

September 3, 2024  
Jackson, Minnesota

The Jackson City Council met in regular session in the Council Chambers of City Hall and also by Teleconference and Zoom at 6:00 p.m. on Tuesday, September 3, 2024, with the meeting called to order by Mayor Pro Tem Nathan Peterson. On the roll call, the following persons were present in-person, Mayor Pro Tem and Alderman Nathan Peterson, Alderwoman Sara Mix and Aldermen Mark Titus, Chris Naumann and Joe Pell. Also attending in-person were Interim City Administrator Rick Almich, City Attorney Brad Anderson, Public Works Director Tony Oxborough, MRES Jackson Distribution Maintenance Foreman Tony Nitchals, Jackson Ambulance Director Grant Landbo, John Weland of the Jackson County Animal Protection Society, Luke Ewald of Des Moines Valley Health and Human Services, City Utilities Billing Clerk Marcy Hassing, Cheryl Harnden Yadloski, Stephen Foster, Senior Rate Analyst Evan Leebens of Missouri River Energy Services, Pastor Ted Carnahan of Our Savior's Lutheran Church in Jackson, City Clerk/Council Secretary Dave Maschoff and Justin Lessman of the Jackson County Pilot. Joining the meeting via Zoom and Teleconference was Economic Development Director Assistant Shelley Pohlman, Mason Sedlacek of the DBS Development Group and KKOJ Radio news. (Mayor Marcus Polz and Alderman Brandon Finck were absent.) (A quorum of the City Council was present.)

#### **PLEDGE OF ALLEGIANCE**

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

#### **CALL THE MEETING TO ORDER**

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Mayor Pro Tem Peterson called the regular meeting of the Jackson City Council to order. He said the roll call showed all Councilmembers were present except for Mayor Marcus Polz and Alderman Brandon Finck.

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

**Unscheduled Guests:**

Mayor Pro Tem Peterson asked if there were any unscheduled guests in the Council Chambers.

Mayor Pro Tem Peterson again asked if there were any unscheduled guests in the Council Chambers.

Mayor Pro Tem Peterson asked for a third time if there were any unscheduled guests in the audience.

Seeing and hearing no unscheduled guests, Mayor Pro Tem Peterson said the Council would move onto the Consent Agenda.

**CONSENT AGENDA**

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Mayor Pro Tem Peterson entertained a motion to approve the Consent Agenda.

Alderman Joe Pell asked to pull Consent Agenda Item 7(G) for further discussion regarding rescheduling the second regular City Council meeting for September to Wednesday, September 18<sup>th</sup> at 6:00 p.m. due to scheduling conflicts for City Councilmembers.

Mayor Pro Tem Peterson asked for a motion to approve the Consent Agenda as presented minus Item 7(G).

**PELL/TITUS moved and it was unanimously carried to approve the Consent Agenda as presented expect for Item 7(G) regarding rescheduling the second regular City Council meeting to Wednesday, September 18<sup>th</sup> at 6:00 p.m. due to scheduling conflicts for City Councilmembers.**

Regarding Consent Agenda Item 7(G), Pell said he would like to propose rescheduling the second regular City Council meeting in September to Monday, September 16<sup>th</sup>.

Mix noted there were conflicts for several Councilmembers to hold the regular meeting on September 17<sup>th</sup> and that's why it was suggested moving the date for the second meeting of the month in September.

Mayor Pro Tem Peterson said he spoke with Mayor Marcus Polz who indicated he was fine with having the second Council meeting of the month held on Monday, September 16<sup>th</sup>.

Mayor Pro Tem Peterson asked for a motion to reschedule the date for the second Council meeting in September to Monday, September 16<sup>th</sup> at 6:00 p.m.

**PELL/NAUMANN moved, and it was unanimously carried to reschedule the second regular City Council meeting in September to Monday, September 16<sup>th</sup>, 2024 at 6:00 p.m.**

## **Council Discussion Items**

### **ELECTRIC RATE STUDY PRESENTATION – MISSOURI RIVER ENERGY SERVICES**

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Senior Rate Analyst Evan Leebens of Missouri River Energy Services introduced himself to Mayor Pro Tem Peterson and Councilmembers. He said an Electric Rate Study was done for the City of Jackson during the past several months and has now been completed. Leebens explained rate studies are conducted every four to six years. He said this is the sixth Electric Rate Study done for Jackson dating back to 1999. Leebens said the last rate study done prior to 2024 was back in 2019. He noted the last electric rate increase in Jackson was five percent which occurred in 2017.

Leebens said the proposed rates include overall increases in electric rates of 5 percent in January 2025, 2026 and 2027. He noted the percentage changes would vary by customer and by class to make sure each class is paying their fair share.

Leebens said the reasons for the proposed increases are the rising purchased power and local operating costs, capital expenditures to reinvest into Jackson's electric system and to maintain a cash reserve balance.

Leebens detailed historical and forecasted energy purchase and megawatt hours, energy consumption by classes, cost breakdowns for Jackson and power supply and transmission costs. He also outlined historical and forecasted purchased power costs and transmission statistics per kilowatt hour, projected expenses and operating costs, transfers and donated services and revenue-financed capital expenditures. Leebens also noted amounts due to the City's Electric Fund from other Funds within the City.

Leebens showed Mayor Pro Tem Peterson and Councilmembers approximate revenue and cost changes from 2024 to 2028, historical and projected income and loss statistics, historical and projected unrestricted cash reserves and explained electric definitions such as Peak Demand, Energy, Car Driving Analogy and Load Factor.

Leebens detailed the major cost types and rate designs and target rate levels based on cost of service, the allocations of cost to each electric customer class and comparisons to revenues.

Leebens outlined the major cost types and rate designs along with target rate levels based on the cost of service to residential, commercial single phase, commercial three phase, large power customers and the Speedway. He also explained the costs to each customer class compared to revenues. Leebens went on to outline the rate recommendations, customer charges and the proposed percentage rate changes. He noted the proposed overall rate change would be a five percent increase in electric rates in January of 2025, a five percent increase in January of 2026 and a five percent increase in January of 2027. Leebens also explained the Power Cost Adjustment and the increase in the Power Cost Adjustment Base each year to reflect the costs of increasing purchased power.

Leebens showed Jackson's monthly residential bills in comparison to other communities in the area. He noted Jackson's residential bills are currently two percent below the median, and with the rate increase, will be a couple of percentage points above the median. Leebens said other communities are also going to experience increases in their electric rates.

In summary, Leedens the electric rate study recommended a 5 percent overall increase in electric rates in 2025, 2026 and 2027. He said the impacts will vary by customer and by customer class. Leedens said for residential customers, the typical increase will be four to seven dollars per month in each year of 2025, 2026 and 2027. He noted Missouri River Energy Services can assist with cost changes in the future. Leedens said the results of the recommendations include that electric rates reflect purchased power and fixed costs and the financial position should remain strong.

Mayor Pro Tem Peterson thanked Leedens for his presentation on the Electric Rate Study for the City of Jackson.

Leedens thanked Mayor Pro Tem Peterson and Councilmembers.

### **BRANDI FLETCHER – CANNABIS DISPENSARY UPDATE**

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Mayor Pro Tem Peterson noted Fletcher was not present at the Council meeting so the Council would move on to the next agenda item.

### **TORGERSON LANE FINAL PAY ESTIMATE NO. 3**

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Public Works Director Tony Oxborough said Engineer Troy Nemmers of Bolton and Menk had another meeting he had to attend and was unable to attend the Jackson City Council meeting.

Oxborough explained the Torgerson Lane Project was a combined project with the operators of the electric substation, ITC. He said Pay Estimate No. 3 is the final pay application for the project. Oxborough said Pay Estimate No. 3 totals \$13,530.49 payable to R & E Enterprises of Mankato, Inc.

**PELL/MIX moved and it was unanimously carried to approve Torgerson Lane Final Pay Estimate No. 3 in the amount \$13,530.49 payable to R & E Enterprises of Mankato, Incorporated and, according to a previous agreement, that ITC will pay for half of the cost for the Torgerson Lane Project.**

## **BELMONT HEIGHTS PAY APPLICATION NO. 5**

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Mason Sedlacek of the DBS Development Group joined the City Council meeting via Zoom.

Sedlacek said the infrastructure for the Belmont Heights housing project is substantially complete. He said there is some final work that will be completed in the next couple weeks.

Mayor Pro Tem Peterson entertained a motion to approve Belmont Heights Pay Application No. 5.

**PELL/NAUMANN moved and it was unanimously carried to approve Belmont Heights Pay Application No. 5 in the amount of \$199,248.03 payable to Holtmeier Construction Incorporated of Mankato, Minnesota.**

Mayor Pro Tem Peterson thanked Sedlacek.

Sedlacek thanked Mayor Pro Tem Peterson and Councilmembers. He noted that construction crews would be mobilizing at the project during the next week.

## **UTILITIES COMMISSION RECOMMENDATION REGARDING UTILITY ISSUE**

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Alderwoman Sara Mix informed Mayor Pro Tem Peterson the Council no longer needed to address a utility issue. She said the matter was resolved during a special meeting of the Utilities Commission held prior to the City Council meeting and no Council action was needed.

## **SUICIDE PREVENTION MONTH PROCLAMATION 2024**

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Mayor Pro Tem Peterson said he had a Suicide Prevention Month 2024 Mayoral Proclamation.

Mayor Pro Tem Peterson read the Proclamation:

**WHEREAS**, *suicide is a national public health challenge that causes immeasurable pain among individuals, families and communities across the country; and*

**WHEREAS**, *suicide prevention is just one element in the larger picture of mental health awareness; and*

**WHEREAS**, on November 15, 2022 the Jackson City Council approved a resolution designating the City of Jackson as a Stigma-Free Zone and Mayor Polz proclaimed May 2023 as “Mental Health Awareness” month in the City of Jackson; and

**WHEREAS**, according to the CDC Suicide rates increased approximately 36% between 2000-2021. Suicide was responsible for 48,183 deaths in 2021, which is about one death every 11 minutes. The number of people who think about or attempt suicide is even higher.

**WHEREAS**, for every individual who feels alone, ashamed, or believes that they would be a burden if their thoughts or feelings were shared, there are scores of others in every community who want to help but are not sure how; and

**WHEREAS**, according to the CDC, Financial stress, social isolation, substance use, and barriers to health care are among the highest factors that can lead to suicide; and

**WHEREAS**, residents of Jackson can help raise awareness and lower the stigma surrounding suicide by personally reaching out to someone they suspect is struggling with their mental health by connecting them to resources like the 988 Suicide and Crisis Lifeline.

**NOW, THEREFORE, I**, Nathan Peterson, by the power vested in me as Mayor Pro Tem of the City of Jackson, Minnesota do hereby proclaim September 2024 in the City of Jackson as Suicide Prevention Month.

**IN WITNESS WHEREOF**, I have hereunto set my hand and caused the seal of the City of Jackson to be affixed to this document.

Signed Nathan Peterson, Mayor Pro Tem.

**Other:**

**Alderman Joe Pell**

Alderman Joe Pell reported the final results of the swimming pool survey are being compiled. He said there was a 28 percent response rate which was phenomenal. Pell said the company conducting the survey noted usually the response rate is 12 to 15 percent. He said the survey company pointed out the response rate was really good for a summer survey.

Pell said the survey results are being compiled and will be discussed at a Pool Task Force meeting on September 23<sup>rd</sup>.

### **City Attorney Brad Anderson**

City Attorney Brad Anderson reported there was a hearing on September 3<sup>rd</sup> regarding the Lift Station 4 lawsuit. He said it was a Summary Judgement Hearing brought by the defendants, Bolton and Menk. Attorney Anderson said he received copies of both briefs on the afternoon of September 3<sup>rd</sup> and an email from the attorney representing the City. He said the attorney appears to be very confident that the City has some good arguments. Attorney Anderson said he understands Judge Bentz took it under advisement and will hopefully issue a ruling soon. He noted Judge Bentz has 90 days to issue a ruling.

### **Alderman Nathan Peterson**

Alderman Nathan Peterson asked what the status was regarding a search for a new City Administrator and selecting a firm to conduct a search.

Alderwoman Sara Mix said a Personnel Committee meeting is scheduled for September 9<sup>th</sup> to start the process and select a firm to conduct a search.

Peterson asked Interim City Administrator Rick Almich where the City was at with the former Coast to Coast building in regards to historical registry and demolition.

Almich said the EDA Office has been gathering information regarding demolition. He said the process is moving along slowly but surely.



## **ADJOURNMENT**

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With no further business, Mayor Pro Tem Peterson entertained a motion to adjourn the meeting.

**PELL/NAUMANN moved and it was unanimously carried to adjourn the Jackson City Council meeting at 6:45 p.m.**

Mayor Pro Tem Peterson said the City Council meeting was now adjourned.

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**David A. Maschoff, Council Secretary**

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**Mayor Pro Tem Nathan Peterson**

