



BLACKDUCK CITY COUNCIL WORK SESSION

MONDAY AUGUST 20TH, 2018 5:00PM

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 5:04 p.m. on August 20th, 2018.

Roll Call

Councilors present: Mayor Patch, Councilors Sellon, Kolb, Moore

Councilors Absent: none

Staff Present: City Administrator, Christina Regas

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:

OLD BUSINESS –

1. **SUMMIT & MAIN ROAD PROJECTS** – Curt Meyer
 - a. Construction and Assessment Hearing Updates – nothing discussed
2. **2019 BUDGET PLANNING PROCESS** – Regas summarized the planning process for the 2019 Budget for the new council members prior to discussing the details of the general budget.
 - a. Highlights – Regas summarized the highlights for the 2019 budgets that have changes affecting expenditures and revenues. Overall the budget has little differences to 2018 except the need to contribute property taxes to the Golf course and state regulated changes. They are as follows:
 - i. LGA – increased to \$254,282 from 2018
 - ii. PERA – increased for Police & Fire to 16.95% from 16.2%
 - iii. Library Levy – increased to \$15,860 from 2018
 - iv. Police Budget – wage review needed by council
 1. Regas summarized the budget meeting with Chief Grangruth and how the requested wage scales for both full time officers could show a significant increase to the department budget. Regas further stated the decision of council in 2018 to pledge wages to support a part time officer in 2019 @ \$10,500/year.
 - a. Police Wages - Mayor Patch stated the City has not seen a significant increase in coverage adding the part time officer and posed the question of needing to fund the officer when the school has not committed funds to the department. Mayor Patch stated he doesn't believe the part time officer is being utilized to the extent Chief Grangruth believed when he was hired. Mayor Patch proposes the part time officer wage budget be dropped to half of what was pledged originally. Mayor Patch stated further the school is taking advantage of the City for coverage and not being compensated. Councilor Moore was in favor of lowering the part time officer budget and using the officer only when needed then having additional coverage that way lowering the budget could assist in the budget process.
 - b. Police wage increases – Mayor Patch commented the City is not required to give a COLA increase and the increases proposed will inflate the Police budget. Mayor Patch included the increase of wages plus fully funding the health care premium and deductible will be too high for the City to fund.



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Mayor Patch asked the council to think about the City as a whole when deciding on raises and supporting the golf course.

- c. Tower Repeater – Mayor Patch questioned if the City should still continue paying for the tower lease to Paul Bunyan Communication for the Police department if the tower is not an ARMER repeater.
- v. Golf Course Go Bonds – property tax proposed contributions
 1. Regas stated that by statute the City has the authority to pledge property taxes to fund the committed bonds for the golf course. Regas provided a draft of how much property taxes could be committed to paying for the golf bonds if the council choses and the remaining half could be covered by net revenues from the liquor store.
 2. Mayor Patch asked how much should be levied to cover the golf course bonds. Regas stated to be fair the City could ask the tax payers to allow the increase of the levy for half of the bonds due in 2019 (\$16,368.13) and an additional \$10,000 transferred from Liquor Store revenues.
 3. Affect on individual tax payer – Mayor Patch asked how much an increase of the levy will affect an individual tax payer. Regas has reached out to the county for assistance in finding the amount the increase in net tax capacity and levy increase will affect the city taxes. Regas stated the net tax capacity (NTC) had not been updated since March 2018.
 4. Regas asked for feedback on the contribution for the golf course. Council member Sellon stated he was not in favor of paying for the golf course. Regas stated the course would close without the support of the tax payers as the City would still need to pay for the bonds. Councilor Kolb asked how the golf course was doing in revenue without the bonds. Regas and Mayor Patch stated the revenue is doing better but the course cannot support itself to grow. Regas stated it can maintain itself but not enough to make a large difference. Councilor Kolb asked if the City residents should be polled if the golf course should be supported or close up.
 5. Marketing the Golf course to sell – Regas stated she tried to find out if the course could be sold and got very negative results. Regas stated the no matter what type of recreational area a City owns if it is seasonal it will struggle to support itself. Councilor Kolb asked the question of what the pro's and cons are to keep the place open.
- vi. Health Care Premiums – Regas informed the council members that the cost of health care premiums for 2019 had not been reported to the City prior to the work session. Regas reported the council will need an additional meeting on August 27th to further conversation. Council Kolb stated he is in favor of lowering the City contribution for the premiums as the City fully funds the deductible. Regas stated she would have those numbers for discussion at the next meeting.
- vii. Street Lighting – Regas stated the electricity bill for our street lights is lower than 2016, but it will be a better comparison in usage after the 2018-2019 winter season. Regas stated the street fixtures planned to be installed in 2018 will be less than 2017 and will not be finished until after 2019.
- viii. Regas requested council review the details of the proposed budget changes and have prepared feedback for the next meeting.

3. RESOLUTION 2018-02 - Revisions to Committee Assignments – resolution tabled until a later work session



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NEW BUSINESS –

1. **LMC REGIONAL MEETINGS** – Regas recommended available councilors to attend the upcoming regional meeting held October 17th in Bemidji. Regas stated this is the first time the LMC is holding the meetings later in the day to accommodate councilmembers that cannot make the meetings due to work and encouraged the board to attend. Nothing further.

ADJOURN – Council adjourned their work session at 7:15pm.

Christina Regas, City Administrator

Rudy Patch, Mayor