

February 2, 2023
Special Joint City Council and Jackson County Central Schoolboard Meeting
Jackson, Minnesota

The Jackson City Council and Jackson County Central Schoolboard met in joint session at 5:00 p.m. on Thursday, February 2, 2023 in the commons area of Minnesota West Community and Technical College located at 401 West Street in Jackson, Minnesota. On the roll call of the City Councilmembers, the following persons were present at the meeting, Mayor Marcus Polz and Aldermen Mark Titus, Chris Naumann, Brandon Finck, Nathan Peterson, Joe Pell and Alderwoman Sara Mix. Also attending was City Administrator Matt Skaret, City Attorney Brad Anderson and City Clerk/Council Secretary Dave Maschoff. Jackson County Central Schoolboard members attending included Schoolboard President Rhonda Moore along with Schoolboard members Jody Thrush, Amy Voss, Troy Schultz, Ben Appel, Tina Polz and Levi Lucht. Also attending was JCC School Superintendent Barry Schmidt. Also present were a number of community members in the Minnesota West commons area.

PLEDGE OF ALLEGIANCE

Mayor Polz announced the Pledge of Allegiance would be recited before the meeting was called to order. All those attending recited the Pledge of Allegiance.

CALL TO ORDER

Mayor Polz thanked everyone for attending the special joint meeting of the Jackson City Council and the Jackson County Central Schoolboard. He said the roll call showed all City Councilmembers were present.

JACKSON COUNTY CENTRAL SCHOOLBOARD CALL TO ORDER

Jackson County Central Schoolboard Chairperson Rhonda Moore called the Schoolboard meeting to order at 5:00 p.m. Chairperson Moore asked for a motion to approve the agenda as presented.

VOSS/THRUSH moved and the Jackson County Central Schoolboard members unanimously approved the meeting agenda as presented.

Moore declared the Schoolboard meeting now open.

Council Discussion Items

CONTINUE DISCUSSION REGARDING THE SWIMMING POOL

Mayor Polz explained discussion was going to continue regarding the swimming pool. He said there would be a question-and-answer period towards the end of the meeting.

Schoolboard Chairperson Rhonda Moore said the overview from the past joint Schoolboard and City Council meetings pertained to the discussion about the pool and the finances of the pool.

Moore said she doesn't think it's a matter of not wanting the pool, it's a matter of can the School District actually afford to have the pool. She said the Schoolboard and City Council have come together. Moore said the Schoolboard is trying to work out a solution with the City to partner together. She said there are several options on the table that are being discussed.

Mayor Polz agreed with Moore's comments. He said the City has been looking to determine whether they have a partner going forward with the pool. Mayor Polz said if the City doesn't have a partner, certainly the City can't do the renovations at the pool individually. He said the City is looking at the School District to determine if they have a partner. Mayor Polz said if it's determined the City has a partnership going forward, then the City is in the same situation as the School District of determining how they're going to be able to fund and afford it. He said that becomes the question. Mayor Polz noted if there's a partnership between the City and the School District, how does the City go ahead and make dollars and cents out of this going forward.

Mayor Polz said as far as the last City Council meeting that was held regarding the pool, the estimate for the City to construct an outdoor pool on their own was in the \$5 to \$10 million range. As far as the information from JLG Architects, Mayor Polz told the Schoolboard that they have the same report as the City does. He noted the only aspect that was not updated was the cost of the tub of the actual pool itself which is around \$350,000. Mayor Polz said otherwise the rest of the information was identical to what the School District has received. He said the estimated cost to renovate the pool has been estimated between \$7 and \$9. Mayor Polz said the architects have noted a one percent monthly increase in construction costs going forward.

Alderman Brandon Finck explained some rough numbers that he had assembled for a \$7 million project. He stressed the numbers were rough and not for the purpose of making any financial decisions. Finck said they were for illustration purposes only and to start a conversation.

Finck said right now if you look at the costs of the pool as it operates today, about 46 percent of it is paid for by the School District and 54 percent paid for by the City. He said that's roughly how it breaks down. Finck said he understands different components break out differently, but that's the average.

Finck said his example was based on a remodel cost of the pool at \$7 million, with the School District taking 46 percent and the City taking 54 percent of that. He said based on a 30 year bond, at the end of that period if the City took over all the operational costs, that's a cost savings of about \$75,000 to the School District. If you remove that from the bond payment to be net neutral, Finck explained how that would spread out over the City of Lakefield, the City of Jackson and the rest of the School District. He said he talked with Jackson County Auditor Kevin Nordquist and received information regarding the School District. Based on that information, Finck said he broke the tax base into three categories as follows, 74.4 percent rural, 19.4 percent the City of Jackson and 6.2 percent for the City of Lakefield. He noted based on that, the rural areas would be paying for \$87,000, the City of Jackson, \$28,000 and the City of Lakefield \$7,200 each year over the next 30 years. Finck said the City of Jackson's total cost would be \$3,780,000. He said the City would have a 30-year bond at 4.5 percent interest which would equal a payment of \$231,000 per year. Finck noted once the project was complete, the City would be taking on an additional \$75,000 of operational costs bringing the City's cost up to \$306,000 annually. Finck explained basically when you put a \$7 million project together and determine what the tax base will be, the City of Jackson is going to pick up 300,000 to \$340,000 annually of the cost, the City of Lakefield's share will be about \$7,200 annually and the rest of the School District's share, the rural areas, will pick up about \$87,000 to \$88,000 annually.

Finck said the cost numbers he presented are just a starting point. He said he sure didn't spend a lot of time going down to the penny doing any of the cost figures.

Finck said it was interesting to him as a City Councilmember to look at the annual cost figures. He said it's a big ask for our community.

Mayor Polz noted what the estimated cost of the City of Jackson's share for the pool would be and what it would mean pertaining to the City's tax levy or bonding capacity. He said things to consider is what are going to be the financial paths if the City and the School District move forward in a partnership to make the pool project work.

Finck noted if the City took on the renovation of the pool alone, it would be about another five percent increase in the tax levy, meaning about another \$100,000 in debt service that would be picked up by assets of the City. He said it's going to be a pretty tough pill to swallow for the City to do that moving forward. Finck said now knowing that, what we do is kind of the challenge that we're in.

Schoolboard Chairperson Rhonda Moore noted the funding for the School District comes in differently than it does for the City. She said the School District currently doesn't know at this point what they'll receive for funding from the State of Minnesota. Moore said the School District probably won't have that information for a few more months.

Superintendent Barry Schmidt outlined the breakdown of the funding for Community Education and how it relates to funding the operation of the pool. He said it costs the School District about \$72,000 annually to operate the pool. Schmidt said the School District has to always take money from the District's General Fund to put into the Pool Fund take care of a shortage. He said three years ago, \$60,000 was put into the Pool Fund from the School District's General Fund to make up the difference. Schmidt said there are some different avenues the School District can do for funding through the State, such as the Facilities Maintenance Fund. He said that can be used to pay for HVAC systems and for abatement. Schmidt said that doesn't have to be voter approved, but it does increase levy taxes for the School District's stakeholders. Schmidt said there are some options the School District can look at.

Schmidt said he believes everyone would like to work out a solution if they can, but it comes down to budgets. He said he knows he has budget reductions and it's not known yet what amount of funding the JCC School District will be receiving from the State of Minnesota this year. Schmidt went on to outline some of the specific budget challenges the School District faces and the difficulty that poses in setting budgets. He said it's not that the School District doesn't want a pool. Schmidt said it's a matter of can the School District afford it, can the School District and the City work together and is there a possible solution.

Finck asked Moore if it would be possible with the Schoolboard and the City Council to set up a task force to work on the pool issue jointly. He said the Cadillac proposal of the \$7 to \$9 million is known not to be affordable. Finck said he knows the Schoolboard has budget constraints just as the City does. He asked instead of having joint meetings with the Schoolboard and the City Council, can a task force be set up to work out solutions to bring back to a full board meeting.

Schmidt said he thinks the task force would be a better avenue in working on possible solutions.

Finck suggested in addition to having members from the City Council and Schoolboard on the task force, to also have several community members be a part of the group. He said after looking at the cost numbers for the entities involved, there's a lot more investigation that needs to be done on this.

Mayor Polz said it appears that the general consensus of the City Council and Schoolboard members is that a task force is needed moving forward. He said the task force can look into the details and start looking at the financial aspects of the pool issue.

Finck said the task force could meet and then return in 30 or 60 days with a report that the City Council and Schoolboard members could start digesting instead of dragging the issue on for another six months.

Titus said he would hope the task force would also look at the scope of the project as well.

Finck said he thinks the scope of the project would be part of what the task force would look at.

Mayor Polz suggested also revisiting the pool agreement between the School District and the City going forward to better spell out responsibilities of both entities so there's direction 40 years down the road.

Mayor Polz said it appears the task force will be the next step.

Skaret noted, just so the public is aware, this is not just a band-aid to put on the pool. He said the HVAC System needs to be replaced and the whirlpool, wading pool, mechanical system and serious ADA compliance issues need to be addressed. Skaret said it's really a pretty comprehensive overhaul that needs to be done. He said that's why the cost numbers are so high. Skaret said it's not putting new tires on an old car and letting it go, it's a lot that needs to be done.

Mayor Polz agreed. He said nobody questions the value of the pool and he doesn't think anybody questions the partnership. Mayor Polz said we just need to figure out how to get there. He said hopefully the task force is going to be a way to push the issue forward. Mayor Polz said he would encourage the task force to meet regularly and report back.

Moore asked how the City Council and Schoolboard wanted to proceed with the task force and how many members should be a part of it.

Mayor Polz suggested having two to three members from the City Council and Schoolboard.

Finck suggested in the next two weeks having the Schoolboard and City Council each figure out who their three members will be on the task force and send a message for community members to email the School and the City if they would like to be involved in the task force. He said the list would have to be narrowed down from there.

Moore asked how many members would make up the task force.

Finck suggested three from the Schoolboard, three from the City Council and three from the community. He said nine or ten people could work on the pool issue.

Mayor Polz said that's a good number of members for the task force. He said he would like to set some timelines for the task force. Mayor Polz suggested having the task force report back to the Schoolboard and City Council in 60 days. He said as time goes on, things will become more expensive. Mayor Polz that's the sense of urgency. He said it's not getting cheaper and the pool is not fixing itself, it's getting more expensive.

Schmidt agreed there should be three people from the Schoolboard, three from the City Council and three from the public. Schmidt said he and someone else from the City could also be a part of the task force.

Speaking to those attending the meeting, Schmidt invited anyone with questions about the pool to stop into his office to ask questions or discuss the pool.

Mayor Polz and Schoolboard Chairperson Moore then opened the meeting up for questions from those attending.

Questions ranged from immediate needs for the pool, financing, staffing and possible available grants to assist in the costs to renovate the pool. Other questions dealt with timelines in moving forward, costs to close the pool and what that space would then be used for, the current use of the pool by the public and how much does the school use the pool for classes. A suggestion was made to have the task force reach out to other communities that have indoor pools to see how they utilize and attract people to use them. Comments included updating the pool agreement between the School District and the City so maintenance of the pool is kept up to date so a similar situation of having to renovate the entire pool at once doesn't occur for future generations.

Suggestions were also made about the City and School District setting money aside to fund larger maintenance expenses at the pool. Comments were also made about publicizing through the media and social media sites about how many people are using the pool, hours that it's open and the operational costs. It was suggested that people would like to know what it's actually costing to operate the pool for the amount of people that are using it before moving forward with a renovation project because it's difficult to make an informed decision without the information. Superintendent Barry Schmidt said that information can be made available.

Questions were also asked about finding out what the expense is to operate the pool for each taxpayer.

Following the hour-long period for questions and comments, Schoolboard Chairperson Rhonda Moore thanked everyone for attending the meeting. She said efforts will be made to keep everyone updated on the progress of the task force.

ADJOURNMENT OF THE SCHOOLBOARD

Schoolboard Chairperson Rhonda Moore asked for a motion to adjourn the Schoolboard meeting.

JODY THRUSH/TINA POLZ moved and it was unanimously carried to adjourn the Jackson County Central Schoolboard meeting at 6:26 p.m.

ADJOURNMENT OF THE CITY COUNCIL

With no further business, Mayor Polz entertained a motion for the City Council to adjourn.

PETERSON/PELL moved and it was unanimously carried to adjourn the Jackson City Council meeting at 6:27 p.m.

David A. Maschoff, Council Secretary

Marcus Polz, Mayor

