



# MINUTES

## Council Meeting

6:00 PM - Tuesday, July 6, 2021

City Hall, 8 Summit Drive, Blackduck MN

The Council of the City of Blackduck was called to order on Tuesday, July 6, 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 Gulette, Councilor Nicholas Seitz, and Councilor Donald Johnson
- COUNCILORS EXCUSED:** Councilor Sheldon Ostlund
- STAFF PRESENT:** City Administrator Christina Regas, Assistant Liquor Store Manager Melissa Gulette, Public Works Supervisor Mike Schwanke, and Club House Manager Pam Exner
- OTHERS PRESENT:** Tony Rossberg,, Dick McKean, Sandy Anderson, Nita Brown, Gail Johnson, Kay Dahl, Ron Arndt, Steph Rockensock, Keith Anderson, Darlene Mathews, Misty Frenzel, Richard Mulvenna, and Meghan Klein

### 1. CALL TO ORDER

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

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

Carried 4 to 0

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

### 2. APPROVAL OF AGENDA

- a.

### 3. CONSENT AGENDA

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

- a. June 7, 2021 Blackduck City Council Meeting Minutes
- b. June 21, 2021 Blackduck City Council Work Session Minutes

- c. June 23, 2021 Blackduck Planning Commission Meeting Minutes
- d. June 29, 2021 - Blackduck Golf Board Meeting Minutes
- e. June 30, 2021 - Blackduck Personnel Committee Meeting Minutes
- f. June 2021 Fund Balance Report
- g. June 2021 Bill Batch
- h. June 2021 Sewer Income Statement
- i. June 2021 Water Income Statement
- j. June 2021 Pine Tree Park Income Statement
- k. June 2021 Golf Course Income Statement
- l. June 2021 Liquor Store Income Statement
- m. ~~May 2021 LG216 Lawful Gambling Monthly Rent - Blackduck Fire Relief Association~~
- n. Final Approval - Month End Remittance Report for June 2021
- o. Final Approval - US Department of the Coronavirus State & Local Fiscal Recovery Fund Award Terms & Conditions - Assurances of Compliance with Civil Rights Requirements
- p. Final Approval - May - June 2021 New Hires *(tabled from June Council Meeting)*
- q. Final Approval - June - July 2021 New Hires
- r. Final Approval - July 1, 2021 Potential Refunding of Existing Bonds - Ehlers
- s. Final Approval - June 2021 First Half Property Tax Statement Report

Jason Kolb moved to approve the consent agenda removing item (m) for further discussion Nicholas Seitz seconded the motion.

Carried 4 to 0

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

- t. m. May 2021 LG216 Lawful Gambling Monthly Rent - Blackduck Fire Relief Association  
 Councilor Kolb asked ASM Gullette why the liquor store is in a cash shortage of \$112 for May. Gullette stated it is most likely clerical errors and staff is going through the counting to fast. Kolb asked if there is anything being done differently or have implemented new policy to correct the mistakes. Gullette stated the staff is trying to ensure counts are done accurately and counted twice. Gullette stated the liquor store is working to move toward pull tab machines instead of boxes to eliminate human errors.

Jason Kolb moved to approve item (m) May 2021 LG216 Gambling Monthly Rent 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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**4. PUBLIC HEARING AGENDA**

*(Mayor Gullette to close the regular meeting & open the public meeting - MAK Properties Land Combination / Division)*

a.

Jason Kolb moved to close the regular meeting at 6:03pm and open the public hearing for MAK Properties Lan Combination / Division Nicholas Seitz seconded the motion.

Carried 4 to 0

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

b. Public Comment required for Land Combination/Division of Parcels - Preliminary Land Combination / Division Request - MAK Properties

Mayor Gullette requested Regas to review the application for land combination/division. Regas reviewed the application noted 10 parcels would be reduced to three and the Planning Commission recommended approval after the public hearing is held.

Gullette called for questions of the land combination -  
There were no questions.

Gullette called for questions on the land combination a second time -  
There were no questions.

Gullette called for questions on the land combination a third time -  
There were no questions.

Donald Johnson moved to close the public hearing at 6:06pm and reopen the regular meeting Jason Kolb seconded the motion.

Carried 4 to 0

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

c.

**5. 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. Mayor Gullette asked if there was anyone present to speak to the council during the Blackduck Forum. No one spoke.

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

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

#### **6.1.1. Report -**

Schwanke reported the dry weather has been helpful drying up the wastewater ponds and allowing his department to work on other projects around the city. Schwanke stated his department has been waiting for parts for street lights and then working on other projects. Schwanke stated the campground has been busy and the annual projected income has almost been received due to the increased on campers. Mayor Gullette stated the City of Blackduck sign on the Scenic Hwy is back up and asked about the status of the Pine Tree Park sign near Timberline. Schwanke stated for this year the sign was painted and he is working on how to completely redo the sign also noting the sign cannot be moved due to State Hwy regulations. Councilor Kolb asked how many street lights still need replacing. Schwanke stated 4; and he needs to work on a permanent fix for the lighting wiring underground along Frontage Road.

#### **6.1.2. Approval Needed - City Playground materials & containment edging purchase - Liquor Rent Fund**

Schwanke reported the costs for the playground materials & containment edging estimated at \$6479.

Nicholas Seitz moved to approve paying for the materials for the playground equipment from the Liquor Rent Fund in the amount of \$6479 +/- 10% Jason Kolb seconded the motion.

Carried 4 to 0

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

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

#### **6.2.1. Report -**

ASM Gullette stated the construction is going well the new office is framed; the fire wall is completed; footings for the new addition are poured; and siding off the north wall is coming down today. ASM Gullette reported good sales on both business sides. Mayor Gullette asked when the new pull tab machine comes in if there is a dedicated location for it. ASM Gullette stated yes. Councilor Kolb asked if there will be designated employees that deal with the tabs. ASM Gullette there will be one staff member assigned to the tabs during the day and night crew. ASM Gullette stated the new machine may provide more time to dedicate to food and drink sales. Councilor Kolb asked how sales are with the construction going on. ASM Gullette stated sales are good and the feedback from the customers show excitement for the expansion. ASM Gullette stated the kitchen will be shut down the end of

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August so it can be fully completed at once which will take approximately 3 weeks. Misty Frenzel asked if this will happen after Backwoods Bash. ASM Gullette stated yes, additionally the beer garden at the park and a DJ or band at the bar that evening. Mayor Gullette asked about the pull tab machines again if the machine counts the tabs and is there a separate register for the payouts. ASM Gullette stated yes, the winners will still have to come up to the bar to receive winnings but there are no play backs. Nothing further.

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

6.3.1. Nothing to report.

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

6.4.1. Nothing to report

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

6.5.1. Report -

Exner was present to report the holiday weekend was really good but the course ran out of carts by 10:30am. Exner stated she didn't have anyone turn away on Friday but some golfers chose to walk. Exner stated she found a company from Brainerd that provided rents carts. The company in Cass Lake stated he has 12 carts that are on a truck ready to go but they are \$55/cart/day + mileage which was \$800 which comes out to \$122/cart to provide to tournament organizers. Exner stated her response to the cost would most likely be a 'no' due to cost. Exner further stated she contacted other companies but they have no carts available to rent. Regas reported Kevin Erpelding sent a price on EZGo Carts of \$4595/cart to purchase that was emailed to the golf board members for discussion on Thursday. Regas further stated she did not know the number of carts available. Exner reported an issue with a member over the weekend that has paid for a seasonal rental but had to be turned away since there was no available cart to use for them.

Exner further stated the club house ran out of 3.2% beer on the weekend and the distributor has it on back order at this time. Mayor Gullette asked if this is distributor issue. Exner stated yes it is on back order. Regas stated there are only 2 distributors in the state that provide it at this time. Mayor Gullette asked what steps have to be taken to eliminate the 3.2% license. Regas stated the course must have a Cat. 2 license or a better restaurant license. ASM Gullette stated an auto-fryer might help. Sandy Anderson asked how the Hoot can serve pizza and have their license. ASM Gullette offered to check in with MMBA for clarification. Regas asked to be included in the email to have more conversation at the golf board meeting on July 8.

Jason Kolb moved to officially merge the golf course under the parks and recreation department including the supervision and structure Donald Johnson seconded the motion.

McKean asked for clarification of what that will do. Councilor Kolb stated the public works supervisor will manage the grounds and the city will manage the internals for the club house so there is more structure and accountability on how the course is run. Regas asked for clarification his motion is to merge the golf course not only on its personnel structure but also financials and create a parks and recreation department eliminating the golf course as an enterprise fund. Councilor Kolb stated yes. Mayor Gullette stated as long as that is not an issue with the state. Councilor Johnson clarified that

an enterprise fund is one that makes money for the city. Mayor Gullette stated that once the golf course is under parks and rec and starts to make money does it then have to become an enterprise fund again. Regas stated she was uncertain and wanted to clarify that point with the State Auditor before answering.

Mayor Gullette requested to table the motion until the City has further clarification on the details of the results of the motion.

Councilor Kolb asked if the golf course was once under parks and rec before it became an enterprise fund. Regas stated she had no knowledge of that. Mayor Gullette stated he wanted further clarification prior to voting on any restructuring.

Nothing further

Carried

6.5.2. Golf Board Meeting Recommendation regarding RV Park

Regas asked to be on the record of how pleased she was with the community support of the golf course after the golf board meeting on June 29. Regas further stated how great it was to have the community interested in keeping the golf course open. Regas further stated that in her opinion the RV Park should be a dead issue regardless of the location because she believes the City should focus on what it currently has and make it better before the city moves onto something else. Regas restated she is only speaking as a golf board member. Misty Frenzel complimented Regas on her dictation of the June 29th meeting.

6.5.3. July 8, 2021 Golf Board Meeting - 4:30pm - Club House

Councilor Kolb asked if the meeting could be moved up to 3pm. Those present to the Council meeting agreed the time change would work and Regas agreed to notify the other board members.  
Nothing further.

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

6.6.1. Regas reported Hanks has increased their opening hours on Fridays. Councilor Seitz stated they are open one hour earlier and closing one hour later. Nothing further.

**7. ADMINISTRATOR'S REPORT**

a. Approval Needed - Purchase Agreement between MAK Properties and the City of Blackduck

Jason Kolb moved to approve the purchase agreement between MAK Properties and the City of Blackduck Nicholas Seitz seconded the motion.

Carried 4 to 0

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

b. Approval Needed - MAK Properties Land Combination / Division Application

Jason Kolb moved to approve the preliminary land combination / division for MAK Properties in Southern Duck Estates Donald Johnson seconded the motion.

Carried 4 to 0

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

- c. Approval Needed - Flag Retirement Drop Box Purchase  
Regas requested clarification on the size of the drop box from Mayor Gullette as the provided documents did not clarify the size; and asked for clarification of the cost of the interior box as the provided quote was for an exterior box. Mayor Gullette reported the box size was 47" H x 19" D x 20" W.
- d. Approval Needed - Resolution 2021-01 Revision #3 - Resolution of annual appointments and designations for 2021 - Golf board member addition - Misty Frenzel

Maxwell Gullette moved to approve Resolution 2021-01 Revision #3 approving Misty Frenzel to the Golf Board vacancy Donald Johnson seconded the motion.

Carried 4 to 0

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

- e. July 14, 2021 @ 11am - Blackduck Development Corp - City Hall
- f. July 21, 2021 2pm - Blackduck Planning Commission Meeting - City Hall
- g. July 19, 2021 6pm - Blackduck City Council Work Session
- h. August 9, 2021 6pm - Blackduck City Council Regular Meeting

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

- a. Councilor Kolb -  
Kolb asked if there was anyway to fund the City's request to do the campgrounds through the revolving loan funds or any other fund that we have in the city to move along the project to break ground this year if possible if not have it all planned out and ready for next year.  
Regas stated the City's RLF Fund is not large enough to fund and take on a project that large and if you may recall the City has already committed RLF funds to the Demolition Project for downtown revitalization. Regas stated the City is limiting the City's cash balances if it chooses to do so. Regas further stated the City has not received official costs from Schwanke on the how much the project will be if and when the City chooses to move forward with the idea.  
Councilor Kolb asked Schwanke how much time he needs to get those official numbers. Schwanke stated it wouldn't take much longer he has most of it but he needs to find out what the cost will be to clear the land in the location.  
Nothing further.

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

- a. Employee Anniversaries -
  - 1. Scott Geerdes - Fire Department - 8 years 2013
  - 2. Andy Jespersen - Police Department - 6 years 2016
- b. July 21, 2021 Noon - Blackduck Area Chamber of Commerce Meeting - Hungry Duck Restaurant
- c. July 31, 2021 - Blackduck Woodcarver's Festival  
 Regas asked Darlene Mathews for a report since she was present in the audience. Mathews stated her committee just met and plans are going well and have great vendors. Regas asked if the committee ever needs extra help. Mathews stated they never turn down help.

**10. ADJOURNMENT**

- a.

Nicholas Seitz moved to adjourn the meeting at 6:45pm Jason Kolb seconded the motion.

Audience member Ron Arndt asked for clarification on what the city is talking about doing with the RV park idea.

Councilor Kolb stated the city would use a section of land not being used by the golf course for seasonal RV sites.

Ron Arndt asked what Kolb meant by 'not being used'.

Councilor Kolb asked Schwanke to clarify.

Schwanke stated it is wooded land on the very north edge of the golf course that is owned by the city which was the spot that is being considered.

McKean asked if the City would need to acquire a permit from Hines Township to build the RV sites.

Schwanke stated he has not spoken to the township yet but further stated the idea is just preliminary right now.

McKean just asked if the permit would be needed.

Regas stated the City had to request a permit to build the beach so it would most likely need it for this project but that would be from Beltrami County.

Ron Arndt asked if there has been a plan developed to look into doing the RV park.

Mayor Gullette stated no.

Ron Arndt asked how the city can talk about how much money it is going to take.

Mayor Gullette stated there has been no plan at this point because it is just in the idea stage.

Councilor Kolb stated the council is just looking into ways to recoup some of the money the city is overspending on areas it is losing money and this is just one idea that was brought for discussion.

Misty Frenzel asked if the sites would include water and sewer.

Schwanke stated yes.

Mayor Gullette stated the current conversation was not on the agenda and could not be discussed and called for a vote on the motion.

Carried 4 to 0

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



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City Administrator, Christina Regas

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Maxwell Gullette, Mayor