

TO: MAYOR AND CITY COUNCIL

FROM: LANELL ENDRES, INTERIM CITY ADMIN/FINANCE DIRECTOR

SUBJECT: EAST SIDE II PROJECT

MEETING DATE: FEBRUARY 20, 2018

BACKGROUND

The City Council received the Feasibility Report for the East Side II Public Improvement Project and called for a public hearing on the improvements. Attached is the mailed notice of the Improvement Hearing. As stated in the notice of the hearing, a reasonable estimate of the impact of the assessment will be available at the hearing. The City Engineer will be present to explain the project and estimated assessments. Citizens will have the opportunity to ask questions and speak on the project.

After the public hearing is concluded, the Council may decide to move forward with the project. The attached resolution would then need to be adopted to order the improvement and preparation of plans. Once the Plans have been prepared by the City Engineer, the Council will review and need to approve those Plans and authorize the advertising for bids. After the bids are received, the Council will have the right to reject any and all bids. As required by law, a final assessment hearing would be held either at or near the end of the project.

Also attached is the estimated financial impact resulting from the \$4.325 million bond showing the levy that would be needed to meet the bond obligations.

REQUESTED COUNCIL ACTION

I respectfully request the Council to conduct the Improvement Hearing; close the Hearing; and adopt the Resolution Ordering the East Side II Improvement Project and preparation of plans.

Attachment(s):

Mailed Notice of the Improvement Hearing

Estimate of Financial Obligation

Resolution Ordering Improvement and Preparation of Plans



Notice of Hearing on Improvement

February 6, 2018

TO WHOM IT MAY CONCERN:

Notice is hereby given that the City Council of the City of Cannon Falls will meet in the Council Chambers of the City Hall, 918 River Road, at 6:40 p.m. on February 20, 2018, to consider the making of an improvement on Minnesota Street East between the center line of 2nd Street North and its east terminus; 1st Street North between the center line of Minnesota Street East and its north terminus; Cedar Street North between the center line of Minnesota Street East and its south terminus; Oak Street North between the center line of State Street East and its north terminus; Vine Street North between the center line of Minnesota Street East and the center line of State Street East; Grove Street North between the center line of Minnesota Street East and its east terminus; Almond Street East between the center line of Water Street East and the center line of State Street East; and Mill Street East between the center line of Oak Street East and its east terminus by the construction of streets, sidewalks, storm sewers, sanitary sewers, water mains and service lines pursuant to Minn. Stat. §§ 429.011 to 429.111. The estimated cost of the improvement is \$4,230,000. A reasonable estimate of the impact of the assessment will be available at the hearing. Such persons as desire to be heard with reference to the proposed improvement will be heard at this meeting.

Sincerely,

A handwritten signature in black ink, appearing to read "Ronald S. Johnson", is written over a horizontal line.

Ronald S. Johnson, City Administrator

City of Cannon Falls, Minnesota
\$4,325,000 General Obligation Bonds, Series 2018A
 Eastside 2

(a) Date	(b) Improvement Portion Scheduled P+I	(c) Utility Portion Scheduled P+I	(d) Total Scheduled P+I	(e) 105% Debt Service	(f) Less: Special Assessment Revenue (Improvement Portion)	(f) Less: Special Assessment Revenue (Utility Portion)	(g) Less: Cash on Hand, Estimated Unused Discount	(h) (i) (j)			(k) Net City Share (Tax Levy)	(l) Annual Surplus / Deficit	(m) Cumulative Cash Balance	(n) (o) Tax Levy Cycle	
								Less: Sewer Utility Revenue	Less: Water Utility Revenue	Less: Storm Sewer Utility Revenue				Year Certified/ Collected	Tax Levy
/01/2019	35,634.03	27,869.99	63,504.02	63,504.02	-	-	35,634.03	13,377.60	11,148.00	3,344.40	0.00	-	2018 / 2019	169,500.00	
/01/2020	206,125.00	121,171.50	327,842.50	344,234.63	47,344.91	28,536.35	-	47,648.17	39,706.81	11,912.04	169,086.34	413.66	2019 / 2020	171,500.00	
/31/2021	208,465.00	120,387.50	328,852.50	345,295.13	47,344.92	28,536.35	-	46,977.85	39,148.21	11,744.46	171,543.33	(43.33)	2020 / 2021	173,500.00	
/01/2022	210,565.00	123,987.50	334,552.50	351,280.13	47,344.91	28,536.35	-	48,792.25	40,660.21	12,198.06	173,748.34	(248.34)	2021 / 2022	170,500.00	
/01/2023	207,490.00	122,450.00	329,940.00	346,437.00	47,344.92	28,536.35	-	48,017.35	40,014.46	12,004.34	170,519.58	(19.58)	2021 / 2022	172,500.00	
/01/2024	209,265.00	120,837.50	330,102.50	346,607.63	47,344.91	28,536.35	-	47,204.65	39,337.21	11,801.16	172,383.34	116.66	2023 / 2024	170,000.00	
/31/2025	210,777.50	124,150.00	334,927.50	351,673.88	47,344.91	28,536.35	-	48,874.15	40,728.46	12,218.54	173,971.47	28.54	2024 / 2025	174,000.00	
/01/2026	207,017.50	122,270.00	329,287.50	345,751.88	47,344.91	28,536.35	-	47,926.63	39,938.86	11,981.66	170,023.47	(23.46)	2025 / 2026	170,000.00	
/01/2027	208,097.50	120,310.00	328,407.50	344,827.88	47,344.91	28,536.35	-	46,938.79	39,115.66	11,734.70	171,157.47	(157.46)	2026 / 2027	171,000.00	
/01/2028	208,890.00	123,270.00	332,160.00	348,768.00	47,344.91	28,536.35	-	48,430.63	40,358.86	12,107.66	171,989.59	10.41	2027 / 2028	172,500.00	
/31/2029	209,300.00	120,975.00	330,275.00	348,788.75	47,344.91	28,536.35	-	47,273.95	39,394.96	11,818.49	172,420.09	79.91	2028 / 2029	172,500.00	
/01/2030	209,400.00	123,595.00	332,995.00	349,644.75	47,344.92	28,536.35	-	48,594.43	40,495.36	12,148.61	172,525.08	(25.08)	2029 / 2030	171,500.00	
/01/2031	209,180.00	120,985.00	330,165.00	348,673.25	47,344.91	28,536.35	-	47,278.99	39,399.16	11,819.75	172,294.09	205.91	2030 / 2031	171,000.00	
/01/2032	208,630.00	123,285.00	331,915.00	348,510.75	47,344.91	28,536.35	-	48,438.19	40,365.16	12,109.55	171,716.59	(216.59)	2031 / 2032	171,000.00	
/31/2033	207,740.00	125,340.00	333,080.00	349,734.00	47,344.92	28,536.35	-	49,473.91	41,228.26	12,368.48	170,782.08	339.16	2032 / 2033	169,500.00	
/01/2034	206,500.00	122,140.00	328,640.00	345,072.00	47,344.91	28,536.35	-	47,861.11	39,884.26	11,965.28	169,480.09	19.91	2033 / 2034	-	
/01/2035	-	123,890.00	123,890.00	130,084.50	-	28,536.35	-	48,743.11	40,619.26	12,185.78	-	359.07	2034 / 2035	-	
/01/2036	-	120,425.00	120,425.00	126,446.25	-	28,536.35	-	46,996.75	39,163.96	11,749.19	-	359.07	2035 / 2036	-	
/31/2037	-	121,907.50	121,907.50	128,002.88	-	28,536.35	-	47,743.93	39,786.61	11,935.98	-	359.07	2036 / 2037	-	
/01/2038	-	123,167.50	123,167.50	129,325.88	-	28,536.35	-	48,378.97	40,315.81	12,094.74	-	359.07	2037 / 2038	-	
/01/2039	-	124,200.00	124,200.00	130,410.00	-	28,536.35	-	48,899.35	40,749.46	12,224.84	-	359.07	-	-	
Total	\$3,163,076.53	\$2,477,159.99	\$5,640,236.52	\$5,919,073.15	\$710,173.69	\$570,727.00	\$35,634.03	\$973,870.80	\$811,559.00	\$243,467.70	\$2,573,640.94	-	359.07	\$2,574,000.00	

Revenue Footnotes:

(f) The special assessment revenue is based on assessments of 20%, totaling \$504,000 for the Improvement Portion, \$361,000 for the Utility Portion and filed in 2018 for first collection in 2019, assessed at 4.60% and 4.80% for the Improvement Portion and Utility Portion, respectively (1.50% over the respective All Inclusive Cost Rate), with equal annual payments.

(h) Sewer revenues will pay 48% of the debt service of the Utility Improvement Portion after assessment revenue has been applied.

(i) Water revenues will pay 40% of the debt service of the Utility Improvement Portion after assessment revenue has been applied.

(j) Storm sewer revenues will pay 12% of the debt service of the Utility Improvement Portion after assessment revenue has been applied.

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**CITY OF CANNON FALLS
GOODHUE COUNTY, MINNESOTA**

RESOLUTION NUMBER 2327

A RESOLUTION ORDERING IMPROVEMENT AND PREPARATION OF PLANS

WHEREAS, a resolution of the City Council adopted the 19th day of December, 2017 and subsequently amended the 16th day of January, 2018, fixed a date for a Council hearing on the East Side II Improvement Project, the proposed improvement of Minnesota Street East between the center line of 2nd Street North and its east terminus; 1st Street North between the center line of Minnesota Street East and its north terminus; Cedar Street North between the center line of Minnesota Street East and its south terminus; Oak Street North between the center line of State Street East and its north terminus; Vine Street North between the center line of Minnesota Street East and the center line of State Street East; Grove Street North between the center line of Minnesota Street East and its east terminus; Almond Street East between the center line of Water Street East and the center line of State Street East; and Mill Street East between the center line of Oak Street East and its east terminus by the construction of streets, sidewalks, storm sewers, sanitary sewers, water mains and service lines; and

WHEREAS, ten days' mailed notice and two weeks' published notice of the hearing was given, and the hearing was held thereon on the 20th day of February, 2018, at which all persons desiring to be heard were given an opportunity to be heard thereon,

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF CANNON FALLS, MINNESOTA:

1. Such improvement is necessary, cost-effective, and feasible as detailed in the feasibility report.
2. Such improvement is hereby ordered as proposed in the Council resolution adopted the 19th day of December, 2017.
3. Such improvement has no relationship to the comprehensive municipal plan.
4. Greg Anderson of Short Elliott Hendrickson Inc. is hereby designated as the engineer for this improvement. The engineer shall prepare plans and specifications for the making of such improvement.
5. The City Council declares its official intent to reimburse itself for the costs of the improvement from the proceeds of tax-exempt bonds.

ADOPTED by the City Council of the City of Cannon Falls, Minnesota on this 20th day of February, 2018.

CITY OF CANNON FALLS

By: _____
Lyman M. Robinson, Mayor

ATTEST: _____
Lanell Endres
Interim City Administrator