

The Cannon Falls City Council met in a regular session on Tuesday, April 15, 2014, at 6:30 p.m. in the 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 Ron Johnson, City Administrator; Lanell Endres, Assistant City Administrator; Dave Maroney, Community Development Director; Brenda Voshalike Ambulance Director; Tom Bergeson, Public Works 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 submitted. All members present voted aye. The motion was declared passed.

Public Input Mike McNamara, 30340 71st Avenue Way, Cannon Falls, spoke with regard to an agreement with the City for his property to hook up to water and sewer services within one year and be assessed for utility installation costs. He reported that a \$750 interest charge had been applied to his tax statement, stating that this was the only information he received. He inquired as to why he did not receive a bill from the City prior to the assessment being charged to his property taxes. He asked about the definition of a special assessment and whether the interest fee could be forgiven if the assessment was paid.

City Administrator Johnson discussed the utility hook-up agreement related to certain properties in the project area. After discussion of property owner concerns with the City Attorney, no waiver of interest was recommended, but residents could avoid further interest charges by paying the special assessment balance prior to November 1. Interest charges had been certified to the County.

Council Member Johnson inquired with regard to correspondence sent to property owners. Assistant Administrator Endres indicated that a letter was sent in May of 2013 to property owners affected by the East Side project. Other information was provided as part of the special assessment agreement process, but no additional correspondence was sent to these property owners. It was discussed that specific instructions were not provided to property owners with regard to the date by which special assessments would need to be paid in order to avoid interest charges.

Mr. McNamara provided a copy of the information that he was provided, a portion of which was read by Administrator Johnson. Administrator Johnson reiterated the opinion of the City Attorney was

that it would not be prudent to waive the interest because of a misunderstanding. However, the City could decide to provide a rebate of all or a portion of the interest charged. Council Member Johnson asked why none of the affected property owners contacted the City for clarification. Council Member McCusker asked how assessments have been applied to other projects. It was reported that other property owners affected by the East Side project did receive letters detailing payment terms. Council Member Duncan recommended that any interest rebate be offered only to those property owners covered by the agreement and only those paying for assessments in full. It was decided to add this topic to the next Council meeting agenda.

Consent Agenda

- A. Just and Correct Claims – Accounting Period Ending April 11, 2014
- B. Meeting Minutes for April 1, 2014, City Council Meeting
- C. Second Reading and Adoption of Ordinance 336 and Summary of Publication, Amending Chapter 152 of the Cannon Falls City Code by Rezoning Certain Property from an R-3 Medium-Density Residential District to an I-1, Limited Industrial District
- D. Resolution 2068, Accepting a Monetary Grant from the SE Minnesota EMS Program for the Purchase of Ambulance Equipment
- E. Purchase Ambulance in 2015

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

Redevelopment
Memorandum of
Understanding for
existing hospital
location

Community Development Director Maroney introduced Glenn Christian, Operations Administrator for Mayo Clinic Health System - Cannon Falls, Roxanne Flaten from the EDA, and Bob Banks from the EDA and the Cannon Falls Housing Initiative. Director Maroney provided background information, reporting that the EDA in cooperation with Mayo Clinic Health System and with the Cannon Falls Housing Initiative had been working toward a plan to redevelop the existing hospital site following the hospital's relocation to the new building.

Director Maroney highlighted the following components of the plan:

- Mayo Clinic Health System would offer the three homes that it owned for sale to the public. Sale proceeds would be dedicated toward the redevelopment plan.
- Demolition and disposal of the current medical center building would be financed in part by the sale of the three existing homes

along with the sale of the resulting five buildable lots.

- The Cannon Falls Housing Initiative had an agreement with Mayo Clinic Health System to purchase one lot each year for three years, once these lots became available, for the home-building program at the school.
- The vacation of a portion of Floyd Street would create one additional buildable lot. Proceeds from the sale of this lot would be shared equally between Mayo Clinic Health System and the Economic Development Authority.
- The existing parking lot south of the access to the clinic would be dedicated by Mayo Clinic Health System to the City to function as a neighborhood park.
- The West Side II street improvement project, scheduled for 2015, had been factored into the redevelopment plan.

Council Member McCusker inquired regarding lot size. Director Maroney replied that if there were six total lots divided equally, each lot would be approximately 63 feet wide, adding that a standard lot size was 60 x 142 feet. If there were five lots, each lot would be approximately 75 feet wide.

Mr. Christian provided an update. He expressed appreciation to Director Maroney, the EDA, and the Cannon Falls Housing Initiative for their support and assistance with the redevelopment proposal. He stated plans were underway to move into the new medical center facility in early August of 2014. Demolition and disposal of the current building would not take place until 2015.

Mayor Robinson spoke in support of the residential usage of the existing hospital property. Council Member McCusker spoke in support of a larger lot size. Director Maroney reported that discussion continued with regard to this issue. He added that further discussion and public hearings would take place related to the Floyd Street vacation proposal. Council Member Duncan commented on the amount of effort put forth on the proposal and recommended moving forward with the Memorandum of Understanding. Mayor Robinson and Council Members were in agreement with proceeding.

Resolution 2069,
Adopting the Public
Improvement and
Special Assessment
Agreements for the
318th Street Project

Community Development Director Maroney provided background information regarding the proposed improvement of 318th Street. He stated that various improvements to 318th Street had been discussed in order to provide better access to the new medical center facility. The plan called for construction of a 26-foot wide bituminous street on 318th Street from 65th Avenue east over to the new County 24 Boulevard, at a cost estimate of \$210,000. The three private property

owners that would benefit from the project were contacted with regard to sharing in the cost. Assessment agreements had been negotiated and signed, with Mayo Clinic Health System agreeing to finance up to 80% of the project cost. The Public Works Commission recommended moving forward with the project. The cost share for the City was estimated to be \$18,000. Mayor Robinson asked how the City's portion of the project would be funded. Director Maroney replied that this would come from the general fund or from other sources. Council Member Duncan spoke in favor of the project, stating that it would benefit the community.

Council Member Mattson asked whether Cannon Falls Township had been contacted. Director Maroney stated that the project was planned with near-term needs in mind, taking into account the uncertainty of future development north of 318th Street or along the new County 24 Boulevard. In the future, depending upon growth of the City to the east, there could be annexation requests and a need for utility extensions. At that point there could be opportunity to assess property owners coming into the City. In the meantime, Director Maroney would discuss a potential cost-sharing arrangement with Cannon Falls Township.

Council Member McCusker inquired regarding a potential walking lane to hook up with nearby trails. Director Maroney replied that the width of the street would most likely need to remain at 26 feet, adding that there would be space available for improvements within the existing right-of-way. Council Member Duncan expressed appreciation to the affected property owners for their cooperation in negotiating the assessment agreements, especially in light of the tight time frame for project completion.

Council Member Johnson moved, seconded by Council Member Duncan to approve Resolution 2069. All members present voted aye. The motion was declared passed.

Resolution 2070,
Ordering
Improvement and
Preparation of Plans

It was determined that Resolution 2070, a proposed resolution ordering improvement of property and preparation of plans was associated with the project addressed by Resolution 2069. Council Member Johnson moved, seconded by Council Member Duncan to approve Resolution 2070. All members present voted aye. The motion was declared passed.

TH 52 Safety
Assessment Report
and Authorization

Community Development Maroney provided background information regarding the Highway 52 safety assessment report and stated that discussions had been held regarding requests to consider retention of

the existing access points onto Highway 52 at County 24. As a result of the ombudsman process, it had been recommended that MnDOT and the City work together to compile a transportation engineering study and safety assessment. MnDOT had agreed to partner with the City on the \$34,000 fee to complete the assessment. Director Maroney summarized discussion points related to this issue:

- The study would be completed within approximately six months.
- The existing contract with S.M. Hentges, the firm in charge of constructing the interchange, would need to be evaluated.
- If an alternative design solution was found that does not negatively impact the safe flow of traffic on Highway 52, MnDOT would consider the possibility of permitting that option. However, it was noted this would be considered a project outside of the current contract for the interchange and would be the responsibility of the City of Cannon Falls.
- If it was decided to proceed with an alternate design solution, this process would require a considerable amount of time to complete.
- As previously stated, if the need generated a demand for a north overpass, MnDOT would initiate further discussion.

Jeff Vlaminck, District Engineer from MnDOT, provided further clarification, stating that if access was built and opened at County 24, this could impact the building of a north overpass and that development could preclude the building of an overpass. Council Member Duncan stated that the future of the overpass would be a significant deciding factor for the City. Mr. Vlaminck replied that there were many unknown factors in this unique situation, but the study would help provide information to help determine a potential temporary or permanent solution. Mayor Robinson spoke in favor of proceeding with the study. Council Member Duncan inquired regarding the planned removal of the stoplights. Mr. Vlaminck replied that this was part of the construction contract with S.M. Hentges. Council Member McCusker inquired regarding the need to acquire additional land for right-of-way purposes. Director Maroney reiterated that there were many unknown factors. Mayor Robinson commented that State already owned much of the right-of-way land.

Council Member Duncan asked about timelines for completion of the study. Director Maroney estimated that the study could be completed by early fall. Council Member Duncan asked whether business owners would be able to survive what could end up being a 2-year project completion timeframe. A comment was made by a meeting attendee that businesses would have trouble surviving if access was closed, even temporarily. Council Member McCusker commented

regarding the safety of right-hand turn lanes, which would decrease traffic in the area of the interchange. Council Member Duncan asked about long-term planning for the Highway 52 corridor. Mr. Vlaminck commented that the conversion of Highway 52 into a freeway would require resources. Mayor Robinson commented on the current transportation funding dilemma. Mr. Vlaminck added that special funding was approved for the interchange project, which unfortunately did not allow for initial completion of a north overpass.

Mayor Robinson recommended moving forward with the study. Tom Sohrweide, Manager of Traffic Engineering for SEH, provided details of the purpose and scope of the proposed study.

Council Member McCusker moved, seconded by Council Member Holst to move ahead with the safety assessment study. All members present voted aye. The motion was declared passed.

Pool Repairs

Public Works Director Bergeson reported on necessary pool repairs, as mandated by the Minnesota Department of Health. The Public Works Commission was in agreement with proceeding with these repairs in order to get through the upcoming 2014 season, at an estimated cost of \$46,000. Funding had been earmarked for the pool parking lot, which could be reallocated for pool repairs. Council Member Duncan spoke in support of approving the repairs, which would enable the pool to be open that season while further discussion of a long-term solution continued. Mayor Robinson spoke in support of proceeding with the basic pool repairs. Council Member Mattson asked if purchased equipment could be utilized toward a new pool. Director Bergeson stated that they would attempt to reuse equipment if possible.

Council Member Duncan moved, seconded by Council Member Johnson to approve the pool repairs. Council Member McCusker has volunteered to assist with the project. All members present voted aye. The motion was declared passed.

Staff Reports

Community Development Director Maroney reported on progress on the Cannon River Winery's new event center, which was scheduled to open in June. Public Works Director Bergeson reported on the recommendation to continue to run water for another week or two in order to prevent the freezing of the water service lines. He stated the Public Works Commission would further discuss this issue during their next meeting. Director Bergeson reported that, sadly, the female swan died this spring. City Administrator Johnson provided an update with regard to the library water leakage problems. He also

reported that AT&T was interested in installing an antenna on the water tower. He also commented on the City's excellent facilities and parks.

Mayor and Council
Reports

Council Member Duncan expressed appreciation for the work of the Public Works Commission. Council Member McCusker expressed appreciation for the work of the Public Works staff. Mayor Robinson commented on the positive decision to open the pool for this season and encouraged continued public involvement in discussions affecting the community.

Adjournment

The meeting adjourned at 8:17 p.m.

Adopted by the City Council of the City of Cannon Falls on the 6th day of May, 2014.

Lyman M. Robinson, Mayor

ATTEST:

Ronald S. Johnson, City Administrator