

STREET COMMITTEE MEETING
April 2, 2019

A meeting of the City of Jackson Street Committee was held in the Conference Room of the Economic Development Office in the Jackson City Hall at 5:15p.m. on April 2, 2019 with the following persons in attendance: Street Committee members Larry Anderson, Donnie Schoenrock and Dave Cushman, City Administrator Matt Skaret, Street Superintendent Phil Markman, Water/Wastewater Superintendent Tony Oxborough, Engineer Greg Mitchell of Bolton and Menk and Recording Secretary Dave Maschoff.

CITY OF JACKSON STREETS AND INFRASTRUCTURE

City Administrator Matt Skaret explained the purpose of the Street Committee meeting was to talk about the current conditions of the City's streets. He said Engineer Greg Mitchell had some maps for the Street Committee to review.

Skaret noted this has been a bad winter for frost boils.

Street Superintendent Phil Markman said he's been driving around Jackson for the last two days and has a list of 37 spots that are really bad and need to be patched as soon as the Street Department can. He pointed out there's two bad spots on South Street, a big frost boil on Kimball Avenue and a bad frost boil on Dewey Street between Sherman and Grant Streets. Markman said the Street Department is waiting for the hot mix plant to open.

Markman said an audit of the street surfaces and curbs was done in 2016. He said that list was given to former Water Superintendent Steve Beckel who prioritized the infrastructure water mains and then passed that information on to current Water/Wastewater Superintendent Tony Oxborough. Markman explained that's how the sheet listing the streets and infrastructure that needs to be upgraded was prioritized and developed.

Over the years, Markman said it seems like a lot of the asphalt is letting go from the bottom and is turning back into gravel. He said the only thing that's been holding the asphalt has been the sealcoat.

Markman said a big issue has been the refuse trucks that travel the City's streets since the garbage pickup has converted to the carts for garbage and recycling. He said the City streets are designed as a four or five ton road and by the time a garbage truck is full it's probably weighing around 60,000 pounds. Markman noted nowadays there are two trucks, one for garbage and the other for recycling. He said the recycling truck is probably lighter due to the plastics and type of recyclables it carries. Markman said the garbage and recycling trucks are essentially following each other around town so the streets get those trucks travelling on them twice a day.

Markman noted there are also several instances where truckers drive their semi-tractor home each night which doesn't help the situation with the streets.

Markman said the garbage trucks and semi-tractors are not the root cause of the street problems, but it's not helping the situation. He said there are frost heaves that form regardless.

In the short term, Cushman asked what's going to be done about the bad spots on the streets.

Markman said the Street Department will be able to address the bad spots as soon as the hot mix plant opens. He said it's anticipated the hot mix plant in Worthington may open as early as the week of April 8th.

As far as the long term fix, Markman said the streets will need to be reviewed and prioritized.

Cushman suggested instead of discussing individual streets that are on the list, maybe the Street Committee should look at what the City can afford to do. He asked what if the City looked at bonding for a project and then determine how far that bond gets the City in repairing streets. Cushman asked how much could be done with a \$10 million street reconstruction bond. Cushman said until the City figures out how they're going to pay for it, it doesn't matter what street is chosen. He said there are plenty of streets to pick from.

Cushman said the other thing to look at is the corridor streets that are crucial. He said for him it's the east-west roads for the most part such as North Highway, Sherman, White and South Streets. Cushman said those are the arteries that feed our community. He said there are slower moving streets that funnel to those corridor streets that get motorists to where they need to go. Cushman said the Street Committee needs to revisit this whole process.

Skaret said there are a lot of pieces to the puzzle regarding the question of what can the City do for \$10 million. He said it depends on what streets are going to be done because some streets are going to require underground utility work. Skaret pointed out with underground utility work the City may be able to tap into additional sources of revenue, such as for water and sewer. He noted if the City would establish a storm sewer utility someday, that would also help with the storm sewer costs. Skaret said if there's some underground work, especially with the sanitary sewer, the City could potentially receive PFA funding.

Engineer Greg Mitchell pointed out a lot of the sanitary sewer lines on the west side of the river have already been lined. He said that was done in 2012 through the PFA. Mitchell said west of the river most of the sanitary sewer lines have been lined and it's not anticipated that any of those lines will be replaced. However, Mitchell said the sewer lines on the east side of the river would be something to look at.

Markman pointed out the oldest water mains are located on the east side of the river.

Referring to Cushman's point, Schoenrock noted several corridors of traffic are already or will be new. He pointed out that South Highway will be new, Ashley Street is new and so is State Street.

Markman said the worst street on the east side of Jackson now is Thomas Hill.

Schoenrock said he agreed with Cushman's comments on focusing repairs on the main travelled arteries in Jackson.

Markman pointed out additional streets that have come to the forefront for repairs since the original list of streets was developed in 2016.

Mitchell said the estimated cost to repair and upgrade the streets on the list from 2016 has been increased about 20 percent to an estimated \$12 million instead of \$10 million.

Skaret said as time moves forward, the cost will continue to increase. He said it's part of the "what can we afford question".

Skaret distributed information to the Street Committee members showing where the City of Jackson is at financially. He pointed out information about how the City of Jackson's property taxes compare with other cities. Skaret said the most recent information available from the League of Minnesota Cities is from three years ago.

Skaret explained the information and how it correlates with the street work the City has completed over the years. He said there will need to be some educating for the Street Committee and the public that the City will not be able to maintain the low tax rate and also tackle large street projects. Skaret said the City can repair streets as fiscally conservative as possible in trying to limit the impacts, but the tax rate is going to have to go up. Skaret said he knows no one likes to hear that and he hates saying that but that's just a matter of fact.

Skaret showed where the City is as far as tax capacity. He said the City doesn't have a whole lot coming off the books in the upcoming years. As far as general tax levy, Skaret said the City has about \$70,000 in levy opening up in 2021 which would make 2020 a good year to do a decent sized street project. Skaret said if the City, for example, bonded for a million dollars in street work and paid it back over 15 years at three-and-half percent interest rate, the City would have to levy about \$86,000 a year to pay that. He said that eats up the savings of what's coming off the books in 2021. Skaret said unfortunately, the City doesn't have a lot coming off the books until about 2026. He said in his opinion, the City can't really wait until 2026 to fix the City's streets. He said the information gives the Street Committee a snap shot of what the City is looking at.

Skaret noted if the City looked at doing some underground work with a street project comparable to what the City did in 2012 and 2013, which was a \$2.5 to \$3 million project, the City could theoretically use up the levy that is coming off the books in 2021 plus add three percent.

Markman asked about why the City isn't assessing property owners any more for street improvements.

Schoenrock explained the thought process of the City Council at the time was that the City was doing well financially and if the City is going to start repairing the streets, they will repair a lot of streets over the course of the next ten years. He said the thought then was there would be a tax increase on everybody because everybody is going to benefit from the streets. Schoenrock said a couple of streets were reconstructed.

Mitchell said he thinks the last project that may have been assessed to the property owners may have been the downtown project and that was back in the 80's.

Mitchell pointed out a map that showed the street improvements that were done in Jackson from 1986 to 1996. He said they all correspond to County projects where the County did the surface and the City did the utilities similar to what's being done on South Highway now. Mitchell said he didn't know if property owners were assessed for the improvements at that time.

Cushman reiterated it comes back to what the City can afford. He said we know there's going to be a tax increase. Cushman said the City needs to come first for a while and not take on additional expense in granting such things as tax abatements. He said he didn't think the City has been selfish enough.

Schoenrock asked about Fairmont's sales tax on goods and products.

Mitchell explained the local option sales tax in Fairmont started a year or two ago. He said the revenue generated is supposed to go to recreational projects and doesn't go towards any street projects.

Markman noted however that the money generated by the sales tax for recreational projects leaves other funds that could go towards streets so indirectly it helps.

Skaret also noted other communities that have a local option sales tax have some large retail outlets. He said Jackson doesn't have that retail base, not saying a local option sales tax wouldn't help. Skaret explained in order to institute a local option sales tax, it needs to be adopted by ordinance and approved by the Legislature. He said it's a time consuming process.

Mitchell said another funding source may be through franchise fees.

Skaret said the City of Jackson already has franchise fees in place.

Schoenrock suggested developing an example of a possible construction project and having the City's Financial Consultant Shannon Sweeney take a look at it to determine what the City would need to be able to afford it.

Mitchell referred to the list of streets developed in 2016. He pointed out several of the street projects were grouped together. Mitchell said the list could be given to Sweeney to develop how projects could be financed. He said it's a list of \$12 million dollars over 12 years.

Skaret said Sweeney could work with the \$12 million figure over 12 years and the list may include a combination of different streets.

Cushman said although Emily Street may be the worst street in town, the Street Committee needs to look at foot traffic. He said the Street Committee needs to be more mindful of how many tires are on these roads.

Markman said the condition of Emily Street is way better since some work was done on it plus it has less traffic on it.

Markman asked Oxborough about the condition of the water infrastructure on South Street. He said there were new manholes installed when the sewer lines were slip lined. Markman said there haven't been any water main breaks that he can remember in that area.

Oxborough said a lot of that is old infrastructure. He noted the list is not a water main list, but a street driven list.

Cushman said there is another potential list of water main improvements that are not on the list of streets.

Oxborough said the water main improvements in the forefront are on North Highway, Sayles Drive and Sherry Lane.

Skaret said the City has a lot of competing needs. He noted the lists that are street driven, water driven and then there is the MPCA notice of violation regarding inflow and infiltration of the sanitary sewer. Skaret said it would be great if a project could be chosen that addresses all three of those issues.

Oxborough pointed out with the South Highway Project, the City is doing a lot better because it picks up a lot of the City's problems with inflow and infiltration and spilling when the force main breaks. He said the City has at least a year to collect data on where the problems are with the sewer. Oxborough said the City should not just be attacking areas without really understanding where the real needs are.

Skaret asked Mitchell if there are streets that would be good candidates for a mill and overlay. He said obviously the City can't do reconstructs on every street in the City at the same time. Skaret asked how much it would cost to do an overlay on a traditional block of street.

Mitchell said a 32 foot pavement from the lip of the curb to the lip of the curb would be about \$32,000 for a block of milling and overlay. He noted there would be some contingencies and engineering included with that. Mitchell said each street would have to be specifically looked at to see if a mill and overlay would be suitable. He said \$32,000 for a block of two inch overlay could be higher depending on the actual street condition or if a four inch overlay is put on instead of a two inch overlay.

Skaret asked if the mill and overlay would not be suitable on streets that have frost boils.

Markman and Mitchell agreed a mill and overlay would not be suitable on those streets.

Markman said another issue with some of the streets pertains to the intakes and gutter lines. He explained over the years, sealcoat companies seal coated curb to curb and the sealcoating has built up on the streets so the street level becomes higher than the intakes and gutter lines. He noted there are areas on South Street where the crown of the road is higher than the curbs because the crown has gotten so big due to the overlays. Markman said the streets have to be almost re-shaped again.

Skaret said the City has budgeted \$85,000 or \$90,000 for sealcoating in 2019. He asked if the City would be better off saving those funds to put towards street reconstruction.

Markman said he and Mitchell have talked about that. He suggested first seeing where the City is at with the streets before committing to a sealcoating project for this year.

Skaret said \$90,000 could instead go towards potentially three blocks of overlay. He said you don't want to do sealcoating and a year to two later replace the street.

Cushman commented he thinks we have a plan.

Skaret said he thinks we have some direction for the immediate future. He said he will talk to Shannon Sweeney about putting together some possible payment or debt service schedules for doing \$12 million of projects based on what's on the street reconstruction list between the breakdowns. Skaret said that's what the City has to work with right now. He noted the cost numbers will surely change as we get down the road and identify what streets the City is going to do in that \$12 million.

Cushman said the City needs to find out if the projects are even doable. He said right now the Street Committee doesn't know if it's even doable.

Schoenrock said it's important when Skaret does an update about the Street Committee meeting to the City Council that the Council knows the street reconstruction needs are critical, the Street Committee has identified the issues and that the Committee is trying to come up with a plan that's going to be the easiest on the taxpayers.

Skaret said it's hoped to have another Street Committee meeting within the next month or so.

Cushman said it's important to stay on the issue and keep moving forward. He said it's important to have Sweeney involved to see if the City is on track, are we close or are we realistic or unrealistic. Cushman said it's important to have the financial information before the Street Committee starts to pinpoint specific spots for street improvements.

Skaret said the Street Committee needs to move forward with the goal in mind of doing a major project, we don't know how major in 2020, whether it's going to be a \$2 million project or a \$6 million project. He said that's up in the air right now.

With no further business, the Street Committee meeting was adjourned at 6:14 p.m.

David A. Maschoff, Recording Secretary

