



MINUTES

Council - Work Session Meeting

7:00 PM - Monday, August 22, 2022

City Hall, 8 Summit Drive, Blackduck MN

The Council - Work Session of the City of Blackduck was called to order on Monday, August 22, 2022, at 6:25pm, 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 Laurie Hamilton, and Council member Ronald Fredrickson

COUNCILORS EXCUSED:

STAFF PRESENT: Fire Chief Brian Larson, City Administrator Christina Regas, and Public Works Director Mike Schwanke

OTHERS PRESENT: Brody Klegstad, Krissy Krueth, Daryl Lundberg, Mary Salmonson, Cameron Koenen, Eric Charlie Anderson

1 CALL TO ORDER

- a) Roll Call
Regas took roll call of those present to the work session.
- b) Pledge of Allegiance
Mayor Gullette dispensed with the pledge of allegiance.

2 APPROVAL OF AGENDA

- a)

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

Carried 5 to 0

Maxwell Gullette	For
Nicholas Seitz	For
Donald Johnson	For
Laurie Hamilton	For
Ronald Fredrickson	For

3 OLD BUSINESS

- a) Public Works / Public Safety Facility Updates
Regas provided the city council with updates on the public works / public safety facility and took questions on field report and progress meeting #5 minutes.

There were questions on the report or meeting minutes.

Regas provided the city council with cost proposal for electrical disconnect and change order 3. Regas noted the electrical inspectors notes require 2 electrical disconnects instead of 1 as although the building is one structure there are 2 entities. Councilor Johnson stated how he cannot understand how continued change orders can continue to come in after the enormous amount of engineering plans. Councilor Hamilton stated it made sense to her to have two entities have separate disconnects in case the building has to be shut down.

Nothing further.

b) Downtown Redevelopment Project - Updates

Regas reported on the property lines during the public hearing and how the 1.87 feet should be conveyed to the Theater owner after the parcel combination. Regas further stated the project is going well despite the surprises that have been uncovered during the demo. Councilor Fredrickson asked for clarification on the 'finishing' of the Theater walls is a city expense. Regas stated it was agreed upon to be a city expense and will send plans to Fredrickson after the work session.

Mayor Gulette asked if the timeline has a closer end date. Regas stated the end of August was the original date and Dobmeier and his team are close to that date.

c) City Sales Tax

Regas reported that unless the legislature held their special session by today's date the City of Blackduck would not make their deadline for meeting notice for an emergency meeting and talk of a special session is very slim. Regas provided a letter from the League of MN Cities sharing how other cities are awaiting the government to go back to work and not seeing much action. Nothing further.

d) Kitchigami Regional Library Capital Appropriation Project - Updates & Resolution Draft to consider September 6, 2022

Regas provided to the board the letter of intent to purchase signed by both parties and a draft of a resolution to adopt on September 6 to sell the existing library facility.

Anderson asked if the city is already agreed to purchase the old Wells Fargo bank building. Regas stated that at this point the city has sent a letter of intent to the board of directors to purchase the building. Regas stated a purchase agreement has not been signed to date.

Anderson asked what the purchase price of the building will be. Regas stated \$120,000.

Anderson asked what the old library building will be sold for. Regas stated that has yet to be determined.

Anderson asked if the city has a buyer for the old library building. Regas stated not at this time.

Anderson stated the city council needs to understand the bank building is prime real estate and that will never be taxed again if the city takes possession. Anderson noted how the new public works facility that is going up already has additional expenses on the tax payers and asked how the council can allow the residents to continue to pay the highest tax rate in the state. Anderson stated it might take 10-20 years to sell that bank building. Anderson stated the city is forcing the individuals to pay higher taxes by taking prime real estate off the tax roll.

Anderson asked what the taxes are on the bank building. Regas stated to her memory it was about \$5,000 annually. Anderson stated to recoup that amount of

taxes the rest of the individuals are going to pay for it. Anderson stated Deerwood should lease it to the city. Anderson asked how the city is going to maintain the library if the county reduces their levy contribution.

Anderson stated that removal of that commercial property will force a lot onto the residents of this town. Anderson urges the city to seriously reconsider the purchase.

Mayor Gullette thanked Anderson for his comments.

Regas recommended Anderson contact the Blackduck Library Board member Miriam Osborn-Dougherty and discuss concerns with her.

Councilor Fredrickson further stated the letter of intent is contingent on the sale of the existing library.

Regas further stated the capital appropriations from KRLS is to go toward renovating or building new library facility which is \$65,000+ which will take up more than half of the asking price.

Anderson stated that year after year the taxes of the bank building is not on tax roll and the city will need to continue to fund a larger building.

Regas stated how the steering of this initiative has a lot of backing to provide more and better amenities to the public. Anderson stated managed correctly the golf course can make money; the liquor store can make money, but a library will not make money.

Salmonson stated the expansion is good for economic development.

Anderson closed by stating that Blackduck taxes are the highest in the state and that will hurt most residents if the bank building is taken off the taxes.

Salmonson stated these are all good points but it is short-sighted for the city not to take advantage of this opportunity.

Councilor Johnson stated his concern for the percentage the county is taking away from the levy. Regas stated that is not confirmed yet. Johnson stated that the Bemidji library would not be able keep their doors open if the county does not fund the levy request. Johnson further stated how buying a new building now scares him.

Nothing further.

e) Blackduck Limited DMV

Nothing to report.

f) City of Blackduck Property Annexation Process - Ordinance Draft to consider approval September 6, 2022

Regas supplied a draft of the ordinance to annex in the city property into the city. Councilor Fredrickson asked to confirm that the property that is to be annexed does not produce any tax revenue for the city. Regas confirmed but noted the cemetery brings in funding but not taxes. Nothing further.

g) April 22 - June 15, 2022 Disaster DR - 4659 - HSEM & FEMA Declaration - update

Regas summarized a meeting with HSEM for the DR - 4659 noting the process of reimbursement of the declaration has started. Regas stated in the next 30 days a damage inventory must be completed including any further sites that have damage. Regas reports the city has 6 months from July 13, 2022 (declaration date) to complete all the emergency work and 18 months to have all permanent work completed.

Regas asked for the council to report to Schwanke or her office for additional sites to be added to the inventory.
Regas further reports this declaration funding covers public entities not private.

Nothing further.

4 NEW BUSINESS

- a) City of Blackduck Police Department - Avoiding Racial Profiling Policy - POST Board required language revisions

Regas provided revisions from the MN POST board for an existing police department policy and reported the policy will be in the consent agenda for final approval in September.

- b) Your HomeTown Hemp Company - Klegstad & Krueth

Brody Klegstad and Krissy Krueth from Your Hometown Hemp Company presented their manufacturing business in the City and discussed current laws in Minnesota and answer questions on edibles that have recently become legal.

Klegstad stated their business began as topical saves and just recently past tests and began producing edibles. Klegstad provided samples of their product for view of those in attendance to the meeting.

Mayor Gullette asked if there was an interest in purchasing their product could he in Blackduck. Krueth stated right now it is only online available and not sold in stores in Blackduck. Klegstad stated selling their product in their facility conflicts with their manufacturing part of the business so as a rule they do not sell their product from their facility.

Mayor Gullette asked if the city could sell their product in the city liquor store and noted that it would be a safer place to sell it noting the age limit.

Klegstad and Krueth answered several questions from the public and the council thanked them for having their business in Blackduck.

5 ADJOURNMENT

- a)

Ronald Fredrickson moved to adjourn the work session at 7:45pm Donald Johnson seconded the motion.

Carried 5 to 0

Maxwell Gullette	For
Nicholas Seitz	For
Donald Johnson	For
Laurie Hamilton	For
Ronald Fredrickson	For

Christina Regas, City Administrator

Maxwell Gullette, Mayor