



MINUTES

Council - Work Session Meeting

6:00 PM - Monday, October 25, 2021

City Hall, 8 Summit Drive, Blackduck MN

The Council - Work Session of the City of Blackduck was called to order on Monday, October 25, 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: City Administrator Christina Regas and Assistant Liquor Store Manager Melissa Gullette

OTHERS PRESENT: Steven Rose, Widseth, Kevin Erpelding Golf Board

1 CALL TO ORDER

- a) Roll Call
Roll call was taken by Administrator Regas.
- b) Pledge of Allegiance
Mayor Gullette dispensed with the pledge of allegiance.

2 APPROVAL OF AGENDA

- a)

Nicholas Seitz moved to approve the agenda addressing item (g.) Blackduck Golf Course Rough mower purchase before other old business 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

3 OLD BUSINESS

- a) Blackduck Golf Course - Capital Improvements & Purchases for consideration
 1. Rough Mower
Regas recapped the reason for Erpelding's attendance to the meeting was to answer questions of the council regarding the John Deer 1600 Turbo mowers.

Councilor Seitz asked what the prices are on the units. Erpelding reported the 2002 model will be @ \$17,000 and the 2007 model will be @ \$19,000.

Erpelding reported both models belonged to a high school/technical college of which the tech college mechanics' department serviced the machines. Regas asked if the mowers came with service logs. Erpelding reported that due to the models being sold through an auction company there were no service logs provided.

Councilor Johnson confirmed that Erpelding was in possession of the mowers. Erpelding confirmed. Johnson asked which model would be best for the golf course. Erpelding stated they are both the same machine except for the years and at this time he cannot report on the condition of the mowers as he has not had the time to go through them to see if any service is needed prior to selling.

Regas asked Councilor Seitz how much longer can either machine be used. Seitz stated if well maintained either machine can be used up to 2500 hours. Seitz stated the newer machine has cruise control but the same machine. Regas asked if the machines will work on our 'hilly' golf course. Erpelding stated the machines have more horsepower and have 4-wheel-drive and uneven decks.

Regas stated there would be various platforms the City could use to pay for the machine. Regas stated the un-restricted revolving loan fund could provide the funding for the purchase of the machine and if for governmental use would not have to be in the form of a loan or it could if the city chose.

Mayor Gullette asked when the City would not to move forward with a purchase. Erpelding was not prepared to provide a firm amount to purchase one of the mowers and would not require a deposit at this time. Erpelding did not recommend the City settle on either the 2002 or 2007 until he has ample time go over both mowers.

The council will hold off on any action until further information from Erpelding. Nothing further.

b) Public Works / Police Facility Update

Regas reported the approved 'mirroring' amendment was submitted to USDA for approval. Widseth has started the revised plans this week to be completed at the end of the week and in USDA's hands by next week to have bids out in December and opened in January of 2022. Rose spoke of 4-5 construction companies that have shown interest in bidding on the project. Nothing further.

c) Liquor Store Remodel / Addition Updates

Regas reviewed the project funding balance of the progress and reports from KA Construction for review and questions. Gullette reported there are delays on the kitchen due to the flooring completion that will push the bar to be closed 10/31 - 11/5 and the kitchen can begin to be assembled with the equipment that is in. Gullette further reported the liquor store will be open for business. Gullette reported the bar will be holding it annual Halloween Party on 10/30 and then on 10/31 be closed to prepare for the flooring updates. Regas stated all the flooring updates will complete MDH inspection issues from the past. Gullette stated MDH inspector will be completing interim inspections to allow a portion of the kitchen to reopen after the flooring is done. Nothing further.

d) American Rescue Plan Act Funding - Revenue Loss Report -

Regas calculated the revenue loss from the formula provided from the US Treasury and can report that the City of Blackduck did not have any revenue loss from 2019 to

2020. Regas stated that the city financial advisors from Miller McDonald reviewed her calculation and came up with the same results.

2022 Levy Police Department Potential Option C -

Regas reports in the FAQ's from the US Treasury there is a stipulation the ARP Funds can be used to prevent and respond to crime, and support public safety in the community to rehire police officers to restore law enforcement to pre-pandemic levels. Regas proposes the City provide \$15,000 from the ARP Funds in the 2022 budget lowering the preliminary levy. Regas stated the city financial advisors recommend documenting the use of the funds by stating the reasons for the use. Regas requested the council provide direction if further clarification can be obtained prior to providing the revision to the budget. Mayor Gullette stated he would like to have further recommendation. Regas stated her theory is to use the funding to staff the police department to the US Treasury's requirement of 'pre-pandemic levels' and the finance committee's recommendation to keep the police department wages to the higher level of the wage scale to attract experienced staff. Councilor Johnson stated lowering the 2022 levy even 5% is a good start and would be in favor of approving the use of the funds.

Other Uses -

Regas further recommends the City consider spending the ARP Funds on updating the city lift stations which are eligible uses of the funds.

e) Blackduck Stumpjumpers Public Parking Lot - Updates

Regas reports the club has been given the 'go-ahead' to construct the parking lot; the city has been made whole on the acquisition of the property purchase; and the city is still awaiting a lease draft from the City attorney.

f) Downtown Redevelopment Project - Updates

Regas reports Steven Rose from Widseth was present to update the council on the background of how the project got to where it is at. Rose reported the original contract was to provide demolition plans and since then there has been much learned about the 3 buildings. Rose stated it is completed understood how 32 and 40 Main are attached to City Hall and Anderson Fabrics however, 48 Main has sections of the Theater attached to it from two new additions. Rose stated that when 48 Main is pulled down the Theater has no exterior wall in two places plus when the rear addition was added a beam was installed to support the addition but it resting on 48 Main. Rose stated his proposal is to complete design work to restructure the front and rear walls of the Theater and address the beam. Councilor Johnson asked how he proposes to keep the beam up. Rose stated a temporary structure will have to be put in place. Rose stated his concerned for the Theater building if the other buildings come down.

Regas stated the reason to approve the amended contract with Widseth is that the original grant from Deed does not apply to re-construction only demolition. Regas stated financial funding could be obtained by the owners of the Theater by apply for funding to assist with the reconstruction; there could be ARP Funding available to assist the Theater; the Blackduck Development Corp has interest in assisting with the project.

Mayor Gullette stated now that the buildings are owned by the city the project must take action on the re-construction. Councilor Johnson asked when the buildings would be torn down. Regas reported not until June 2022. Regas asked Rose without re-construction plans; would a contractor be able to walk in to the buildings and rebuild these walls and move the beam. Rose stated a contractor would not because then they would be liable. Rose stated a licensed engineer would put his stamp on the plans stating how the walls

should be built to hold the walls and the beam up and then a contractor would build it to those specifications.

Councilor Johnson asked if the beam would 'stick-out'. Rose stated yes due to the way that beam is used and installed and is supporting the roof.

Councilor Kewitsch asked how much more would it cost to demolish the Theater and build a new one. Regas stated the estimate to demolish the Theater is estimated at the same amount as the 3 buildings (\$120,000+).

Mayor Gullette requested the amendment to the contract be placed on the November agenda for action.

Nothing further.

g) City Sales Tax - Regional Significance

Regas reported a meeting with Emma from Widseth was held in late September reviewing additional items that could be added to the regional significance argument for the city sales tax. Regas stated what was added was plans to improve both Pine Tree Park and Wayside Rest Park and the walking trail.

h) Blackduck Website Redevelopment - Pinnacle Marking Proposal

Regas reported the decision of the Blackduck Chamber to have its own individual website hosted by Pinnacle Marking and the decision to donate \$1000 towards the reconstruction of the City website. Regas recommended the City move forward with reconstructing the City website to have individual sites for the City, Liquor, and Golf Course highlighting the Campground in the City site. Regas recommends accepting the donation and dedicating it to the construction of the Golf Course website. The Council requested the options from Pinnacle be on the November agenda for a final decision. Nothing further.

4 NEW BUSINESS

- a) There was no new business discussed.

5 BLACKDUCK HRA

a) Council Consideration - Potential sale of property PID #81.00435.00

Regas stated a private party approached the City to purchase a parcel owned by the Blackduck HRA. Mayor Gullette provided the history of the acquisition of the property stating it was donated by the previous owner and then the structure on the property at that time was taken down. Gullette stated this was done over 20 years ago. Gullette stated he would discuss the sale with the private party and report back at the next meeting. Nothing further.

6 ADJOURNMENT

- a)

Nicholas Seitz moved to adjourn the meeting at 7:28pm Donald Johnson seconded the motion.

Carried 5 to 0

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

Christina Regas, City Administrator

Maxwell Gullette, Mayor