



BLACKDUCK CITY COUNCIL MEETING
MONDAY, DECEMBER 9, 2019 @ 6:00PM
REGULAR COUNCIL MEETING MINUTES

CALL TO ORDER: The City Council of the City of Blackduck met in Regular Council Meeting at Blackduck City Hall at 6:00pm. November 4, 2019. Meeting called to order by Mayor Patch and the Pledge of Allegiance was stated.

ROLL CALL:

Councilors present: Mayor Patch, Councilors Kolb, Moore, and Gulette

Councilors Absent: none

Staff Present: City Administrator Christina Regas, Public Works Supervisor Mike Schwanke, Police Chief Jace Grangruth, and Lead Bartender Melissa Gulette, and Fire Chief Brian Larson

Others Present: Chris Dirkes and Daryl Lundberg

APPROVAL OF AGENDA –Moved by Councilor Kolb and seconded by Councilor Gulette to approve the agenda as submitted. Motion carried unanimously.

CONSENT AGENDA – Moved by Councilor Gulette and seconded by Mayor Patch to approve the consent agenda removing items ‘i’, and ‘n’.

- a. November 4, 2019 Council Meeting Minutes
 - b. November 18, 2019 Council Work Session Minutes
 - c. November 25, 2019 Personnel Meeting Minutes
 - d. December 5, 2019 Golf Board Meeting Minutes
 - e. November 2019 Fund Balance Report & Bond Payments & Transfers
 - f. November 2019 Bills
 - g. YTD November 2019 Income Statements
 - a. Water, Sewer, Pine Tree Park, and Golf Course
 - b. Liquor Store
 - h. October & November 2019 Month End Remittance Report
 - ~~i. October 2019 LG216 Lawful Gambling Monthly Rent Report~~
 - j. Final Approval – 2020 Contract for Municipal Rental Code Inspection Services
 - k. Final Approval – Corporate License for amusement machines Permits 2020-01 & 2020-02
 - l. Final Approval – 3.2 Malt Liquor License for Blackduck Bowling Lanes 2020-01
 - m. Final Approval - December 2019 Property Tax Settlement
 - ~~n. Final Approval – 2020 Liquor Store Cleaning Contract – Melissa’s Cleaning~~
 - o. Final Approval – Miller McDonald 2019 City of Blackduck Financial Audit Engagement Letter
 - p. Final Approval – 2019 LMCIT Property/Casualty Insurance Dividend @ May 31, 2019
1. October 2019 LG216 Lawful Gambling Monthly Rent Report – Councilor Gulette requested further details of why the closing of the gambling at the Liquor store has still shortages. Gulette asked if the Gambling Manager has been letting the Liquor Store management know sooner when there are shortages to pull-tab boxes. Regas stated that has been more conversation with the gambling manager and additional training of the staff but there needs to be more done to ensure a



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timely response of the shortages. Lead Bartender Melissa Gullette stated she too does not typically hear about any shortages until the report is released which is almost a month later. Gullette asked if it is known how much time goes by prior to the liquor store being alerted to the shortages. Regas stated it depends on when a box is closed out and depends on play. Regas further stated all boxes need to closeout at the end of the month. Mayor Patch stated it sounds like the boxes need to start being tracked when they are short or long. Melissa Gullette stated it is difficult process not knowing what box is coming up short some boxes playback and others don't. Mayor Patch suggested the gambling managers and leadership need to meet to find a solution. Nothing further.

2. Final Approval – 2020 Liquor Store Cleaning Contract – Melissa's Cleaning – Councilor Gullette asked if the contract option for a liquor store cleaner was bid. Regas stated since the liquor store janitor position has been vacant for several months and the staff was not interested in taking the additional hours and pay to dedicate to just janitorial work the Liquor store manager offered the idea to Melissa Tindell's cleaning service to assist 8 hours weekly. Regas stated the Personnel Committee was included in the consideration and the contract will not affect paid wages but invoiced and billed monthly instead. Nothing further.

Moved by Councilor Gullette and seconded by Councilor Moore to approve consent agenda items 'i', and 'n' after further discussion.

BLACKDUCK FORUM –

No one present to speak.

FIRE DEPARTMENT REPORT – Brian Larson, Fire Chief

1. Approval Needed – Volunteer Fire Fighter candidates Joseph Wilhelmi & Clinton Reeves – Moved by Councilor Gullette and seconded by Councilor Moore to approve the hiring of two new volunteer fire fighters Joseph Wilhelmi and Clinton Reeves pending background and physical fit testing. Motion carried unanimously.

LAW ENFORCEMENT REPORT – Jace Grangruth, Police Chief

1. Approval Needed – Part-time Patrol Officer candidate – Robert J. Fraik – Moved by Council Kolb and seconded by Councilor Moore to approve the hiring of part-time patrol officer Robert J. Fraik. Motion carried unanimously.

LIBRARY REPORT – Kelly Hanks, Head Librarian

1. Report – Councilor Gullette reported the Library is having a day with Santa and is giving away books to the children that are in attendance. Mayor Patch asked if the event was posted on the City website. Regas stated she knew it was posted on the City Facebook page but not the website. Councilor Kolb asked if the City had calendars on both the website and Facebook page. Regas did not believe the Facebook page had a calendar but knew the event was posted with a date for the public to view. Nothing further.



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CLOSE REGULAR MEETING & OPEN PUBLIC HEARING – Moved by Mayor Patch and seconded by Councilor Moore to close the regular meeting at 6:14pm and open the public hearing for the 2019 Truth in Taxation Report. Motion carried unanimously.

2019 TRUTH IN TAXATION PUBLIC HEARING – Christina Regas – City Administrator

1. 2019 Truth in Taxation -Regas was present to review the report provided to the public reviewing the 2020 proposed budget; the general fund revenues and expenditures; how the increase to the levy could affect the taxpayers; and highlights of what drove the levy. Regas summarized the report by highlighting the 2019 property tax levy amount with an increase of 16.9% and provided a sample property tax calculator on a \$100,000 home. Regas further discussed the 2020 LGA contribution from the state and the increase to the City of Blackduck; the EMV & TMV of the City and noted the TMV dropped 1.7% affecting the burden on the taxpayers. Regas highlighted the detailed increases on the general fund budget noting how personnel, equipment, and operating affect the budget by percentage. Regas further stated the details on the personnel changes for 2020; an increase to street maintenance materials budget; and general operating increases to administration such as the City website and Library building maintenance increases. Lastly, Regas provided a summary of where the City revenues come from noting a significant increase of \$10,000 for a total of \$75,000 of liquor store transfers to the general fund; the amount of LGA; and Property Taxes.
2. Questions & Comments Period - Administrator Regas and the Blackduck City Council then took questions regarding the 2020 budget.
 - a. Chris Dirkes – stated the figures in the report do not come close to what he is paying and the increase for his home valued at \$74,000 was 24% and in the last few years over 40%. Dirkes further stated he is disappointed the City is going to reconstruct the road in front of his home and raise the water bill. Dirkes stated he did not understand why the City was going to rebuild a brand-new street. Regas recommend Dirkes attend the public hearing on December 16th to ask the specific questions to the City Engineer at that time.
 - i. Water/Sewer increases – Councilor Gullette stated there has not been much of an increase to the water/sewer budgets in several years and the infrastructure is showing its age. Mayor Patch further stated there have been additional studies done on water/sewer rates in the region and the proposed increases are similar.
 - b. Daryl Lundberg – stated like Dirkes his property taxes are going up 22% and wanted to know if that is going to be for everyone. Dirkes stated if the City keeps the increases up, everyone’s taxes will double in 6 years. Mayor Patch stated he hopes is not to continue raising taxes but he believes the City is playing ‘catch-up’ from the last 8 years. Patch stated after touring the City streets in June the Council was made aware of how neglected everything is. Patch stated there has been no funding for the streets for many years, the trucks are falling apart due to lack of funding.
 - c. Daryl Lundberg – asked why the planning and zoning budget is increasing 10x but the revenue side only shows half the amount. Regas stated the planning and zoning budget is increasing due to the rental inspection rounds in 2020 and that the true amount of revenue received each year for permits varies. Lundberg stated the revenues are going up 11% but the taxes are going up 16% is there a reason for that.
 - d. Net Tax Capacity Supplemental Report – Lundberg asked for clarification as to why the City debt continues to be added to the levy noting an increase in 2019. Regas reported in 2019, the City approved adding half of the golf debt to the city levy and that shows the



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increase. Lundberg stated that he understands the need to fix streets and fund that department, but the City has always been able to fund itself and not increase the mill rate. Lundberg stated now the mill rate is at 100% and can't go any further and is now a bad deal and the City can't continue this way. Lundberg asked the council what the Council's plan will be if the Liquor store has a bad year. Regas stated after the 2018 audit the Liquor store had almost 4 months of cash balances to continue to operate. Dirkes stated that will cover the liquor store but not the City general fund. Mayor Patch stated there has been an increase in sales in the liquor store to add more to the levy.

3. Council Comment – Mayor Patch stated the council took many meetings to discuss the levy and it is the City's hope that new home builds will assist in the increase of the tax burden. Regas stated as the net tax capacity increases it will ease the increase on the taxpayers. Dirkes stated the city isn't growing right now. Regas stated there is a new home being built on 4th Street NE. Dirkes stated he believes one of the issues the City has now is it used to be business heavy and people light and now it is the other way around. Patch agreed noting older business owners are leaving and younger owners are coming in. Chief Grangruth stated the 0.5% sales tax increase that did not pass in 2018 could have been a relief to the taxpayers. Regas stated that could have brought in almost \$30,000 annually based on 2015 numbers from the state. Dirkes did not believe a 0.5% sales tax would bring in much since only Timberline would be affected. Mayor Patch stated all the traffic from tourists through town would bring that funding in.
4. Golf Course Debt - Lundberg stated there is 5 years of golf debt left to fund and asked if there are any sights of the golf course funding itself. Mayor Patch stated without the debt it could fund itself. Councilor Kolb agreed stating it would be close to funding itself. Dirkes asked if the traffic at the course was up. Regas stated the walk-on traffic was down in 2019, however, the amount of play was up significant. Dirkes stated if the use of the course continues to drop there is no sense in keeping it open. Lundberg asked if since the golf course is an enterprise fund and should fund itself if sliding the debt back to the taxpayers is allowable. Mayor Patch stated the Pond is an enterprise fund. Lundberg agreed and stated it too is funding the golf course. Patch stated the increase if divided monthly is not a large increase. Lundberg replied to Patch stating it is still an increase. Regas stated the liquor store can in future provide more revenue to the general fund in the future as it continues to grow business. Lundberg stated that is all relative because the city has leveraged more revenue in the past but now the levy is increasing instead. Patch stated once some of the city debt is clear the cost to the levy can level out and the liquor store can leverage more. Patch stated not having the liquor store would make the city suffer more. Dirkes stated Blackduck is successful and that is good as many other city liquor stores are not doing well. Dirkes stated that when all the rest of the bars in town shutdown then the liquor store did better. Patch stated he didn't know if that really helped a lot and differed to Gulette. Gulette stated that when Restaurant 71 shuts down at 3pm the Pond receives more dinner traffic now that the menu has increased and being the only bar in town the Pond does well. Gulette also stated that the Pond does has its slow months and when weather plays into customer traffic the store sees a dip in revenue but they typically can make it up.
5. Further Comments & Questions – Mayor Patch asked the public if there are any further questions regarding the levy. Lundberg asked why there was a large increase in 'other professional services' in 2020. Regas stated the City website hosting and maintenance is coded in that fund line. Patch stated in the past the cost was shared among other organizations in the City. Regas agreed and stated that in 2020 the cost is solely the City's. Lundberg further asked if the Police Department and Fire Department share the cost of the electricity for the Law Enforcement Center.



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Regas stated the law enforcement building is a separate meter from fire department, however, part of the heating and electricity funds part of the building the fire department utilizes. Lundberg asked if the street lighting expenditures have decreased due to the improvements made to LED fixtures. Regas confirmed. Dirkes asked if the City still charges him on his utility bills for street lighting. Regas stated the cost associated with the street lighting was amended in 2016 and put in the levy. Regas further stated the City has a few fixtures left to improve and that BEC has been working with the City to improve their older fixtures the City pays for a flat rate on. Mayor Patch called for any further questions on the 2020 levy from the public. There were no more questions at this point.

CLOSE PUBLIC HEARING & RE-OPEN REGULAR MEETING – Moved by Mayor Patch and seconded by Councilor Moore to close the public hearing at 6:50pm. Motion carried unanimously. Moved by Councilor Kolb and seconded by Councilor Moore to re-open the regular meeting. Motion carried unanimously.

PUBLIC WORKS REPORT – Mike Schwanke, Public Works Supervisor

1. Report – Schwanke reported the streetlights that have been down are now working on MnDot 71 & Main and Frontage Road. Schwanke stated the wayside park are all new fixtures too. Schwanke stated snow removal has been keeping the department busy. Mayor Patch asked if parking of vehicles is impeding snow removal. Schwanke stated yes. Patch suggested the enforcement for not parking during snow removal increase. Schwanke stated there is a plan in place and the police department has been ticketing vehicles and with the recent snow the same vehicles are impeding removal again today. Schwanke would like to implement a ‘3-strikes and you are out’ for those vehicles. Schwanke stated the strikes would go as follows: 1-warning; 2-ticket; 3-vehicle tow. Schwanke stated the vehicles create a danger to the staff that is plowing and his first responsibility is the safety of his staff. Councilor Kolb asked if the City has ever thought of adopting a calendar parking option for snow removal. Schwanke stated as the ordinance is stated right now as soon as there is 2” or more of new snow all vehicles should be removed from the streets. Schwanke stated if the City went to calendar parking the vehicles are still in violation of the ordinance. Schwanke stated it is better the City has the ordinance in place as is so that public works can clean up all the streets from snow and have it completed in one day. Kolb stated he understood but was thinking of ways to eliminate the mound of snow in the middle of the roads. Schwanke stated that the process he has implemented allows for sooner clearing of the snow. Kolb understood but stated he was thinking of ways to eliminate that issue. Schwanke stated that issue will always be there as there is no where to go with the snow and with businesses on both sides of the roads plowing the snow to the middle is the best/fastest way to remove it. Regas stated the City has received several thank you’s appreciating the way the snow is being removed. Kolb understood and asked if the snow in the middle of the road is considered an obstruction according to our policy and ordinance and is the City above the ordinances by creating the obstruction. Schwanke stated no, because he does have to do what he needs to do to remove the snow unless he gets a 10’ snowblower to push the snow off the road. Schwanke stated his equipment is in need of some repair that is used for snow removal but it is necessary for his crew to complete the snow removal first. Councilor Gullette stated he likes the idea of a 3-strikes policy. Kolb stated he believes it should be more than one and further stated the fine should either be raised or tow the vehicle on the first incident and give no leeway. Schwanke stated it is going to be the same offenders each time. Kolb stated again to increase the fine so



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they don't violate or tow the vehicle. Patch stated towing the vehicle will sit heavier with the owners. Gulette stated either way when the city ends up damaging a vehicle then things may change. Melissa Gulette asked if the liability then falls on the City. Schwanke stated if the vehicle is parked where it isn't supposed to be then no. Kolb asked to hold a public works committee meeting to review the ordinance. Regas stated the penalty section of the ordinance only states the city can ticket and then tow if the violation occurs. Regas suggests increasing the fine or revise the ordinance to a different violation. Chief Grangruth stated some of the repeat offenders are renters in apartment buildings that are ordered by their landlords to vacate the parking lots. Grangruth stated he is trying to find a happy medium on ticketing because of this. Patch stated the apartments are supposed to have enough parking for the tenants. Grangruth stated they due but their snow removal rules are the same as the City's. Schwanke stated for homes that have no alley access or off street parking his department will try to work with them. Patch stated when he hears the grader in the morning he moves his vehicle. Schwanke stated people can park in their yard until the snow is removed and he is willing to work with people and open up a space for them. Kolb asked Regas if the City has an ordinance that states vehicles cannot park within 100 feet of the right of way or front yards. Schwanke stated you would never be able to park in your driveway. Kolb stated driveway versus gravel or unpaved surface. Regas stated she would prefer to validate the ordinance. Kolb stated if that is the case then the city would be asking people to violate one ordinance to adhere to another. Regas stated that the parking would be very temporary. Kolb stated he understood but if the ordinance is in place then is difficult to uphold one and not the other. Schwanke suggested the ordinance could be revised stating in winter month exceptions could be made. Kolb asked how often tickets are issued. Schwanke stated it may have to be discussed at a public works committee meeting. Regas stated she recalls the ordinance provides the authority to the administrator, public works supervisor, and police department to issue tickets as needed. Kolb stated with the ticket cost being \$25 he could leave his vehicle on the road each time there is a snowfall. Regas stated if ticketed each time then yes. Patch requested setting up a committee meeting. Schwanke requested the meeting be held soon to clarify the ordinance. *A Public Works Committee Meeting was called for Thursday, December 12, 2019 @ 10am @ City Hall.* Nothing further.

LIQUOR STORE REPORT – Shawnda Lahr, Liquor Store Manager

1. Report – Melissa Gulette was present to report on the 2019 Deer Season business reporting although slower the liquor store ended the month of November up over 2018. Gulette further reported on upcoming customer appreciation events and Christmas holiday hours. Councilor Kolb asked how much the business has gone up since the auto-fry has been installed. Regas reported on the income statement the sales for food year-to-date over 2018 have increase over \$21,000. Gulette stated the store is still working on perfecting the kitchen process and training the bartender to cook. Councilor Gulette asked if anything was decided to do about the patio and snow removal. Gulette states currently after today's snow the liquor store closed it due to lack of time to shovel it, however, last week a bartender brought in his snow blower. Kolb asked if the leaf blower is working. Gulette stated not on the heavy snow but did for the lighter snow. Kolb asked if it did for today's snow fall. Gulette could not confirm. Schwanke stated that Lahr was shoveling today when he was working on the parking lot. Gulette stated the blower works until the accumulation increases then it is difficult. Kolb asked if seafood is being sold at the Pond. Gulette stated not anymore. Kolb asked if it was removed from the menu. Gulette stated yes. Kolb asked if the auto-fryer ever cooked the seafood. Gulette stated yes. Kolb asked if there



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was a clause on the menu. Gullette stated there was no disclaimer so the menu was changed and sampler basket was changed and the shrimp was removed. Kolb confirmed if the seafood was run in the auto-fry for about a month and if there were any anti-phylactic shock issues. Gullette stated not to her knowledge. Nothing further.

GOLF COURSE REPORT – Jim Andersen, Golf Superintendent

1. Cart Shed Financing Options – Regas presented new financing options for council consideration for the cart shed.
 - a. Internal Loan with Revolving Loan Fund – 10 years @ 2.5% - Shed only
 - b. Ehlers schedule cart shed only for 10 years
 - c. Ehlers schedule cart shed with extra money for club house for 10 years
 - d. Refinancing schedule with cart shed & additional funds for club house maintenance for 10 years
 - e. Refinancing schedule with cart shed & city hall funding & additional fund for club house maintenance for 10 years

Regas further reported the golf board met and agreed on the pricing for cart storage and rental for 2020 and made reference to the golf board minutes of 12/05/2019. Regas then opened up the financing options up for discussion of the council. Councilor Gullette asked why the green fees are not being increased. Regas noted the consensus from the golf board was that if the green fees increase it would not help revenue but hurt. Patch stated the current green fees are competitive with other surrounding courses. Kolb asked if the debt ration of the other courses is similar to the City course. Patch stated they are privately owned and would not know that information. Kolb asked if walk on traffic was up this year. Regas stated rounds of golf played was up but walk-on was down. Patch asked if memberships were up this year. Regas stated the number of memberships was flat. Kolb asked how many members the course had this year. Regas stated the number of memberships was about 48-50. Kolb asked how many walk-on's average. Regas stated she did not have that information. Kolb stated he is trying to figure out 50 people. Regas stated the course did not have 50 members but 50 memberships which doesn't give you total number of members because of the different types of memberships sold. Kolb asked if there is a logbook of rounds played for members vs. non-members. Regas stated yes.

Cart Storage Rate Questions – Regas asked if the council had any questions about the new rates. Gullette stated no.

Financing Options Questions – Councilor Gullette stated it seems the City Council is more concerned about making the cart shed break even then the golf course by the funding options provided. Gullette stated it isn't the big solution. Regas asked if the City should have ever taken the shed down. The Council agreed it had to come down. Kolb asked if the City should work to fund remodeling the kitchen to sell booze instead of a golf cart to make money for the golf course. Regas stated if the City does not rebuild the cart shed the course will lose all 14 members that store their carts as members. Kolb asked if 14 memberships would be more than 2 people to a membership. Patch stated that is just the current members that are storing their cart. Gullette asked if any of those members live in city limits. Patch could not comment. Kolb stated like charity events or tournaments he believes the Hoot n Holler would be very happy if the golf course sold liquor instead of having golf carts. Kolb stated he believes that liquor would make



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more money than even having golf carts. Regas asked if Kolb believed the golfers that use the course did not have the option of using a golf cart when they golfed if they would return. Kolb stated he did not believe the golf carts are the issue. Gullette understands the city needs to put up the shed. Councilor Moore stated she is leaning more toward funding the cart shed and putting money into the club house to provide food and alcohol would be a better opportunity for the course. Gullette stated cart shed or not, if the city builds the shed, the course is still going to lose \$30,000 next year. Schwanke asked the council to confirm that the city agreed the shed would be rebuilt but it is just a matter of how the city wants to pay for it and what was going to be done to supplement it. Schwanke further stated many good ideas were discussed at the last work session and it isn't unknown that the golf course is losing money, but if the whole course is closed down, the City is still going to lose the money no matter what. Schwanke encouraged the council to put some money into the kitchen and try to make it into something great and do something about it. Gullette stated the cart shed is just not enough to keep the golf course profit. Patch asked stated he believes it is necessary to achieve a solid number to find out what it is going to cost to upgrade the kitchen. Patch believes it would be beneficial to have a professional come in and provide an estimate of costs. Patch stated without a shed the course will lose more than 14 members, and if it closes the property is worth nothing and the community will not be happy. Regas stated it will take time to provide council with an accurate cost estimate; receive permission for a full-liquor license from Hines Township; and the permits that are associated with food. Regas further stated the time it takes to complete all these steps the cart shed is going to be put off if some type of funding can be approved to construct it for the 2020 season. Regas stated there isn't enough time to put together the estimates required in a short amount of time to improve the club house to have a full restaurant and full bar. Kolb stated the council does not want to put a full bar in like the Pond but something smaller. Regas agreed that is a better plan but if the intention is to have burgers and waitstaff more planning is going to be needed. Patch stated he was considering just another griddle like the Pond and an auto-fry. Regas stated that was not the impression she was receiving. Kolb asked how large of a kitchen was she thinking. Regas stated she was uncertain because the ideas and concepts are not complete. Melissa Gullette stated the space for the golf course kitchen is the same as the Pond and there should be no reason why just the upgrade of the appliances, flooring, counters could just be upgraded. Patch stated again a professional needs to look at it first for a proper cost estimate. Patch stated as it pertains to the cart shed financing then he is in favor of the internal financing first and then pay the city back with a bond. Moore asked if the funding decision should be tabled for a couple of months. Kolb asked if the city doesn't vote on the approval of how to fund the cart shed will it be in the budget in 2020. Regas stated the funding isn't currently in the budget for the cart shed in 2020 and would not be until 2021. Regas stated there will be some procedures to approving the internal financing before it is final to use it for the cart shed. Patch stated he believes what Councilor Kolb is asking is if the funding needs to be approved before the end of 2019. Kolb agreed stating does the financing need to be built into the golf budget in 2020 if the shed is built in 2020 or if the financing is not approved now will the shed be built in 2021. Regas stated if not funded by the RLF fund in 2020 then it would not be built in 2020. Regas further stated without agreeing on the financing in 2019 or even early 2020 then there will be no funding in 2020 to build it. Regas stated it depends on when the funding starts as to when the payments start. Regas stated the further the funding is pushed off the later the payments will begin whether it is self-funded or with Ehlers. Patch stated if self-funded in January to build it in May 2020 could that still work. Regas stated yes. Patch stated it will take longer to receive funding from a bond then to self fund it. Kolb stated he



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understood and would appreciate having a bond tie all the funding together to include the kitchen or the city hall. Regas recommended due to timing, the best path would be to approve the internal loan from the RLF and provide her with the correct amount of time to receive an accurate estimate for the kitchen then bond for all the funding. Regas stated by waiting for the estimates it provides more time to bond for the whole project and pushes off the payments. Patch stated the planning process for a kitchen remodel needs state approval too. Regas stated yes, the process is long and the state will be involved for a kitchen remodel. Regas further stated the permitting for the cart shed will take time too and she should not begin that process if the funding isn't approved.

Financial Approval – Moved by Councilor Kolb and seconded by Mayor Patch to finance the cart shed with the internal loan from the RLF for 10 years @ 2.5% until the kitchen estimates can be received. Kolb stated it isn't the best way but the City has to move forward. Gulette asked if the City has received any further pledges from the members. Patch stated the members are waiting to see what the city agrees to. Regas further stated she has not pushed the pledges forward until the city agrees to funding the process. Kolb asked if the members were still willing to fundraise for the cart shed. Regas stated yes, but it was in her opinion that the members were waiting to see how the city would decide on the financing. Patch asked for a review of the 5-year offer for cart storage to the members. Regas reviewed the golf board minutes for the council. Moore asked Regas if it is her recommendation to fund the cart shed internally. Regas stated it was her recommendation to fund internally to begin the process on the cart shed. Patch called for any further discussion on the motion. Hearing none Patch called for a roll call vote on the motion. The roll call vote was as follows: Mayor Patch: aye; Councilor Moore: aye; Councilor Gulette: nay; Councilor Kolb: nay. Motion ties and fails.

Further discussion – Schwanke stated the option to add additional funding for the club house if just has a better number for the kitchen in the motion would the City agree to it. Schwanke further stated that then the cart shed could be funded temporarily and move forward while the planning process of the kitchen is worked. Regas asked if there is a number that will satisfy the board. Kolb asked if the number that is added affect the tax payers. Patch at this time no but can in the future. Kolb asked how much can the golf course borrow and still pay back faithfully without it hurting the taxpayers. Regas stated at the point where the mill rate is the taxpayers cannot absorb any more. Lundberg stated the city could start on the project and the city is not wasting any money by borrowing against itself with the bond rates the city receives and then at a later date lock in the bonds at the 2.5% because the rates won't increase much. Kolb asked Melissa Gulette how much the Pond used to upgrade their kitchen. Gulette and Regas stated about \$5-6,000 but that was on an existing kitchen. Kolb asked if anyone has an idea of how the golf course looks like in the kitchen. Lundberg stated a safe number would be about \$50,000 to make a difference. Councilor Gulette asked how far down will the revolving loan fund go down if the city borrows from itself. Regas stated the fund is currently at \$80,000. Regas asked Mayor Patch how the board would like to proceed. Patch stated a decision needs to be agreed on sooner than later and asked the board how they would like to proceed. Kolb stated his concern for putting \$50,000 into the kitchen and the costs are higher. Patch stated that is why he wants a solid estimate but borrow from the RLF and pay the city back with the bond. Kolb stated he would prefer to have a dollar amount to approve. Patch stated he does not want to go forward without building the cart shed he is concerned of losing members and never getting them back.



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Councilor Gullette stated his concern of moving forward with the option to only fund the cart shed and the other discussion regarding making money for the golf course dies. Gullette stated that as long as he is sitting on the board, the golf course is going to hear about how much money it is losing. Regas suggested moving forward with a stipulation and a date attached to move forward after the shed is financed to bond.

New financing option - Moved by Mayor Patch and seconded by Councilor Moore to finance the cart shed with the RLF with the stipulation the shed is refinanced after with the kitchen estimates are secured. Hearing no discussion on the motion Mayor Patch called for a vote on the motion. Motion carried unanimously.

ADMINISTRATOR'S REPORT – Christina Regas, City Administrator

1. Resolution 2019-22 – Resolution adopting a schedule of fees & charges for various services, licenses, & permits for the City of Blackduck for 2020 – Moved by Mayor Patch and seconded by Councilor Gullette to approve Resolution 2019-22. Motion carried unanimously.
2. Resolution 2019-23 – Resolution Approving Final 2019 Tax Levy, Collectable in 2020 – Moved by Councilor Moore and seconded by Mayor Patch to approve Resolution 2019-23. Councilor Gullette requested a roll call vote on the motion. The roll call vote was as follows: Councilor Kolb: aye; Councilor Gullette: aye; Councilor Moore: aye; and Mayor Patch aye. Motion carried unanimously.
3. 2019 Financial Audit Scheduled – February 10-14, 2020
4. Reminder December 16, 2019 @ 6pm Public Hearing – Liberty Drive
5. Reminder December 16, 2019 @ 7pm Public Hearing – Croswell Avenue
6. Reminder Government Offices – City Hall Closed – December 24, 2019 @ noon
7. Reminder Government Offices – City Hall Closed – December 25, 2019
8. Reminder Government Offices – City Hall Closed – January 1, 2020
9. Reminder January 6, 2020 Regular Council Meeting
10. Training Notice - 2020 LMC Elected Leaders Institute: Advance Program – February 28-29, 2020 Baxter
11. Training Notice – 2020 LMC Safety & Loss Control Workshops – March 25, 2020 Bemidji

MAYOR AND/OR COUNCIL MEMBER REPORTS – Mayor Patch & Council

Mayor Patch asked if the City has received any comments on the winter lights. Regas stated she has received positive feedback. Patch asked what happened to the older holiday decorations. Regas stated some of them are in the park for Christmas decorations.

Councilor Gullette congratulated the National Honor Society inductees.

COMMUNITY EVENTS/GOOD THINGS HAPPENING –

1. City Employee Anniversaries - Jacob Lien Fire Department (5 years)
2. Blackduck Development Corporation Meeting – December 11, 2019 11am @ Good Samaritan Community
3. Blackduck Chamber Meeting – December 18, 2019 @ noon @ The Pond
4. Blackduck Planning Commission Meeting –December 18, 2019 @ 2pm @ City Hall



BLACKDUCK CITY COUNCIL MEETING
MONDAY, DECEMBER 9, 2019 @ 6:00PM
REGULAR COUNCIL MEETING MINUTES

OTHER NEW BUSINESS – No new business.

ADJOURN – Moved by Councilor Kolb and seconded by Councilor Moore to adjourn the meeting at 8:24pm. Motion carried unanimously.

Christina Regas, City Administrator

Rudy Patch, Mayor