



# MINUTES

## Council Meeting & Truth in Taxation Public Hearing

6:00 PM - Monday, December 7, 2020  
City Hall, 8 Summit Drive, Blackduck MN

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The Council of the City of Blackduck was called to order on Monday, December 7, 2020, at 6:00 PM, in the City Hall, 8 Summit Drive, Blackduck MN, with the following members present:

**COUNCILORS PRESENT:** Councilor Jason Kolb, Mayor Maxwell Gullette, Councilor Sheldon Ostlund, and Councilor Nicholas Seitz

**COUNCILORS EXCUSED:**

**STAFF PRESENT:** City Administrator Christina Regas, Police Chief Jace Grangruth, Assistant Liquor Store Manager Melissa Gullette, Public Works Supervisor Mike Schwanke, and Liquor Store Manager Shawnda Lahr

**OTHERS PRESENT:** Deputy Clerk Paige Moore

### 1. CALL TO ORDER

- a. Roll Call  
Mayor Gullette called the meeting to order at Administrator Regas took roll call.
- b. Pledge of Allegiance  
Mayor Gullette led the meeting in the pledge of allegiance.

### 2. APPROVAL OF AGENDA

- a.

Sheldon Ostlund moved to approve the agenda as presented Jason Kolb seconded the motion.

Carried 4 to 0

Jason Kolb	For
Maxwell Gullette	For
Sheldon Ostlund	For
Nicholas Seitz	For

- b.

### 3. CONSENT AGENDA

*All items listed under the Consent Agenda, unless removed from the Consent Agenda shall be approved by one Council motion.*

- a. November 9, 2020 Blackduck City Council Meeting Minutes

- b. November 13, 2020 Blackduck City Special Meeting - Certification of 2020 Municipal Election
- c. November 23, 2020 Blackduck Work Session Minutes
- d. November 18, 2020 Blackduck Planning Meeting Minutes
- e. November 19, 2020 Kitchigami Regional Library Board Packet includes September 17, 2020 Board Meeting Minutes
- f. November 2020 Fund Balance Report & Bond Payments for 2021 & Transfers
- g. November 2020 Bills
- h. November 2020 Sewer Income Statement
- i. November 2020 Water Income Statement
- j. November 2020 Pine Tree Park Income Statement
- k. ~~November 2020 Golf Course Income Statement~~
- l. ~~November 2020 Liquor Store Income Statement~~
- m. Month end Remittance Report for November 2020 - Blackduck Fines & Fees
- n. ~~October 2020 LG216 Lawful Gambling Report from the Blackduck Firemen's Relief~~
- o. Final Approval - 2020 Corporate Licenses for Blackduck Movie Theatre 2021-01
- p. Final Approval - December 2020 Property Tax Settlement
- q. Final Approval - 2021 Financial Audit of Governmental Activities Contract with Miller McDonald CPA
- r. Final Approval - Fire Aid 2020 - Paid to Blackduck Firemen's Relief Association
- s. ~~Final Approval - 2021 Cleaning Contract for The Pond - Melissa's Cleaning~~
- t. Final Approval - Proposal for Land Survey Services for the City "The Pond" Facility - Widseth
- u. Final Approval - Proposal for Land Survey Services for the City Maintenance Facility - Widseth
- v.

Jason Kolb moved to approve the consent agenda removing items 'k'; 'l'; 'n'; & 's' for further discussion  
 Sheldon Ostlund seconded the motion.

Carried 4 to 0

Jason Kolb	For
Maxwell Gullette	For
Sheldon Ostlund	For
Nicholas Seitz	For

- w. Consent Agenda Item 'k' -  
 Councilor Kolb requested conversation around the 2020 operating loss of the Golf Course. Regas clarified the net loss of the golf course for 2020 after transfers, donations, and taxes. Kolb asked where the costs for the cart shed are recorded. Regas stated that due to the expenses for the cart shed were expenses from the RLF fund those costs are not recorded on current income statement. Nothing further.
- x. Consent Agenda item 'l.' -  
 Councilor Kolb asked for confirmation on the liquor store income statement the liquor store is showing a loss in 2020. Regas confirmed there is a net loss regardless of

overall revenue being on track with the 2020 budget. Regas further stated if the City Council agrees to transfer the remaining budgeted \$35,000 to the general fund the loss the liquor store will show at the end of 2020 will be larger. Lahr pointed out the total on-sale sales from 2019 to 2020 are down \$101,000. Kolb stated he was hoping the City would be able to 'forsee' the issues with the reduced revenue and 'trim' where needed to not show a larger loss. Lahr stated there was not many other areas in the business to 'cut' except your labor. Lahr further stated that all but 4 employees are 'laid off' currently. Regas noted how the liquor store has been able to sustain the total revenue by increased traffic in the off-sale that still requires staff.

y. Consent Agenda item ' n' -

Councilor Kolb asked for clarification on the LG216 for the shortage on the pull tab rent of \$63.00. Lahr stated she could visit with the gambling manager to narrow down where the shortage was. Kolb asked what safeguards have been put in place to keep the shortages from re-occurring. Lahr stated more training with the staff has been the procedure when there is a shortage. Kolb suggested ways to ensure the shortages don't occur. Lahr stated that \$63 over the course of the year is not a lot of funds off. Kolb stated that the big picture shows the shortage is felony theft through the amount that is being stolen from the Pond. Lahr stated that is not a correct statement. Lahr stated a criminal activity has not happened and to her judgement and the Fire Relief Association that is not what is happening. Lahr stated clerical errors and miscounting are not felonies when the errors are not intentional. Lahr stated there has been no criminal activity in this error. Kolb stated that he and Lahr see it differently, where she may see the shortage as a clerical error he sees it as an opportunity for theft.

*Mayor Gullette stopped the meeting at this time to begin the Truth in Taxation Meeting as scheduled to begin at 6:15pm.*

Councilor Kolb further stated he is not stating Lahr and the team are not doing a great job, but when there is a shortage and you are a business owner would you not have an issue when there is a shortage of money. Lahr stated absolutely. Kolb stated that at a certain dollar amount it is a 'big deal' and Lahr is in the mindset that is it not a big deal. Kolb asked at what point does the shortage become a major issue and not a training issue. Lahr stated to Kolb and the Council to be certain she takes everything that happens in the building like it is her business. Kolb asked for clarification that when the security cameras are reviewed Lahr is 100% certain no one is miscounting money. Lahr stated what she is telling Kolb and the Council when there is/was a issue she and her team are using the tools at their disposal to ensure no one is stealing money and that mistakes do happen. Kolb stated he has no further questions on this item.

z. Consent agenda item 's' -

Councilor Kolb asked if Melissa's Cleaning cannot be on a ladder that is high. Lahr stated Tindell is not comfortable on a high 6' ladder. Kolb asked if there is a plan in place if Tindell will not remove snow. Regas stated the original contract had no service of removing snow. Nothing further.

Maxwell Gullette moved to approve removed consent items 'k', 'l', 'n', and 's' after further discussion Jason Kolb seconded the motion.

Carried 4 to 0

Jason Kolb	For
Maxwell Gullette	For
Sheldon Ostlund	For

Nicholas Seitz

For

**4. BLACKDUCK FORUM**

*Visitors may share their concerns with Council on any issue, which is not already on the agenda. Each person will have 3 minutes to speak. The Mayor reserves the right to limit an individual's presentation if it becomes redundant. The Mayor may also limit the number of individual presentations on any issue to accommodate the scheduled agenda items. All comments will be taken under advisement by the Council. No action will be taken at the time.*

- a. No one present to speak for the Blackduck Forum.

**5. 2020 TRUTH IN TAXATION PUBLIC HEARING - CHRISTINA REGAS, CITY ADMINISTRATOR**

*(Mayor Gullette to Close Regular Meeting & Open the Public Meeting - Truth in Taxation)*

- a.

Jason Kolb moved to close the regular meeting and open the Truth in Taxation public hearing at 6:16pm Sheldon Ostlund seconded the motion.

Carried 4 to 0

Jason Kolb	For
Maxwell Gullette	For
Sheldon Ostlund	For
Nicholas Seitz	For

- b. Truth in Taxation Presentation - City Administrator, Christina Regas  
Administrator Regas reviewed the submitted Truth in Taxation document and requested questions. No one from the public was present to ask questions. The Truth in Taxation public hearing was then closed.

Sheldon Ostlund moved to close the Truth in Taxation public meeting and open the regular meeting at 6:25pm Nicholas Seitz seconded the motion.

Carried 4 to 0

Jason Kolb	For
Maxwell Gullette	For
Sheldon Ostlund	For
Nicholas Seitz	For

- c.

**6. REPORTS OF COMMITTEES AND CITY STAFF**

**6.1. PUBLIC WORKS REPORT - MIKE SCHWANKE, PUBLIC WORKS SUPERVISOR**

6.1.1. Report -

Schwanke reported he has nothing to report this month except he is still waiting on the new public works trucks and the hot-water station from the County.

**6.2. LIQUOR STORE REPORT - SHAWNDA LAHR, LIQUOR STORE MANAGER**

6.2.1. Report -

Lahr had nothing new to report. Lahr stated the new liquor store addition and updates have been working well.

**6.3. LAW ENFORCEMENT REPORT - JACE GRANGRUTH, POLICE CHIEF**

6.3.1. Report -

Chief Grangruth had nothing new to report. Mayor Gullette asked for clarification on what the 'Month End Remittance Report' funds relate to. Regas stated the funds directly related to the City of Blackduck are the funds the City receives after the Blackduck Police Department fines have gone through the courts and a violator pays their fines.

**6.4. FIRE DEPARTMENT REPORT - BRIAN LARSON, FIRE CHIEF**

6.4.1. Nothing discussed.

**6.5. GOLF COURSE REPORT - JIM ANDERSEN, GOLF COURSE SUPERINTENDENT & PAM EXNER, CLUB HOUSE MANAGER**

6.5.1. Nothing discussed.

**6.6. LIBRARY REPORT - KELLY HANKS, HEAD LIBRARIAN**

6.6.1. December 15, 2020 6pm - Library Board Meeting

**7. ADMINISTRATOR'S REPORT**

- a. Oath of Office - Special Election Council Member Seat - Sheldon Ostlund (term 2021-2022)  
Regas swore in Councilor Ostlund. Nothing further.
- b. Approval Needed - Resolution 2020-35 - Resolution declaring a vacancy for a Special election Council Member position

Jason Kolb moved to approve Resolution 2020-35 Sheldon Ostlund seconded the motion.

Carried 4 to 0

Jason Kolb	For
Maxwell Gullette	For
Sheldon Ostlund	For
Nicholas Seitz	For

- c. Approval Needed - Resolution 2020-36 - Resolution declaring a vacancy for a general election council member position and call a special election in 2021

Jason Kolb moved to approve Resolution 2020-36 Sheldon Ostlund seconded the motion.

Carried 4 to 0

Jason Kolb	For
Maxwell Gullette	For

Sheldon Ostlund For  
Nicholas Seitz For

- d. Approval Needed - Resolution 2020-37 - Resolution appointing Jason Kolb to serve the term of the vacant council member seat through December 31, 2022; or when the 2022 General Election results have been finalized

Sheldon Ostlund moved to approve Resolution 2020-37 Nicholas Seitz seconded the motion.

Carried 3 to 0

Jason Kolb Abstained  
Maxwell Gullette For  
Sheldon Ostlund For  
Nicholas Seitz For

- e. Approval Needed - Resolution 2020-38 - Resolution approving final 2020 tax levy, collectable in 2021

Jason Kolb moved to approve Resolution 2020-38 Sheldon Ostlund seconded the motion.

Carried 4 to 0

Jason Kolb For  
Maxwell Gullette For  
Sheldon Ostlund For  
Nicholas Seitz For

- f. Approval Needed - Resolution 2020-39 - Resolution adopting a schedule of fees and charges for various services, licenses, and permits for the City of Blackduck, Minnesota for 2021

Jason Kolb moved to approve Resolution 2020-39 Sheldon Ostlund seconded the motion.

Carried 4 to 0

Jason Kolb For  
Maxwell Gullette For  
Sheldon Ostlund For  
Nicholas Seitz For

- g. Approval Needed - Resolution 2020-40 - Resolution declaring sufficiency of petition and setting a public hearing on the proposed vacation of Universal Drive SW between Orion Ct. SW and Milky Way Dr. SW and Orion Court SW and Milky Way Dr. SW in its entirety in the preliminary plat entitled Southern Duck Estates

Sheldon Ostlund moved to approve Resolution 2020-40 Nicholas Seitz seconded the motion.

Carried 4 to 0

Jason Kolb For  
Maxwell Gullette For  
Sheldon Ostlund For  
Nicholas Seitz For

- h. December 9, 2020 11am - Blackduck Development Corp Meeting - City Hall
- i. December 15, 2020 1pm - Liquor Store Planning Meeting - The Pond  
The meeting is being moved up one hour to Noon (12pm)
- j. December 15, 2020 3pm - City Maintenance & Police Facility Planning Meeting - City Hall  
This meeting is being moved up one hour to 2pm.
- k. December 16, 2020 12 noon - Blackduck Chamber of Commerce Meeting - Zoom Call
- l. December 16, 2020 2pm - Blackduck Planning Commission Meeting - City Hall  
Regas noted this meeting may be canceled due to lack of action items for the month of December.
- m. December 17, 2020 - 9:30am - BAAI Board Meeting - Zoom Call - City Administrator Only
- n. December 24, 2020 Noon - Blackduck City Hall Closed in Observance of Christmas Eve
- o. December 25, 2020 - Blackduck City Hall Closed in Observance of Christmas Day
- p. January 1, 2021 - Blackduck City Hall closed in Observance of New Year's Day
- q. January 11, 2021 6pm - Blackduck City Council Regular Meeting - City Hall  
Councilor Ostlund confirmed there would be no December Work Session. Regas confirmed.

**8. MAYOR AND/OR COUNCIL MEMBER REPORTS**

- a. LMC New & Advanced Elected Official Training -  
Mayor Gullette discussed the League of MN Cities 2021 Elected Official Virtual Training coming up in January and February and strongly recommended all elected officials register. Regas stated all members of the council would be registered and information sent to their respected emails for details. Nothing further.

**9. COMMUNITY EVENTS/GOOD THINGS HAPPENING**

- a. Employee Anniversary -  
Jacob Lien - Fire Department 2014 - January 16, 2020  
Melissa Tindell - Liquor Store 2014 - January 10, 2021

**10. ADJOURNMENT**

- a.

Sheldon Ostlund moved to adjourn the meeting at 7:00pm Jason Kolb seconded the motion.

Carried 4 to 0

Jason Kolb For  
Maxwell Gullette For  
Sheldon Ostlund For

Nicholas Seitz

For

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City Administrator, Christina Regas

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Maxwell Gullette, Mayor