



BLACKDUCK CITY COUNCIL MEETING
MONDAY, AUGUST 5, 2019 @ 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 6:00pm. August 5, 2019. Meeting called to order by Mayor Patch and the Pledge of Allegiance was stated.

ROLL CALL:

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

Councilors Absent: none

Staff Present: City Administrator Christina Regas, Liquor Store Manager Shawnda Lahr, Public Works Supervisor Mike Schwanke, Golf Course Superintendent Jim Andersen, and Police Chief Jace Grangruth

Others Present: Blackduck Blandin Cohort Members Leslie Frosaker and Misty Frenzel, Golf Member Kevin Erpelding, Blackduck Area Chamber of Commerce President Johnny Lee Walker, HRDC Finance Specialist Sarah Linda, and City Engineer Curt Meyer

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 Moore and seconded by Councilor Sellon to approve the consent agenda as presented.

1. July 8, 2019 Council Meeting Minutes
2. July 22, 2019 Council Work Session Minutes
3. July 22, 2019 Finance Committee Minutes
4. July 23, 2019 Golf Board Meeting Minutes
5. July 25, 2019 Emergency Council Meeting Minutes
6. August 1, 2019 Revolving Loan Fund Committee Minutes
7. July 2019 Fund Balance Report & Bond Payments & Transfers
8. July 2019 Bills
9. YTD July 2019 Income Statements
 - a. Water, Sewer, Pine Tree Park, and Golf Course
 - b. Liquor Store
10. July 2019 Month End Remittance Report
11. June 2019 LG216 Lawful Gambling Monthly Rent Report
12. Final approval – LGA first half payment
13. Final approval – Results of grantee monitoring, Blackduck PFA Project grant #CDAP-15-0050-O-FY16
14. Final approval – Letter of support for the LaunchPad initiative for Greater Bemidji, Inc.
15. Final approval – City of Blackduck Police Chief job description revision

Motion carried unanimously.

BLACKDUCK FORUM –

No one present to speak.



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REVOLVING LOAN COMMITTEE – Sarah Linda HRDC Finance Specialist

1. Bogart's Repair and Recovery Loan Recommendation – Linda presented the loan recommendation as approved by the Revolving Loan Fund Committee on August 1, 2019. Moved by Councilor Gullette and seconded by Councilor Moore to approve a Commercial Development gap loan in the amount of \$32,000 for 10-years at a finance rate of 5.5% (or aligned with other gap lenders) from the 2018 New Revolving Loan Fund to Ryan and Erica Naughton, Naughton Properties, LLC. Councilor Gullette requested the breakdown of the other gap lenders. Linda reported the total of gap financing would be \$200,000 (*Paul Bunyan = \$56,000; HRFC = \$56,000; Greater Bemidji = \$56,000; City of Blackduck = \$32,000*). Hearing no further discussion Mayor Patch called for a vote on the motion. Motion carried with Councilors Sellon, Gullette, Moore, and Kolb voting for and Mayor Patch abstaining. Motion carried.

PUBLIC WORKS REPORT – Mike Schwanke, Public Works Supervisor

1. 2019 Street & Infrastructure Updates – Curt Meyer, City Engineer – Meyer presented council costs associated with the following City streets that are in need of repair.
 - a. Liberty Drive – Meyer reported the catch basin is sinking in Liberty Drive and will need repair. Meyer stated to completely reconstruct Liberty drive it would cost approximately \$518,052. Meyer stated the estimate includes fabric, a heavier section of asphalt, and storm sewer that could potentially be lowered more than the existing and save some of the existing curb. Meyer stated what needs to be completed before winter is to have the Public works department cut out the asphalt around the catch basin inspect the basin see how badly it is tipped and reset it and fill it up with Class 5 for the winter. Meyer further recommended the Council consider more reconstruct over the 2019-2020 winter.
 - b. Croswell Avenue – Meyer reviewed the issue with Croswell with the poor drainage on the sides of the road. Meyer stated the temporary repair will need to be fixed. Meyer recommended the public works department create some drainage on each side of the road down to the corner for the winter then in 2020 dig out the rock and rebuild that section with a possible cross-culvert under the road. Meyer stated Carlson would be in town 8/7/19 to shoot elevations so the ditching can be completed this year and then have the City look for the reconstruction in 2020. Meyer is recommending the City keep the existing Class 5 in the street for winter. Regas recommended having Meyer assemble designs to ask for quotes in the Spring. Meyer stated he would have Carlson work on the designs.
 - c. Northern Avenue – Meyer stated the last 400 feet of Northern Avenue needs a complete reconstruct and recommends adding storm sewer as it does not have it now. Meyer stated the road is so bad much of the water coming down the hill but never enters the catch basin because the gutters are tipped and can't reach the MnDot ditch and so has a subgrade that has been wet. Meyer suggests the City discuss if the investment to reconstruct or do temporary repair is worth the investment. Meyer provided an estimate of \$288,626 and stated the City could also decide to put in storm sewer which would be an additional cost. Mayor Patch asked if there is anything that can be done to that section of road this year. Meyer stated not really and that temporary work is not worth putting money into. Meyer stated it could be bladed out and remove the bituminous but that would be it.



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Meyer stated that street will be expensive to rebuild. Meyer suggested if the City can get some reclaimed material it could help the road temporarily.

2. Clifford Hanson 449 Main Street – Ditch estimate approval – Moved by Mayor Patch and seconded by Councilor Sellon to approve a quote from Gerit Hanson for \$2,400 to repair the ditch for Cliff Hanson at 449 Main Street N. Motion carried unanimously.
3. Report –

LIQUOR STORE REPORT – Shawnda Lahr, Liquor Store Manager

1. Auto Fry Budget – Lahr requested the Blackduck City Council approve one of three options to move forward with the auto fry budget. Lahr stated option 1. Is for the used auto-fry and equipment for \$5,302.10 or 2. Purchase a new auto-fry and equipment for \$11,918.76 or 3. Do not approve a budget.

Councilor Sellon asked what timeline did Lahr have to get the Auto-fry up and running. Lahr stated aggressive timeline would be mid-September but is planning to be up before Deer Season in November.

Moved by Councilor Sellon and seconded by Councilor Gulette to approve a budget of \$5,800 to purchase the used auto-fryer needed installation, additional needed equipment and renovations to the kitchen. Motion carried with Mayor Patch voting for, and Councilors Sellon, Gulette, and Kolb voting for, and Councilor Moore abstaining from the vote. Motion carried.

Councilor Gulette urged Lahr and Schwanke to have the project(s) for the auto-fry and sewer line repair happen simultaneously so there are no issues.

2. Sewer Line(s) Updates – Video of Line – Schwanke provided the video of the sewer line under the Pond and provided the information that there is about a 6’ section of pipe that is located under the manager’s office and men’s room. Schwanke provided a map of where the sewer line is located stating half is under the office and the other half under the men’s room. Schwanke stated the issues were determined when the lines were snaked and the first issue was when the taps were clogging up the lines discovering a rag in the line choked the pipe off. Schwanke stated the rag is gone and the entire line looks great with no damage and is now clean. Schwanke stated old City plans for the liquor store appeared the exterior lines could be clay tile and that is not the case. Schwanke stated it was discovered the line is PVC and in a different location than the old plans suggest. Mayor Patch asked how long can the City allow the pipe to have no repair. Lahr stated to her memory the pipe is working better than it ever has. Schwanke stated it should be repaired in a timely and cost-effective plan for the City and recommended waiting until October to repair the line. Schwanke stated he would acquire quotes before. Regas suggested holding a Liquor Committee meeting when quotes are obtained.

LAW ENFORCEMENT REPORT – Jace Grangruth, Police Chief

1. Report – Chief Grangruth had nothing new to report.

FIRE DEPARTMENT REPORT – Brian Larson, Fire Chief

1. Fire Protection Annual Budget Meeting – August 15, 2019 @ 6pm @ City Hall – Regas reported the preliminary fire protection packet was mailed out and the meeting date is August 15. Mayor Patch asked why in the report for market values Moose Park



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Township was highlighted with no number. Regas reported that amount was not received at the point of the meeting from Itasca County. Councilor Moore will be in attendance. Nothing further.

2. Resolution 2019-11 – Resolution approving an off-site gambling license for the Blackduck Fire Relief Association
 - a. LG230 Application to conduct off-site Gambling – Backwoods Bash Bingo Event – Moved by Councilor Sellon and seconded by Councilor Kolb to approve Resolution 2019-11 approving an off-site gambling license for the Blackduck fire Relief Association to provide bingo and the Backwoods Bash on August 17, 2019. Motion carried unanimously.

GOLF COURSE REPORT – Jim Andersen, Golf Course Superintendent

1. Irrigation System Pond Aeration System update – Andersen reported finding an aeration system that will work for the back pond in the amount of \$998 plus electrical. Andersen stated the members have raised \$741.65 to pay for the system. Mayor Patch confirmed the members wish to donate to the aeration system. Andersen stated yes and further noted the Ladies League had already purchased new tables and chairs for the pro shop this season. Andersen supplied photos of what the back pond looks like with the number of algae and duck weed that is choking out the irrigation system and stating he is spending 4-5 hours daily cleaning out lines to they can work. Mayor Patch asked if the City Council needs to approve the purchase noting the members have donated so much towards the aeration system the remaining costs should be under the \$500 threshold. Regas confirmed noting the amount donated had only been attained very recent. Andersen stated he is still waiting for the estimate for the electrical install.
 - a. Resolution 2019-12 – Resolution acknowledging donations from the Blackduck Golf Course Members – Moved by Mayor Patch and seconded by Councilor Moore to accept a donation in the amount of \$741.65 for the purchase of a new aeration system for the irrigation pond. Councilor Sellon asked once the system is in will the algae disappear. Andersen stated that oxygen and duck weed do not get along and once in and running for a while there will be limited clean-up. Andersen typically applying some chemicals to deter it in the Spring too. Andersen stated the installed aeration system will lower the chemical budget. Hearing no further discussion Mayor Patch called for a vote on the motion. Motion carried.
2. Cart Shed – Mayor Patch proposed the Council consider rebuilding the existing cart shed at the Golf Course, noting the state of the shed is a safety hazard for our customers and members. Erpelding noted the safety of the members using the shed for their carts makes him uncomfortable but also if a large storm brings the shed down onto members carts the liability could be large for the City. Erpelding further stated from an aesthetic perspective the shed looks bad as well. Patch is proposing the City authorize bringing down the existing shed, and build a new pole barn building 28' x 96' x 8' which is larger than the existing. Patch stated he requested Schwanke look at the ground in the existing shed to see if any updates could be made to the material. Schwanke reported he did not believe any improvements should be made cautioning that the shed appears to be unsafe. Patch stated the City receives \$210/each person that rents for the summer. Regas



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reported having a larger shed would allow the City carts and member carts to all be stored inside. Sellon asked how much larger is the proposed replacement shed. Erpelding stated 16' longer and 4' wider than the existing. Patch stated storing the City carts inside would extend the life of the carts. Patch is proposing the City Council approve an internal loan from the revolving loan fund (new) and pay back over 10-years the amount estimated of \$34,063.57 + labor + ground material (\$1300 asphalt or \$1900 granite). Erpelding stated a new cart shed would allow the season storage fee to increase from \$210. Andersen stated he knows of many golfers that will not store their carts in the City shed due to its state. Councilor Kolb asked how many carts are in the shed that is, "falling down". Andersen stated there are 14 member carts in the shed. Kolb asked how many members go in and out of the building every day. Andersen stated 7 members daily but he is concerned for his staff as well. Kolb stated the City has potentially 7 life lose possibilities everyday and the City knows there are issues with the shed but we still allow people to go in and out of the shed. Andersen stated yes. Kolb stated that is unacceptable and that no one should be going in and out of the doors. Gullette stated over the years when there has been damage to the shed has there been insurance claims. Regas stated yes but never enough to rebuild the shed just repair it. Gullette asked how much space does the City public works gain if the city carts are not stored in the maintenance building in the winter. *It was corrected at this point by Regas that the City carts ARE NOT stored in the winter in the maintenance building any longer but, in the cart, shed after the members carts are removed at end of season.* Moved by Councilor Sellon and seconded by Councilor Kolb to table the discussion regarding replacing the existing cart shed with a new one until the next work session. Motion carried unanimously.

Regas wished to go on the record to recommend all the golf members be notified of the City plan to bring down the existing cart shed before the end of season regardless of a rebuild. Councilor Kolb recommended removing the carts today and find a new way to secure them. Regas stated removing the cart shed will take many volunteers. Kolb stated replacing all the carts in the event of the shed coming down will be a large lawsuit and should be avoided.

3. Report – Andersen reported the Al Gerner Family dedicated the Senior Tee Box #6 and the family was extremely pleased with the plaque and tee box. Andersen stated Exner reports July sales were very good contributing much of the sales to the Ladies Night Scramble stating the highest attendance at 52 golfers. Andersen stated the next Ladies Night is August 23, 2019 and they are hoping for higher numbers. Mayor Patch asked for a report on the Trim Mower now that both reel motor have been replaced. Andersen stated it is working just fine and is pleased to report the cut is exceptional.

LIBRARY REPORT – Kelly Hanks, Head Librarian

1. Library Board Meeting – August 20, 2019 @ 6pm @ Blackduck Library
2. Report – Schwanke stated the air conditioner was installed and the quote did include the line set and stated Juelson's went above and beyond to keep the costs to the bid.

BLACKDUCK BLANDIN GROUP – Jace Grangruth, Demo Regas, Misty Frenzel, Nate Lien, Leslie Frosaker, and Christina Regas



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1. Pine Tree Park Swim Beach Proposal – Grangruth, Frenzel, and Frosaker were present to request permission to continue working towards building a swim beach at Pine Tree Park. Grangruth reviewed the location would be off the snowmobile trail which is the old lake road and a natural low area. Grangruth stated the Blandin group has met with representatives from the DNA, Beltrami County, and Eco-water and the Hines Township and has verbal go ahead the location is a good spot. Grangruth stated the group has approval to clear trees in a 75' area and reviewed some preliminary details to include parking, picnic areas, and proposed annual costs to the City for maintenance. Grangruth stated the area is already being used as a swimming hole and the Blandin group plans to make it safer and improve the facility. Councilor Kolb asked if there would be buies that would mark off the swim area so that boats don't go into the area while kids are swimming. Grangruth stated the area is already a natural area blocked off by bulrushes every year. Kolb stated his concern for not wanting kids on floaties drifting off into the lake area where they can get hurt. Regas reported liability insurance was looked into and the adjuster asked if the swim beach would have a lifeguard. Regas reported there would be no lifeguard however that would not stop the City from having coverage at a minimum cost annually. Regas stated the insurance increases when the revenue for the park increases. Grangruth stated everyone he speaks to they ask if there is a public beach on Blackduck. Grangruth believes if there were a swim beach not only would the revenue at the park increase but also at the golf course.

Councilor Sellon asked how much of the project would need to be funded by the City. Grangruth and Frosaker reported there would be some funds available from Blandin but there would be other available. Frenzel stated after the time put into the project by the Blandin Group already and the training attended, the Blackduck Group wanted to stop and get feedback from the City to know if the project should continue or not. Grangruth stated it would be great if some of the creation of the project could be supported by the City by utilizing some of the City equipment and funding. Councilor Gullette stated the group was 'on to something and was in favor of the project.'. Mayor Patch asked for the feedback of Schwanke. Schwanke stated he is all for it. Patch asked if Schwanke believes there will be a large financial cost involved. Schwanke did not believe it would be much. Councilor Moore asked if the clean up with the tree removal could be a City-wide volunteer event. Frenzel stated so much brain storming has happened already that she knows there will be reports to the City routinely to keep everyone informed. Frenzel further asked if the City would be in favor of using funds that already exist for planning purposes.

Moved by Councilor Sellon and seconded by Councilor Moore to approve the Blackduck Blandin Group to continue working on the project to build a swim beach located at Pine Tree Park. Frenzel asked the Council if City funds for Pine Tree Park could be committed to assisting in the planning process for additional updates to the park after the beach is created. Regas encouraged the group to stay updated with the Council on time-lines and project planning. Grangruth stated he would like to see trees marked off be harvested this fall and continued work in 2020. Hearing no further discussion Mayor Patch called for a vote on the motion. Motion carried unanimously.

ADMINISTRATOR'S REPORT – Christina Regas, City Administrator



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1. Resolution 2019-13 – Resolution Approving an excluded bingo license for the Blackduck Area Chamber of Commerce - Application to Conduct Excluded Bingo – Blackduck Area Chamber of Commerce

Moved by Mayor Patch and seconded by Councilor Moore to approve Resolution 2019-13 approving an excluded bingo license for the Blackduck Area Chamber of Commerce. Johnny Lee Walker presented a way to raise funds to substitute the monthly Chamber Taco Night at the Pond for the winter lighting projects. Walker stated the Chamber plans to hold a trial event October 20, 2019 at the Pond. Mayor Patch asked why the chamber is only applying for one date in 2019 when they could apply for up to four. Regas stated the Chamber wishes to try one in quarter four of 2019 and then apply again in 2020. Regas further stated the 2019 date would be held on a Sunday to encourage traffic into the Pond in a month when traffic is typically low. Walker asked Regas to explain ‘excluded bingo’. Regas stated excluded bingo allows non-profits to hold bingo that do not have a full gambling license like the Blackduck Fire Relief. Regas continued stating all the legal equipment and auditing still need to comply with state regulations. Hearing no further discussion Mayor Patch called for a vote on the motion. Motion carried unanimously.

3. Reminder August 8, 2019 MCFOA Meeting in Hallock, MN – Christina -
4. Reminder August 13, 2019 Blandin Workshop in Northome, MN – Christina & Jace
5. Reminder August 19, 2019 Council Work Session
6. Request August 19, 2019 Finance Meeting
7. Request August 20, 2019 Personnel Meeting
8. Reminder September 9, 2019 Council Meeting

MAYOR AND/OR COUNCIL MEMBER REPORTS –

1. Mayor Patch – Beltrami County Waste Management needs curbside recycling. Patch discussed if Blackduck needs mandatory recycling and offer it to the residents. Patch offered the discussion of the Council to begin offering this service to the residents and how that could begin. Patch stated in the Metro areas the Cities make it mandatory and pick it up or contract the pick-up. Councilor Kolb asked if that would need support of the residents first before it is adopted. Regas stated the City would need to adopt an Ordinance with applicable fees. Councilor Gullette stated waste management has nothing to do with the County. Kolb asked how much residents pay for ‘trash removal’. Regas stated they don’t but it is included in the County fees on the property taxes. Kolb agreed but stated the residents already pay to dump trash now. Regas stated the property tax fee is for removal of solid waste. Kolb understand and further stated that if residents wished to have their recycling/trash picked up by the City then a monthly fee would need to be charged. Regas confirmed. Kolb asked how Blackduck could enforce the pick up of recycling in that manner. Regas confirmed Kolb statement and further stated since Beltrami County allows its residents to ‘make a choice’ to recycle or not it would be difficult to enforce at a City level. Kolb confirmed and stated that since residents already pay a fee on the property taxes, enforcing an additional fee at the City level would be difficult. Regas stated until Beltrami County changes what they are doing it will be difficult for the City to enforce it.

COMMUNITY EVENTS/GOOD THINGS HAPPENING – Regas read into the public record upcoming events.

1. Blackduck Development Corporation Meeting –August 14, 2019 11am @ Good Samaritan Community – Regas reported the parking lot for Sanford would be starting construction this week.



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2. Blackduck Backwoods Bash – August 17, 2019 – All day – Regas supplied Council a tri-fold flyer with all the events of Backwoods Bash. Mayor Patch confirmed attendance of the Blackduck City Council in the Bash Parade. Patch has secured a trailer, Regas has ordered banners and stated Landowski offered to drive the City Truck. Regas will create a public notice.
3. Blackduck Chamber Meeting – August 21, 2019 @ Restaurant 71 @ Noon
4. Blackduck Planning Commission Meeting – August 21, 2019 @ 2pm @ City Hall

OTHER NEW BUSINESS – No new business.

ADJOURN – Moved by Mayor Patch and seconded by Councilor Sellon to adjourn the meeting at 8:03pm. Motion carried unanimously.

Christina Regas, City Administrator

Rudy Patch, Mayor