

BEMIDJI CITY COUNCIL COUNCIL WORK SESSION AGENDA

Monday, August 24, 2026

**City Hall
317 4th Street NW
5:30 PM**



CALL TO ORDER/ROLL CALL

BUSINESS

- a) Resolution Designating Fund Balances
- b) Housing Initiative Wrap Up
- c) Public Works Committee and Public Affairs Committee Meeting Process

ADJOURN

REMOTE MEETING ATTENDANCE

ONE OR MORE MEMBERS MAY BE ATTENDING VIA WEBEX UNDER THE AUTHORITY OF MINNESOTA STATUTES SECTION 13D.02. THE PUBLIC MAY MONITOR THE MEETING BY ACCESSING THE REMOTE MEETING LINK ON THE CITY WEBSITE.

<https://bemidjimn.portal.civicclerk.com/>

CITY COUNCIL AGENDA ITEM



Meeting Date: August 24, 2026
Action Requested: Adopt Resolution Designating Fund Balances
Prepared By: Donna Coe, Finance Director

Background:

The General Fund is the primary operating fund that records all resources and transactions not required to be accounted for in another fund. This fund is unrestricted and used for the government's core operations (e.g., police, fire, administration, public works, libraries, parks, public health. According to policy, the General Fund balance should be 50% of the budgeted expenses.

The Governmental Accounting Standards Board (GASB) and the National Council on Governmental Accounting (NCGA) require that each municipality maintain exactly one General Fund. Municipalities should review their fund structure regularly to ensure it supports accountability and compliance. This includes checking whether certain funds should be combined for financial reporting purposes or whether new funds are needed.

In 2025, three new funds were created:

- Emergency Disaster Response (125)
- Northern Township Annexation & Development (200)
- City Hall/Fire Station Development (201)

Due to the resources and transactions recorded in 2025, these funds also fall under the "General Fund" umbrella and are considered and accounted for as our government's core operation. 2026 budgeted expenses for the General Fund accounts (101, 125, 200, 201) total \$20,789,295. 50% of that is \$10,394,648, the fund balance of \$6,932,370 does not meet the requirements, thus a shortfall of \$3,462,278.

The shortfall is made up of several items and circumstances in 2025:

- (125) Emergency Disaster Response Storm damages and clean up expenses \$3,893,181
- (200) Northern Township Annexation & Development Professional & Legal Fees \$300,112
- (201) City Hall/Fire Station Development procurement of the FNB property and building \$413,171
- The allocated use of Land Sales Funds was transferred to the Railroad Corridor Development \$1,205,000.

The positive outcome from the 2025 fund balances:

- The enterprise funds hold 86% of the city's fund balances; creating the transfer to the

general fund will only reduce the enterprise funds by 4% - adding that to the general funds, 10% increases it to 14%.

- The state portion of reimbursable funds from the storm damage should arrive in 2026 (MN HSEM is in possession of the reimbursable invoices)

Recommendation:

Approve the attached resolution authorizing the following:

- Designate General Fund balance for cash flow of \$10,394,648
- Authorize the transfer of Water/Sewer funds to the General Fund in the amount of \$3,462,278.

RESOLUTION NO.

A RESOLUTION DESIGNATING FUND BALANCES

WHEREAS, on _____, the City Council considered the designation of fund balances.

NOW, THEREFORE, BE IT RESOLVED that the Bemidji City Council hereby designates fund balances in accordance with the following schedule:

General Fund

- Designate General Fund Balance for cash flow of \$10,394,648
- Reduce Water/Sewer Reserves by \$3,462,278.

BE IT FURTHER RESOLVED that the above designations are effective as of December 31, 2025.

The foregoing resolution was offered by Councilmember _____ who moved its adoption, and on due second by Councilmember _____ was passed by the following vote:

Yeas:

Nays:

Absent:

Passed:

ATTEST:

APPROVED:

Michelle R. Miller, City Clerk

Jorge S. Prince, Mayor

CITY COUNCIL AGENDA ITEM



Meeting Date: August 24, 2026
Action Requested: Consensus to Move Forward on Housing Initiative
Prepared By: Rich Spiczka, City Manager

Background:

On Monday August 17th, you heard a presentation from Dave Hengel, Tom Barry and Rich Spiczka about a potential partnership to moving housing forward in Bemidji. The need for housing is well identified and the hope for a point person to drive development and capitalize on opportunity is something we feel is necessary. The Beltrami County board was favorable during the presentation on Tuesday August 18th, so we would like to proceed. In order to keep moving forward and start developing a framework, I am looking for City Council consensus on the following:

- Approval to allocate approximately \$180,000 in total, over three years towards this effort. The funding source for the City will be UDAG funds. The fund currently has \$218,964 in it and has no expiration or reporting requirements. The initial ask was \$50,000 annually over three years. The inflated ask is to accommodate anything unforeseen without having to continually come back.
- Approve the concept of the City nominating up to two council members to sit on the governance board once constructed.
- Approval of the initial framework that the staff member leading this initiative will be an employee of Greater Bemidji
- Approve creation of a contract with Greater Bemidji for these services the City will receive.

The goal of these asks is to assure work done to move this forward is assured, and we don't go all the way down a road, only to turn around at the last mile.

Recommendation:

Council consensus to move forward and prepare an item for a consent agenda at a future council meeting to keep the Housing Initiative moving forward.

CITY COUNCIL AGENDA ITEM



Meeting Date: August 24, 2026
Action Requested: Confirm Agenda Setting Process for Public Works Committee and Public Affairs Committee Moving Forward
Prepared By: Rich Spiczka, City Manager

Background:

Discussion to confirm agenda setting process for Public Works Committee and Public Affairs Committee moving forward.

Recommendation:

Discussion to confirm agenda setting process for Public Works Committee and Public Affairs Committee moving forward.