



# MINUTES

## Special Council Meeting

6:00 PM - Monday, September 26, 2022  
City Hall, 8 Summit Drive, Blackduck MN

The Council of the City of Blackduck was called to order on Monday, September 26, 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 Nicholas Seitz, Councilor Donald Johnson, Councilor Laurie Hamilton, and Council member Ronald Fredrickson

**COUNCILORS EXCUSED:**

**STAFF PRESENT:** City Administrator Christina Regas and Public Works Director Mike Schwanke

**OTHERS PRESENT:** Miriam Osborn-Dougherty, Blackduck Library Board member

### 1. CALL TO ORDER

- a. Roll Call  
Regas took roll of those present to the meeting.
- b. Pledge of Allegiance  
Mayor Gullette led the meeting in 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. 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 for the Forum.

#### 4. ADMINISTRATOR'S REPORT

- a. September 19, 2022 Blackduck City Council Work Session Meeting Minutes  
Regas provided the work session minutes for the board review. No action needed.
- b. September 22, 2022 Blackduck Finance Committee Meeting Minutes  
Regas provided the finance committee meeting minutes for council review. No action required.
- c. 2023 General Fund Budget Highlights  
Regas reviewed updated highlights for the general fund from the finance committee recommendations.
- d. 2023 General Fund Proposed Revenue & Expenditures
- e. 2023 Proposed City Debt including HRA Levy  
Regas reviewed the recommended levy option D proposed 2023 debt schedule.
- f. 2023 Net Tax Capacity sample Blackduck tax  
Regas reviewed the net tax capacity and sample city sales tax scenario for recommended option D.
- g. Approval Needed - Resolution 2022-21 - Resolution approving proposed 2022 tax levy, collectable in 2023

Laurie Hamilton moved to approve resolution 2022-21 - Resolution approving proposed 2022 tax levy, collectable in 2023 in the total of \$373,942 Nicholas Seitz seconded the motion.

Mayor Gullette asked for discussion on the motion.

Councilor Fredrickson states that is a tough pill to swallow and would like to see a more conservative number.

Councilor Seitz states the amount of road work needed in town; and the status of the library it is a needed amount.

Councilor Hamilton states it is a hard number but sometimes it is needed.

Councilor Seitz states that with the FEMA disaster work needed knowing the funding will be reimbursed it is necessary.

Gullette states that everyone wants the number to be lower and Option A was also a good one but he never likes to approve the big budget and reduce it by December because that doesn't allow happens. Gullette states that with a lower tax rate it gives room to expand next year.

Regas states the city will need to recoup some of the city funding since the 2022 budget was not predicting the high cost of fuel, heating costs, and insurance increases. Regas states that everyone is feeling the pinch and the county tax levy was approved at almost 7% with the library full funding. Regas further states the city is going to have good support at the county level and the board should be aware of that partnership. Regas requested a roll-call vote on the motion with the board was prepared.

Gullette called for more discussion asking for input from Councilor Johnson.

Johnson states that at the last meeting he did not approve of Option D. Gullette asked why. Johnson stated it was the bottom line. Johnson stated he reviewed all the documentation and he feels option A is a better choice.

Gullette stated doing something bigger for the community with the library funding is a good choice and helps the streets now. Gullette further states that the board members have to listen to the public feedback. Hamilton invites those people to come to a meeting and reminds those people about the tax rebate and the city has fixed increases that can't change.

Gullette states the mill rate is still high but the funding helps the community; and the extra funding in the streets budget won't fix everything in town. Gullette asked for further discussion.

Regas asked for more discussion from Johnson on his decision from option A and after reviewing all the documents provided if there was anything in the budget Johnson would change.

Johnson states he is not in favor of the library project because we really don't know where it is going. We are putting tax burden on people in this town that can't afford to go 'on a whim' and who knows if the city is going to sell the existing building to purchase the new one for it to just sit there. Regas stated that in previous conversations from the council the board is understanding that the current facility does not provide a good place for the library now so regardless is the sale does not go through the \$10,000 in the library budget can go for improving the old facility and cautioned the board not to be nearsighted on the project unless the board had no intention on supporting the library in the first place. Johnson states he supports putting funding into the library but if do not put move forward with the purchase of the new building and put it into the old then we will still need additional funding if and when a new building comes around.

Schwanke asked for clarification 'when the building comes up'. Johnson clarified with the purchase of the new building. Schwanke stated he was understanding that has been decided and gone over already.

Hamilton stated that with the contingencies have to be satisfied first and the purchase order hasn't been reviewed yet. Johnson stated there could be more in our way to make the purchase difficult. Hamilton stated that if that doesn't happen then the extra funding could go into the existing library. Johnson agreed. Hamilton stated how all that was reviewed first.

Regas further stated that since the county's decision has been so public the community is well aware of the city's intentions to improve the community library and support it. Regas further states how everyone supports the library not just the city.

Gullette asked for further discussion.

Hearing none a vote on the motion was called requesting a roll call vote.

Carried 3 to 2

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

## 5. ADJOURNMENT

a.

Maxwell Gullette moved to adjourn the meeting at 6:28pm Laurie Hamilton seconded the motion.

Carried 5 to 0

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

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City Administrator, Christina Regas

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Maxwell Gullette, Mayor