



# MINUTES

## Council Meeting

6:00 PM - Monday, April 5, 2021

City Hall, 8 Summit Drive, Blackduck MN

The Council of the City of Blackduck was called to order on Monday, April 5, 2021, at 6:00 PM, in the City Hall, 8 Summit Drive, Blackduck MN, with the following members present:

**COUNCILORS PRESENT:** Councilor Jason Kolb, Mayor Maxwell Gullette, Councilor Sheldon Ostlund, and Councilor Nicholas Seitz

**COUNCILORS EXCUSED:**

**STAFF PRESENT:** City Administrator Christina Regas, Police Chief Jace Grangruth, Assistant Liquor Store Manager Melissa Gullette, Public Works Supervisor Mike Schwanke, and Liquor Store Manager Shawnda Lahr

**OTHERS PRESENT:** Heather Forseen, Kayla Weinzetl, Dennis Page, Don Johnson, Stephen Rose, Widseth, and Todd Hagen, Ehlers

### 1. CALL TO ORDER

- a. Roll Call  
Administrator Regas took roll call of those present.
- b. Pledge of Allegiance  
Mayor Gullette led the meeting in the pledge of allegiance.

Sheldon Ostlund moved to approve the agenda as presented Jason Kolb seconded the motion.

Carried 4 to 0

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|------------------|-----|
| Jason Kolb       | For |
| Maxwell Gullette | For |
| Sheldon Ostlund  | For |
| Nicholas Seitz   | For |

### 2. APPROVAL OF AGENDA

### 3. CONSENT AGENDA

*All items listed under the Consent Agenda, unless removed from the Consent Agenda shall be approved by one Council motion.*

- a. March 8, 2021 Blackduck City Council Meeting Minutes
- b. March 15, 2021 Blackduck Personnel Committee Meeting Minutes
- c. March 16, 2021 Blackduck Library Improvement Meeting Minutes
- d. March 17, 2021 Blackduck Planning Commission Meeting Minutes

- e. March 18, 2021 Kitchigami Regional Library Board Meeting Packet including January 2021 minutes
- f. March 22, 2021 Blackduck City Council Work Session minutes
- g. March 30, 2021 Blackduck Revolving Loan Fund Committee Meeting Minutes
- h. March 2021 Fund Balance Report
- i. March 2021 Bills Report
- j. March 2021 Sewer Income Statement
- k. March 2021 Water Income Statement
- l. March 2021 Pine Tree Park Income Statement
- m. March 2021 Golf Course Income Statement
- n. March 2021 Liquor Store Income Statement
- o. ~~Final Approval - LG216 Lawful Gambling Monthly Rent - Blackduck Fire Relief Association~~
- p. ~~Final Approval - March 2021 part time employees hire~~
- q. ~~Final Approval - Authorized Order approving detachment - Blackduck / Summit Township~~
- r. Final Approval - Satisfaction of Mortgage - MAK Properties
- s. Final Approval - Ehlers Potential Refunding of Existing Bonds Report - April 1, 2021

Jason Kolb moved to approve the consent agenda removing items 'o, p, & q' for further discussion  
 Sheldon Ostlund seconded the motion.

Carried 4 to 0

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|------------------|-----|
| Jason Kolb       | For |
| Maxwell Gullette | For |
| Sheldon Ostlund  | For |
| Nicholas Seitz   | For |

- t. Consent Agenda Removed Items for further discussion -

Item Q - Councilor Kolb requested consideration of another option for pull tabs at the Liquor store to moving to either weighing the boxes or pulling the boxes and placing a self serve machine in the store to eliminate the human error of a negative count. Regas noted the request by Councilor Kolb and stated the request would need to be sent to the Blackduck Fire Relief for consideration.

Item P - Councilor Kolb if the date of hire for the part time employees is a date of hire or if the consent agenda is a request to hire the part time employees due to the dates noted on the report. Regas noted the part time employees were hired in March on the dates listed. Kolb asked how the council is going to have final approval on employees that are already hired. Regas stated she did not understand the councilor's question. Kolb stated if the council is to approve employees he did not believe the council should be circumvented into accepting or denying the hiring after the fact. Mayor Gullette interjected by stating Administrator Regas has the power of administration it is so the council does not have to gather to approve/deny hiring. Regas stated the department heads have the authority to recommend a new employee and she makes the final authorization then informs council of those hired. Kolb stated the language at the top of the item 'requesting final approval for the following' is confusing. Mayor Gullette stated that the council has the right to object to the final vote. Nothing

further.

Item Q - Mayor Gulette asked Regas why the council was not notified of the detachment order from the state earlier to allow for the 7 days to for any party to submit in written request for an amendment of the order. Regas noted the request. Nothing further.

Jason Kolb moved to accept items O, P, and Q in the consent agenda Sheldon Ostlund seconded the motion.

Carried 4 to 0

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|-----------------|-----|
| Jason Kolb      | For |
| Maxwell Gulette | For |
| Sheldon Ostlund | For |
| Nicholas Seitz  | For |

#### 4. **BLACKDUCK FORUM**

*Visitors may share their concerns with Council on any issue, which is not already on the agenda. Each person will have 3 minutes to speak. The Mayor reserves the right to limit an individual's presentation if it becomes redundant. The Mayor may also limit the number of individual presentations on any issue to accommodate the scheduled agenda items. All comments will be taken under advisement by the Council. No action will be taken at the time.*

- a. Resident Don Johnson - Mr. Johnson stated his concerns for the traffic on the west side of Summit Avenue. Mr. Johnson stated vehicles enter town going 50 - 60 mph and leaving town on Summit Ave. W. there is no speed limit sign for vehicles to abide by until past Head Start. Mr. Johnson stated he purchased a home in town and he is new but raising his grandson has given him concern for the speed. Mr. Johnson further stated his friend in the highway department was going to notify their supervisor to add additional speed limit signs in the area. Mr. Johnson stated he was past the other day going into town much faster than he and that was concerning. Nothing further

#### 5. **PUBLIC HEARING - VACATION OF STREET(S)**

*(Mayor Gulette to close the regular meeting & open the public meeting - Vacation of Universal Drive SW)*

- a. Public Comment pursuant to MN Statute §412.851 - Petition to vacate all that part of Universal Drive SW, Southern Duck Estates, according to the recorded plat thereof, not previously vacated by City of Blackduck Resolution 2021-03, as recorded January 13, 2021 by Document No. A000595470  
Mayor Gulette asked for questions concerning the vacation of streets by MAK Properties -

Councilor Ostlund asked who will be responsible for the road in the future. Regas stated the owners of the property will be responsible.

Mayor Gulette asked for questions concerning the vacation of streets a second time -

There were no further questions.

Jason Kolb moved to close the public hearing and reopen the regular meeting at 6:11pm Sheldon Ostlund seconded the motion.

Carried 4 to 0

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|------------------|-----|
| Jason Kolb       | For |
| Maxwell Gullette | For |
| Sheldon Ostlund  | For |
| Nicholas Seitz   | For |

Nicholas Seitz moved to close the regular meeting and open the public hearing at 6:09pm Sheldon Ostlund seconded the motion.

Carried 4 to 0

|                  |     |
|------------------|-----|
| Jason Kolb       | For |
| Maxwell Gullette | For |
| Sheldon Ostlund  | For |
| Nicholas Seitz   | For |

**6. REPORTS OF COMMITTEES AND CITY STAFF**

**6.1. PUBLIC WORKS REPORT - MIKE SCHWANKE, PUBLIC WORKS SUPERVISOR**

6.1.1. Final Approval Needed - Drone Purchase

Schwanke stated he is requesting final approval for the purchase of a drone to assist with wastewater irrigation property monitoring in the amount of \$2917.00

6.1.2. Final Approval Needed - Trailer purchase

Schwanke stated he is requesting final authorization of a purchase of a trailer for the skid steer and tractor from ACME in the amount of \$14,675.43 with tax and licensing.

Jason Kolb moved to approve the purchase of a drone for \$2917.00 and a trailer for \$14,675.43 for the skid steer from ACME. Nicholas Seitz seconded the motion.

Carried 4 to 0

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|------------------|-----|
| Jason Kolb       | For |
| Maxwell Gullette | For |
| Sheldon Ostlund  | For |
| Nicholas Seitz   | For |

6.1.3. Report -

Councilor Kolb asked if Schwanke had worked on the fogging system and setting an ordinance to charge the taxpayers. Regas stated the fogger has been pulled from the agenda for the immediate time. Nothing further.

6.1.4.

**6.2. LIQUOR STORE REPORT - SHAWNDA LAHR, LIQUOR STORE MANAGER**

6.2.1. Report -

Lahr did not have much to report.

The conversation from the consent agenda was then re-introduced by Mayor Gullette.

Mayor Gullette asked Lahr if the liquor store would see a benefit in removing pull tabs boxes and replacing them with a self-serve machine. Lahr stated there is pro's and con's to the idea. Councilor Kolb stated his suggestion is to eliminate the human error and for the bartenders to have less time on pull tabs and more on the customers. Lahr stated some people don't like the machines that play tabs and the only portion the self-serve machines is eliminating is the bartender. Lahr stated that not all errors are with the staff. Kolb stated that with the time The Pond is open there would more time dealing with customers instead of pull tabs. Lahr stated the rent fund would suffer and decrease if the service would stop. Councilor Ostlund stated many people that pull tabs don't like the machines and if there was an issue the staff would not have access to fix them. Lahr agreed and stated only the Fire Relief Gambling Manager would have access to it. Mayor Gullette asked if this was a conversation to have with the Relief. Ostlund stated again he did not see it as feasible. Mayor Gullette asked if the issue is a 'dead issue'. Ostlund stated it is a dead issue with him. Lahr reminded the councilors the electronic tabs did not take off either. Nothing further.

**6.3. LAW ENFORCEMENT REPORT - JACE GRANGRUTH, POLICE CHIEF**

6.3.1. Report -

Chief Grangruth had nothing to report. Councilor Seitz asked if Grangruth had the totals for the funding of the part time officers to report from the work session. Grangruth stated the equipment costs he reported at the work session had not changed and he has moved forward with the acquisition. Councilor Kolb asked how that process was going. Grangruth stated some sizes are still needed and supply issues are taking time. Nothing further.

**6.4. FIRE DEPARTMENT REPORT - BRIAN LARSON, FIRE CHIEF**

6.4.1. no report submitted.

**6.5. GOLF COURSE REPORT - JIM ANDERSEN, GOLF COURSE SUPERINTENDENT & PAM EXNER, CLUB HOUSE MANAGER**

6.5.1. no report submitted.

**6.6. LIBRARY REPORT - KELLY HANKS, HEAD LIBRARIAN**

6.6.1. no report submitted.

**7. ADMINISTRATOR'S REPORT**

a. Council Consideration - Donation Request from Blackduck Summer Baseball - Kayla Weinzetl

Kayla Weinzetl was present to request a donation for the Blackduck Summer Baseball.

Councilor Kolb asked for clarification on the amount requested noting a difference between the hand written request vs. the insurance statement. Weinzetl stated there are separate parts of the insurance so the total from 2020 was about \$900/

Sheldon Ostlund moved to approve a donation from the Liquor Rent Fund for \$800 Nicholas Seitz seconded the motion.

Carried 4 to 0

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|------------------|-----|
| Jason Kolb       | For |
| Maxwell Gullette | For |
| Sheldon Ostlund  | For |
| Nicholas Seitz   | For |

b. Council Consideration - Donation request for Blackduck After Prom 2021 - Heather Forseen -

Forseen was present to report on the status of the After-Prom. Forseen was requesting \$1000. Forseen stated after-prom costs can be up to \$15,000. Forseen stated the grand march is scheduled, then dance, then hypnotist and after party. Forseen further stated everyone attending gets a 'prize' and most of the donations go to that. Forseen asked for questions further stating it is a safe place for the kids to go to and any donation is appreciated. Regas asked Forseen what happened with the funding from 2020 when COVID-19 canceled prom. Forseen stated that many funded donations were kept and some businesses that donate in 2020 did not get solicited in 2021 but some businesses still donated again this year. Councilor Kolb asked how much funding had been raised to date. Forseen stated she was aware the Fire Relief had donated \$3000 last week and each junior student was asked to bring in \$20 but she was unaware of the status of that. Forseen stated she was unaware of the total but guessed the total to date was about \$5-6,000.

Sheldon Ostlund moved to approve a donation of \$1000 to the Blackduck After-Prom Jason Kolb seconded the motion.

Carried 4 to 0

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|------------------|-----|
| Jason Kolb       | For |
| Maxwell Gullette | For |
| Sheldon Ostlund  | For |
| Nicholas Seitz   | For |

c. Council Approval Needed - Resolution 2021-10 - Resolution authorizing the vacation all that part of Universal Drive SW, Southern Duck Estates, according to the recorded plat thereof, not previously vacated by City of Blackduck Resolution 2021-03, as recorded January 13, 2021 by Document No. A000595470

Jason Kolb moved to approve Resolution 2021-10 Sheldon Ostlund seconded the motion.

Carried 4 to 0

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| Jason Kolb       | For |
| Maxwell Gullette | For |
| Sheldon Ostlund  | For |
| Nicholas Seitz   | For |

d. Council Approval Needed - Proposal for Engineering Services - City of Blackduck Sales Tax Campaign Support - Curt Meyer

Jason Kolb moved to approve a proposal for engineering services for the sales tax campaign from Widseth in the amount of \$5000 Sheldon Ostlund seconded the motion.

Further discussion by Councilor Kolb stated that is a lot of help and a very high dollar amount without a survey. Councilor Seitz stated the City will need to 'sell it' to the tax payers. Councilor Ostlund stated the amount could be much more. Hearing no further discussion a vote on the motion was called by Mayor Gullette.

Carried 4 to 0

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|------------------|-----|
| Jason Kolb       | For |
| Maxwell Gullette | For |
| Sheldon Ostlund  | For |
| Nicholas Seitz   | For |

e. Council Consideration -Bids for The Pond Addition and Remodel - Stephen Rose, Widseth

Regas stated that due to technical difficulties for Stephen Rose, she would inform the board on the bids for the liquor store. Regas stated the bid sheet summary was included in the packet and noted there were two bids and the lowest bid came from Kraus Anderson Company in the amount of \$632,100. Councilor Kolb stated there could also be that 10% +/- on the construction costs once the project begins. Regas further stated a bid notice would be sent to the winning bidder and formal documents would be prepared for council to approve at the May 10, 2021 meeting. Regas further stated the winning bidder still has 30 days to 'back out' if they chose. Councilor Ostlund stated the contractor won't be starting right away then. Regas stated yes and added the funding process is still on-going too. There were no further questions regarding the process at this time.

f. Council Information - Demolition Loan Project - DEED Award Letter - Main Street Project

Regas reported the award letter from DEED was sent to the City of Blackduck today announcing the award of funding for the Main Street demolition project. Regas stated she has reported to Gail Leverson of Widseth and Blackduck Development Corp members the announcement. Regas further noted the acquisition of 32 Main Street is still in process. Mayor Gullette asked the likelihood of the project being completed this summer. Regas stated if all acquisition can be completed then yes. Councilor Kolb asked what the timeline is to spend the funding. Regas was uncertain but believed it to be two years. Mayor Gullette stated he would attend the next BDC meeting. Nothing further at this time.

g. April 6, 2021 @ 4:30pm - Blackduck Golf Board Meeting - City Hall

h. April 13, 2021 7am - 8pm - Blackduck Special Election - City Hall

i. April 14, 2021 @ 11am - Blackduck Development Corp - City Hall

j. April 16, 2021 @ 9:30am - BAI Board Meeting - Zoom

k. April 19, 2021 @ 6pm - Blackduck City Council Work Session

l. April 21, 2021 @ Noon - Blackduck Area Chamber of Commerce Meeting - Hungry Duck Restaurant

m. April 21, 2021 @ 2pm - Blackduck Planning Commission Meeting

n. April 26, 2021 @ 6pm - Blackduck City Council Special Meeting -

o. May 5, 2021 @ 5pm - Blackduck Area Chamber of Commerce Ditch Clean Up Event

p. May 10, 2021 @ 6pm - Blackduck City Council Regular Meeting

Maxwell Gullette moved to recess the regular council meeting at 6:44pm to allow the attendance of Todd Hagen from Ehlers for the remaining agenda items Sheldon Ostlund seconded the motion.

Carried 4 to 0

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|------------------|-----|
| Jason Kolb       | For |
| Maxwell Gullette | For |
| Sheldon Ostlund  | For |
| Nicholas Seitz   | For |

Jason Kolb moved to reconvene the regular council meeting at 6:58pm to resume the agenda items Sheldon Ostlund seconded the motion.

Carried 4 to 0

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|------------------|-----|
| Jason Kolb       | For |
| Maxwell Gullette | For |
| Sheldon Ostlund  | For |
| Nicholas Seitz   | For |

- q. Council Consideration - City of Blackduck Pre-Sale Report for Tax Abatement Bonds, Series 2021A - Blackduck Liquor Store - Todd Hagen

Hagen was present to discuss the pre-sale report for tax abatement bonds, Series 2021A for the Blackduck Liquor Store project. Hagen reviewed the report and took questions from the council and audience. Mayor Gullette asked if the bond amount of \$650,000 is on target. Regas stated that although the amount of the bid was under the \$650,000 the Liquor store was going to put up cash for all costs above that. Regas recommended the bond amount to stay at \$650,000 in case some issues come up during the construction. Mayor Gullette stated that by the liquor store putting up cash towards the project that assists in the bonding. Councilor Ostlund asked if city taxes are going to go up for the bond. Regas stated it will not affect the tax payers. Mayor Gullette stated the sale of the bonds are only rating the city on the city tax capacity to acquire a lower interest rate. Councilor Kolb asked if the cash is then coming from the general fund. Regas stated that it was not coming from the general fund but the liquor fund. Councilor Kolb confirmed that the liquor store was putting up \$150,000. Regas confirmed. Hagen stated it is to the benefit for the city to have high reserves as well and to not tap too much into any reserves to receive a good bond rating. No further questions.

- r. Council Approval Needed - Resolution 2021-11 - Resolution calling for a public hearing on proposed property tax abatements for the 2021 municipal liquor store improvements

Sheldon Ostlund moved to approve Resolution 2021-11 and call a public hearing on April 26, 2021 @ 6:00pm Jason Kolb seconded the motion.

Carried 4 to 0

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| Jason Kolb       | For |
| Maxwell Gullette | For |
| Sheldon Ostlund  | For |
| Nicholas Seitz   | For |



- s. Council Approval Needed - Resolution 2021-12 - Resolution providing for the sale of \$650,000 General Obligation Tax Abatement Bonds, Series 2021A  
Hagen further stated the school district much decline participation in the bond process and Regas would be sending out notification to the school.

Sheldon Ostlund moved to approve Resolution 2021-12 authorizing Ehlers to proceed with the bond sale for the tax abatement bonds Jason Kolb seconded the motion.

Carried 4 to 0

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| Jason Kolb       | For |
| Maxwell Gullette | For |
| Sheldon Ostlund  | For |
| Nicholas Seitz   | For |

- t. Special Election Canvassing - April 26, 2021 following the public hearing  
Regas requested the City Council call a special election canvassing board meeting on April 26, 2021 following the public hearing.

Jason Kolb moved to call a meeting to canvass the special election on April 26, 2021 Sheldon Ostlund seconded the motion.

Carried 4 to 0

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|------------------|-----|
| Jason Kolb       | For |
| Maxwell Gullette | For |
| Sheldon Ostlund  | For |
| Nicholas Seitz   | For |

**8. MAYOR AND/OR COUNCIL MEMBER REPORTS**

- a. Mayor Gullette -  
Mayor Gullette asked if the job description was final at the last personnel committee meeting. Regas reported it was and reported in the council packet in March. Gullette asked if when the remaining job descriptions are completed can the council be sent the job descriptions at that time. Regas stated yes.

**9. COMMUNITY EVENTS/GOOD THINGS HAPPENING**

- a. City Employee Anniversaries for April -  
Mike Mackey -Fire Department - 2013  
Pam Exner - Golf Course - 2007

**10. ADJOURNMENT**

- a.

Maxwell Gullette moved to adjourn the meeting at 7:23pm Sheldon Ostlund seconded the motion.

Carried 4 to 0

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| Jason Kolb       | For |
| Maxwell Gullette | For |
| Sheldon Ostlund  | For |
| Nicholas Seitz   | For |

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City Administrator, Christina Regas

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Maxwell Gullette, Mayor