

CITY COUNCIL PROCEEDINGS
BEMIDJI, MINNESOTA
Work Session – September 26, 2011

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 26, 2011, at 6:00 p.m. in the Conference Room of City Hall, Mayor Larson presiding.

Upon roll call, the following Councilmembers were declared present: Larson, Waldhausen, Hellquist, Johnson, Albrecht, Negard, Thompson

Staff Present: City Manager John Chattin, Finance Director Ron Eischens, City Clerk Kay Murphy

Others Present: Jenni Hillman, VenuWorks Finance Director

Mayor Larson stated that the purpose of the work session was to discuss a request from VenuWorks for an additional cash advance for operation of the Sanford Center in the amount of \$194,327.

Chattin stated that the City received a written request from Andy Long, Regional Vice President of VenuWorks stating that the additional cash request is the difference between their forecasted year-end number of \$533,045 and the original approved City subsidy of \$338,718. VenuWorks indicated that the cash shortfall is primarily due to lower than expected signage and sponsorship sales as well as pre-event revenues. Chattin stated that he asked Jenni Hillman to attend the meeting to answer questions regarding the cash request and not the operation of the facility.

Negard stated that he believed that a couple of months ago an additional subsidy was given to VenuWorks. Chattin responded yes, that the budget was amended. Negard wondered where VenuWorks' responsibility was in this and asked how much money was needed to get by until the meeting with VenuWorks. He stated that he "loves the Sanford Center but we're not getting what we need out of it".

Chattin stated that there are a few advertising contracts that will be to our benefit, however, for a lot of those we will not see the cash in the next 40-45 days. Chattin stated that the full bill list was not presented at the last Advisory Board meeting because there were not adequate funds to cover the expenses.

Waldhausen asked why the payroll was so high over the summer with little or no events? Chattin stated that is an operations question.

Discussion continued on where the funding would come from for the cash advance. Eischens stated that it could come from the City reserves. He further stated that the policy is to replenish those reserves from Sanford Center funds in the future. It was suggested that the Contingency Funds from the project be used. Albrecht stated she would not be in favor of using contingency funds.

Johnson stated that he expects the money to be reimbursed by VenuWorks. He commented that the fact that VenuWorks are not here speaks to where the Sanford Center is in their "pecking" order.

Hellquist stated he would not be in favor of a cash advance as it is VenuWorks payroll and their issue. He further stated that they should "taste the heat".

Motion by Negard, seconded by Thompson, to allocate a cash advance of \$194,327 for the operation of the Sanford Center using City cash reserves. In addition, the City will have a "come to Jesus" meeting on October 11 with VenuWorks corporate in this regard. Motion carried with the following vote: Ayes: Waldhausen, Negard, Larson, Thompson, Johnson, Albrecht. Nays: Hellquist.

Motion by Negard, seconded by Johnson, to adjourn this portion of the meeting. Motion carried. Meeting adjourned at 7:35 p.m.

At this time Eischens, Hillman and Murphy left the meeting. Mayor Larson called the meeting to order again at 7:40 p.m. stating the purpose was to meet with Deanna Murphy, President/CEO Strengths Strategy, Inc., in a strengths-based visioning session. The Council's next visioning session will be October 18 at 7:00 p.m.

With no further business the meeting adjourned at 8:20 p.m.

Respectfully submitted,


Kay M. Murphy
City Clerk