



BLACKDUCK CITY COUNCIL WORK SESSION

MONDAY SEPTEMBER 11TH, 2017 6:00PM

WORK SESSION MEETING MINUTES

CALL TO ORDER: The City Council of the City of Blackduck met in a scheduled work session at the City Hall at 6:00 p.m. on September 11th, 2017.

Roll Call

Councilors present: Mayor Patch, Councilors Molnar, and Sellon

Councilors Absent: Kolb

Staff Present: City Administrator, Christina Regas, Police Chief Jace Grangruth

Others Present: Health Care Representative Derrick Pickett

The meeting was called to order at 6:00pm the Pledge of Allegiance was not recited.

Topics covered in the work session were as follows:

1. OLD BUSINESS –

a. **Budget Meetings** – Regas provided budget items that were not reported on at the meeting in August. They include the following:

i. **Revenues** – Regas submitted for review of Council the explanation by Beltrami County Assessor Joe Skerik what the City of Blackduck could increase its levy to in 2019 after the 2017 construction, and how an increase in the 2018 levy would affect the tax payers. The Assessor responded as follows:

1. Raising the 2018 Levy to \$217,000 – Skerik stated that raising the levy to \$217,000 from the current \$209,000 would indeed be an increase to taxpayers but only about 3% increase individually.
2. Additional 2019 tax base from 2017 construction – Skerik stated that the increased construction within Blackduck in 2017 would revenue additional property taxes in 2019 allowing for the potential increase to the City Levy of an additional \$25,000 over 2018 without any increase to taxpayers.

ii. **Expenditures** –

1. Health Care Costs for Full Time Employees – Derrick Pickett reported to Council the increase to the monthly premium for the City of Blackduck of 49%. This percent equates to a monthly premium increase to \$500/month from the current \$335.50/month for 2017. Pickett further reported that over the past 5 years the City has incurred very little increases to the monthly premiums and the time is now catching up to the City of Blackduck account. Regas further reported to Council how the increase affects the general fund. Regas and Pickett met with several full-time employees prior to the meeting and the overall feedback was that the employees wish to have the City continue fully funding both the monthly premiums and the health care spending accounts that support the employees' deductible of \$3,200/year. Council members agreed that if the City can account for the increases in other areas of the budget that the City should continue funding both the premium and health



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care spending accounts. The following areas of the budget were discussed lowering to account for the increase:

- a. Government Building City Hall renovations – Currently Regas is budgeting \$5,000 for planning and architectural services to begin renovations to City Hall. Regas is in favor of lowering the budget to \$2,000. Council was in agreement.
 - b. Street Lighting – Regas suggested Council approve the street lighting fixture improvements to extend the budgeting through 2020 extending it one additional year and spreading out the costs.
 - c. Police staffing and squad computer – Chief Grangruth was present to recommend the Council allow lowering the Police budget to not purchase the new squad computer until 2019. Regas was not in favor of this extension as the existing computer was given to the City back in 2013 and is used. Council agreed.
 - d. Council Paperless Packets – Regas suggested holding off on purchasing the tablets for the council packets in 2018. Councilor Sellon stated that the additional funds the City utilizes to print, assemble, and send out the packets over the course of one year would more than compensate for the amount for the purchase of the tablets. Regas further commented that she has found an application that other government entities are utilizing for elected official packets and it would assist the Council, Administration, and Department Staff immensely. Council agreed to keep the purchase of the tablets in the 2018 budget if the levy can hold to a 7% increase to the levy.
- iii. **Balancing the General Fund** – Regas further reported what the Proposed 2018 Levy could be if the City Council approved the health care increase. If fully funded and no changes are made to the expenditures discussed the City proposed levy could increase to \$224,100. This would be an increase to the tax base of \$18,237 from 2017. The City Council requested Regas review the suggested budget changes earlier mentioned to keep a proposed levy of \$221,000. Regas will make \$6,700 in cuts to the budget to account for the increases.
- iv. **Wage Study for City Departments** – Regas provided for the Council 6 job positions that an independent company reviewed wage ranges for. They are as follows:
1. **City Administrator** – The study identified that the current range for Blackduck of \$36,400-\$51,833/year was below the minimum range of \$39,125- \$69,600/year.
 2. **Public Works Supervisor** – The study identified that the current range for Blackduck of \$33,883 - \$48,256/year was below the minimum range of \$49,150 - \$62,046/year.
 3. **Chief of Police** – The study identified that the current range for Blackduck of \$33,883 - \$48,256/year was below the minimum range of \$50,272-\$62,693/year.
 4. **Patrol Officer** - The study identified that the current range for Blackduck of \$26,520-\$37,752/yr. was below the minimum range of \$39,811-\$51,750/year.



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5. **Deputy Clerk** – The study identified that the current range for Blackduck of \$22,880 - \$32,572/year was below the minimum range of \$31,429 - \$48,122.
6. **Liquor Store Manager** – The study identified that the current range for Blackduck of \$28,932 - \$42,432/year was below the minimum range of \$39,416 - \$51,334/year.

Further discussion by Council of the salary ranges identified that besides the Police Department the Deputy Clerk position appeared to be the other position that needed immediate change. Regas suggested that City meet with each department head and review the salary ranges and then meet with the Personnel Committee to discuss the process to adopt the new ranges. Nothing further at this time.

- b. **Blackduck Road & Infrastructure Projects** – Regas provided for the Council a summary of the current remobilization charges from the contractor(s) from the Summit & Main project and the additional WSN engineering invoice totals. Regas reported to council that action is being taken with PFA and MN Rural Water to acquire additional loan to pay for the charges and should have report at the next work session for Council to decide if the City should assess the charges, approve a rate increase, or both. Nothing further at this time.
- c. **Vacant Committee Seats** –
 - i. City of Blackduck Council Seat – nothing discussed at this time.
 - ii. Kitchigami Regional Library Board – nothing further at this time
 - iii. Park & Trail board – nothing discussed at this time.
- d. **Assessment Resolutions** – Regas reviewed with Council assessment resolutions to move on at the October 9th, 2017 regular council meeting. They are as follows:
 - i. **Resolution 2017-11** – Assessing unpaid street lighting charges from 2015-2016 – These unpaid charges no longer have Ordinance authorization to assess property taxes. The Council will need to take action in October to either waive the charges to the property owners or file conciliation court with the City Attorney to get payment. Nothing further at this time.

2. **NEW BUSINESS** – No new business was discussed.

3. **ADJOURN** – Council adjourned their work session at 7:45pm.

Christina Regas, City Administrator

Rudy Patch, Mayor