



MINUTES

Council - Work Session Meeting

6:00 PM - Thursday, June 11, 2020
City Hall, 8 Summit Drive, Blackduck MN

The Council - Work Session of the City of Blackduck was called to order on Thursday, June 11, 2020, at 6:02pm, in the City Hall, 8 Summit Drive, Blackduck MN, with the following members present:

COUNCILORS PRESENT: Councilor Jason Kolb, Councilor Maxwell Gullette, and Mayor Paige Moore

COUNCILORS EXCUSED:

STAFF PRESENT: City Administrator Christina Regas and Public Works Supervisor Mike Schwanke

OTHERS PRESENT: Todd Haugen, Ehlers Financial Advisor

1 CALL TO ORDER

- a) Roll Call
Mayor Moore called the meeting to order at 6:02pm.
- b) Pledge of Allegiance
Mayor Moore dispensed with the Pledge of Alligience.

2 APPROVAL OF AGENDA

- a)

Jason Kolb moved to approve the agenda as presented Maxwell Gullette seconded the motion.

Carried 3 to 0

Jason Kolb	For
Maxwell Gullette	For
Paige Moore	For

3 OLD BUSINESS

- a) City Building Remodeling & Rebuilding Financial Review - Todd Haugen, Elhers Finanacial Advisor
Haugen presented to the council the proposed options for bonding for the new city buildings and renovations to existing buildings discussed in previous council work sessions to receive feedback on how the funding would affect the tax base of the City. Haugen explained the bond process and provided three scenarios for the projects that would benefit the city the most. Regas stated the scenarios did not include the payments for the liquor store addition since the enterprise fund could fund its own debt. Regas stated the tax base that would fund the projects would only include the city hall and public works/police department. Haugen stated the USDA option

provided the lowest cost to the tax payers for the projects showing a sample of cost to a residential homestead home by value.

Regas reported there are 2 bonds sunseting in 2022 that tax base coming in could lower the cost to the City tax payers if the project(s) go forward. Haugen stated the USDA option includes the sunsetted amounts to the scenario. Regas stated that Gail Leverson from Widseth is not finding grant dollars but is still working on it. Regas further stated the City Hall could be removed from the cost of the project by applying for another USDA Community Facilities Grant and remodel the existing City Hall instead. Regas stated the virus has presented other perspective of how large City Hall need to be and she is working on providing a virtual way to have people and staff present to meetings. Councilor Gulette further stated that if the Liquor store can fund its own debt and starting to phase in some of the needed renovations that will lower the amount of debt needed too.

Councilor Gulette stated with the recent events from the virus he did not find it necessary to fund a new city hall and it should remain in its current location. Haugen further stated that having city hall move out of a building that is tax exempt and then into one that isn't will impact the tax capacity that many won't see in the front end. Haugen encouraged developing other areas that have tax capacity instead. Gulette stated the city needs to put its money in equipment and buildings that can benefit the city more. Schwanke stated he agrees the city departments are in a tight reality with the deteriorating equipment and buildings. Councilor Kolb stated he is on board supporting public works and public safety with funding and if the liquor store can fund its own debt is great but city hall will be difficult to pull off.

Mayor Moore asked to circle back to the current conversation. Regas agreed but wanted to ensure the council understood all the options to make some of the projects move forward. Kolb asked what the tax impact would be if it was just the public works in the scenario per tax payer. Haugen quickly figured the amount would drop about \$100-\$125 annually. Haugen believed that was a good concession for the public to agree with.

Mayor Moore stated that all the funding information is available and now the City needs to discuss it more. Regas agreed and stated a potential timeline would be to work on all the pre-work before the bonds drop off to be ready to continue levy for the bonds right after 2022.

Haugen encouraged the council to get feedback from the city and its tax payers as that will make the decision better with support.

Councilor Kolb asked if the Pond renovations could be put on hold and then have the Pond fund the maintenance building to offset the taxpayers even more. Haugen asked if that means the Pond revenues would fund the public works projects. Kolb stated yes. Haugen stated many cities do this. Regas asked for how long would that continue as the USDA debt is a 30-year bond and does that mean the Pond would wait another 30 years to improve the Liquor store. Haugen stated it could be done temporarily to a certain point then cut it off. Kolb stated the need for public works is greater than the liquor store. Regas asked if Kolb was just meaning the liquor store addition. Kolb confirmed. Haugen asked how much extra the Pond has. Moore asked if the City is potentially missing out of income by not building on the liquor store addition. Kolb agreed but stressed how the public works equipment is deteriorating and is in a high need. Moore stated that the equipment is going to be an issue regardless but the debt will be funding a building not more equipment that will still need to be fixed. Kolb stated the faster the building goes up the faster we get safer vehicles. Kolb stated it is difficult not to justify the needs for both. Moore asked for time to digest the options. Haugen understood.

b) Golf Course Cart Shed
Nothing discussed.

c) Rural Development Grant Application - Closing / Delivery
Nothing discussed.

- d) Donation Request - Blackduck After Prom
Nothing discussed.
- e) Public Works Truck(s)
Schwanke reminded the council that the numbers discussed at the June 8, 2020 council meeting for the new public works trucks did not include the \$8500 payment still need to final the lease on the 2017 public works pick up. Nothing further.
- f) Council Vacancy(s)

4 NEW BUSINESS

- a) Other business
Councilor Quorum -

Mayor Moore stated that now that the dynamic for the council has changed it is really important to be mindful about speaking to one another so as to not violate the open meeting law. Regas stated that 2 councilors are now a quorum.

New Elected Official Policy -

Mayor Moore asked for the council to remember that if there is a specific job the council wishes Regas or Landowski to do it has to be agreed upon by the whole committee. Moore stated those requests should be agreed upon by the whole council. Gullette asked if that meant when at the last meeting asking for the attorneys. Moore stated yes the whole council should say yes we all want that. Kolb asked then for the document he requested at council is an example. Regas stated like the covid plans being requested. Kolb stated yes. Moore stated if the council as a whole were to have asked for it. Regas agreed. Kolb stated that the councilor would pitch the request at a council meeting and then have the full board vote on it. Moore stated yes the board would all agree that is something the council as a whole would want and then agree upon it.

Podium Request -

Councilor Kolb requested the City acquire a podium to minimize the backward chatter during the meetings and then to have only the person standing at the podium to request they are the only ones to speak. Regas stated that will fall on the leader of the meeting as well. Regas further stated she is working on a way to have virtual meetings with some new technology in city hall with Nate Lien. Regas stated it may be a smart tv and/or other. Kolb asked if that included like a webcam in the corner. Regas stated yes. Moore stated the court system uses I Tv which provides the use of a webcam that only points to one person but then it provides the meeting to be broadcasted. Regas asked if it provides public interaction. Moore stated yes. Kolb stated Microsoft has software that can be used that is similar. Regas stated the designated location for the council meetings is really important too.

5 ADJOURNMENT

- a)

Maxwell Gullette moved to adjourn the meeting at 7:03pm Paige Moore seconded the motion.

Carried 3 to 0

Jason Kolb	For
Maxwell Gullette	For
Paige Moore	For

Christina Regas, City Administrator

Paige Moore, Mayor