



BLACKDUCK CITY COUNCIL WORK SESSION

MONDAY APRIL 17TH, 2017 6:00PM

WORK SESSION MEETING MINUTES

CALL TO ORDER: The City Council of the City of Blackduck met in a scheduled work session at the City Hall at 6:00 p.m. on April 17th, 2017.

Roll Call

Councilors present: Mayor Patch, Councilors Stade, and Kolb

Councilors Absent: Molnar

Staff Present: City Administrator, Christina Regas

Others Present: none

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:

1. OLD BUISINESS –

a. Blackduck Road Projects – Regas updated the council on the following road projects:

- i. Blackduck Trail – the walking trail bids closed on April 4th, the lowest acceptable bid came in at \$189,228.79. Regas reviewed a document with council showing all TAP funding for the project awarded currently totaling \$120,500 and a potential additional of \$34,743 for a total award of \$155,234. The bid came in over the award amount \$33,985.79. Reviewing the City investment for the trail after the bid was identified, Regas reported that the City out-of-pocket would still be an additional \$41,021.46 to complete the project. Regas reported that the gap financing from the DNR Trails and Connection Grant would not additionally fund any additional for this section of trail if the City were to apply for the 2018 round of grant money. Curt Meyer suggests the council consider if the City wishes to move forward with the project knowing the additional cost to the City. After much discussion regarding the source of the additional costs the council agreed to recommend delay of the extension of the trail to an undetermined future date. The council discussed being able to apply for a future TAP grant with the existing design knowing the current bid cost. Mayor Patch asked if the City were to delay the project now would there be any further invoices at this time. Regas could not confirm that there would not be, but speculated that there would be a small amount still and would confirm that with Meyer. WSN assisted the City with some of the administration time for the DNR contract reporting documents and there may be some invoices for those services. Councilor Kolb asked to confirm the out-of-pocket expense to the City. Regas stated it currently is the \$14,500 already spent. Councilor Stade asked if the design/plans can be used again since they are paid for. Regas stated yes. Councilor Kolb asked what time frame the City needed to wait to reapply for the grants again. Regas stated that it depends on how much the program has to filter out for projects and when that money is available. Regas reviewed with Kolb the application process for the grants; how the process is done annually; and how awards given depend upon the number of projects that apply. Regas stated that she would confirm with Meyer the formal process to delay the project and send the awarded money back



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to TAP and the DNR and report at the next Council meeting. Nothing further at this time.

- ii. Frontage Road & Pine Ave. engineering funding source – Regas reported the City needs to approve a resolution for audit purposes approving the City utilizing CDBG RLF funds to temporarily pay for the engineering and administration costs for the completion of Frontage and Pine roads. Regas gave Councilor Kolb the background of the project and how the engineering and administration services are not funded from the awarded LRIP grant. After reviewing the verbal conversations Regas held with Jordan Zeller from DEED and Sandy Nelson of Miller McDonald in June of 2015 approving the use of the RLF funds, Regas reminded current council that Sandy Nelson has passed away. The current auditors need some documentation supporting the use of the funds. Regas submitted a draft of a resolution for council to approve in May for audit purposes allowing for the City to use the funds for public work purposes. Regas also reported there may be some additional documentation needed to file outlining the details of the use and payments back to the RLF fund once the project is complete. Councilor Kolb asked what the amount is currently that will need to be repaid back to the fund. Regas reported that currently the City has used \$53,854.99 for services. Regas stated there is still a potential of up to \$20,000 additional to fund for services. Regas reminded council of the state street money awarded to the City in 2015 for \$15,000, and that the auditors recommended the City use it to pay for those services. Nothing further at this time.
- b. Vacant Committee Seats – Regas updated the council on the following vacant seats all posted on the City website.
 - i. Kitchigami Regional Library Board – Regas reported she spoke with Jane Patch and she has shown interest in the board position. Regas will ask the library board representative for more specifics regarding the position for Jane.
 - ii. Park & Trail Board – Regas reminded the council that the park & trail board still needed another seat filled by either a resident or local person that has interest in the parks.
 - iii. Vacant Council Seat – Regas has not had any resident interested in filling the vacant council seat.
- c. Beer Cooler Quotes – Regas reported she is still waiting for the poured epoxy quote from the contractor and hopes to still have it for review at the May meeting. Regas stated that the contractor's emails have been going into her SPAM folder and he would resend it on April 18th, 2017.
- d. Employee Discount in Off-Sale – Council discussed the decision for the Pond to continue offering the 10% discount and to have a list of employees at the Pond to refer to. Councilor Kolb commented how elected officials are not on the list. The question was discussed if elected officials qualify for the discount. Regas stated how at the last work session the discussion was about employees not elected officials. The council continued to discuss if elected officials do qualify. Collectively the council agreed that they should be on the list since they do get paid. Mayor Patch stated that they shouldn't be on the list of employees but could still receive the discount. Regas will discuss it with the Liquor Store Manager.

2. NEW BUSINESS –



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- a. Capital Improvement Plans – Regas submitted for council review a sample of a Capital Improvement Plan (CIP) from Cass Lake, MN. Additionally, Regas submitted an inventory of the City of Blackduck’s streets, water & sewer lines to have an idea of what needs to be replaced or worked on. The council reviewed Cass Lake’s sample and agreed it would be good for Blackduck to have a plan much like it. Regas stated she did not know the cost for the CIP from WSN but would ask Curt Meyer for a formal quote for council to consider by the next council meeting.
 - b. Liberty Drive Street Estimate – Regas supplied to council the estimate WSN did for the damage on Liberty Drive. Regas stated that the cost is high due to having curb and gutter. It was noted from Meyer, the road would be fine without having a drain tile in it. There are other designs that would work for the road that could work without it. Regas and Mayor Patch met with resident Erica Zanter regarding her concerns for her street and other questions she had regarding City projects that are happening currently and their funding sources. Regas commented that Zanter questioned if just her section of road could be fixed. Meyer stated that although that could happen or if the drain tile is removed and the road filled in its place instead, but it is not the best option and he doesn’t recommend doing it. Regas reported that she recommended Zanter become an advocate for the repair of her road with her surrounding neighbors. She told Zanter to then request the City fix the road and access the property owners. Regas suggested to Zanter to get those property owners to attend a council meeting, address the council, and ask for the process to begin.
 - c. Local Sales Tax – Regas supplied for council review an information brief from the research department from MN House of Representatives if a government entity wishes to adopt a local sales tax in Minnesota. Regas highlighted the steps that would need to pass to adopt it. Those steps were reviewed by Regas with council and stressed that it must be passed by the majority of the voters at a general election to continue. Knowing a local sales tax could assist in paying for street reconstruction inside the City, the council decided to begin the process. Council understood it needs the CIP in place before it could start. Councilor Kolb believes if residents knew it was to fund roads, the residents may be open to it. Regas stated that the next general election is in November of 2018, which gives the City a year to get the background work done. Regas asked if it is needed to pool the local businesses to see how much in sales tax gets paid so the City could understand how much would be coming in. Regardless of the dollar amount that does come in it would be a good start and it wouldn’t be just the residents paying for the streets. Nothing further.
 - d. Annexing more property into the City of Blackduck – Mayor Patch asked Regas if she knew the process to annex more property into our City. Regas stated that typically property gets annexed in when property owners want to become part of the City to receive City services. It would not be beneficial to a property owner to annex unless there is a service they can have. An example would be if water and sewer services would reach a new development or street and those properties wish to have those services. Then the City work toward an annexation if agreed to with the township. Nothing further.
- 3. ADJOURN** – Council adjourned their work session at 7:45pm.

Christina Regas, City Administrator

Rudy Patch, Mayor