

The Cannon Falls City Council met in a regular session on Tuesday, December 6, 2016, at 6:30 p.m. in the City Council Chambers. Present were Mayor Robby Robinson and Council Members Jay Sjoblom, Morris Mattson, Cathy Gallups, Merlyce Johnson, Lynne Berg, and Cedar Abadie. Also present were Ron Johnson, City Administrator; Lanell Endres, Assistant City Administrator; Dave Maroney, Community Development 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 A motion was made by Council Member Johnson, seconded by Council Member Gallups and unanimously carried, to approve the Agenda as submitted.

Public Input There was no public input with regard to items not listed on the Agenda.

Award Presentations:
Citizen Recognition
Awards & Medals of
Commendation

Police Chief McCormick provided background information regarding citizen recognition awards that he was going to present. He described an incident that occurred on September 26, 2016, involving a motor vehicle accident between a classic car and a semi, with a complaint vehicle fleeing the scene. Officer Marc Fluhrer gave pursuit and called for assistance. Chief McCormick indicated that he found a safe lying alongside the road in the area. He then recognized and pursued a stolen vehicle. Due to the commotion, Mark Norton at Soulfisher Collision shared surveillance footage, which showed both the incident and the suspect. The suspect, after fleeing on foot, ended up at the home of Keith Gesme, who gave the suspect a ride but then called the Police Department to report his suspicion. Mr. Gesme provided the last location of the suspect, who eventually was taken into custody along with others in the home. Evidence that was gathered led to solving a burglary that had occurred in Dakota County. Chief McCormick presented Citizen Awards to Mark Norton and Keith Gesme, whose recognition of suspicious activity and subsequent actions resulted in the arrest of burglary suspects.

Police Lieutenant Joe Berg provided additional background information and awarded Medals of Commendation to Officer Fluhrer and Chief McCormick for their quick actions during the incident, which resulted in the apprehension of both suspects.

Mayor Robinson expressed appreciation to the citizens and Police Department personnel for their actions.

Public Hearings:
Resolution 2241,
Approving Proposed
Establishment of Tax
Increment Financing
District No. 2-6 Within
Development District
No. 2 and Approving
the Tax Increment
Financing Plan
Therefor

Community Development Director Maroney provided background information with regard to plans by Bob and Marlene Banks to expand Strike Tool, which is located on the west side of Highway 52 in Cannon Falls. He provided an overview of the Tax Increment Financing (TIF) plan. He pointed out the location of the property under discussion on an aerial photo. He reported that TIF funds would assist with financing the cost of the removal of a dilapidated, structurally substandard building and prepare the site for the development of a new 32,000 square foot manufacturing distribution warehouse facility north of the existing Strike Tool / Banks Outdoors property and connected to the existing facility. He discussed the financial implications of the plan, which would utilize future tax revenue paid by new development to assist with financing the development itself.

Director Maroney reported that if the TIF plan was approved by the City Council, this would authorize approximately \$214,000 of tax increment expenses to be paid for by future taxes generated by the 32,000 square foot addition over a nine-year period. He discussed the market value and tax payment projections upon which the plan was based. He added that the taxes paid on the base value of current structure would not be captured as part of the TIF District. He reviewed the cash flow projections for the proposed pay-as-you-go tax increment financing plan. He reviewed the next steps in the process, including a Public Hearing, consideration of adopting a resolution that would authorize proceeding with the plan, and the development of an agreement to be forwarded for final approval by the City Council.

Council Member Abadie referenced the statutory requirement that a TIF in Minnesota contribute to increasing employment within the City. She inquired with regard to the projected employment figures for the proposed facility. Applicant Bob Banks indicated the addition of an estimated 20 full-time employees over the next few years. Director Maroney added that, in order for the City Council to establish an economic development TIF District for an industrial project, at least 85% of the building has to be used as a manufacturing distribution warehouse and that up to 15% of the building can be used for office space.

Mayor Robinson opened the Public Hearing at 6:53 p.m. No one came forward to speak. Mayor Robinson closed the Public Hearing at 6:54 p.m.

A motion was made by Council Member Mattson, seconded by Council Member Johnson, to adopt Resolution 2241, approving the proposed establishment of a Tax Increment Financing District and approving the Tax Increment Financing plan. Council Member Berg asked what would happen if the Council had questions about the development agreement. Director Maroney clarified that the plan would not proceed until the development agreement was approved by the City Council. A vote was taken, and the motion to adopt Resolution 2241 carried unanimously.

Consent Agenda

- A. Just and Correct Claims – Accounting Period Ending December 2, 2016
- B. Meeting Minutes for November 15, 2016, City Council Meeting
- C. Resolution 2242, Approve Rezoning and Variance for Strike Tool
- D. Introduction and First Reading of Ordinance 348, Amending Chapter 152 of the Cannon Falls City Code by Rezoning Certain Property from a B-2 Highway Business District to an I-1 Limited Industrial District
- ~~E. Resolution 2243, Adopting the Public Improvement and Special Assessment Agreement with Southview Acres Pulled by Council Member Gallups~~
- ~~F. Resolution 2244, Ordering Improvement and Preparation of Plans Pulled by Council Member Gallups~~
- G. Resolution 2245, Authorizing Release of Assigned Fund Balance for Library and Interfund Transfer
- ~~H. Purchase of a Brush Chipper Pulled by Council Member Gallups~~
- ~~I. Hire Part-Time Snow Plow Driver Pulled by Council Member Gallups~~
- ~~J. Squad Car Replacement Pulled by Council Member Gallups~~

A motion was made by Council Member Johnson, seconded by Council Member Abadie and unanimously carried, to approve the Consent Agenda, minus Items E, F, H, I, and J.

Resolution 2246,
Adopting 2017 Tax
Levy and Budget

City Administrator Johnson provided background information regarding the proposed 2017 tax levy and budget. He reviewed the levy and budget discussions that had taken place over the past few months. He reviewed the proposed 8.2% levy increase and referenced the City's increased tax capacity, resulting in a net tax rate increase of approximately 4.26% for the City portion of property taxes. He provided an example, stating that the property tax increase on a \$200,000 home would be \$52 if the proposed levy was adopted. He indicated that both the budget and the tax levy had been reduced by \$8,000, as the hiring process for a potential planning employee to be shared by the City and Goodhue County would not

begin until the second quarter of 2017. He provided rationale for the proposed levy increase, including costs related to the West Side II street improvement project, debt service payments for the new Library, and increased personnel expenses for cost of living wage adjustments and health insurance premiums. He referenced tax rate comparisons with neighboring communities.

Mayor Robinson provided additional information with regard to the proposed budget and levy, stating that the City receives approximately one-third of the total property tax revenue collected by the County. He commented with regard to the higher insurance rates and the increased tax capacity.

Mayor Robinson opened the meeting for public input with regard to the proposed levy and budget for 2017. No one came forward to speak. Mayor Robinson closed the meeting to public input.

A motion was made by Council Member Johnson, seconded by Council Member Berg and unanimously carried, to adopt Resolution 2246 approving the 2017 tax levy and budget.

Cost of Living
Adjustment –
Non-Bargaining Unit
Employees

Administrator Johnson provided background information regarding a proposed cost of living adjustment for non-bargaining unit employees. He indicated that the Council approved a 2% cost of living wage adjustment for one of the bargaining unit groups and discussed the recommended 2% cost of living adjustment for non-bargaining unit employees, which, if approved, would be effective January 1, 2017.

A motion was made by Council Member Johnson, seconded by Council Member Berg, to approve a 2% cost of living adjustment for non-bargaining unit employees. Council Member Berg stated that it was important to note that there was one remaining bargaining unit contract to be finalized. A vote was taken, and the motion carried unanimously.

Purchase Land from
O’Gorman /
Kronmiller

Administrator Johnson provided background information regarding the possibility of purchasing land and pointed out the location of the property under discussion on an aerial photo. He reviewed discussions by the Public Works Commission related to this matter. He provided rationale for the proposed land purchase, as there was City utilities located on this property. The Public Works Commission had recommended a land purchase of 5,872 square feet, or 0.13 acres, at a cost of \$1 per square foot from Robert O’Gorman and Susan Kronmiller. Council Member Berg commented that this land purchase would help protect the City’s utility access.

A motion was made by Council Member Mattson, seconded by Council Member Johnson and unanimously carried, to approve the recommended land purchase.

Body Camera Policy

Chief McCormick provided background information regarding a proposed body camera policy. He reported that the Minnesota Legislature approved a body camera policy earlier in 2016, which was signed into law by Governor Dayton. He stated that the Cannon Falls Police Department has been using body cameras since 2011, adding that this has been an effective tool. He reported that the City was required to update its body camera policy by January 15, 2017, to be in compliance with the State statute. He referenced the most recent City policy in this regard, which was last updated in March of 2016, stating that this policy was already 90% to 95% compliant with the legislative requirements. Following a review of the policy, Chief McCormick recommended some policy changes in order to bring the policy into full compliance with the State requirements. He indicated that no public comments were received during the public comment period. He stated that the City Council was required to approve the policy after providing an opportunity for public input. Chief McCormick reported that, once the policy has been adopted, it would be posted on the City website.

Mayor Robinson provided additional background information and commented with regard to data protection. Chief McCormick provided rationale for his decision not to use cloud-based storage for body camera video footage. He reviewed practices related to data transmission, storage, and retention, adding that a fully integrated system will most likely be available in the future.

Mayor Robinson opened the meeting for public input. No one came forward to speak. Mayor Robinson closed the meeting to public input.

A motion was made by Council Member Johnson, seconded by Council Member Gallups and unanimously carried, to approve the Police Body-Worn Camera Policy, 3-18.

Approve MN
Historical Society
Grant Agreement –
Third Street Bridge
Pre-Development
Construction Plans
and Specifications

Administrator Johnson provided background information with regard to a grant approval of \$161,000 toward pre-construction plans and specifications for the Third Street Bridge through the Minnesota Historical and Cultural Heritage Grant Program. He expressed appreciation to Greg Isakson, Goodhue County Engineer, for his assistance. The City Council was requested to approve the grant agreement.

A motion was made by Council Member Johnson, seconded by Council Member Sjoblom and unanimously carried, to approve a Minnesota Historical and Cultural Heritage Grant agreement for the Third Street Bridge project.

Revision of City
Personnel Policy

Chief McCormick provided background information with regard to review and Personnel Committee discussions of potential language changes to personnel policies related to vacation, veterans preference, and drug testing. He referenced model policies developed by the League of Minnesota Cities. He reported that the proposed policy changes have been reviewed and recommended for approval by the Personnel Committee, City department heads, City administration, and the City Attorney.

Mayor Robinson commented with regard to the importance of these policies to employees and for the City's protection. He expressed appreciation to everyone who worked on the policy revisions.

A motion was made by Council Member Johnson, seconded by Council Member Gallups, to approve the revised personnel policies. Council Member Berg commended Chief McCormick for his thorough review of the policies. Chief McCormick commented with regard to the final version of the policies that will be issued, once approved. A vote was taken, and the motion carried unanimously.

Resolution 2243,
Adopting the Public
Improvement and
Special Assessment
Agreement with
Southview Acres

Council Member Gallups requested clarification of the proposed agreement related to curb and gutter installation. Director Maroney reported that curb and gutter installation has been included in the current conceptual plans, adding that an alternate bid option could be designated. Council Member Gallups asked about curb and gutter installation on vacant lots. Director Maroney clarified that two vacant lots would be platted as part of this project and discussed options available to buyers of these properties. Director Maroney commented that the preference of the hotel development group and the current Southview Acres landowner is for curb and gutter installation. He discussed advantages of curb and gutter installation in terms of drainage and aesthetics. He provided additional information with regard to cost estimates, including approximately \$18,000 of estimated curb costs. Council Member Johnson inquired with regard to the requirement for curb and gutter installation on City streets. Director Maroney commented that there are City streets that do not have curb and gutter, especially in more rural areas of the City. He commented with regard to a preference for curb and gutter in this location from an engineering standpoint to help control drainage

through this area. Public Works Director Bergeson and Council Member Berg commented regarding cost savings as a result of curb and gutter installation related to long-term street maintenance. Chief McCormick commented with regard to minimizing risk in this area from an emergency management perspective.

A motion was made by Council Member Johnson, seconded by Council Member Sjoblom and unanimously carried, to adopt Resolution 2243, approving a public improvement and special assessment agreement with Southview Acres.

Resolution 2244,
Ordering
Improvement and
Preparation of Plans

Council Member Gallups indicated that her questions have been answered related to this item.

A motion was made by Council Member Johnson, seconded by Council Member Sjoblom and unanimously carried, to adopt Resolution 2244, ordering improvement and preparation of plans.

Purchase of a Brush
Chipper

Council Member Gallups asked whether the purchase could be delayed until next year. Director Bergeson indicated that a brush chipper is used approximately ten months out of the year, stating that funding is available in the CIP budget. He added that a demo unit is being purchased, which would cost more if the purchase was delayed until 2017. Council Member Berg asked how Public Works equipment is managed in terms of a depreciation schedule. Director Bergeson provided additional information with regard to the CIP program and the equipment replacement policy. Council Member Berg suggested further discussion of this topic in the future.

A motion was made by Council Member Sjoblom, seconded by Council Member Johnson and unanimously carried, to approve the purchase of a brush chipper.

Hire Part-Time Snow
Plow Driver

Council Member Gallups requested additional information with regard to the hiring of a part-time snow plow driver. Director Bergeson indicated that this position would be utilized only when needed. Council Member Gallups asked about contracting this work. Director Bergeson indicated that this part-time hire was mostly due to a temporary Public Works Department staffing shortage. Council Member Berg commented that snow plowing services are usually contracted on a seasonal basis, whereas the part-time employee would be utilized only as needed, which may be more cost effective. Council Member Abadie inquired with regard to pre-employment requirements, asking what sort of driving record would be required for a part-time snow plow driver. Director Bergeson provided additional information with regard to employee background checks.

A motion was made by Council Member Johnson, seconded by Council Member Gallups and unanimously carried, to approve the hire of a part-time snow plow driver at \$18 per hour after completion of pre-employment checks.

Squad Car
Replacement

Council Member Gallups requested additional information with regard to the request for squad car replacement at this time. Chief McCormick provided rationale for recommending the purchase of a new squad car, related to the cost of maintaining older squad cars compared to the cost of a replacement squad car. He clarified that this expense had been included in the CIP budget.

A motion was made by Council Member Johnson, seconded by Council Member Berg and unanimously carried, to approve the purchase of a 2017 squad car from the State contract vendor and authorize the Chief of Police to sign any contracts that may be required for this purchase.

Staff Reports

Director Maroney commented with regard to a recent successful event at the Cannon River Winery, during which economic development in Cannon Falls was discussed. He also commented regarding his attendance at the third annual Feast! event, a local food festival held in Rochester, which was also attended by several local food producers and sponsored by the EDA.

Director Bergeson reported that the names of the swans have been chosen, Trumpet and Snow White, submitted by Serenity Overholt. He also provided a reminder for residents to check their toilets for leaks, as leaking toilets can have a significant impact on water bills.

Chief McCormick expressed appreciation for the opportunity to recognize citizens for their assistance to the Police Department. He also provided a reminder with regard to winter parking restrictions.

Administrator Johnson provided an update with regard to the cable franchise agreement, stating that the City continues to work with potential franchisees, with a draft agreement expected in January.

Administrator Johnson reported that discussions continue with regard to the question of corner lot assessments for the West Side II project. He stated that additional information and a recommendation would be provided during the next City Council meeting.

Assistant City Administrator Endres reported that 350 absentee ballot applications were processed for Cannon Falls voters during the last election cycle, with 258 of these occurring within the last week prior to the election. She expressed appreciation to City staff and the election judges for their hard work. Mayor Robinson commented with regard to the importance of a smooth election process.

Mayor and Council
Reports

Council Member Johnson expressed concerns related to odor emissions from Sustane and asked about the monitoring process. Director Bergeson reported that he had not received any complaints. He suggested setting enforceable parameters in terms of what was allowable. Council Member Berg reported noticing an increased level of odor while driving in the area over the last three weeks and asked whether this could be related to air quality or weather conditions. Director Bergeson requested receiving information from the public when concerns arise and again suggested establishing acceptable parameters. Chief McCormick commented with regard to the process that occurred with the assistance of Sustane in the past and discussions about the potential creation of an ordinance. He indicated that Sustane, once notified of complaints, will utilize their monitoring equipment and modify their operations. He commented regarding the recent weather condition known as inversion, stating that this could be contributing to the problem. He added that an ordinance adopted by South St. Paul could be used as a model. Mayor Robinson suggested checking into the current situation to see if it can be rectified. Administrator Johnson commented that Sustane has requested that any complaints be promptly forwarded to them, offering for the public to contact them directly.

Council Member Abadie commented regarding the successful Deck the Falls event. She also reported with regard to her attendance at a recent Cannon Valley Trail Joint Powers Board meeting, during which positive feedback related to the nice landscaping at the trail head was provided.

Council Member Mattson commented with regard to the Grow Cannon Falls initiative and the economic development event held at the winery. Mayor Robinson also commented regarding this successful initiative. Council Member Berg encouraged continued promotion of Cannon Falls by businesses utilizing Facebook and other social media platforms. Mayor Robinson expressed appreciation to all those involved with these efforts.

Adjournment

The meeting adjourned at 7:53 p.m.

Adopted by the City Council of the City of Cannon Falls on the 20th day of December, 2016.

Lyman M. Robinson, Mayor

ATTEST:

Ronald S. Johnson, City Administrator