

# CITY COUNCIL PROCEEDINGS

## BEMIDJI, MINNESOTA

### Work Session – September 8, 2025

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 8, 2025 at 5:30 p.m. in the Council Chambers of City Hall, Mayor Prince presiding.

Upon roll call, the following Councilmembers were declared present: Prince, Fiskevold Gould (5:33), Peterson, Dickinson, Rivera, Eaton, Thayer.

Present: Rich Spiczka, Sam Anderson, Mike Mastin, David LaZella, Marcia Larson, Donna Coe, Justin Sherwood, Michelle Miller

#### 2026 Financial Management Plan

The introduction to the financial management plan outlined the process for setting the 2026 preliminary levy, which serves as a ceiling for the city's tax rate and must be set in September, with the final levy determined in December. The 2025 levy was \$8.45 million, a 4.7% increase over 2024. This year, the city faces several uncertainties, including unresolved storm-related costs, minimal growth in net tax capacity, pending health insurance renewal rates, the implementation of Minnesota paid family leave, deferred maintenance due to storm cleanup, and unknown impacts from incorporation and annexation. Staff emphasized the need for council input to determine a comfortable preliminary levy range, given these variables and the city's financial context.

The levy discussion centered on determining an appropriate preliminary levy percentage for 2026, given significant financial uncertainties. Councilmembers discussed the merits of setting a higher preliminary levy (7.5% or 8%) to provide flexibility as more information becomes available, versus keeping it lower (2.5% to 5%) to minimize the immediate impact on taxpayers, especially given anticipated increases in costs due to recent storms.

Key points included:

- The need to replenish reserves after storm-related expenses.
- The impact of the preliminary levy on estimated tax statements and public perception.
- The importance of understanding what different levy percentages would fund or leave unfunded.
- The possibility of using liquor store reserves and land sales to help fill budget gaps.

Staff were provided information to bring back a proposed "box" or range for the preliminary levy that reflects the council's discussion; provide comparisons to other cities of similar size and their preliminary levy approaches; and provide updated information on known costs and revenue impacts once available.

#### **ADJOURN**

There being no further business, motion by Peterson, seconded by Eaton, to adjourn the meeting. Motion carried by unanimous voice vote. Meeting adjourned at 6:30 p.m.

Respectfully submitted,

  
Michelle R. Miller  
City Clerk