

CITY COUNCIL PROCEEDINGS

BEMIDJI, MINNESOTA

Work Session – Monday, September 9, 2019

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 9, 2019, at 5:30 p.m. in the Chambers of City Hall, Mayor Albrecht presiding.

Upon roll call, the following Councilmembers were declared present: Albrecht, Meehlhause, Beard, Johnson, Rivera, Erickson, Thompson.

Staff Present: City Manager Nate Mathews, Finance Director Ron Eischens, City Attorney Alan Felix, City Engineer Craig Gray, Parks & Recreation Director Marcia Larson, Assistant City Attorney Katie Nolting, Community Development Director Steven Jones, City Clerk Michelle Miller

Mayor Albrecht stated the purpose of the work session was to discuss the 2020 Budget, 2020 Sales Tax Proposal and convene in closed session.

2020 Budget (FMP)

Eischens stated that since the June 24 Work Session, items were clarified or added to the proposed budget as follows:

- Receipt of Auto Theft Grant
- Receipt of Toward Zero Death Grant
- Additional legal secretary for misdemeanor prosecution services due, in part, to 2020 annexation
- Youth Advisory Commission will be reallocated to the recreation department

Eischens stated that staff needs direction regarding the Neilson Reise Arena. Staff has proposed two rate increase options: (1) single rate increase of \$148/hour; or (2) tiered increased by \$38/hour. Staff recognizes the impact any increase will have on the users. Council and staff discussed various types of rate increases and expressed concern of the \$38/hour increase. Erickson proposed phasing-in the total increase over two years. Eischens stated that the levy could stay as proposed, while phasing-in the increase, by paying for the difference with arena reserves.

Motion by Erickson, seconded by Rivera to increase the tiered rate structure by \$25.00/hour per group. Motion carried by the following vote: Yeas: Meehlhause, Beard, Rivera, Erickson, Thompson, Albrecht. Nays: Johnson.

Eischens reported on a ruling by the Federal Communications Commission which may affect the Cable Franchise Fees Revenue. Eischens also reported on a potential conversation with the County regarding the county road sales tax for City street reconstruction.

Eischens stated that at the last budget meeting with council, it discussed the need to increase the Parks Capital Improvement Budget. Erickson questioned the City's \$30,000 contribution to Greater Bemidji that could go to the Parks Budget.

Motion by Erickson to rescind the \$30,000 annual contribution to Greater Bemidji to better allocate the funds beginning in 2020. Motion failed for lack of a second.

Council discussed public support of non-profit organizations versus quasi government organizations. The question of a contract was discussed between the City and Greater Bemidji regarding what is expected from Greater Bemidji. Felix stated that under Minnesota Statutes the city can allocate up to \$50,000 of general funds to support economic development. Council requested that a formal contract be drafted with Greater Bemidji.

Motion by Meehlhause, seconded by Thompson to increase the Parks Capital Improvement Funding by \$25,000. Motion carried by the following vote: Yeas: Erickson, Beard, Johnson, Rivera, Albrecht, Thompson, Meehlhause. Nays: None.

With council's decision increasing the Parks Capital Improvement Budget by \$25,000 - Eischens stated that the proposed total net levy increase will be 3.6%.

2020 Sales Tax Proposal

Eischens stated that the Special Use Sales Tax committee met last winter and spring to discuss issues related to a special use tax. In the end, the committee did not make a

recommendation or decision. Staff recommends that the council think about how it would like to approach this topic for the 2020 Legislative Session. The committee and staff discussed possible uses for a special use tax could be Sanford Center operations and capital, water treatment plant and the wastewater treatment plant. Eischens stated that if the city does not receive state bonding dollars or other funding for either of the water related projects, significant rate increases will need to be addressed. An October work session will be scheduled for further discussion.

Albrecht recessed the meeting at 7:13 p.m. and will reconvene in the conference room for closed session at 7:25.

Preliminary Consideration of Allegations Against a City of Bemidji Employee Under Minnesota Statutes, Section 13D.05, Subd. 2(b) – Tabled from September 3, 2019 Council Meeting

Council reconvened in the conference room at 7:27 p.m. It was noted that all members were present.

Staff Present: City Attorney, Al Felix

Others Present: Special Legal Counsel, Brandon Fitzsimmons

Motion by Meehlhause, seconded by Thompson to take from the table the agenda item of preliminary consideration of allegations against a City of Bemidji Employee under Minnesota Statutes, Section 13D.05, Subd. 2(b) which was tabled at the September 3, 2019 Council meeting. Motion carried.

Albrecht stated that the agenda item is the preliminary consideration of allegations against a City of Bemidji Employee under Minnesota Statutes, Section 13D.05, Subd. 2(b). The employee is Nate Mathews.

Motion by Erickson, seconded by Meehlhause, to close the meeting in accordance with Minnesota Statute Section 13D.05, Subd. 2(b) for the purpose of preliminary consideration of allegations against a City of Bemidji Employee. Motion carried unanimously. Meeting closed at 7:28 p.m.

The Council discussed preliminary consideration of allegations against the City of Bemidji employee in closed session.

The meeting was reopened and recessed at 8:55 p.m. The meeting reopened at 8:59 p.m. and then reconvened in closed session.

The Council continued discussion of the preliminary consideration of allegations against the City of Bemidji employee in closed session.

The meeting was reopened and recessed at 9:33 p.m. The meeting reopened at 9:57 p.m. and then reconvened in closed session.

The Council continued discussion of preliminary consideration of allegations against the City of Bemidji employee in closed session.

The meeting was reopened at 10:15 p.m.

Motion by Erickson, seconded by Meehlhause as follows:

1. That the City Council finds and concludes after serious consideration and deliberation that the pending allegations against City Manager Nate Mathews underlying this meeting are not sustained and disposed of in their entirety.
2. That no action be taken against City Manager Nate Mathews related to the allegations.
3. That Mayor Rita Albrecht consult with legal counsel to draft and provide City Manager Mathews or any other party with any appropriate notice related to this decision.
4. That Mayor Rita Albrecht consult with legal counsel to:
 - a. Submit formal communications to each member of the Bemidji Alliance Leadership Council stating that the Bemidji Alliance Leadership Council did not directly respond to the City Council's request of August 14, 2019 to participate in a collaborative process

and that the City Council requests again that they participate in such process and respond accordingly by no later than September 23, 2019.

- b. To notify City Manager Nate Mathews of such action.
- c. If the Bemidji Alliance Leadership Council agrees to participate in such process, facilitate the City of Bemidji retaining a third-party to facilitate a collaborative process to attempt to resolve the issues related to the issues underlying the allegations against City Manager Nate Mathews.

Motion carried by the following roll-call vote: Yeas: Albrecht, Erickson, Thompson, Meehlhause, Rivera. Nays: Beard, Johnson.

Motion by Beard, seconded by Johnson as follows:

1. That Mayor Rita Albrecht consult with legal counsel to retain and authorize a third-party investigator to investigate the allegations underlying this meeting.
2. That the City Council finds that it did not conclude whether discipline may be warranted as a result of the allegations. Instead, the City Council is investigating the allegations to primarily determine the facts related to the allegations and obtain an assessment of related matters from a third party neutral fact-finder.
3. That Mayor Rita Albrecht consult with legal counsel to draft and provide City Manager Nate Mathews with any appropriate notices and directives related to this decision.

Motion failed by the following roll-call vote: Yeas: Thompson, Johnson, Beard. Nays: Erickson, Albrecht, Rivera, Meehlhause.

Motion by Meehlhause, seconded by Rivera as follows:

1. The City Council reaffirms its support of Nate Mathews as City Manager.
2. That Mayor Rita Albrecht consult with legal counsel to draft and provide City Manager Nate Mathews with any appropriate notice related to this decision.

Motion carried by the following roll-call vote: Yeas: Albrecht, Thompson, Meehlhause, Rivera, Erickson. Nays: None. Abstain: Johnson, Beard.

Adjourn

There being no further business, motion by Meehlhause, seconded by Rivera, to adjourn the meeting. Motion carried. Meeting adjourned at 10:22 p.m.

Respectfully submitted,



Michelle R. Miller
City Clerk