

The Cannon Falls City Council met in a regular session on Tuesday, November 19, 2013, at 6:30 p.m. in the City Council Chambers. Present were Mayor Robby Robinson and Council Members Bill Duncan, Jay Sjoblom, Morris Mattson, Rodney Holst, LeRoy McCusker, and Merlyce Johnson. Also present were Aaron Reeves, City Administrator; Lanell Endres, Assistant City Administrator; Dave Maroney, Community Development Director; Tom Bergeson, Public Works Director; Greg Anderson, City Engineer; Brenda Voshalike Ambulance Director; Justin Padgett, Library Director; 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 Johnson moved, seconded by Council Member Duncan to approve the agenda as presented. All members present voted aye. The motion was declared passed.
Public Input	There was no public input.
Debt Management Study Presentation	<p>Tammy Omdahl from Northland Securities provided the results of a debt management study commissioned by the City. She reviewed three key factors evaluated during the study, including timing and amount of collection of special assessments, financial performance of enterprise funds, and future debt issuance plans. She identified sources of revenue for debt service, including property tax levy, special assessment revenue, and enterprise fund revenue. She detailed property tax levy projections in support of debt service. Ms. Omdahl reported that the City's debt service funds were in very sound financial condition.</p>

Conclusions of the study included the following:

- Property tax levies have been sufficient to cover debt service.
- Current special assessments were estimated to be paid in full and on time.
- Use of TIF revenue to cover debt service was less than originally planned.

Recommendations included the following:

- Annual tax levy for debt service should be carefully managed.
- Annual special assessment collections should be monitored and annual adjustments made to finance plans.
- Utility funds should be managed to ensure that rates were set at a level that produced revenue sufficient to cover operations, capital, and debt service.
- Use the debt study and models as an ongoing tool for management of debt.

Council Member McCusker asked about cash reserves and potential impact on the City's credit rating if reserve balances were to decline. Ms. Omdahl emphasized the importance of complying with established fund balance policies. She described the differences between one-time withdrawals for special projects versus fund balance drawdowns to support ongoing operations.

Council Member Duncan asked whether planned infrastructure projects were incorporated into the study. Ms. Omdahl stated that the study did not evaluate structuring for new debt but commented on potential debt management opportunities, such as the ability to potentially reduce the tax levy for existing debt.

Consent Agenda

- A. Just and Correct Claims – Accounting Period Ending November 15, 2013
- B. Meeting Minutes for November 5, 2013, City Council Meeting
- C. Resolution 2046, Accepting a Donation from the CF Fire Department Relief Association to the Ambulance Department
- D. Add Member to Reserve Program
- ~~E. Application for Payment No. 1 for TH 19 Utility Crossing~~
- ~~F. Application for Payment No. 6 for the Eastside Improvement Project~~

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

Hwy 52 North Stop  
Light Access Request

City Administrator Reeves described changes to the original Highway 52 Interchange project, stating that the current plan called for a north overpass to be constructed sometime in the future depending upon traffic volumes. He indicated the property owners in the area were requesting exit and entry access on each side of Highway 52. Mayor Robinson referenced the interchange project and a similar at-grade right turn access point in Hampton and encouraged consistent treatment of communities along the highway. Mayor Robinson and Council Member Duncan spoke in support of a plan that would permit access to local businesses while maintaining safety considerations.

Jim Burkhardt summarized the business owners' perspective, stating that the current plan would create a dead zone, especially at the intersection of Highways 52 and 24. He stated that it was anticipated that many businesses would fail as a result of the inability to attract customers from Highway 52, adversely affecting an estimated 250 to 300 employees. The group was requesting that MnDOT study the issue and consider possible solutions.

Greg Paulson, Assistant District Engineer, MnDOT, stated that, while he appreciated the concerns about potential impacts, the study process for the project was complicated and thorough. He detailed the long-term vision of converting that segment of Highway 52 into an access-controlled freeway, eliminating traffic signals, improving safety, and improving mobility along the corridor. He agreed with the importance of a fair and consistent decision-making process. He provided rationale for project design at the Hampton interchange and described safety issues related to allowing access within one-half mile of the end of an acceleration ramp. He reiterated that funding for the interchange was made available from a SaM (Safety and Mobility Interchange Program) grant.

Council Member Duncan and Mayor Robinson disagreed with the process by which the north overpass was eliminated from the initial project. Council Member Duncan proposed an interim solution, comparing the business closing that occurred along the west side of Highway 52 in Hampton, which had no access, with what could potentially happen to businesses in Cannon Falls.

City Administrator Reeves suggested gathering data on the impact of exit-only access from Highway 52. Mr. Paulson stated that it would be difficult to quantify this information.

Council Member McCusker thanked Mr. Paulson for participating in the discussion. He discussed his recollection of the rationale for moving the interchange farther south while maintaining access to local businesses. He stated that he did not foresee a safety issue with exit-only access and stated that this would be beneficial to local businesses.

Council Member Mattson asked about the timeframe for the overall corridor project and recommended an interim solution.

Council Member Sjoblom inquired about similarities to the intersection at the north end of Zumbrota. Mr. Paulson described the level of investment being made to improve safety and how changes to the project would diminish safety efforts.

City Administrator Reeves discussed the value of improving overall traffic flow. He asked if MnDOT would work with the City on signage and other efforts to increase visibility. Mayor Robinson reiterated the economic impacts on Cannon Falls and the surrounding area.

Mr. Paulson reviewed the project design process, stating that there would have been business impacts had the interchange been located at Highway 24. Goodhue County Public Works Director Greg Isaacson agreed with the discussion regarding the adverse impacts of a north interchange. Council Member Duncan stated that the current concerns do not relate to the location of the interchange but rather the initial plan for a north overpass. Now that the plan had changed, he was in support of an interim solution.

City Administrator Reeves compared exit and entry access lanes to converging lanes along the freeway system in the Twin Cities. Mr. Isaacson reviewed the scoring system and accelerated design process for a SaM grant funded project. He suggested requesting that the project be re-scored from a safety standpoint with the addition of access lanes. He added that Cannon Falls was located within the Rochester District while Hampton was in the Metro District. He suggested writing a letter to the Minnesota Transportation Commissioner. He also encouraged the promotion of long-term, stable transportation funding. City Administrator Reeves recommended requesting a meeting with the Transportation Commissioner.

Council Member McCusker asked Mr. Isaacson to comment on right turn lanes from a County perspective. Mr. Isaacson commented that MnDOT does not appear to be following its policies consistently between districts. He added that as traffic volumes and speed increase, safety concerns also increase. Council Member McCusker stated his concern that the City's interests have not always been adequately represented.

Mayor Robinson suggested working on an interim solution that would not compromise safety to give businesses an opportunity to plan for the future. Mr. Paulson described the complicated nature of the project selection process and agreed that contacting the Office of the Commissioner would be an appropriate next step.

Mr. Burkhardt cited inconsistencies throughout the State and suggested lowering the speed limit through Cannon Falls in order to accommodate access lanes.

Greg Jablonske, owner of Sol De Mexico, spoke in support for the addition of both ingress and egress lanes.

Council Member Johnson moved, seconded by Council Member Duncan supporting a right-turn access from Highway 52 and for staff to contact the Transportation Commissioner and/or legislators to pursue the issue. All members present voted aye. The motion was declared passed. Business owners were encouraged to provide input.

Application for  
Payment No. 1 for TH  
19 Utility Crossing

The Council received Pay Request #1 for the Highway 19 Utility Crossing from S.M. Hentges. Council Member McCusker discussed rationale for the project cost increase from initial estimates. Council Member McCusker moved, seconded by Council Member Johnson to approve the pay request. All members present voted aye. The motion was declared passed.

Application for  
Payment No. 6 for the  
Eastside  
Improvement Project

The Council received Pay Request #6 for the Eastside Improvement Project. Council Member McCusker commented that the Eastside project actually came in under budget. He thanked everyone involved for their efforts on the project. Council Member McCusker moved, seconded by Council Member Johnson to approve the pay request. All members present voted aye. The motion was declared passed.

Staff Reports

City Engineer Anderson reported that work on the Eastside project had been wrapped up for the season, with the majority of the work having been completed. He asked that residents report any remaining issues of concern, to be addressed in the spring.

Community Development Director Dave Maroney reported that the next Planning Commission meeting would be held on Monday, December 2, 2013.

Police Chief McCormick discussed Deck the Falls activities. He stated the next Police Commission meeting would be held on Tuesday, December 3, 2013, following the Council meeting.

Mayor and Council  
Reports

Mayor Robinson reported on an email from the School Superintendent with regard to the professionalism, dedication, and passion displayed by the Cannon Falls police officers. He thanked the department for the services provided by the Police Department in keeping the community safe. Police Chief McCormick thanked the mayor and council for their support and stated he would be presenting some awards during the December City Council meeting.

Adjournment

The meeting adjourned at 8:10 p.m.

Adopted by the City Council of the City of Cannon Falls on the 3<sup>rd</sup> day of December, 2013.

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Lyman M. Robinson, Mayor

ATTEST:

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Aaron S. Reeves, City Administrator