

The City of Cannon Falls met in a regular session on Tuesday, June 4, 2013, at 6:30 p.m. in the City Council Chambers. Present were Mayor Robby Robinson and Council Members Bill Duncan, Jay Sjoblom, Rodney Holst, Morris Mattson, LeRoy McCusker, and Merlyce Johnson. Also present were Aaron Reeves, City Administrator; Lanell Endres, Assistant City Administrator; Dave Maroney, Community Development Director; Brenda Voshalike, Ambulance Director (arrived at 7:00); and Jeffrey McCormick, Police Chief.

- Call to Order                    Mayor Robinson called the City Council Meeting to order at 6:30 p.m.
- Pledge of Allegiance        Mayor Robinson led in the recitation of the Pledge of Allegiance.
- Approval of Agenda        Council Member Duncan moved, seconded by Council Member Holst to approve the agenda as presented. All members present voted aye. The motion was declared passed.
- Public Input                    There was no public input.
- Presentation – 2012  
Audit                            Brad Falteysek and Kevin Knopik from the accounting firm of Abdo, Eick, and Meyers, presented the results of the 2012 audit of City finances. The financial statements and management summary report were reviewed. It was noted that State compliance requirements were satisfied. They reviewed fund balance comparison charts including debt service, capital project, and special funds. They also discussed budgeted revenue and expense estimates as compared to the final amounts. Positive variances were reported, with revenue exceeding the estimate by approximately \$125,000 and expenditures coming in approximately \$55,000 under budget. Financial comparisons were made with other small cities.
- Council member McCusker inquired about utility fund management. City administrator Reeves clarified that fund balances were reviewed annually and rates adjusted incrementally to help cover operating expenses and debt service payments.
- The ambulance fund was discussed noting increased costs associated with the new ambulance and additional personnel in preparation for the new hospital.
- Mr. Falteysek reported that accounting consultants would be working with city staff on implementation of new standards.

City Administrator Reeves clarified that the general fund reserve balance, minus funds allocated for projects, was at approximately 65% of operating expenses at the time of the audit. The current general fund balance would be further discussed during an upcoming work session.

A motion was made by Council Member Johnson, seconded by Council Member Duncan to accept the 2012 audit results. All members present voted aye. The motion was declared passed.

## Consent Agenda

- A. Just and Correct Claims – Accounting Period Ending May 31, 2013
- B. Meeting Minutes for May 21, 2013 City Council Meeting
- C. Meeting Minutes for May 21, 2013 City Council Work Session
- D. Approve Scofield Drug & Gift to Sell Tobacco Products
- E. Authorization to Dispose of Vehicles
- F. General Fund Reserve Work Session
- G. Maintenance Worker II Posting

Council Member Johnson inquired about the disposal of vehicles utilized by the Public Works Department. Police Chief McCormick and City Administrator Reeves clarified that approval must be sought to dispose of any City asset.

Council members discussed rescheduling the general fund reserve work session. City Administrator Reeves indicated that the general fund reserve work session could be scheduled immediately following the city council meeting on July 16, 2013.

Council Member Johnson moved, seconded by Council Member Duncan to approve the Consent Agenda. All members present voted aye. The motion was declared passed.

Resolution 2021,  
Approving County  
Project Within City  
Limits

City Administrator Reeves reviewed a proposed County project, which would be an extension of County Road 24 off the new interchange when constructed. Council members asked about the addition of walking or bike trails. City Administrator Reeves indicated that future trail right-of-way acquisition had been included in the interchange project.

Goodhue County Public Works Director Ken Bjornstad indicated that a trail will be included on one side of the road, with future trail extensions anticipated. He stated that the County Road 24 project was being accelerated to coincide with the interchange and new hospital construction.

Following discussion, a motion was made by Council Member Johnson, seconded by Council Member Duncan to approve Resolution 2021. All members present voted aye. The motion was declared passed.

## Staff Reports

Ambulance Director Voshalike recognized and congratulated four members of the ambulance service who have attained paramedic certification.

Police Chief McCormick provided a reminder about the Nature Valley Grand Prix Bicycle Festival on Thursday, June 13. He noted activities had been moved to the west side of town due to the East Side construction project. Final details were being finalized, with minimal disruption expected for West Side residents.

City Administrator Reeves provided project updates. He noted the East Side project had begun. He apologized to residents not part of the project who had their water shut off and were not notified of this in advance due to unexpected areas on the water main. As a result, maps would be updated and additional shut-offs added to prevent future problems in this regard.

Reeves indicated that a pre-construction meeting was held with regard to the interchange project. He stated the project was moving forward on schedule, with construction activity by Hentges starting in early July with bridge work followed by supporting road construction. He informed the Council that City staff would remove the south entrance sign, with relocation later on.

Reeves reported that signed assessment agreements had been received from all affected property owners south of the school. A change order would be prepared for council approval in conjunction with the East Side construction project.

Reeves also reported that final approval was pending but expected for the Olmsted Medical Clinic access road.

## Mayor and Council Reports

Council members inquired with regard to LGA funding. Reeves reported that future LGA funding had been increased. The revised formula resulted in a gain of \$145,000. The goal during budget discussions would be to decrease the levy for 2014.

Adjournment            The meeting adjourned at 7:21 p.m.

Adopted by the City Council of the City of Cannon Falls on the 18<sup>th</sup> day of June, 2013.

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Lyman M. Robinson, Mayor

ATTEST:

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Aaron S. Reeves, City Administrator