



BLACKDUCK CITY COUNCIL MEETING

MONDAY SEPTEMBER 24TH, 2018 6PM

SPECIAL COUNCIL MEETING MINUTES

CALL TO ORDER: The City Council of the City of Blackduck met in Scheduled Special Meeting at Blackduck City Hall at 6:00p.m. on September 24th, 2018.

ROLL CALL:

Councilors present: Councilors Moore, Kolb, and Mayor Patch

Councilors Absent: Sellon

Staff Present: City Administrator Christina Regas, Police Chief Jace Grangruth, and Public Works Supervisor Bob Klug

Others Present: Curt Meyer, WSN City Engineer

APPROVAL OF AGENDA – Moved by Mayor Patch and seconded by Councilor Kolb to approve the agenda as written. Motion carried unanimously.

BLACKDUCK FORUM –

No one present to speak

SUMMIT & MAIN INFARSTRUCTURE PROJECT – Curt Meyer, City Engineer

- a. Update Timeline – Meyer reviewed the timeline for assessing the property owners for the road and infrastructure projects in the City. Meyer discussed the additional costs to both projects with the council and that Regas broke out the costs for the council to review. Meyer stated that the Public hearing will need to be called by Mayor Patch. Meyer stated at the October regular council meeting the City will need to have made decisions regarding each person's assessment and the interest rate that will bear and the length of the assessment. Regas summarized Meyer stating that council has not decided what percentage of the City costs will be assessed to the property owners. Regas further stated that in order for the City to send out the assessment letters Council needs to agree to the percentage to assess. Regas stated Council will need to decide on the three items at the regular Council meeting in October.
 - a. Percentage to Assess - Meyer reviewed with council percentages used on similar projects in the past noting that in 2015 a street project was assessed at 90%. Meyer stated that the Frontage & Pine project was mostly paid for with LRIP funds leaving only about 25% of the project up to the City to fund. Meyer stated percentages used on a similar project to Summit and Main sewer and water improvements was assessed at 70% in the past. Meyer summarized that due to the funding from DEED on the sewer portion the remaining City portion of the project is under the 70% of the total project. Meyer summarized by stating both the 90% for streets and 70% for sewer and water were fair and reasonable. Meyer ended by stating Council by policy has the discretion to assess whatever they deem fair.
 - b. Interest Rate to assess – Meyer stated to council the City should assess the interest rate associated with the bonds received to pay for the projects. Meyer stated by adding this interest rate the City can regain some of the costs associated with the project. Regas stated she can review the supplied spreadsheets to council and change the percentage of assessments and add in the interest rate prior to October 8th for consideration. Regas



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informed council she will send out draft assessments for council review once the interest rates of the debt is reviewed and have it to council by end of the week.

- c. Length of Time – Meyer recommended council consider the length of time the assessments would go for. Meyer stated typically the City does not what to assess for longer than the life expectancy of the improvement. Meyer stated street life is approximately 15 years and water & sewer is 40 years. Regas stated the test sent to council for review was only set at 10 years. Meyer stated a 10-year assessment is normal. Mayor Patch asked Regas to test the street assessments for council review at a 10-year assessment and water and sewer at a 15-year.
 - d. Types of Assessments – Regas reviewed with council the two different assessments to the affected properties noting the Frontage and Main Street reconstruction would be assessed by linear foot and Summit & Main water and sewer project would be assessed by affected parcel.
 - e. Amounts of Individual assessments – Mayor Patch stated he observed the draft supplied by Regas for the meeting at 10 years and 100% assessment appear larger or equal to the amount of individual property taxes. Meyer stated how much assessed is strictly a City decision, however, the amount assessed at 100% provided in the draft is a significantly low amount compared to other Cities. Mayor Patch asked for a 15-year assessment draft to be reviewed for the water and sewer project.
 - f. Deferment Options – Meyer stated council will need to decide how the City stands on options of deferment. Meyer stated the owner will have to request in writing a deferment and state the reasons for it to be considered. Meyer stated a standard deferment is that the owner is on a fixed income and can't afford it. Meyer stated a fixed income is not really a hardship based on the amount being assessed. Meyer reviewed a similar incident at another City and noted the City must treat everyone the same. Meyer recommended council keep it in mind if one comes up.
- b. Public Hearing – October 29th, 2018 – Mayor Patch requested City Administrator Regas to order the Public Hearing for October 29th, 2018 @ 6pm and print it in the American. Regas stated letters will go out after the October regular meeting on October 8th, 2018. Nothing further.

ADMINISTRATOR'S REPORT – Christina Regas, City Administrator

- a. Revolving Loan Fund Committee – Purchase Agreement recommendation for the Duck In & Eat – Moved by Mayor Patch and seconded by Councilor Moore to accept the purchase agreement for the Duck In and Eat. Mayor Patch asked how the assessments for the water and sewer would work on this property. Regas stated the property would not be affected as no infrastructure to that block was affected. Mayor Patch thanked Regas for the clarification and called for a vote on the motion. Motion carried unanimously.
- b. Resolution 2018-23 – Moved by Councilor Moore and seconded by Councilor Kolb to approve Resolution 2018-23 approving the proposed 2018 Tax Levy collectable in 2019 for \$252,138. Discussion by Regas included the levy was a couple thousand less compared to the number provided at the last work session. Councilor Moore asked where the reduction came from. Regas stated there were wages in the street department that were inflated due to overtime. Regas provided for council review a proposed net tax capacity and mill rate worksheet providing what amount an individual property owner of a \$75,000 home would pay. Regas stated the study has many factors affecting the amount and urged the council to remember that many items can still



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alter that amount before the end of the year. Hearing no further discussion Mayor Patch called for a vote on the motion. Motion carried unanimously.

OTHER – No further business was brought before council.

ADJOURN – Moved by Mayor Patch and seconded by Councilor Kolb to adjourn the meeting at 6:40pm. Motion carried unanimously.

Christina Regas, City Administrator

Rudy Patch, Mayor