



MINUTES

Council Meeting

6:00 PM - Monday, May 8, 2023

City Hall, 8 Summit Drive, Blackduck MN

The Council of the City of Blackduck was called to order on Monday, May 8, 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, Public Works Director Mike Schwanke, and Director of Liquor Operations Shawnda Lahr

OTHERS PRESENT: Tim Ramerth, Widseth, Mike Karvakko, Karvakko, Miriam Osborn-Dougherty, Shannon Eichstadt

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.

Ronald Fredrickson 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. April 10, 2023 Blackduck City Council Minutes
- b. April 13, 2023 Blackduck Golf Board Meeting Minutes
- c. April 19, 2023 Blackduck Planning Commission Meeting Minutes

- d. April 24, 2023 Blackduck City Council Public Hearing Minutes
- e. April 24, 2023 Blackduck City Council Work Session Minutes
- f. April 27, 2023 Engineering Firm RFP Committee Meeting Minutes
- g. April 2023 Fund Balance Report
- h. April 2023 Bill Report
- i. March 2023 Supplemental Bill Report - Liquor Store Invoices
- j. April 2023 Sewer Income Statement
- k. April 2023 Water Income Statement
- l. April 2023 Pine Tree Park & Blackduck Beach Income Statement
- m. April 2023 Golf Course Income Statement
- n. April 2023 Liquor Store Income Statement
- o. March 2023 LG216 Lawful Gambling Monthly Rent Report - Blackduck Fire Relief Association
- p. Final Approval - April 2023 Business Credit Card Payment Batch
- q. Final Approval - City of Blackduck New & Rehired Employees Report - May 2023
- r. Final Approval - City of Blackduck Potential Refunding of Existing Bonds Report - Ehlers Public Finance
- s. Final Approval - USDA Rural Development - Legal Services Agreement MN 1942-A for County Grader purchase
- t. Final Approval - 2023-2024 LMCIT Workers Compensation Coverage Premium - City of Blackduck

Nicholas Seitz moved to approve the consent agenda removing items 'i' and 't' for further discussion
 Laurie Hamilton seconded the motion.

Carried 5 to 0

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

- u. Consent Agenda Items for further discussion
 - i. March 2023 Supplemental Bill Report - Liquor Store Invoice

Mayor Gullette requested clarification on the supplemental bill report for liquor store invoices. Regas reported there were invoices from liquor vendors that did not make it into previous council meetings for approval and required payment to have the department released from the state hold for liquor deliveries. Regas stated the payment is not normal as most invoices are included in the monthly bill batch. Gullette asked if the vendors are new to the city. Regas stated no.

- t. Final Approval - 2023-2024 LMCIT Workers Compensation coverage premium - City of Blackduck

Councilor Fredrickson asked for clarification as to why the premium increase was so much higher than 2022 and what was budgeted for 2023. Regas stated the City had

one claim in 2022 and reminded the councilor that LMCIT reported premiums could increase anywhere between 5-15% for 2023 and the City budgeted for a lower increase from the estimates and it was not enough. Regas discussed which departments of the city spiked for 2023 and noted the liquor spiked as well. Councilor Fredrickson stated it appears to be a combination of claims and cost increases. Regas agreed stating emergency management liability has increased in previous years.

Ronald Fredrickson moved to approve consent agenda items i. and t. Laurie Hamilton seconded the motion.

Carried 5 to 0

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

v.

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 for the 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 is shuffling many departments right now opening Pine Tree Park; opening the restrooms at Wayside Rest Park; helping the Golf course get up and running with new door installs, cart maintenance, and irrigation; and relocating the maintenance building. Schwanke gave recognition to Girl Scout Troop 667 picked up trash and downed branches at wayside rest park. Schwanke reports Oscar Avenue is taking a beating this spring and would like the city council to keep it in mind to fund repairs to the road. Schwanke further states his department is loaned from the county department their patch trailer for no cost but the city only gets to use it when they are done using it. Schwanke states his department is aware of the roads in town that need pot holes filled and they will come back when the frost is out of the ground and fill with material to hold together what can be done.

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

5.2.1. Report -

Lahr reports Chamber bingo went well and are done until Bash; Cinco de Mayo was well attended; staff is ready for Opening Fishing; a new menu is out with new pricing and items.

Mayor Gulette asked for an update on the beer cooler door. Lahr reports there are several moving factors to the door issue and getting the airflow corrected in the building and reducing the humidity in the building first before the door is serviced. Lahr states the installer of the cooler will not service it until the airflow issue is resolved first. Councilor Hamilton asked what needs to get done to resolve the humidity issue. Lahr states the square footage in the building is not supported by the existing cooling system and she is receiving quotes and reports from heating and cooling companies. Lahr states it is important to resolve the air flow issues correctly. Councilor Johnson asked why the system was not looked at when the remodel and addition was put in. Regas reported that when the city was considered the expansion project a feasibility study was completed of the entire building including the heating and cooling. Regas further stated that at the time of the study the costs of the heating and cooling were considered items that could be paid for outside the scope of the expansion, however due to supply chain issues and costs at that time only 1 cooling unit was installed and the other units still need to be addressed. Regas further stated the cooler door worked as specified when the expansion opened but the first summer the airflow issues happened.

5.3. GOLF COURSE REPORT - MISTY FRENZEL, GOLF COURSE DIRECTOR

5.3.1. Council Approval Requested - Purchase of Work Top Refrigerator and MDH shelving

Regas reports for Frenzel that the kitchen still needs a refrigerator and Frenzel has received a quote from Performance Foods for a worktop fridge and approved MDH shelf to finish. Regas reminded the board members that there is a work table on loan from a member in the kitchen and that the kitchen is in need of a fridge to keep the condiments in the approved area. Regas states that at this time condiments are being stored in the kitchen upstairs. Regas also states that the creation of the monthly Grill n Chill events was made to raise funding to offset the kitchen improvements.

Laurie Hamilton moved to approve the purchase of a worktop refrigerator and shelf from Performance Foods with delivery for \$2,386.10 Nicholas Seitz seconded the motion.

Carried 5 to 0

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

5.3.2. Report -

Regas provided a brief report on events held recently at the club house and that soft opening for golfing has started. Councilor Seitz stated that Frenzel is doing a great job at the Golf course and the board should support her actions. Councilor Hamilton agreed the need to support the course and Frenzel.

5.4. LIBRARY REPORT - KELLY HANKS, HEAD LIBRARIAN

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5.4.1. Kitchigami Regional Library Capital Appropriation Project - Miriam Osborn-Dougherty

Osborn Dougherty was present to discuss an offer to purchase commercial property in the city to relocate the Blackduck Library. The property offered is from Chan Moon and is the old Moon Drug building. Osborn states the offer to sell the property is for \$25,000 with a potential lease to Moon for space to store his collector car and to lease space to the CRC. Osborn and Hanks have toured the building and see potential to provide enough space for the growth of the library. Osborn states there are needed updates to the building including an ADA restroom, retiling the floor, paint, etc. Council members discussed items such as the age of the building; cost for utilities; cost of current property taxes that would be removed from the levy; square footage of the whole building; occupancy and fire codes. Osborn is present to ask for permission to move forward with an offer to purchase with stipulations the building will be inspected prior to acquisition. Osborn states that with the reduced cost of this building the city would not need to sell its existing building to purchase another and there would be funding left over to renovate.

Councilor Fredrickson asked that the same building inspector that reviewed the old bank building provide the same service for this building. The council agreed the inspection was necessary to move forward.

Ronald Fredrickson moved to approve the service with Township & Range to inspect the building - Moon Drug Laurie Hamilton seconded the motion.

Carried 5 to 0

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

6. ADMINISTRATOR'S REPORT

a. Council Consideration - Donation Request - Blackduck High School Trap Club - Shannon Eichstadt

Eichstadt presented on behalf of the Blackduck High School Trap Club stating there are 24 team members and a number of those may attend nationals this year. Eichstadt thanked the City Council for their support in previous years and stated this year would be the 6 year in attendance to Nationals. Eichstadt invited the community to their event on May 21st. Eichstadt reports the donations provide the team registration and individual registration and is asking for \$1600 from the city.

Ronald Fredrickson moved to approve a donation of \$1600 to the Blackduck High School Trap Team Nicholas Seitz seconded the motion.

Councilors Johnson and Hamilton cautioned on the amount donated to keep within the approved budget for 2023 donations

Carried 3 to 2

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

- b. Approval Needed - Resolution 2023-01 Revision 01 - Resolution Authorizing the sale of public property in the City limits of the City of Blackduck, MN

Nicholas Seitz moved to approve Resolution 2023-01- Revision 01 Laurie Hamilton seconded the motion.

Carried 5 to 0

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

- c. May 17, 2023 @ 2pm - Blackduck Planning Commission Meeting - City Hall
- d. May 20, 2023 8am - Noon - Blackduck City-wide Clean-up Day
- e. May 22, 2023 @ 6pm - Blackduck City Council Work Session - City Hall
- f. May 22, 2023 - 6:05 - 7:35pm - Engineering Firm RFP presentations -
- g. May 22, 2023 @ 7:45pm - Public Hearing - USDA Rural Development - County Grader Purchase
- h. May 29, 2023 - City Offices Closed in Observance of Memorial Day
- i. June 5, 2023 @ 6pm - Blackduck City Council Meeting - City Hall

7. MAYOR AND/OR COUNCIL MEMBER REPORTS

- a. Report of closed Meeting -
Mayor Gullette reports the closed meeting held on April 24, 2023 reviewed an offer for the sale of 72 Railroad Ave SE of which was accepted. Nothing further.

8. COMMUNITY EVENTS/GOOD THINGS HAPPENING

- a. May 17, 2023 @ Noon @ Restaurant 71 - Blackduck Chamber of Commerce
- b. May 17, 2023 @ 6pm - Blackduck Chamber of Commerce Ditch Clean Up Event
- c. May 20, 2023 - Blackduck Chamber City-wide Garage Sale Event
- d. May 26, 2023 @ 6pm - Blackduck Golf Course Grill n Chill

9. ADJOURNMENT

- a.

Donald Johnson moved to adjourn the meeting at 7:19pm Laurie Hamilton seconded the motion.

Carried 5 to 0

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

City Administrator, Christina Regas

Maxwell Gullette, Mayor