

CITY COUNCIL PROCEEDINGS

BEMIDJI, MINNESOTA

Regular Meeting – December 1, 2025

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, December 1, 2025, at 6:00 p.m. in the Council Chambers of City Hall, Mayor Prince presiding.

Upon roll call, the following Councilmembers were declared present: Prince, Fiskevold Gould, Peterson, Dickinson, Rivera, Eaton, Thayer.

Staff Present: City Manager Rich Spiczka, City Engineer Sam Anderson, Finance Director Donna Coe, City Clerk Michelle Miller

AMENDMENTS TO AGENDA

Mayor Prince called for any amendments to the agenda. **Motion by Peterson, seconded by Thayer, approving the agenda as presented. Motion carried by unanimous voice vote.**

MINUTES

The following minutes were presented for approval:
October 20, 2025 Council Meeting

Motion by Eaton, seconded by Dickinson, approving minutes as presented. Motion carried by the following voice vote: Yeas: Prince, Peterson, Dickinson, Rivera, Eaton, Thayer. Abstain: Fiskevold Gould due to absence from the October 20 meeting.

CONSENT AGENDA #1

Mayor Prince called for any amendments to be made to Consent Agenda. The following Consent Agenda items were presented for approval. **Motion by Thayer, seconded by Peterson, to approve Consent Agenda #1 as follows:**

1. Claims Submitted by Finance Officer in the Amount Of \$3,178,023.14
2. Claims Submitted by ASM Global for the Sanford Center in the Amount of \$67,445.00
3. Approve October Financials from ASM Global for the Sanford Center
4. 2026 Business License Approvals
5. 2026 Liquor, Sunday Liquor and Wine License Renewals
6. Approve Transfer of Liquor License (Slim's Bar & Grill)
7. Approve/Accept Grant from MN Chief's of Police Foundation
8. Approve Service Agreement with Minnkota Power Cooperative
9. Approve Change Order No. 1 - Park Avenue NW Reconstruction - City Project 25-02
10. Approve Change Order No. 4 - Middle School Drive & Hannah Avenue NW Reconstruction - City Project 23-05
11. Approve Council Travel Authorization-2026 Elected Leaders Institute-Plymouth, February 6-7 - Thayer
12. Approve Council Travel Authorization-2026 Elected Leaders Institute-Alexandria, February 20-21 - Eaton

Motion carried by unanimous roll call vote: Peterson, Thayer, Fiskevold Gould, Prince, Rivera, Eaton, Dickinson.

CONSENT AGENDA #2

Mayor Prince called for any items to be pulled from consent agenda #2. The following Consent Agenda item was presented for approval. **Motion by Eaton, seconded by Dickinson, approving Consent Agenda #2 as follows:**

1. Claims Submitted by Finance Officer to VisitBemidji in the Amount of \$48,416.19

Motion carried by the following roll call vote: Yeas: Prince, Rivera, Thayer, Dickinson, Eaton, Fiskevold Gould. Abstain: Peterson due to his role as the Executive Director of Visit Bemidji.

CITIZENS WITH BUSINESS NOT ON AGENDA

- Jennifer Thomas, 2715 Bemidji Ave N addressed the council urging clear and consistent buffer zone measurements for cannabis retail businesses to protect children.

PUBLIC HEARING

Conduct Truth-in-Taxation Public Hearing - 2026 Budget and Tax Levy

Donna Coe, Finance Director presented the annual truth-in-taxation noting the following:

- The city's total budget for 2026 is \$61 million, with the general fund making up \$20 million (33% of the total) and enterprise funds (utilities, liquor stores, Sanford Center) \$28 million (46%).

- The general fund covers governmental services (council, admin, legal, public works, public safety, etc.) and represents 33% of overall expenses but 88% of the tax levy.
- Revenue increases for 2026 include a \$481,000 rise in property taxes, more revenue is now reported directly rather than offsetting expenses, and increased transfers from enterprise funds.
- Expenses rose by \$2 million, largely due to increases in personnel, benefits, utilities, and capital needs.
- Capital improvements, the Sanford Center, park improvements, annexation, and some maintenance needs are not fully budgeted in 2026.
- Major budget drivers were discussed in detail, including property tax rates, state aid, and planned capital improvements.
- Public safety remains the largest single expenditure (45% of general fund).

Discussion on the truth-in-taxation presentation:

- Council clarified whether the budget included a proposed 2% increase from an upcoming classification study
- Questions were raised about Sanford Center’s funding—specifically, the alignment of presented figures with staff and management input, funding levels for capital improvements, and changes following storm repairs.
- Discussion of the impact of the northern township annexation and water/sewer project, questions about why some future infrastructure costs were not included in the levy, and clarification that certain expenditures would be handled by utility funds or bonding.
- Utility cost increases were discussed, with follow-ups on solar panel installations to mitigate costs and the potential roles of special events and EV charging infrastructure.
- Council asked about the city’s qualification for efficiency or upgrade rebates.
- Council and staff clarified how grant revenue is now tracked as income instead of expense offsets.
- Questions were also raised about the effect of property value changes (particularly due to recent storm damage) on the tax levy and future tax rates.

Public Hearing

Pursuant to published notice a public hearing was held regarding input on the budget and levy. Mayor Prince opened the Public Hearing at 6:36 p.m., hearing no comments Prince closed the public hearing at 6:37 p.m.

ORDINANCES

Ordinance Amending City Code Chapter 12 – Cannabis Business Registration

From a memorandum provided by Flaherty and Hood, information was provided detailing the need to amend City Code, Chapter 12 for Cannabis Business Registration.

Under Minn. Stat. § 342.22, subd. 1, “a cannabis microbusiness, cannabis mezzobusiness, cannabis retailer, medical cannabis combination business, or lower-potency hemp edible retailer must register with the city” before making sales in the City. Prior to the proposed amendments, the City had not required lower-potency hemp edible retailers to register with the City in the same manner as cannabis retail businesses. The language presented for consideration is intended to add such requirements for lower-potency hemp edible retailers as the state is now processing licenses for those businesses.

In addition, there are some requirements or limitations in the Ordinance which, pursuant to Minn. Stat. Ch. 342, do not apply to lower-potency hemp edible retailers. As a result, certain provisions of Article XXVI have not been amended to include lower-potency hemp edible retailers if those sections do not apply to such hemp retailers. The limitation on retail registrations issued by the City does not apply to lower-potency hemp edible retailers.

Other proposed changes to this Ordinance intend to bring the Ordinance in line with amendments made to Minn. Stat. Ch. 342 this year. Such changes include the ability of the City to issue retail registrations to cannabis retailers in the “preliminary license approval” stage of state licensing. This change in timing of registration approval means that a cannabis retailer could apply for retail registration from the City before the City would be able to inspect the premises and before a final state license is issued. New language in the Ordinance addresses this by requiring the applicant/registered business to provide the City with a copy of the state license and to allow the City to inspect the property, if requested, prior to making sales, even if retail registration has been approved by the City. In addition to the City’s possible preliminary inspection, the Office of Cannabis Management inspects these businesses prior to issuing a final state license.

Proposed amendments to Section 12-1455 are intended to clarify the limitation the City has placed on the number of cannabis retail businesses (six in total), as well as clarify the businesses exempt from such limitation under state law, including medical cannabis combination businesses and lower-potency hemp edible retailers.

Public Hearing and First Reading

Pursuant to published notice, a Public Hearing was held to receive input regarding an Ordinance Amending Chapter 12 of the Bemidji City Code, entitled “Business and Licenses”, specifically Article XXVI, “Cannabis Business Registration” to add lower-potency Hemp Edible Retailer Registration Requirements. Mayor Prince opened the Public Hearing at 6:40 p.m., hearing no comments the public hearing was closed at 6:40 p.m.

AN ORDINANCE Amending Chapter 12 of the Bemidji City Code, entitled “Business and Licenses”, specifically Article XXVI, “Cannabis Business Registration” to add lower-potency Hemp Edible Retailer Registration Requirements was given a first reading.

Ordinance Amending Fee Schedule Related to Cannabis and Hemp Business Registration

From a memorandum provided by Flaherty and Hood, information was provided detailing the need to amend the City Fee Schedule relating Cannabis and Hemp Business Registration.

Under Minn. Stat. § 342.22, subd. 2, the City may impose an initial registration fee of “\$500 or up to half the amount of the applicable initial license fee under section 342.11, whichever is less.” Renewal fees are similar, but the maximum amount is increased to \$1,000.

All cannabis retail business types meet the maximum amounts permitted under Minn. Stat. § 342.22, subd. 2, except that cannabis microbusinesses have an initial license fee of \$0.00 under Minn. Stat. § 342.11. For those businesses only, the City will not be able to collect an initial registration fee.

Lower-potency hemp edible retailer initial and renewal license fees are \$250 under Minn. Stat. § 342.11, so the City is limited to collecting \$125.

Public Hearing and First Reading

Pursuant to published notice, a Public Hearing was held to receive input regarding an Ordinance Amending Fee Schedule Relating to Cannabis and Hemp Business Registration. Mayor Prince opened the Public Hearing at 6:41 p.m., hearing no comments the public hearing was closed at 6:42 p.m.

AN ORDINANCE Amending Bemidji City Code, Amending Fee Schedule Relating to Cannabis and Hemp business Registration was given a first reading.

Ordinance Amending Fee Schedule for 2026

Ordinance No. 224, 3rd Series, an Ordinance Amending Fee Schedule for 2026 was given a final reading and passed by the following roll call vote: Yeas: Eaton, Prince, Peterson, Thayer, Dickinson, Rivera, Fiskevold Gould.

Motion by Eaton, seconded by Peterson, approving publication of a summary of Ordinance No. 224, 3rd Series. Motion carried by unanimous voice vote.

BUSINESSConsider Compensation and Classification Study from Baker Tilly

The city manager and finance director introduced the classification study, which aimed to ensure all city jobs are properly and fairly classified by duties and market comparisons. The study was conducted by Baker Tilly and compared Bemidji’s positions and pay scales to those in similar cities and organizations. The findings and discussion highlighted the following:

- Bemidji is competitive in entry-level and mid-range pay but less competitive at the upper end of pay ranges.
- Most positions were appropriately classified, with only a few needing adjustments.
- The proposed changes (option one) would put the city’s pay structure about 5% above market, preventing the city from falling behind before the next review.
- No existing staff would receive a pay decrease. Some positions required bigger increases to reach the recommended benchmark.
- Longevity pay and steps were preserved, tying longevity increases to years of service and position grade.
- Three implementation options were considered, and staff recommended option one as the most budget-conscious (approximately \$200,000 cost increase), avoiding sharp increases in payroll expenses.

Motion by Eaton, seconded by Fiskevold Gould approving the compensation and classification study results effective for the 2026 payroll. Motion carried by the following roll call vote: Yeas: Dickinson, Fiskevold Gould, Prince, Eaton, Peterson, Thayer, Rivera.

COUNCIL COMMITTEE UPDATES

- Councilmember Eaton reported on upcoming meetings for Airport Authority, KRLS and library board.
- Councilmember Rivera reported on the HRA meeting with the new executive director.
- Councilmember Thayer reported on DBA (parking).

- Councilmember Peterson reported on HPC and 100-year-old building presentations and work on historic pumping station project signage.
- Councilmember Fiskevold Gould had no report.
- Councilmember Dickinson had no report.
- Mayor Prince reported on the Greater Bemidji board (YMCA), Sanford Center Advisory Board (external conference sales and possible joint meeting with VisitBemidji), Sanford Center Finance Subcommittee meeting (creating new cash flow document for better communication and transparency), and Airport (backlog of annual audits).

UPCOMING MEETINGS

- December 8, 2025 (5:30 pm) – Work Session
- December 15, 2025 (6:00 pm) – Council Meeting
- December 22, 2025 (5:30 pm) – Work Session (TBD-if necessary)

ADJOURN

There being no further business, motion by Dickinson, seconded by Peterson, to adjourn the meeting. Motion carried by unanimous voice vote. Meeting adjourned at 7:11 p.m.

Respectfully submitted,



Michelle R. Miller
City Clerk