

Jackson, Minnesota
September 17, 2019

The Jackson City Council met in regular session in the Council Chambers of City Hall at 6:30 p.m. on Tuesday, September 17, 2019 with the meeting called to order by Mayor Wayne Walter. On the roll call, the following persons were present: Mayor Wayne Walter, Aldermen Matt Madden, Larry Anderson, Brandon Finck, Donnie Schoenrock and Dave Cushman, City Administrator Matt Skaret, City Attorney Brad Anderson, Engineer Greg Mitchell of Bolton and Menk, Street Superintendent Phil Markman, Kathy Fransen and Kristen Kuipers of the Jackson Center for the Arts, Kayla DeJong of the Jackson Women of Today, Sam Espey, Jackson County Central School Superintendent Barry Schmidt, Helen Mekosch and Helen Anderson of the Jackson Senior Center, Jackson Fire Department Second Assistant Chief and Jackson Parks Board Chairman Michael Haeffner, Derek Behrens and Patrick Boggess of Jacobson-Westergard and Associates, Incorporated, City Clerk/Council Secretary Dave Maschoff and Justin Lessman of the Jackson County Pilot. (Alderman Jeffrey Gay was absent.) (A quorum of the City Council was present.)

CALL THE MEETING TO ORDER

Mayor Wayne Walter called the regular meeting of the Jackson City Council to order. He noted the roll call showed all Councilmembers were present except for Alderman Jeffrey Gay.

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

CONSENT AGENDA

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

Unscheduled Guests

Drainage Specialist Derek Behrens and Professional Land Surveyor Patrick Boggess of Jacobson-Westergard and Associates of Estherville, Iowa introduced themselves to the Mayor and City Council. Behrens explained they wanted to reach out to the City of Jackson to inform them of the services that Jacobson-Westergard and Associates provides to municipalities.

Behrens said their company does a lot of municipality work, infrastructure improvements, street design, bike and recreational trails, drainage work and more. He said Jacobson-Westergard and Associates covers a big area of Iowa and are licensed to provide engineering services in Minnesota.

Boggess said their company would be happy to take any phone calls or answer any questions the City of Jackson may have. He said he's confident Jacobson-Westergard could offer competitive bids on projects. Boggess said they are a small local firm with small town rates.

Boggess said he and Behrens are both residents of Minnesota.

Behrens and Boggess provided business cards to the Councilmembers.

Mayor Walter and the City Council thanked Boggess and Behrens for stopping by and introducing themselves.

Council Discussion Items

REQUEST FROM THE JACKSON CENTER FOR THE ARTS REGARDING AN EVENT ON SATURDAY, OCTOBER 19TH FROM 11 A.M. TO 1 P.M.

Kathy Fransen from the Jackson Center for the Arts explained the event on October 19th is called "World Singing Day". She said it's an international event with other host sites in Australia, Africa and around the United States. Fransen said so far Jackson is the only host site between Boulder, Colorado and Milwaukee, Wisconsin.

Fransen said the Arts Center would like to close off Second Street from White to Ashley Street on October 19th from 10 a.m. to 2 p.m. She said the event will begin at 11 a.m. and conclude at 1 p.m. Fransen said she has spoken with all the neighboring businesses on the Art Center's block and have received approval from them.

Fransen said the Arts Center is hoping to have hundreds of people swarming around on the street for the event.

Fransen said people with all singing skill levels are invited to participate in World Singing Day in Jackson. She said it's an event that unites people in song with no strings attached and includes all ages and all walks of life.

SCHOENROCK/ANDERSON moved and it was unanimously carried to approve the request from the Jackson Center for the Arts to close Second Street from White to Ashley Streets from 10 a.m. to 2 p.m. on Saturday, October 19th, 2019 for the World Singing Day event.

Street Superintendent Phil Markman said the Street Department would provide cones and barriers to close that portion of Second Street on October 19th.

KAYLA DEJONG – REQUEST TO CLOSE MAIN STREET (SECOND STREET) FROM WHITE TO SHERIDAN STREETS ON THURSDAY, OCTOBER 24TH FROM 5 P.M. TO 6:30 P.M. FOR THE JACKSON WOMEN OF TODAY'S DOWNTOWN TRICK OR TREATING AND MONSTER BASH

Kayla DeJong explained the Jackson Women of Today would like to request closing Main Street on October 24th. She said last year the Women of Today hosted their first annual Monster Bash and Trunk or Treat. DeJong said over 20 local businesses or individuals participated along with most of the downtown businesses. She said over 300 children participated in the last year's event and the Women of Today are hoping to increase that number.

DeJong said the Women of Today are requesting to close Second Street from Ashley Street down to Sheridan Street and also Second Street from Ashley to White Street.

DeJong said last year the Jackson County Sheriff's Department and Sheriff's Reserve were on hand to make sure people crossed Ashley Street safely. She said because there are several downtown businesses on Second Street between Ashley and White Street they are also requesting closing the street on that block as well.

DeJong said the event will be held from 5 p.m. to 6:30 p.m. on October 24th. She said last year, the Sheriff's Office came downtown at 4 p.m. and cleared the streets and the trunks actually came in at 4:30 p.m. DeJong said the event will be wrapped up at 6:35. She said it would be appreciated if Second Street could be closed from 4 p.m. to approximately 7 p.m.

ANDERSON/FINCK moved and it was unanimously carried to approve the request from the Jackson Women of Today to close Second Street from Ashley Street to Sheridan Street and from Ashley Street to White Street from 4 p.m. to 7 p.m. on Thursday, October 24, 2019 for the Jackson Women of Today's Monster Bash and Trunk Treat or Treating event.

DeJong thanked Mayor Walter and the City Council for approving their request.

SAM ESPEY – REQUEST FOR BAND OUTDOORS AT 5TH QUARTER EVENT AT THE UNITED METHODIST CHURCH FROM 8 P.M. TO 10:30 P.M. AND CLOSING OF FROST AVENUE AT THE CHURCH ON FRIDAY, SEPTEMBER 27TH

Sam Espey, youth pastor at United Methodist Church in Jackson, explained the church is hosting the Homecoming Fifth Quarter Event with a nationally known band on September 27th.

Espey said they are requesting closing a portion of Frost Avenue along the entrance to the United Methodist Church parking lot. He explained the band will be performing in the gravel parking lot behind the church and the request is to block off that portion of Frost Avenue to keep cars from driving by and keeping those attending safe if the crowd spills out onto the street.

Espey said he received permission from the homeowners adjacent to the church parking lot and they will not be blocking any driveways. He said they would also like to request closing the alley running immediately to the east of the church so the band's tour bus can be parked in the alley. Espey said the alley would be closed most of the day on September 27th. He said that would allow the band to unload equipment before the Fifth Quarter event and not have to move the bus before loading up following the event. Espey also pointed out no driveways along that alley will be blocked.

CUSHMAN/SCHOENROCK moved and it was unanimously carried to approve the request from United Methodist Church Youth Pastor Sam Espey to close a portion Frost Avenue along the entrance of the church's parking lot and to close the alley immediately east of the church for the Fifth Quarter Homecoming Event on Friday, September 27, 2019.

Markman said the Street Department would put up barricades and traffic cones where needed for the event.

Espey said the other part of his request is to allow the band to play just beyond 10 p.m. He said he understands the City's noise ordinance has a 10 p.m. limit. Espey noted he was informed by the band that they would be playing until at least 10:15 p.m. He said 10:30 p.m. would be the absolute latest the band would play.

Espey said he also contacted residents in the area where the sound of the band may travel to notify them of the Fifth Quarter event. He said he received no objections from the residents he talked to. Espey said there was only a handful of houses where no one was home when he knocked on doors. He said in those cases he left an informational flier about the event.

Schoenrock said it will be an event that's safe to bring young people to after the game.

Espey said it has been noted that Fifth Quarter event attendance has dropped so they need to do something big to draw young people back to the event.

SCHOENROCK/FINCK moved and it was unanimously carried to extend the noise ordinance until 10:30 p.m. on Friday, September 27, 2019 for the Fifth Quarter event entertainment at the United Methodist Church.

SAM ESPEY – MEMORIAL PARK BOULDERS REQUEST

Sam Espey of the Jackson Friends of the Trails Committee explained a mountain bike park is under construction in Belmont County Park. He said a half mile of the trail is already completed.

Espey said the Trails Committee was requesting if they could take the unused boulders that are piled up at the new Memorial Park Project site to use for the mountain bike park. Espey showed the Mayor and Council photographs of a mountain bike park in Eagan on how the boulders are used. He noted the same people who constructed the bike park in Eagan are the same people that are constructing the trail in Belmont County Park.

Espey said the boulders are used for balance maneuvers, jumps and also along the trail.

Espey said the Friends of the Trails Committee were asking if the City would surplus the boulders to the Trails Committee for the mountain bike trail project.

Espey said the Trails Committee would figure out how to move the boulders to their site.

Markman said the Street Department could load the boulders and dump them at a designated spot at the mountain bike trail location. He said there are probably two loads of boulders at the most. He said the boulders could be moved by the end of the week.

ANDERSON/FINCK moved and it was unanimously carried to approve the request from the Jackson Friends of the Trails Committee to take the boulders at the Memorial Park Project site and use them at the Belmont County Park Mountain Bike Trail.

Espey thanked the Mayor and Council for approving the request for the boulders.

JCC SCHOOL SUPERINTENDENT BARRY SCHMIDT FOR INTRODUCTION AND BOND ISSUE UPDATE

Jackson County Central School Superintendent Barry Schmidt thanked the Mayor and Council for the opportunity to meet with them.

Schmidt said he's proud to be a part of the JCC School District. He said he began his duties as Superintendent on July 1st and things have been moving quickly since then. Schmidt said the School District is 51 days before holding a bond referendum.

Schmidt said he would like to start building relationships with the City Councils in Jackson and Lakefield and also with the civic organizations. He said that way the Mayor or City Council has accurate information so when the public asks questions they know what's going on whether it's about the school or events. Schmidt said people come to the Mayor and City Council a lot faster than they come to him. He said one of the goals is removing any barriers they may have in communications. Schmidt said one of the biggest things is how does the School District engage the City Council, engage the staff and engage the public more to achieve some feedback for that two-way communication. He said that's what the focus has been with the upcoming bond referendum.

Schmidt thanked the Task Force for their help regarding the bond issue. He thanked the Task Force and the community survey that was conducted in getting feedback from the school district's patrons. Schmidt said the bond referendum is being held due to the information, input, and direction from the survey provided by the Task Force that's it time to enhance some of the programs the School District has going on.

Schmidt explained the information that's available to the public about the upcoming bond referendum. He said information kiosks are available in all the school district buildings, a website has been built that has all the details about the referendum and what the impact would be on property taxes, and people are also invited to call the School District's financial advisor who will explain everything step by step. Schmidt said the School District is also working on getting information posted on Facebook.

Schmidt said the November 5th bond referendum is a special election. He said the School District is doing the election and the City is assisting them. Schmidt said the Jackson County Auditor's Office has been assisting them tremendously in organizing the special election. He said the School District has to have over 70 election judges. Schmidt said the other reason the School District is holding a bond referendum on November 5th is because it will save the District about a million dollars in capital interest. He said the School District is also in need of election judges so if anyone is interested or knows of anyone that would be interested to let them know. Schmidt said the election judges will be trained by the Jackson County Auditor's Office. He said they need three judges at every township polling place. Schmidt said a total of about 40 judges have already been found but more are needed.

Schmidt noted absentee ballots will be available beginning September 20th. He said about eight townships will be submitting absentee ballots.

City Councilmembers thanked Schmidt for his presentation.

JACKSON SENIOR DINING REQUESTS

Helen Mekosch said City Administrator Matt Skaret attended one of their Senior Site Council meetings. Mekosch said they showed Skaret the ceiling fan that doesn't shut off.

Mekosch said in reviewing the contract, the City should be taking over the cost for snow removal. She said the Senior Dining Council would also like the City to pay for the salt and maintenance of the water softener in the building. Mekosch said the Senior Citizens group would like to paint the inside of the building but need the City Council's approval. She said the Senior group would pay for the paint.

Because the City owns the building, Mekosch said the City should be collecting the rental fees when someone rents the building for an event.

Helen Anderson of the Senior Site Council said they have been renting the building out to individuals or groups for \$40. She explained last fall the Senior Site Council added a cleanup charge because someone left bales of hay inside the building. Anderson said the cleanup fee was \$20 which was then paid to the person who had to come in after hours to cleanup. She said she wanted to make the City Council aware of that.

Mekosch said since the City owns the building, the money would come to the City for the rental along with the deposit. She explained once an event was completed and the building was left in good shape, the Senior Site Council could inform City Hall so the person renting the Senior Site could get their deposit back.

Mekosch asked how the City would like to handle requests for rentals. She wanted to know if people renting the Senior Building should call the Senior Site or call City Hall to reserve the building.

Skaret said he thinks someone wanting to rent the building should come to City Hall. He suggested someone from the Senior Dining Site should visit with City Hall staff about the process. Skaret said Mekosch should meet with City Office Manager Deb Mitchell and himself about the rental process for the Senior Center building.

Mekosch said the issues regarding snow removal, softener salt, and the ceiling fan could also be discussed. She said something needs to be done with the ceiling fan because it can't be shut off. Mekosch said the switch for the fan was covered up when a wall was redone in the past and the string for shutting off the fan is broke off and gone.

Markman said the Street Department will take a look at the ceiling fan to see what needs to be done to repair it.

Skaret said the City will be going out for bids for snow removal this year. He said it will be combined with the bids sought for snow removal from the library.

Schoenrock asked Mekosch how many people on average are coming to the Senior Dining Site for lunch.

Mekosch said anywhere from 12 to 14 people per day but there are also 16 to 20 home deliveries. She noted on special days, such as bingo or church day, there can be up to 20 to 30 people eating lunch at the Senior Dining Site.

Schoenrock noted in the past the Senior Dining Site has paid for their own snow removal. He noted last year it was \$1,200. Schoenrock asked where the Senior Dining Site's funding comes from.

Mekosch said the funding comes from donations.

Alderman Anderson asked if the donations come from the meals.

Mekosch said the money raised for the meals goes to Lutheran Social Services. She said the Senior Dining Site does not receive those funds. Mekosch said people donate funds to keep the Senior Dining Site going.

Schoenrock asked if the Senior Dining Site is doing well financially.

Mekosch said she thinks the Senior Dining Center is doing OK. She said they would like to see the Senior Dining Center get fixed up a little bit through the Center's volunteers. She said they are not asking for money from the City for paint or anything. Mekosch said volunteers will paint the building.

Mekosch said the doors and the bathrooms are the two main items the Senior Center would like the City to get done.

Schoenrock suggested to the Council having the City reimburse the Senior Dining Center \$1,200 for last year's snow removal. He explained the Senior Center would then have that money for painting or whatever improvements they would like to make.

Skaret pointed out the cost for snow removal totaled \$1,200 for the months of January, February, March and April.

Mekosch said the Senior Center could gather up the receipts for last season's snow removal costs.

Cushman asked Mekosch what the Senior Center took in for rental fees last year.

Mekosch said she would have to review the Senior Center's books to determine what that amount may be.

Cushman asked if the Senior Center is rented out ten times a year.

Mekosch said she thinks it's more than ten times a year. She noted the Center is rented out for graduation parties, confirmation gatherings and Christmas parties. Mekosch said she would have to review the Senior Center's books to determine how many times the building is rented per year.

Skaret said he doesn't think it would be a major undertaking for City Hall to take care of handling the rental requests for the building.

Helen Anderson requested that when the new door on the south side of the building is installed, to please make extra keeps so the Senior Center's employees can get into the building when needed.

Skaret said keys will be provided when the door is installed.

SCHOENROCK/CUSHMAN moved and it was unanimously carried that if the Senior Dining Center submits the snow removal expense receipts for January, February, March and April of 2019, the City will reimburse the Jackson Senior Center from the Council's Unallocated Fund.

LIQUOR STORE PROJECT PAY APPLICATION NO. 5

Skaret said the Liquor Store project is complete. He said there is just some punch list items left to do. Skaret said that list of items has been provided to the contractor. He said the architect is recommending the City Council make the final payment minus \$10,000 to keep in retainage until the punch list items are completed. Skaret said Pay Application No. 5 amounts to \$86,839.45 to the contractor, Ankeny Builders.

Cushman made a motion to approve Liquor Store Project Pay Application No. 5 in the amount of \$86,839.45 and to hold back a retainage of \$10,000. Schoenrock seconded the motion.

Mayor Walter noted a motion was made by Cushman and seconded by Schoenrock to approve Liquor Store Pay Application No. 5 with a retainage of \$10,000. He asked if there were any more questions or comments.

Finck asked if the funds are released, does the City have any indication when all the punch list items are going to be done.

Skaret said he didn't have that information at this time.

Finck asked why is the City paying the bill until they find out when all the items will be completed.

Skaret explained the City is paying part of the bill. He said the City is paying for work that's already been done.

Finck agrees the City is just paying part of the bill. He said until the City gets a commitment from the contractor of when they are going to complete these items, the City loses their leverage. Finck said having a retainage of \$10,000 is probably not a big deal to a contractor. He said he's concerned about the City losing their leverage. Finck said he would like a commitment from the contractor of when the items on the punch list will be finished.

Finck said he's OK paying the Pay Application, but thinks the conversation needs to be had about getting a commitment before actually sending the check.

Cushman said the City should get some dates of when the punch list items will be completed.

Finck said Architect Dustin Tomoson needs to finish his job.

Cushman noted one of the items on the list to be completed is seeding. He said he talked with Dave Polz who said there's no sense in seeding until some black dirt is put down.

Skaret said seeding is one of the items on the punch list.

Cushman said Finck makes a good point if the \$10,000 retainage is enough to generate the interest to get the punch list items completed.

Finck suggested tabling action on the Liquor Store Pay Application No. 5 until a conversation can be held with Architect Dustin Tomoson.

FINCK/ANDERSON moved and it was unanimously carried to table until October 1, 2019 the motion previously made by Cushman/Schoenrock to pay Liquor Store Project Pay Application No. 5 in the amount of \$86,839.45 until the City Council receives clarity on the completion of the punch list items for the Liquor Store Project.

FIRST CONSIDERATION: ORDINANCE 101 AMENDING CHAPTER 94.01 OF THE JACKSON CODE OF ORDINANCES PERTAINING TO THE HOLDING OF SPECIAL EVENTS, PRIVATE OR PUBLIC, THAT MAY CONFLICT WITH THE PUBLIC NUISANCE CODES OF THE CITY OF JACKSON, MINNESOTA

Skaret noted the Planning Commission has been working on Ordinance 101 and referred to City Clerk/Zoning Administrator Maschoff.

Maschoff thanked Mayor Walter and the City Council. He explained the Planning Commission discussed Ordinance 101 at length at several meetings and held a public hearing at their September 9th, 2019 meeting.

Following the public hearing, Maschoff said the Planning Commission's recommendation was to move forward with Ordinance 101 amending Chapter 94.01 of the Jackson Code of Ordinances pertaining to the holding of special events, private or public, that may conflict with the Public Nuisance Codes of the City of Jackson.

Maschoff explained the purpose of Ordinance 101 is to clarify what's currently already in the City Code. He said Ordinance 101 updates the Code to accommodate new events such as a business having outdoor musical entertainment beyond 10 p.m. Maschoff said City staff ran into situations on such requests where the current noise ordinance wasn't clear. He said the current noise ordinance has a 10 p.m. limit when maybe there's an event that's going to go on downtown until 11 p.m. or midnight. Maschoff said Ordinance 101 would also address requests for events that occur elsewhere in the community as well.

Maschoff said Ordinance 101 would allow downtown and neighborhood events to take place but yet give the City Council control. He explained someone could come before the City Council for permission to hold an event and the Council would have control to grant the request or require some stipulations. Maschoff said Ordinance 101 clarifies and allows for events to take place beyond 10 p.m. but yet gives the City Council control when permission for an event is requested.

City Attorney Anderson explained Ordinance 101 is a catch-all provision that allows the City Council to deal with those unique circumstances which it seems the City has received quite a few of them the last 12 months. He said some of the City's existing ordinances were a little conflicting. Attorney Anderson said Ordinance 101 is a way to smooth out those conflicts and gives the City Council the ability to waive the 10 p.m. noise restriction and thinks it's really important that it shall also include any reasonable limitation that affects the rights of others.

Attorney Anderson said Ordinance 101 is kind of a catch-all to deal with those unique circumstances.

Maschoff said Ordinance 101 brings everything up to date. He explained about a year ago, a request came from a downtown business to have some outdoor musical entertainment beyond 10 p.m. Maschoff said he, City Administrator Skaret and City Attorney Anderson reviewed the City Code book cover to cover and couldn't find anything that specifically pertained to that type of request. He said that's what inspired the creation of Ordinance 101.

SCHOENROCK/ANDERSON moved and it was unanimously carried to approve First Consideration of Ordinance 101 amending Chapter 94.01 of the Jackson Code of Ordinances pertaining to the holding of Special Events, Private or Public, that may conflict with the Public Nuisance Codes of the City of Jackson, Minnesota.

SPLASH PAD AGREEMENT

Skaret explained the City Council approved the Splash Pad agreement once, but the School had a minor amendment that they wanted the City Council to consider.

City Attorney Anderson pointed out the amendment is in one of the recitals, H, which was on the first page. He said all it says is "for which JCC is not reimbursed".

Attorney Anderson explained the amendment does not change the intended purpose of the recital because it's very clear it's being clearly understood and agreed that JCC will not be responsible for any costs associated with the project or its subsequent operations or maintenance.

Attorney Anderson said it's a real minor change but thought it should be brought before the City Council.

SCHOENROCK/FINCK moved and it was unanimously carried to approve the new Splash Pad Agreement between the City of Jackson and Jackson County Central School District.

AGREEMENT FOR SHARED MECHANIC SERVICES WITH JACKSON COUNTY

Skaret said since 2014 the City has had an agreement with Jackson County for shared maintenance services. He explained the shared mechanic agreement resulted due to the City's mechanic retiring in 2013 and the City being unable to recruit a new mechanic.

Skaret said the person who held the current mechanic's position has resigned and the County is looking for a person to fill that position. He said the County was looking to see if they hire a replacement that the City is still interested in continuing the agreement for shared mechanic services.

Skaret said he and Street Superintendent Phil Markman have met with the County staff and think the agreement has been working very well. He said it's more advantageous for the City to share a mechanic with a County than for the City to go out and hire their own mechanic.

Skaret said the recommendation is to renew the shared mechanic services agreement between the City and the County as is.

Markman said there has been zero trouble with the arrangement. He said if the City has a major breakdown with equipment, the mechanic is addressing the problem immediately. Markman said it's been a good fit.

MADDEN/ANDERSON moved and it was unanimously carried for the City to renew the Agreement for Shared Mechanic Services with Jackson County.

2020 STREET PROJECT FINANCING

Skaret said the Street Committee and Finance Committee along with Engineer Greg Mitchell of Bolton and Menk, Street Superintendent Phil Markman and Water/Wastewater Superintendent Tony Oxborough have been working on the 2020 Street Project for the past several months.

Skaret explained the City has about \$85,000 in General Levy debt coming off the books this year and next year. He said next year, 2020, is an excellent time to do a street project.

Skaret said the Street Committee worked over the spring and summer and prioritized what streets should be a priority. He said they based that on usage, street condition and overall balance of needs.

Skaret said the Street Committee came up with prioritizing South Street from Bailey Street and then around the corner to the west for 11 blocks all the way to Dewey Street. He said they also prioritized North Highway from Logan Street all the way past the hospital around the curve to Sayles Drive.

Skaret said Engineer Greg Mitchell and his staff at Bolton and Menk formulated cost estimates for those projects. He pointed out Option A was broken down into two segments on North Highway. Skaret noted the estimates for the street, storm sewer, water main and sanitary sewer totals \$2,339,288.

Skaret said Option B is the work on South Street which is estimated at \$2,929,310.

Skaret said both North Highway and South Street need improvements. He said both are heavily arterial used streets. Skaret said consideration was given on how to do both projects as one project financially. He explained the idea behind that is possibly getting some economies of scale, not only with the contractors, but also by having to do only one bond verses breaking it out into separate bonds over multiple years.

In working closely with the City's Financial Advisor Shannon Sweeney, Skaret said a plan was developed to finance the South Street and North Highway projects as one. He pointed out the total estimated cost of the project is \$5,268,598. Skaret said there are \$1,000,000 in City reserves that have been identified that can be used to bring down the amount that has to be bonded for.

Skaret explained there is water and a little bit of sewer work. He said those utilities would be financing their portions of the project basically through a 20 year bond.

Skaret said Sweeney used a high interest rate of about 3.5 percent. He said water bills, due to this project, would increase about \$4.60 per month based on a customer using 3,500 gallons of water a month. Skaret said sewer bills would increase a \$1.81 per month.

Skaret said one thing the Finance Committee was really, really focused on was limiting the levy impact. He said about \$168,000 in excess utility revenues have been identified to offset some of the costs that would normally be levied. Skaret explained the City would be able to keep that levy at zero percent.

Skaret said one thing to also keep in mind is that the City does have additional debt that's coming off the books in the years 2024 through 2029. He said some of that levy capacity could be used to reduce or eliminate the revenues that were being utilized from the Enterprise Funds. Skaret said they will have to see on that.

Skaret explained the Finance Committee looked at this as a worst case scenario and was comfortable with moving forward with the project.

Finck noted the Finance Committee spent a lot of time going through this project. He said the main thing is the Finance Committee didn't want to have a levy to do this project because as everyone knows there are additional street projects that will be coming in the next five to ten years and they will have to figure out how to finance and fund those projects. Finck said that was a big issue and big concern of the Finance Committee. He said the Finance Committee is still looking at a few more things to try and reduce so the City has to tighten up the cash flow as tight as it potentially can be.

Cushman noted the amount of time that has gone by waiting to do a project. He said for seven years they have been trying to put together this project. Cushman said even after this project, the City still has \$19,000,000 worth of projects ahead of us.

Cushman said by doing this large project, it takes care of two main corridor roads in the community that covers a lot of traffic that are used to feed the main roads that moves traffic through town. He noted that was another factor for choosing those two streets for improvements. Cushman said it's a lot of money but the City has to do something soon or this is just going to get away from us. He said there's more work ahead for the City, but as Finck said the impact to taxpayers should be minimal.

Alderman Anderson noted the condition of the streets will only get worse before they get better unless something is done.

Cushman said absolutely.

Madden asked if the increase in water and sewer rates would be for the entire town and if those higher rates would continue after this project.

Skaret said the increase would be for the entire community and would continue for 20 years.

Finck explained it's a 20 year water and sewer rate increase to fund a portion of the 20 year bond. He noted when debt is falling off in 2024 through 2029, that's really when the City would be looking at their next project so the City would have cash flow to do the next project. Finck said that debt falling off would not affect the South Street and North Highway projects. He explained the only impact there would be to the South Street/North Highway project would be some other things that are being worked on.

Skaret noted the City has a little bit of debt coming off in 2024 and larger amounts coming off the books in 2028 and 2029.

Skaret explained the water and sewer rate increases would go into the Water Fund and used to pay the debt service on the water portions of the project and sewer.

Cushman mentioned another thing that was talked about quite often during the last several years is assessing property owners for street improvements. He said the Finance Committee has been dead set against that. Cushman said these are not private roads, they're public. He said just because you live on one of these streets, you should not pay the burden of that cost. Cushman said it should be spread across our entire community because the entire community can use them. He said the Finance Committee is going to hold fast on that. Cushman said some communities might not do that. He said he doesn't think we're one of them. Cushman said he hopes it stays that way. He said that's not been the City's practice the last seven years and hopes that continues.

Madden said he totally agrees. He said he hopes that attitude continues towards other streets as well.

Cushman said the City doesn't have to wait another 20 years for the next project. He said it's important to realize that. Cushman said the bond for this project is for 20 years, but the City could come back and do another project maybe very shortly after this when debt starts to fall off and the City holds the line on spending and watches the money. He said the City should be able to start doing some of these smaller projects along the way. Cushman said the City needed to take a big step and cut a wide swath on this first go around. He said he thinks the City has done this and these will be two great projects to get off our plate.

Finck said the City is probably tied until 2024 when debt starts coming off the books and the next opportunity arises for the City to start working on the next project and try and do the same thing. Finck noted the talk earlier in the meeting about the school referendum. He said there's going to be enough tax impact in the community. Finck said the City is trying to limit what they can with this project.

Mayor Walter said these streets have needed something done to them for a long time. He said they have been neglected for quite a while. Mayor Walter said when he was elected that was one of the things he pushed for and that's been 10 years ago. He said we've been pushing that long to get something done and he's glad through the hard work of the Street Committee and the Finance Committee we got the job started and the project is in motion. Mayor Walter thanked all those involved.

Skaret said what is being looked for is a motion to proceed with the next steps. He said obviously there's a lot of planning and engineering work that needs to be done to get the ball rolling to have a project ready to go out for bid in the spring and to do next summer. Skaret said a motion is needed to proceed onto the next steps. He said Mitchell could talk about what the next steps would be from an engineering standpoint.

Mitchell said the first thing for the engineering would be to go out and do the topographical survey to get all the information collected, utility information and things like that. He said a preliminary review would be done to see what kind of potential conflict there may be with small utilities and if anything needs to be moved. Mitchell said then what they would want to do is jump into the preliminary design. He explained the cost estimate the City has now is very preliminary. Mitchell said they weren't using any topographic information and were just going off utility maps and other information. He said they want to hone that information in and refine the cost estimates and make sure everything is looking good. Mitchell said along the way, he wants to have some discussions with City staff and maybe the City Council on different things and then proceed with the final design.

Mitchell said the one thing that will be big with this project, especially North Highway, is that it will be affecting both the hospital and the high school. He said they will want to work on some staging options. Mitchell said \$5 million is a big project and we maybe will look at whether to try to get this project completed all in one year or carry it over for two years. At the same time, he said the City will want to get some discounts in prices because it is a big job so we want to look at some different ways to capitalize on that also.

Cushman pointed out at any time along the steps the City can say stop. He said the City is not committing themselves to doing the project; they are committing themselves to take the next step. Cushman said the several steps along the way can be their checks and balances.

Skaret agreed. He said the City is not signing off on doing everything. Skaret noted there are multiple steps and the project can always be revised as we go as more additional information is available.

Schoenrock noted when discussions about street improvements started several years ago, it was unknown if the City could do one project or the other or none at all. He said it's pretty amazing that a way was found to fund this project with a zero percent levy increase. Schoenrock said that is phenomenal. He noted the project will address two really important main streets in town. Schoenrock said anyone that drives on South Street or North Highway would agree they're garbage. He noted he couldn't guess what the City has spent to repair water main breaks by the hospital over the past ten years in overtime and materials. Schoenrock commended the Finance Committee on their work.

Since a street project will be underway in 2020, Schoenrock asked Mitchell to also get an estimate for an overlay on the alley leading up to the Splash Pad site, east of the softball fields.

Skaret said there are some smaller projects such as paving the library parking lot, behind the Senior Center, City Hall and Water Plant parking lots that could potentially be wrapped into the 2020 Street project. He said when it comes to paving; mobilization is a huge part of the costs so there are other things that can be looked at as the planning proceeds.

Cushman thanked Skaret and said he has done a great job in researching and finding ways to finance the 2020 Street Project.

Mayor Walter said Skaret has been a real big asset to the City of Jackson.

Skaret said we've had a lot of hard working committee members who've attended a lot of meetings.

Cushman said the 2020 Street Project just shows what can be done if you put your mind to it. He said this is a big undertaking. Cushman said this is a heck of a deal.

SCHOENROCK/ANDERSON moved and it was unanimously carried to move forward with the next step of the 2020 Street Project.

RESOLUTION NO. 34-0919 SETTING PRELIMINARY LEVY FOR 2020

Skaret said the City is required to set the Preliminary Tax levy for 2020 by September 30th. He said this is not the final tax levy. Skaret said once the City Council sets the preliminary levy they cannot raise it but can only lower it.

Skaret said the Finance Committee had an extensive discussion at their meeting on September 16th. He said they are recommending a 5.9 percent increase in the Preliminary 2020 Tax levy with the idea that they are going to work to whittle that down as much as possible.

Skaret explained some things in the budget right now include a 1.5 percent COLA increase that's part of the union contract. He said there's also a five percent increase in health insurance premiums has been incorporated into the budget although it won't be known what the rates will be until October. Skaret said with PEIP, health insurance premium increases have been typically two to three percent.

Skaret noted a couple of years ago; the City implemented a street reconstruction levy which is providing some of the funds for part of the million dollars that's going towards the 2020 Street Project. He said the street reconstruction levy was increased from \$75,000 this year to \$100,000.

Skaret said there are other equipment needs within the Fire Department and Street Department.

Regarding parks, Skaret said a large park was just added to the City's park system. He said there are also some other park needs that are going to be talked about in greater detail as we go through the budget process with the Finance Committee. Skaret said Splash Pad maintenance is going to be a new item to the budget as well.

Skaret noted in 2021, the traffic signal replacement will take place at Highway 71 and Sherman Street. He said the City's share of that project has been estimated to be at least \$100,000. Skaret said MnDOT will need the money upfront in 2020 so the City needs to have that money available which is also included in the levy.

Skaret said the goal is to reduce the Preliminary Tax levy down from the 5.9 percent but the City has a lot of needs and a lot of upcoming expenses.

Finck said the Finance Committee has challenged themselves to dig deeper through the budget and try and get the levy down lower than 5.9 percent. He noted that every one percent increase in the levy raises roughly about \$15,000 in the budget.

Finck said the Finance Committee is going to work with the City Department Heads to go through the budget with a fine tooth comb and try to figure out how to reduce the budget. He said last year when they went through the budget, they were able to cut three or four percent of that levy out of the budget. Finck said it's not saying we will get there, but the Finance Committee challenged themselves at their September 16th meeting to reduce the levy further.

Cushman said the Finance Committee members agreed to the 5.9 percent levy increase, but they think they can do better than that. He said the Finance Committee thinks they can find some cost savings. Cushman said they are going to challenge the City's Department Heads and ask some hard questions. He said if the Finance Committee has to start someplace, the 5.9 percent is the worst case. Cushman said the Finance Committee can probably knock that figure down.

Mayor Walter said there was good discussion at the Finance Committee meeting and everyone still left the meeting as friends.

Finck said it's good to challenge each other at a meeting.

Skaret said the Truth in Taxation Hearing will be held on December 3rd and the final levy would be approved at the December 17th meeting.

Cushman said the Finance Committee has a few months to still work on reducing the levy.

Schoenrock commented that in the last nine or ten years, the Finance Committee has always been able to find a way to whittle away at the Preliminary Tax Levy.

SCHOENROCK/ANDERSON moved and it was unanimously carried to approve Resolution No. 34-0919 setting the Preliminary Tax Levy for 2020 at 5.9 percent over 2019 and setting the Truth in Taxation Hearing for December 3, 2019 at 6:30 p.m. at City Hall.

Other:

Dewey Street Trail Connection

Skaret reported there was a pre-construction meeting for the Dewey Street Trail Connection. He said the contractor is looking at mobilizing within the next couple of weeks. Skaret said once they get going, the trail connection should be done within three to four weeks. He said it should be a quick project for them. Skaret said the contractor is currently doing some work in Fairmont right now.

Basketball and tennis court striping

Schoenrock asked about when the striping of the basketball and tennis courts will take place.

Markman said they are just waiting for the contractor to arrive. He said the contractor has been here to look at the courts.

Schoenrock asked if the basketball hoops have been ordered.

Markman said the hoops will be ordered.

ADJOURNMENT

With no further business, ANDERSON/SCHOENROCK moved and it was unanimously carried to adjourn the meeting at 7:51 p.m.

David A. Maschoff, Council Secretary

Wayne Walter, Mayor

