

**FINANCE COMMITTEE MEETING**  
**August 31, 2020**

The City of Jackson Finance Committee met at 5:15 p.m. on Monday, August 31, 2020 in the City Council Chambers of the Jackson City Hall. Attending in-person were Finance Committee members Alderman Brandon Finck and Alderman Dave Cushman. Also attending in-person was City Administrator Matt Skaret, City Attorney Brad Anderson, Engineer Greg Mitchell of Bolton and Menk and Recording Secretary Dave Maschoff. Finance Committee member Mayor Wayne Walter joined the meeting via telephone. (A quorum of the Finance Committee was present.)

**SANITARY SEWER EXTENSION PROJECT UPDATE**

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Engineer Greg Mitchell of Bolton and Menk provided an update of the Sanitary Sewer Extension Project. Mitchell provided several handouts to those present at the meeting.

Mitchell referred to the Sanitary Sewer Extension Project work that was done around Jackson in 2015. He noted two segments of sewer line were installed on Springfield Parkway, one segment on Ballard Avenue, a section on Moore Street and then on the south part of Jackson which was the largest part of the project. He said that included work on River Street, a lift station next to the frisbee golf course, and the South Highway branch or segment that crosses the river.

Mitchell said what's left to do is the river crossing, the segment going up Petersburg Drive and then along South Highway and up to the former Fort Belmont site.

Mitchell said this whole project initially started in 2010. He explained not the construction work, but the overall idea of doing the sanitary sewer extension project. Mitchell said someone from the City or the community called the Minnesota Pollution Control Agency (MPCA) inquiring to see if there were any funds available from the State to eliminate non-compliant septic systems. He said that got the MPCA involved and then the ball started rolling from there, although it rolled slowly at first. Mitchell said it was 2010 when it was first looked into regarding financing the sewer extension project through the PFA, the Clean Water Revolving Loan Fund.

Mitchell said Svoboda's bid for Schedule A was \$1.6 million and Schedule B for the river crossing was \$1.8 million. He said GM was the only other bid that was received. He said GM's Schedule A bid with the Lift Station was almost \$2 million and their bid for Schedule B was \$2.3 million for the river crossing. He said the bid for Schedule A was \$250,000 more and Schedule B was about \$350,000 more than the engineer's estimate. Mitchell noted this was the third time the project was bid.

Mitchell said the bids were discussed with City staff. He said even though Schedule B was more expensive with the river crossing, at \$1.8 million, it was decided to cross the river even though it was more expensive than having the two-lift station option. Mitchell said the City then had a contract with Svoboda Excavating for the project.

Mitchell said for the rest of 2015, discussions were held with property owners of what the cost would be because actual cost numbers were available. He noted meetings were held with property owners during the summer of 2015. Mitchell said the actual construction of the sanitary sewer extension project didn't start until 2016.

Mitchell summarized the cost breakdown of the sanitary sewer project and the grant money that was available for the project. He noted the sanitary sewer cost was \$1.3 million, the lift station force main was \$339,000 so the total cost was \$1.68 million. Mitchell said the Point Source Grant the City received from the MPCA was \$1.1 million and there was also a WIF (Water Infrastructure Fund) grant of \$390,000. He said the total cost, minus the grants, ended up being \$173,000. Mitchell said there were 26 sewer connections for the project.

Mitchell said the \$173,000 was divided by 26 connections and that amounted to \$6,672 which was assessed to the homeowners that were being connected. He said the City paid for the water main and pavement costs. Mitchell said the City's cost was \$287,000. He said there was \$267,000 that was assessed to the private part of the project, which is the service line extensions from the property line up to the house.

Mitchell noted the project was bid in March of 2015 and construction started in May of 2016. He said the lift station was installed in November of 2016 and the finish pipe was installed to about within 90 feet of the river crossing before the dewatering efforts were more than what could be done.

Finance Committee members reviewed the breakdown the of costs to cross the river.

Finck said he would like to see the labor and material breakdown for Svoboda's to cross the river. He said that total amount would not be paid to Svoboda's because they aren't doing all the work.

Discussion ensued regarding cost breakdowns and how the project could proceed with Svoboda Excavating and Geislinger and Sons. Mitchell also outlined the work remaining to cross the river and completing the rest of the sewer extension project.

Mitchell noted the river is at its lowest level in five years. He said Geislinger's has an opening in their schedule to come to Jackson.

Finck said there's no argument that the City wants to get the project completed, but there has to be some refiguring of the cost figures regarding Svoboda's labor costs.

Mitchell suggested proposing to Svoboda's to reduce the change order from \$90,000 to \$75,000 which would corelate in relation to the reduction in labor costs by Svoboda's pertaining to the river crossing. Mitchell explained \$75,000 will be added to Svoboda's bill, but Svoboda's will pay Geislinger's.

Finck noted this would be the cost if the City would bid it separate anyways. He said this isn't really an increase. Finck said mother nature created this situation and this is where the project would be anyways. He said the City is not above or below the cost, it's at where the project would be. Finck said the delay in the project due to the wet conditions and the opportunity now to get across the river validates the cost of the change order.

Finck and Cushman said they want the project to move forward and get completed.

Mitchell noted the change order has a completion date of the entire project by October of 2020. He said that completion date may be changed. Mitchell said it also depends when the directional boring contractor may be available. However, Mitchell said getting across the river will complete the hardest portion of the Sanitary Sewer Extension Project.