

Canton City Council
January 14, 2026 – 6 pm
Public Hearing Agenda

1. Call to order
2. Statement of purpose: Conducting a public hearing on
 - a) The proposal to adopt a five-year street reconstruction plan (the “Plan”)
 - b) The intent to issue a general obligation note in an amount not-to-exceed \$1,539,000 subject to statutory debt limitations, under the Plan for street reconstruction improvements described in the Plan
3. Public comment
4. Adjourn

City of Canton, Minnesota

Street Reconstruction Plan

2026 - 2030

Adopted: January 14, 2026

City of Canton, MN Street Reconstruction Plan 2026 - 2030

Statutory Authority and Requirements

Minnesota Statutes Chapter 475.58, Subd. 3b., authorizes a Minnesota City to adopt a Street Reconstruction Plan (a "Plan"). The Plan must cover a five-year period and set forth the street reconstruction or overlay to be financed, the estimated costs, and any planned reconstruction or overlay of other streets in the municipality over the next five years. The Plan must be approved by a two-thirds majority vote of the City Council present at the meeting after a public hearing.

Street reconstruction includes utility replacement and relocation and other activities incidental to the street reconstruction, turn lanes and other improvements having a substantial public safety function, realignments, other modifications to intersect with state and county roads, and the local share of state and county road projects.

Except in the case of turn lanes, safety improvements, realignments, intersection modifications, and the local share of state and county road projects, street reconstruction does not include the portion of the project cost allocable to widening a street or adding curbs and gutters where none previously existed.

A City may issue general obligation bonds for improvements included in an approved Plan if the following conditions are satisfied:

1. The Plan has been approved following a public hearing for which notice has been published at least ten days, but not more than 28 days prior to the hearing.
2. The issuance of obligations to finance the Plan or any portion thereof has been approved following a public hearing for which notice has been published at least ten days, but not more than 28 days prior to the hearing.
3. The Plan and the issuance of obligations to finance the Plan or any portion thereof must be approved by two-thirds majority vote of the City Council present at the meeting following the public hearing(s).
4. The approved obligations are subject to referendum voter approval only if a petition requesting a vote signed by five percent of the votes cast in the last municipal general election is filed with the City Clerk within 30 days of the hearing.

This Street Reconstruction Plan provides for the issuance of General Obligation Street Reconstruction Plan Bonds in an aggregate principal amount not to exceed \$810,217 for work contemplated between 2026 and 2030 as described below.

History and Existing Street Reconstruction Bonds

The City has not previously adopted a Street Reconstruction Plan pursuant to Minnesota Statutes, Section 475.58, subdivision 3b. At the time of the drafting of this Plan, the City has \$0 of outstanding Street Reconstruction Bonds.

Net Debt Limits

Minnesota Statutes Chapter 475.53, Subd. 1, states that no municipality, except a school district or a city of the first class, shall incur or be subject to a net debt in excess of three percent of the estimated market value of property in the municipality. At the time of the drafting of this Plan, the City has \$0 of outstanding debt that applies against this limit.

Bonds issued under the authority granted in this Plan are subject to the net debt limit restriction described above.

The City currently has the following net debt capacity:

<u>Payable 2025 Estimated Market Value</u>	\$27,007,219
times 3%	.03
Max Net Debt Limit	
Less Outstanding Debt that Applies	(0)
Available Debt Capacity	\$810,217

The City proposes to issue up to \$810,217 in new G.O. Street Reconstruction Plan bonds as part of this Plan.

Proposed Capital Improvements & Cost Estimates

The City has identified a significant number of streets that are in various stages of disrepair. Further, the City has determined that the streets are still degrading more quickly than they are being repaired. To mitigate this issue, the City will undertake a phased approach to repairing streets with the issuance of General Obligation Street Reconstruction Bonds.

Project Name	Project Description	Estimated Costs	Anticipated Year(s) of Construction
W Prairie Ave	Repair 1800 feet going west from S West St	\$180,000	2026/2027
E Prairie Ave	Repair 825 feet going east from Main St	\$80,000	2027/2028
Veterans Drive	Repair 280 feet between N Main St and N Ash St	\$28,000	2027/2028
Minnesota Ave	Repair 300 feet between N Ash St and N Oak St	\$30,000	2027/2028
N First St	Repair 1150 ft between Hwy 52 and W Prairie	\$46,000 (portions not covered by USDA grants)	2026/2027
S First St	Repair 300 ft going south from W Prairie Ave	\$ 12,0000 (portions not covered by USDA grants)	2026/2027
N Second St	Repair 790 ft between Hwy 52 and W Prairie Ave	\$31,000 (portions not covered by USDA grants)	2026/2027
N Third St	Repair 660 ft between Hwy 52 and W Canton Ave	\$26,000 (portions not covered by USDA grants)	2026/2027
W Canton Ave	Repair 940 ft between N Third St and N Main St	\$38,000 (portions not covered by USDA grants)	2026/2027
W Prairie Ave	Repair 785 ft between S West St and Main St	\$31,000 (portions not covered by USDA grants)	2026/2027
S West St	Repair 465 ft between W Prairie Ave and W Hudson Ave	\$19,000 (portions not covered by USDA grants)	2026/2027
S Second St	Repair 300 ft going south from W Prairie Ave	\$12,000 (portions not covered by USDA grants)	2026/2027
W Hudson Ave	Repair 765 ft between S West St and S Main St	\$30,000 (portions not covered by USDA grants)	2026/2027
N Oak St	Repair 704 ft between E Prairie Ave and E Fillmore Ave	\$28,000 (portions not covered by USDA grants)	2027/2028
N Ash St	Repair 580 ft between Minnesota Ave and E Fillmore Ave	\$23,000 (portions not covered by USDA grants)	2027/2028
E Canton Ave	Repair 580 ft going east from N Main St	\$23,000 (portions not covered by USDA grants)	2027/2028
E Fillmore Ave	Repair 580 ft going east from N Main St	\$23,000 (portions not covered by USDA grants)	2027/2028

N Main St	Repair 1180 ft between Hwy 52 and Prairie Ave	\$35,000 (portions not covered by USDA grants)	2027/2028
S Main St	Repair 2050 ft going south from Prairie Ave	\$60,000 (portions not covered by USDA grants)	2027/2028

The table below details the scheduling and financing associated with the projects described in this plan*:

<u>Year</u>	<u>G.O.</u>		<u>Other Bonds</u>	<u>Outside Sources</u>	<u>Total</u>
	<u>City Cash</u>	<u>Street Reco. Bonds</u>			
2026	\$0	\$0	\$0	\$0	\$0
2027	0	\$610,217	0	0	\$610,217
2028	0	\$200,000	0	0	\$200,000
2029	0	0	0	0	0
<u>2030</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Totals	\$0	\$810,217	\$0	\$0	\$810,217

* This is an estimate only to the timeline of bond issuance. The City reserves the right to reallocate the amounts and/or timing as long as total issuance of GO Street Reconstruction Bonds does not exceed the statutory debt limitations of the City.