



BLACKDUCK CITY COUNCIL WORK SESSION

MONDAY OCTOBER 17TH, 2016 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 October 17th, 2016.

Roll Call

Councilors present: Mayor Lundberg, Councilors Stade, and Patch,

Councilors Absent: Molnar

Staff Present: City Administrator, Christina Regas

Others Present: Curt Meyer, City Engineer WSN

The meeting was called to order at 6:24pm the Pledge of Allegiance was not recited.

Topics covered in the work session were as follows:

1. WSN INVOICES

- a. Housing Development & Summit & Main Infrastructure Project – Meyer presented to council an updated Engineer’s Estimate for Summit Ave. & Main Street Water & Sewer Project highlighting the construction costs and updated Construction Contingency (10%); Engineering Design; Construction Services; DEED Application fees; & Proposed Amended contract costs. Council heard all details relating to amended costs. Meyer reminded council how the Water side is funded by PFA & Sewer side by DEED. PFA will fund administration & engineering services but DEED will not. DEED will pay for administration for only the PFA administration and Housing Rehab administration. Approximately \$23,000 of the total of administration asked for is not being funded by the DEED grant.

- i. Invoice #112522 – Engineering services for Summit & Main Project – 52% of this invoice is being funded by PFA the other 48% or (\$30,946.06) will not be funded by DEED. Council needs to pay this invoice from other funds. It was suggested by Mayor Lundberg to borrow the funds from RLF and set up a payment schedule to pay it back. Regas stated that there are some questions at the DEED level as to if all the RLF money is MIF money or not. Mayor Lundberg noted that not all the money in the RLF Fund is classified as MIF it has different legs for different loan types. Another question by Mayor Lundberg was if it can be funded by the General Fund Reserves. Regas noted that because it is water and sewer the funds should come from those funding sources.

Regas requested the council discuss the funding option of the balance of Invoice #112522 for Sewer administration for \$30,946.06. Mayor Lundberg suggests council consider paying for the remaining invoice from the Liquor Fund which would be only about \$5,000 over the remaining budgeted transferable amounts from the Liquor fund to the General Fund. Mayor Lundberg called for a Special Meeting during the Second Round of Chief of Police Interviews on November 1st, 2016 to approve the payment of invoice #112522.

- ii. Invoice #112674 – SCDP Application Service \$1,000.00 – Regas stated to Meyer that this invoice does not clarify what service it represents. Is it Housing,



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Engineering, or other? The City has already paid \$4,000 in services for the application process and this is an additional \$1,000. Meyer will take this invoice back and clarify the service. Meyer believes it could be the difference between the pre application and the full application services. There was no further discussion on this invoice.

- b. Frontage Road & Pine Avenue Resurfacing Project – Meyer presented to council an updated Engineer’s Estimate for Frontage Road and Pine Ave. highlighting the current construction costs and updated construction contingency (10%); engineering design; construction services; & proposed amended contract costs. Council heard all details relating to those costs and amended costs. Meyer reminded council how the project is being funded by LRIP and that administration and engineering costs will not be funded by LRIP. Regas reminded Council that period to date the City has already paid for \$28,558.21 in services. Meyer stated that all current invoices include the proposed amended contract prices. Meyer reminded council they have the option to assess property owners for the services the City is paying now for the project.

- i. Invoice #112528 – Engineering Services \$25,296.78 for Frontage & Pine Ave. – Council tabled the approval of invoice #112528 for Frontage and Pine from the October regular meeting after the discussion at the work session:

Motion by Mayor Lundberg and seconded by Councilor Patch to table paying invoice #112528 until after the scheduled work session with Curt Meyer on October 17th to discuss the amended contracts. Further discussion on approving the invoice noted by Councilor Stade that the council cannot approve payment on invoices at a work session and would need to schedule a special meeting to approve after the work session or the invoice would not be paid until the November regular meeting. Mayor Lundberg moved to amend the original motion to approve Regas paying invoice #112528 pending the outcome of the work session on October 17th. Councilor Stade seconded the amended motion. Calling for a vote on the amended motion. Motion carried unanimously. Calling for a vote on the original motion. No votes to approve the original motion. Motion failed.

It was agreed that the City pay the invoice from the RLF fund as it has been.

- c. Pedestrian Trail – Meyer presented to council an updated Engineer’s estimate for the Blackduck Phase 2 part of the Pedestrian Trail. Meyer stated that the bids that did come in this summer for the trail were both thrown out as they were incomplete or bad. So the estimate still does not include actual construction costs. Meyer added that the wetlands also threw another problem to the trail. The City would need to purchase wetland credits which could cost up to \$30,000. Meyer reminded council that originally the trail and Frontage road were going to be bid together to save costs, but the County didn’t want to have them together and now the trail is a self-standing project. MnDOT did award the City an additional \$50,000 in funding for the trail but that will not pay for administrative services. The project now has \$130,000 to pay for the construction costs. Meyer reminded the council that MnDOT required many revisions to the design of the trail. Regas stated that the City was awarded the DNR Trails Connection Grant for \$21,830.21 but that was submitted before all the redesign work was completed.



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If the City moves forward with the trail it will cost the City another \$44,000 in services plus the wetland credits and the City planned on spending about \$15,000. Meyer stated that the project could give the money back and put it on the shelf but now that the design is approved the City could give the money back and that doesn't keep the City from getting approved for funds in the future. Regas stated that she spoke with the DNR regarding needing more money from the Trails Connection Grant Program and their suggestion was to apply again in 2017 for funds that would not expire until 2019. But all funds are reimbursable funds. So the City cannot approve any invoices before the contract is finalized if they want to be funded by that source. It was the consensus of the council that the Trail is still worth working and spending the money on as it has taken so long to get it to this point. Meyer will have Jordan Lee look into the DNR funds and how it will work if the City applies for money. Regas requested assistance from Meyer for the DNR contract. The council was in agreement that the City should not walk away from the project at this point. No further action at this point.

- i. Invoice #112530 – Engineering services \$10,082.00 (redesign work) – This invoice was not discussed further as Meyer took it back to rework the numbers.

2. ADJOURN – Council adjourned their work session at 8:15pm.

Christina Regas, City Administrator

Daryl Lundberg, Mayor