



BLACKDUCK CITY COUNCIL MEETING  
MONDAY, FEBRUARY 10, 2020 @ 6:00PM  
REGULAR COUNCIL MEETING MINUTES

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**CALL TO ORDER:** The City Council of the City of Blackduck met in Regular Council Meeting at Blackduck City Hall at 6:10pm. February 10, 2020. Meeting called to order by Mayor Patch and the Pledge of Allegiance was stated.

**ROLL CALL:**

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

**Councilors Absent:** Moore

**Staff Present:** City Administrator Christina Regas, Public Works Supervisor Mike Schwanke, Liquor Store Manager Shawnda Lahr and Lead Bartender Melissa Gulette

**Others Present:** Steven Rose of WSN, Jennifer Parker of the Blackduck American, and Tyler Roth Resident

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

**CONSENT AGENDA** – Moved by Councilor Kolb and seconded by Councilor Gulette to approve the consent agenda. Motion carried unanimously.

- a. January 6, 2020 Council Meeting Minutes
- b. January 9, 2020 Golf Board Meeting Minutes
- c. January 15, 2020 Liquor Committee Meeting Minutes
- d. January 15, 2020 Planning Commission Meeting Minutes
- e. January 16, 2020 Revolving Loan Fund Committee Meeting Minutes
- f. January 16, 2020 Personnel Committee Meeting Minutes
- g. January 21, 2020 City Council Work Session Meeting Minutes
- h. February 6, 2020 Golf Board Meeting Minutes
- i. November 21, 2019 Kitchigami Regional Library Board Meeting Minutes & 2020 Operating Budget for Blackduck Branch - FINAL
- j. January 2020 Fund Balance Report & Scheduled Transfers & 2020 Bond Payments
- k. January 2020 Bills
- l. YTD 2020 January Water Income Statement
- m. YTD 2020 January Sewer income Statement
- n. YTD 2020 January Pine Tree Park Income Statement
- o. YTD 2020 January Golf Income Statement
- p. YTD 2020 January Liquor Income Statement
- q. January 2020 Month End Remittance Report
- r. Final Approval – January 2020 Part-time employee hires
- s. Final Approval – Paul & Kandi Kohman Lead Hazard Control Grant Repayment Agreement Satisfaction
- t. Final Approval – January 2020 Short Settlement Property tax statement
- u. Final Approval – Sanitary Sewer Discharge Permit 2020-01 – Karl Dobmeier
- v. Final Approval – Ehlers Potential refunding of existing bonds



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- w. Final Approval – LMCIT No-Fault Sewer Back-up & Water Main Break Coverage – 2020 Renewal
- x. Final Approval – Application package for building permit to Beltrami County– Golf Course cart shed
- y. Final Approval – Application for variance to Beltrami County – Golf Course Cart shed
- z. Updated – 2020 Local Government Aid (LGA) to Cities Payable Recertified 02/07/2020 – City of Blackduck increases to \$269,305

**BLACKDUCK FORUM –**

*No one present to speak.*

**PERSONNEL COMMITTEE RECOMMENDATION –**

1. Approval Needed - Addition - Full-time Assistant Manager Liquor Store position – Moved by Mayor Patch and seconded by Councilor Gulette to approve the addition of a new full-time position Assistant Liquor Store Manager. Administrator Regas summarized the submitted proposal to approve a new position at the Liquor store with an Assistant Manager position. Regas stated the position would be benefited and full-time earning vacation and sick time. Regas provided the job description draft, wage range, and expenditure commitment to the Liquor store if approved. Councilor Kolb asked if the position would be day-time or night-time. Regas stated the position would be staffed based on the needs of the business. Councilor Kolb asked if adding the position would eliminate Lahr from being on the sales floor and in the office more. Lahr stated the position would be in addition to the responsibilities she currently has but delegating kitchen focused expectations to the role removes her from the time she commits to it. Lahr stated the position would support the manager when she is not present and specializing responsibilities that focus in the kitchen. Lahr stated in 2020 her goal is to ‘fine tune’ many of the new items that were introduced in 2019 and having an ASM assists in the consistency needed to accomplish those goals. Councilor Kolb stated he was in favor of the idea as long as it will minimize the time Lahr spends outside the office. Lahr stated the customer is the most important person in the building and that she will not stop servicing them. Kolb asked if by hiring an ASM will that role be eliminated for Lahr. Regas stated no. Lahr further stated if she doesn’t service the customers at all then she will ‘lose touch’ with what the customer wants and needs. Regas used an example of other businesses that have multiple levels of management that have focused responsibilities but still service the customers. Kolb stated using the term eliminate may not be the correct term but perhaps minimize is better. Lahr stated it will clear more time for her to focus on analyze reports etc. Mayor Patch stated adding the ASM provides an additional person that is a key holder and assist with having another level of management to go to for staff. Hearing no further discussion Mayor Patch called for a vote on the motion. Motion carried unanimously.

**ROAD PROJECTS & CITY BUILDING EVALUATIONS – WSN Representatives**

1. Approval Needed -WSN Proposal for Engineering Services PER & ER for Water & Wastewater systems – Moved by Mayor Patch and seconded by Councilor Kolb to approve a proposal from WSN for engineering services PER & ER for water & wastewater systems. Councilor Gulette asked Regas how long the report is good for. Regas stated it doesn’t expire except for the environmental section. Mayor Patch asked Regas how the reports should be paid for. Regas recommended utilizing reserve funds noting that when projects are funded the costs associated



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with the report could be refunded by those funds. Hearing no further discussion Mayor Patch called for a vote on the motion. Motion carried unanimously.

2. Approval Needed – WSN City Building Review – Physical Needs Assessment for Liquor Store, City Hall, & Maintenance Facility- Moved by Councilor Kolb and seconded by Councilor Gullette to approve a proposal from WSN for City buildings review for a physical needs' assessment for the Liquor store; City Hall; and maintenance facility. Rose noted the costs to complete the review for the Liquor store would cost more due in part to needing to review the HVAC, heating, the potential remodeling possibility of the existing building. Rose further stated starting from the ground up with a new building is less work. Mayor Patch asked how the reports would be funded. Regas stated the maintenance and city hall portion from the dedicated funds in the general fund for remodeling of City hall and liquor would fund that side of the reporting. Hearing no further discussion Mayor Patch called for a vote on the motion. Motion carried unanimously.
3. Consideration of Croswell Avenue – Council should consider how to proceed – Next steps include – Regas reported to Council that the City receive word from Hines Township board that the township is not in the position of assisting in funding the Croswell reconstruction project. Regas stated she discussed with Curt Meyer if the project could be completed by the City public works department but in the end decided it would take less time and money to complete the reconstruction by a local contractor. Regas further stated once the plans are completed and the City orders the project then quotes from contractors could give the City a better idea of how much the project will cost noting the estimates are just that.
  - a. Order the remaining plans be completed – Moved by Councilor Gullette and seconded by Councilor Kolb to order the remaining plans for Croswell Avenue be completed by WSN. Motion carried.
  - b. Order the project – March – Councilor Gullette stated ordering the project can happen at a later date. Schwanke stated that if the road holds this year the project could wait a year which would assist in funding.
  - c. Call for quotes from contractors – mid-April

**PUBLIC WORKS REPORT** – Mike Schwanke, Public Works Supervisor

1. Report – Schwanke reported the weather is providing the staff to get caught up with snow removal and having equipment repaired. Schwanke stated he has had some demo equipment brought in a Front-End Loader and a Skid steer to test out around the City. Councilor Gullette asked if Cat had reviewed the costs associated with repairing the tractor and what it is valued at for a potential trade. Councilor Kolb stated that the roads look great. Nothing further.

**LIQUOR STORE REPORT** – Shawnda Lahr, Liquor Store Manager

1. Caterer's Permit Application – Moved by Councilor Gullette and seconded by Councilor Kolb to approve the application for a caterer's permit from the State of Minnesota for The Pond. Discussion from Councilor Kolb asked if any further questions have found answers. Lahr provided to the board a review of how much a wedding could net for liquor sales from a sample wedding. Lahr stated provided for the number of people in attendance a wedding that size could gross about \$6100. Kolb asked Lahr to provide the board with an answer of what size of venue the catering license will service. Kolb asked if there will be a minimum of people serviced. Lahr stated that those details could be worked out with the contracts and with potential deposits based on the size on the events. Lahr stated the focus customer the license would service are the



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weddings. Lahr stated non-refundable fees are charged all the time by other businesses. Lahr stated those fees could cover the set-up time and costs for the event. Kolb asked if those fees are in the packet to review. Lahr stated not at this time. Lahr stated after the City agrees to the application of the license then she and Regas would dedicate the time into the logistics and legalities of fees and contracts. Mayor Patch asked what the net would be on a \$6,100 of liquor. Lahr stated she believes it would be about \$4,100 and that is just cost of goods. Patch asked after holding the event and charging the deposit but only have 30 people attend the event what would net be to the store after wages are paid. Regas stated the contracts would need clauses drafted to not allow cancelations and costs that cannot be recouped. Kolb stated he has a conflict approving the license without knowing what all the possibilities are out there. Patch stated his concern to only caterer the events that will cash flow. Regas stated that the liquor store catering would ensure the events that are going to be serviced would do just that. Lahr stated the catering would be offered throughout the year and would not only cater to just one location. Lahr stated the overhead for catering is just cost of goods and labor. Gulette stated this is something the community wants and needs. Kolb asked if the inquiries are smaller events or larger ones. Lahr stated most are weddings. Kolb asked if the 6 events allowed will only be weddings or smaller events. Lahr stated that the catered events could have different levels of liquor service from 'rail' to 'top shelf' and the costs would be more as the liquor cost is higher. Kolb stated he has concerns authorizing the funding of the license without a more detailed business plan. Lahr stated that there is time and energy that is needed to create the business plan and without the license she does not want to put more into it. Lahr further stated she knows the business well and believes she is recommending a good idea to the council to approve. Lahr asked the council to trust her. Kolb asked for more details on how the business will run before authorizing the license. Gulette stated that much involvement will place a serious hindrance on how the business is run. Kolb stated he wants something in black and white to hold accountable. Lahr stated again that providing a contract is not a simple thing it takes time. Kolb agreed but noted that if the board approves the license then there is not validation process. Regas stated she did not believe that is true. Lahr stated she wanted to just 'try it' and did not think the risk was high. Patch asked if the Pond would subcontract food like a sit-down meal. Lahr stated no, she would only cater the liquor and appetizers. Patch asked if food needs to be provided. Lahr stated to fulfill the regulations of the license the Pond has to provide food and come out of their facility. Lahr further stated she would use other caterer's contracts or MMBA businesses that offer catering for assistance on the contracts. Patch requested a log on the events and what/how much is revenue. Melissa Gulette stated the state regulates the log already. Lahr stated she would provide a recap for the board to review. Councilor Gulette stated he thinks it is worth a shot. Kolb asked if the catering is offered at the golf course does that take away from the 6 events allowed in the year. Regas stated that the 6 number that the board is focused on is not mandated by the state but the what the liquor store liability insurance is quoted for and covers. Regas further stated the number of catered events within a year is not restricted. Patch stated he understood the 6 is limited by the state. Regas stated no that only reflects what the dram insurance costs the Pond. Kolb asked what the next threshold is for costs when the number of events exceeds 6. Regas stated she would find out and report back. Kolb stated the clarification on the 6 is better understood. Hearing no further discussion Mayor Patch called for a vote on the motion. Motion carried unanimously.



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2. Report – Lahr reported that sales are down for January due to poor ice and most of the lost revenue is in the off-sale. Lahr stated there has been more snowmobiler traffic and less ice fishermen.

**LAW ENFORCEMENT REPORT** – Jace Grangruth, Police Chief

*No report submitted.*

**FIRE DEPARTMENT REPORT** – Brian Larson, Fire Chief

1. Fire Protection Contract Meeting – February 13, 2020 @ 6:00pm – Regas reported the townships will meet this week on the 13<sup>th</sup>. Nothing further.

**GOLF COURSE REPORT** – Jim Andersen, Golf Superintendent

*No report submitted.*

**LIBRARY REPORT** – Kelly Hanks, Head Librarian

*No report submitted.*

**ADMINISTRATOR’S REPORT** – Christina Regas, City Administrator

1. Resolution 2020-03 – Resolution approving the terms of an internal loan in connection with construction of the Blackduck golf course cart shed – Moved by Councilor Gullette and seconded by Mayor Patch to approve Resolution 2020-03 a Resolution approving the terms of an internal loan in connection with construction of the Blackduck Golf Course Cart Shed. Motion carried unanimously.
2. Resolution 2020-06 – Resolution to appoint election judges for the 2020 Presidential primary, state primary, and general elections – Moved by Councilor Gullette and seconded by Councilor Kolb to approve Resolution 2020-06 a Resolution appointing election judges for the 2020 Presidential primary, state primary, and general elections. Motion carried unanimously.
3. Resolution 2020-07 – Resolution supporting a grant application made to the MN DNR for the Federal recreational trail program by the Blackduck Stumpjumpers snowmobile club & acknowledging the City of Blackduck to act as the fiscal agent on behalf of the grant – Moved by Councilor Gullette and seconded by Councilor Kolb to approved Resolution 2020-07 a resolution supporting a grant application made to the MN DNR for the federal recreational trail program by the Blackduck Stumpjumpers snowmobile club & acknowledging the City of Blackduck to act as the fiscal agent on behalf of the grant. Councilor Gullette asked if the club has a better chance of being granted this year. Regas stated yes. Hearing no further discussion Mayor Patch called for a vote on the motion. Motion carried unanimously.
4. Resolution 2020-08 – Resolution requesting Reconveyance of Forfeited Lands to the State of Minnesota Parcel #81.00368.00 – Moved by Mayor Patch and seconded by Councilor Gullette to approve Resolution 2020-08 a resolution requesting reconveyance of forfeited lands to the State of Minnesota for parcel #81.00368.00. Motion carried unanimously.
5. Resolution 2020-09 – Resolution requesting Reconveyance of Forfeited Lands to the State of Minnesota – parcel #81.00454.00 – Moved by Councilor Kolb and seconded by Councilor Gullette to approve Resolution 2020-09 a resolution requesting reconveyance of forfeited lands to the State of Minnesota for parcel #81.00454.00. Motion carried unanimously.





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6. Resolution 2020-11 – Resolution authorizing PERA contributions for qualifying part-time Police officers for the City of Blackduck – Moved by Councilor Gullette and seconded by Councilor Kolb to approve Resolution 2020-11 a resolution authorizing PERA contributions for qualifying part-time Police officers for the City of Blackduck. Motion carried unanimously.
7. Council Consideration - Annual LMCIT Liability Coverage – Waiver Form – Moved by Mayor Patch and seconded by Councilor Kolb to approve the annual LMCIT Liability coverage waiver for the City of Blackduck tort limits. Motion carried unanimously.
8. Resolution 2020-10 – Resolution appointing Tylor Roth to the Blackduck City Council – Moved by Councilor Gullette and seconded by Councilor Kolb to approve Resolution 2020-10 a resolution appointing Tylor Roth to the Blackduck City Council. Regas stated Roth has submitted a formal letter of intent to file for the vacant seat and it was submitted for council review.

*Discussion proceeded as follows:*

Q. Councilor Gullette – Where do feel your biggest strengths are to provide to the council.

A. Roth- Roth stated although he has a lot off faults in his past, he is working towards rectifying them. Roth is in the middle of getting his GED and believes he can be a great asset to the town. Roth feels he can bring influence to a side of the population of Blackduck that is very beneficial.

Q. Mayor Patch – Where is your commitment for meetings. Why did you not attend the meetings he asked for with Patch or return phone calls to Administrator Regas recently.

A. Roth – Roth believes his meeting was attempted to be only with Patch and not with more than one board members and that he sent a message to Patch to reschedule. Roth stated he has not received any phone calls or messages from Regas and apologizes. Roth stated he is very anxious about filling the role of councilor and would like to be considered. Roth committed to being accessible in the future noting he has a new phone and new contact number. Roth further stated he can be reached through Councilor Kolb at any time.

S. Councilor Kolb – Kolb stated he would personally drop off a letter to Roth’s mailbox if communication is needed and is failing.

Q. Gullette – Gullette noted that a personal agenda cannot be moved when considering legalizing Cannabis at a city government level. Gullette further stated that if Roth is speaking about Cannabis it should be noted that Roth is speaking about it on a personal level that has no connection to the City Council.

A. Roth – Roth understood further stating he is a moral activist not a Cannabis activist. Roth stated he speaks frequently with law enforcement and the public on his community project. Hearing no further discussion on the motion Mayor Patch called for a vote on the motion. Motion passes with a vote of 2-1 with Councilors Gullette and Kolb in favor and Mayor Patch apposed.

*Oath of Office will be presented at the end of the City Council Meeting.*

9. Council to call a Public Hearing February 26, 2020 @ 6pm – USDA Rural Development requirement to provide City of Blackduck an opportunity to become acquainted with the proposed application for Community Facility Program Grant funding for public works equipment funding - Mayor Patch called for a public hearing on February 26, 2020 @ 6pm prior to the Council work session. Nothing further.
10. Reminder City offices closed February 17, 2020 President’s Day
11. City Hall Closed early for Election Judge Training – February 19, 2020 @ 2pm
12. Reminder Presidential Caucus February 25, 2020 *No Public meetings allowed.*
13. Request Wednesday, February 26, 2020 Work Session immediately following Public Hearing @ 6pm



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14. Reminder 2020 Elected Official Conference – February 28 – 29, 2020 Baxter, MN
15. Presidential Primary – March 3, 2020 Blackduck City Hall
16. Reminder March 9, 2020 Council Meeting
17. MCFOA Annual Conference – March 16-19, 2020 – St. Cloud
18. Board of Review Meeting for City of Blackduck – April 27th, 2020 @ 9am Blackduck City Hall

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

*Nothing discussed.*

**COMMUNITY EVENTS/GOOD THINGS HAPPENING –**

1. City of Blackduck Employee Anniversaries –
  - a. Melissa Gullette - 7 years (March 2012 - Liquor Store)
2. Blackduck Development Corporation Meeting –February 12, 2020 @ 11am
3. Blackduck Chamber Meeting – February 19, 2020 Noon @ Restaurant 71
4. Blackduck Area Chamber of Commerce Appreciation Dinner – February 24, 2020 @ 6pm @ Northern Escape Venue RSVP by February 7, 2020
5. Blackduck Planning Commission Meeting – February 26, 2020 @ 2pm
6. 2020 Spring Clean-up Event – May 16, 2020 – 8-11am – **REGISTRATION REQUIRED**

**OTHER NEW BUSINESS –**

1. New Councilor Oath of Office – City Administrator Regas presented the Oath of Office to approve Tylor Roth. Nothing further.

**ADJOURN** – Moved by Councilor Kolb and seconded by Councilor Gullette to adjourn the meeting at 7:52pm. Motion carried unanimously.

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Christina Regas, City Administrator

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Rudy Patch, Mayor