



# BLACKDUCK CITY COUNCIL WORK SESSION

MONDAY NOVEMBER 20<sup>TH</sup>, 2017 6:00PM

## WORK SESSION MEETING MINUTES

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**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 November 20<sup>th</sup>, 2017.

**Roll Call**

**Councilors present:** Mayor Patch, Councilors Kolb, and Molnar

**Councilors Absent:** Sellon

**Staff Present:** City Administrator, Christina Regas, City Engineer, Curt Meyer

**Others Present:** none

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 BUISINESS –**

- a. **Blackduck Road & Infrastructure Projects** – Curt Meyer was present to report on the road projects.
  - i. **Updates** – Meyer did not have any current updates since the October work session. Meyer stated that he hadn't heard from Brandon if MSG had cleaned up the road to satisfaction. Mayor Patch stated that their crew was up on North Main that day, and Molnar stated the county was graveling the road and preparing it for winter. Meyer stated he will verify it is up to City specifications. Nothing further.
  - ii. **Remobilization Cost Updates w/potential repayment of PFA & MN Rural Water Debt** – Regas stated that no changes to the current funding sources have been made at this point and the City will be retaining the entire loan amount from MN Rural Water until the project is set to complete. Regas stated that by doing this the City will have the funding to take care of anything that may arise after the winter and after the paving of North Main is complete. Regas stated that at that time if there are extra funds from the PFA or MN Rural Water loans the City may return the unused funds or may keep them for other drinking water or sanitary sewer needs. Regas recommended that the City return the funds to lower the assessment amounts to the property owners. Meyer stated that if the City has a significant amount of funds left over it would be best to return them.
  - iii. **Frontage Road & Pine Ave Costs w/potential repayment** –Regas submitted for council review the linear footage ownership for assessments on Frontage and Pine project. Regas submitted a map and total linear footage per owner to review and a spreadsheet reviewing a 100%, 75%, and 50% assessment of the costs to the City. Meyer reviewed how all parcels receive their footage when parcels are odd shaped. Mayor Patch asked if the project and WSN services are done being billed. Meyer stated that the project is not at close out. Meyer stated that when the project is closed out then the City would know more. Nothing further.
  - iv. **Public Hearings** – It was discussed the City should hold two informational meetings early March of 2018 for both projects to update all property owners where the costs to the City are and that the City is still reviewing assessments. Regas confirmed with Meyer that a final assessment hearing would not be held until after close out probably late in summer of 2018.



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- b. **Capital Improvement Plan** – Meyer presented to the council the CIP that was created as a planning tool for improvements to City infrastructure and streets. Meyer recommended the Council review it again in December and then meet with Meyer in the January meeting to adopt the plan. Meyer stated that the plan is a recommendation based on the age of roads and infrastructure improvements over 20 years. Meyer stated that 20 years is a little long for roads in Blackduck due to the soils/clays. Meyer reviewed that each project has a 4 year window for completion. Meyer stated the plan can be shifted based on other issues that may need to be addressed in roads prior to others. Meyer stated that most roads will outlast the infrastructure in the 20 year timeframe. Meyer reminded council that the plan is for a snapshot of what improvement can be made through that 4 year period. Meyer reviewed all pages and gave a summary of how to read the document. Regas stated she would like to see another section or expansion plans. Meyer stated that could be a separate document. Council had no questions at this time, agreed to review it with Bob Klug, and then approve the plan spring of 2018. Meyer stated he would share the plan with Jordan Lee for funding resource point for future planning. 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. **Rental Inspection Search** –Regas shared with council the advertisement for a rental inspector and a formal letter of interest from Andy Sharpe to offer his services. Regas stated the letters will be accepted until December 15<sup>th</sup>, 2017 for council to review and accept prior to 2018. Nothing further at this time.
- e. **RLF Loan Duck In Eat** – Regas updated the council on the foreclosure of the RLF with Duck in & Eat.
- f. **Wage Study for City Departments** – Regas shared with the remaining councilors the wage study for six full time positions and requested feedback on the suggested increases to the scales. Councilor Kolb stated his concern regarding the increasing costs to the City for health care and how increasing wages and funding health care 100% will eventually be a large cost to the City. Mayor Patch and Councilor Molnar had conversations for the wage scale changes and how it will benefit the City if turnover happens when needing to hire new employees. Councilor Kolb is proposing to figure out the benefits packages and how much the City is paying if there is going to be wage scale changes. Regas recommended that the council implement the wage increase recommended for the patrol officer discussed in the personnel committee meeting, implement the new scales so the City of Blackduck remain competitive in the job market, but not move other employees' wages. Councilor Kolb strongly recommended the council consider the amount of money that is being paid into health care be re-evaluated because that money could be going to fixing roads instead. Mayor Patch stated his concern that if the scales are not updated hiring new employees will be harder because the current scales are outdated. Mayor Patch stated that no one will want to work for our City because we don't pay enough. Councilor Molnar stated that if we keep our wages lower it will result in our current employees quitting and then we would not be able to hire employees for the same amount of money so therefore are we not just losing all our staff with the most experience but we are also not being able to even find anyone to take the jobs. Regas stated that when the wage study was completed the main reason was to acquire the police department wage scales where today's patrol officers are now to keep him. Regas further stated that the City can adopt the wage scale move our full time patrol officer up the scale to an acceptable budgeted wage by his anniversary and retain him. Regas also stated that having old wage scales makes it difficult to attract new talent. Councilor Kolb asked why we have a 'top of range' if the City has a COLA. Regas stated that wage scales are there for hiring mostly. Regas



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further stated that if someone is applying for a position they will want to know what your hiring range is. Mayor Patch cited positions held by some employees that haven't always received a step + COLA. Councilor Molnar stated that if the wage scale is not updated for current employees and is just for new employees there will get a point to where the new employees are making more than the current employees that have been here for years. Councilor Kolb was in agreement of the wage scale changes as long as the increases that are recommended each year remain with a COLA 3% and no higher. Councilor Kolb stressed again the importance to not continue to raise the City tax levy to benefit only payroll and health care for full time employees. Councilor Kolb stated with those costs continuing to rise, it leaves less money to pay for the projects the City needs to have completed. Regas recommended to the councilors present that knowing one councilor was absent, and the City has already approved the proposed levy, that the discussion regarding the future funding of the health care costs be brought to the department heads with full council to reevaluate for 2019. Regas further stated that there will be a possibility of health care costs continuing to rise and it may need to be adjusted in the future. Regas further stated that most people that are hired are not looking at their hiring wage and the benefits as a total wage; they are only looking at the wage. Mayor Patch stated the wage scales should be reviewed annually. Regas asked of the council members present if they are in agreement to move forward with the wage scales. Councilor Kolb stated that as long as the 3% increments are across the board and do not show favoritism he is on board. Nothing further.

### 2. NEW BUSINESS –

- a. **Resolution 2017-16** – Establishing a meeting schedule for 2018 – Regas reviewed the proposed meeting schedule with the council. Mayor Patch stated the December 3<sup>rd</sup> meeting date seemed too early. Regas stated she believed it would be fine but would consult the deputy clerk once more before adopting. Nothing further.
- b. **Resolution 2017-17** – Resolution Approving Final 2017 Tax Levy, Collectable in 2018 – No discussion.
- c. **Resolution 2018-01** – Adopting a schedule of fees and charges for 2018 – Regas stated there would be more discussion on the fee schedule in the December work session before adopting the schedule in January. Regas still needs to meet with Chief Grangruth and Bob Klug to evaluate the schedule for potential changes.
- d. **Truth in Taxation Public Hearing Draft Report** – Regas supplied for council review the draft of the truth in taxation report that will be presented at the December 4<sup>th</sup> meeting. Regas further reported the typical order of the meeting to accommodate the public hearing and would address the schedule in the agenda for that date.
- e. **Enterprise Fund 2018 Budgets** – Regas provided for council review the budgets for 2018 for the enterprise funds including water, sewer, cemetery, pine Tree Park, golf course, and the liquor store. Council had no questions. Nothing further.
- f. **Other** –
  - i. **Waste Management Bids** – Regas renegotiated the contracts with Waste Management for trash pick-up at the Pond, Pine Tree Park, and the Golf course. Regas stated the savings will be over half for the golf course, and up to \$800 for pine tree park. Regas reported the Liquor Store will save as the new contracts are twice a week pick up. Regas cautioned the contracts are for 3 years with an auto-renewal clause annually after three years. Mayor Patch asked if the City can have the contract for one year instead. Regas stated she would ask. Nothing further.
  - ii. **Farm Lease Agreement** – Regas supplied for council review draft documents for the farm lease bid for the irrigation land from the waste water ponds. Regas stated the 10 year agreement has expired in 2017 and the City will be looking for new bids to begin in 2018. Councilor Kolb asked for further explanation. Mayor Patch explained how the water that is



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disbursed on the land has regulations as to what can be farmed, the number of times it can be harvested, what is grown, and when and how long. Councilor Kolb asked if the agreement is for paying the farmer that bid amount annually. Regas stated that the farmer pays the City that set amount annually and the funds are revenue into the sewer fund. Regas will have Klug discuss further at the December meeting. Nothing further.

- 3. ADJOURN** – Council adjourned their work session at 8:20pm.

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Christina Regas, City Administrator

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Rudy Patch, Mayor