



MINUTES

Council - Work Session Meeting

6:00 PM - Monday, February 27, 2023

City Hall, 8 Summit Drive, Blackduck MN

The Council - Work Session of the City of Blackduck was called to order on Monday, February 27, 2023, 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: Christina Regas, Mike Schwanke, Shawnda Lahr, and Melissa Gullette Interim Police Chief Rob Fraik, and Assistant Fire Chief Terry Frenzel

OTHERS PRESENT: Tim Ramerth and Caleb Strandlie of Widseth

1 CALL TO ORDER

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

2 APPROVAL OF AGENDA

- a)

Ronald Fredrickson moved to approve the agenda as presented providing New Business 4a. to precede Old Business Donald Johnson 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 and Schwanke provided updates from TNT Construction; Widseth discussed March 10, 2023 is the substantial completion date and a walk-thru punch list will be

scheduled in the coming week. Council members discussed move in dates and the potential of needing more dirt work around the facility in the Spring.

- b) Downtown Redevelopment Project - Main Street N. - updates
Regas reported no new updates but stated the City Attorney is working with the IRS to removal the federal liens on the property. Nothing further.
- c) Kitchigami Regional Library Capital Appropriation Project
There were no new updates to provide on this project.
- d) Limited DMV
Regas reports the DMV is now open and busy. Regas reports fulfilling an ADA compliance request of the state for a writing table at lower level and restricted access to the office area. Regas stated Watson has been learning quickly and there were a few critical computer software upgrades that were needed from Beltrami County MIS. Regas stated much training will still need to be completed for both herself and Watson but so far the process is working. Nothing further.
- e) HSEM & FEMA DR-4659 Disaster - updates
Regas reports site inspectors will be visiting the City to review the damage inventory areas that are not 100% complete and will be working with Schwanke to complete those inspections.
- f) Blackduck Co-op MnDot Railbank Land Conveyance - updates
Nothing new to update.
- g) Local Sales Tax Option - updates
Regas reports the House File draft has been submitted by Rep. Bliss and the Senate File is still pending. Both are due to the tax committee by March 1, 2023 for consideration.
- h) RFP for Engineering Services - update
Regas reports meetings with Moore Engineering, Karvakko, Freeberg & Grund recently. Regas states there are meetings scheduled with Bolten & Menk for next week. Regas further states have communication with Stantec and Apex but has no meetings currently scheduled. Regas states that after the proposals are submitted they would be narrowed to the top 2-3 and then request a council presentation for final decision.
- i) Old Duck Renovations - update
Regas provided a grant submitted to operation round up and stated that a city contribution was noted in the grant of \$500 to assist with the project. Councilor Johnson asked if the Conservation company will inspect the other duck at the wayside rest. Regas stated that was not in the scope of the original request but could send an email request. Nothing further.
- j) Blackduck Area Kid's Ice Fishing Derby - donation of bicycle(s) update
Regas provided a summary of the request for donation(s) to the Ice Fishing Derby for two bicycles with helmets. Nothing further.

4 NEW BUSINESS

- a) Blackduck Fire Relief Association Pension Increase Request - Assistant Fire Chief Terry Frenzel, Blackduck Relief President
Frenzel was present to ask for approval to increase the Fire Relief Pension amount. Frenzel provided history of the pension contribution and stated the service pension has not been increased since 2007. Frenzel presented a recommendation to increase the pension based of a maximum benefit worksheet SC-21 provided to the MN State Auditor over a 3-year period beginning in 2023. Frenzel stated that the approval must come from the City of Blackduck. Frenzel stated the approval must come in the form of a Resolution from the City Council. Council members agreed to the

recommendation and requested the Resolution be drafted with correct language to approve on March 6, 2023 and to re-evaluate in 2026.

b) 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

Regas presented a draft of a resolution to provide authorization to sell 72 Railroad Ave SE with the same authority as previous properties. Regas asked if any board members wished to have the language changed. Councilor Johnson stated the parcel needs to go on a public bid so anyone can bid on it not just one sale and it needs to be put in the paper. Johnson states that is the legal way to do the process and how it should be done. Schwanke stated legally it does not have to be done by public bid it could be sold like a regular piece of property. Regas requested more feedback for the full board on the authorized process. Mayor Gullette stated he does not see the need to put the property up for public bids. Regas stated that she has had conversations with other local real estate agencies and would provide a letter to all local realtors to provide them the opportunity to state what their services could be offered to the city and then pick from those offers. Councilor Fredrickson asked how we determine the market rate to sell the property. Regas states the current realtor the city is contracting with would have those discussions with with her about what the property can bear for sale as a commercial piece of property and right now those conversations range between \$75,000-\$100,000. Regas states she cannot move forward with any process on 72 Railroad until the council agrees how the process will be allowed. Lahr stated she believe the letter(s) and realtor option is the fair way to sell the property. Councilor Seitz states he agrees with the discussion on the realtor option. Councilor Fredrickson has no further questions but wants to ensure the City gets fair market rate for the property. Regas states since she isn't a real estate agent and does not know the laws this process is more simplistic a process. Regas states a title company still has to be involved. Regas states she understands Councilor Johnson's concern regarding receiving the best offer on the property but it isn't a piece of equipment you can value it isn't the same process. Mayor Gullette asked if the resolution has to have the realtor listed in it. Regas stated no; the resolution provides herself the authority to sell the property in the best process for the city. Regas further stated from the current feedback it sounds like the city wishes to take a different path. Gullette stated he is fine with the current process and hire a realtor. Councilor Seitz stated the council trusts the process Regas is taking. Regas asked the City how it would like to see to it get the best fair amount of money for the sale of the property. Gullette stated the current process Regas has taken by hiring a realtor is the best in his mind. Nothing further.

c) Conditional Use Permit Application - Freeman Investment Properties - 56 1st Street SE

Regas reported the process the Planning Commission has taken to recommend approving a Conditional Use Permit for Freeman Investment Properties for 56 1st Street SE. Regas stated the process the Commission agreed to since the property is currenting being used as a rental property was to submit a letter to the surrounding property owners requesting feedback against the use of the property. Regas states to date the letters have not received any feedback to City Hall. Councilor Hamilton confirmed the property is next to the Library. Regas confirmed. Councilor Fredrickson asked if this was a residential rental. Regas confirmed it is a residential rental in a commercial piece of property. Mayor Gullette asked if the conditional use permit follows the owner only. Regas stated that was her interpretation of the definition. Councilor Hamilton asked that if another owner purchased the property the permit would not follow to the new owner. Regas believed that to be correct. Tim Ramerth of Widseth stated it could be based on the use of the property and could confirm the definition after reviewing the ordinance. Regas further stated the Planning Commission viewed the request as allowable because the property is commercial and renting the property out provides income - and that was the reason for the recommendation to approve. Hamilton asked if the tax base is the same

regardless of the use for the owner. Regas agreed. Ramerth stated he would confirm the recommendation is allowed. No further discussion.

- d) Beltrami County request for review of tax-forfeited parcel(s) located in the City of Blackduck (pages 161-167 of MN Delinquent Tax & Tax Forfeiture Manual)
Regas provided for discussion a tax-forfeited parcel in the City of Blackduck that she is recommending the city approve a resolution to purchase the property at fair market value and take it off the tax rolls. Regas reviewed the aerial map and with feedback from Schwanke explained the parcel in unbuildable by ordinance standards. Regas stated the county estimates the market value would be \$300 plus filing fees. Regas is looking for authorization of the council to move forward and have a resolution approving the purchase of the property to meet the county's deadline of April 7, 2023. Schwanke stated the city is already piling snow up on it now. Fredrickson asked who owned the property originally. Schwanke believed it to be owned by the property owner to the southwest corner of the block before the city was expanded east. Board members agreed the City should move forward with the purchase of the tax-forfeited property and requested the agenda item be approved at the March 6th 2023 meeting. Nothing further.
- e) Blackduck Personnel Committee Meeting Recap - Blackduck Police Department Staffing
Interim Police Chief Rob Fraik provided a summary of the meeting with Beltrami County Sheriff Department representatives regarding the staffing of the Blackduck Police Department. Fraik stated the meeting went well and the Sheriff's office was in favor of extending a Chief of Police position on a contractual basis to a current deputy. Regas further stated the personnel committee met afterwards and came up with a contract / agreement offer and those details would be provided at a later time. Regas further stated that all parties at the meeting agreed that the dissolution of the Blackduck Police Department is not a good answer to either party. Mayor Gullette stated his observation of the willingness of the Sheriff's office to work with the City was very well pointed out. Nothing further at this time.
- f) Public Works Grader Replacement - Mike Schwanke
Schwanke stated he has access to an 2001 CAT Grader that Beltrami County Hwy Department is selling in Fall of 2023. Schwanke states Beltrami County needs \$64,000 for the equipment. Schwanke requested feedback to attempt to make the purchase by looking for funding soon. The Council agreed it was necessary to entertain the option of purchasing the equipment.
- g) Liquor Report - Shawnda Lahr
Lahr reports she would not be at the March 6th meeting but wanted to report on the LG216 Gambling report for January that the actions taken at the store are working and there was only a \$1 shortage on the report. Lahr further stated she will be asking for approval of the purchase/build a 'keg box' for the liquor store catering. Lahr states the box will have cool packs in it so it can be taken to the park during Bash and other catering areas. Lahr states that after the event the keg is used for if there is remaining beer in the keg it can be put on the keg taps at the Pond. Lahr states the estimated cost would be \$1,300 and will have the request in the packet. Nothing further.

5 **ADJOURNMENT**

a)

Donald Johnson moved to adjourn the meeting at 7:20pm Maxwell Gullette 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