



MINUTES

Council Meeting

6:00 PM - Monday, October 11, 2021
City Hall, 8 Summit Drive, Blackduck MN

The Council of the City of Blackduck was called to order on Monday, October 11, 2021, at 6:00 PM, in the City Hall, 8 Summit Drive, Blackduck MN, with the following members present:

COUNCILORS PRESENT: Mayor Maxwell Gullette, Councilor Nicholas Seitz, Councilor Donald Johnson, Councilor Bobbie Jo Kewitsch, and Councilor Laurie Hamilton

COUNCILORS EXCUSED:

STAFF PRESENT: Interim Police Chief Robert Fraik, Director of Liquor Operations Shawnda Lahr, ASM Melissa Gullette, Librarian Kelly Hanks, Public Works Director Mike Schwanke, City Administrator Christina Regas

OTHERS PRESENT: Amanda Schaefer, Pinnacle Marketing Group; Rob Ingersoll, Blackduck History Center,

1. CALL TO ORDER

- a. Roll Call
Roll call of those in attendance to the meeting was taken by Administrator Regas.
- b. Pledge of Allegiance
Mayor Gullette led the meeting in the pledge of allegiance.

2. APPROVAL OF AGENDA

- a.

Nicholas Seitz moved to approve the agenda as presented Laurie Hamilton seconded the motion.

Carried 5 to 0

Maxwell Gullette	For
Nicholas Seitz	For
Donald Johnson	For
Bobbie Jo Kewitsch	For
Laurie Hamilton	For

3. CONSENT AGENDA

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

- a. September, 7, 2021 City Council Meeting Minutes

- b. September 8, 2021 Finance Committee Meeting Minutes
- c. September 14, 2021 Personnel Committee Meeting Minutes
- d. September 15, 2021 Blackduck Planning Commission Meeting Minutes
- e. September 23, 2021 Kitchigami Regional Library Board Meeting Packet - includes July 2021 Minutes
- f. September 16, 2021 Finance Committee Meeting Minutes
- g. September 20, 2021 City Council Work Session Minutes
- h. September 27, 2021 City Council Special Meeting Minutes
- i. October 4, 2021 - Blackduck Golf Board Meeting Minutes
- j. September 2021 Fund Balance Report -
- k. September 2021 Bill Report
- l. September 2021 Sewer Income Statement
- m. September 2021 Water Income Statement
- n. September 2021 Pine Tree Park Income Statement
- o. September 2021 Golf Course Income Statement
- p. September 2021 Liquor Store Income Statement
- q. Liquor Store Expansion / Remodel Project Fund Activity Report
- r. August 2021 LG216 Lawful Gambling Monthly Rent Report - Blackduck Fire Relief Association
- s. Final Approval - 2021 State of Minnesota Commerce Energy Assistance Aid
- t. Final Approval - 2021 State Police Aid
- u. Final Approval - 2022 Labor Agreement Proposal - International Union of Operating Engineers, Local 49
- v. Final Approval - Resignation Letter - Chief of Police Jace Grangruth
- w. Final Approval - City of Blackduck Police Administration Agreement - Robert Fraik
- x. Final Approval - WCEC Report of Concerning Property and Petroleum Tank Release Follow-up
- y. Final Approval - Part-time Employees Hired
- z. Final Approval - MDH Sanitary Survey Report for Blackduck Public Water System PWSID 1040014
- aa. Final Approval - City of Blackduck Personnel Communications Policy
- ab. Final Approval - Ehlers Report of Potential Refunding of Existing Bonds City of Blackduck

Donald Johnson moved to approve the consent agenda as presented Bobbie Jo Kewitsch seconded the motion.

Carried 5 to 0

Maxwell Gullette	For
Nicholas Seitz	For
Donald Johnson	For
Bobbie Jo Kewitsch	For
Laurie Hamilton	For

ac.

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. There was no one to speak for the Blackduck Forum.

4.1. ORDINANCE AMENDMENT SECOND & FINAL READING

4.1.1. Ordinance 2021-02 - Amendment Second and Final Reading - An Ordinance amending Chapter 3 Entitled "Administration" Amending Section 300.07 Entitled 'Standing Committees'

Administrator Regas read the final reading of amended Ordinance Chapter 3 Entitled "Administration" amending Section 300.07 entitled 'Standing Committees'.

Mayor Gulette called for questions on the amended ordinance.

There were no questions.

4.2. ORDINANCE AMENDMENT FIRST READING

4.2.1. Ordinance 2021-03 - Amendment First Reading - An Ordinance Amending Chapter 3 Entitled "Salaries of Mayor and Council Members"

Administrator Regas read the amended Chapter 3 Ordinance "Salaries of Mayor and Council Members".

After the reading Mayor Gulette asked for questions or comments from the public.

There were no questions from the public.

5. REPORTS OF COMMITTEES AND CITY STAFF

5.1. PUBLIC WORKS REPORT - MIKE SCHWANKE, PUBLIC WORKS SUPERVISOR

5.1.1. Council Consideration - Combined Maintenance & Police Facility; Mirroring the Construction Documents - Quote Widseth Services

Maxwell Gulette moved to approve a quote for services from Widseth to mirror the construction documents for the Public works / Police Facility Donald Johnson seconded the motion.

Councilor Johnson stressed his concern for the decision to mirror the building was not considered during the planning stages. Councilor Johnson further stated how he has concerns that additional costs will continue to show up later down the process. Schwanke stated that this is the best time to make the decision to mirror the building so that the lead in of the building for the police department does not impede on traffic from public works if there are members of the public entering the area.

Carried 5 to 0

Maxwell Gullette	For
Nicholas Seitz	For
Donald Johnson	For
Bobbie Jo Kewitsch	For
Laurie Hamilton	For

5.1.2. October 13,2021 - Pine Tree Park Closed for the Season

Schwanke reported the floors and walls are completed and the plumbing updates were starting this week at the campground restrooms and shower rooms.

5.1.3. Report -

Schwanke reported the following:

The Street Sweeper is repaired and running.

Street light updates have been completed on 4th Street NE; Frontage Road wiring repairs; and The Pond parking lot.

Veit will be cleaning and camera-ing sections of city sewer lines this week.

Gravel has been placed and graded into several roads and alleys in preparation for winter.

The Wayside Rest Park restrooms continue to have vandalism and Schwanke is looking for help from the public. Councilor Hamilton asked how the City can put a stop to the vandalism. Schwanke stated that he had placed a camera where is was allowed and then it too went missing. Schwanke further stated the increase of vandalism this summer has increased and his staff has replaced multiple paper towel holders; window screens; tank covers etc. and he is limited as to where cameras can be located.

5.2. LIQUOR STORE REPORT - SHAWNDA LAHR, DIRECTOR OF LIQUOR OPERATIONS

5.2.1. The Pond Addition & Remodeling Updates from Kraus Anderson

Lahr provided updates to the council on the progress of the remodeling of The Pond. Lahr stated the sewer line is being fixed but the damage to the line did go all the way into the men's bathroom but she is hoping it does not push their deadline of having the kitchen open by deer opener. Lahr stated if it does not happen then she may bring in a food truck vendor or provide other options for the customers. Lahr stated she is still optimistic to be open by the first weekend of deer season.

Lahr reported the flooring behind the bar will also be replaced to an approved MDH flooring which will shut the bar down for a few days too. Lahr stated with any remodel there are always surprises.

Councilor Seitz stated the off sale looks really great. Lahr stated the new shelving will be assembled this week and stock levels will now increase.

Nothing further.

5.3. LAW ENFORCEMENT REPORT - ROBERT FRAIK - INTERIM POLICE CHIEF

5.3.1. Report -

Regas introduce Rob Fraik to the board and staff. Fraik introduced himself and elaborated on his law enforcement background. Fraik stated she has worked on reducing the accumulation of old evidence; meeting with the POST board; and work to make the position appealing to the next Chief coming in and provide a clean-slate for the next department head. Fraik stated he will look into finding a 'Pole Camera' for the Wayside Rest to help with the vandalism and act as a deterrent to the lack of law enforcement at this time. Fraik stated he responds to medicals; is working on keeping up on the

registered offenders in the city; keep a close eye on any missing persons; and to assist with recruiting for the vacancies.
Mayor Gullette asked how many hours Fraik is working for the department. Fraik reported working 10-20 hours a payroll.

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

- 5.4.1. TORO Irrigation Quote for upgrade to pump drives - 2022 Operational Budget
Regas reported the irrigation quote to upgrade the pump drives will be budgeted for the 2022 season. Regas further reported the electrical will be a low cost.
- 5.4.2. October 18, 2021 -Golf Course Closed for the Season
Regas reported the golf course will be closed for the season on October 18, 2021. Regas stated there is a open house scramble on October 17th for members and non-members a pot-luck will be provided.
- 5.4.3. Council Consideration - John Deer 1600 Turbo - Rough Mower Replacement
Regas provided pictures of 2 John Deer 1600 Turbo mowers to consider purchasing for a replacement rough mower for the course. Regas stated Erpelding will provide more information to the council at the October work session.

5.5. LIBRARY REPORT - KELLY HANKS, HEAD LIBRARIAN

- 5.5.1. Council Consideration - Kelly Hanks, Librarian
Hanks presented a quote for replacement furniture at the library and requested purchasing new chairs and a table. Hanks reported the price for the furniture will not exceed \$1000 purchased from OfficeDepot. Hanks further reported the installation of new computer systems and an interim library director.

Nicholas Seitz moved to approve the purchase of replacement furniture not to exceed \$1000 Laurie Hamilton seconded the motion.

Regas recommends the removal and disposal of the old furniture.

Carried 5 to 0

Maxwell Gullette	For
Nicholas Seitz	For
Donald Johnson	For
Bobbie Jo Kewitsch	For
Laurie Hamilton	For

6. ADMINISTRATOR'S REPORT

- a. Council Consideration - Donation Request from the Blackduck Area History and Art Center
Rob Ingersoll was present to report on the Blackduck Area History and Art Center and to request a donation to fund the annual liability insurance policy.

Donald Johnson moved to approve a donation from the liquor rent fund of \$821.08 to pay for liability insurance for the Blackduck Area History and Art Center Bobbie Jo Kewitsch seconded the motion.

Carried 5 to 0

Maxwell Gullette	For
Nicholas Seitz	For
Donald Johnson	For
Bobbie Jo Kewitsch	For
Laurie Hamilton	For

b. Council Consideration - Pinnacle Marketing Group City of Blackduck - Website Design & Hosting Proposal - Amanda Schaefer

Schaefer presented to the City Council a presentation for revisions to the Blackduck City Website and costs associated with the reconstruction of the website plus monthly hosting. Schaefer provided two options for the website to either keep the 'all-in-one' option and/or individual websites to include City; Chamber; The Pond; and Golf pages and the benefits to those sites. The Council agreed to wait and discuss the proposal at the work session and request the feedback of the Blackduck Chamber to see if they are interested in hosting a separate website or remaining with the City. Lahr was encouraged to have the Pond a separate website and is encouraged with the proposal. Regas stated the individual sites could fund their own maintenance in the future instead of the City funding all the host maintenance. Schaefer will attend the meeting of the Chamber to present the proposal to the members.

c. Approval Needed - Resolution 2021-01 - Revision - Resolution of annual appointments and designations for 2021

Nicholas Seitz moved to approve Resolution 2021-01 Revised Resolution of annual appointments and designations for 2021 Bobbie Jo Kewitsch seconded the motion.

Carried 5 to 0

Maxwell Gullette	For
Nicholas Seitz	For
Donald Johnson	For
Bobbie Jo Kewitsch	For
Laurie Hamilton	For

d. Council Consideration - Downtown Redevelopment Project Asbestos Proposal & Reconstruction Plan Proposals

Regas reported to the City Council updates on the downtown redevelopment project. Regas reported structural issues that were discovered with the Theater and 48 Main Street that requires additional services from Widseth for 're-construction' plans so the contractor can come in and rebuild walls that appear to be shared between the two buildings. Regas further reported the estimated asbestos removal came in much higher than originally budgeted and Regas is requesting the City approve the additional funding for both issues.

Regas further reported the outcome of a meeting with the owners of the Theater to include them in the structural issues and the potential funding needed.

Regas reported the outcome of discussing the need for more funding with Deed and stated that the state cannot amend the amount of the project funding, nor could it add more construction funding due to the nature of the award is for demolition.

Regas reported the asbestos team has been given the green light to start work Tuesday, October 12, 2021 and stated that regardless of the buildings coming down now or later the asbestos needs to come out. Councilor Johnson stated he believes

the estimate for removal is outrageous and requests Regas get a second bid. Regas asked Johnson if he knows of another company. Regas stated the company that has provided the estimate works with Kelly Fossand whom is the inspector in the area that took the samples and if anyone knows of some other company to please say so. Regas stated that if the City has another company she would contact Building Systems Corporation tonight and tell them to not mobilize in. Johnson was not in favor of approving the estimate. Mayor Gullette asked where the funding for the project is coming from. Regas reported the non-restricted RLF Fund as the grant/loan is a reimburseable award. Councilor Johnson requested further clarification on how the funding for the award works. Regas recapped the award from Deed and how the program works with the state. Regas restated the need for approving the asbestos proposal.

Asbestos Proposal - Building Systems Corporation - Action taken below.

Wideseth Amendment Proposal - Regas reported on more of the construction issues reported from Widseth, JD Construction, and Dobmeier Excavating and how the need for additional services from Widseth would be needed to rebuild the walls of the Theater and support the beam. Councilor Johnson asked why the engineer and contractor didn't notice any of these issues 3-4 months ago. Regas stated the engineer and contractor only discovered the most recent issues mid-September at which point Widseth provided their estimate of services. Councilor Kewitch asked if that means that part of the Theater is now on City property. Regas stated yes. Regas further stated the Theater had two additions since the original portion of the Theater was built and those additions appear to have been built right up against 48 Main. Regas stated Widseth was provided permission by the owners of the Theater to 'punch a hole' in the rear wall of the Theater to further determine the suspicions of the shared wall in that area of the building. Councilor Hamilton asked if the services from Widseth must be decided upon at this council meeting. Mayor Gullette recommended the board take action. Hamilton asked for further information on the whole project. Hamilton asked if Widseth has completed 90% of what the company was hired to do for this project. Regas reported Widseth has done beyond what they were hired to do. Regas stated the services Widseth was hired for was for deconstruction plans not re-construction plans and now they are faced with the potential of making those plans due to the unknowns of the buildings. Councilor Johnson asked how they did not know. Regas stated they do not know because there were no building plans for either building to rely upon from when they were built in the 1940's. Regas stated the City has no record of the buildings to assist with the issues and the owners just 'did it' and built however they saw necessary at the time. Councilor Seitz asked if the City's options are to either approve the amended services contract or discontinue the whole project. Councilor Hamilton and Mayor Gullette both stated 'basically'. Mayor Gullette stated the letter from Widseth states their company has provided all the services they were hired for. Regas stated the City could move forward with some other company and start them all over. Seitz stated then the City may pay twice as much. Mayor Gullette asked if Regas spoke to Widseth to acquire a conceptual drawing of what the space could have occupy. Regas stated she has suggested it. Regas asked if the board would like to speak directly to Widseth. The board all requested Widseth attend the October Work Session. Regas further stated the project was presented to the council in January full knowing the project may have issues. Regas further stated how the owners of the Theater are working very well with the City at this time and she would like to continue that relationship.

Maxwell Gullette moved to approve the estimate for asbestos removal from Building Systems Corporation for the Redevelopment Project in the amount of \$21,950.00 Laurie Hamilton seconded the motion.

Further discussion on the motion from Councilor Seitz stated that asbestos removal is not 'cheap' and it is a safety issue. Seitz further stated if the City does not take it out now and the buildings come down without the removal the City would still need to remove it. Mayor Gullette asked Councilor Johnson if his resource for stating the estimate is too high and if he knows why the estimate is too high. Councilor Johnson stated he used to work on asbestos removal. Councilor Seitz asked Johnson if that was before or after the big regulations went in. Johnson stated he was certified to do it and there is not much flooring there. Regas reported there are two layers in the lower level of 48 Main. Mayor Gullette asked for more discussion on the motion. Councilor Johnson stated he believe the company is 'goughing' the City because they can. Hearing no further discussion Mayor Gullette called for a vote on the motion.

Carried 4 to 1

Maxwell Gullette	For
Nicholas Seitz	For
Donald Johnson	Against
Bobbie Jo Kewitsch	For
Laurie Hamilton	For

- e. October 13, 2021 - Blackduck Development Corporation Meeting - City Hall @ 11am
- f. October 20, 2021 @ 2pm - Blackduck Planning Commission Meeting - City Hall
- g. October 21, 2021 9:30am - Blackduck Ambulance Board Meeting - City Hall
- h. October 25, 2021 @ 6pm - Blackduck City Council Work Session
- i. November 8, 2021 - Blackduck City Council Regular Meeting

7. MAYOR AND/OR COUNCIL MEMBER REPORTS

- a. Councilor Seitz - Reported he has been placed on the Headwaters Regional Development Commission Board and they meet the 3rd Thursday of each month.

8. COMMUNITY EVENTS/GOOD THINGS HAPPENING

- a. October 20, 2021 @ 12pm - Blackduck Area Chamber of Commerce Monthly Meeting - Hungry Duck Restaurant
- b. October 23, 2021 10am-1pm Coats for the Community Distribution Date - Blackduck City Hall
- c. October 24, 2021 - Blackduck Area Chamber of Commerce Year End Banquet - Blackduck Golf Course
- d. Employee Anniversaries -
Jon Holliday - Fire Department - 2012 - 9 years
Paige Watson - Administration 2020 - 1 year

9. ADJOURNMENT

- a.

Donald Johnson moved to adjourn the council meeting at 8:00pm Nicholas Seitz seconded the motion.

Carried 5 to 0

Maxwell Gullette	For
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Nicholas Seitz	For
Donald Johnson	For
Bobbie Jo Kewitsch	For
Laurie Hamilton	For

City Administrator, Christina Regas

Maxwell Gullette, Mayor