

The Cannon Falls City Council met in a regular session on Tuesday, May 2, 2017, in the City Council Chambers. Present were Mayor Robby Robinson and Council Members Morris Mattson, Cedar Abadie, Mike Dalton, Ken Carpenter, LeRoy McCusker, and John Althoff. Also present were Ron Johnson, City Administrator; Lanell Endres, Assistant City Administrator; Greg Anderson, City Engineer; Tom Bergeson, Public Works Director; Jeffrey McCormick, Police Chief; Nicole Miller, Library Director; Andrea McDowell Poehler, City Attorney; and Brad Falteysek, Government Partner, Abdo, Eick & Meyers

Call to Order Mayor Robinson called the City Council meeting to order at 6:30 p.m.

Roll Call All members were present.

Pledge of Allegiance Mayor Robinson led in the recitation of the Pledge of Allegiance.

Approval of Agenda Mayor Robinson requested an amendment to the Agenda, adding an item related to considering the appointment of John Althoff to fill the City Council vacancy.

A motion was made by Council Member Abadie, seconded by Council Member Carpenter and unanimously carried, to approve the Agenda as amended.

Consider City Council Appointment Mayor Robinson recommended that the Council consider the appointment of John Althoff to fill the open City Council position. He provided background information with regard to Mr. Althoff.

A motion was made by Council Member Mattson, seconded by Council Member Dalton and unanimously carried, to approve the recommended appointment.

City Administrator Johnson administered the Oath of Office for newly appointed City Council Member Althoff. Council Member Althoff was welcomed by the Mayor and Council Members.

Public Input Ross Nelson, 14818 264th Street Path, Welch, Minnesota, requested the use of Riverside Park for river access by Welch Mill Canoeing and Tubing. He commented that he would like to be notified if there are ever any problems or concerns, so that these can be addressed. He indicated that he will provide proof of insurance, if this has not been received.

Mayor Robinson spoke in favor of approving the request, stating that there have not been any issues in the past. Council Members expressed agreement with approving the request.

Introduction:
Introduction of Library
Director Nicole Miller

Administrator Johnson introduced Library Director Miller. Ms. Miller provided additional information about herself. She stated that she loves Cannon Falls and is excited to be the new Library Director.

Presentation:

A. 2016 Audit Presentation.

Mr. Falteysek introduced himself and reviewed the audit results.

1. Management Letter.
2. Annual Financial Report.

Mr. Falteysek stated that the Management Letter provides a summary of the 2016 financial audit. He commented that the City is receiving an unmodified (clean) audit opinion. He discussed how the audit was conducted and the information that was reviewed.

Mr. Falteysek discussed an internal control funding related to the preparation of financial statements, stating that this is not unusual. He discussed compliance with State requirements, stating that the City received a clean opinion in this regard.

Mr. Falteysek discussed the general fund balance, referenced the City's fund balance policy, and described 66.4% as a healthy fund balance ratio. He reviewed general fund revenue and expenditures compared to budgeted amounts. He discussed general fund revenue sources over the past three years, stating that the majority of the revenue comes from taxes. He stated that general fund revenue has increased approximately 5% over the past three years, while total expenditures decreased.

Mr. Falteysek reviewed a chart comparing the expenditures of Cannon Falls with other cities of similar size.

Council Member Dalton requested clarification of information listed under the category of other expenditures, and Mr. Falteysek indicated that this relates to fund transfers. Council Member Abadie asked why expenditures decreased in 2016, and Assistant City Administrator Endres provided additional information in this regard.

Mr. Falteysek reviewed special revenue funds, stating that fund balances are increasing as expected.

Mr. Falteysek reviewed capital project funds and debt service funds.

Mr. Falteysek discussed enterprise funds, how these funds are utilized, and trend data.

Mr. Falteysek reviewed a chart depicting how Cannon Falls compares to other similar-sized communities, including the debt to asset ratio, the debt service coverage ratio, debt per capita, taxes per capita, expenditures per capita, and information comparing the age of the City's infrastructure with other communities.

Mr. Falteysek reviewed information pertaining to accounting standards.

Mayor Robinson clarified that the upcoming work session will provide more detail regarding the financial management plan and utility rate analysis.

Council Member McCusker inquired with regard to variations in budgeted revenue and expenses versus the actual amounts. Mr. Falteysek reported that revenues came in approximately \$150,000 in excess of the budgeted amounts, and expenses were approximately \$40,000 less than expected. He provided additional information explaining the reasons for these results.

Council Member McCusker asked what happens to the additional funds. Mr. Falteysek explained that these funds are rolled into the general fund balance. Council Member McCusker expressed concerns with regard to minimizing utility rate and tax levy increases. Mr. Falteysek commented that the work session should help provide additional information with regard to financial management and utility rates.

Council Member Mattson inquired regarding upcoming capital projects and budget impacts, and Mr. Falteysek discussed bond funding and tax impacts.

Mayor Robinson thanked Mr. Falteysek for providing this information.

A motion was made by Council Member Dalton, seconded by Council Member Mattson and unanimously carried, to accept the findings of the 2016 audit.

Public Hearing:
Resolution 2275,
Certifying Utility
Charges to be
Collected with Taxes

Assistant Administrator Endres provided background information. It was discussed that the total amount of unpaid utility charges decreased this quarter.

Mayor Robinson opened the Public Hearing at 7:03 p.m. No one came forward to speak. Mayor Robinson closed the Public Hearing at 7:03 p.m.

A motion was made by Council Member Carpenter, seconded by Council Member Abadie and unanimously carried, to adopt Resolution 2275, certifying unpaid utility charges to be collected with taxes.

Consent Agenda

- A. Just and Correct Claims – Accounting Period Ending April 27, 2017
- B. Meeting Minutes for April 18, 2017, City Council Meeting
- C. Meeting Minutes for April 24, 2017, Special City Council Meeting
- ~~D. Accepting Debit and Credit Cards~~
This item was pulled by Council Member Mattson.
- E. Resolution 2276, Support for Byllesby Dam Funding
- F. Tom Bergeson Evaluation Summary Report
- G. Ron Johnson Evaluation Summary Report
- H. Second Reading and Adoption of Ordinance 352, Amending Section 111 of the Cannon Falls City Code, Alcohol Licensing and Regulation

A motion was made by Council Member Abadie, seconded by Council Member McCusker and unanimously carried, to approve the Consent Agenda, minus Item D.

Council Business:

Administrator
Johnson Salary
Increase

Mayor Robinson provided background information and referenced information that has been provided in this regard.

A motion was made by Council Member Carpenter, seconded by Council Member Abadie, to approve a 1.5% salary increase for Administrator Johnson, retroactive to March 10, 2017. A voice vote was taken, and the motion carried by a vote of 4:1, with Council Member Althoff abstaining and Council Member McCusker voting nay.

Accepting Debit and
Credit Cards

Council Member Mattson commented with regard to discussion of this topic during a recent Public Works Commission meeting. He referenced research that was conducted and asked Assistant Administrator Endres to provide additional background information in

this regard.

Assistant Administrator Endres reviewed the vendor option that is being recommended, GovPayNet, and commented regarding the high security rating, training, and support offered by this company. Assistant Administrator Endres reviewed reference checks that were conducted. She stated that it has been suggested to start with utility payments prior to expanding the program to include other City fees. She noted that the motor vehicle department will not be included in the program because of a delay in receiving the funds, adding that other options are being investigated.

Council Members Mattson and McCusker and Mayor Robinson spoke in favor of accepting the proposal.

A motion was made by Council Member Mattson, seconded by Council Member Abadie and unanimously carried, to approve a proposal to accept debit and credit cards.

Reports:
Staff

Public Works Director Bergeson discussed asphalt patching work. He expressed concerns related to the recycling boxes and requested assistance by the public in this regard.

Library Director Miller reported that last week she filed an Annual Report with the State, as required.

Police Chief McCormick discussed the recent Falls Duathlon and upcoming events.

Administrator Johnson provided an update regarding the final punch list for the West Side II project.

Administrator Johnson reported that he is still researching options for establishing a Charter Commission.

Administrator Johnson reported that a presentation on the Cannon Valley Trail will be provided during the May 16 Council meeting.

Administrator Johnson discussed the meeting schedule and requested that the Council consider meeting date changes. Mayor Robinson suggested meeting on the second and third Tuesdays in June and holding one meeting in July, unless a special meeting is required. The option of holding a meeting during the Cannon Valley Fair was discussed.

Council Members expressed agreement with rescheduling the June 6 meeting to June 13 and cancelling the July 4 meeting.

Assistant Administrator Endres thanked the Council for approving the debit and credit card payment proposal.

Mayor and Council

Council Member Dalton referenced the upcoming garage sale weekend and commented that the parks look great.

Council Member Abadie encouraged donations of pollinator-friendly plants to help create a pollinator garden at Minnieska Park.

Council Member Carpenter reported that the Cannon Falls Waste Water Treatment Plant recently received an award from the State.

Council Member Carpenter provided an update regarding the construction project at the intersection of Highway 52 and Dakota County Road 42.

Mayor Robinson provided a recommendation for Jacqueline Pavek, a citizen, to serve on the Public Works Commission. A motion was made by Council Member Dalton, seconded by Council Member Carpenter and unanimously carried, to approve this appointment.

Mayor Robinson congratulated Jesse Johnson on his promotion to Lieutenant Colonel and thanked him for his service.

Mayor Robinson congratulated the Cannon Falls High School Speech Team on winning the Section 1A State Speech Contest.

Mayor Robinson commented regarding several road projects and closures.

Adjournment

A motion was made by Council Member Carpenter, seconded by Council Member Mattson and unanimously carried, to adjourn the meeting. The meeting adjourned at 7:26 p.m.

Adopted by the City Council of the City of Cannon Falls on the 16th day of May, 2017.

Lyman M. Robinson, Mayor

ATTEST:

Ronald S. Johnson, City Administrator