



# MINUTES

## Council - Work Session Meeting

6:00 PM - Tuesday, May 24, 2022

City Hall, 8 Summit Drive, Blackduck MN

The Council - Work Session of the City of Blackduck was called to order on Tuesday, May 24, 2022, at 6:00 PM, in the City Hall, 8 Summit Drive, Blackduck MN, with the following members present:

- COUNCILORS PRESENT:** Mayor Maxwell Gullette, Councilor Donald Johnson, and Councilor Laurie Hamilton
- COUNCILORS EXCUSED:** Councilor Nicholas Seitz and Councilor Bobbie Jo Kewitsch
- STAFF PRESENT:** City Administrator Christina Regas and Public Works Director Mike Schwanke
- OTHERS PRESENT:** Jon Roscoe Miller McDonald, Mary Salmonson & Miriam Osborn-Dougherty, Librarian Kelly Hanks, John Eggers, and City Attorney Joe Langel

### 1 CALL TO ORDER

- a) Call to Order -  
Mayor Gullette called the meeting to order and Regas took roll call of those present to the meeting.
- b) Pledge of Allegiance  
Mayor Gullette dispensed with the pledge of allegiance.

### 2 APPROVAL OF AGENDA

- a)

Donald Johnson moved to approve the agenda with changes to item 6. Closed Meeting to include 'regarding to City of Blackduck vs. Jace Grangruth and PERA Laurie Hamilton seconded the motion.

Carried 3 to 0

Maxwell Gullette	For
Donald Johnson	For
Laurie Hamilton	For

### 3 2021 CITY OF BLACKDUCK FINANCIAL AUDIT PRESENTATION - JON ROSCOE, MILLER MCDONALD

- a) 2021 Financial Audit - City of Blackduck  
Jon Roscoe from Miller McDonald presented the 2021 financial statement and material reporting to the city council and discussed/answered questions.

### 4 OLD BUSINESS

- a) Public Works / Public Safety Facility Updates - Construction Meetings and Timeline - Widseth & TNT Construction Interim Financing S&P Rating Call - May 27, 2022 with Ehlers  
 Regas provided the construction timeline for review and reported the project will have routine construction meetings the 1st and 3rd Thursday of each month beginning June 2 @ 10:30am @ City Hall.  
 Regas reported the interim financing is on track to approve at the June 6th meeting and the City will hold a rating call with S&P on May 27, 2022.  
 Councilor Johnson requested a 'ground breaking' event for the project. Regas agreed to organized the event and attempt to hold it prior to the next City Council meeting and will notify the board of the details.  
 Nothing further at this time.
- b) American Rescue Plan Act Funding  
 Schwanke reported MN Pump works has completed all the approved work on the lift stations except the 4th Street NE location.
- c) Blackduck Stumpjumpers Project  
 Regas reported the project completion is still pending construction of the parking lot and has until June 30, 2022. Regas reports the lease agreement with the snowmobile club will continue and is not held to the same expiration date.
- d) Downtown Redevelopment Project Update  
 Regas reported a meeting was held with JD Construction and Dobmeier Excavating and the start date will be July 5, 2022. Regas reports Paul Bunyan Cooperative will relocate fiber and phone lines in June and Anderson's has been asked to relocate their propane tank prior too.
- e) City Sales Tax  
 Regas did not have any updates since the session closed recently.
- f) Kitichigami Regional Library Capital Appropriation Project - Council member Hamilton & Blackduck Library Board members  
 Local Board member Miriam Osborn-Dougherty was present to speak on behalf of the library board on topics discussed regarding securing a new building for the library vs. adding onto the existing building. Osborn-Dougherty noted the following points:
1. Offer to purchase the old Wells Fargo facility to purchase would be - \$125,000
  2. KRLS funding for Blackduck - \$ 65,000
  3. Potential revenue from sale of existing library building - up to \$50,000
  4. Net difference = \$ 10,000
  5. New building would serve the needs of library and expend on programming for the library.
  6. If sales tax is approved funding could go toward improvements to new facility.
  7. Off street parking is an advantage to the City.
  8. Lower level of new facility provides for storage and kitchen services
  9. Private meeting room space of new facility could be rented out to off-set costs
  10. New facility has adequate restroom space and is ADA
  11. With growth of community and Blackduck area a larger facility would benefit all that uses library.
  12. Additional staffing hours have been requested by library board to KRLS
  13. If City only adds on a 36' x 16' addition to existing library the estimated costs = \$139,600 (which exceeds purchase of new facility)
  14. The new facility would need minimal rehab to open to the public after relocating.
- Purchases considerations for Council and Library board -
1. Funding from KRLS to purchase would need approval prior to entering into a purchase agreement with Deerwood Bank for new facility.

2. City council wants utilities reviewed of existing and new facility prior to approval.

Action Items:

1. Regas will send utilities for existing library facility to City Council for review.
2. Regas and Osborn-Dougherty will draft letter to KRLS for funding request prior to offering to purchase building.
3. City Council and Library board will review documents for final consideration.

Nothing further at this time.

- g) Blackduck Limited DMV  
Regas reports the request for a limited DMV is still pending and has no updates for the city council at this time.
- h) Blackduck Website Redevelopment  
Regas reports Pinnacle plans for a re-launch date for end of May. Nothing further.
- i) Cemetery Vault Upgrades  
Schwanke reports he has discussed the new vault with Cease Funeral Home and the Veterans Association and both entities are in favor of a new facility and relocation of the VA Memorial. Schwanke does not have cost estimates at this time to review.
- j) Moon / Pafko Performance Stage Updates  
Regas reports Paul Bunyan Cooperative made a \$500 donation to the project. Schwanke reports location discussion is pending a meeting with the parties and is on hold until baseball and school season is over.
- k) City of Blackduck Property Annexation Process -  
Regas reported the City Attorney has all the city abstracts, deeds, and easement documents and is reviewing them for ownership accuracy prior to moving forward. Regas reports the City Attorney states the process will be simple due to the use of the land will not be altered and so not be contested by the township. Nothing further at this time.

## 5 NEW BUSINESS

- a) 100% Graduation Day Mayoral Proclamation - John Eggers  
Mr. Eggers presented his passion project to achieve a 100% graduation rate for the Blackduck School and for all schools in Beltrami County and the State of Minnesota and requested support from the City of Blackduck City Council.  
Mayor Gulette proclaimed May 24, 2022 100% Graduation Rate day in the City of Blackduck.
- b) ~~Summit Avenue East Handicap Parking Relocation - Rachel Larson~~  
Item removed from agenda per request of Rachel Larson.
- c) Oscar Avenue NW Reconstruction Consideration - Public Work Director Schwanke & Administrator Regas  
Schwanke and Regas presented options for consideration to remedy the deteriorating asphalt on Oscar Avenue NW. Schwanke requested the Council consider removing the asphalt and returning it to gravel until the road can be brought to a more suitable level for traffic. Schwanke provided 2021 estimates from Northern Paving that exceed the City's street materials budget. Regas provided for consideration the Small Cities Street funding from the state of Minnesota received in 2021 (\$21,193) if approved again in this year's legislature session could assist in funding the improvements. The council was not in favor of the improvements at this time and did not want the asphalt removed. Schwanke stated his team would continue the path it is on now and attempt to keep the road from further deterioration.  
Nothing further.

- d) April 2022 Beltrami County State of Emergency Flooding Event & MN Homeland Security & Emergency Mgmt (HSEM) Preliminary Damage Assessment (PDA) Meeting of Counties

Regas reports the City will be represented with Beltrami County in requesting assistance from FEMA in the flooding incident of April 23, 2022. Regas and Schwanke are compiling a listing of incidents inside the City needing response and the costs associated with the incidents and will attend a PDA meeting with FEMA representatives on May 26, 2022 to present the City of Blackduck needs. Nothing further.

- e) Resignation of Council member Kewitsch

Regas announced the resignation of Councilor Kewitsch effective immediately. Regas will provide formal Resolution for approval at the June 6, 2022 meeting and provide for the vacancy to be filled.

## **6 CLOSED MEETING - CITY ATTORNEY JOSEPH LANGEL**

- a) Closed Meeting Agenda Item - Pursuant to Minnesota Statute §13D.5 - Attorney Client Privilege

*(Mayor Gullette required to close the public meeting and open the closed meeting)*

Maxwell Gullette moved to close the public work session at 8:32pm and open the closed meeting pursuant to MN statute 13D.5 regarding to City of Blackduck vs. Jace Grangruth and PERA Laurie Hamilton seconded the motion.

Carried 3 to 0

Maxwell Gullette	For
Donald Johnson	For
Laurie Hamilton	For

Maxwell Gullette moved to close the closed meeting at 9:03pm and open the public work session Laurie Hamilton seconded the motion.

Carried 3 to 0

Maxwell Gullette	For
Donald Johnson	For
Laurie Hamilton	For

## **7 ADJOURNMENT**

- a)

Laurie Hamilton moved to adjourn the work session at 9:05pm Donald Johnson seconded the motion.

Carried 3 to 0

Maxwell Gullette	For
Donald Johnson	For
Laurie Hamilton	For

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Christina Regas, City Administrator

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Maxwell Gullette, Mayor