



# MINUTES

## Council - Work Session Meeting

6:00 PM - Monday, June 21, 2021

City Hall, 8 Summit Drive, Blackduck MN

The Council - Work Session of the City of Blackduck was called to order on Monday, June 21, 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 Nicholas Seitz, and Councilor Donald Johnson

**COUNCILORS EXCUSED:** Councilor Sheldon Ostlund

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

**OTHERS PRESENT:** Curt Meyer Widseth

### 1 CALL TO ORDER

- a) Roll Call  
Administrator Regas took roll call of those present.
- b) Pledge of Allegiance  
Mayor Gullette dispensed with the pledge of allegiance.

### 2 APPROVAL OF AGENDA

- a)

Nicholas Seitz moved to approve the agenda as presented Jason Kolb seconded the motion.

Carried 4 to 0

Jason Kolb	For
Maxwell Gullette	For
Nicholas Seitz	For
Donald Johnson	For

### 3 OLD BUSINESS

- a) Public Works / Police Facility Update  
Regas reported the timeline for funding from USDA is still awaiting notification from Angela Bokovoy of which can be up to 30-45 days bringing the City to the July regular council meeting. Nothing further at this time.
- b) Liquor Store Remodel/Addition Update  
Lahr reported the first construction meeting that was scheduled today at 2pm was abbreviated due to staffing and traffic. Lahr reported the meeting will be at 8am next week prior to opening the store. Lahr further stated some construction timeliness

during Backwoods Bash and Labor Day weekend were discussed and adjusted. Gulette reported the installation of 1 new AC unit and still 1 older unit hooked up. Mayor Gulette congratulated Melissa Gulette on passing her Food Safety Certification recently. Lahr reported Backwoods Bash festivities may look different this year but ensured the council they would be present at the park and have the beer tent. Nothing further.

c) Local Sales Tax Campaign Update - Curt Meyer

Meyer discussed the process on the creation of the campaign and how the process for the sales tax requires cities to list any and all projects the funding can be used for. Meyer stated the importance of having regional significance to the campaign to the improvements is present. Meyer stated that a straight forward use would be the roads inside the city. Meyer stated the in a meeting with him and Regas a brain storm session added additional funding to improve on the city campground; the pedestrian trail; infrastructure that could be added for future growth; and the library building. Meyer stressed to the council that the funding can't be used on projects that are outside the municipal boundary. Meyer will look at other cities narratives on the regional significance when framing the campaign for Blackduck. Councilor Kolb asked if future campsites; the wayside rest; and the 3-Pond system could be benefited. Regas and Meyer agreed. Councilor Johnson asked if any of the funding could go to assist the golf course with the issues they are having with the irrigation system. Regas stated it could be looked into. Nothing further.

d) Kitchigami Regional Library Unspent Funding - Update

Councilor Seitz reported that although not finalized the finance board is considering holding onto the unspent funding for up to 10 years so as not needing to levy the entities. Regas asked for clarification to mean the library board is considering not asking for funding of each entity. Seitz stated it wasn't for certain but the board appears to be moving in favor of it. Regas stated that with the amount levied each year for the Blackduck library the unspent funding for Blackduck would only cover about 4 years not 10. Regas asked if the determination would be agreed prior to the 2022 budgets. Seitz stated it was not 'set in stone'.

e) American Rescue Plan Act Funding -

Regas provided more information from the league of MN cities webinars to the board for review and reported she has formally submitted to the Treasury for the funding for the City of Blackduck. Regas reported the most recent amounts stated are based on the most recent census (833 pop.) bringing the amount for Blackduck could be about \$83,000. Regas reported there will 2 forms in the July consent agenda supporting the submission of funds.

Regas shared new approved options that she learned about recently including economic development (demo project option); housing investments (HRA funding option); child care provider assistance. Regas stated the replaced revenue option is only based on the city without the utilities and liquor revenue. Regas reported the City must prove a percentage of loss of revenue and if the amount meets the requirement then that amount can be used for anything the city wishes without restrictions. Regas stated there is a revenue loss calculator on line she will work on and report her findings at the next meeting. Councilor Kolb asked if the golf course would qualify if it was included in parks and rec. Regas stated the revenue loss is based on the 2020 year and the golf course would have already needed to be under that umbrella.

Regas reported that several financial advisors are advising cities be very careful in planning how to use the funding since if they chose to use it for a project that hasn't started yet but isn't completed by the deadline of 2024 it can be used until 2026 if budgeted that way. Regas further stated the first half of the funding will be received mid-July 2021 and can sit in a fund earmarked for a project like the Public Works Facility or something else.

Regas further reported it is being recommended if cities plan to use funding in 2022 to budget the funding in that year.

Regas further reported she reached out to the County Administrator Tom Barry and asked to partner with the county board to find out if there will be overlapping funding options with the county funds that could assist the City of Blackduck. Mayor Gullette would like to wait until the City has both halves of the funding before spending it.

f) Blackduck Stumpjumpers Public Parking lot - Update

Regas brought the board up to speed on the process of the land acquisition for the Blackduck Stumpjumpers public parking lot. Regas reported that the land will need to be in the ownership of the City of Blackduck for the funding to be approved. Regas further stated the snowmobile club has full intentions to reimburse the City for all the funding for the acquisition and development of the parking lot. Regas stated the snowmobile club has requested a lease agreement with the City to allow the club access to maintain and improve over time. Councilor Kolb asked who will hold the liability on the parking lot. Regas stated the City would hold the liability but will add language in the lease agreement when it comes time to work with the club. Regas included in the work session packet the purchase agreement with MAK Properties for review of the council and stated the City Council will need to approve the agreement at the July 7, 2021 regular council meeting.

Regas further reported MAK Properties will be have a preliminary land division/combination of his property in Southern Duck Estates for consideration at a public hearing on July 6, 2021.

#### **4 NEW BUSINESS**

a) Flag Drop Box - Mayor Gullette

Mayor Gullette proposed the purchase of a flag drop box be purchased and placed permanently inside City Hall. Those board members present were in favor of the purchase and it was requested to discuss the authorization of the drop box at the July 6, 2021 meeting. Nothing further.

b) Splash Pad - Councilor Kolb

Councilor Kolb reported how nice it was to see the smaller splash pads in various cities on his vacation. Kolb stated how he thought a splash pad would attract more families and children to the city and a benefit to the wayside rest. Schwanke stated when he left Twin Valley they were in the process of getting ready to build one and they are a lot more involved than what it appears to be. Schwanke stated a splash pad with a size Kolb was referring to can run up to \$75,000 in costs to install. Schwanke stated his issues would be the city would absorb the costs and the draw would be large and the tax payers would fund the installation and maintenance. Regas stated Moore did some research of other cities that have splash pads or are in the process of building them and if the council would like to information she could have it electronically sent. Regas further stated that even pools lose cities money and the time and effort put forth to build the public swim beach opened last summer confuses her. Regas asked the board if a splash pad is something wanted more than a beach. Gullette stated he can see it being beneficial but even he received a request for a skate park too. *(Regas will keep the topic on the agenda for the next work session)*

c) Blackduck Golf Course Board Meeting - Tuesday, June 29, 2021 4:30pm - Club House

Councilor Kolb requested if possible to change the time of the meeting to 3pm so that he can be in attendance. Mayor Gullette stated he believes there will be several people in attendance to this board meeting. Regas stated there have been some members requesting information regarding the golf course and has been mitigating

some rumors of the course closing its doors. Regas stressed the importance that if the golf board meeting becomes a personnel related the staff has the right to close the meeting. Mayor Gullette requested Schwanke be in attendance. Nothing further.

d) Personnel Committee Meeting - Mayor Gullette requests

Mayor Gullette requested the personnel committee meet to discuss the job descriptions of the City Administrator, Public Works Supervisor and support staff; and the Golf Course staff (course manager, club house manager; and club house clerks and course maintenance) and to discuss any complaints taken on staff of the golf course if documented formally. Committee members present agreed to hold the meeting on Wednesday, June 30, 2021 @ 12pm at City Hall. Mayor Gullette requested Councilor Kolb be the committee chair to that meeting. Nothing further.

e) City Playground foundation material upgrades - Mike Schwanke

Schwanke reported he received an estimate to update the playground material for the park and wayside rest would be \$1400 delivered. Schwanke further stated he would like to remove the fence around the playground at the wayside rest and replace it with a containment material borders that hook together for a cost of \$3200 and if the City wanted a ramp at each playground it would be an additional \$700/each. Schwanke asked for feedback on a funding source for the containment material. Mayor Gullette asked if the costs good be covered with the Liquor Rent Funds. Regas agreed it was an acceptable expense. Gullette requested the item be added to the July 6, 2021 agenda for consideration. Councilor Johnson asked how long it will take for delivery. Schwanke was uncertain at this time. Nothing further.

f) RV Park on Golf Course Property - Mike Schwanke

Schwanke requested feedback from the board members prior to moving forward with gathering hard cost numbers to build the RV area at the Golf course. Schwanke requested a better understanding of how serious the City was with the project idea before he invests his time in the gathering of costs. Schwanke stated he did research on the golf course and the amount of funding the course has lost the last 2 years without the support of the tax payers and liquor store. Schwanke stated he believes the City could revenue approximately \$800,000 a year if he installs about 200 RV sites. Councilor Seitz asked if Schwanke believes 200 sites will fill. Schwanke needs to take the time to find out how much money it will take to build the park. Schwanke looked back into the financial reports and found that it was 2007 when the golf course made money. Councilor Kolb asked Regas what fund covers the loss of the golf course. Regas stated it is the liquor store fund. Schwanke further stated to the council to consider that as soon as he starts planning to build the park it will take out 1-2 golf holes and it will take time to find out how the water and sewer will be installed. Mayor Gullette asked how it will be installed and where. Schwanke stated it can come from town along the right of way or punch a new well. Regas encouraged the City Council to speak to the City of Big Falls on their campground improvements and the costs associated with them. Councilor Kolb asked Gullette and Regas how many years the council has asked the golf board to bring ideas to the board to make the golf board more profitable. Regas stated in the last 2 years no ideas have been completed. Kolb stated so far this is the one idea that makes sense to be profitable. Schwanke asked the question again if the council wants him to take the time to find an amount that will cost to build the park. Councilor Kolb stated he was on board.

## 5 **BLACKDUCK HRA**

a) League of Minnesota Cities Guidance -

Regas reviewed the highlights of the conversation she had with the Detroit Lakes HRA Director Kurt Keena that volunteered to be a mentor for the City of Blackduck. Regas stated the following starting points with the board:

1. A City must establish an HRA by Resolution filed with the State of MN Deed Office - the City of Blackduck has already done this but it was recommended the city update that document
2. A City should consider levying the .0185% of the previous years estimated market value of all property in the city to a special fund to assist with future projects.
3. A City should establish a list of 2-5 top priorities it wishes to address in a strategic plan for the HRA to work on. Regas suggested considering adding more housing; updating aging housing; and/or updating housing with more energy efficient in the existing housing.
4. Once a City has established a fund balance from the levy and a listing of priorities then going after additional funding for those programs can be applied for such as Greater MN Housing Funds or HUD Grants.

b) Detroit Lakes HRA Mentor - Kurt Keena, Executive Director

First Steps

Contact Information

The HRA board requested Regas invite Kurt Keena to the next work session in July to further the conversation of the HRA.

The HRA Board requested Regas provide at the next meeting what the amount of the levy percentage would be if approved.

**6 ADJOURNMENT**

a)

Jason Kolb moved to adjourn the meeting at 8:36pm Nicholas Seitz seconded the motion.

Carried 4 to 0

Jason Kolb	For
Maxwell Gullette	For
Nicholas Seitz	For
Donald Johnson	For

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Christina Regas, City Administrator

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Maxwell Gullette, Mayor