

FINANCE COMMITTEE MEETING
April 15, 2019

The City of Jackson Finance Committee met in the Council Chambers of the Jackson City Hall at 5:15 p.m. on April 15, 2019 with the following persons present: Finance Committee members Mayor Wayne Walter, Brandon Finck and Dave Cushman, City Administrator Matt Skaret, Street Superintendent Phil Markman, Jackson County Library Director Tam Erickson and Recording Secretary Dave Maschoff.

ONE TON TRUCK FOR THE STREET DEPARTMENT

Street Superintendent Phil Markman explained after the City received the new one-ton truck, the truck was sent up to Crysteel in Lake Crystal to have the box installed.

Markman said after the truck arrived at Crysteel, he received a phone call from Crysteel that it was the wrong truck chassis. He said part of it was the Street Department's fault for not looking closely at the truck when it arrived. Markman said the Street Department was in the middle of taking care of flooding and snow at the time. He said the new truck stood in the City's shop when it arrived.

Markman said the paperwork from August 28, 2018 showed the truck that was ordered had a model number of CK36043, 3500HD Silverado Crew. He said that model number was taken off a Jackson County pickup VIN number or plate in the door. Markman said that's the model numbered truck that the City wanted.

Markman said he has three pieces of paperwork from Asa Auto Plaza signed by Jason Voss in his hand writing with that number.

Markman explained the truck that arrived had a model number of CK35943. He said basically that truck is more of the general public's version and not a work truck. Markman said the difference in the two models is the frame. He said the Street Department specified 60 inches from the cab to the axle to accommodate the box they wanted.

Markman said it was the Street Department's error that they didn't extensively look over the truck when it came in. He said the truck they received was different than what was ordered. Markman said the frame on the truck that was delivered has a hump in it and it's wider. He said Crysteel gave the City a bid and for an extra \$1,280 they can make it work. However, Markman said he and Jackson County Shop Supervisor Kayle Koep's opinion is that's not what the City ordered and that's not what the City wants.

Markman said he would like to get the truck back from Crysteel and go back to Asa Auto Plaza and ask them to please get the truck that the Street Department wanted the first time.

Finck asked Markman how long they have had the truck.

Markman said it's probably been a month or month-and-a-half that it sat in the Public Works shop. He said they did unfortunately pay for the truck. Markman said he spoke with Jason Voss at Asa Auto Plaza about the matter.

Markman noted the axle on the truck will be too short. He said Crysteel can make the box work but they would have to add onto the frame and the axle would be shorter so there would be a lot more weight behind the axle. Markman said Crysteel is not going to stretch the drive line, but add on behind the axle.

Markman said the City doesn't want something cobbled together because this truck is going to be with the City probably for 20 years.

Cushman pointed out that some warranty may be voided on the vehicle if the frame is altered. He noted that this truck will be used for the long haul by the City. Cushman said the truck isn't what the City ordered and paid for. He said his biggest fear is that the warranty will be voided once the vehicle is altered.

Mayor Walter said the truck isn't what the City ordered. He pointed out the truck isn't heavy duty for what the City is going to use it for.

Markman said the box on the truck that was delivered would be wider and noted the hump in the middle. He said to modify the truck; Crysteel would have to add cross-members to the box so it would raise the height of the box.

Mayor Walter said to ask Asa Auto Plaza to get the model of truck that the City had originally ordered.

Markman said he and Kayle Koep take partial blame that they should have caught the discrepancy of the model number in the paper work, but noted that's what Asa Auto Plaza does for a living.

Finck noted Markman submitted the correct model number when he ordered the truck. Finck noted he doesn't look at the VIN number when he picks up a truck he's purchased.

Cushman said to get the truck back from Crysteel.

The Finance Committee and City Administrator recommended having Markman talk to Jason Voss at Asa Auto Plaza to inform Voss that this isn't the truck the City paid for, it won't work for the City's uses, and to order the truck model the City originally wanted.

Mayor Walter also mentioned about asking Asa Auto Plaza not to take as long to find a truck this time as it did the first time around.

Markman thanked the Finance Committee members.

LIBRARY CUSTODIAN BIDS

Skaret said the City advertised for bids for library custodian services. He said three bids were submitted that widely ranged in price.

Skaret explained Bob Pietrowski currently provides custodial services at the library for \$750 a month. He said Pietrowski submitted a bid going up to \$850 per month for cleaning services. Skaret said a bid of \$1,500 a month was submitted by R&J Cleaning and Marsden Services submitted a bid of \$2,575 a month.

Skaret said normally the low bid will be accepted, but the City is not satisfied with the current custodial services at the library.

Skaret explained he and Library Director Tam Erickson interviewed two of the three companies that submitted bids. He said they did not interview Bob Pietrowski because they are familiar with his service. Skaret said they interviewed Marsden Services and R&J Cleaning.

Skaret said the library needs to be kept looking top notch because it's a nice building and because of the amount of money that's been invested into it. Skaret said it's felt it's worth taking a step up in services and accepting the bid from Ron Fricke of R&J Cleaning. He said Fricke was interviewed and went through the library building. Skaret said Fricke was able to point out where the library is currently not getting services. He noted R&J Cleaning also does custodian work for Bank Midwest and Ziegler's who both seem happy with R&J Cleaning's services.

Skaret said he and Erickson agree that something needs to be done different at the library for custodial services and recommends accepting the bid from R&J Cleaning.

Cushman asked how many days a week is the library cleaned.

Erickson said at least five days a week.

Skaret said it's six days a week in the winter.

Erickson pointed out with the amount of use the library gets, she said the rest rooms need to be sanitized every day and the building vacuumed. She said there are a lot of people in the library every day. Erickson said she doesn't think the public realizes how much cleaning there is until you start doing it. She noted the library has a lot of shelving.

Mayor Walter asked Erickson if she has spoken with Pietrowski that he's not doing what they want and he needs to do more.

Erickson said she's talked to Pietrowski many times and she has documentation of that.

MAYOR WALTER/CUSHMAN moved and it was unanimously carried to recommend to the City Council to hire R&J Cleaning of Jackson to provide custodial services at the Jackson Library for \$1,500 a month.

Skaret noted in the current contract there's a 30 day notice that the City will have to give Bob Pietrowski. He said the Finance Committee's recommendation would be on the Consent Agenda for the City Council's April 16th meeting when it will become official. Skaret said Pietrowski will then be given his 30 day notice.

MEMORIAL PARK BIDS

Skaret distributed copies of the Memorial Park bids that were submitted. He said bids came in pretty well. He pointed out the base project includes adding an additional trail, doing some trail realignment, and doing the grading and seeding. Skaret said the engineer's estimate was \$425,000 for the base project.

Skaret said there were two bidders, Holstein Excavating of Edgerton, Minnesota and Svoboda Excavating of Jackson. Svoboda Excavating submitted the low base bid at \$419,477.

Skaret explained bids were also submitted by Holstein Excavating and Svoboda Excavating for four alternates to be add-ons if the budget allows.

Skaret said Alternate Number One was for the Kayak/Canoe Launch which came in way over budget. He said Alternates Two and Three were different cement pads for picnic tables. Skaret noted those bids came in above the estimate as well. He said Alternate Four is the splash pad which came in at a high cost.

At this point, Skaret said the splash pad is out of the picture for the Memorial Park project. He explained the Splash Pad Committee is looking for an alternate location moving that up to the school. Skaret said a meeting was held at the school on April 15th with the Splash Pad Committee along with City Attorney and Schoolboard member Brad Anderson and Alderman Donnie Schoenrock. He said they are looking at a location by the school but don't know exactly where. Skaret said kind of the preferred spot right now is using some of the parking lot area and putting the splash pad there.

Skaret explained the reason for moving the splash pad is the flood. He said there have flood waters at the proposed original site of the splash pad during much of the last two warm weather seasons. Skaret pointed out the bathrooms this year were under water, there are accessibility issues, plus the overall costs. He said the cost of the splash pad went up because they had to move it 165 feet to the east to get it out of the flood plain.

Skaret said that resulted in having to do extra water, sewer and electrical line extensions and also having to put in what's called a Dome-Pack to store the pumping equipment in. He said all that added an extra \$75,000 to the cost of the splash pad. Skaret said the Splash Pad Committee only has money for about \$300,000 which has been their estimated cost the whole time. He explained even going with the low bid submitted for the splash pad; the Splash Pad Committee is \$100,000 short.

Skaret said moving the splash pad up to the school will also compliment the swimming pool. He said efforts are underway to try to increase utilization of the pool and the splash pad would be a nice compliment. Skaret pointed out there are also restrooms that are right there.

Skaret noted the ballfields are located at the school and the splash pad would provide something for the younger children to do when their older siblings are playing a ballgame and the parents are watching the games in the stands.

Skaret said there have also been questions about safety. He said people feel safer if the splash pad is on the school grounds verses being located in Memorial Park which is kind of a remote location.

Skaret said there are a lot of details to be hammered out as far as locating the splash pad at the school but that's kind of the direction the Splash Pad Committee is heading right now. He said the School Board has referred the matter to the Pool Committee to study and iron out the details.

Skaret also noted that hopefully the existing pool staff could be used to operate the splash pad. He explained to operate a splash pad you have to have a certified pool operator. Skaret said the City doesn't have a certified pool operator on staff so the City would have to send a couple people to pool school to get certified. He said the school has two certified pool operators and that could be a potential area for collaboration between the City and the School District.

Skaret said the Park Board is generally on board with the idea of moving the splash pad. He said it was discussed at the Park Board meeting on April 9th. Skaret noted Alderman Donnie Schoenrock had further conversation with Park Board Chairman Michael Haeffner.

Skaret said he thinks there's a lot of support for locating the splash pad at the school.

Cushman said it sure sounds good. He said his only question is why they would want to take up parking space at the school. Cushman said when he first heard about the change of location, he thought it may be located right across from the pool.

Skaret said locating the splash pad across the street from the pool is also being talked about.

Mayor Walter said he told Alderman Schoenrock it sounded like it was a great idea when Schoenrock called him and asked what he thought about moving the splash pad up to the school. He said he asked Schoenrock if they had chosen a spot at the school. Mayor Walter said Schoenrock mentioned there is a spot near the FFA garden and there's also a nice bathroom facility on that side of the street for the ballfields too.

Finck mentioned there's been talk about upgrading those ballfield restrooms by installing a shower to be able to rinse off and also serve as a storm shelter. Finck questioned the idea of taking away from the parking at the school.

Cushman noted all the activities that take place at the school.

Skaret said he mentioned the parking during the meeting that was held at the school. He said he was told that rarely are they ever out of parking.

Finck pointed out who's ever on that committee should come to the school during a ball game and look for a parking space. He noted he's walked blocks in the past to attend a game or event at the school because the parking lots were filled.

Mayor Walter noted how much parking was used during the Farm and Home Show that was held at the high school.

Skaret pointed out no decision has been made regarding whether the splash pad would be located in the parking lot or in the green space. He said there's a lot to be studied yet.

Finck said it's their decision.

Cushman commented it just seems more appealing to have the green space environment for a splash pad verses a parking lot. He said there is plenty of time for the committee to work out the details.

Finck asked if the Splash Pad Committee is still hoping to work out the details and construct the splash pad this year.

Skaret said the Committee is hoping to do so.

Finck asked how Pool Director Jacqueline Knips feels about the splash pad being located at the school.

Skaret said Knips supports moving the splash pad up to the school.

Finck said he really likes the idea of having the splash pad located at the school. He noted it's away from the river, the school is a patrolled and safe area, and there's always activity going on at the school.

Cushman added there is visual sight from all sides at the school verses the Memorial Park location where the splash pad was kind of hid.

Finck said he appreciates what the Splash Pad Committee is doing.

Mayor Walter agreed.

Regarding Memorial Park, Skaret said the Park Board's recommendation was to approve the base bid from Svoboda Excavating and in the future they can look at Alternates One through Three as add-ons. He noted Svoboda's said they would be willing to work with the City finding a more suitable, less expensive material, for the kayak/canoe launch.

Cushman asked if Alternates One through Three could be put on hold for the time being.

Skaret said that's what the Park Board is recommending. He said the alternates can always be done at another time.

Regarding the grant, Finck asked if part of the grant can be used, stop the project, and then use the rest of the grant dollars at a later date if there's funding still available.

Skaret said that's possible if it's done as part of the project this summer or maybe even next spring. He explained it has to be part of the same project in order to utilize the grant dollars.

Finck said he just doesn't want the City to lose out on the grant funding if it's really anticipated that Alternative One will be added.

Skaret said once this Memorial Park Project begins it's going to go pretty fast because most of the project is moving dirt and putting down some asphalt.

CUSHMAN/MAYOR WALTER moved and it was unanimously carried to recommend to the City Council to accept the Park Board's recommendation to accept the base bid of \$405,542 from Svoboda Excavating of Jackson, Minnesota.

Cushman asked if there would be any new engineering cost for the City by having the splash pad moved to the school.

Skaret said the Splash Pad Committee will need to work directly with the commercial recreational services company that the Committee has been working with. He explained the City is now basically out of the construction of the splash pad. Skaret said because the splash pad will now be an independent project with private funds, it doesn't have to be bid.

Cushman said SEH is not going to put together a package to engineer this any further regarding the splash pad.

Skaret said that was correct.

Cushman noted the Splash Pad Committee has invested some money in the City's bathroom at Albertus Field. He asked if the Splash Pad Committee has or will they ask anything about that at this point.

Skaret said the Splash Pad Committee hasn't asked about it. He said there's some unfinished work in those bathrooms that was part of what the Committee had fundraised for. Skaret pointed out the Park Board actually ended up paying for the work at the bathrooms.

Cushman asked if the bathrooms are useable or what work is left to do.

Skaret said he was unsure of what still needed to be done. He commented some of the work is done and some of it's not done.

Cushman said the City should find out what needs to be done to make the bathrooms functional and finished off. He added it also needs to be determined who's taken the lead on that project so it doesn't end up half way done even if the City has to pay for it.

STREET FINANCING PLAN UPDATE

Skaret provided updated information to the Finance Committee members regarding a street financing plan. He explained it's more of a snapshot of what the City is looking at based on the Street Committee putting together a plan to do a project for 2020.

Skaret said he talked with the City's Financial Consultant Shannon Sweeney about what the City can afford as far as a 2020 project. He said the City can bond for about \$1.6 million and some change. Skaret explained the City has some debt service coming off in 2021. He said the Sunset View bonds and a tax abatement will be coming off which will free up about \$85,000 in debt service. Because of that, Skaret said 2020 would be a good year to do a project.

Skaret explained the way Sweeney has it planned is basically to do about a \$1.661 million bond.

Skaret said the Street Committee hasn't named any streets yet for a project. He said they have a long list of streets they can choose from that would include street, some underground water and sewer and storm sewer work.

As far as doing additional work, Skaret explained the bigger the project you do, the more economies of scale you get. He said the City does have some money on hand that can be put towards a project. Skaret noted by the end of 2019, the City will have \$125,000 in street construction levy sitting in the bank. He said the City will also have \$80,000 that was already set aside for streets and alleys that can be contributed towards a project.

Skaret said the Street Commission talked about not sealcoating streets this year because the City is pretty well caught up on sealcoating. He said that money for sealcoating is probably better spent on doing some overlays or reconstruction rather than throwing more sealcoat on. Skaret said there is also the library parking lot and alley where the City has money already set aside for that. He said it was talked about last year of wrapping the library parking lot and alley project in with another street project to get the economies of scale.

Skaret said adding all those in; the City would end up with a project that's about a little over \$2 million. He explained the City would end up with a levy increase of about three percent in debt service doing it that way.

Finck noted the next step to this is that the Street Committee needs to determine which streets will be worked on.

Skaret said the Street Committee needs to select the streets that would fit within this kind of a budget.

Cushman said if the City has \$2 million to work with to start, when does the City put the next \$2 million into this.

Skaret said that's kind of a challenge. He pointed out going forward the next debt the City has coming off is in 2024 and some more in 2026. He said that includes debt and tax abatements that are coming off. Skaret explained that would free up about enough money to do a \$4 million project.

Finck said it just doesn't seem like it's enough.

Skaret said it's not enough but it's a start.

Cushman said at least it gives an idea of how difficult it is.

Skaret mentioned one of the things that handicaps the City is that the City hasn't been doing special assessments. He explained the City has been paying for debt on street projects through street reconstruction bonds. Skaret pointed out there's a limit of three percent of the City's market value allowed for street reconstruction bonding. Skaret said doing a \$4 million project or anything larger than that in 2025 or 2026 is going to push the City against its debt ceiling.

Skaret explained funding may be available through the PFA, Public Facilities Financing Authority through the State if the City does some underground utility work such as water and sewer as part of a larger project. He said the PFA does low interest loans and some grant money for projects. Skaret noted the City has received PFA grant funding in the past for sewer work. He said Rural Development through the USDA does infrastructure financing as well. Skaret said Rural Development typically does larger projects that would be more like your \$3, \$4 or \$5 million project. However, Skaret said that does require some years of advance planning to get on the USDA Rural Development's list.

Mayor Walter said it sounds like planning should get started so the City can be ready for a project in 2024 or 2025.

Skaret said a project could be done in 2020. He explained the street projects are two year projects. Skaret said work is done in 2020 and in 2021 the second coat of asphalt is put on and planning begins for the next project. He said planning should actually be getting underway now.

Mayor Walter said the Finance Committee should spell out a plan for street reconstruction so in the future any new Finance Committee members have a plan already in place instead of starting the process all over again. He said the Street Committee and all of the committees need to set plans in place if the members of those committees change in the future.

Skaret said he wanted to let the Finance Committee members know where the City is at in regard to planning for street reconstruction.

Cushman suggested focusing on redoing the streets that are the heavier traveled arteries and carry the most traffic in Jackson like South Street, White, Sherman and North Highway. He said those are the arteries that feed the community and those streets are getting bad. Cushman said the Street Committee needs to make a recommendation and work hand-in-hand with the Finance Committee to make this thing work.

Cushman said some streets may just need to have an overlay instead of a complete street reconstruction so there's a smooth surface that allows traffic to move at a safe speed and are drivable.

Finck said he agreed with Cushman. He said there has to be a fix. Finck said we can't replace everything at once.

Mayor Walter noted the streets Cushman mentioned have all had their sanitary sewer slip-lined.

Finck said the City needs to be realistic and get some surfaces in town that can be driven on. He said the streets are getting bad. Finck pointed out if you look at the ten year meteorological outlook for moisture content coming to the area, street conditions will get much worse. He said meteorologists are talking about a ten year outlook of higher, bigger rain and snow events and a half-degree to one degree warm-up. Finck said that's the cycle and these streets are going to get really bad real quick.

Cushman also mentioned about taking a closer look at projects before the City grants tax abatements in the future. He said the City is going to have to look at taking care of itself for a while and not outside. Cushman said the City has to be realistic of what is the true value of doing tax abatements, because the City can or because they have to. Cushman said there is a difference. He said if there's a project that justifies having a tax abatement, absolutely. Cushman said the City needs to take care of itself for a while.

Finck said he agreed.

With no future business, the Finance Committee meeting was adjourned at 6:04 p.m.

David A. Maschoff, Recording Secretary

