

Jackson, Minnesota
June 2, 2020

The Jackson City Council met in regular session in the Council Chambers of City Hall and also by teleconference and Zoom at 6:30 p.m. on Tuesday, June 2, 2020 with the meeting called to order by Mayor Wayne Walter. On the roll call, the following persons were present, Mayor Wayne Walter, Aldermen Larry Anderson, Brandon Finck, Dave Cushman and joining by Zoom was Alderman Matt Madden. Also attending in-person were City Administrator Matt Skaret, City Attorney Brad Anderson, Engineer Greg Mitchell of Bolton and Menk, Street Superintendent Phil Markman, Water/Wastewater Superintendent Tony Oxborough, Nathan Peterson, Father Jonathan Fasnacht of Good Shepherd Church in Jackson and City Clerk/Council Secretary Dave Maschoff. Also joining the meeting via Zoom was Luke Ewald, Doug Johnson, and Justin Lessman of the Jackson County Pilot. Also joining by teleconference was Viengmanisone Soungsouvandy of Lep's Take Me Out and Dave Schmidt of KKOJ/KUXX Radio. (Aldermen Donnie Schoenrock and Jeffrey Gay 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 said the roll call showed Alderman Donnie Schoenrock and Alderman Jeffrey Gay were absent. Mayor Walter noted Alderman Matt Madden was joining the City Council meeting via Zoom and the rest of the City Councilmembers were present.

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

CONSENT AGENDA

Mayor Walter said he would entertain a motion to approve the Consent Agenda.

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

Unscheduled Guests:

Mayor Walter asked if there were any unscheduled guests. He again asked if there were any unscheduled guests.

There were no unscheduled guests at the meeting.

Seeing or hearing none, Mayor Walter said the Council would proceed with Council Discussion Items.

Council Discussion Items

PEDDLER'S LICENSE PERMIT REQUEST FROM LEP'S TAKE ME OUT

Viengmanisone Soungsouandy explained he and his wife are the owners of the food truck known as Lep's Take Me Out. He said they offer Lao and Thai cuisine.

Soungsouandy said they were open last year in the parking lot in front of Schwalbach Ace Hardware in Jackson.

Soungsouandy explained this year, with the Covid-19 Pandemic and everything going on, they didn't think they were going to open. But he said they did have an opportunity to open in Butterfield, Minnesota. Soungsouandy said they are following the CDC guidelines and are able to control the area around their food truck very well in order to be open.

Soungsouandy said with the success of their opening in Butterfield, they wanted to open and share their cuisine this year in Jackson as well. He noted they've already received approval from Schwalbach Ace Hardware to open once again in the parking lot in front of their store.

Soungsouandy said they are requesting a Peddler's License Permit to operate again this year in Jackson and share their cuisine with the community. He said they would be looking to operate maybe two to three days a week in Jackson. Soungsouandy said it all depends on whether they are able to receive enough supplies. He said currently it's difficult to get supplies for what they are doing. Soungsouandy said they plan to be open as much as they can.

Alderman Anderson asked Soungsouvandy which days of the week they plan to be open Jackson.

Soungsouvandy said right now they are looking at being open in Jackson on Tuesdays, Wednesdays and Thursdays. He said they are playing it by ear depending on how well they are able to get enough supplies to be open.

ANDERSON/FINCK moved and it was unanimously carried to approve the Peddler's License Permit for Lep's Take Me Out.

Lep said he would email the Peddler's License Permit application form and Minnesota Department of Health Certificate to the City Clerk's office.

CONSIDERATION OF THE STREET AND UTILITY IMPROVEMENTS, LIBRARY PARKING LOT AND ALLEY PAVING, WATER PLANT, CITY HALL AND SPLASHPAD ALLEY PAVING IMPROVEMENT PROJECT BIDS

Engineer Greg Mitchell of Bolton and Menk said bids were opened on Friday, May 29th, 2020. He explained there were eight or nine contractors who expressed interest in the project, but ultimately three contractors submitted bids. Of the three bids submitted, Mitchell said one of the bids was about a million-and-a-half dollars over the low bid that was submitted.

Mitchell said there were two bids submitted that he would consider responsive bids. He said the low bid was submitted by Duininck, Incorporated from Prinsburg, Minnesota with a bid of \$5,337,926.55. Mitchell said the second low bid was submitted by Svoboda Excavating of Jackson with a bid of \$5,389,759.50. He noted the two low bids were within just under \$52,000 of each other.

Mitchell said unfortunately the engineer's estimate was \$4,880,000 so the low bid is about \$460,000 over the estimate.

Mitchell referred to the sheets of information he distributed to the Mayor and City Councilmembers outlining the projects and showing what the original estimate was and what the low bid amount was for each aspect of the project. Mitchell then reviewed the totals for the various projects associated with the North Highway and South Street projects. He also reviewed the costs for paving the parking lots at City Hall, the Library, Water Plant and Frost Avenue Alley.

Mitchell outlined the cost breakdown for the utilities and the street portion of the North Highway and South Street projects. He said the cost of bituminous per ton and the concrete used for sidewalks, driveways, and curb and gutters has gone up in price.

Mitchell said the concrete pipe used for the storm sewer was seven percent higher than what was estimated. He noted the concrete pipe is higher in cost, but the cost for manholes and catch basin structures have remained about the same.

Regarding the sanitary sewer, Mitchell pointed out the sanitary sewer mains were lined and the manholes replaced about eight years ago on North Highway and South Street. He said nothing is being done with the sanitary sewer mains but new services will be extended from the main out to the right-of-way. Mitchell noted there are some significant differences in the prices. He said it was estimated the cost for the sanitary sewer extensions on North Highway would be \$68,000 and it's coming in at \$103,000 which is about 51 percent over the engineer's estimate. In talking with the contractor, Mitchell said the contractor is just concerned with the amount of work that will be required to dig down and find the service and put a saddle wye on that service. He said the contractor's concern over that may have raised the price and it was bid a little bit higher.

Mitchell said the price was right within what was estimated for the water main so there were no big surprises regarding that.

Regarding the breakdown of the cost figures for the South Street Project, Mitchell said the numbers are kind of in the same variations. He said the street is about nine percent over the engineer's estimate. Mitchell noted the storm sewer is 15 percent higher probably because South Street has a little more storm sewer than what North Highway has. He said the sanitary sewer is actually 82 percent over the engineer's estimate but that's because there's significantly more services on South Street as compared to North Highway. Mitchell said the water main price for South Street is coming in basically at what the engineer's estimate was.

Mitchell said the Finance Committee met on June 1st to discuss the costs of the North Highway and South Street Projects. He said what was considered regarding the project, was to meet with the contractor to see if there was anything that could be done to maybe modify the plans or modify the project to make things a little be more economical. Mitchell said one thing discussed was to just concentrate on North Highway and delete South Street out of the project.

Mitchell explained there are two things pertaining to bituminous prices. Regarding why the prices for bituminous are higher than expected, Mitchell said the contractor has told him they can't lock-in the bituminous prices for the second and third year of the project because their suppliers won't do that. Mitchell said there's a risk involved for the contractor. He said if the bituminous price goes up in the second or third year of the project, the contractor will have to be able to cover that.

Mitchell said he talked with the contractor on June 2nd to find out what kind of cost numbers they may be talking about regarding bituminous. Mitchell said earlier the contractor was contributing the cost of bituminous as the reason for the increase in the price for the projects. He said during his discussions with the contractor, the increased price in bituminous wasn't really as big of a number as was maybe hoped for. Mitchell said it was maybe \$3,000 to \$4,000.

Mitchell said the contractor wasn't really interested in reducing the price for the North Highway and South Street Project at all.

Mitchell pointed out with this project, there is some phasing and there's the parking lot work, so to see the prices a little bit higher is not terrible but yet a \$100 a ton for bituminous is even a little bit more than what was expected.

Mitchell said he looked at some other jobs that Bolton and Menk bid in other communities earlier this year. He noted in Blue Earth, they're paying \$67 and \$74 a ton for bituminous for a project with Ulland Brothers of Albert Lea as the contractor. Mitchell noted he didn't look at the Blue Earth project in detail. He said it may be just a simple municipal street project with no parking lots or phasing. He said for the same project in which Ulland Brothers were the successful bidder, another contractor, MPM, bid the project also and were at \$74 and \$79 a ton for bituminous. Mitchell explained for the North Highway and South Street Project, Bolton and Menk put a \$85 per ton price tag on their estimate and felt that was in the ball park. But Mitchell said the bid number received for the North Highway and South Street Project was at \$99 and \$100 a ton for bituminous which was a little bit higher than they were expecting.

Mitchell said the other thing that was discussed at the Finance Committee meeting was taking South Street out of the project and just concentrating on North Highway and also taking the parking lots out except for the Frost Alley improvements.

But Mitchell explained the contractor has said they bid this job to do the overall project for the work this year and next year. He said the contractor feels they've given the best prices they can for this job anticipating that they would have work for next year also.

Mitchell said as was talked about at the Finance Committee meeting on June 1st, the contractor is still willing to do some negotiating on some things. He said what the contractor came back with as a way to maybe save some money was to seed the turf and use an erosion control blanket instead of using sod. Mitchell said the contractor indicated the City could maybe save about 50 percent on that item, saving about \$40,000 to \$50,000. He said the contractor also suggested taking the parking lots out of the project. But Mitchell said as he mentioned to Skaret, that's not really savings, but just putting something off to a later date.

Mitchell explained there are also some items in the contract that are kind of a place holder like the granular backfill and also some granular foundation. He said those items were put in the contract so there's a price with the contractor. Mitchell noted that quantity listed in the contract may or may not be used. He said they may use some of it or may not use all of it but there's a potential to save some money if the conditions are good.

Mitchell said what it comes down to is really probably three choices. He said he believed when Skaret talked to the City's Financial Advisor Shannon Sweeney about the financial side of the project, it was more geared towards the project being split up with the North Highway and South Street Projects being separated.

Skaret noted that was a direction that sounded like a possibility going into today and that's not going to be the case. Skaret said the City can have Sweeney go back to the drawing board and put together a revised scenario on what the funding mechanisms look like. He pointed out one thing that the City has working in their favor is when Sweeney had put together his latest estimates in April, he was using a 2.4 percent interest rate on bonds. Skaret said on the bonds Sweeney issued last week for projects in Sleepy Eye and Janesville, the interest rate on bonds were closer to 2.1 percent. Skaret said the lower interest rate will help the City of Jackson offset some of the costs. He said obviously it won't offset all of the costs, but it will help.

Skaret said another thing that was talked about at the June 1st Finance Committee meeting was sidewalk work on South Street. He said that's a small amount in the grand scheme of things, but the City could back off on that which would help a little bit on the cost.

Mitchell said sidewalks had been looked at before and that was about \$60,000. He noted if the project went from sod to seeding and the sidewalks were taken out, approximately \$100,000 or a little bit more could be saved. Mitchell said maybe there are also a few more things that could be tweaked out of the contract.

Finck asked Skaret what the difference was in the interest rates on bonds.

Skaret said the interest rate was at 2.4 percent in April and more recently 2.1 percent over 20 years.

Finck noted there would be savings made up through the lower interest rates on the bonds.

Mitchell noted both the North Highway and South Street projects have phasing. He said what they're concerned about on North Highway is the hospital and access to the school. Mitchell said access also has to be maintained for the residents living along North Highway from Dewey Street going up to Sayles Drive. Mitchell said there's not a lot of area for residents to park so some type of access needs to be maintained for those residents as much as they can.

Mitchell said phasing for the projects is a valid concern for the contractor along with adding the parking lots. He said bituminous prices are a little higher than what they would expect to see. Mitchell said the bituminous by itself amounts to about \$150,000 over what was estimated. He said roughly about a third of the overages may be attributed to the bituminous part of the project.

Mitchell suggested three things that probably could be done. He said the City's Financial Consultant, Shannon Sweeney, could run the cost numbers and either reschedule a Council meeting or wait for two weeks for the next regular City Council meeting to act on the bid. Mitchell said it would be nice if the City wants to move forward with the project to get things rolling as soon as possible.

Mitchell said the contractor is not really interested in splitting out the South Street portion of the project and didn't come back with any firm information on reducing any of the bituminous prices or finding some ways to work with that. He said the contractor's bid is probably fixed unless the City does some changes regarding the sod as was mentioned earlier in the meeting.

Mitchell said the City's other options would be to either abort the project or reject all the bids and then decide to rebid just North Highway for this year or rebid next spring. He said there are some options on what the City could do.

Skaret asked Mitchell to talk about some of the logistics hypothetically if the City Council would decide to rebid the project or just rebid North Highway and what that schedule would look like.

Mitchell said if the City Council wanted to rebid and project and just look at doing North Highway, the plan would have to be redone to reflect separate information and separate quantities. Mitchell said he thinks within a week the project could be re-advertised and ready to go. Under that scenario, Mitchell said a bid opening could be held towards the end of June on the North Highway portion of the project. He noted the Council could also include the Frost Avenue alley paving as part of that project and have a bid opening just on that. Mitchell said the bid opening would take place at the end of June and the bid awarded during the first part of July. He pointed out there's always a risk that the bid prices may come back higher than what the Council has before them right now. Mitchell said whether prices will be higher won't be known until they go through the bidding process.

Alderman Anderson asked Mitchell if he's seen an increase in bituminous each year.

Mitchell said bituminous prices have been staying around \$70 and \$75 a ton for quite a while, but there are variations. He explained on the County's South Highway project in 2019, bituminous was \$85 and \$89 a ton. But Mitchell noted the \$67 and \$74 a ton for a project in Blue Earth are from this year. He said he asked the contractor about bituminous prices because there's been recent fluctuations in gasoline prices. Mitchell explained the bituminous prices haven't fluctuated in prices like the gas prices have.

Skaret asked Mitchell if he thought the City would have the same number of contractors interested in the North Highway and South Street projects if the City rebid and awarded the contract in early July or if those contractors would have their schedules fill up.

Mitchell said that's always a concern. He said Duininck's called him on June 1st asking about the bid they submitted to the City of Jackson because they were possibly going to submit bids for projects in other communities. Mitchell said Duininck's wanted to know what the status of their Jackson bid was because they were looking to maybe bid on other projects to fill up their schedule.

Finck noted the Finance Committee had a lengthy discussion about the North Highway and South Street Projects at their meeting on June 1st.

Cushman said there is close to a half-million-dollar overage on the low bid submitted for the project. He said his fear is of any unexpected expenses that may occur when construction begins. Cushman said he expected to possibly see some surprises when construction was underway, but not before it even started. He said that was his biggest disappointment.

Skaret noted a contingency of 10 or 15 percent was included in the cost estimates that Shannon Sweeney used regarding the project. He said once the digging starts you never know what you're going to run into and there's always change orders.

Cushman asked what do we do? As a member of the Street Committee, Cushman said he's been involved with this close to ten years they have been talking about getting the City's streets up and running. He said it was extensively discussed at the June 1st Finance Committee meeting. Cushman asked Aldermen Anderson and Madden what their thoughts were. He said he wishes all the Councilmembers would have been present at the Council meeting. Cushman said this is a big decision that he thinks everybody needs to be a part of. He said he was disappointed.

Alderman Anderson said he's heard some complaints about the streets. He said North Highway and South Street are the two streets that are mentioned just about every single time. As Cushman mentioned earlier, Alderman Anderson said a half-million-dollar overage is a big number.

Cushman said when planning first started, the thought was to package and bundle projects together but he doesn't know if that really worked in the City's favor.

Mitchell referred to an email from Duininck's that noted their bid prices were very aggressive and were based on the type of project as to the size, quantities and completion date and gives them work in 2020 and a project start in 2021. Mitchell noted the bituminous prices came in higher than what was expected even though the two projects were bundled together. He said basically the contractor stated in the email what we were thinking, it's just that the prices didn't reflect what we were hoping.

Finck noted that bituminous isn't the biggest part of the bid. He said it's \$150,000 of the project, but noted about \$300,000 of it is for sanitary and storm sewers. Finck said part of it is logistics of getting the new to work with what's already in the ground.

Skaret asked Mitchell if it's an advantage that the North Highway and South Street projects are pretty straight forward projects as far as construction because it's street work, water main, the sanitary sewer hook-ups, storm sewer, sidewalks and curb and gutter. He noted it's not like the South Highway project where there was digging 20 feet deep and replacing four utilities at one time, reshaping the grade of the road and shaving four feet off the top.

Construction-wise, Mitchell said the North Highway and South Street Projects are pretty straight forward. He also noted there's no sanitary sewer main to deal with and the sanitary sewer is already in place. Mitchell said all that's being done for the most part is water main from end to end and storm sewer work. He said the utility work is pretty straight forward. Mitchell said they are also not changing the shape or width of the road other than changing the crown of the road in some places by inches.

Cushman said one thing not discussed at the June 1st Finance Committee meeting was the sidewalk on North Highway from the hospital around the corner and possibly going through the Sanford/Jackson Pines property. He asked Mitchell if that issue has been addressed and whether that's been factored into the bid.

Mitchell said that sidewalk was factored into the bid. He said the issue hasn't been completely resolved yet with Sanford. Mitchell said discussions with Sanford were delayed due to the precautions pertaining to Covid-19 which prevented Sanford officials in Sioux Falls from travelling to Jackson for a meeting.

Skaret noted Sanford is still considering the sidewalk. He said one of the issues is maintenance once the sidewalk is installed and who will be responsible for maintaining it.

Mayor Walter said he has concerns about splitting the projects and rebidding with a bid opening at the end of June and construction starting the first of July. He noted the contractors may have picked up some jobs since the bids for the North Highway and South Street project have been submitted. Mayor Walter said if the City wants to go forward with this project either they go forward with the whole project now or delay it and rebid the whole project again in January.

Finck pointed out he's concerned about potential inflationary and interest rate increases in the months ahead if the project is delayed and rebid again in January. He said depending on the Federal Government injecting currency into the economy, interest rates on bonds could go up and could potentially increase to three percent. Finck said if the City is going to do a project of this size and be able to afford it, now is the time to do it from a financing standpoint. He pointed out at the current interest rate on bonds, there's a savings of approximately \$160,000 over 20 years so that could be considered as helping to offset the increased price of the project.

Skaret noted there may be more bids submitted if the project was rebid in January but the City could end up paying more because the interest rates on bonds may be back up.

Finck noted a half-million dollars could be ate up in interest costs on this project. He said the current low interest rates are working in the City's favor for what that's worth. Finck said he agrees 100 percent with Mayor Walter's comments.

Mayor Walter said it's either the City works with the bid they received or start over. He said Finck had a very good point about the financing side of the project as well.

Mayor Walter asked Alderman Madden if he had any comments.

Madden said the City had a good plan for a pretty good size project but it just turned out to be more than what the City could afford. He said initially he thought of the City rejecting all the bids, take South Street out of the project this year and rebid to do just North Highway. But Madden said Finck made some really good points regarding the financing.

Finck said let's talk about the affordability of the project and what does it do to the mill rate. He noted right now the City bid this project into the City's mill rate at a zero-tax impact for a five-million-dollar project. Finck asked Skaret said if you add \$500,000 or \$450,000 onto the bond and it's about a \$25,000 hit per year, give or take, with interest savings and other factors, what's that do to the mill rate?

Off the cuff, Skaret said the \$25,000 would increase the levy by 1.5 percent per year. He noted extra money could be kicked in from the sanitary sewer fund which could lower the impact on the levy. Skaret said some other utility funds could also be looked at to minimize the impact on the levy. He said he doesn't know if it could be brought down to zero, but there are some options.

Finck noted that would be the City's risk in this cash flow piece of the project that the levy would increase 1.5 percent if no other funds were used from the other utility funds. He said that gives the City a number to work with. Finck said that's not horrible on a five-million-dollar project.

Skaret said there's a lot of towns that would envy being able to do a five-million-dollar project and only have to increase the tax levy by 1.5 percent. He said, of course, the City would always strive to do better, but he thinks there are a lot of towns that would envy that.

Mayor Walter said Cushman made a real good point that the City has been struggling with fixing streets for at least 10 years. He said it's time, past time, that he thinks the City does something. Mayor Walter said he doesn't like the bid numbers but he thinks it's time to do it.

Finck said it's a tough one.

Cushman pointed out there are some savings right off the top. He said they looked at the sidewalks of which the early estimate put the cost at \$50,000 to \$60,000 and that might be bigger because of the increased cost of cement. Cushman said looking at seeding verses sod could be another item for savings. He said now we could be looking at \$100,000 plus in savings off the low bid price along with some contributions from some other enterprise funds. Cushman said maybe it's a little easier to accept.

Alderman Anderson noted it kind of softens the blow a little bit.

Finck noted there are also three parking lots scheduled for paving. He said if the City had to, they could push that can down the road and pull them out of the contract. Finck said he knows it doesn't solve anything. He knows the streets are the important part to him.

Cushman said this project started out as moving tires in our community so let's not forget that.

Finck said there's another \$150,000 in the bid that could be cut if the City had to. He said if the sidewalks had to be pulled out of the project, the City could do that and kick that can a year or two down the road as the City can build funds back to cash flow. Finck said there's definitely things that can be massaged in the bid to get back to the estimated number for the project and get a lot closer and not dip into the coffers so bad.

Cushman concurred with Finck.

Skaret noted that when the City came up with their initial plan for the street project and there was a zero percent increase in the tax levy factored in, the Frost Avenue alley was not included in the picture yet which was \$83,000 that came out of nowhere. Skaret also noted there are things like the library parking lot where funds for that are already included in the Library Fund. He said it's the same thing for the Water Plant as well. Skaret said the City is not bonding for the Library and Water Plant parking lots so the City isn't necessarily saving on tax money.

Finck explained the goal of the Finance Committee when they started talking about the North Highway and South Street projects was to do the projects with a zero impact to the levy or as close as they could. He said he still wants to try to achieve that.

Cushman asked what the City's average has been over the last five years regarding the levy.

Skaret said it's been around two percent.

So right off the bat, Cushman said for one project the City is three-quarters there. He said the City has to get tough now for the rest the year and past that. Cushman said the City Council is making a commitment for future Councils and future Mayors, but it's got to be done. Cushman said if you wait on the street projects, you're in the same position but yet worse.

Skaret said and the needs continue to pile up.

Cushman asked how does the City Council go about in making changes on what the Council wants to pull out of the bid. He asked if that constitutes a rebidding of the process to get those cost savings out of it.

Mitchell said if the Council is just talking about changing from sod to seeding, then that would be a change order. He said if the Council decides to take a parking lot out of the project or sidewalks, it would just be a change order. Mitchell said in the email from the contractor, the contractor has already suggested taking the parking lots out of the bid to reduce the price. Mitchell said that doesn't solve the problem of the parking lots, but from their email and discussions he's had with the contractor, the contractor is open to those items.

Cushman said he thinks the library parking lot has to be done because the funds have already been set aside for that and was part of the library's remodeling process to convert the area behind the library to a parking lot. He said the parking lot at the Water Plant could be paved in one or two years from now.

Mitchell noted the bids for paving the parking lots came in just slightly under the engineer's estimate. He said paving the parking lots is something that will need to be done eventually.

Skaret explained the reason the parking lots were included in the project is because it was thought it would be more economical to include them rather than doing them as stand-alone projects.

Finck said but it comes down to trying to achieve the Council's goal to reduce the project's price, at least there's some wiggle room to be good stewards of the money.

Cushman said to bond to pave the City Hall parking lot for 20 years doesn't make any sense.

Finck agreed with Cushman.

Cushman said the City could write a check for that someday.

Mayor Walter asked if any of the Councilmembers were willing to commit to put it into a motion.

FINCK/CUSHMAN moved and it was unanimously carried for the City to move forward and accept the bid from Duininck, Incorporated of Prinsburg, Minnesota but subject to still some discussion on some items being pulled out of the project, i.e. parking lots, Frost Avenue alley, sidewalks and change order for seeding verses sod and discussions to continue to try and massage the bid number down to a more suitable number and also to continue to work with City Administrator Matt Skaret and the City's Financial Advisor Shannon Sweeney on how deep into the City's coffers can the City Council go to not have to change the bonding for this to make this project completely feasible.

Finck said he thinks the Street Committee should meet to massage the bid from Duininck, Inc.

Mayor Walter said the Finance Committee should review the bid after the Street Committee reviews it.

Skaret said Engineer Greg Mitchell could talk with the contractor and put together a list of items in the project for the Street Committee to consider.

Cushman asked Mitchell when the work on the project is scheduled to begin.

Mitchell explained the way the contract is set-up, Phase One and Phase Two of North Highway from Sayles Drive to Dewey Street is scheduled to be done this year. He said in discussions with Duininck's prior to the bid, they were wondering if they could start the next phase on North Highway if they had time and it fit into their schedule. Mitchell said that would be fine. He said he told Duininck's they could do as much as they wanted as long as it's paved by the end of the construction season. Mitchell said depending on where Duininck's are with their schedule on their other projects, for sure Phases One and Two on North Highway will be completed this construction season and maybe the next phase. Mitchell said he thinks if Duininck's wanted to do the next phase, they would want to get all of North Highway done yet this summer.

Cushman said that's what was being hoped for that they concentrate on North Highway and then move to South Street.

Alderman Anderson said hopefully the weather will be good.

Mitchell said there are some details to be worked out, but basically the City is awarding the contract. He said Bolton and Menk will get the contracts ready and sent out. Mitchell said he would work on the change order with the Street Committee. He said the contract won't be signed because documents will have to be pulled together. Mitchell said it usually takes the contractor a few weeks to get their bonds and insurance in order and then send the contracts back. He said the contracts will then come back to the City Council but they won't be signed until there's a change order prepared that both the City and the contractor agree with.

Cushman asked if the Street Committee could meet this week to review the contract in order to keep the ball rolling.

To answer Cushman's question on when construction work would begin on North Highway, Mitchell said he would anticipate work to begin at the earliest probably after the Fourth of July. He said depending on Duinick's schedule, that start date could vary a little bit.

Mayor Walter thanked Mitchell for his information.

SOUTH HIGHWAY PROJECT PAY APPLICATION NO. 9

Mitchell said this pay application pertains to the South Highway Project. He explained this was a project that was split between the County and the City.

Mitchell said the City's portion of this pay estimate is \$33,542.53. He said there might be a couple minor items, but for the most part it's for the gravel and the paving at Lift Station Number 2.

Mitchell explained the contractor has gone above 95 percent of the contract being completed so then a larger portion of the mobilization item gets paid. Mitchell said he doesn't have the specific breakdown on that amount at this time, but those are the major items for the pay application.

Skaret said a motion was needed to pay the City's portion of the pay application in the amount of \$33,542.53.

FINCK/ANDERSON moved and it was unanimously carried to approve the City's portion of South Highway Project Pay Application No. 9 in the amount of \$33,542.53.

NORTH HIGHWAY SIDEWALK EXTENSION MAINTENANCE

Skaret said this agenda item ties in with the earlier agenda item on North Highway.

Skaret explained there have been several discussions with Sanford Health that own the Jackson Pines and Good Samaritan Home. He said Sanford Health is still giving the sidewalk extension proposal consideration.

Skaret said one of Sanford Health's concerns is once the sidewalk extension is built, who's going to maintain it. He said Sanford Health is wondering if they will be expected to shovel snow or will they be required to fix or put money into the sidewalk in the future if it cracks.

Skaret said those are some questions Sanford Health has and he was looking for direction from the City Council before any further discussions with Sanford.

Mayor Walter asked if the portion of the sidewalk that Sanford would have control of would basically be from the hospital all the way around to Sayles Drive.

Skaret said that's correct.

Mayor Walter asked if that was being considered a sidewalk or as part of the trails. He noted if it's part of the trails, then there's no snow removal on the trails in the wintertime. Mayor Walter asked if that was correct.

Markman said that's the policy as of now. He noted there's a big push to have snow removal along the trails in that area because of the Safe Routes to School and keeping children from walking on the street.

Skaret pointed out currently the City plows the sidewalk on the rest of North Highway up to the hospital.

Markman said he doesn't know when that agreement was made, but the City has been plowing the sidewalk along North Highway for as long as he's worked for the City. He noted years ago the City owned the hospital so the City would start plowing the sidewalk from the hospital all the way to Frost Avenue. Markman said now they start plowing the sidewalk at the east driveway of the Sanford parking lot and plow all the way to Frost Avenue. He said the Street Department has always plowed that sidewalk.

To his knowledge, Markman said he doesn't think any plowing occurred this past winter season on the Dewey Street Connector Trail between North Highway and Springfield Parkway.

Skaret noted there were a lot of comments about that and a push to change that in the future.

Markman also noted the plowing situation on the trail on Springfield Parkway to Riverside Elementary School. He said the argument has always been made that children can walk on the sidewalk along North Highway because it's maintained all the way to Park Street.

Markman noted the difficulty with the trail on Springfield Parkway is when the County plows Springfield Parkway and the snow is plowed onto the trail since the trail is right along the roadway. He said prior to the trail, there was no sidewalk along that portion of Springfield Parkway.

Discussion ensued noting that if it's considered a trail through Sanford's property, it would not be plowed in the winter and any maintenance in the future would be the City's responsibility.

Skaret said he would let the officials from Sanford know what the thoughts of the Mayor and City Council were regarding installing a trail on Sanford's property.

UNDERGROUND ELECTRIC WIRE PURCHASE

Skaret pointed out MRES Jackson Distribution Maintenance Foreman Jeremy Boogerd had a quote for wire regarding converting the electric overhead service to underground electric service. He explained it would be for the area in the alley on the west side of the library. Skaret said the Electric Department needs to purchase wire to complete that job. Skaret said the cost would be \$9,263.60.

FINCK/ANDERSON moved and it was unanimously carried to approve the underground electric wire purchase for the Electric Department at a cost of \$9,263.60.

RESOLUTION NO. 18-0620: RESOLUTION ALLOWING ALCOHOL AND FOOD ON PUBLIC PROPERTY

Skaret said Resolution No. 18-0620 is in relation to the Governor's Executive Order 20-56 pertaining to the bars and restaurants. He said effective June 1st, the State is allowing restaurants and bars to open up to outdoor dining.

Skaret pointed out most of Jackson's restaurants are at least somewhat land locked and don't have a large private parking lot or an outdoor patio to service customers. He said if the restaurants and bars are going to utilize this option, they would be limited to going out onto the sidewalk or the parking stalls in front of their business on the street.

Skaret said to his knowledge, he doesn't know of any Jackson restaurants or bars that are planning to do this but no one knows how long the Covid situation is going to continue.

Skaret explained in case any restaurant wanted to utilize the sidewalk or parking spaces in front of their business, there would be some parameters in place which Resolution No. 18-0620 allows. He said the City wants to be accommodating to the businesses in Jackson as much as possible during these extremely difficult times but at the same point make sure the City is not exposing itself to any more liability than necessary. Skaret pointed out the City owns the sidewalks and the streets going by the downtown businesses.

Skaret said Resolution No. 18-0620 would allow the restaurant businesses to utilize the sidewalks and the adjoining streets/parking stalls that are public property provided that the business carries commercial general liability insurance of at least \$1 million per occurrence and provide the City proof that their liquor liability insurance covers alcohol sales in any expanded outdoor spaces which, under Minnesota law, must be "compact and contiguous" to the main structure. Skaret said the business must also show proof of liquor liability insurance to the City for onsite catered events.

Skaret said the City must also be named as an additional insured on both the commercial general liability and liquor liability insurance. He said the bar or restaurant must also agree to defend and indemnify the City of any claims against the City arising from the use of the right-of-way or parking lot. Skaret said the restaurant or bar must also comply with all other State regulations and agree that operations and patrons not obstruct the flow of vehicular traffic on any street or alley and follow public safety and fire regulations. He also noted temporary awnings, tents, and ropes/fencing are allowed provided they are not anchored by protruding into any paved surface and comply with all other State regulations.

Skaret said restaurants or bars would also have to sign a temporary use agreement which outlines the items he just explained.

City Attorney Brad Anderson said he added a few comments to the resolution but the important part is the temporary use agreement which addresses safety, insurance, liability requirements and to indemnify the City of any claims against the City arising from the use of the right-of-way or parking lot. He said those items are included in the two-page release agreement.

Finck said Resolution No. 18-0620 seems to be a nice gesture to the City's downtown businesses to give them an opportunity to operate as close to normal as they can during these times. He said it sounds like City Attorney Anderson has covered the City the best we can.

Finck said Resolution No. 18-0620 is a good gesture of good faith to the businesses.

Alderman Anderson said the resolution falls in line with what the City has done so far to support the businesses. He said Resolution No. 18-0620 is just one more step.

Cushman noted on the agreement with businesses, allowing alcohol and food on public property is allowed until December 31, 2020. He asked if the resolution was just for this year. Cushman noted the resolution is to help out the businesses at this time.

Skaret said Resolution No. 18-0620 is just for this year or can be terminated earlier.

City Attorney Anderson said there is a hard sunset and a soft sunset for Resolution No. 18-0620. He explained the soft sunset is that the City Council could take action at any time to terminate it. Attorney Anderson said the hard sunset is that it will end on December 31, 2020.

ANDERSON/CUSHMAN moved and it was unanimously carried to approve Resolution No. 18-0620 with City Attorney Brad Anderson's additions allowing alcohol and food on public property as long as the City is protected for liability purposes.

UTILITY DEPOSITS

Skaret said this is a question that has come up. He noted the City has waived late fees with the Covid-19 Pandemic. Skaret said the City has also extended the Cold Weather Ruling.

If customers are late on paying their utility bill, Skaret explained the City currently has a rule that if the customer is late twice in a six-month period then they have to put down a \$200 security deposit.

Skaret asked if the utility customer is late with all these extensions with the Cold Weather Rule and waiving the utility late fees, is the rule still in effect that the customer needs to make a \$200 security deposit if they're late twice within a six-month period?

Finck said his first comment would be “no”. He said that would defeat what the purpose was for the extensions.

Alderman Anderson concurred with Finck.

Skaret said that’s what City Staff thought, but wanted to receive direction.

Cushman said someday things will return to normal and then the required deposit for those customers late in paying within a six-month period will again be in effect.

FINCK/ANDERSON moved and it was unanimously carried to forego the rule requiring utility customers who are late twice in a six-month period on paying their utility bills on time being required to pay a \$200 security deposit during the Covid-19 period.

SECOND READING OF ORDINANCE NO. 108 – FEE SCHEDULE UPDATE

Skaret said Ordinance No. 108 was discussed at the May 19th City Council meeting. He said it just updates the City’s fee schedule primarily to reflect the peddler’s ordinance the City Council approved a couple of meetings ago. Skaret said Ordinance No. 108 also updates the fee pertaining to the process an applicant must follow regarding having an accessory building as the primary structure on a lot. He said the ordinance also adds the wire transfer fee as the actual cost.

CUSHMAN/ANDERSON moved and it was unanimously carried to approve second reading of Ordinance No. 108 – Fee Schedule update.

AIRPORT LEASE WITH THE DNR FOR 2020 – 2023

Skaret explained the DNR leases a hangar at the Jackson Municipal Airport for storage. He said the lease expires on June 30th, 2020. Skaret said the DNR is looking to renew the lease for another three years at the same rate that they have been paying. He said it basically amounts to \$270 per quarter.

Finck asked if that amount was the going rental rate for hangars.

Skaret said the City hasn’t adjusted the rental rates on the airport hangars in recent years. He said the DNR’s lease insures the City some continued income for the next three years.

Alderman Anderson asked if the Airport Commission has talked about the hangar lease rates.

Skaret said they haven't.

Cushman said maybe the Airport Commission should study the hangar rental rates to see if the Jackson Airport is in line with other airports or are we short-changing ourselves. He said it should be a recommendation from the Airport Commission to the City Council. Cushman said a modest increase wouldn't be out of line moving forward in 2023.

ANDERSON/FINCK moved and it was unanimously carried to approve the airport hangar lease with the DNR for 2020 through 2023 for \$1,080 per year.

Other:

City Administrator Matt Skaret

Skaret said he had a follow-up from the May 19th City Council meeting. He noted the City Council had approved the repaving of the airport hangar area engineering services agreement contingent upon the Airport Commission's approval.

Skaret said the Airport Commission met on May 26th and also approved the engineering services agreement with HDR.

Alderman Dave Cushman

Cushman asked how much longer is the City Council going to continue to have meetings with some of the Councilmembers attending using Zoom or teleconference calls. He asked if we're getting close to some sort of normalcy with attendance. Cushman said it seems like the City Council is missing something in their meetings lately.

Mayor Walter said it would have been nice to have had full Council attendance at the June 2nd meeting. He said he was glad Alderman Madden was able to attend the meeting via Zoom. Mayor Walter pointed out there were two Councilmembers missing at the meeting.

Cushman asked if things were getting close to how they used to be. He said even with social distancing, the Council could still meet all in person.

Finck asked if there was still a limit of only 10 people allowed to meet in one place according to the Governor's Executive Order.

Skaret said he believes so. He explained the Emergency Resolution the City Council adopted is contingent with the Governor's Peacetime Emergency.

CLOSED SESSION

Mayor Walter asked for a motion for the City Council to go into Closed Session.

FINCK/ANDERSON moved and it was unanimously carried for the City Council to go into Closed Session at 7:54 p.m.

The City Council went into Closed Session as allowed by Attorney-Client Privilege pursuant to Minnesota Statute 13D.05CD.

RETURNING TO OPEN SESSION

CUSHMAN/FINCK moved and it was unanimously carried for the City Council to go out of Closed Session at 8:12 p.m.

APPROVE PROFESSIONAL SERVICES AGREEMENT

Mayor Walter asked for a motion for approval of a Professional Services Agreement.

FINCK/ANDERSON moved and it was unanimously carried to approve a Professional Services Agreement with SEH Engineering at an hourly rate up to \$10,000.

ADJOURNMENT

Mayor Walter entertained a motion to adjourn the meeting.

ANDERSON/FINCK moved and it was unanimously carried to adjourn the City Council meeting at 8:15 p.m.

David A. Maschoff, Council Secretary

Wayne Walter, Mayor

