

CITY COUNCIL PROCEEDINGS

BEMIDJI, MINNESOTA

Work Session – September 11, 2017

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, September 11, 2017, 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, Plemel, Erickson Absent: Larson

Staff Present: City Manager Nate Mathews, City Attorney Alan Felix, Finance Director Ron Eischens, Parks & Recreation Director Marcia Larson, Police Chief Mike Mastin, Fire Chief Dave Hoefer, City Clerk Kay Murphy

Gene Dillon School

The Council briefly discussed a request from the ISD #31 to connect to city utilities prior to annexation. City Manager Mathews will provide information regarding the request as well as provide an update at the next regular Council meeting.

Mayor Albrecht stated that the purpose of the work session was to discuss the 2018 Financial Management Plan (FMP).

Finance Director Eischens stated that at the June 26 work session, the projected 2018 levy increase was at a breakeven amount. He stated that since that meeting, other issues have been presented to staff or Council to consider.

Prosecution Services

Currently, the City pays the Beltrami County Attorney's office to provide prosecution services for City misdemeanor and gross misdemeanor cases. The City was projected to pay \$153,000 for those services. Eischens stated that staff has recently received a request from the County for an increase of \$100,000. Considering the recent appointment of the County Attorney to judge, the City staff propose a \$30,000 increase as a compromise. This amount recognizes the need for the increase while allowing the City and County to have further discussion and time to review alternatives.

City Attorney Felix concurred that an increase is justifiable based on the caseload and time involved; however, what that amount is has yet to be determined.

Airport Fire Services

Eischens stated that the airport is reviewing their ability to provide fire services for daily flights with their own staff. Currently, the airport reimburses the City \$65,000 annually to provide those services. In preparation for this transition, staff recommend budget adjustments. Discussion followed regarding the ownership of the fire station at the airport. It was noted that a "Letter of Agreement" will be developed between the City and Airport regarding a satellite location for the Fire Department. Eischens stated that Fire department staff levels will remain the same but duties reassigned, including commercial building inspections, to account for the additional staff time made available.

Rail Corridor Funding

Council discussed utilizing general fund reserves as an option to fund the rail corridor study. Consensus of the Council was to include cost as part of the tax levy.

Wolfe Center Request

The Council discussed the Wolfe Center request for \$5,000 for operating funds. After discussion regarding the Council's policy on giving to non-profits, the Council consensus was to not fund the request. Council discussed taking another look at their policy on giving at a future work session.

Youth Advisory Commission

Mathews stated that Evergreen Youth Services continues to administer the Commission and have requested an additional \$2,500. Mayor Albrecht stated she likes that Evergreen administers the program because they have background checks and engages students civically.

Erickson requested additional information regarding the BYAC's budget and a list of scheduled fundraising efforts for the year. Meehlhause stated the group does a couple of fundraisers, i.e., turkey bowl.

The Council consensus was to include the additional \$2,500 in the 2018 budget with the condition that Commission apply for additional funding from other sources, i.e., Northwest Minnesota Foundation and Nielson Foundation.

Carnegie Project

Mayor Albrecht asked if there was any interest by the Council to provide additional support for the Carnegie project. Discussion followed regarding the hiring of a tax consultant to look at historic tax credits. Murphy noted that the Friends of the Carnegie have the funds to cover the cost of the attorney. The Council will be discussing hiring a tax consultant at their next regular meeting.

Other Needs

Mayor Albrecht asked Department Heads present if they had any other needs. Johnson asked about the Neilson-Reise Arena. Parks & Recreation Director Larson responded that the arena is heavily used but it is becoming more expensive to operate.

Councilor Johnson proposed that the City explore eliminating Venuworks management of the Sanford Center. He stated this could be a significant savings.

Hospitality Tax Update

Staff has made several presentations to educate various groups regarding a property tax reduction plan by implementation of a hospitality tax. At this time there does not appear to be adequate community support.

Summary

Eischens stated that the impact of the expense items to the tax levy is 6.9% for 2018. The levy increase is reduced to 2.6% because of the value of new construction and decertification of a TIF district. The Preliminary Tax Levy will be adopted at the September 18, 2017 Council meeting.

ADJOURN

There being no further business, motion by Meehlhause, seconded by Plemel, to adjourn the meeting. Motion carried. Meeting adjourned at 7:05 p.m.

Respectfully submitted,



Kay M. Murphy
City Clerk