



BLACKDUCK CITY COUNCIL MEETING

MONDAY, JUNE 8TH, 2015 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 6:00 p.m. on June 8th, 2015.

Roll Call

Councilors present: Mayor Lundberg, Councilors Christenson, Loeken, and Stade

Councilors Absent: Patch

Staff Present: City Administrator Christina Regas, Liquor Store Manager Shawnda Kisner, Public Works Supervisor Bob Klug; Chief of Police John Wilkinson; Golf Course Manager Jim Andersen

Others Present: Kurt Wayne, Curt Meyer, Sandy Nelson

APPROVAL OF AGENDA - Councilor Loeken moved to approve the agenda as written seconded by Councilor Stade. Motion carried unanimously.

CONSENT AGENDA – Moved by Councilor Christenson and seconded by Councilor Stade to approve the consent agenda items:

- a. May 4th, 2015 Council Meeting Minutes
- b. May 18th , 2015 Work Session Meeting Minutes
- c. May 2015 Fund Balance Report
- d. May 2015 Bills
- e. YTD April 2015 Income Statements
- f. May 2015 Month End Remittance Report
- g. April 2015 LG216 Lawful Gambling Monthly Rent Report
- h. Bemidji Coke Golf Contract – Coke distributor
- i. 2015 Seasonal Hires – Golf Course & June hires – The Pond
- j. HRDC Board representative for Small Cities in Beltrami County – Sam Christenson recommendation
- k. Elected Official Out-of-State Travel Policy
- l. Council Work Session- June 23rd, 2015 6pm

Motion carried unanimously.

BLACKDUCK FORUM – No one present. No further action required.

CITY AUDITOR REPORT – Sandy Nelson, Miller McDonald

Sandy Nelson was present to report on the 2014 Audit. She referred to pages of revenue for the general fund; water; sewer; and liquor store. She pointed out expenditures in all of the same funds. Funds were up in the general fund over 2013. LGA was up FEMA grant increased it and charges for services were higher. The City of Blackduck retained approximately 4 months of revenue on hand throughout 2014. Sandy stated that for a government anywhere between 3-6 months on hand revenue is acceptable. Reviewing Utilities revenue and expenditures reflected positively from the rate increase done in 2013. There was still a loss in revenue in water in 2014 but it was substantially lower than 2013 and previous years. Monitoring the revenue and water rates should continue to get the revenue high enough to



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maintain itself. Sewer didn't have as much of a recovery even with the rate increase. The overall loss was just over \$40,000 but in previous years the loss was much higher meaning sewer isn't recovering as quickly. Liquor results were presented by Nelson with an additional summary of the store's gross margin which is overall at 39% which is 'awesome'. Anything between 25-35% is good. The supplemental report reflects the gross margin increase since 2010. Sandy stated that the increase in margin is directly related to good management, prices are being adjusted more often. Sandy submitted two letters for the council to review. The first one requires the auditors to report any deficiency. The one that stood out was the bank reconciliations. They were not prepared throughout the year timely and that could have caused the difference of \$1403. If that difference still exists after the end of 2015 then the auditors will recommend making a journal entry. The second letter refers to significant audit findings. Journal entries are referred to and included with any compliance issues. It was noted that the City does not have an out-of-state-travel policy and that the City overdrew the FEMA grant \$1715 and was instructed to pay it back. Sandy opened up her presentation to any questions. Councilor Christenson stated that in the general fund revenue and total expenditures were referred to before the insurance reimbursement & operating transfers making the general fund appear to have a loss.

CITY ENGINEER REPORT – Curt Meyer, Widseth Smith & Nolting

Curt Meyer was present to report on upcoming street projects. Utilities on Summit & Main are ready to survey. Frontage & Pine Ave. surveying will begin next week. ROW & private property will be addressed at that time. Curt stated that they might need to hire a boring company to come in and take samples of the bituminous in Frontage road to determine how deep it is so when the road is reclaimed it still is at the depth needed for travel by the heavy vehicles. The bike trail has been decided by the county that the bid for the trail not be included in their bid because of the state vs. federal dollars. The trail would be bid separate and done after Frontage road is complete. On funding the projects the City has submitted for the IUP for water to request PFA dollars this fall if desired. The City cannot get on the PPL for sewer without a facilities plan. There are more requirements and the City will want to make the decision if it wants to do that later this summer. In July Curt suggests meeting with Regas and Klug and Pat from RD to review estimated costs etc. to present to council in August. Regas requested Curt discuss with council the LRIP money and when it can be drawn upon. LRIP money can be drawn on right now.

SIDEWALK STUDY REPORT – Kurt Wayne, Headwaters Regional Development Center

Kurt Wayne was present to report on the sidewalk and trail study for Blackduck. He presented the plan and summary of the study with council to consider how the City would like to pursue new sidewalks and trails in Blackduck. The study reviewed existed sidewalks and trails, concerns for crossings for pedestrians, top goals for the City and possible future priorities. A timeline was not included in this study as Kurt reviewed would be for the Council and City to decide.

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

1. Summit & Main WSN Invoice – Councilor Loeken motioned to approve invoice #103393 for \$2688.00 and pay \$1344.00 from the water sinking reserve fund and pay \$1344.00 from the sewer replacement reserve fund. Councilor Stade seconded the motion. Motion carried unanimously.
2. Letter from City Engineer to Liberty Drive resident – Klug submitted for approval by council a letter from the City Engineer to the resident that made the complaint regarding Liberty Drive. Regas stated that she would draft a letter to accompany the letter. Councilor Loeken motioned to



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approve the letter from the City engineer and supplemental letter from Administrator Regas. Motion was seconded by Councilor Stade motion passed.

3. 2014 Drinking Water Report – Klug submitted for council review the 2014 Consumer Confidence report. He stated that the report will be made available to the residents on the City website and an invitation to review the report will be printed on the back of the June 2015 utility cards. No further action is needed.

LIQUOR STORE REPORT – Shawnda Kisner, Liquor Store Manager

Manager Kisner was present to report that the Electronic Tabs have been installed at The Pond, there have been some IT issues but she hopes to have those issues resolved this week. No further action is needed.

LAW ENFORCEMENT REPORT – John Wilkinson, Chief of Police

Chief Wilkinson was present to report that Officer Nikle’s probation period will expire on June 18th, 2015 and he is recommending the same to council. Chief Wilkinson reported that he attended the FBI Firearms Instructor School and that it went well.

FIRE DEPARTMENT REPORT – Troy Gabrelcik, Fire Chief

No report given.

GOLF COURSE REPORT – Jim Andersen, Golf Course Superintendent

Jim Andersen reported on the activity at the golf course and tournaments that have been booked. Councilor Loeken asked if the “Little Debs Tournament” would be back in the future. Andersen reported that in the 2016 year and beyond the tournament would be at the Blackduck course. No further action is needed.

LIBRARY REPORT – Nance Kunkel, Head Librarian

- Kitchigami Regional Library Board representative – there is still a vacancy and there is no interest at this time.

ADMINISTRATOR’S REPORT – Christina Regas, City Administrator

Backwoods Bash 2015 Donation Request – Motion by Mayor Lundberg and seconded by councilor Stade to table the donation request until July. Motion carried.

Blackduck Summer Baseball 2015 Donation Request – there was no request given at the time of the regular meeting put forth before council. No further action is needed.

COMMUNITY EVENTS/GOOD THINGS HAPPENING –

A letter to the City was distributed by Klug from a Pine Tree Park Campground customer of how pleased they were with their stay at the park.

ADJOURN – Moved by Councilor Christenson and seconded by Councilor Loeken to adjourn the meeting at 7:02pm. Motion carried unanimously.

Christina Regas, City Administrator

Daryl Lundberg, Mayor