

Jackson, Minnesota
February 5, 2019

The Jackson City Council met in regular session in the Council Chambers of City Hall at 6:30 p.m. on Tuesday, February 5, 2019 with the meeting called to order by Mayor Wayne Walter. On the roll call, the following persons were present: Mayor Wayne Walter, Aldermen Matt Madden, Larry Anderson, Brandon Finck, Jeffrey Gay and Donnie Schoenrock, City Attorney Brad Anderson, Street Superintendent Phil Markman, Park Board Chairman and Jackson Fire Department Training Officer Michael Haeffner, Engineer Greg Mitchell of Bolton and Menk, Community and Business Development Specialist Thomas Nelson of Community and Economic Development Associates, Pastor Bob Stover of Our Savior's Lutheran Church in Jackson, Scott Hargus, Justin Lessman of the Jackson County Pilot and Dave Schmidt of KKOJ/KUXX Radio. (Alderman Dave Cushman and City Administrator Matt Skaret were absent.) (A quorum of the City Council was present.)

CALL THE MEETING TO ORDER

Mayor Wayne Walter called the regular meeting of the Jackson City Council to order. He noted the roll call showed Alderman Dave Cushman and City Administrator Matt Skaret were absent.

There were no Public Hearings, Bid Lettings or Open Forum.

CONSENT AGENDA

FINCK/SCHOENROCK moved and it was unanimously carried to approve the Consent Agenda as presented.

There were no unscheduled guests who attended the meeting.

Council Discussion Items

CONSIDER SOUTH HIGHWAY RECONSTRUCTION BID

Engineer Greg Mitchell of Bolton and Menk referred the Mayor and Councilmembers to a recommendation letter that had been provided to them.

Mitchell explained the South Highway and Utility Improvement Project is a joint project with the City of Jackson and Jackson County.

Mitchell said a bid opening was held on Friday, February 1, 2019 at 10 a.m. at the Jackson County Highway Department. He explained six bids were received. Mitchell noted there is about a \$600,000 spread between the low bid and high bid. Mitchell explained there were four bids that were within 10 or 11 percent of each other and thinks a good representation of bids were received.

Mitchell pointed out the low bid is from GM Contracting, Incorporated of Lake Crystal, Minnesota. He noted GM Contracting has done work for the City of Jackson in the past. Mitchell said GM Contracting was involved as a sub-contractor with the sanitary sewer rehabilitation project. He said prior to that, GM Contracting did the work on the lift station by the State Park and also a project a number of years ago on River Street. Mitchell said Bolton and Menk doesn't have any issues or concerns with GM Contracting.

Mitchell said the low bid from GM Contracting was \$2,312,271.48 which was about \$275,000 over the engineer's estimate.

Mitchell referred to the second page of the recommendation letter that was distributed to the Mayor and Council that showed the cost breakdown of the project.

Mitchell pointed out this is a County and City project. He explained the County's cost, as far as the overrun, accounts for about 20 percent of that \$275,000. He noted the City's portion is about 6.7 percent.

Mitchell noted the breakdown listed in the letter. He said the sanitary sewer is about 7.5 percent over the estimate and the water main was about 4.3 percent under the estimate so that's about where they like to see it.

Mitchell said unfortunately the big number is the storm sewer cost which is about 22 percent over the estimate. Mitchell said he spoke to a couple of contractors and also a supplier who explained there have been some price adjustments in the precast concrete which are the manholes and reinforced storm sewer concrete pipe. He noted there's been a reduction in the discount prices in the past year that contractors have received on concrete pipes and that accounts for some of the increases being seen in the pipe price.

In summarizing, Mitchell said he thinks good bids were received. He said he didn't think rebidding the project would provide any bids that were significantly different. In fact, Mitchell said the City may see higher prices the second time around by rebidding the project. Mitchell added unless the City Council wanted to change the scope of the project, he doesn't think anything would change drastically.

Mitchell reiterated this is a joint City and County project. He said what would be taking place at the City Council meeting is to authorize the County to go ahead and award the project to GM Contracting. Mitchell said County Public Works Director Tim Stahl is going to bring that recommendation to the Jackson County Commission on February 19th.

Responding to a question from Finck, Mitchell said there haven't been any issues the City has had with GM Contracting for past work they have done in the City.

Mayor Walter asked what if the County decided not to award the project.

Mitchell explained it's a joint project and if the County decided not to award the project to GM Contracting, the project would not move forward. He said the project is tied together so it would be either all or none. Mitchell explained getting the City's approval is the first step and then taking it to the County who would then approve and award the contract.

Mayor Walter asked about the construction dates.

Mitchell explained the construction dates in the proposal are to start work after May 6th with completion by October 18th, 2019.

Finck asked if there were any penalties for not completing the project by the completion date.

Mitchell said there are penalties outlined in the contract.

FINCK/SCHOENROCK moved and it was unanimously carried to accept the South Highway Reconstruction bid from GM Contracting, Incorporated of Lake Crystal, Minnesota for \$2,312,271.48.

DONNIE SCHOENROCK – DBA KAT’S HOG HEAVEN REVOLVING LOAN FUND LOAN

Community and Business Development Specialist Thomas Nelson of Community and Economic Development Associates (CEDA) said he was on hand to present the recommendation from the Revolving Loan Fund Committee.

Nelson explained his office received a loan application from Donnie Schoenrock for his business as Kat’s Hog Heaven. Nelson said he originally purchased the business from the seller on a contract for deed. He said the seller is now looking to sell the business outright. Because of that, Nelson explained Schoenrock is currently looking to finance the purchase of the business utilizing Bank Midwest in Jackson who has asked Schoenrock to provide \$20,000 in gap financing for the purchase of the business.

Nelson noted the Revolving Loan Fund covers gap financing. He said the Revolving Loan Fund guidelines allow coverage of one-third of the cost of a project with a maximum amount of \$25,000.

Nelson said the Revolving Loan Fund Committee reviewed and looked at some similar projects specifically the loan that Pillars’ received for their project. Following that review, Nelson said the recommendation from the Revolving Loan Fund Committee was to loan \$20,000 for a term of 15 years with the interest rate set at 5.5 percent prime adjustable every five years. He said the collateral would be the same as what Bank Midwest is doing for their collateral as well.

Nelson noted the loan will not just be for refinancing but also allow Schoenrock to do an expansion of his business. He said currently the capacity of Schoenrock's business is 65 and the expansion will allow an estimated increase in capacity of an additional 40 seats. Nelson said there will be a projected increase in business as well.

Nelson pointed out the loan would come from the 801 revolving loan fund which has a healthy amount in it right now. He said the loan committee also took that into consideration to make sure they would still be able to make loans for any other projects in the future.

For clarification, City Attorney Brad Anderson said the City's security will be a second mortgage on the real estate, a security interest on all of the equipment, and a guarantee from Kat's Hog Heaven LLC.

MADDEN/ANDERSON moved and it was unanimously carried to approve the Revolving Loan Fund loan of \$20,000 to Donnie Schoenrock doing business as Kat's Hog Heaven in Jackson.

Aldermen voting in favor of the motion included Aldermen Matt Madden, Larry Anderson and Jeffrey Gay.

Alderman Brandon Finck and Alderman Donnie Schoenrock abstained.

LIQUOR STORE PAY APPLICATION NO. 4

Finck said construction work is progressing at the new liquor store. He mentioned the issue with the lighting and different light fixtures are going to be installed. Finck said the pallet of lights that originally arrived for the liquor store cannot be returned. He said it's been suggested those lights may be used at City Hall or could be used for other projects in the future.

Finck said they are looking at opening the new store in March. He noted the shelving has been ordered and plans are being finalized for signage for the interior and exterior of the store. Finck said it's exciting for the team that's been working on the project and Liquor Store Manager Michelle Bratrud has been doing a great job spearheading the efforts.

FINCK/GAY moved and it was unanimously carried to approve Liquor Store Pay Application No. 4.

NEW LIQUOR STORE LIGHTING – ORIGINAL LIGHTS REMOVED – USE AT CITY HALL

Mayor Walter noted the liquor store lighting was already discussed.

ANDERSON/SCHOENROCK moved and it was unanimously carried to approve the new liquor store lighting and use the old ones to upgrade the lighting at City Hall.

RESOLUTION NO. 08-0219 AUTHORIZING LOCAL MATCH DOLLARS FOR PHASE ONE OF THE MEMORIAL PARK REDEVELOPMENT PROJECT

Alderman Anderson explained the 2018 State Legislature awarded a 50/50 matching grant of up to \$290,000 to the City for use at Memorial Park. He said at this time the planning for the park is getting close to being completed.

With the cost estimate revised, Anderson said there will be some costs incurred by the City. He explained what the City Council needs to do is approve the match in order to receive the \$290,000 from the State.

In speaking with City Administrator Skaret, Anderson said the City has plenty of funds available for that in the General Fund. He said it's already been approved by the Legislature, but the process needs to take place to apply to receive the \$290,000 from the State to be matched by the City.

Finck asked if the Park Board is satisfied with the design plans.

Park Board Chairman Michael Haeffner explained the only thing the Park Board is looking at is moving the Veterans Memorial into the green space instead of at the end of White Street. He said that was the big thing that was changed.

Alderman Anderson noted the Veterans Memorial would be much more visible located in the green space.

Finck asked about handicap accessibility and how that will change by moving the Veterans Memorial into the green space.

Haeffner said the parking lot at the east end of White Street would provide handicap accessibility. He explained the parking lot would be extended at the end of White Street where the Veterans Memorial was originally planned to be located.

Markman explained the old street is there but it's just not in very good shape. He said the old part of the street would probably have to be milled from the apartment building to the dead end and resurfaced. Markman said they haven't seen an updated plan yet from SEH.

Markman said he thinks the new revised plan will be much more user friendly. Madden asked if SEH has provided a rough cost estimate on what Phase One will cost.

Markman said he wasn't aware if that information has been provided yet.

Schoenrock asked if Phase One of the Memorial Project could be a completed project by itself.

Markman noted Alderman Cushman had mentioned at previous meetings of first completing Phase One and then the other phases could be looked at in the future. Markman said he thinks that's the consensus of everyone to get Phase One completed to where it is fully functional. He said if the other two Phases happen that's just a bonus.

SCHOENROCK/FINCK moved and it was unanimously carried to approve Resolution No. 08-0219 authorizing local match dollars for Phase One of the Memorial Park Redevelopment Project.

RESOLUTION NO. 09-0219 APPROVING SPECIAL APPROPRIATION GRANT

Schoenrock explained Resolution No. 09-0219 will give Mayor Walter and City Administrator Skaret the authorization to apply for the State funds for the Memorial Park project.

SCHOENROCK/ANDERSON moved and it was unanimously carried to approve Resolution No. 09-0219 approving the Special Appropriation Grant.

Other:

Providing additional information for the Public

Schoenrock noted the discussion held about transparency at the January 15th City Council meeting and keeping people better informed.

Schoenrock said someone mentioned to him about posting a City Calendar on the front page of the City's website or Facebook page that could list when and where the various City's Commissions and Committees meet. He said it could be a City activity calendar so if people wanted to attend a meeting they would know the time and place of the meeting. Schoenrock said the calendar could be on the front page of the City's website or Facebook page so it would be easily accessible.

Mayor Walter suggested EDA Coordinator Thomas Nelson could look at that. Nelson said he would be happy to do so.

Thank-you from Matt Madden

Madden thanked Mayor Walter, the City Councilmembers and City Administrator Skaret for the get-well gift during his recent illness. He said he appreciated it.

ADJOURNMENT

With no further business, FINCK/SCHOENROCK moved and it was unanimously carried to adjourn the meeting at 6:53 p.m.

David A. Maschoff, Council Secretary

Wayne Walter, Mayor

