



# BLACKDUCK CITY COUNCIL WORK SESSION

MONDAY, AUGUST 19, 2019 @ 6:00PM

WORK SESSION MEETING MINUTES

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**CALL TO ORDER:** The City Council of the City of Blackduck met in a scheduled work session in council chambers at City Hall at 6:00PM on August 19, 2019.

## Roll Call

**Councilors present:** Mayor Patch, Councilors Moore, Sellon, and Gullette

**Councilors Absent:** Kolb

**Staff Present:** City Administrator, Christina Regas, Public Works Supervisor, Mike Schwanke, Blandin Group Representative Jace Grangruth

**Others Present:** City Engineer Curt Meyer WSN, Mark Reineke WSN

The meeting was called to order at 6:00pm the Pledge of Allegiance was not recited.

Topics covered in the work session were as follows:

## OLD BUSINESS –

1. Liquor Store – Regas and Schwanke provided updates for the following Liquor Store projects:
  - a. Kitchen Upgrades – Regas stated Lahr has purchased the Auto Fry and has had the wall expansion completed.
  - b. Sewer Line repair updates – Schwanke is moving forward with quotes to repair the line and hopes to have numbers for council to review at the September meeting. Schwanke stated all lines are running fine and the liquor store has had no issues.
  - c. Street & Building Signage – Regas stated the additional quotes from signage companies have not been obtained.
  - d. Parking lot – Schwanke stated at this time he is hesitant to put crushed granite on the remaining lot. Schwanke stated he would like to maintain it better than prior years and has removed a frost boil that tears up that area of the lot.
2. Street & Infrastructure Updates – Curt Meyer
  - a. Liberty Drive – Meyer recommended Council consider at the first meeting in October decide if the City will move forward with a full reconstruct. Meyer stated October the TOPO can still be completed regardless if the reconstruct moves forward. Regas asked if Schwanke still planned to correct the catch basin on Liberty. Schwanke stated he will need to cut the asphalt, dig down, reset the catch basin and then repack the area with gravel. Schwanke stated his department should have the time to correct that portion of the street before winter but stated it would only be a band-aid and not ‘fixed’. Meyer stated it would be a temporary fix. Mayor Patch asked if letters should go out to the property owners reminding them to place their sump hoses past the curb so water doesn’t continue to create more issues behind the curb. Schwanke agreed a letter would be a good start. Patch further stated the City could add a



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statement regarding a plan to correct the issues on Liberty in the future. Meyer stated if a full reconstruct is done then the City would add drain tile on the edges that gives a place for the water from the sump pumps to go. Patch requested Regas draft a letter and work with Schwanke on the language. Nothing further.

- b. Northern Ave. – Meyer did not recommend working on trying to save Northern but instead save Liberty due to the amount of work that will need to be completed to Northern would be a complete reconstruct. Nothing further.
  - c. Croswell Ave. – Meyer reviewed the need to have ditching to Croswell completed in this Fall and that Carlson did TOPO the area and staked the road for reference. Carlson has begun a layout for the section that will need reconstruct but did not provide cost estimates for Council review yet. Meyer stated the costs would be available at the September council meeting. Meyer stated the best option for culverts is to build a ditch on the west side of Croswell and add a culvert under the west driveway. Nothing further.
3. Mapping the City of Blackduck – Marl Reineke provided Council an overview of what mapping could do to for the public works department. Schwanke provided for council review the current documentation the City had that inventoried all the curb stops and lines in the City of Blackduck and are very dated. Schwanke stated if something were to happen in the winter with a water line, he would have no idea were the line is under 4 feet of snow. Schwanke explained that without having the assets in the City inventoried and/or mapped it would impossible to know in the future where everything is located. Reineke continued to provide an overview of how the new mapping software assists Cities with several property in the open to know where hydrants, curb stops, water and sewer lines, etc. are located. Reineke stated WSN could assist with updates if the staff did not have the time to update the assets. Reineke continued stating GIS has come very far in-terms of costs to have all City assets mapped. Reineke explained to Council having assets mapped gives the staff and City the ability to know where those items are within feet. Meyer suggested surveying the town for all the water and sewer. Councilor Gullette asked what the initial cost would be to the city. Reineke stated the cost to start up the process should be budgeted between \$8,000 then annually would only be the license renewal of \$500 for the administration license and the number of licenses after were \$100 each. Councilor Moore stated the mapping is a good idea and should be implemented. Meyer stated if the City wishes to move forward with mapping his staff could begin the asset inventory this fall.
4. Golf Cart Shed Reconstruct – Regas wanted to open the conversation on the golf cart shed by stating the state of the shed although poor is not as dire as was presented at the council meeting when it has been hit by storms and has yet to ‘come down on someone’. Regas provided a drafted letter by Gail Landowski and has received feedback from the golf board in favor of sending out the letter before Labor Day weekend. Councilor Sellon asked when members sign the agreement to store their carts are they expected to be allowed to store their carts until a certain timeframe. Regas stated there isn’t a timeframe on it and believed that in the state of the shed it was not believed it would be a large burden to those members to have their carts removed a month or less sooner. Regas stated most of



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the season would be over after Labor Day weekend except for one large tournament in September and the course would close up around October 5<sup>th</sup>. Mayor Patch asked if the letter would need to be approved the council. Regas did not believe it would need to wait. Schwanke stated for the snowbirds that keep their carts in the shed for the winter he offered the old LEC for this winter as the City carts will need to be stored somewhere too. Schwanke continued by stating the project is not difficult and could be completed before winter if the City wishes to move forward. Regas asked if the Council was going to approve paying for the cost of the shed. Mayor Patch stated he believes golf course is an asset to the City and a new shed would help. Regas believed the cart shed would need to be large enough to house the course carts plus the member carts and increase the total spaces by 10. Regas stated if the shed would be 18' x 96' it should be large enough to house 40 carts. Mayor Patch suggested charging \$350 after the new shed is built plus electrical hook-up. Schwanke asked what the estimated cost is for the shed. Regas stated \$34,000. Schwanke stated after increasing the cost of the storage and filling the shed the golf course could yield \$9100/year in storage fees which could pay for the shed in 4 years. Gullette asked if the shed as a 'city building' is under the jurisdiction of the street department. Regas stated 'no' it would still be under the golf course budget. Sellon stated Castle Highlands charge \$456 with electric hook-up for storage. Mayor Patch suggested borrowing from the new RLF fund and pay it back over 5 years. Gullette questioned maintenance needs of the shed in the future because the club house needs repair now and has holes in the siding. Mayor Patch stated when the golf course is upgraded and the swim beach is created at the park it will increase traffic to both entities. Schwanke stated he has plans to update pine tree park too and it is an amenity to the golf course. Regas stated taking the shed down will take manpower and can the City equipment be used. Schwanke believed the shed could come down in one day. Regas stated Chris Brown offered to take it down. Regas stated a concern for time BUT Schwanke did not believe that was an issue. The council encouraged Regas to move forward with the letter to the members that have their carts in the shed it was recommended to date the letter for September 28, 2019, since the course closes around the first part of October. Councilor Moore encouraged a liability waiver be signed by whomever is allowed to take the shed down. Mayor Patch asked the council for feedback on the rebuild. Councilor Sellon stated the RLF would be a good path if paid back. Councilor Moore agreed and stated although she doesn't want to any more money into the golf course understands in some cases you need to spend money to make money and if that isn't done the city is cutting itself off from allowing the golf course to potentially grow. Gullette stated he has yet to see the golf course make enough money to pay anything back. Patch stated with a shed that is decent it may attract more. Gullette asked what the value of a cart is. Schwanke stated around \$5,000. Gullette asked what would be next, all new carts to fill the cart shed. Gullette stated his point is a dump truck costs more than a golf cart and it is stored outside, a street sweeper costs more and it sits outside. Gullette states it takes one bad idea, "like a bridge that burns" and the city is out a dump truck or a street sweeper but the City will have 14 crappie golf carts. Patch stated he views it as having a nice building to store 24 member carts and make \$9100 and it is paid for in 4 years. Sellon asked if in that time will the



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money pay for a new dump truck. Patch stated it wouldn't because that department has nothing to do with the golf department. Gulette stated the City 'pays for it' it has everything to do with the city. Gulette stated he does not believe the residents of Blackduck get enough use of the golf course to support it. Patch asked Gulette if he believes the golf course should be closed. Gulette suggested it and form a committee to find out what the residents want. Patch stated it was already done 5 years ago. Patch stated when that conversation came up the residents and golfers there was 'flack' in the idea of it closing. Gulette asked where the 'flack' came from, "City residents, I doubt it." Patch stated selling the golf course would not profit enough for what is owed on it. Gulette stated it isn't making 'anything' anyway. Patch disagreed and stated, it is maintaining itself except for the loans it has to pay back. Gulette said, "Yes, the loans the city pays for". Patch informed Gulette the club house and debt created by the club house was agreed upon by a completely different set of members on the City Council. Patch stated that no matter what was done 25 years ago we have to move forward and deal with what the City has and try to make it better. Gulette stated the cart shed is 'one-way to make it better and that is it'. Patch stated he thinks the City is trying multiple ways to try to make it better. Regas informed the ways the City has worked to make the golf course better including the new equipment purchased in 2016 noting the number of compliments she has received on the course and from the just people visiting the course that are not members. Regas stated one of the problems the course has is it is a proprietary sport and not many people play it, but the argument is going to have as many pro's and it will have con's. Regas used the example of another smaller City, Hallock, that has an airport and the City residents pay for that. Regas asked Gulette how many people he knows that have an airplane. Regas stated concept is the same but on a larger scale. Gulette asked when the people that want the golf course so badly why don't they form a non-profit and lease it from the City. Patch stated Regas explored leasing or selling the course back in 2014 but the largest roadblock was the course is landlocked and can't be expanded upon. Regas further stated that it wouldn't help much if the course was an 18-hole course since many are struggling too. Regas addressed Councilor Gulette that she did not have the answer for him but his complaints and concerns are valid. Gulette stated it the people the residents inside the City of Blackduck that voted its their money we are spending. Gulette stated that he does not feel the majority of the residents would rather have money transferred to the golf course instead of a City street like Northern Ave. be allowed to get that bad. Moore asked if the course was not open would the money still being transferred. Patch stated yes until 2024. Gulette stated if Council approves the shed construction then there will be more transferred for longer. Moore asked how feasible is it to get a committee of the public. Gulette stated that is a good question. Regas stated go right ahead. Gulette stated if he took a copy of the budget showing what goes in and what goes out and show it to people then an accurate response would be received. Moore stated it is tough for her because either way the City is still paying for the golf course no matter how much we don't like it. Moore stated if the course closes the City would still have to pay for it, but leaving it open the residents and guests are stilling getting a benefit from it. Regas stated Council has very valid concerns, but urged the board to view it



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differently. Regas stated if the board doesn't use the term 'golf' it would look differently. Regas stated there was a time when the Liquor store was in a similar position stating there were times when it never transferred money to the general fund enough to make a profit and now it sustains itself. Gullette stated when a municipal liquor store loses money the City must have a public hearing, but when a golf course does, no one knows. Schwanke asked for clarification on the history of the golf course and the debt service it owes asking if the debt was removed would it make money. Regas stated it would break even. Gullette asked what the golf course was being offered to sell at when it was attempted in 2014. Regas stated the direction by council at that time was to find an entity that would review the course and say yes it could sell. Patch believed the course could not be sold for what is owed. *Regas continued to offer to the current City Council the history of when the club house was rebuilt, how it was financed, and the lease on the golf carts and how that financing affected the budget of the golf course to explain the current City Council how the course got to the current debt it has. Regas further explained to the current City Council how the course manager could not work with the aging infrastructure, aging equipment, and build the course to a playable status before the debt service needed to be paid. Schwanke asked if the course usage, and upkeep has been on the rise over the last 3 years. Regas stated yes. Regas further informed the City Council and Schwanke that the 2019 budget process was approved to have other funds of the City support the course and pay on the debt service. Regas stated 2019 is the first year the City has supported the budget/ debt of the golf course.*

Patch stated no matter what happens the City has the debt. Regas stated if the City could find a person to purchase the course it would need to be inflated to account for the debt if it was sold off. Regas stated everyone he talks to loves the course. Regas stated many of those people continue to ask her if the City is going to continue to support the golf course or just close it down. Regas stated in her position she is the one that has to tell the public the answer because those people are not speaking to the council. Regas further addressed Councilor Gullette stating if he wants to assemble a committee to do so because she is apparently not getting the legs the council is looking for. Regas stated she has to protect her own reputation and she does what council instructs her to. Regas continued saying if 10 members ask her if the course is going to be open next year and she says, 'yes because the city wants it open,' then she is referring to the City Council. Regas further stated not to make her a liar when she addresses the public. Gullette stated no one is calling her a liar, but that doesn't mean they have to agree. Patch stated he has never had people tell him the golf course needs to go away. Regas stated perhaps some people are just to afraid to. Patch stated the council is at that point what the City wants to do with the course. Gullette stated it will be decided when the board votes. Nothing further.

5. Blackduck Blandin Group – Pine Tree Park Beach – Grangruth stated he has discussed with public works the request to cut and remove the trees for the beach area and Schwanke has agreed it could be done by City staff. Mayor Patch suggested reaching out to the Blackduck snowmobile club to assist. Grangruth stated he hopes the down time the City staff has to cut the trees is soon and can happen before winter. Councilor Gullette asked if the Council needs to approve the use of City staff by resolution. Regas stated it would be wise for the City to enter into an agreement with the Blandin



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group to cover the details on the funding that will be coming in for the project and use of City staff and volunteer staff. Mayor Patch asked if the Park & Trail Board need to be involved with the Blandin group to report back to Council on the process. Schwanke stated since the park is owned by the City there would be clean up in the park already and his staff could assist no matter what. Patch stated if the park board was involved with Blandin then it might eliminate additional need for the Blandin group to report back or help find other funding sources. Schwanke stated he wants to work with the Blandin group and stay informed and will regardless of the need to have the park board's involvement. Gulette stated having the agreement between parties will be the next step.

### NEW BUSINESS –

1. City Hall renovation plans – Regas presented a plan in place to update City Hall by removing the two drop ceilings and updating the lighting and ducting. Regas provided photos from an older building in another small town that completed a similar project bringing the building back to a renewed look. Regas informed council the plan to create an industrial look by allowing just the steel roof and cross beams to be exposed with led track lighting and new updated air exchange duct work. Regas would like to paint the walls, remove the false wall surrounding the stair case and possibly improve the flooring. Regas is awaiting quotes from JD Construction and an electrician. Regas and Schwanke stated the City would complete the demolition. Council requested quotes be brought to the board for review. Regas would like to use the building maintenance funds in 2019 and budget funds in 2020. Gulette asked about the disposal costs. Regas stated she would research it. Gulette suggested if the project were to move forward then to plan it around the same timeline as the other large projects in the City. Regas will bring quotes to council when they are obtained.
2. Fire Protection Meeting recap – Regas had no update from the fire protection meeting due to a lack of quorum. Regas stated the meeting is rescheduled for August 29, 2019 @ 6pm.

**ADJOURN** – Council adjourned their work session at 8:30pm.

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Christina Regas, City Administrator

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Rudy Patch, Mayor