



MINUTES

Council Meeting

6:00 PM - Monday, April 10, 2023

City Hall, 8 Summit Drive, Blackduck MN

The Council of the City of Blackduck was called to order on Monday, April 10, 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: City Administrator Christina Regas, Assistant Liquor Store Manager Melissa Gullette, Public Works Director Mike Schwanke, and Director of Liquor Operations Shawnda Lahr

OTHERS PRESENT: Caleb Strandle and Tim Ramerth, Widseth, Mike Karvakko, Karvakko

1. CALL TO ORDER

- a. Roll Call
Administrator Regas took roll call of those present to the meeting.
- b. Pledge of Allegiance
Mayor Gullette led the meeting with 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. CONSENT AGENDA

All items listed under the Consent Agenda, unless removed from the Consent Agenda shall be approved by one Council motion.

- a. March 6, 2023 Blackduck City Council Minutes
- b. March 15, 2023 Blackduck Planning Commission Meeting Minutes

- c. March 20, 2023 Blackduck City Council Work Session Minutes
- d. Kitchigami Regional Library Board Meeting Packet & Minutes from January 2023
- e. March 2023 Fund Balance Report
- f. March 2023 Bill Report
- g. March 2023 Sewer Income Statement
- h. March 2023 Water Income Statement
- i. March 2023 Pine Tree Park & Blackduck Beach Income Statement
- j. March 2023 Golf Course Income Statement
- k. March 2023 Liquor Store Income Statement
- l. Quarter 1 2023 General Fund Income Statement
- m. February 2023 LG216 Lawful Gambling Monthly Rent Report - Blackduck Fire Relief Association
- n. Final Approval - Month End Remittance Report for March 2023
- o. Final Approval - FY2022 State Fire Aid
- p. Final Approval - March 2023 Business Credit Card Payment Batch
- q. Final Approval - Contract Services Agreement City of Blackduck - DBA The Pond & NEI Bottling
- r. Final Approval - City of Blackduck Police Administration Agreement - City of Blackduck and Deputy Joshua Arhart
- s. Final Approval Needed - Certificate of Substantial Completion & Punch List - Public Works / Public Safety Facility -
- t. Final Approval Needed - USDA - Rural Development Community Facility Loan Stage 1 Documents - 2001 County Road Grader Purchase
- u. Final Approval - Sanitary Sewer Discharge Permit 2023-01 - Bob's Econo Pump, Inc.
- v. Final Approval - 2022 Consumer Confidence Report - Safe Drinking Water
- w. Final Approval - City of Blackduck New Hires Report - April 2023
- x. Final Approval - Ehlers 2023 Annual Disclosure Reporting for the City of Blackduck
- y. Final Approval - 2023-2024 LMCIT Property & Casualty Coverage Premium for City of Blackduck
- z. Final Approval - Northwest MN Foundation - FY23 Blackduck Trestle & Trails Fund Balance Report

Maxwell Gullette moved to approve the consent agenda removing items b., h., p., r. & s. for discussion
 Ronald Fredrickson seconded the motion.

Carried 5 to 0

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

- aa. Consent Agenda Items Removed for further discussion -
b. March 15, 2023 Blackduck Planning Commission Meeting Minutes

Councilor Johnson requested more information on the A-1 property that was reportedly interested in detaching from the City of Blackduck. Regas pointed out the parcel on the City Zoning map. Councilor Johnson asked if any homeowner can ask to have their property detached from the City. Regas stated yes, they can ask. Regas stated the term to 'detach' is to un-annex their property from the City. Councilor Hamilton asked if the owner would still be paying property tax on their home. Regas stated nothing changes except the taxes would be paid if un-annexed or detached to the neighboring township if approved. Hamilton asked what the benefit is. Regas stated the only benefit is to the property owner if the township taxes are less than the city. Councilor Fredrickson stated that any request would need approval of the Council. Regas confirmed.

h. March 2023 Water Income Statement

Councilor Fredrickson asked for clarification on the budget issue for property insurance in the water budget. Regas stated the Property & Liability Insurance Coverage first half payment is included in that statement and the overage is stated due to the new facility coverage is included and was \$12,000 split among the Streets, Police, Water, & Sewer budgets.

p. Final Approval - March 2023 Business Credit Card Payment Batch

Councilor Fredrickson asked what item for office furniture was purchased for \$683. Regas reported a new ergonomic chair was purchased for her office.

r. Final Approval - City of Blackduck Police Administration Agreement - City of Blackduck and Deputy Joshua Arhart

Councilor Johnson and Fredrickson had questions that related to the police agreement. Johnson asked if an additional personnel meeting was needed before approval. Regas stated the personnel committee meeting minutes were reported to the full council after the meeting was concluded; extended the requested offer to Deputy Arhart; and Deputy Arhart agreed to the terms. Regas stated the terms are now stated in the agreement. Johnson asked if the offer was changed. Regas stated no. Councilor Fredrickson asked why the agreement did not come into New Business instead of the Consent agenda. Regas stated due in part the agreement is a personnel matter; and the agreement was discussed in the most recent work session the agreement was formulated and extended. Fredrickson asked if the 'date to be determined' for the agreement to begin has been identified. Regas reported Deputy Arhart will be on vacation through the 19th of April, and Arhart will be committing his off-duty days to the Sheriff's office to the City of Blackduck. Regas stated that the start date at this time is April 26 to pair with Officer Fraik's schedule. Fredrickson asked why the statement in the agreement that the agreement will continue until a suitable replacement is identified. Regas stated that due to Deputy Arhart not filling the vacancy as full-time he will remain as an interim Chief. Regas further stated that Arhart would then step down as interim Chief and into a part-time officer role. Fredrickson asked if the pay scale would remain the same. Regas stated that due to the agreement being over Arhart would then become an at-will employee instead of a contractual employee.

s. Final Approval - Certificate of Substantial Completion & Punch List - Public Works / Public Safety Facility

Councilor Johnson asked if the move to the new building is complete. Schwanke stated he is in the process. Johnson asked if the punch list has to be completed before the city takes occupancy. Schwanke stated no. Councilor Johnson asked how the cabinets and counters that were value engineered out that are now in the building were paid for. Schwanke stated the value engineering was done to save money and cut costs - Schwanke stated that by completing those items ourselves the

city is saving money. Schwanke further stated that the items are still being paid for out of the designated budgets. Regas stated the funds identified to pay for these specific items are the same as the full project - water, wastewater, streets, and police.

Laurie Hamilton moved to approve removed consent agenda items b. r. s. h. & p. Donald Johnson seconded the motion.

Carried 5 to 0

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

ab.

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 present to speak for the Blackduck forum

5. REPORTS OF COMMITTEES AND CITY STAFF

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

5.1.1. Report -

Schwanke reports he declares today the first day of spring in Blackduck. Schwanke stated he is working on streets, potholes, and moving to the new facility. Gullette asked if he will be overseeing the punch list. Schwanke stated yes. Gullette asked for council inclusion on the completion of the list. Schwanke stated that as it is complete he will be notified and Widseth. Ramerth reported that the counter tops are installed; plumbers came back; door hardware is installed; several items are completed; AC compressors still need to be tested but the list is close. Fredrickson asked about the status of the GFC-I outlets installation. Schwanke stated there has been discussion on how the install of the outlets were needed and has been addressed. Ramerth stated the contractor has the list and will have to be verified when contractor states it is completed.

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

5.2.1. Report to Council - Replacement Worktop Freezer Purchase - Quote Performance Foodservice - Model TWT-60F-HC

Lahr reported the used worktop freezer needs replacement. Lahr stated this is the only piece of kitchen equipment that was not purchased new during the remodel. Lahr stated the existing piece was purchased for \$1000 and the

quote for repairing it exceeds the value. Lahr is recommending purchasing a new freezer from Performance Foods for \$6794.50. Lahr stated the repair quote was \$1500 plus labor and recommends putting the funding into a new freezer instead of repairing the old unit. Gullette asked if routine maintenance and cleaning is done on all the equipment and this unit will be included in that periodic service.

Gullette asked if there has been any progress on the beer cave cooler door. Lahr stated she is gathering information on the condensing units in the building to take care of the humidity problem first before identifying the solution to the cooler door. Regas stated if Lahr has information by the work session the agenda item will be address then.

Nicholas Seitz moved to approve the purchase of a worktop freezer for the Pond from Performance Foods for \$6794.50 Laurie Hamilton seconded the motion.

Carried 5 to 0

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

5.2.2. Report -

Melissa Gullette reports Chamber Bingo is Sunday, April 16th; and Electronic Bingo/tabs is catching on. Councilor Fredrickson asked if holding bingo at the Pond is good for business. Lahr stated the event fills the bar - but most bingo players are not a huge drinking crowd. Nothing further.

5.3. LIBRARY REPORT - KELLY HANKS, HEAD LIBRARIAN

5.3.1. Report -

Councilor Hamilton reports the Friends of the Library Board has completed their non-profit status.

6. ADMINISTRATOR'S REPORT

- a. Council Approval Needed - Donation Request from Blackduck After-Prom Committee - Sarah Anderson

Nicholas Seitz moved to approve a donation of \$1000 to the Blackduck After-Prom Ronald Fredrickson seconded the motion.

Carried 5 to 0

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

b. Council Approval Needed - Donation Request - Scripps National Spelling Bee - Blackduck Student - Maximus Katsoulis

Maxwell Gulette moved to deny the donation request for financial support for Maximus Katsoulis and support with a proclamation Laurie Hamilton seconded the motion.

Carried 5 to 0

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

c. Approval Needed - Stage 2 USDA Community Facility Grant/Loan Application & supporting Documents for County Grader Purchase & Request to Call for Public Hearing

Ronald Fredrickson moved to approve the Stage 2 USDA documents supporting funding for the purchase of a County Grader and call a public hearing on April 24, 2023 preceding the scheduled work session Laurie Hamilton seconded the motion.

Carried 5 to 0

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

d. Council Consideration - City of Blackduck Request for Proposal(s) - City Engineering Firm - Report of Submissions & Action Items to Consider

Regas provided a review of the RFP Engineering Firms submissions and quick review of those firms. Regas requested one council member to work with Schwanke and herself to review the submissions; rank them; and submit a narrowed recommendation of the top firms to present to the City Council either late May or June. Councilor Fredrickson asked how many firms will the top be narrowed to. Regas stated either the top 2 or 3 firms which can be determined by the meeting. Mayor Gulette offered to assist and Council member Hamilton also offered to assist if the date/time works. Mayor Gulette requested the board members to all read through the submissions. Regas stated she would arrange a meeting date/time.

e. April 19, 2023 Blackduck Planning Commission Meeting & Blight Tour

f. April 20, 2023 9:30am - Blackduck Ambulance Board Meeting - Blackduck City Hall

g. April 24, 2023 @ 6pm - Blackduck City Council Work Session

h. May 2, 2023 @ 1pm - Local Board of Appeal and Equalization Meeting - Blackduck City Hall

i. May 8, 2023 @ 6pm - Blackduck City Council Regular Meeting - Blackduck City Hall

j. April 13, 2023 @ 2pm - Blackduck Golf Board Meeting - Blackduck Golf Course

7. MAYOR AND/OR COUNCIL MEMBER REPORTS

- a. Report - Councilor Fredrickson announced on Friday, April 14, 2023 there will be an all-day Open House celebrating the retirement of Sheri Nord at the Deerwood Bank - Blackduck Branch location.

8. COMMUNITY EVENTS/GOOD THINGS HAPPENING

- a. April 16, 2023 Blackduck Chamber Bingo - The Pond
- b. April 19, 2023 Blackduck Chamber Meeting - The Pond - Noon
- c. May 3, 2023 @ 5pm - Blackduck Chamber After Hours - Paul Bunyan Cooperative Host @ Blackduck Golf Course
- d. May 4, 2023 @ 5pm - Blackduck Chamber Annual Dinner - Kentucky Derby @ Blackduck Golf Course
- e. May 20, 2023 City of Blackduck City Wide Spring Clean up Event
- f. May 20, 2023 - Blackduck Chamber of Commerce City Wide Garage Sale Event

9. ADJOURNMENT

- a.

Donald Johnson moved to adjourn the meeting at 7:04pm Maxwell Gulette 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