

CITY COUNCIL PROCEEDINGS

BEMIDJI, MINNESOTA

Regular Meeting – July 7, 2014

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, July 7, 2014 at 7:00 p.m. in the Council Chambers of City Hall, Mayor Albrecht presiding.

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

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

AMENDMENTS TO AGENDA

Mayor Albrecht called for any amendments to the agenda. Olson requested that the following item be added to the agenda:

- Consider Authorizing the Use of PEG Fees for the Purchase of Equipment – Upstream TV

Motion by Meehlhause, seconded by Johnson, to approve the agenda as amended. Motion carried by unanimous vote.

MINUTES

The following minutes were presented for approval:

Council Meeting June 16, 2014

Motion by Erickson, seconded by Thompson, to approve the minutes as presented. Motion carried by unanimous vote.

CONSENT AGENDA

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

1. Claims Submitted by Finance Officer in the amount of **\$1,672,849.09**
2. Claims Submitted by Venuworks for the Sanford Center in the amount of **\$27,340.25**
3. General Business Licenses Renewals for 2014
4. Temporary Consumption and Display Permit – Watermark Art Center on 9/27/2014
5. Appointment to the Sanford Advisory Board – Lori Paris
6. **RESOLUTION NO. 5895:** Appointing Election Judges for the August 12, 2014 Primary and November 4, 2014 General Elections
7. **RESOLUTION NO. 5896:** Accepting Donation from the North Country Snowmobile Club in the amount of \$2,500 for the Bemidji Library
8. **RESOLUTION NO. 5897:** Designating the City Act as Fiscal Agent on Behalf of Greater Minnesota Park and Trail Commission
9. Waived Permit Fees in the amount of \$1,056 for Habitat for Humanity (818 10th Street SW)
10. Approved Budget Modification No. 1
11. Consider Approval of Change Order No. 2 for the Water Treatment Plant Upgrades – City Project 13-07

Motion carried by unanimous vote.

CITIZENS NOT ON AGENDA

No one appeared.

COMMITTEE REPORTS

Librarian's Report - Paul Ericsson, Branch Manager, reported on the 2014 Book Festival which was a six-day week of 21 events and attendance overall was comparable to last year with 900 attendees. He stated they have begun working on the 2015 Book Festival utilizing Legacy Grant funding. He also reported on the summer reading program for children.

OLD BUSINESS**Tobacco Free Policy**

Chattin stated that it was brought up to staff that at a recent event at the Sanford Center attendees were smoking outside the conference center. Currently, the City's tobacco free policy does not allow for smoking on the footprint of the Sanford Center. The adjacent parking lots, streets and sidewalks are excluded from the policy. Staff is recommending that the City's policy be amended to coincide with Beltrami County's ordinance for the Sanford Center to allow conference attendees to go outside to smoke on their breaks.

Erickson stated that this is an unenforceable policy and enforcement of this policy is voluntary. She stated she does not like unenforceable policies. Chattin stated that City employees will let park users that smoking is not allowed if the situation presents itself.

Parks & Recreation Director Larson stated that the no smoking policy came about through the Parks & Trails Commission to encourage people to not smoke around youth facilities, i.e., skate park, beaches. She further stated that this is a national trend.

Motion by Johnson, seconded by Thompson, to amend the City's tobacco free policy to allow smoking in accordance with Beltrami County's ordinance on the conference side of Sanford Center. Motion carried unanimously.

Energy Savings Project (Honeywell)

Finance Director Eischens reviewed the two resolutions regarding acceptance of the Honeywell ESG Final Investment Grade Audit Report for specific energy saving projects. He noted that on April 22, 2013 the Council authorized entering into a joint powers agreement with the Mn Department of Commerce to facilitate requests for proposals to select a firm to do an energy audit of certain city buildings. On August 19, 2013, the Council awarded the Guaranteed Energy Savings Performance contract to Honeywell. In addition, the City agreed to execute a GESP work order to perform an investment grade audit of specific city buildings. On April 14, 2014 the City authorized pursuing option #2 with a total project cost of \$2,445,750 with work to be performed through the GESP with Honeywell ESG.

Eischens stated that staff had hoped to have the financing terms finalized by tonight's meeting but at this point the plan is to have the City contribute \$155,000 upfront and \$75,000 in 2015 representing projects which were originally included in the Capital Improvement Plan.

Hellquist stated that when we started this process it was understood there was to be no cost and it would pay for itself.

Eischens responded that staff has included projects in the program that do not generate sufficient energy savings to pay for themselves but are projects that should be done and that is the reason for the upfront cost.

RESOLUTION NO. 5898: Authorizing Entering into a Guaranteed Energy Savings Agreement (Work Order Contract Amendment) with Qualified Provider (Honeywell), and Related Agreements, and Determining Other Matters in Connection Therewith was offered by Councilmember Hellquist, who moved its adoption, and upon due second by Councilmember Olson, was passed by unanimous vote.

Eischens suggested that the Council approve the following resolution allowing City staff to complete the details regarding financing. He stated that the term will most likely be 20 years and the interest rate in the 3.5% to 4% range.

RESOLUTION NO. 5899: Authorizing the Execution and Delivery of a Tax-Exempt Lease Purchase Agreement, and Related Instruments, and Determining Other Matters in Connection Therewith was offered by Councilmember Hellquist, who moved its adoption, and upon due second by Councilmember Johnson, was passed by unanimous vote.

NEW BUSINESS**Chief Bemidji Platform**

Chattin commented that this was the second attempt to reduce the cost of the Chief Bemidji Platform. He stated that there are options that would lessen the cost of the platform but if the Council wishes to stay with the original platform look, the bid today is \$62,250.

Parks & Recreation Director Larson stated that the Chief Bemidji Committee and staff have been working with Karvakko Engineering to design and construct the platform for the Chief Bemidji Statue. The City Council approved the design and bids were received for

construction of the platform but were significantly over budget. The platform was re-designed and the City re-bid the project in an effort to stay within the allocated budget. The following bids were received:

Aspen Construction	\$94,774.37
Diversified Builders	\$62,250.00
Eagle Construction	\$66,500.00
EAI	\$115,688.00
Engineer's Estimate	\$40,000.00

Larson stated that the Council approved a total budget of \$48,000 for the platform as part of the Paul Bunyan/Library Park Project. She stated that if the Council wishes to proceed with the construction an additional \$20,000 is needed and the Finance Director has identified the General Fund Reserves as an option for funding. The Chief Bemidji Committee has raised approximately \$92,000 to pay for the statue and other related costs. However, the Committee said they are willing to contribute \$5,000 for the platform and reduce the additional expense to \$15,000.

Erickson asked what other costs were committed by the City for the project? Larson responded that only the platform cost. Discussion continued regarding the cost of the statue as well as other costs covered by the fundraising.

Motion by Hellquist, seconded by Olson, to award the bid for the Chief Bemidji Platform to Diversified Builders in the amount of \$62,250, \$5,000 of which the Chief Bemidji Committee has agreed to pay for. Motion carried unanimously.

Purchase of Property - North of Walgreens

Chattin stated that the Council looked at this particular property to extend 24th Street to Irvine Avenue, however, the original purchase price was too high. He stated that the City Attorney has obtained a new purchase price of \$140,000 for the two parcels.

Gray stated that in addition to cost of the property acquisition there would also be the road connection costs for 24th Street. He currently estimated that cost to be \$110,000. He stated that if the road was extended the watermain would also be extended and looped to the watermain in Irvine Avenue at a cost of \$20,000. Total cost for road construction would be approximately \$270,000. He stated it would not be necessary to immediately construct the road extension but the purchase of the parcels would allow the road work to be programmed into the City's five-year CIP.

Hellquist asked how extending 24th Street to Irvine would affect traffic patterns and perhaps better ingress and egress for Walgreens. Gray stated that extending 24th Street would provide a "backage" road for Paul Bunyan Drive which MnDOT desires.

Erickson stated that she felt to have a street behind Walgreen's would not improve the traffic flow onto Irvine from Walgreen's.

Mayor Albrecht stated that one of the goals is to provide a secondary road to alleviate traffic on Paul Bunyan Drive. She further commented that extending 24th Street would be beneficial to not only Walgreens but all the businesses and homes that are on it.

Johnson, whose ward includes the street extension, stated that extending the street has received support in the past from businesses along Paul Bunyan Drive and passing on purchasing it now would be a big mistake.

Motion by Thompson, seconded by Johnson, authorizing the purchase of two vacant parcels north of Walgreens in an amount not to exceed \$140,000 plus reasonable closing costs. Motion carried with the following vote: Ayes: Albrecht, Meehlhause, Hellquist, Johnson, Olson, Thompson. Nays: Erickson.

Development Agreement with Peterson's LLC (University Heights)

Felix stated that the developer's agreement represents the vehicle by which the City will replace the aging water line and sanitary sewer and the expenditure to do that. The Council is making the priority expenditure to replace those lines now rather than later. He stated that if the developer does not close on the property, the City does not reimburse the developer for the project costs.

Gray reiterated that this developer agreement is just for replacement of the lines not the development. It was noted that since the project is not included in the current capital improvement plan, financing would be split between the water reserves (\$50,000) and sanitary sewer reserves (\$82,000). Moving forward with the project may require deferral of future capital projects or larger utility rate increases.

Motion by Erickson, seconded by Meehlhause, approving the development agreement with Peterson Developers, LLC (University Heights) in substantially the form presented, and authorizing its' execution by the city once any remaining necessary revisions are final. Motion carried unanimously.

Sale of Excess 23rd Street Right-of-Way

Felix briefly reviewed the proposed ordinances to vacate and sell the excess 23rd Street right-of-way to David Becker and Thomas & Kristi Reise.

PEG Fees for the Purchase of Equipment (Upstream TV)

Olson stated that at the June 16, 2014 Public Affairs Committee reviewed the request from Upstream TV and recommended the following equipment purchase utilizing PEG Access fees:

Switcher/Black Magic Interface (multiple camera broadcasts of live shows)	\$1,667.00
Six (6) 2TB Seagate external hard drives (system backup storage)	<u>\$ 474.00</u>
Total	\$2,141.00

Motion by Meehlhause, seconded by Johnson, approving the PEG Access fee request from Upstream TV to purchase equipment as indicated in the amount of \$2,141. Motion carried unanimously.

ORDINANCES

AN ORDINANCE Vacating a portion of 23rd Street was given a first reading.

AN ORDINANCE Amending an Uncoded Section of the Bemidji City Code (Authorizing the Sale of Real Property) (Becker) was given a first reading.

AN ORDINANCE Amending an Uncoded Section of the Bemidji City Code (Authorizing the Sale of Real Property) (Reise) was given a first reading.

UPCOMING COUNCIL MEETINGS

- Monday, July 14 5:30 p.m. Work Session – Annual Auditor Report & Discuss VenuWorks Contract
- Monday, July 21 7:00 p.m. Regular Council Meeting

COUNCIL/STAFF REPORT

- Council members provided updates on current events and meetings.
- Councilor Olson reported that local artist Wesley May has been selected to paint a mural on the wall of the WWTF digester building. The public is invited to a forum on Tuesday, July 15 from 5:00 to 7:00 p.m. in the Chambers to view the proposed art that will be installed.

ADJOURN

There being no further business, motion by Hellquist, seconded by Olson, to adjourn the meeting. Motion carried. Meeting adjourned at 8:33 p.m.

Respectfully submitted,

Kay M. Murphy
City Clerk