



MINUTES

Council Meeting

6:00 PM - Monday, December 5, 2022

City Hall, 8 Summit Drive, Blackduck MN

The Council of the City of Blackduck was called to order on Monday, December 5, 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 Donald Johnson, Councilor Laurie Hamilton, and Council member Ronald Fredrickson

COUNCILORS EXCUSED: Councilor Nicholas Seitz

STAFF PRESENT: City Administrator Christina Regas, Public Works Director Mike Schwanke, Director of Liquor Operations Shawnda Lahr, and Librarian Kelly Hanks

OTHERS PRESENT: Chris Dirkes, Resident

1. CALL TO ORDER

- a. Pledge of Allegiance
Mayor Gulette led the meeting in the pledge of allegiance.
- b. Roll Call
Roll Call was taken by Administrator Regas.

2. APPROVAL OF AGENDA

- a.

Laurie Hamilton moved to approve the agenda as presented Ronald Fredrickson seconded the motion.

Carried 4 to 0

Maxwell Gulette	For
Donald Johnson	For
Laurie Hamilton	For
Ronald Fredrickson	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. November 7, 2022 Blackduck City Council Public Hearing Minutes
- b. November 7, 2022 Blackduck City Council Regular Meeting Minutes
- c. November 14, 2022 Blackduck City Council 2022 General Election Canvassing Meeting Minutes

- d. November 17, 2022 Kitchigami Regional Library Board Meeting Packet and Minutes from September 2022
- e. November 21, 2022 Blackduck City Council Work Session Minutes
- f. December 1, 2022 - Blackduck Golf Board Meeting Minutes
- g. November 2022 Fund Balance Report
- h. November 2022 Bill Report
- i. ~~November 2022 Sewer Income Statement~~
- j. November 2022 Water Income Statement
- k. November 2022 Pine Tree Park & Blackduck Beach Income Statement
- l. November 2022 Golf Course Income Statement
- m. November 2022 Liquor Store Income Statement
- n. October 2022 LG216 Lawful Gambling Monthly Rent Report - Blackduck Fire Relief Association
- o. Final Approval - Melissa's Cleaning 2023 Contract for Services
- p. Final Approval - November 2022 Business Credit Card Payment Batch
- q. Final Approval - General Corporate License - 2023-01 - Blackduck Theater
- r. ~~Final Approval - Proposal for services - City of Blackduck Public Works and Marco - Business Print Solution~~
- s. ~~Final Approval - Proposal for Services - City of Blackduck and Marco for City Hall - Business Print Services~~
- t. Final Approval - 2023 Labor Agreement between City of Blackduck and IUO Local 49 - Final
- u. Final Approval - Correspondence to Grant Frenzel VP of Deerwood Bank - Purchase / Sale of Bank Property in Blackduck
- v. Final Approval - Grant Agreement between Blandin Foundation and City of Blackduck - Blandin Leadership Boost Grant
- w. Final Approval - City of Blackduck Spending Plan for TIF District(s) 1-4 & 1-6 - prepared by Ehlers
- x. Final Approval - Pay Request #8 - Combined Maintenance & Police Facility & TNT Construction Group LLC
- y. Final Approval - December 2022 New Employees Hired
- z. Final Approval - December 2022 Property Tax Statement - 2nd Half
- aa. Final Approval - Blackduck Bowling Lanes 2023 - 3.2 Malt Liquor & On-Sale Wine Liquor License
- ab. Final Approval - Satisfaction of Mortgage - City of Blackduck and Erica Zanter (Mattila) - 141 Liberty Drive
- ac. Final Approval - 2021 LMCIT Workers Compensation Insurance Premium Audit Adjustment - City of Blackduck
- ad. Final Approval Needed - Month End Remittance Report for November 2022
- ae. Final Approval Needed - ARPA Funds committed to Lift Station improvements - Invoice 19759
- af. November 2022 - General Fund Expense to Revenue Statement

Maxwell Gullette moved to approve the consent agenda removing item(s) 'i, r, s' for further discussion
Laurie Hamilton seconded the motion.

Carried 4 to 0

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

ag. Items of further discussion from the consent agenda:

i. November 2022 Sewer Income Statement - Council member Fredrickson requested clarification on the irrigator claim on the income statement with expenses and revenue off-setting less the deductible. Regas confirmed both are noted and booked accordingly. Nothing further.

r. Final Approval - Proposal for services - City of Blackduck Public Works and Marco - Business Print Solution

s. Final Approval - Proposal for services - City of Blackduck and Marco for City Hall - Business Print Solution -

Council member Fredrickson requested clarification on the lease/service agreement(s) asking if City Hall currently has services from Marco. Regas explained the new agreements will support print services for the Public Works and Police offices in the new facility. Regas states the current leased machine in City Hall that has 2 years remaining on the agreement will relocate to the Police office in the new facility and the Public works agreement will be new. Regas further states the new agreement for City Hall will replace the existing large format machine in the public works office at City Hall providing large format printing in City Hall but with a new machine. Regas further states City Hall will use the new lease to replace the stand-alone laser color machine the City owns simplifying the office machines. Regas continued stating the lease agreement(s) with Marco provide service if any machine were to fail and consumables. Fredrickson asked for confirmation that the City would be adding 2 copiers to the fleet of machines. Regas confirmed. Fredrickson asked for the current lease amount for City Hall for comparison. Regas stated @ \$154-165 and will increase to \$190 to allow for large format and color. Councilor Hamilton asked if the existing machine would then move to the Police Department. Regas confirmed. Gullette asked if the new machine for City Hall will be used for the DMV. Regas confirmed. No further questions.

Ronald Fredrickson moved to approve consent agenda items 'i, r, s' Laurie Hamilton seconded the motion.

Carried 4 to 0

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

4. 2022 TRUTH IN TAXATION PUBLIC HEARING - CHRISTINA REGAS, CITY ADMINISTRATOR

(Mayor Gullette to close the regular meeting and open the public meeting - Truth in Taxation)

- a. Truth in Taxation Presentation - City Administrator, Christina Regas
Regas presented the supplied report included in the agenda packet. Mayor Gullette took questions from the public.

Resident Chris Dirkes asked if the City is aware of the mill rate of the City of Blackduck and supplied the city council with a page from the League of MN Cities for reference of last years. Dirkes outlined the mill rate of Blackduck is the highest in the county and one of the highest in the state of Minnesota. Dirkes states his city tax is up another 21% and hasn't dropped below that percentage for some time. Councilor Fredrickson asked if that was a residential property. Dirkes confirmed. Hamilton stated hers was up 17%. Dirkes states his property value went up 30% and his homestead exclusion reduced increasing his tax. Regas outlined how the homestead exclusion reduces as valuations increase.

Mayor Gullette asked a second time for questions.

Hamilton stated the city doesn't have enough taxable property to spread out the taxes. Hamilton states her taxes in Bemidji are higher and she owns a 100+ year old home. Hamilton states unless the City can increase its tax base the rate will continue increase. Dirkes compared his County tax to his City tax noting his City tax is double his County tax. Gullette thanks Dirkes for attending the public hearing each year encouraging more tax payers to attend the hearing for feedback and ideas. Dirkes states there are only two options, cut spending or increase the money you are taking in.

Mayor Gullette asked a third time for public comment.

No further comments made.

Donald Johnson moved to close the regular meeting at 6:07pm and open the public meeting Laurie Hamilton seconded the motion.

Carried 4 to 0

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

Maxwell Gullette moved to close the public hearing at 6:35pm and reopen the regular meeting Laurie Hamilton seconded the motion.

Carried 4 to 0

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

- b.

5. 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. no one was present to speak during the Blackduck Forum.

6. REPORTS OF COMMITTEES AND CITY STAFF

6.1. PUBLIC WORKS REPORT - MIKE SCHWANKE, PUBLIC WORKS DIRECTOR

6.1.1. Council Consideration - Purchase of used vehicle for public works / street department

Schwanke requested the City Council continue the discussing on using remaining 2022 budgeted funds for the purchase of a third used vehicle for his department. Hamilton asked for clarification on remaining budget lines asking if some fund lines are over and under spent. Schwanke stated his budget has overspent lines due in part to the building construction. Hamilton asked if any of the existing budget fund lines have remaining funds that will move into 2023. Regas tried to provide insight to how the building construction expenses have affected the public works budgets. Hamilton asked if any of the over/under spending and the building expenses provide funding for the third vehicle. Schwanke stated no the overages are very large and could not be covered by the remaining budget but if that funding for the building is removed then yes. Regas states any unspent funding stays in that fund budget cash balance but the rest is gone and his budget re-sets. Schwanke states that if an amount is budgeted ex. \$10,000 for a year and only \$5,000 is spent it isn't added into the next year's budget it just isn't spent.

Hamilton asked if there is a calculated cost of expense for the third vehicle considered. Schwanke stated he had not provided it due in part to wanting council approval first but it would be minimal.

Mayor Gulette does not recommend a vote as the full council was not present and the amount being considered is \$3-5,000.

Regas will remove the item from future agendas.

6.1.2. Report -

Schwanke reports his department has been cleaning up small snow amounts and working on getting ready to move into the new building.

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

6.2.1. Report -

Lahr reports a successful hunting season and hoping for good ice and a good December January sales months. Lahr states Sunday traffic is good when Vikings are playing. Nothing further.

6.3. LAW ENFORCEMENT REPORT - ROBERT FRAIK, INTERIM POLICE CHIEF

6.3.1. November 2022 Police Department Call Report

Mayor Gulette thanked Interim Chief Fraik for the report and requested Regas send comments to him.

6.4. LIBRARY REPORT - KELLY HANKS, HEAD LIBRARIAN

6.4.1. Report -

Hanks provided a summary of traffic and programs offered at the library in the previous months. Hanks requested assistance cleaning snow on the weekends as the KRLS part-time staff has unionized and is not part of their job description. Hanks states there is an Open House on December 20th from 1-6pm.

7. ADMINISTRATOR'S REPORT

- a. Approval Needed - Resolution 2022-20 - In the Matter of the orderly annexation between the City of Blackduck and Hines Township pursuant to Minnesota Statutes §414.0325

Donald Johnson moved to approve Resolution 2022-20 Laurie Hamilton seconded the motion.

Carried 4 to 0

Maxwell Gulette	For
Donald Johnson	For
Laurie Hamilton	For
Ronald Fredrickson	For

- b. Approval Needed - Resolution 2022-28 - Resolution designating polling places for 2023

Laurie Hamilton moved to approve Resolution 2022-28 Donald Johnson seconded the motion.

Carried 4 to 0

Maxwell Gulette	For
Donald Johnson	For
Laurie Hamilton	For
Ronald Fredrickson	For

- c. Approval Needed - Quit Claim Deed - Between the City of Blackduck and Shannon K. Kampa & Larry J. Kampa

Ronald Fredrickson moved to approve the Quit Claim Deed between the City of Blackduck and Kampa's Laurie Hamilton seconded the motion.

Carried 4 to 0

Maxwell Gulette	For
Donald Johnson	For
Laurie Hamilton	For
Ronald Fredrickson	For

- d. Approval Needed - Resolution 2022-19 Revision 01 - Resolution authorizing the sale of public property in the city limits of the City of Blackduck, MN pursuant to Mn Department of Economic Development Demolition Loan Program Agreement (RDLP-21-0001-O-FY21)

Laurie Hamilton moved to approve Resolution 2022-19 - Revision 01 with the addition of Exhibit A
Ronald Fredrickson seconded the motion.

Carried 4 to 0

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

- e. Approval Needed - Resolution 2022-30 - Resolution adopting a schedule of fees and charges for various services, licenses, & permits for the City of Blackduck, MN for 2023

Laurie Hamilton moved to approve Resolution 2022-30 Donald Johnson seconded the motion.

Carried 4 to 0

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

- f. Approval Needed - 2023 Special & Enterprise Fund Revenue and Operating Budgets

Laurie Hamilton moved to approve the 2023 Special and Enterprise Fund budgets Ronald Fredrickson seconded the motion.

Carried 4 to 0

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

- g. Approval Needed - Resolution 2022-27 - Resolution approving final 2022 tax levy, collectable in 2023

Maxwell Gullette moved to approve the Resolution 2022-27 approving the final 2022 tax levy collectable in 2023 in the amount of \$373,941 Laurie Hamilton seconded the motion.

Roll Call vote was requested

Carried 3 to 1

Maxwell Gullette	For
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Donald Johnson Against
Laurie Hamilton For
Ronald Fredrickson For

- h. December 14, 2022 @ 11am - Blackduck Development Corporation Meeting - Blackduck City Hall
- i. December 15, 2022 @ 10:30am - Blackduck Combined Maintenance & Police Facility Construction Meeting - Blackduck City Hall
- j. December 15, 2022 @ 6pm - BAAI 2022 Truth in Taxation Meeting - Blackduck City Hall
- k. December 19, 2022 @ 6pm - Blackduck City Council Work Session
- l. December 21, 2022 @ 2pm - Blackduck Planning Commission Meeting - Blackduck City Hall
- m. December 26, 2022 - Christmas Day Holiday Observed - City Hall Offices Closed
- n. January 2, 2023 - New Year's Day Holiday Observed - City Hall Closed
- o. January 9, 2023 @ 6pm - Blackduck City Council Regular Meeting - Blackduck City Hall

8. MAYOR AND/OR COUNCIL MEMBER REPORTS

- a. Nothing discussed.

9. COMMUNITY EVENTS/GOOD THINGS HAPPENING

- a. December 21, 2022 @ Noon - Blackduck Chamber Meeting - Hungry Duck Restaurant
- b. December 7, 2022 @ 5-7pm - Blackduck Chamber After Hours - Choice Therapy
- c. Blackduck Area Chamber of Commerce Shop Local Holiday Promotion

10. ADJOURNMENT

- a.

Donald Johnson moved to adjourn the regular meeting at 7:16pm Ronald Fredrickson seconded the motion.

Carried 4 to 0

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

City Administrator, Christina Regas

Maxwell Gullette, Mayor