



# MINUTES

## Council Meeting

6:00 PM - Monday, May 6, 2024

City Hall, 8 Summit Drive, Blackduck MN

The Council of the City of Blackduck was called to order on Monday, May 6, 2024, 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, Public Works Director Mike Schwanke, and Director of Liquor Operations Shawnda Lahr

**OTHERS PRESENT:** Tim Ramerth, Widseth, John Eggers 100% Graduation Rate, John Kahnke and Christie Christian residents

### 1. CALL TO ORDER

- a. Roll Call  
Roll call was taken 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.

Maxwell Gullette moved to approve the agenda with the addition of item 7g. Arvig Quote for Security of City Hall Ronald Fredrickson seconded the motion.

Carried 5 to 0

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

### 3. MAYORAL PROCLAMATION, MAYOR GULLETTE

- a. 100% Graduation Day  
Jon Eggers made a presentation on the importance of a 100% Graduation Rate for Blackduck Schools.  
Mayor Gullette proclaimed May 6, 2024 100% Graduation Rate Day in the City of Blackduck.

**4. CONSENT AGENDA**

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

- a. April 8, 2024 Blackduck City Council Meeting Minutes
- b. April 3, 2024 Blackduck Personnel Committee Meeting Minutes
- c. ~~April 16, 2023 Blackduck Library Board Meeting Minutes~~
- d. ~~April 17, 2024 Blackduck Planning Commission Meeting Minutes~~
- e. April 22, 2024 Blackduck City Council Work Session Minutes
- f. ~~May 1, 2024 Blackduck Public Works Committee Meeting minutes~~
- g. May 2, 2024 Kitchigami Regional Library - Special Board Meeting Notice
- h. April 2024 Fund Balance Report
- i. ~~April 2024 Bill Report~~
- j. April 2024 Sewer Income Statement
- k. April 2024 Water Income Statement
- l. April 2024 Pine Tree Park & Beach Income Statement  
Councilor Johnson asked for clarification on the golf fund transfer to the pine tree park income statement for the public works mower. Regas reported the mower was purchased originally from the PTP fund so the funds were transferred to that fund.
- m. April 2024 Golf Course Income Statement
- n. April 2024 Liquor Store Income Statement
- o. April 2024 Blackduck DMV Office Income Statement
- p. March 2024 LG216 Lawful Gambling Monthly Rent Report - Blackduck Fire Relief Association
- q. Final Approval - April 2024 Business Credit Card Payment
- r. Final Approval - April/May 2024 new hire report
- s. Final Approval - Financial & Investment Report of Volunteer Fire Relief Associations for the EOY 2022
- t. Final Approval - Ehlers Public Finance Advisors Potential Refunding of Existing Bonds report for City of Blackduck
- u. Final Approval - LMCIT 2024-2025 Property & Casualty Coverage Premium - City of Blackduck
- v. Final Approval - City of Blackduck website Analytics Report for April 2024
- w. Final Approval - LMCIT 2024-2025 Workers Compensation Premium - City of Blackduck

Laurie Hamilton moved to approve the consent agenda removing items 'c', 'd', 'f', and 'i' for further discussion Nicholas Seitz seconded the motion.

Carried 5 to 0

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

x. Consent Items Removed for further discussion -

c. April 16, 2023 Blackduck Library Board Meeting Minutes

Councilor Johnson requested clarification on the statement from the Blackduck Library Board minutes to clarify if the requested improvements to the building would be completed and levied in 2025. Regas stated that was just a suggestion and depended upon the process with a feasibility study but may not happen in 2025. Regas further reported the discussion with the library board regarding 2025 budget was not for the remodeling of the building but to allow for funding to repair the front door. Regas stated the library board members did agree at the meeting to move forward with the process to remodel/expand the existing building.

d. April 17, 2024 Blackduck Planning Commission Meeting Minutes

Councilor Johnson asked for clarification on Permit #2023-13 located at 415 2nd St. NW if the City had knowledge of the type of use of the building prior to permit approval. Regas stated the City did not know the use type. Regas further stated that as the City does not issue building permits it issues land-use permits and if the nature of building is within the permitted use of the zone it is in it may be approved as the application was made as a 'garage' and that is how the permit was issued. Councilor Fredrickson asked if a 56' x 80' building is under the definition of a garage in a residential zone with no house. Regas stated a garage may be built on any residential zone. Fredrickson asked regardless if there is a house at the same parcel. Councilor Hamilton stated many start with a garage and work their way to a house and did not find it uncommon to build a garage and then a house. Johnson stated it seems out of place and now to know what the building is being used for is wrong and is not a garage. Regas stated it is her understanding that the Planning Commission agrees with that statement. Mayor Gullette stated that if it is built as a garage (and technically that is what the structure is) then the City can't say what they are doing in their garage as long as it is not a commercial building. Hamilton asked for clarification on the commercial building statement such as if the building would have a sign on it stating this person's business. Gullette stated yes if you are making money from the use inside the structure. Hamilton states if I'm using the structure to store equipment I use for like woodworking that is ok. Gullette agreed. Hamilton then stated if I am housing it for equipment that I rent out or use in a building that I make money on it is still in a garage. Gullette stated it is still in a garage. Hamilton asked for the use of the building. Johnson stated the building is a batting cage. Johnson stated it struck him wrong. Hamilton asked if admission is being charged. Gullette stated not to his knowledge. Fredrickson stated he agrees with Johnson's concerns where there is no residence. Gullette asked for further comment. Hamilton asked if the City wants any language change for the future so the City does not have an oddity come up. Regas stated the Planning Commission has made it quite clear to the Planning Administrator's leniency to approve permits in the future. Nothing further.

f. May 1, 2024 Blackduck Public Works Committee Meeting Minutes

Johnson asked if there are any further details on the equipment to share with the council. Regas stated not since the May 1st meeting. Nothing further.

i. April 2024 Bill Report

Johnson stated he mistakenly removed this consent agenda item and did not have any questions on item i. but meant to remove 1.

Maxwell Gullette moved to approve removed consent agenda items 'c.', 'd', 'f', and 'i' Donald Johnson seconded the motion.

Carried 5 to 0

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

y.

## 5. **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. Resident John Kahnke - 396 Summit Ave E. Blackduck

Kahnke asked for the return on investment of the Blackduck Library Feasibility study noting the City Council at its last meeting approved to have a feasibility study completed on City Hall. Kahnke further asked the City Council why when the Public Works Facility was constructed City Hall was not considered to be housed in that new building. Regas reminded Kahnke of the parameters of the Blackduck Forum. Kahnke again asked why City Hall was not considered to be housed in the new facility. Regas reported the reason it was not considered at the time was the sitting City Council during the planning stage wished for City Hall to remain downtown. Kahnke stated he would like to know why the city did not consider the needs of city hall during the same time the needs of public works were considered knowing that down the line city hall would need to be considered or something would have to be done with the building. Kahnke asked if the needs of city hall were addressed at that time. Regas stated at that time no. Kahnke asked again what is the return on investment. Regas stated her department is not prepared to give any an answer to Kahnke. Kahnke stated \$10,000 in the budget is a lot of money. Regas agreed. Nothing further.

## 6. **REPORTS OF COMMITTEES AND CITY STAFF**

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

#### 6.1.1. Widseth Report - Blackduck Project Priority List (PPL) Application - Tim Ramerth

Ramerth provide information regarding the PPL for the water component of the PER/ER. Ramerth states with this document the City water side can now be scored and a ranking will be determined of which will assist in finding grant or loan funding. Ramerth will provide a water and sewer total at the May 20th work session to hopefully move ahead in 2025 or 2026 for funding projects that are affordable. Schwanke stated that this provides the council and city an idea of replacement cost for a block of water and sewer infrastructure can cost up to \$800,000. Schwanke further stated with the current state of some or the city streets laying bituminous down now would not be cost efficient if the infrastructure is replaced after. Schwanke states some road conditions will get worse before they get better because the time it takes to complete. Nothing further.

#### 6.1.2. Beltrami County Transfer Station Recycling Location - Blackduck - Update Schwanke reports recent communication with Beltrami County Solid Waste

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stating parties are on board with moving forward and stated the county is requesting a 20 year lease of the use of the property the recycling location will be housed. Schwanke states the City has no plans to remove the recycling at that location and with the updates the county will provide including electricity, fencing/screening, etc. the timeframe is realistic but did not know the cost. Gullette asked if the placement on the site obstructing to public works. Schwanke states he has a general idea of the location but will meet with the county for exact location. Fredrickson stated 20 years appears to be a long time and the city should keep in mind there are two new businesses adjacent to the location. Schwanke further states the city places all snow removed from the roads on the property. Fredrickson states the city should keep in mind how the location looks after the new improvements. Johnson states with power and concrete installed the site will look better than it does now. Schwanke states the one compactor versus the 3 bins will look better.

6.1.3. Report -

Schwanke reports his staff have been flushing hydrants recently and had little issues; shaping and grading gravel roads from spring thaw; working on Northern Ave. and doing what is able; Pine Tree Park Campground is opening this week; the Ponds are sitting well with the recent rains; and staff will start mowing soon.

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

6.2.1. Report -

Lahr reports April sales were ok but Q1 was soft over 2023 due to poor sales in January and February. Lahr states the staff is gearing up for walleye opener; April Bingo went well; the MN Lottery Scratch off and Lotto games started; THC Gummies are selling well; and she will be meeting with the owner of Your Hometown Hemp to bring them on as a vendor. Nothing further.

**6.3. GOLF COURSE REPORT - MISTY FRENZEL, GOLF COURSE DIRECTOR**

6.3.1. Report -

Regas reports Frenzel was still at the club house and the course is quite busy. Regas states April income statement shows a good membership return and the direct mailer developed has worked well and a learning experience. Regas states there was a school meet at the course today. Nothing further.

**6.4. LIBRARY REPORT - KELLY HANKS, HEAD LIBRARIAN**

6.4.1. Council Consideration - Widseth Proposal for Services - Blackduck Public Library Facility Study

Regas presented the feasibility study proposal from Widseth combining the staff time for city hall and the library to save costs. Councilor Seitz stated the return on the investment will be more kids using the library in the summer and staying out of trouble. Ramerth stated the return on the investment will be knowing what the conditions are of the facilities and having the resources to apply for grant or loan dollars knowing the conditions. Fredrickson states the City needs an official evaluation of the library and he has heard several times how the building isn't suitable for its needs now and a study is a good idea. Fredrickson agreed it is a big ticket cost but the City paid for two other buildings to be inspected before considering purchasing. Ramerth stated the study will have mechanical, architects, engineers, structural, team members review the buildings to be in compliance with ADA, Electric Codes, etc. Hamilton states the library has grown more into a community space and

needs more room because it is a space where people go for a lot of different things including private space for meetings. Hamilton states the library has changed over the years but the building hasn't and there is a need. Councilor Seitz and Hamilton both stated if the city wants to move forward the study is the first step. Mayor Gullette stated on the agenda the proposal is just 'for council consideration'. Hamilton asked if the study is an eligible use for the Kitchigami funding and requested taking it to that board. Gullette and Fredrickson were in favor of that funding path. Ramerth asked if the City is ok holding off on City Hall to get the Library proposal approved. Regas stated she understands the REDLG with BEC won't be ready by June 30 so the City has time and believes it is in the best interest of the City to hold off and see if Kitchi will approve the use of the funds. Hamilton and Regas will work together to expedite the board meetings and approval.

Maxwell Gullette moved to table the proposal from Widsath for the library until the June 10th council meeting Nicholas Seitz seconded the motion.

Carried 5 to 0

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

## 7. **ADMINISTRATOR'S REPORT**

- a. Council Approval Needed - Donation Request - Blackduck High School Trap Club  
Item tabled until June.
- b. Council Discussion - Ordinance 2024-01 - An Ordinance Amending Chapter 11, Licensing, Revising Section 1150 Rental Licensing - DRAFT Rental Application  
Regas provided a draft of Chapter 11 Section 1150 Rental Licensing to amend the Ordinance and update sections. Items to be added include a more detailed application process for rental licensing; requiring a 50 mile radius for a property manager, changes to the administration of the rental inspections to close the gap on rescheduled inspections when tenants are unaware of the scheduled inspections; reporting the occupancy of the rental units; and increasing the penalty for violations; stating the parameters of disorderly conduct to assist the police department. Regas will provide the amendment to the City Attorney for review prior to publication and readings. Regas further states the current language does not restrict sublet a building but does not request it be reported to the city. Councilor Hamilton states she is on the fence regarding the 50 mile radius for property managers believing it could raise the rent for the tenants. Regas states several landlords make a tenant the property manager and lower their rent. Regas further states Beltrami County now has an ordinance on short-term rentals that requires a property manager to be within 60 minute response time. Regas states there are many rentals that do have property managers on site or close by but they are not required to be on the rental application. Fredrickson asked when the original ordinance was dated. Regas stated there was an amendment in 2014 and prior to that possible 2006. Fredrickson agreed to move forward with the amendment. Nothing further.
- c. May 15, 2024 @ 2pm - Blackduck Planning Commission Meeting & 2024 Blight Tour
- d. May 20, 2024 @ 6pm - Blackduck City Council Work Session
- e. May 27, 2024 - Memorial Day Observed - Blackduck City Offices Closed - Including

DMV

- f. June 10, 2024 @ 6pm - Blackduck City Council Regular Meeting  
Councilor Seitz states he may not be in attendance.
- g. Arvig Quote for security in City Hall  
Regas provided 3 versions of potential security for City Hall for consideration. Regas stated concerns for additional security to the building with the increased traffic for the DMV. Regas requested the council consider approving the door security and cellular monitoring which comes with monthly monitoring.

Nicholas Seitz moved to approve a quote from Arvig for \$395.95 for Resideo Pro Series Security System to include a 7" touchscreen with internal siren, 3-door contacts, 1-motion sensor, 1-key fob, and a 3-year commitment for monitoring Donald Johnson seconded the motion.

Carried 5 to 0

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

**8. MAYOR AND/OR COUNCIL MEMBER REPORTS**

- a. Mayor Gullette reports the Firemens Fish Fry was well attended and Chamber Ditch Clean-up started at 5:30pm tonight.

**9. COMMUNITY EVENTS/GOOD THINGS HAPPENING**

- a. May 15, 2024 @ Noon - Blackduck Chamber of Commerce Meeting
- b. May 10 & 11th, 2024 - Blackduck Chamber City Wide Garage Sale Days
- c. May 6, 2024 @ 5:30pm - Blackduck Chamber Road Ditch Pick up
- d. May 18, 2024 - Blackduck City Wide Clean up Day  
Mayor Gullette will provide a heads up to the Blackduck Transfer Station.

**10. ADJOURNMENT**

- a.

Nicholas Seitz moved to adjourn the meeting at 7:39pm Donald Johnson 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