



MINUTES

Council Meeting

6:00 PM - Monday, March 6, 2023

City Hall, 8 Summit Drive, Blackduck MN

The Council of the City of Blackduck was called to order on Monday, March 6, 2023, at 6:00 PM, in the City Hall, 8 Summit Drive, Blackduck MN, with the following members present:

COUNCILORS PRESENT: Mayor Maxwell Gulette, Councilor Nicholas Seitz, Councilor Laurie Hamilton, and Council member Ronald Fredrickson

COUNCILORS EXCUSED: Councilor Donald Johnson

STAFF PRESENT: City Administrator Christina Regas, Assistant Liquor Store Manager Melissa Gulette, and Public Works Director Mike Schwanke

OTHERS PRESENT: Tim Ramerth and Caleb Strandie, Wiseth and Mike Karvakko, Karvakko

1. CALL TO ORDER

- a. Roll Call
Administrator Regas took roll of those present to the meeting.
- b. Pledge of Allegiance
Mayor Gulette led the meeting in the pledge of allegiance.
- c. Area Mission Statement - *"The Blackduck Area is a rural community comprised of divers interests with common goals. These goals are open communication, a safe clean environment, and a growing economy. Recognizing that our youth are the future, we provide them with educational, economic, and social opportunities."*

2. APPROVAL OF AGENDA

- a.

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

Carried 4 to 0

Maxwell Gulette	For
Nicholas Seitz	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. February 6, 2023 Blackduck City Council Regular Meeting Minutes
- b. February 15, 2023 Blackduck Planning Commission Meeting Minutes
- c. February 16, 2023 Blackduck Fire Department Annual Meeting of Towns Minutes
- d. February 27, 2023 Personnel Committee Meeting Minutes
- e. February 27, 2023 Blackduck City Council Work Session Minutes
- f. February 2023 Fund Balance Report
- g. February 2023 Bill Report
- h. February 2023 Sewer Income Statement
- i. February 2023 Water Income Statement
- j. February 2023 Pine Tree Park & Blackduck Beach Income Statement
- k. February 2023 Golf Course Income Statement
- l. February 2023 Liquor Store Income Statement
- m. January 2023 LG216 Lawful Gambling Monthly Rent Report - Blackduck Fire Relief Association
- n. Final Approval - February 2023 Business Credit Card Payment Batch
- o. Final Approval - LMCIT Property/Casualty Renewal Application & Optional Coverage Renewal Binder

Maxwell Gullette moved to approve the consent agenda with the removal of item(s) f., h., and i. for further discussion Laurie Hamilton seconded the motion.

Carried 4 to 0

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

- p. Consent item(s) for Discussion -
f. February 2023 Fund Balance Report -
 Councilor Fredrickson requested clarification of the negative cash balance in the Deerwood Reserve account for the Capital Project (401) account. Regas reported that due to the Main Street Redevelopment project beginning in 2021 and the expenditures booked into fund 250 that year the independent auditor requested the expenditures be booked in a capital projects fund 401. The independent auditor recommended the change due to the nature of the project. Regas stated that expenditures that were paid in 2022 were booked in 401 providing the negative balance. Regas stated the fund 401 does not typically show a cash balance when there is no project. Regas further stated that once the project and 2022 audit is complete that negative balance should clean out.

- h. February 2023 Sewer Income Statement & i. February 2023 Water Income Statement -
 Councilor Fredrickson requested clarification of the negative expenditure line for computer supplies in the water and sewer fund. Regas explained that was due to the approved purchase of new meter reading hardware booked evenly between the two funds.

Ronald Fredrickson moved to approve removed consent agenda items f. h. and i. Nicholas Seitz seconded the motion.

Carried 4 to 0

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

q.

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.

a. there was no one to speak on behalf of the Blackdck Forum.

5. REPORTS OF COMMITTEES AND CITY STAFF

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

5.1.1. Report -

Schwanke reports his staff has been busy with snow but not much more since waiting for the new building to be complete. Mayor Gullette asked how much stuff is still in the old lumberyard. Schwanke state 'a lot'. Mayor Gullette asked what is the plan for the old JC's concession stand at the new facility site. Schwanke states it is planned to be demolished and removed. Schwanke stated a person was to complete that task in 2022 but was laid up for a few months a could not complete it. Gullette asked if the building could be used for storage. Schwanke stated there would need to have money put into the building to refurbish it. Schwanke asked what Gullette had in mind for the building. Gullette stated he believed the Pond was going to need a location to store some of their items and considered the building to be relocated on site of the Liquor Store. Schwanke stated that the bar was notified that the old lumberyard was going to sell and the Pond items in the building would need to have staff review to discard of items no longer needing. Gullette stated his concern for running out of time when the move starts and there is no place to relocate items. Regas stated to keep in mind that in previous discussions the plan for discarding of unwanted items from the old lumberyard was to relocate the TK Roll-off to the lumberyard location to assist in the clean up. Schwanke stated that the City is getting close to that point in time. Regas further stated that the liquor store has been included in the discussion regarding the contents clean-up. Regas stated it was her understanding that there is a large amount of Pond items that are un-usable and should just be thrown out. Schwanke stated there is a large volume of building contents that are just junk and have been sitting there for over 30 years and there is very little items that are Beltrami County items. Schwanke stated there is not much viable usable items that are Pond equipment except the auto fry and a sink that could be traded in for kitchen items that could go into the club house kitchen. Schwanke stated he believes that if the Pond needs extra storage space it should be right on site of their building. Councilor Hamilton asked if there is enough land. Schwanke just

wanted to share that option. Gullette stated the Pond is going to need some storage. Regas stated the staff from the Pond could begin marking the items that are going to be saved to determine what will be thrown out. Regas stated the timing is close but a second roll-off could be ordered so the clean up could begin until the new facility roll-off is ready to be relocated. Melissa Gullette asked if there is something they could do now. Regas and Schwanke stated they could mark everything they want to keep which would be less work. Melissa Gullette is most concerned about the flat-top and the counter it sat on in case their existing flat-top goes down. Regas believes there has to be enough room in the new storage room after the remodel at the Pond to store the old flat-top. Melissa Gullette will work with Lahr to identify the items to keep.

Tim Ramerth announced the punch list walk thru will be March 14th. Schwanke stated he identified today that Polar still needs to finish the treatment on the grates. Ramerth made note. Schwanke stated that once he can make large equipment moves to the new building major moves won't start. Schwanke stated his department has relocated some parts into the mezzanine of the public works side.

No further questions.

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

5.2.1. Approval requested - Purchase of Keg Cooler Box - Total Tap Services

Melissa Gullette provided an update on the keg cooler box stating it would take 1-2 weeks to have the box built and delivered and would need 80% down to begin. Mayor Gullette asked if the tap fee would increase. Melissa Gullette stated yes but not much. Mayor Gullette asked how often it will get used. Melissa Gullette stated the first event it will be used is in April if completed. Councilor Hamilton asked if the unit would be used primarily for outside events. Melissa Gullette stated yes.

Nicholas Seitz moved to approve the purchase of the keg cooler box from Total Tap Services in the amount of \$1140 Ronald Fredrickson seconded the motion.

Carried 4 to 0

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

5.2.2. Report -

Melissa Gullette reports the Pond was up \$550 for the Chamber bingo event compared from the last event. Regas requested from the Chamber Executive Board to have at least one additional bartender on staff due to the attendance. Regas stated at a minimum one additional bartender or maybe two.

Melissa Gullette reports there is a St. Patrick's Day Celebration with a band and Reuben sandwiches served all week; Super Bowl Sunday the bar was up \$1,000 over 2022; and E-Tabs have started again in the Bar.

Regas announced that one of the objectives Lahr and herself are working on in 2023 is to make more smaller general fund transfers from the liquor store. Regas states when the department has better months the transfers are more manageable when there are smaller \$5,000 transfers.

Nothing Further.

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

5.3.1. February 2023 Blackduck Police Calls Report was provided.

6. ADMINISTRATOR'S REPORT

- a. Approval Needed - Resolution 2023-10 - Resolution authorizing the sale of public property in the City Limits of the City of Blackduck - 72 Railroad Ave. SE PIN#81.00138.00

Nicholas Seitz moved to approve Resolution 2023-10 - Laurie Hamilton seconded the motion.

Carried 4 to 0

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

- b. Approval Needed - Resolution 2023-11 - Resolution authorizing the increase to the annual retirement pension of the Blackduck Fire Relief Association

Laurie Hamilton moved to approve Resolution 2023-11 Ronald Fredrickson seconded the motion.

Carried 4 to 0

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

- c. Approval Needed - Resolution 2023-12 - Resolution authorizing purchase of tax-forfeited parcels inside the City of Blackduck

Maxwell Gullette moved to approve Resolution 2023-12 Laurie Hamilton seconded the motion.

Carried 4 to 0

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

- d. Approval Needed - Conditional Use Permit Application - Freeman Investment Properties - 56 1st Street SE

Nicholas Seitz moved to approve the Conditional Use Permit application from Freeman Investment Properties for 56 1st Street SE Laurie Hamilton seconded the motion.

Regas reported Ramerth researched the City Ordinance and noted the Conditional Use Permit would follow the land not the owner. Further discussion on the motion from Mayor Gullette asked if the property can later go back to commercial use. Regas did not see why the property would not go back to commercial use since it still remains in a commercial zone. Councilor Fredrickson asked if there is recourse if the City does not approve the permit application. Regas states the problem the City will have is that there is someone residing in the residence and has been since November and that individual is paying for sewer and water services for the land that has been turned off for many years. Regas stated the Planning Commission Board members see the benefit of having the property being used in this fashion and the property taxes are being paid for. Regas reminded the City Council that in her capacity she can only provide the individual boards' recommendations to the council to take action on. Fredrickson clarified the conditional use permit does not change the status of the commercial land. Regas agreed and further stated that the permit only provides the applicant the authority to use the land as a residential rental which can still be viewed as commercial.

Carried 4 to 0

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

- e. March 15, 2023 @ 2pm - Blackduck Planning Commission Meeting - City Hall
- f. March 20, 2023 @ 6pm - Blackduck City Council Work Session - City Hall
- g. April 10, 2023 @ 6pm - Blackduck City Council Regular Meeting - City Hall
- h. May 2, 2023 @ 1pm - Local Board of Appeal and Equalization Meeting - Blackduck City Hall

7. MAYOR AND/OR COUNCIL MEMBER REPORTS

8. COMMUNITY EVENTS/GOOD THINGS HAPPENING

- a. March 15, 2023 @ Noon Blackduck Chamber of Commerce Regular Meeting @ Restaurant 71
- b. March 19, 2023 @ 1pm - Blackduck Chamber Bingo @ The Pond
- c. May 4, 2023 @ 5pm - Blackduck Chamber of Commerce Annual Kentucky Derby Party - Blackduck Golf Course
- d. May 20, 2023 City of Blackduck City Wide Spring Clean up Event -
- e. May 20, 2023 - Blackduck Chamber of Commerce City Wide Garage Sale Event

9. ADJOURNMENT

- a.

Laurie Hamilton moved to adjourn the council meeting at 6:42pm Ronald Fredrickson seconded the motion.

Carried 4 to 0

Maxwell Gullette	For
Nicholas Seitz	For
Laurie Hamilton	For

Ronald Fredrickson

For

City Administrator, Christina Regas

Maxwell Gullette, Mayor