by Johnson, to award the bid for the Industrial Street Lighting Project (City Project 11-07) to Bessler Brothers' Electric in the amount of \$42,745 and to keep the project budget at \$60,000 cover any unforeseen costs. Motion carried unanimously.**

#### ORDINANCES

**AN ORDINANCE** Amending Chapter 12 of the Bemidji City Code Entitled Pawnbrokers, Secondhand and Precious Metal Dealers was given a first reading.

Pursuant to published notice, a Public Hearing was held to receive input regarding Amending Chapter 14 of the Bemidji City Code Adding Article VII Relating to Illicit Stormwater Discharge. Mayor Larson opened the Public Hearing at 9:21 p.m., hearing no comments the public hearing was closed.

Felix noted that staff has made a couple of minor changes to the proposed amendment and the Council will have to pass a motion (majority vote) to adopt the changes.

**Motion by Albrecht, seconded by Waldhausen, to adopt the changes to the proposed amendment. Motion carried unanimously.**

**AN ORDINANCE** Amending Chapter 14 of the Bemidji City Code Adding Article VII Relating to Illicit Stormwater Discharge was given a second reading.

**LIBRARIAN'S REPORT**

Paul Ericsson, Branch Manager, stated that the June Book Festival was a success. In July, the library will be focusing on summer programs for children. Upcoming special events include a book sale July 26-28 at the Bemidji Armory.

**TEAM STRENGTHS STRATEGY**

Chattin stated that Deanna Murphy recommended that at one meeting a month the Council review how they performed as a group and staff will include this item on the first Council meeting agenda. Chattin stated that more strength building meetings will be planned. Consensus of the Council was that they performed well.

**UPCOMING COUNCIL MEETINGS**

- Monday, July 11 5:30 p.m. Work Session – Audit Presentation
- Monday, July 18 7:00 p.m. Council Meeting
- Monday, July 25 5:30 p.m. Work Session – Budget/2010 Fire Relief Audit

**COUNCIL/STAFF REPORT**

- Council members provided updates on current events and meetings.

**ADJOURN**

There being no further business, motion by Johnson, seconded by Waldhausen, to adjourn the meeting. Motion carried. Meeting adjourned at 9:55 p.m.

Respectfully submitted,

  
Kay M. Murphy  
City Clerk