The City Council of the City of Cannon Falls met in a regular session on Tuesday, October 16, 2012, at 6:30 p.m. in the City Council Chambers. Present were Mayor Robby Robinson and Council Members Bill Duncan, Phil Hammes, Rodney Holst, Merlyce Johnson, and LeRoy McCusker. Also present were Aaron Reeves, City Administrator; Justin Padgett, Library Director; Dave Maroney, Community Development Director; and Jeffrey McCormick, Chief of Police. Council Member Morris Matson was absent.

**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 voted aye. The motion was declared passed.

**Public Input**

There was no public input.

**Consent Agenda**

A. Just and Correct Claims—Accounting Period Ending October 12, 2012
B. Meeting Minutes for October 2, 2012 City Council Meeting
C. Resolution 1983, Approving Conditional Use Permit/Variance for Casey's General Store
D. Resolution 1984, Accepting a Grant from AgStar Fund's Emergency Response Services Equipment for the Fire Department
~~E. Application of Payment No. 11 for 2011 Westside Street Improvements Project~~
F. Union Agreements Approval
G. Resolution 1985, Approving a Cooperative Snow Removal Agreement with MnDOT
H. Budget Work Sessions
~~I. Cable Franchise Renewal Audit~~
~~J. Library Project Change Orders and CM Agreement Amendment~~

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

**Resolution 1986, Accepting Proposal on the Negotiated Sale of $3,125,000 General Obligation Refunding Bonds, Series 2012B, Pledging Special**

George Eilertson, Northland Securities, reviewed the AA- bond rating and the results of the bond sale for the proposed refunding of existing bonds. Seven bids were received, and United Missouri Bank of Kansas City was the low bidder with 1.2% interest rate (1.3% true interest cost). Mr. Eilertson noted interest rates have moved lower since the bond sale was set in September, resulting in net debt

Assessments for the Security Thereof and Levying a Tax for the Payment Thereof

service reduction of $280,000 compared to the September estimate of $216,000 at 1.35% interest rate. He explained that the bond was downsized from $3,125,000 to $3,085,000 due to a bond premium of $24,000.

Council Member Johnson moved, seconded by Council Member Duncan to approve Resolution 1986, Accepting Proposal on the Negotiated Sale of $3,085,000 General Obligation Refunding Bonds, Series 2012B, Pledging Special Assessments for the Security Thereof and Levying a Tax for the Payment Thereof. All members present voted aye. The motion was declared passed.

Special Council Meeting—Election Canvassing

Aaron Reeves, City Administrator, explained that if election results are not received from Goodhue County in time for the November 8 Council meeting, a special meeting must be scheduled within that week to approve the results.

Council Member Johnson moved, seconded by Council Member Duncan to schedule the special meeting for Tuesday, November 13 at 6:15 p.m. All members present voted aye. The motion was declared passed.

Application of Payment No. 11 for 2011 Westside Street Improvements Project

The Council received pay request 11 for the Westside Street Improvement Project. Council Member Hammes asked if SEH reviewed all the totals, as some numbers seemed high to him. Administrator Reeves assured him the costs were in the original bid and the numbers were reviewed.

Council Member Johnson moved, seconded by Council Member Duncan to approve Application for Payment No. 11 for the 2011 Westside Street Improvements Project. All members present voted aye. The motion was declared passed.

Library Project Change Orders and CM Agreement Amendment

The Council received two change orders and a Construction Management Agreement amendment for the Library project. Council Member Hammes asked if there would be any cost to the City for the library fireplace. Administrator Reeves assured him there would be no cost to the City. The contract agreement was also discussed, and Mr. Reeves noted the agreement does not increase the cost of the final bid and project amount approved by City Council.

Council Member Johnson moved, seconded by Council Member Duncan to approve the Library Project Change Orders and Construction Management Agreement. All members present voted aye. The motion was declared passed.

Cable Franchise Renewal Audit

The Council received information on performing a cable franchise renewal audit. Council Member McCusker asked about franchise fees and service fees associated with the contract. He said it bothers him to have to pay the fee for the audit. He asked whether having Mediacom pay for the audit could be made part of the next contract.

Administrator Reeves said that could be part of the negotiations. He explained that the City has the right to audit the information at any time to determine whether Mediacom is following the franchise agreement fairly. He noted there were two reasons to have the audit performed. One is to get back any revenue from the company that is owed to the City, and the second is to set a baseline for moving forward with the new agreement.

There was discussion on the complexity of the contract and that the only way to assure the accuracy of revenues received by the City was to have an audit performed by a company specializing in such audits. Consensus was to have as part of the next agreement that the cost of an audit be paid by Mediacom.

Council Member Johnson moved, seconded by Council Member Duncan to approve the Cable Franchise Renewal Audit. All members present voted aye. The motion was declared passed.

Staff Reports

Dave Maroney, Community Development Director, reported that due to the Veterans Day holiday being observed on Monday, November 12, the next Planning Commission meeting will be held Tuesday, November 13 at 6:30 p.m.

Council Reports

Council Member Duncan asked that Council discuss the possibility of relocating the Farmers Market to the overflow lot due to safety concerns and parking issues. Council agreed to discuss the matter.

Council Member McCusker asked for an update regarding MnDOT's position to not place a crossing or lights by the band shell as part of the Highway 19 project. Administrator Reeves said MnDOT has not changed its position and that now staff is working on extending the trail and making a connection to the trail head to the overflow lot, which is a funding issue. Dave Maroney, Community Development Director, reported receiving from MnDOT information on the process the City needs to follow to formalize the crossing request. Council Member McCusker said he had contacted Senator Howe and asked him to intervene and update Council Member McCusker or staff.

Council Member Hammes reported the Chemical Health Initiative meets the third Monday of every month at the First English Lutheran Church on Belle Street. He noted the group is for parents and adults who are concerned about keeping young people away from drugs and alcohol. He invited young people and their parents to participate.

Adjournment

The meeting adjourned at 7:09 p.m.

Adopted by the City Council of the City of Cannon Falls on the 8th day of November, 2012.

Lyman M. Robinson, Mayor

ATTEST:

Aaron S. Reeves, City Administrator