



# MINUTES

## Council Meeting

6:00 PM - Monday, May 9, 2022

City Hall, 8 Summit Drive, Blackduck MN

The Council of the City of Blackduck was called to order on Monday, May 9, 2022, at 6:00 PM, in the City Hall, 8 Summit Drive, Blackduck MN, with the following members present:

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

**COUNCILORS EXCUSED:**

**STAFF PRESENT:** City Administrator Christina Regas, Assistant Liquor Store Manager Melissa Gulette, Public Works Director Mike Schwanke, Director of Liquor Operations Shawnda Lahr, and Golf Director Misty Frenzel

**OTHERS PRESENT:** Shannon Eickstadt, Blackduck High School Trap Club

### 1. CALL TO ORDER

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

### 2. APPROVAL OF AGENDA

- a.

Bobbie Jo Kewitsch moved to approve the agenda as presented Laurie Hamilton seconded the motion.

Carried 5 to 0

Maxwell Gulette	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. April 4, 2022 Blackduck City Council Meeting Minutes
- b. April 7, 2022 Blackduck Public Works Committee Meeting Minutes

- c. April 18, 2022 Blackduck City Council Work Session Minutes
- d. April 20, 2022 Revolving Loan Fund Committee Meeting Minutes
- e. April 20, 2022 Blackduck Planning Commission Meeting Minutes
- f. May 2, 2022 - Blackduck Park and Trail Board Meeting Minutes
- g. April 2022 Fund Balance Report
- h. April 2022 Bill Report
- i. April 2022 Sewer Income Statement
- j. April 2022 Water Income Statement
- k. April 2022 Pine Tree Park Income Statement
- l. April 2022 Golf Course Income Statement
- m. April 2022 Liquor Store Income Statement
- n. Final Approval - April 2022 Business Credit Card(s) Payment Batch
  
- o. March 2022 LG216 Lawful Gambling Monthly Rent Report - Blackduck Fire Relief Association
- p. Final Approval - Sanitary Sewer Permit 2022-01 - Bemidji Sewer & Waterworks Inc.
- q. Final Approval - Northwest MN Foundation - Blackduck Trestle & Trails Fund Spendable Distribution Breakdown FY2022
- r. Final Approval - Revised Valuation of OPEB GASB 75 for FY2021
- s. Final Approval - Potential Refunding of Existing Bonds - Ehlers Quarterly Report
- t. Final Approval - New & Rehired Employees for City of Blackduck
- u. Final Approval - LMCIT 2022-2023 Workers Compensation Premium - City of Blackduck
- v. Final Approval - Written Municipal Advisor Client Disclosure with the City of Blackduck for General Obligation Temp Bonds Series 2022A
- w. Final Approval - City of Blackduck 2022 Minnesota Investment Fund State Funded RLF Application for Onetime Exception Request
- x. Final Approval - 2022 Pine Tree Park Host Agreement - Tory Miller
- y. Final Approval - 2022 Full on-sale liquor license application - Blackduck Golf Course

Bobbie Jo Kewitsch moved to approve the consent 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

z.

#### 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.

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

**5.1. PUBLIC WORKS REPORT - MIKE SCHWANKE, PUBLIC WORKS DIRECTOR**

**5.1.1. Council Consideration & Approval Needed - American Rescue Act Funding - City of Blackduck Lift station repairs & service**

Schwanke presented to the council for consideration quotes from MN Pump Works to repair and update the Main, DNR, and 4th Street NE Liftstations. Schwanke provided reasons for the updates and requested the quote be approved and paid with American Rescue Act Funding. Regas totaled the 4 recommended quotes for the board (\$33,761.89) and stated the updates and repairs were eligible project costs for the ARP funding. Councilor Johnson asked if there would be remaining funding to clean water and wastewater lines. Schwanke stated the plan would be to plan for the cleaning of the lines a section of the city every year. Schwanke stated he would still want to purchase and install meters on the large irrigation lines with the remaining funds if the council agreed.

Nicholas Seitz moved to approve MN Pump Works quote #1437 (\$4066.88); #1438 (\$3756.88); #1497 (\$23068.13); and #1500 (\$2870.00) and use American Rescue Act Funds for the payment 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

**5.1.2. Report -**

Schwanke reports this past month having his departments working on stump removal at Pine Tree Park; street sweeping; helping the golf course with renovations; having the County Grader service dirt roads; has had the City Grader @ Frontier Repair to have work on the blade; and the City dump truck has been DOT inspected and routine repairs. Nothing further.

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

**5.2.1. MMBA Conference Presentation - Blackduck Municipal Liquor Store (The Pond) 2021 Renovation/Remodel**

Lahr presented highlights from the MMBA Conference recently attended and provided a sales recap of April with comparisons to the last 5 years. Lahr stated the presentation on the Pond's remodel and renovations were presented at the conference with several other municipal stores. Nothing further.

**5.3. GOLF COURSE REPORT - MISTY FRENZEL, GOLF COURSE DIRECTOR**

5.3.1. Council Approval Needed - Blackduck Golf Course equipment purchase - John Deere 1600 Wide Area Mower

Nicholas Seitz moved to approve the purchase of the 2007 John Deere 1600 Wide Area Mower from Corner Garage for \$19,000 plus sales tax for a total of \$20,401.25. 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

5.3.2. Report -

Frenzel reported her department is still working on renovations in the club house and thanked the public works staff for their help. Frenzel stated the first Grill n' Chill was held with just under 50 people in attendance and receiving around \$500 in profit from the event. Frenzel stated the next event is May 27. Frenzel stated the department is planning to open May 16th weather permitted and a staff meeting will be held on May 15th. Frenzel reports the first scramble is scheduled for May 21 in conjunction with the Duck Race. Blackduck and Kelliher/Northome Golf Teams have been practicing on the course. Nothing further.

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

5.4.1. May 17, 2022 - Blackduck Library Board Meeting

5.4.2. Update -

Councilor Hamilton reports the discussion on the purchase of a new building for the library and/or expansion of existing library building has received some of the requested information from the work session. Hamilton stated the Friends of the Library and Blackduck Library Board are needing board members.

**6. ADMINISTRATOR'S REPORT**

a. Council Consideration - Donation request from the Blackduck High School Trap Club - Shannon Eickstadt

Eickstadt and a High School Trap Team member presented to the council for consideration a request for a donation to support sending up to 7 players to Nationals in June. Eickstadt provided for consideration many reasons to support the High School Trap Team. The City Council asked questions and were very appreciative of the presentation.

Nicholas Seitz moved to donate \$1600 from the Liquor Rent Fund to support the Blackduck High School Trap Team Nationals trip Laurie Hamilton 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

b. Council Approval Needed - Resolution 2022-11 - Resolution approving the terms of an internal loan in connection with purchase of equipment for the Blackduck Golf Course

Regas presented a resolution for consideration of terms of an internal loan from the revolving loan fund for the purchase of the council approved 2007 John Deere 1600 Wide Area Mower from Corner Garage for the Blackduck Golf Course for 10 years at 3.25%. Regas stated the council could amend the resolution and the terms if they would prefer to change the terms to 5 years.

Laurie Hamilton moved to approve Resolution 2022-11 - a resolution approving the terms of an internal loan in connection with purchase of equipment for the Blackduck Golf Course and requesting Administrator Regas provide at the next work session a sample schedule of payments with a 5 year term for consideration. 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

c. Council Presentation - Pre-Sale Report for City of Blackduck, MN \$1,965,000 General Obligation Temporary Capital Improvement, Equipment & Utility Revenue Bonds, Series 2022A - Todd Hagen, Senior Municipal Advisor Ehlers

Hagen attended by Zoom meeting and presented the pre-sale report for the City of Blackduck, MN General Obligation Temporary Capital Improvement, Equipment and Utility Revenue Bonds for the Public Works Public Safety Maintenance Facility construction. Hagen stated once the City approves the provided required resolution in support of the sale of bonds closing on the temp bonds would be awarded at the June 6, 2022 City Council Meeting and closing date would be scheduled for June 23, 2022. Nothing further.

d. Council Approval Needed - Resolution 2022-12 - Resolution providing for the sale of \$1,965,000 General Obligation Temporary Capital Improvement, Equipment and Utility Revenue Bonds, Series 2022A

Laurie Hamilton moved to approve Resolution 2022-12 - Resolution providing for the sale of \$1,965,000 General Obligation Temporary Capital Improvement, Equipment, and Utility Revenue Bonds, Series 2022A 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

- e. May 11, 2022 @ 11am Blackduck Development Corporation meeting - Blackduck City Hall
- f. May 18, 2022 2pm - Blackduck Planning Commission Meeting - Blackduck City Hall
- g. **TUESDAY**, May 24, 2022 @ 6pm - Blackduck City Council Work Session - Blackduck City Hall
- h. May 30, 2022 - Memorial Day Observed - City Offices Closed
- i. June 4-6, 2022 6pm - Blackduck City Council Meeting - Blackduck City Hall - Regas corrected the date on the agenda.

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

- a. nothing discussed by the City Council.

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

- a. ~~May 12,~~ May 21, 2022 4pm - Blackduck Golf Course Rubber Duck Race - Regas corrected the date of the duck race on the agenda.
- b. May 18, 2022 12pm - Blackduck Area Chamber of Commerce Meeting - Restaurant 71
- c. May 18, 2022 6pm - Blackduck Chamber Ditch Clean-up Event
- d. May 21, 2022 - Blackduck Chamber City-wide Garage Sale
- e. May 21, 2022 8-10am - Blackduck City-wide Clean Up Event
- f. May 27, 2022 - Blackduck Golf Course Grill n' Chill - Blackduck Golf Course

**9. BLACKDUCK HRA BOARD AGENDA**

- a. Blackduck HRA Consideration - Sale of HRA property to private party - Regas presented to the Blackduck HRA Board an offer to purchase parcel 81.00435.00 for \$2,500.

Maxwell Gullette moved to enter into the sale of parcel #81.00435.00 to Gloria Dalton for \$2,500 with the purchaser assuming the closing costs. 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

**10. CLOSED MEETING - MAYOR GULLETTE**

- a. Closed Meeting Agenda Item - Pursuant to Minnesota Statute §13D.5 - Performance Evaluation - City Administrator Regas  
*(Mayor Gullette required to close the public meeting and open the closed meeting)*

Laurie Hamilton moved to close the city council meeting and open the closed 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

b. Re-open the Regular City Council Meeting

Laurie Hamilton moved to close the closed meeting and re-open the regular meeting at 8:24pm 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

**11. ADJOURNMENT**

a.

Bobbie Jo Kewitsch moved to adjourn the city council meeting at 8:25pm 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

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City Administrator, Christina Regas

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Maxwell Gullette, Mayor