



BLACKDUCK CITY COUNCIL MEETING  
MONDAY OCTOBER 8<sup>TH</sup>, 2018 6PM  
REGULAR COUNCIL MEETING MINUTES

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**CALL TO ORDER:** The City Council of the City of Blackduck met in Regular Session at Blackduck City Hall at 6:00p.m. October 8<sup>th</sup>, 2018. Meeting called to order by Mayor Patch and the Pledge of Allegiance was stated.

**ROLL CALL:**

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

**Councilors Absent:** none

**Staff Present:** City Administrator Christina Regas, Public Works Supervisor Bob Klug, Liquor Store Manager Shawnda Lahr, and Chief of Police Jace Grangruth

**Others Present:** none

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

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

- a. September 4<sup>th</sup>, 2018 Council Meeting Minutes
- b. September 5<sup>th</sup>, 2018 Revolving Loan Fund Committee Meeting Minutes
- c. September 17<sup>th</sup>, 2018 Personnel Committee Meeting Minutes
- d. September 17<sup>th</sup>, 2018 Council Work Session Meeting Minutes
- e. September 18<sup>th</sup>, 2018 Golf Board Meeting Minutes
- f. September 19<sup>th</sup>, 2018 Planning Commission Meeting Minutes
- g. September 24<sup>th</sup>, 2018 Special Council Meeting Minutes
- h. September 2018 Kitchigami Regional Library Board packet and July 19, 2018 Minutes
- i. September 2018 Fund Balance Report & Recommended Transfers
- j. September 2018 Bills
- k. YTD September 2018 Income Statements
  - a. Water, Sewer, Pine Tree Park, and Golf Course
  - b. Liquor Store
- l. September 2018 Month End Remittance Report
- m. August 2018 LG216 Lawful Gambling Monthly Rent Report
- n. September 2018 Revolving Loan Fund Bills
- o. Potential Refunding of Existing Bonds Report from Ehlers

Motion carried unanimously.

**BLACKDUCK FORUM** –

No one present to speak.



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---

### **BLACKDUCK ROAD PROJECTS – Curt Meyer, City Engineer**

- a. Frontage Road & Pine Avenue Assessment terms – Regas reviewed the summary of City charges for the Frontage and Pine road project and the sample assessment options for repayment. Regas recommended a 100% assessment for 10-years @ a 3% interest rate over a 90% assessment option. Regas stated assessments are based on property owner's linear feet abutting to the improved road. Councilor Sellon asked for clarification on one owner's proposed assessment at 100% assessed option. Regas confirmed to Sellon the amount stated would be accurate which includes the interest rate. Councilor Sellon asked if the City only assesses 90% where the other 10% comes from. Regas stated since the City costs came from the Revolving Loan Fund it is the City's option to not recoup the remaining 10%. Regas reminded council how Engineer Meyer stated the amount of the assessment is relatively small based on the total cost of the project. Mayor Patch asked how much the total cost of the project was originally. Regas and Klug stated they believed it may have been \$170,000 - \$180,000. Regas stated the amount of City costs were only for the administration and engineering fees because the LRIP grant only paid for construction costs. Mayor Patch requested the correct amount of the project be attained prior to the public hearing. Councilor Sellon asked if the property owners can request not paying the assessment. Regas confirmed they could be challenged. Moved by Councilor Sellon and seconded by Councilor Kolb to assess the property owners adjacent to Frontage Road and Pine Ave. be assessed 100% of the City costs for 10-years at 3% interest rate. Motion carried unanimously.
- b. Summit & Main Street Assessment terms – Regas reviewed the summary of City charges for Summit and Main utility improvements and sample assessment options for repayment. Regas stated after reviewing the abutting parcels to the project with City Engineer Meyer, Regas informed the Council that typically in a utility improvement assessed property owners are only those that received new water and sewer services. Regas stated the number of affected property owners is 36 assessments. Regas summarized there are some property owners that will have more than one assessment based on the number of services installed. Regas further informed council that the City received revised amortization schedules from MN Rural Water and Public Facilities Authority. Regas stated MN Rural Water supplied the City with two schedules to pick from; one that gave the City an early pay back saving the City interest and the other a standard 10-year schedule. Regas then reviewed two assessment options for Council to review based on the schedules from PFA and MN Rural Water. Regas reviewed a 100% assessment for 10-years and 3% interest and a 100% assessment for 15-years and 3% interest. Regas further reviewed with Council what the short-fall would be after the assessment options that the water and sewer funds would need to make up from revenue. Regas recommends the early pay back option to MN Rural water for the sewer debt. Councilor Kolb asked in the early pay-back option how many years that will be. Regas stated the schedule would be complete in 2024 or for 5-years. Councilor Kolb asked if Regas feels comfortable that the Sewer fund can afford that early pay back. Regas stated she and Klug both feel comfortable with the early pay back as the Sewer fund



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was paying a \$7,000 debt every year up to 2017 for the metering software reading machines and radios and that should be enough to make up the debt shortfall. Regas asked Council to move on the pay-back options for MN Rural Water debt and the assessment options. Councilor Paige stated that if she was one of the property owners being assessed she would rather find ways to save money and is in favor of the early pay-back option to MN Rural Water. Councilor Kolb stated the difference per assessment from the 10-year to 15-year amounts is only \$23/month difference. Klug stated the amount for the assessment compared to installing a well or septic is much lower. Councilor Kolb asked when the last time the service lines were replaced. Klug stated those services and mains were over 50-years old and most likely original lines. Moved by Mayor Patch and seconded by Councilor Moore to accept the early pay back option from MN Rural Water for the sewer debt. Motion carried unanimously. Moved by Mayor Patch and seconded by Councilor Kolb to assessment the property owners with new services 100% of the City costs for 10-years at a 3% interest rate. Motion carried unanimously.

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

- a. Report – Summit & Main Updates - Klug reported he met with Meyer and Carlson about the punch list for the Summit and Main project. Klug stated Meyer would bring the punch list to the County for review. Mayor Patch asked if Klug thought they would get it done before winter. Klug did not know how it was possible with the list that is not complete with the amount of rain that is coming this Fall. Klug stated the City would not be responsible for the costs associated with the time it has taken to complete the project on North Main. Klug stated he hasn't gotten complaints from the residents, just people that have used the road to go through town. Regas stated the City and County have worked very hard to keep the roads open and drivable.
- b. Street Lights – Klug stated that Crunden installed 12 new street light heads which makes 36 total replaced with about 14-16 left to replace with LED's. Klug is hoping to have more replaced if his budget allows. Klug reported that Don Anderson installed new LED's at the Pond outside under the eaves and it makes a big difference on the front of the building.

### **LIQUOR STORE REPORT** – Shawnda Lahr, Liquor Store Manager

- a. Report – Lahr stated October will be busy for the Pond. The Pond has some new activities scheduled at the Pond: a wine tasting event, and a vendor show, and a painting party, and then Halloween Party at the end of the month. Lahr stated Sunday's have been really slow for the bar after 6pm so they are trying to fill up Sunday's with activities. Lahr stated November will be busy with Deer Opener and will be asking the Fire Relief to assist with pull tabs the first weekend of deer season. Lahr stated she could staff one person to work on pull tabs (a know bartender) and then customers that don't want pull tabs think they can get them drinks it is very confusing to the customers. Lahr stated if a fire relief member works pull-tabs it will help. Nothing further.

### **FIRE DEPARTMENT REPORT** – Brian Larson, Fire Chief

No report submitted. (Regas stated the Fire Hall had the garage doors resealed and some repairs on the older doors and Larson is working on attaining bids to install new propane heaters in 2019. Regas further stated Larson is working on the third round of grant request to fund ARMER radios.)



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---

### **LAW ENFORCEMENT REPORT** – Jace Grangruth, Police Chief

- a. Report – Chief Grangruth stated the new squad is order but has not received a final price due to the State is looking at matching the 2018-year price but has not final that amount yet. Grangruth further stated he placed the squad on order and the City won't see the squad for 4-8 weeks but then it will go into Roger's for installs which could take another 4 weeks. Nothing further.

### **GOLF COURSE REPORT** – Jim Andersen, Golf Course Superintendent

No report submitted. *(Regas stated the board met in September and Regas is working on a grant request from Beltrami County Development Grant to help shore up and repair/update the bridges on the course that is due the end of October. Regas stated how the bridges have been replaced and washed out several times due to high Spring rains. Regas reported the course is now closed and Andersen is working to close the course weather allowing. Regas also stated the club house is rented for two Saturdays in October.)*

### **LIBRARY REPORT** – Kelly Hanks, Head Librarian

No report submitted. *(Regas stated the Trunk n Treat is being planned to be held at the Wayside Rest. Grangruth stated after speaking with Haley Kolb the committee is expecting up to 250 kids but did not know how many 'trunkers'. Klug stated his team will keep the restrooms open for October)*

### **ADMINISTRATOR'S REPORT** – Christina Regas, City Administrator

- a. Donation Request – Blackduck Area History & Art Center – Liability & Property Insurance – Councilor Sellon asked if the cost for the premium is higher than 2017. Regas stated in 2017 the History Center took up less area. Councilor Sellon asked if the City paid liability and property insurance in 2017. Regas could not remember. Regas reported to council to consider the budgeted funds for donations has exceeded its budgeted amount when the City donated to the softball and baseball concessions stand. Regas further cautioned the Council to understand that although the budget line is overspent the cash balance of the liquor rent fund can absorb the additional donations. Mayor Patch asked if the History center still needs the funds and if they are still 'struggling'. Regas stated to her understanding in the past couple years the History Center has received a Round Up Grant and a Beltrami County Development Grant. Regas further stated Mrs. Gunderson stated when applying for the donation to the City that the History Center had already paid the insurance premium. Mayor Patch requested to table the donation request until scheduled work session October 22<sup>nd</sup>, 2018 and have someone come from the History Center attend. Nothing further.
- b. Ordinance 2018-01 First & Final Reading – An Ordinance amending Chapter 3 entitled "Administration" establishing Section 390 entitled "E-911 Uniform Addressing" requiring property owners to display address numbers on buildings. – Regas did not read Ordinance 2018-01 into the minutes as nothing had changed to the ordinance since the last work session and the Ordinance was available on-line and at City Hall. Mayor Patch did not request the Ordinance be read. Moved by Mayor Patch and seconded by Councilor Kolb to approve Ordinance 2018-01. Motion carried unanimously.
- c. Resolution 2018-24 – Resolution for hearing on proposed assessment for road improvements on Frontage Road and Pine Avenue. – Moved by Councilor Kolb and seconded by Councilor Moore to approve Resolution 2018-24. Councilor Sellon asked if a full council required to approve the assessments at the Public Hearing on October 29<sup>th</sup>, 2018 as he would be out of state on that date.



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---

Mayor Patch stated a quorum is needed. Councilors Kolb and Moore and Mayor Patch stated they would all be present. Hearing no further discussion Mayor Patch called for a vote on the motion. Motion carried unanimously.

- d. Resolution 2018-25 – Resolution for hearing on proposed assessment for utility improvements on Summit Ave. West and Main Street North – Moved by Councilor Moore and seconded by Councilor Sellon to approve Resolution 2018-25. Motion carried unanimously.
- e. Resolution 2018-26 – Resolution approving the terms on an internal loan in connection with Frontage Road and Pine Avenue Street Reconstruction – Moved by Mayor Patch and seconded by Councilor Kolb to approve Resolution 2018-26. Regas reviewed the Resolution stating by passing the Resolution gives the City the authority to repay itself back from the Revolving Loan Fund for the Frontage and Pine street project. Hearing no further discussion Mayor Patch called for a vote on the motion. Motion carried unanimously.
- f. **Reminder October 22<sup>nd</sup>, 2018 6pm Council Work Session**
- g. **Reminder October 29<sup>th</sup>, 2018 6pm Public Hearing Street and Infrastructure Assessment Hearing**
- h. Reminder November 5<sup>th</sup>, 2018 Council Meeting
- i. LMC Regional Meetings – October 17<sup>th</sup>, 2018 2pm – 7pm – Sanford Center Bemidji
- j. Personnel Meeting with Union Representative – October 11<sup>th</sup>, 2018 @ 5:30pm
- k. Municipal/County/State General Election – November 6<sup>th</sup>, 2018 (*Regas noted polls are open from 7am-8pm*)

### COMMUNITY EVENTS/GOOD THINGS HAPPENING –

- a. **City of Blackduck Employee Anniversaries –**
  - Nick Benedict** – (*October, 2015 Fire Department*)
  - Chad Sheffer** – (*October, 2017, Liquor Store*)
  - Cyril Weidenborner** – (*October, 2017 Liquor Store*)
- b. Blackduck Chamber Meeting – October 17<sup>th</sup>, 2018 noon @ Restaurant 71
- c. Blackduck Planning Commission Meeting – October 17<sup>th</sup>, 2018 @ 2pm

**OTHER NEW BUSINESS** – No new business was brought to Council.

**ADJOURN** – Moved by Mayor Patch and seconded by Councilor Sellon to adjourn the meeting at 6:58pm. Motion carried unanimously.

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Christina Regas, City Administrator

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Rudy Patch, Mayor