



MINUTES

Council Meeting

6:00 PM - Monday, November 7, 2022

City Hall, 8 Summit Drive, Blackduck MN

The Council of the City of Blackduck was called to order on Monday, November 7, 2022, at 6:08pm, 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: City Administrator Christina Regas, Public Works Director Mike Schwanke, and Director of Liquor Operations Shawnda Lahr

OTHERS PRESENT: Brent Dammann, Widseth; Miriam Osborn Library Board; Christina Christian, resident; Amy Benedetti, resident; Rob Ingersoll, Blackduck History and Art Center; Phil Patch, resident

1. CALL TO ORDER

- a. Pledge of Allegiance
Mayor Gullette dispensed with the pledge of allegiance.
- b. Roll Call
City Administrator Regas took roll call of those present to the regular city council meeting.

2. APPROVAL OF AGENDA

- a.

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

Carried 5 to 0

Maxwell Gullette	For
Nicholas Seitz	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. October 10, 2022 Blackduck City Council Meeting Minutes

- b. October 19, 2022 Blackduck Planning Commission Meeting Minutes
- c. October 20, 2022 Blackduck Personnel Committee Meeting Minutes
- d. October 20, 2022 Blackduck Golf Board Meeting Minutes
- e. October 24, 2022 Blackduck City Council Special Meeting Minutes
- f. October 24, 2022 Blackduck City Council Work Session Minutes
- g. October 2022 Fund Balance Report **& Recommended operating transfers**
- h. ~~October 2022 Bill Report~~
- i. ~~October 2022 Sewer Income Statement~~
- j. October 2022 Water Income Statement
- k. October 2022 Pine Tree Park Income Statement
- l. October 2022 Golf Course Income Statement
- m. October 2022 Liquor Store Income Statement
- n. Final Approval - October 2022 Business Credit Card(s) Payment Batch
- o. Final Approval - September 2022 LG216 Lawful Gambling Monthly Rent Report - Blackduck Fire Relief Association
- p. Final Approval - 2022 MV Credit - MN Dept. of Revenue
- q. Final Approval - Month end remittance report for October 2022
- r. Final Approval - October new employees - Blackduck Fire Department volunteers
- s. Final Approval - MN Pump Works ARPA Funds payment for service to lift stations
- t. Final Approval - October 12, 2022 Potential Refunding of Existing Bonds Report, Ehlers Financial
- u. ~~Final Approval - LMCIT Irrigator Insurance Claim payment, Claim #LMC CP 233775~~
- v. Final Approval - General Corporate License 2023-01 - Northern Amusement
- w. Final Approval - General Corporate License - 2023-02 - Northern Amusement
- x. Final Approval - 2023 Intoxicating Liquor & Wine License - The Pond
- y. Final Approval - Combined Maintenance and Public Safety Facility Change Order #5 - snow guards
- z. ~~Final Approval - Final Pay Application 11 - Liquor Store Remodel & Addition Project - KA Construction~~
- aa. Final Approval - Combined Maintenance & Police Facility Field Report #10 & Progress Meeting #10
- ab. Final Approval - Pay request 7 - Combined Maintenance / Public Safety Facility - City of Blackduck & TNT Construction Group LLC
- ac. ~~Final Approval - Main Street redevelopment project invoice for reconstruction services - JD Construction invoice #164~~

Maxwell Gullette moved to approve the consent agenda removing items: 'h.'; 'i.'; 'u.'; 'z.'; and 'ac.' for further discussion by Councilor Fredrickson and Councilor Johnson Laurie Hamilton seconded the motion.

Carried 5 to 0

Maxwell Gullette
Nicholas Seitz

For
For

Donald Johnson For
Laurie Hamilton For
Ronald Fredrickson For

ad.

ae. Consent Agenda Items Removed for discussion -

h. October Bill Report - Councilor Johnson requested clarification on payment to Ross Lewis Sign Co. for the purchase of new signage for Pine Tree Park and the Blackduck Golf Course. Regas stated the cost was split evenly between the campground and golf course funds of \$1800/each. Regas further stated the proposal was discussed at a recent work session and the council agreed to move forward before winter. Nothing further.

i. October 2022 Sewer Income Statement - Councilor Johnson asked where the revenue from the sewer discharge loads are recorded on the income statement. Regas reports the revenue is logged into the 'charges for service' code and year to date is at \$4,175. Nothing further.

u. Final Approval - LMCIT Irrigator Insurance claim payment, Claim #LMC CP 233775 - Councilor Fredrickson asked if the claim and if there were any additional funds that were not covered by the claim or was the bill final. Regas stated only the deductible was not covered of \$250. Fredrickson asked if there were any further bills. Regas stated no. Nothing further.

z. Final Approval - Final Pay Application 11 - Liquor Store remodel and addition project - KA Construction - Councilor Fredrickson asked the invoice was final payment for the 2021 project. Regas stated this was the final payment and that it was held over due to the entryway heater and other electrical items that were on back order during the project. Nothing further.

ac. Final Approval - Main Street redevelopment project invoice for reconstruction services - JD Construction invoice #164 - Councilor Fredrickson asked the invoice and estimate are for different services. Regas states the estimate was provide for comparison to the actual invoice to provide council information that the construction services were @ one-third as predicted. Regas stated that portion of the project came under-budget. Fredrickson stated that was really nice. Nothing further.

Ronald Fredrickson moved to approve consent agenda items 'h'; 'i'; 'u'; 'z'; and 'ac.' Laurie Hamilton seconded the motion.

Carried 5 to 0

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

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.

5. ORDINANCE REVISION READING

- a. Ordinance 2022-01 - Second and Final Reading - An Ordinance amending Chapter 15, Land Use and Subdivision Ordinance, to allow for administrative boundary line adjustments, lot combinations and parcel splits.

Administrator Regas summarized the Ordinance 2022-01 revision and stated there was no further questions from the public on the revisions.

6. REPORTS OF COMMITTEES AND CITY STAFF

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

- 6.1.1. Council Consideration - Combined Maintenance & Public Safety Facility Change Order(s) - Brent Damman, Widseth

Damman was present to discuss recent changes to the project and change orders drafted for the facility door hardware and alarm system. Dammon states how two cost proposals are being requested to approve. The door hardware changes require keypads for entrance to the police side and then keyed access between the public works side and police side. The alarm system proposal came about after the value engineering removed the sprinkler system that had the fire alarm system tied to the building but never an alternate system was not built back into the plans. Widseth states the pricing for the system was \$29,540 and the door hardware for \$5,794 - Widseth is proposing covering the shortfall of contingencies funding (\$15,270.25) for the two changes order proposals so the project can move forward.

Councilor Johnson asked why Widseth is picking up the bill - was it because Widseth missed it. Dammon states no, but just to help the project move forward. Dammon states it should have been added in the value engineering and it was just missed and with the remaining contingency this will assist.

Fredrickson asked for the amounts again. Dammon states the Door add \$5794.00 and alarm add \$29,540 for a total of \$35,334; there is \$20,063 remaining in contingency so Widseth will pick up \$15,270.25.

Mayor Gullette states this is the end of the contingency funds now. Regas confirmed. Johnson states the city should be getting close to the end of the project. Dammon states TNT is on track for successful completion.

Mayor Gullette confirmed the reason for the keypad system. Dammon states it is for ease of entrance for the officers from the city department officers and the county deputies.

Maxwell Gullette moved to approve change order 6 & 7 for the door hardware and fire alarm system
Nicholas Seitz seconded the motion.

Carried 5 to 0

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

6.1.2. Report -

Schwanke states he has nothing to report from his department. Gullette asked about the details of the street light near Bogarts. Schwanke states the wind blew the light and it was hanging over the highway. Schwanke has plans to have it repaired. Nothing further.

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

6.2.1. Report -

Lahr reports having a successful deer opener weekend exceeding their best opener in 2019 of \$6,000 and \$30,000 over 2021 without the kitchen open during the remodel. Lahr states her staff is working very hard to make up revenue loss. Gullette provided compliments he has received on having staff return to assist when the business is busy beyond the staffing. Lahr states every business is not open as many hours as they would like to be and not open 7 days a week which makes staffing 7 days a week difficult. Fredrickson asked if business has increased since the Wednesday specials. Lahr states she has received good feedback. Nothing further.

6.3. POLICE AND FIRE REPORTS

6.3.1. Mayor Gullette asked if there are any updates or reports from police or fire. Regas states the fire department has hired 3 new volunteers from their open house in September but has no reports from the police department. Gullette requested the police department provide a monthly report in the packet so the council is aware of their activities. Regas stated should would send out the request to Interim Chief Fraik.

7. ADMINISTRATOR'S REPORT

a. Council approval Needed - Resolution 2022-22 - Resolution acknowledging support for Phillip Patch to convey state rail bank property from the Minnesota Department of Transportation for private ownership - Phillip Patch

Patch provided his request for wanting ownership of state rail bank property and took questions from the council. Patch stated he heard the land may be available and he could benefit from owning it. Patch states the land is not something that could be built on but he would like to own it if the state allows. Patch states he would reroute his driveway in the property.

Nicholas Seitz moved to approve Resolution 2022-22 - Resolution acknowledging support for Phill Patch to convey state rail bank property from the Mn DOT for private ownership Laurie Hamilton seconded the motion.

Carried 5 to 0

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

b. Council Consideration / Approval Requested - Donation Request Blackduck Area History and Art Center - Rob Ingersoll

Ingersoll was present to report on the Blackduck History and Art Center and request support from the City of Blackduck to donate funding for their liability and property insurance. Ingersoll reports on the past year activities of the center; where most of their funding stems from; and how the newsletter has been a success of what the center does to provide members updates on the center.

Ronald Fredrickson moved to approve a donation to the Blackduck History and Art Center for \$829.08 from the liquor rent fund for their property and liability insurance. Nicholas Seitz seconded the motion.

Carried 5 to 0

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

- c. Council Approval Needed - Resolution 2022-01 - Revision 4 - Resolution of annual appointments and designations for 2022 - Planning commission vacancy consideration

Laurie Hamilton moved to approve Resolution 2022-01 - Revision 4 - Resolution of annual appointments and designations for 2022 - Planning Commissioner vacancy consideration of Christie Christian Donald Johnson seconded the motion.

Carried 5 to 0

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

- d. Council Approval Needed - Resolution 2022-24 - Resolution adopting a spending plan for tax increment financing districts # 1-4 & #1-6

Laurie Hamilton moved to approve Resolution 2022-24 - Resolution adopting a spending plan for tax increment financing districts #1-4 & 1-6 Donald Johnson seconded the motion.

Carried 5 to 0

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

- e. Council Approval Needed - Resolution 2022-29 - Resolution Establishing a Meeting Schedule for 2023

Maxwell Gullette moved to approve Resolution 2022-29 - Resolution establishing a meeting schedule for 2023 Laurie Hamilton seconded the motion.

Carried 5 to 0

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

- f. Council Approval Needed - Ordinance 2022-01 - An Ordinance amending Chapter 15, land use and subdivision ordinance, to allow for administrative boundary line adjustments, lot combinations, and parcel splits

Laurie Hamilton moved to approve Ordinance 2022-01 - An ordinance amending Chapter 15, land use and subdivision ordinance, to allow for administrative boundary line adjustments, lot combinations, and parcel splits Ronald Fredrickson seconded the motion.

Carried 5 to 0

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

- g. Council Consideration Approval requested - Purchase Agreement between City of Blackduck and Deerwood Bank for real property located in Beltrami County, MN legally described as follows:
Lots 25, 26, 27, 28, and 29, Block 8, Blackduck, less the east 60 feet thereof, together with the north half of vacated alley abutting Lot 25; (17 Summit Avenue East)

Maxwell Gullette moved to NOT approve entering into a purchase agreement with Deerwood bank for the property at 17 Summit Ave. East for the Library project Donald Johnson seconded the motion.

Roll call vote was requested by Mayor Gullette

Carried 5 to 0

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

- h. November 9, 2022 @ 11am - Blackduck Development Corp Regular Meeting - Blackduck City Hall
- i. **November 11, 2022 - Veteran's Day - City Offices Closed**

- j. November 16, 2022 @ 2pm - Blackduck Planning Commission Meeting - Blackduck City Hall
- k. November 17, 2022 @ 10:30am - Combined Maintenance & Public Safety Facility Construction Meeting - Blackduck City Hall
- l. November 21, 2022 @ 6pm - Blackduck City Council Work Session - Blackduck City Hall
- m. **November 24, 2022 - Thanksgiving Holiday - City Offices Closed**
- n. **November 25, 2022 - Holiday observed for Thanksgiving - City offices closed**
- o. December 5, 2022 @ 6pm - City of Blackduck Truth in Taxation Public Hearing and Regular Council Meeting - Blackduck City Hall

8. 2023 GENERAL ELECTION

- a. November 8, 2022 - Minnesota State General Election (*includes municipal and school board*) Blackduck polls open 7am - 8pm
- b. November 14, 2022 @ 6pm - City of Blackduck Canvassing of General Election - Blackduck City Hall

9. MAYOR AND/OR COUNCIL MEMBER REPORTS

10. COMMUNITY EVENTS/GOOD THINGS HAPPENING

- a. November 16, 2022 @ Noon - Blackduck Area Chamber Meeting - The Pond

11. ADJOURNMENT

- a.

Nicholas Seitz moved to adjourn the regular council meeting 7:16pm Donald Johnson seconded the motion.

Carried 5 to 0

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

City Administrator, Christina Regas

Maxwell Gulette, Mayor