



BLACKDUCK CITY COUNCIL MEETING

WEDNESDAY JULY 5TH, 2017 6PM

REGULAR COUNCIL MEETING MINUTES

CALL TO ORDER: The City Council of the City of Blackduck met in Regular Session at Blackduck City Hall at 6:00p.m. July 5th, 2017. Meeting called to order by Mayor Patch and the Pledge of Allegiance was stated.

ROLL CALL:

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

Councilors Absent: none

Staff Present: City Administrator Christina Regas, Public Works Supervisor Bob Klug, and Brandon Carlson WSN, Kurt Benson, Bob Klug Sr. (Planning Commissioners), and Jon Roscoe (Miller McDonald),

Others Present: William Sellon, Jim Krabbenhoft, and Jeff Oelke and Steve Cochems of Anderson Fabrics

APPROVAL OF AGENDA –Moved by Councilor Molnar and seconded by Councilor Kolb to approve the agenda as submitted. Motion carried unanimously.

CONSENT AGENDA – Moved by Councilor Kolb and seconded by Councilor Molnar to approve the consent agenda as submitted:

- a. June 5th, 2017 Council Meeting Minutes
- b. June 14th, 2017 Blackduck Development Corporation Meeting Minutes
- c. June 13th, 2017 Golf Board Meeting Minutes
- d. June 19th, 2017 Council Work Session Meeting Minutes
- e. June 21st, 2017 Planning Commission Meeting Minutes
- f. May 18th, 2017 Kitchigami Regional Library Meeting Minutes
- g. June 22nd, 2017 Blackduck Development Corporation Meeting Minutes
- h. June 2017 Fund Balance Report
- i. June 2017 Bills
- j. YTD June 2017 Income Statements
- k. June 2017 Month End Remittance Report
- l. May 2017 LG216 Lawful Gambling Monthly Rent Report
- m. June 2017 Final Approval of Part time seasonal terminations
- n. June 2017 Property Tax Settlement Statement
- o. 2017-2018 LMCIT Workers' Compensation Renewal
- p. 2017-2018 LMCIT Property & Liability Insurance Renewal

Motion carried unanimously.

BLACKDUCK FORUM –

No one present to speak.



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NEW COUNCIL MEMBER ADOPTION – Christina Regas, City Administrator

1. Resolution 2017-07 – Moved by Councilor Molnar and seconded by Councilor Kolb to approve Resolution #2017-07 appointing William Sellon to Serve the term of the vacant council member seat through December 31, 201. Motion carried unanimously.
Administrator Regas swore in of William Sellon. Nothing further.

PLANNING COMMISSION RECOMMENDATION TO COUNCIL – Commissioner Klug

1. Application for Zoning Amendment #2017-01 – Lilly Pad Properties - R 81.00504.01 & R.81.00505.02 – Moved by Councilor Kolb and seconded by Mayor Patch to accept the recommendation of the Planning Commission and approve zoning amendment #2017-01. Motion carried unanimously.
2. Application for Land Use Permit #2017-11 – Lilly Pad Properties – Moved by Mayor Patch and seconded by Councilor Molnar to accept the recommendation of the Planning Commission and approve land use permit #2017-11. Motion carried unanimously.
3. Industrial Lane Parking Request from Anderson Fabrics – Letter to the Blackduck City Council – Commissioner Klug Sr. reviewed a submitted letter from the Planning Commission to the City Council to approve the recommendation to deny the request for on street parking on Industrial Lane by Anderson Fabrics. Klug Sr. stated that the road was never designed for on-street parking and one of the reasons the commission denies the request was safety and liability reasons. Mayor Patch further clarified that the commission’s recommendation is to deny the request. Klug stated yes. Moved by Mayor Patch and seconded by Councilor Molnar to follow the recommendation of the Planning Commission and deny the request for parking. Mayor Patch opened the floor for discussion asking for orderly and timely comments.
 - i. Steve Cochems & Jeff Oelke from Anderson Fabrics – Cochems addressed the Council regarding important items to Anderson Fabrics. Cochems stated that customers are very important to Anderson Fabrics external and internal. Cochems summarized the history of the creation of the workrooms for Anderson Fabrics and displayed a board with an ariel view of the locations of the employee entrances and their corresponding workrooms. Cochems stated that the parking for employees is located outside those workroom entrances. Cochems stated that when Anderson Fabrics sold the daycare to Bi-Cap Headstart the employees lost the ability to park on the west entrance near the entrance to the bedding department. Cochems displayed on the board that the employees that were using the Headstart parking lot then needed to use the north employee parking lot. Cochems stated that to avoid having employees use a different entrance and walk through another workroom disturbing productivity Anderson Fabrics asked the City if the employees that use the bedding entrance could park on Industrial Lane. Cochems further stated that at that time the City told Anderson Fabrics that was fine then the City painted the designated yellow lines for the parking spaces. Cochems stated it has been this way for about 4 years. Mayor Patch and Klug Jr. stated that at that time the council did not formally approve any parking request it was only verbal. Cochems stated that Anderson Fabrics has 15 year employee parking signs they wish to erect on Industrial Lane for those employees however the City in an email stated that those signs could not be placed on Industrial Lane. Cochems stated that in an email from Klug Jr. Cochems stated that it was his belief that the City was upset about the signs. Klug Jr. stated the



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City was not upset. Cochems read the email to the City Council. In the email the correspondence between Cochems and Klug discusses how reserved parking signs cannot be erected on public City streets, and Klug asked Cochems if he understood. Cochems stated at one point that Anderson Fabrics understood that the street was open to public parking and that reserved parking signs could be put up on movable holders. Cochems also read part of the email when Klug stated that movable holder signs were not allowed, as nothing should be placed in the right of way unless it is a mailbox. Cochems further read the email from Klug that stated Klug would be bringing up the condition of Industrial Lane due to the parking on the street and delivery trucks for Anderson Fabrics to the City Council.

- ii. Mayor Patch asked Cochems if Anderson Fabrics has any parking on the west of the building. Councilor Sellon stated no that the parking lot is now owned by Bi-Cap and a few parking spots are allowed by Bi-Cap at this time but their enrollment will be at 4-days a week in the fall and that will change.
- iii. Cochems stated that just as Anderson Fabrics works with their customers, Anderson Fabrics is looking for a way to work with the City of Blackduck on this on street parking request.
- iv. Mayor Patch stated that in his perspective the street is too narrow for on street parking and speaking from an emergency service it is a problem if there is a fire and evacuation needs with all the additional parking on the street. Cochems stated that two semi-trucks could pass at the same time on the road when there are employees parked on the street too. Mayor Patch stated he has met other cars on the street himself and those other cars have issues passing both ways. Mayor Patch stated that the street is not four cars wide. Mayor Patch stated to have 2 cars meet at the same time on the road they must almost come to complete stop. Oelke stated the cars have plenty of room to pass. Cochems stated two trucks at the same time have plenty of room to pass. Oelke stated that all the delivery truck drivers reported they do not have any problems backing into the loading docks.
- v. Klug Sr. reported that one of the other concerns of the Planning Commission is the snow plowing on the street in the winter. Klug Sr. stated that the street is only 39 feet wide and not wide enough to accommodate two-sided parking. Councilor Kolb asked if two-sided parking on streets that allows it are 60' wide. Klug Sr. confirmed yes. Councilor Kolb further asked if only one-sided parking such as calendar parking is allowed. Klug Sr. stated that the Planning Commission was not certain about the calendar parking option; he further stated that the main concern at this point was the wear on the road from the turning on the trucks. Councilor Kolb further stated he understood the planning commission's concern and asked if calendar parking would allow for one additional lane of open passing and extend the wear pattern of the road. Councilor Kolb further stated that by allowing calendar parking the concern for plowing in the winter would allow for easier plowing. Cochems stated he respects Klug Sr. and Jr. for the services they provide to the City and Anderson Fabrics, however, if Anderson Fabrics went to their largest customer and told them Anderson Fabrics could not accommodate them, they would lose that



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- customer. Cochems continued by stating that Anderson Fabrics finds it difficult that the City cannot accommodate the plowing with the parking. Councilor Kolb stated that respectively he understands the need for the close parking for the employees. Councilor Kolb stated that although he is not the youngest employee at Anderson Fabrics there are several other employees that are older and the additional walk would not be good for Councilor Kolb's knees.
- vi. Mayor Patch asked Cochems if the north parking lot is full. Cochems stated that there is room in it. Commissioner Benson asked Regas if the council was able to view the survey by public works of the number of open spots in the parking lot in June. Regas stated it was included in the work session minutes. Benson continued reviewing a few of the dates and the number of spots open. Cochems stated that employees only feel good when they go to work and that is what Anderson Fabrics is all about establishing good working conditions.
 - vii. Councilor Kolb restated that as he is not the youngest employee in the bedding department he believes that a compromise of only one side parking (calendar) is more favorable than none. Councilor Kolb stated that by allowing calendar parking that would allow emergency service vehicles room to pass more freely. Mayor Patch stated he disagrees on the point. Mayor Patch stated that there is a motion on the table. Administrator Regas pointed out to Mayor Patch that although there is a motion on the table it is important that the council allow the public is heard. Regas further stated to the City Council that their decision must represent the City as a whole not just the employees of Anderson Fabrics.
 - viii. Councilor Sellon addressed Cochems asking if Anderson Fabrics would allow their employees during plowing in the winter, time to move their vehicles. Cochems stated that he does not believe that plowing is a problem and that the City employees are very talented and can plow around the cars.
 - ix. Cochems further stated that over \$10 million in wages is paid to Anderson Fabrics employees. Cochems pointed out that statistic to the planning commission and reported the response was "so what the money is spent in Bemidji". Cochems stated he believes that is very short-sided. Commissioner Benson responded that he did not believe that was said. Mayor Patch stated he would like to hear from Benson.
 - x. Commissioner Benson stated his main reason for denying the request was liability. Benson has had many businesses and his largest concern is liability. Bensons stated it is a good thing there hasn't been a large fire in the area before. Benson said that Industrial lane is a congested area and that will create problems with emergency services. Benson stated that the City has to plan for ambulance and fire in congested areas and plan for what could happen. Benson said that Anderson Fabrics is a large building with several employees and the City needs to plan for the safety of those lives. Benson urged the council to understand that the Planning Commission is not trying to be disrespectful to Anderson Fabrics in any way. Benson said the Commission must look out for what is best for the employees and the City.
 - xi. Councilor Kolb suggested holding a 'mock' fire comparing one lane versus two. Mayor Patch stated the fire department has responded to calls on the street during when people are parked on the street. Benson asked if the department needed to



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- set up tubs and pull hoses. Mayor Patch stated no but it was congested with one lane and both sides weren't full.
- xii. Klug Jr. asked what the zoning ordinance for industrial parking for manufactures. Regas read from the City Code section §7.9 Parking for Industrial areas. Klug Jr. stated there are different types of streets and parking allowed on those various street types. Cochems asked how it works for theaters, churches and dental offices. Regas read from §7.9 as it pertains to those businesses and then noted the difference in parking time durations and the widths of roads those other businesses on are located on. Cochems stated that the zoning ordinances for parking for other businesses and churches are being accommodated and Anderson Fabrics is asking the Council to find a way to make it work for their business as well.
- xiii. Councilor Kolb asked to confirm that Anderson Fabrics is labeled in an industrial zone. Regas confirmed yes. Councilor Kolb further asked to confirm other businesses and churches are labeled as business and residential zones. Klug Jr confirmed yes. Benson addressed the concern about churches not conforming with the parking restrictions as Cochems pointed out. Benson stated that those churches except for Zion and Trinity are located on 60 foot roads and they are only parked their for services for 1 hour a day a week versus 8-9 hours a day 5 days a week. Benson did not find it relevant to compare the two options when they are not similar. Cochems stated again that he is just requesting the City find a way to make it work for Anderson Fabrics just as the City has made it work for the other businesses for several years.
- xiv. Commissioner Benson stated that the main reason the Commission denied the parking request was for liability and safety reasons and the City needs to worry about the asphalt. Councilor Kolb asked if the main reason is the wear on the center lane. Benson stated the City must think of the liability as if there is a fire and the department pulls hoses and one goes through a window the owners are going to be requesting the City pay for the repairs. Councilor Kolb did not believe that was true but the responsibility is of the car owner. Benson stated that is not how it works. Klug stated that if he hits a car with the plow blade that is on the City. Councilor Kolb said it sounds like the liability issues are only on the Anderson Fabrics side of the street. Mayor Patch said that when a fireman is on a call the last thing they want to trip over are things in the way to get to the fire. Mayor Patch also said it isn't just the cars; it is the people exiting the building, and the firemen going in the same door. Mayor Patch said that having all the cars on the street makes it more difficult to respond. Cochems asked how it would work in a fire response when the parking lot is full then. Councilor Molnar stated that is why there are fire lanes in the lot. Councilor Kolb stated again he believes that one side of the street can free up the parking and help with the safety issues. Mayor Patch stated that safety is the largest concern of his. Councilor Kolb agreed but stated without a mock fire how can the Council say it is or isn't going to be an issue.
- xv. Council Sellon and Kolb continued to discuss the option of having one-sided parking only. Mayor Patch stated that in other Cities that have industrial areas no street parking is allowed. Cochems stated to his knowledge there has been.



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xvi. Mayor Patch stated he believes there has been plenty of discussion on the motion and called for a roll call vote. Regas restated the motion is to accept the Planning Commissions recommendation and deny the on-street parking request of Anderson Fabrics. The votes are as follows:

1. Councilor Kolb: Nay
2. Councilor Sellon: Nay
3. Councilor Molnar: Aye
4. Mayor Patch: Aye

Motion dies, as it is a tie.

Mayor Patch requested the Council table the discussion further until the July work session. Commission Klug Sr. addressed Mayor Patch by stating the Planning Commission takes their position very seriously and believes the Commission heard from all sides when they made the vote to deny the parking request. Councilor Kolb asked if his suggestion to recommend calendar parking discussed. Benson stated no. Councilor Kolb stated that his reason for denying the recommendation was that the calendar parking idea was not brought up at the Planning Commission meeting. Mayor Patch ended the topic by addressing Commission Benson and Klug Sr. that he understands they have put plenty of time into the topic of the on-street parking and that is why he would like to further discuss it at the next work session. No further discussion.

UTILITY BILLING COMMITTEE REPORT –

1. Towns Edge Estates Utility Forgiveness request – Moved by Mayor Patch and seconded by Councilor Kolb to forgive the utility overage of the Towns Edge Estates bill of the sanitary sewer from May 2017 of \$1,753.36 due to a break in a vacant unit and noting that Towns Edge Estates will still be paying the full amount of the water usage. Further discussion by Councilor Sellon as to what is being forgiven. Mayor Patch confirmed only the sanitary sewer overage will be forgiven. Councilor Kolb stated that the owners claimed the water did not enter the sanitary sewer but went onto the ground behind the unit. Public Works Supervisor Klug stated that he checked it out and it did not go into the sanitary sewer but onto the ground. Klug stated it went into a ditch. Hearing no further discussion Mayor Patch called for a vote on the motion. Motion carried unanimously.

2016 FINANCIAL AUDIT PRESENTATION – Miller McDonald

1. 2016 Financial Audit - Jon Roscoe from Miller McDonald presented an overview of the 2016 Financial Audit to the City Council and reviewed several enterprise funds and the general funds noting no large deficiencies in the financial practices of the City of Blackduck. City Council had no questions for Miller McDonald. Nothing further at this time.

BLACKDUCK ROAD PROJECTS – Brandon Carlson, WSN

1. Summit and Main Road Projects – Carlson was present to speak regarding the infrastructure projects. Carlson stated that Gladens would be pressure testing tomorrow and starting on storm sewer next week. The section by Frontage road will be open later this week for traffic. Carlson further stated that the Jack and Bore crew would be coming in about July 24th for the section of Main Street pipe under MN State Hwy 71. Gladdens should be starting on Main Street about July 17th. Councilor Kolb asked if the City roads would be tarred in time for Backwoods Bash.



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Carlson said should be done but won't be paved. Klug stated it would be later in the summer. Carlson stated it would be drivable. Carlson stated the Contractor would maintain it not the City. Councilor Kolb confirmed who should be contacted if there are questions. Klug stated to contact Beltrami County. Carlson further stated that curb and pedestrian ramps should be poured next week.

PUBLIC WORKS REPORT – Bob Klug Jr., Public Works Supervisor

No report submitted.

LIQUOR STORE REPORT – Shawnda Lahr, Liquor Store Manager

1. July 4th Revenue report – Regas summarized a report from Lahr regarding the 4th of July sales for the Liquor store compared to 2016.

LAW ENFORCEMENT REPORT – Jace Grangruth, Police Chief

No report submitted.

FIRE DEPARTMENT REPORT – Brian Larson, Fire Chief

No report submitted.

GOLF COURSE REPORT – Jim Andersen, Golf Course Superintendent

No report submitted.

LIBRARY REPORT – Alayna Nestberg, Head Librarian

No report submitted

ADMINISTRATOR'S REPORT – Christina Regas, City Administrator

1. Ordinance #2017-04 – Moved by Mayor Patch and seconded by Councilor Molnar to approve Ordinance #2017-04. Further discussion by Regas summarized that the current ordinance for City Code Section §1120.34 needed revising to allow the Municipal Liquor store the Sunday operating hours currently passed by MN State legislation. Further noting the revision gives the City Council and the Liquor store Manager the ability to set the hours and days of operation by resolution. Regas further noted that the City is not licensed by the state but the current City Code Ordinance focuses more on liquor licenses issued by the City and not the municipal liquor store. Councilor Kolb asked if the revision only revises the current ordinance. Regas stated yes. Councilor Sellon requested what the current ordinance stated prior. Regas submitted on the following pages the ordinance for review proving that the current ordinance only adds the additional section E. allowing the discretion of the Council and Liquor Store manager the operating hours. Councilor Kolb asked for confirmation of the Sunday off-sale hours. Regas stated 11:00am – 6:00pm. Regas further clarified to the Council that the current City Code Ordinance §1120 pertains more towards those businesses inside the City of Blackduck that the City issues licenses not the Municipal. Mayor Patch called for a vote on the motion. Motion carried unanimously.
2. Resolution #2017-08 – Moved by Councilor Kolb and seconded by Councilor Sellon to approve Resolution #2017-08 adopting hours of operation for the Blackduck Municipal Liquor store for on and off sales of intoxicating liquor on Sundays. Regas stated Resolution



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2017-08 allows the City of Blackduck to operate on Sundays. Councilor Kolb asked for further clarification as to the resolution allows the Liquor store manager the discretion to close the liquor store on the days they need to. Regas stated that the resolution only gives that discretion on Sundays. Hearing no further discussion Mayor Patch called for a vote on the motion. Motion carried unanimously.

3. Approval of WSN Invoice #117705 – Moved by Mayor Patch and seconded by Councilor Molnar to approve the payment on invoice #117705 from the general fund administration professional services budget. Discussion by Regas summarized that the invoice is the final invoice from WSN for the extension of the Blackduck Trail Phase 2 after approving to stop the process of the trail extension. Councilor Kolb confirmed the invoice would be the last invoice. Regas confirmed yes. Councilor Sellon confirmed that the City would not need to pay to replan the extension as the City has already paid for it. Hearing no further discussion Mayor Patch called for a vote on the motion. Motion carried unanimously.
4. Backwoods Bash donation request – Moved by Mayor Patch and seconded by Councilor Sellon to donate \$500 from the Liquor rent fund. Motion carried unanimously.
5. Reminder July 17th, 2017 next Council Work Session
6. Reminder August 7th, 2017 next Council Meeting

COMMUNITY EVENTS/GOOD THINGS HAPPENING –

1. Blackduck Development Corporation Meeting – July 12th, 2017
2. Blackduck Planning Commission Meeting – July 19th, 2017
3. Blackduck Chamber Meeting – July 19th, 2017 Noon @ The Pond

OTHER NEW BUSINESS – No new business.

ADJOURN – Moved by Councilor Kolb and seconded by Councilor Sellon to adjourn the meeting at 7:25pm. Motion carried unanimously.

Christina Regas, City Administrator

Rudy Patch, Mayor