

**November 15, 2022
Jackson, Minnesota**

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, November 15, 2022 with the meeting called to order by Mayor Wayne Walter. On the roll call, the following persons were present in-person, Mayor Wayne Walter and Aldermen Michael More, Jerome Palmer, Brandon Finck, Nathan Peterson, Marcus Polz and Dave Cushman. Also attending in-person were City Administrator Matt Skaret, City Attorney Brad Anderson, Engineer Wes Brown of Bolton and Menk, Jackson Chamber of Commerce Director Corey Christopher, Health Planner Janette Simon of Des Moines Valley Health and Human Services, Street Superintendent Phil Markman, Community and Business Development Specialist Dave Schmidt of Community and Economic Development Associates (CEDA), Jackson First Assistant Fire Chief and Park Board Chairman Michael Haeffner, Luke Ewald of Des Moines Valley Health and Human Services, Mark Titus, Stephen Foster, Joe Pell, Sara Mix, City Clerk/Council Secretary Dave Maschoff, Justin Lessman of the Jackson County Pilot and Mathew Grisham of KKOJ/KUXX Radio. Chris Naumann attended the meeting via Teleconference and Zoom. (A quorum of the City Council was present.)

PLEDGE OF ALLEGIANCE

Mayor Walter announced the Pledge of Allegiance would be recited before the City Council meeting was called to order. All those attending the meeting in-person and by Teleconference and Zoom recited the Pledge of Allegiance.

CALL THE MEETING TO ORDER

Mayor Walter called the regular meeting of the Jackson City Council to order. He said the roll call showed all Councilmembers were present.

There was no Public Hearing, Bid Letting or Open Forum.

CONSENT AGENDA

Mayor Walter entertained a motion to approve the Consent Agenda.

City Administrator Matt Skaret noted that Consent Agenda item 7(G) should also include the words “and authorize purchase” at the end of the Park Board’s recommendation to approve applying for a Health Care Foundation Grant for two 40’ by 80’ EZ Ice Rink Systems for an estimated cost of \$25,000.

Mayor Walter acknowledged the adding of the words “and authorize purchase” to the Park Board’s recommendation.

PETERSON/MORE moved and it was unanimously carried to approve the Consent Agenda as presented.

Unscheduled Guests:

Mayor Walter asked if there were any unscheduled guests in the Council Chambers.

Mayor Walter again asked if there were any unscheduled guests in the Council Chambers.

Seeing none and hearing none, Mayor Walter said the meeting would proceed with Council Discussion items.

Council Discussion Items

REVIEW AND APPROVE RESOLUTION NO. 59-1122 CANVASS OF JACKSON MUNICIPAL GENERAL ELECTION THAT WAS HELD ON NOVEMBER 8, 2022

City Clerk/Council Secretary Dave Maschoff thanked Mayor Walter and Councilmembers. He said the City Council was going to canvass the votes from the Municipal General Election that was held on November 8th, 2022. He noted copies of the Abstract of Votes Cast in the precincts of the City of Jackson were distributed to the Mayor and Councilmembers prior to the Council meeting.

Maschoff said the Council was meeting as the Canvassing Board and noted he would be having the Mayor and Councilmembers sign the Abstract of Votes Cast in the precincts of the City of Jackson following the reading of the election results as compiled from the official returns.

Maschoff said the number of persons registered to vote in the City of Jackson as of 7 a.m. on November 8th was 1,918. He said the number of persons registered on Election Day was 77 and the number of accepted regular, military, and overseas absentee ballots and mail ballots was 210. Maschoff noted the number of Federal Office Only absentee ballots and Presidential Absentee ballots was zero. He said the total number of persons voting was 1,359. Maschoff said there was a voter turnout of just over 68 percent within the City of Jackson. He said that compared to a voter turnout of just over 76 percent during the last midterm elections in 2018. Maschoff said Countywide, voter turnout was 78 percent for the 2018 midterm elections compared to 73 percent for the mid-term elections in 2022.

Taking a look at the details, Maschoff said in the race for Mayor, Steven Yarns had 297 votes, Marcus Polz had 985 and there were 25 write-in votes. He said Marcus Polz was the successful candidate in the race for Mayor.

In the race for Councilmember, Ward One, Maschoff said Mark Titus had 351 votes, Mike Schwartz 243, Michael More 73 and there were 6 write-in votes. He said the successful candidate for the Ward One Council race for a four-year term was Mark Titus.

Maschoff said in the Special Election for Councilmember in Ward One for a two-year term, Jerry Palmer received 307 votes, Chris Naumann 337 and there were 6 write-in votes. He said the successful candidate was Chris Naumann.

In the race for Councilmember, Ward Two, with two people being elected each to a four-year term, Maschoff said Nathan Peterson received 366 votes, John Weland 80 votes, Lee A. Porter 228 votes, Craig Hakes 164 votes, Joe Pell 289 votes and there were 6 write-in votes. He said the successful candidates were Nathan Peterson and Joe Pell.

Breaking the vote totals down further, Maschoff reported in Ward One, the number of persons registered to vote as of 7 a.m. on November 8th totaled 998, persons registered on Election Day in Ward One totaled 32 and the total number of persons voting in Ward One was 698. In Ward Two, Maschoff said the number of persons registered as of 7 a.m. on November 8th was 920, persons registered on Election Day totaled 45 and the total number of persons voting in Ward Two was 661.

Maschoff said the total number of persons registered in the City of Jackson as of 7 a.m. on November 8th was 1,918, the number of persons registered on Election Day totaled 77 and the total number of persons voting was 1,359 representing a voter turnout of just over 68 percent.

Regarding further details in the Mayor's race, Maschoff said in breaking the vote totals down by Wards, Steven Yarns received 126 votes in Ward One and 171 votes in Ward Two for a total of 297. He said Marcus Polz received 527 votes in Ward One and 458 votes in Ward Two for a total of 985. Maschoff noted there were 12 write-in votes for Mayor in Ward One and 13 write-in votes for Mayor in Ward Two for a total of 25 write-ins.

Maschoff pointed out to Mayor Walter and Councilmembers that the rest of the information on page 4 of the Abstract of Votes Cast are the results he had already stated.

Maschoff said those are the totals and details of the municipal election held in the City of Jackson on November 8th. He said approval was requested of Resolution No. 59-1122 which resolves that the Mayor for a four-year term will be Marcus Polz, the First Ward Councilperson for a four-year term will be Mark Titus, First Ward Councilperson for a two-year term will be Chris Naumann, Second Ward Councilperson for a four-year term will be Nathan Peterson and Second Ward Councilperson for a four-year term will be Joe Pell.

Maschoff said the Mayor and City Councilmembers need to sign the Abstract of Votes Cast in the Precincts of the City of Jackson, State of Minnesota, at the State General Election held on Tuesday, November 8th, 2022 as compiled from the official returns. He said he would pass the Abstract around to the Mayor and Councilmembers to sign as members of the Canvassing Board.

Maschoff asked Mayor Walter if he could take a moment to say thanks to a lot of individuals that help to make the elections go very well all year long.

Maschoff said thanks to all the Election Judges that served for the Special Congressional Election in May, the State Primary in August and the General Election on November 8th. He said they did a great job. Maschoff noted Pam Faggart and Cissa Tusa served as his Head Election Judges.

Maschoff said he appreciated all those who stepped forward to serve as Election Judges. He said it's just another example of the great community we live in and the people willing to volunteer and help out when needed.

Maschoff extended thanks also to Street Superintendent Phil Markman and the Street Department crew for setting up and taking down the election booths for all of this year's elections and for hauling the ezell from City Hall to the Good Shepherd Hall to use for signage. He said that's greatly appreciated and not taken for granted, so thanks to Phil and the Street Crew.

Maschoff extended thanks to County Auditor Kevin Nordquist and the entire staff at the Jackson County Auditor's Office for their support throughout the year by coordinating the Election Judge trainings, accuracy tests on the equipment, assisting with the voting at The Pines and the Good Samaritan Center, answering questions and keeping him posted on any rule or procedural changes issued by the Minnesota Secretary of State's Office. He said the Auditor's staff is outstanding and a blessing to work with.

Maschoff thanked the Good Shepherd Church for allowing the City to use the Church Hall for the elections. He said it's an excellent venue for the elections as it's located right in the center of town and provides for easy access. Maschoff also thanked Mike Muchlinski for his help at the Good Shepherd Hall.

Maschoff thanked City Administrator Matt Skaret and the staff at City Hall for their help and encouragement. Maschoff said he gets kind of wound up as Election Day approaches and appreciates their encouragement.

Maschoff thanked Mayor Walter and the City Council for their support by approving the resolutions approving the Election Judges and for all their support.

Maschoff said efforts are always made to enhance the experience for voters. He pointed out for the General Election, there was additional informational signage at the polling place and flowers at the greeter's table.

Maschoff thanked all those citizens that came out to vote.

Maschoff thanked the good Lord for a nice day on Election Day with a little rain but temperatures that were mild which was appreciated.

Maschoff said we have a little break now, but we'll be gearing up starting just before Thanksgiving next year by contacting Election Judges and beginning training to prepare for the Minnesota Presidential Primary Election which will be held on March 5, 2024, which is also a Council meeting night.

Maschoff said he just wanted to say thanks again to everybody and none of those efforts are taken for granted. He said he sure appreciates everybody's support.

Skaret said he would like to interject and thank Maschoff and all the Election Staff. He said Maschoff does get a little worked up in a good way as Election Day approaches. Skaret said Maschoff takes the elections very seriously and makes it look easy. He said Election Day is a long day and noted Maschoff and Election Judges worked until 12:30 a.m. on election night after starting in the wee hours of the morning. Skaret said it was a very long day and hats off to Maschoff and the whole crew.

Maschoff thanked Skaret for his comments.

PETERSON/FINCK moved and it was unanimously carried to approve Resolution No. 59-1122: Canvass of the Jackson Municipal General Election results from the November 8, 2022 General Election.

Mayor Walter congratulated the new team that will be serving on the City Council.

Mayor Walter said he wanted to extend a big thank-you to Maschoff for everything he has done throughout the years. He said things have been well taken care of and thanked Maschoff very much.

Maschoff thanked Mayor Walter.

RESOLUTION NO. 57-1122 SUPPORTING MENTAL HEALTH AND STIGMA FREE ZONE

Janette Simon, a Health Planner with Des Moines Valley Health and Human Services, introduced herself to Mayor Walter and Councilmembers.

Simon requested the City Council approve Resolution No. 57-1122 to have the City of Jackson become a Mental Health Awareness and Stigma Free Zone Community. She explained establishing the community as a Mental Health Awareness and Stigma-Free Zone recognizes the mental health needs of the citizens of Jackson. Simon said it also means that the community promotes education and continues to promote services to meet those mental health needs by awareness and trying to reduce the stigma surrounding mental illness so that people can get the help they need.

Mayor Walter said a motion was needed to approve Resolution No. 57-1122.

POLZ/PETERSON moved and it was unanimously carried to approve Resolution No. 57-1122 supporting Mental Health and designating the City of Jackson as a Stigma-Free Zone.

Simon thanked Mayor Walter and Councilmembers.

Mayor Walter thanked Simon very much.

RESOLUTION NO. 60-1122 APPROVING CVB RECONFIGURATION

Skaret provided background regarding Resolution No. 60-1122. He explained the City imposes a three percent lodging tax on the hotels within the City limits. Skaret said the money generated from the lodging tax, which is authorized by State law, goes to the CVB (Convention and Visitor's Bureau). He noted every month a check for 95 percent of the proceeds generated by the lodging tax goes to the CVB, the Convention and Visitor's Bureau.

Skaret explained the City's current ordinance is really pretty silent on how the CVB is supposed to work and be structured other than the Lodging Tax Committee decides on how the money from the lodging tax is spent to market Jackson and get more people to come to the community.

Skaret noted the Jackson CVB has historically been administered by the Chamber governed by a separate board. He noted the CVB has its own checking account and Federal Tax ID number. Skaret said the size of the board has varied and lacked structure. He said the City Council has had representatives on the Lodging Board in the past, however, it has become difficult to get a quorum and the CVB really lacks much structure. Skaret noted it has become difficult for the Chamber Director to get decisions made and have any direction.

Skaret said Chamber Director Corey Christopher had come to him and City Attorney Brad Anderson about a month or two ago with some proposed changes to make the lodging tax work better for the Chamber and also the community. He turned the floor over to Christopher.

Christopher thanked Mayor Walter and Councilmembers for allowing him to speak to them. He also thanked Skaret and City Attorney Anderson for looking into the revisions and preparing Resolution No. 60-1122. Christopher said he thought it was very beneficial because they all examined why things were being done the way they were and tried to lay out a better path forward.

Christopher said the lodging tax is a valuable resource for the community. He said now hopefully with Resolution No. 60-1122, it will result in putting together a group that will be a very good caretaker of that resource and help to move things forward. Christopher said we all know there's a lot of really good things happening in Jackson. He explained it's on the Chamber, and the new group that hopefully will be formed as a CVB, to spotlight the good things going on and do what they can to attract new people to Jackson whether it be for entertainment, to stay, to eat or hopefully someday move and become residents in Jackson.

Polz asked Christopher if one of the nice things about the restructuring will be to free the Chamber up a little bit to spend the lodging tax funds on more than just advertising, but to also use the funds to basically draw people to our community for such events as the talent show during Holiday Fest.

Christopher said Polz was exactly right. He said it's going to end up providing the opportunity to bring things to Jackson that are going to be more exciting to people in the area surrounding Jackson which may actually draw visitors in from Sioux Falls, Mankato, the Twin Cities, Spencer, the surrounding area. Christopher said that's really the goal. He noted if you look at the wording in the bylaws, it's simply put that the goal is to attract people to town. Christopher said it's a tough job for the Jackson Chamber of Commerce because it's a small Chamber. He said the Chamber is very, very well supported but sometimes there's still limitations as to expenditures they can make because the Chamber doesn't have a huge budget by themselves. Christopher said it's hoped by combining the efforts of the Chamber and the new CVB group, it will give the Chamber more resources to go out and do some things that are really going to be attractive to people from a distance.

Polz thanked Christopher for his response.

Skaret explained Resolution No. 60-1122 would establish a five-member board made up of two Chamber members, one community at-large member, one hotel/campground representative and one City Council representative. He said the City Council would appoint the board members at the start of each year like they do with the City's other boards and commissions.

Skaret said expenditures of greater than \$5,000 would require prior City Council approval. He said monthly financial statements would be submitted to the City. Skaret also noted the CVB pays 20 percent of the Chamber Director's wages.

Skaret said the changes would take effect on January 1st, 2023 so it could begin in 2023 with a fresh start.

For background purposes, Skaret said the lodging tax generates about \$50,000 to \$60,000 per year for the CVB so that's a pretty good chunk of money. He said Resolution No. 60-1122 frees up the Chamber of Commerce and gives the Chamber a little bit more flexibility to promote Jackson in more ways than what they've done before.

CUSHMAN/FINCK moved and it was unanimously carried to approve Resolution No. 60-1122 approving the CVB (Conventions and Visitor's Bureau) Reconfiguration.

Christopher thanked Mayor Walter and Councilmembers.

APPROVE FIREWORKS PERMIT FOR JACKSON CHAMBER OF COMMERCE/RYAN LEARN OF KABOOM INDUSTRIES LLC FOR HOLIDAY FEST CELEBRATION ON DECEMBER 3, 2022. WAIVE FIREWORKS PERMIT FEE

Skaret noted the City partners with the Chamber of Commerce regarding the fireworks display for Holiday Fest. He said the City splits the cost with the Chamber with the City and Chamber each paying \$1,600.

PETERSON/POLZ moved and it was unanimously carried to approve the Fireworks Permit for the Jackson Chamber of Commerce/Ryan Learn of Kaboom Industries LLC for the Holiday Fest Celebration on December 3, 2022 and to also waive the Fireworks Permit Fee.

APPROVE HOLIDAY FEST PARADE ON DECEMBER 3, 2022. PARADE LINE-UP IN ASHLEY PARK. ROUTE IS NORTH HIGHWAY TO SECOND STREET, SOUTH TO BAILEY STREET, THEN DISPERSING. WAIVE HOLIDAY FEST PARADE PERMIT FEE

CUSHMAN/FINCK moved and it was unanimously carried to approve the Holiday Fest Parade on December 3, 2022. Parade line-up in Ashley Park with the route on North Highway to Second Street, south to Bailey Street, then dispersing. Also waive the Holiday Fest Parade Permit Fee.

JACKSON DOWNTOWN BUILDING IMPROVEMENT PROGRAM 2023

Community and Business Development Specialist Dave Schmidt of Community and Economic Development Associates (CEDA) said the Downtown Façade Program has been underway for about five years. He pointed out this will be the second year in a row where the Façade Program will end the year with funds still remaining. Schmidt said an opportunity is being looked at to use those funds and expand it to other programs to help businesses in other ways.

Schmidt said the JBDC (Jackson Business Development Committee) came up with a recommendation and brought it to the EDA (Economic Development Authority). He said in talking with downtown business owners, the Jackson Business Development Committee and Economic Development Authority recommended changes to the Facade Program.

Schmidt explained the changes are to take the Facade Program and open it up to any type of improvement for a downtown business. He said the Program will be opened up to any downtown business in the Central Business District that would like to make structural improvements like brickwork, doors and windows, electrical or plumbing improvements, signage, lighting or landscaping. Schmidt said businesses can apply for up to a \$5,000 match to cover any improvements.

Schmidt said an application deadline for the Façade Program has been set for the end of February. He said the JBDC (Jackson Business Development Committee) will review all the applications at their meeting in March. Schmidt explained the applications would also be reviewed by the EDA (Economic Development Authority) for approval at their meeting in March. He said the applications would then come before the City Council for consideration and final approval at the Council's second regular meeting in March. Schmidt said once the City Council approved the applications, then the grants would be awarded.

Schmidt said the proposed changes in the Facade Program was being presented to the City Council for their consideration so the Economic Development Office can move forward with the program.

Schmidt noted the Facade Program would be for the Downtown Central Business District. Schmidt said his plan is if the revised Facade Program is approved by the City Council, he would deliver the guidelines for the Program to all of the businesses and let them know that they are eligible so everybody hears about it and nobody gets missed.

Finck asked if the application period will be reopened if the number of applications submitted haven't used up all of the funds by the February application deadline.

Schmidt said the application period would be reopened. He said it's anticipated there will be more applications submitted than there's available funding for. But, if there's funds remaining after all the applicants have been approved, Schmidt said the application period will be reopened.

FINCK/MORE moved and it was unanimously carried to approve the Jackson Downtown Building Improvement Program for 2023.

Schmidt thanked Mayor Walter and Councilmembers.

Mayor Walter thanked Schmidt.

2022-2023 STREET AND UTILITIES IMPROVEMENTS PROJECT PAY APPLICATION NO. 1

Engineer Wes Brown of Bolton and Menk said enclosed in the Council's information packets was Pay Application No. 1 payable to Duininck Incorporated in the amount of \$233,279.75 for the work completed to date. He said that includes the work that has been done on Riverside Drive as well as the little bit of watermain work that occurred on Northridge Drive.

Skaret said Pay Application No. 1 basically included everything up through October 25th.

Brown noted there will be one more Pay Application forthcoming.

Cushman asked Brown how many weeks of work were actually done on the project this fall. He noted there was a late start to the work.

Brown distributed information to Mayor Walter and Councilmembers of the original construction schedule that was submitted on September 23rd by the contractor. Brown pointed out the dates on the left-hand side of the information he distributed were the intended dates the contractor was going to come in and do the various construction activities ranging from placing signage for traffic control to actual construction work.

Brown said the underground work started much later than anticipated. He pointed out on an informational graph outlining when the various aspects of the street projects were anticipated to start, when the work actually started and how much was completed. Brown noted the area on the graph shaded in light blue which showed when freezing conditions occurred on Friday, November 11th and into this week. He said when the contractor got to a point when the gravel work was finished on November 8th, a decision had to be made on whether concrete paving work would try to be done in freezing temperatures which is really not acceptable. Brown said that's when the decision was made not to put the concrete down. He said it doesn't look right now that the weather forecast is going to allow any more work to continue.

Finck noted the gravel roads will be in place over the winter months. He asked Brown who would foot the bill for any reworking of the gravel in the spring so it can be paved.

Brown said that would be the responsibility of the contractor.

Finck asked if that was pretty clear with the contractor.

Brown said it was.

Finck asked what happened that the contractor fell behind on the street projects in Jackson. He said the work should be done based on freeze-up.

Brown said of the things he's aware of, there were a couple emails from the contractor prior to starting work in Jackson that stated they were delayed on another project and would be in Jackson on another date. He said then there were further delays and a couple more days passed.

Brown noted when the water main was installed and they got to the point where the contractor was doing the bacteria testing on the water to make sure it was safe and clean, they had some trouble in passing those tests. He said the contractor had to do a couple different re-flushings and re-chlorinating to get the water tests to pass to ensure that it was safe. Brown said that's not completely uncommon. He said contractors run into that from time to time. Brown said it's not a regular occurrence but occasionally that does delay things.

Cushman asked Brown if a lot was gained by starting the street work this late in the fall? He noted there was about five weeks of work done to be followed by four months of winter in a couple areas of our community. Cushman said was it worth the risk/gamble for a City Council going forward. He asked if that's something the City Council should be looking at. Cushman said there was some concern about what was going to happen.

Brown noted he joined the project late as the engineer but he does know that the project was bid and awarded in June. He said there was concerns about getting the manhole structures because of material shortages and delays. Brown said that was a common occurrence across the construction industry this year. He said Bolten and Menk saw multiple contractors with the same issue of not being able to get manhole structures in production and delivered for weeks which slowed starts-ups on many projects. Brown said if he recalled correctly, the contractor had initially indicated a date in September that they thought the manhole structures would be delivered and they would be able to start.

Skaret said the contractor thought the manhole structures would be delivered the week of September 17th.

Brown said that delivery date was pushed back even prior to the construction schedule being developed. He said the schedule distributed to the Mayor and Councilmembers indicates an October 3rd start so there's two weeks of delay and he doesn't know the reason for that delay.

Brown said in a normal year, the scheduled construction work in the fall would have been achievable. He said usually if there's a little cold snap in early November it's short lived and there's still some good weather to come and things can get done. Brown said in this particular case, it's gotten cold and has stayed cold which isn't conducive to doing this type of street work.

Brown said that's not to say this was necessarily a good way to approach this by starting construction work this late. He said in theory, it was doable, it was achievable. Brown said there was a number of delays that affected the contractor's schedule. He said ultimately, though, the contract stipulates a completion date of October 28th, substantial completion including paving. Brown noted that included all sections of the project including Riverside, Northridge, Westridge and Emily Street. He said those streets were included in the October 28th, 2022 substantial completion date per contract and there have been no modifications to that contract by change orders at this time. Brown said the contractor is technically still obligated to complete those areas by October 28th. He said the contractor did not complete Riverside, they obviously haven't even started work on Emily Street and they didn't complete work on Westridge and Northridge.

Brown said at this point his recommendation to the City Council, and would certainly look for the City Attorney's opinion as well, is to apply the liquidated damages that would apply at this point. He said they can always be released later. Brown said the liquidated damages would be from October 28th, which was the day of substantial completion, to November 15th. Brown explained November 15th is pretty common in the construction industry. He said MnDOT (Minnesota Department of Transportation) follows the same philosophy that November 15th to April 15th is winter season so you're not allowed to carry those liquidated damages through into the winter construction season.

Brown said the liquidated damages would be for the period of October 28th to November 15th, which is 18 days at \$1,200 per day per contract, so it totals \$21,600. He explained so on the next pay estimate, that amount would apply. Brown noted the pay estimate currently in front of the City Council for consideration is for work through October 25th. He said the next pay estimate that will come before the Council will be for October 25th through whatever the cutoff date is in November. He said the liquidated damages would be applied on the next pay estimate.

Cushman asked when can it be anticipated that construction will begin in the spring? He asked if a start-up date under a normal situation spring has been determined and if the City has been assured a date of when the contractor will be back in Jackson?

Brown said there's been no date that's been assured. He said as you know spring can vary and conditions have to be good with the frost out of the ground and moisture conditions have to be at a point where it's not too wet to work. Brown said the start-up date will be dependent on weather. Brown said he believes the contractor's indication is that they will be in Jackson as soon as conditions are fit to finish the work.

Cushman asked Brown if it's known where Jackson is on the list for next spring as far as other pre-arranged work that Duinick's might have. He said he's not bad-mouthing Duinick's because they have been good to the City and have been very good to work with. Cushman said he's just trying to get going forward and asked where are we at?

Brown said that's understood. He said those are conversations that need to be held with the contractor about next year's work and what's left to do. Brown noted Cushman's comment about working with Duinick's and said that's the other thing to keep in mind, does the City want to continue to have a good working relationship with them. Brown said while he's recommending the City apply the liquidated damages, it's certainly something the City doesn't have to do. But Brown explained from a contract procedural standpoint, that would be the proper thing to do at this point in time. He noted the liquidated damages can always be waived later or the City Council could decide to do some or none of the liquidated damages on the next pay estimate. Brown said if the City Council wanted to give him some direction, he could appropriately process the next pay estimate.

Cushman asked if the liquidated damages could be revisited this following spring?

Finck said he thinks the liquidated damages should be collected and then revisit the issue again in the spring to determine whether the City releases them. Finck expressed concerns about not having the contractor's construction schedule for next year. He said keeping the liquidated damages will incentivize the contractor to complete the street work in Jackson that they've committed to. Finck said if Jackson is on next fall's schedule, the City will be sitting all summer waiting for work to begin.

Regarding the collection of the liquidated damages, Polz said he would like to give consideration to the City's long-term relationship with the contractor. He said if the contractor fulfills their end of the agreement as soon as possible, then the City Council could consider maybe refunding those liquidated damages.

Finck said he would have no problem refunding the liquidated damages once they start to complete their work. He said he would have no issues with that at all.

Peterson mentioned having the contractor provide the City with a start date for the work.

Cushman said hearing a start date in the spring is a lot different than hearing a start date next fall.

Brown also added because Emily Street and Westridge Drive and Northridge Drive were supposed to be completed this year and weren't even started, there should be a change order process to change the completion date on that portion of the project for next year. He said it needs to be determined what that completion date will be. Brown said as part of that change order, that would also be a good point in time for the City Council to decide if they wanted to waive the liquidated damages if the Council wants to apply those liquidated damages now. He said waiving the liquated damages imposed now could be a part of that change order. Brown said that would be the best way to process that from a contract standpoint.

Skaret said to be clear, the conversations were held with Duininck's during the pre-construction meeting held back in August when Duininck's informed the City that they weren't planning to start work in Jackson until the second half of September. He noted there were also conversations even further down the line asking Duininck's if they were sure they were going to be able to get the project buttoned up and paved by the end of the year. Skaret said Duininck's promised no problem.

Finck noted we had probably one of the nicest falls we've ever had for construction. He said it looks like some of this timeline is self-induced working on other projects verses completing the work in Jackson and that's the disappointing factor. Finck said he understands that Duininck's has done good work for the City and the City has a good working relationship with them, but Duininck's are the ones that kicked the can down the road so to speak, not the City, with assurance that they were going to get this done.

Brown said Finck was exactly right because Duininck's had said on September 17th, they would have structures and they would get started. He said that start date was then moved to October 3rd and then that got moved to October 9th or whatever the date was they actually started.

Peterson said that's what he's afraid is going to happen in the spring because the work in Jackson is a small project and the contractor will just move the project in Jackson down on their schedule again.

Polz said he feels like time will tell. He said ultimately the City is going to look great if this project gets done first next year and pointed out the interest rate the City locked in for the Street Project. Polz asked Skaret what the interest rate was locked-in at.

Skaret said the interest rate was locked in at 3.85 percent.

Polz noted the City got the interest rate for the project locked in at 3.85 percent and thinks maybe how it turned out might end up OK for the City unless interest rates go down below that next year.

Cushman said he thinks the City is certainly going to work with Duininck as long as Duininck is going to continue to work with the City, right? He said he thinks that's what the City is kind of saying.

Finck noted Pay Application No. 1 is for the work completed through October 25th. He said when Brown brings the next pay application before the City Council, it would be really nice if it was known when Duininck's will start work next year.

Brown said he can certainly have those conversations with Duininck's before the next Pay Application is submitted. Brown noted the liquidated damages would apply on the next Pay Application

Mayor Walter asked if there were any further questions. Hearing none, Mayor Walter asked for a Council vote on Pay Application No. 1 payable to Duininck Incorporated.

CUSHMAN/FINCK moved and it was unanimously carried to approve 2022-2023 Street and Utilities Improvements Project Pay Application No. 1 payable to Duininck Incorporated in the amount of \$233,279.75.

FINANCE COMMITTEE RECOMMENDATION: ORGANIZATIONAL FUNDING APPROVALS FOR 2023

Skaret reported the Finance Committee met prior to the City Council meeting and reviewed the budget requests from the various organizations that submitted applications for funding for 2023.

Skaret said the Finance Committee's recommendation is keeping the level of funding for the Chamber of Commerce at \$14,000, keeping the level of funding for Fort Belmont at \$9,000 and funding for the Jackson Center for the Arts at \$8,000 for the year. Regarding the funding request for the Jackson Cemetery Association, Skaret said \$10,000 will be budgeted but any funding request has to be tied to a specific project or piece of equipment. He said it's not a blank check for cemetery operations.

Skaret said the Finance Committee recommended approving \$4,000 in funding for the Summer Recreation Program, approving \$4,000 for the Softball Association and continuing with up to \$2,000 in funding for PAWS (Precious Animals Worth Saving).

Regarding funding for the Jackson Food Shelf, Skaret said the Finance Committee approved funding up to \$7,500 matching dollar for dollar of what Jackson County will contribute.

FINCK/PETERSON moved and it was unanimously carried to approve the Finance Committee's recommendations for Organizational Funding requests for 2023.

Other:

Alderman Dave Cushman

Cushman asked if the new culvert on Riverside Drive has been installed or if that's a part of the Riverside Street project?

Street Superintendent Phil Markman said the six-by-six foot culvert has been installed. He said Larson Crane Service from Worthington installed the culvert and it's all done. Markman said the culvert was installed before the street project was going to take place.

Alderman Marcus Polz

Polz said if anyone would like to stick around after the Council meeting, they are invited to do so to chat with him and also meet his successor that will fill the remaining term of his Ward Two Council seat.

City Administrator Matt Skaret

Skaret said he had good news to report. He said the City of Jackson was awarded a Small Cities Development Grant in the amount of over one million dollars. Skaret said the grant is for residential and downtown commercial projects. He asked Community and Business Development Specialist Dave Schmidt to provide a synopsis of the Small Cities Development Grant.

Schmidt said the City submitted their Small Cities Development Grant Application in March. He said the City was supposed to find out whether they received the grant in June, however that became September, October and finally the Minnesota Department of Employment and Economic Development notified the City on November 15th that Jackson was one of about 15 cities in the State that was awarded a Small Cities Development Grant.

Schmidt said the Grant will provide \$500,000 for owner-occupied housing which basically is enough to do 20 projects up to \$25,000 each. He said the Grant also will provide \$400,000 for the downtown Commercial Business District which is enough to do 10 projects of up to \$40,000 each.

Regarding residential projects, Schmidt said in years past, there has been a targeted zone, but this year there is no zone. He said anybody within the City Limits of Jackson can apply for the grant funding. Schmidt said it's a 100 percent grant and there's no matching portion. He noted the grant money for residential projects is completely forgivable over 10 years.

Schmidt said for commercial, the Small Cities Development Grant is for the downtown business district. He said he needed to verify, but he believes commercial projects will be funded 80 percent by the grant with a 20 percent match by the commercial business owner. He said in the past, it's been a grant, loan and match and this year it's just a grant and match. Schmidt said that's a good thing.

Schmidt said the Economic Development Office is waiting for details from the Department of Employment and Economic Development of when applications will be available for residential applicants. He noted preference will be given to those who filled out the Small Cities Development Grant surveys last year, but anybody living within the residential area of the City can apply. Regarding commercial, Schmidt said grant applications will be reviewed as needed.

Schmidt asked the media representatives attending the City Council meeting if they could help in getting the word out about the availability of the Small Cities Development Grant that's been awarded to the City of Jackson.

Schmidt said it's not known at this point when the applications forms will be available, but wanted to let businesses and the community know that these funds will be forthcoming so they can start thinking about projects and get the ball rolling on that.

Schmidt said the awarding of the Small Cities Development Grant to the City of Jackson is very good news.

Skaret said it's a big boost for our community.

Schmidt said he thinks this is the third time the City of Jackson has been awarded a Small Cities Development Grant. He said he believes the City was awarded grants in 2013, 2017 and this will be the third time.

Schmidt noted if a residential project doesn't reach \$25,000 in cost, that just leaves more money in the kitty so if there's smaller projects, the grant dollars can end up helping more families. He said it's a very good thing.

Coalition of Greater Minnesota Cities Conference

Regarding other things, Skaret said he and Schmidt will be attending the Coalition of Greater Minnesota Cities Conference in Alexandria. He said he'll be travelling on November 16th for the Coalition's Board meeting and retreat. Skaret said Schmidt will be travelling to the Conference on Thursday, November 17th. He said the Conference continues through Friday.

Skaret said there will be a lot of analysis of the election results and what it means for the Legislative priorities for Jackson and other Greater Minnesota cities. He said with the DFL (Democratic-Farmer-Labor) majorities in the House and now in the Senate and the DFL holding the Governor's Office, it will definitely impact the legislative process and how things shake out at the end of the Legislative Session. Skaret noted in the past, there has been split control of the State Government and in the last Legislative Session, that basically resulted in almost nothing getting done. He said the upcoming Legislative Session will be under full DFL control, the trifecta as they call it.

Skaret said the DFL is a more metro-centered majority so that's certainly going to have impacts for Greater Minnesota. He said there's a lot of new Legislators from both parties so there's a lot of educating that's going to have to be done and in short order because Legislators dive into things really quickly. Skaret noted Legislative Day at the Legislature will be held on January 25th. Skaret said both he and Community and Business Development Specialist Dave Schmidt plan to attend Legislative Day and meet with local Legislators and do some educating and lobbying.

Skaret said it will be a big Legislative Session no doubt.

Volunteer of the Year Recognition

Skaret said the Volunteer of the Year Recognition Committee needs to schedule a meeting soon to review the nominations for this year's volunteer recognitions. He noted this year's Volunteer of the Year awards will be presented at the December 6th City Council meeting.

Skaret mentioned Aldermen Marcus Polz, Nathan Peterson and Michael More are members of the Volunteer of the Year Recognition Committee.

Skaret said he would be organizing a committee meeting soon.

Mayor Wayne Walter

Mayor Walter again congratulated the new City Councilmembers. He informed them that Skaret has information regarding educational programs for new City Councilmembers available from the League of Minnesota Cities. Mayor Walter said he attended the League's new Mayor and Councilmember program during his first year as Mayor and learned a lot.

Skaret said he strongly recommends attending.

Mayor Walter informed the incoming Councilmembers that the first two years in office will be a big learning curve for them. He told the incoming Councilmembers don't come in here and think you're going to take the world by storm because it don't work. Mayor Walter said "been there, done that guys".

Mayor Walter said there's definitely going to be a good group of guys and lady that will be serving on the City Council going forward. He said things will be in "great hands".

Mayor Walter thanked everyone.

ADJOURNMENT

With no further business, Mayor Walter entertained a motion to adjourn.

PETERSON/FINCK moved and it was unanimously carried to adjourn the Jackson City Council meeting at 7:18 p.m.

David A. Maschoff, Council Secretary

Wayne Walter, Mayor

