



BLACKDUCK CITY COUNCIL WORK SESSION

MONDAY, OCTOBER 21, 2019 @ 6:00PM

WORK SESSION MEETING MINUTES

CALL TO ORDER: The City Council of the City of Blackduck met in a scheduled work session in council chambers at City Hall at 6:00PM on October 21, 2019.

Roll Call

Councilors present: Mayor Patch, Councilors Moore, and Gullette

Councilors Absent: Kolb

Staff Present: City Administrator, Christina Regas, Public Works Supervisor, Mike Schwanke, Liquor Store Manager Shawnda Lahr

Others Present: Drew Weltin and Nick Cox of Indigo Signworks, Daryl Kirt of Scenic SignCorp., Chris Howerton and Austin Westerman of Daktronics, Lauren Schaser and Kevin Erpelding Golf Board members

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. Liquor Store – Regas provided updates for the following Liquor Store project:
 - a. Sewer Line repair updates – nothing discussed.
 - b. Street & Building Signage – Regas presented vendor representatives to Council per their request to present their companies and recommended sign updates and proposals for consideration.
 - i. Indigo Signworks Inc. – Nick Cox presented his company and recommendation to council for the Pond. Cox presented the Daktronics sign sample in the parking lot of Wells Fargo for preview; how the software portal can be personalized by liquor store staff and management; demonstrated the portal; provided how their marketing can benefit the City; financing options; IT support; and warranty of the sign. Cox recommended to Council proposal # 62509 with static building signage for a total of \$59,331.23. This proposal includes a 7' x 11' Daktronics sign with a static 18" x 11' sign on top and was based on the height of the sign and distance from MnDot Hwy 71. Cox further stated the City would need to add additional electrical support to the sign pole to run the Daktronics sign.

Council asked several questions of Cox and support staff; was provided a real-life demonstration of a 15.85mm and 19.8mm sign; was provided a demonstration of the auto light feature that dims the sign; and then concluded Indigo's presentation at 7:15pm.

Mayor Patch asked if Regas and Lahr had plans for financing the new signage in the liquor budget. Regas stated they worked on increasing the building maintenance budget for 2020 to fund the sewer line repairs; new water heater and softener;



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updating the computer systems; and possibly updating heating and cooling of the building to a better more efficient systems. Lahr stated it would be best to build the signage into the budget over 4-5 years and dedicate the radio and print advertising that has spent in the past to the signage instead. Councilor Gullette asked how much the building maintenance budget is funded currently. Regas stated for 2019 \$10,000 and in 2020 the budget is being increased to \$40,000. Regas stated including the signage financing she would increase the budget another \$10,000. Regas stated other plans for the building have been discussed in recent budget meetings to look into 5 or 10 years in the future for where the building is going to be expansion wise.

The City Council recessed at 7:25pm.

The City Council reconvened the work session @ 7:30pm.

- ii. Scenic Sign Corp. – Daryl Kirt presented his company and recommendations for signing at The Pond. Kirt reviewed the proposals provided to Lahr based on interviews held in July 2019. Kirt stated two proposals were provided with feasibility studies. Kirt stated their company works with municipal liquor stores to maximize their sales and profit margin. Kirt stated his company partners with Daktronics and MMBA to learn how municipal liquor stores work and stated he understands the goal of his company is to assist the store to make money for the City. Kirt stated his feasibility study provides the knowledge for the liquor store with the signage to increase sales 5% and shows how the sign can pay for itself after 4 years based on traffic. Howerton answered several questions for council regarding the Daktronics sign and Scenic Sign company: warranty; recommended design of signage on the building and on the pole; operation of the message center; portal webinar training; one-on-one training for content.

Howerton recommended the 15.85mm display because the sign location has height and the distance for traffic on MnDot 71 can handle that size. Councilor Gullette asked if the existing pole was adequate to handle the sign. Kirt stated it was for the same size sign +/- 5% but if a cabinet and message center was to be installed then a new pole would be needed. Gullette confirmed with Kirt that the difference between the two proposals from Scenic was the removal of the static cabinet. Mayor Patch asked if the top section could be static and then just change colors for it but always says, “The Pond”. Howerton stated the options for rotating is endless since there is so much flexibility.

Councilor Moore asked how support is offered from Scenic once the sign is erected. Kirt stated the first person he wants a customer to contact is him since he has the most knowledge on how to solve the problem. Kirt stated he has more experience than most and have been in the signage market longer. Howerton stated in his experience Kirt has the best support and knowledge and assists personally with all his



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accounts. Patch asked for an explanation on the building signage and why the letters the border the front entrance was not lit. Kirt stated the front sign on the overhang is but the letters were not since there is already adequate lighting above. Howerton provided to council the details of how users of the portal for posting images to the sign works and how to assign levels of security to those roles. Councilor Gullette asked Kirt and Howerton what sets his company apart from others. Kirt stated the distance he will go to assist the City to make certain the sign is working successfully so as to not take the staff away from the daily goals. Kirt further stated the electronic side of the signage industry is where he has spent the majority of his time and was his major in college and he believes he has more knowledge than others. Kirt stated he believes the knowledge he has will save his customers money in the long run. Howerton asked for a timeline from the City after the presentations. Mayor Patch stated there would be more deliberation after. Howerton asked for an implementation date. Regas stated it wouldn't happen until 2020.

Representatives from Scenic Sign Corp. left the meeting @ 8:30pm.

After the last presentation the council discussed pro's and cons of the vendors presentations. The main differences between the sign proposals and their costs were discussed. Regas stated the proposals were not the same as Scenic recommends a sign without a static section on top and Indigo did. Both signs are 15.85mm and 7' x 11' in overall size. Councilor Moore stated her largest concern with Scenic is only having one person to rely on when it comes to support. Moore was concerned that the service would at some point not be accessible finding that as a disadvantage. Lahr asked if the project could move forward. Patch stated with the building signage being 'ala carte' perhaps that portion of the signage project comes later. Gullette stated he really liked having the 18" top portion of the sign to be constant or static. It was determined it was necessary to have a true apples-to-apples proposal for the Council to decide on. Regas stated she would request another proposal from Scenic Sign to echo the sign proposal from Indigo. Regas further stated the price of the Daktronics sign would be similar from both vendors and it would be the service the City is purchasing. Lahr stated that Scenic is very involved with the MMBA and knows what municipalities are going through, however, Indigo installed the Nisswa municipal store sign too. Lahr stated she believed Scenic put more thought into the building portion of the proposal. Lahr stated she really prefers the static portion of the sign on top.

The board agreed to discuss the proposals at the council meeting in November.

Nothing further at this time.

- c. Parking lot – nothing discussed.



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2. Golf Cart Shed Reconstruct – Regas reported the size of the shed would be 104' x 28'; the shed would have overhead doors with windows for additional lighting on the south and north side with personal access doors; estimates for the shed with labor (Northwoods Lumber) was \$37,500 (2nd estimate still in progress); electrical would cost \$5,500; fill and crushed granite would cost \$7,000; permits to Beltrami County \$1,000; openers and key pad security @ \$1,000 for a total of \$52,000. Regas stated site clearing and tree removal plus removal of the old septic tanks was necessary. Regas reported reaching out to Ehlers and Bond Council for feedback on if a refinance option is allowed and is awaiting further details. Regas stated initially Ehlers recommended pairing the cart shed and another project when refinancing an older bond. Regas stated originally the concept of taking the funds from the unrestricted revolving loan fund gives her hesitation. Regas stated the balance could be drawn down to a point where future lenders would not have money accessible. Mayor Patch asked if the one-time pay back to the state on the restricted funds was going to take place again. Regas stated yes but not until 2020. Gullette asked what 'other projects' Regas had in mind. Regas stated the remodel of City Hall would be a good project to include. Regas summarized to Council the golf board has finalized a plan and cost estimate for the golf shed and will be asking for permission to move forward. Regas reported having 2 'pledges' for \$1000 each toward the cart shed if the City agreed to move forward and fund the project. Patch asked if the golf course has fundraisers for the shed could the money raised be used to pay on the bond. Regas stated yes. Patch further stated current members suggested offering them the option of paying for cart storage for 5-years up front to assist funding the project. Regas stated it is her plan to have more information regarding the refinancing by the November 4 council meeting. Councilor Moore stated she would like see how the financing comes out before committing any approval. Patch asked how much funding is coming back in on the new loans from the unrestricted funds. Regas stated annually principal and interest \$10,764.00 what is just interest and the City's money is \$6,259.00. Regas further stated that is only the loans that have been closed in 2019. Erpelding and Schaser requested Patch request the second bid on the shed so all pieces of the proposal are available for council decision.
3. City Hall renovation plans – Regas reported needing actual plans for the building to move forward with renovations and will be working with an architect from WSN to provide a set of plans for contractors to bid from. Nothing further.

NEW BUSINESS –

1. Punch List 2016 Road Projects – Regas stated she and Schwanke are working with WSN to negotiate the punch list on the 2016 road and infrastructure projects and will be working with the County and Contractors to resolve the list and in part come to a compromise on some items. Gullette asked how much that is coming off the list is residential requests. Regas stated to the best of her ability none of it will be removed. Regas reported to the Council that the retainage for Marks includes the County project too. Regas stated all parties will conduct a meeting on October 23, 2019 in council chambers. Nothing further.



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ADJOURN – Council adjourned their work session at 9:25pm.

Christina Regas, City Administrator

Rudy Patch, Mayor