

The Cannon Falls City Council met in a regular session on Tuesday, August 1, 2017, at 6:30 p.m. in the City Council Chambers. Present were Mayor Robby Robinson and Council Members Morris Mattson, Cedar Abadie, Mike Dalton, Ken Carpenter, John Althoff, and LeRoy McCusker. Also present were Ron Johnson, City Administrator; Lanell Endres, Assistant City Administrator; Greg Anderson, City Engineer; Tom Bergeson, Public Works Director; and Joe Berg, Police Lieutenant.

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| 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 | A motion was made by Council Member Carpenter, seconded by Council Member Mattson and unanimously carried, to approve the amended Agenda. |
| Public Input | <p>Babe O’Gorman, Cannon Falls property owner, requested that the City Council make a decision with regard to the public roadway west of Cannon River Winery. He asked Council Member Carpenter about this issue. Council Member Carpenter indicated that he spoke to a couple of land surveyors, who indicated that this may not meet the legal requirements for a road. It was discussed that there was a question of whether this was a roadway by prescriptive easement or a parking lot entrance. Mr. O’Gorman discussed past conversations with MnDOT with regard to another access issue. Council Member McCusker commented that there will be a discussion later in the meeting with regard to parking along Mill Street.</p> |
| Public Hearing to Consider Adoption of Part II Wellhead Protection Plan Update | <p>Public Works Director Bergeson provided background information with regard to the Wellhead Protection Plan. He noted that this project pertained to a protection area that was set up by the State at the most vulnerable areas of the water supply system. He indicated that the plan described how this area would continue to be monitored. He commented that adoption of Part II moved the process to the next phase.</p> <p>City Engineer Anderson provided additional information in this regard. He noted that the plan included a list of tasks that the City would be required to undertake over the next ten years.</p> <p>Mr. Anderson described modeling that took place to identify the groundwater, how it moves, where it came from, and how long it took to get there.</p> |

Mr. Anderson discussed the DWSMA, or Drinking Water Supply Management Area. He noted that all of the known wells and potential contamination points within this area have been documented. If a well was not being used, it was capped in order to limit a potential access point for contamination.

Mr. Anderson described the process of updating the plan, including a Public Hearing. He noted that any comments would be recorded and included in the final document, to be adopted by the City Council and forwarded to the Public Health Department.

Mayor Robinson opened the Public Hearing for the Part II Wellhead Protection Plan update at 6:37 p.m. No one present made any comments regarding wellhead protection plan. Mayor Robinson closed the Public Hearing at 6:38 p.m.

A motion was made by Council Member Dalton, seconded by Council Member Carpenter, to adopt the Part II Well Protection Plan update. Council Member McCusker commented that he has seen a lot of changes relating to wells, septic systems, aquifers, and water systems. He expressed concerns about wells and discussed the importance of capping unused wells. He spoke in support of Wellhead Protection Plan regulations, noting that these pertain to the safety of the water system and should be taken seriously. A vote was taken with regard to the motion, which carried unanimously.

Resolution 2290,
Certifying Unpaid
Utility Charges to be
Collected with Taxes

Assistant City Administrator Endres provided background information regarding certifying unpaid utility charges to property taxes. She noted that the City was continuing to work on a process to accept credit card payments.

Mayor Robinson commented that the list appeared similar to last quarter's list. Council Members expressed the hope that accepting credit card payments may help with this issue.

Mayor Robinson opened the Public Hearing with regard to unpaid utility charges at 6:44 p.m. No one came forward to speak. Mayor Robinson closed the Public Hearing at 6:44 p.m.

A motion was made by Council Member Abadie, seconded by Council Member Althoff and unanimously carried, to adopt Resolution 2290.

Consent Agenda

~~A. Just and Correct Claims—Accounting Period Ending July 27,
2017~~

This item was pulled by Council Member McCusker

- B. Meeting Minutes for July 18, 2017, City Council Meeting
- C. Approve Temporary On-Sale Liquor License for the Cannon Falls Lions Club
- D. Set Budget Workshop Meeting

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

Group Employee
Health Insurance

City Administrator Johnson provided background information regarding the City's group health insurance. He introduced Bill Singer with A.T. Group. Mr. Singer noted that he has been working with City of Cannon Falls for ten years with regard to its insurance needs, including health, life, dental, long-term disability, voluntary vision care, the flexible benefits plan, and COBRA administration. He referenced compliance needs relating to the Affordable Care Act.

Mr. Singer provided details with regard to the health insurance renewal process. He commented that HealthPartners was considered to be the best carrier in Minnesota. He discussed the challenges of being located in Region 1. He reported a rate increase of just over 9% for next year, describing this was higher than anticipated.

Mr. Singer reviewed other potential health insurance options, two of which were not available to the City. He discussed the Public Employees Insurance Program (PEIP), which would offer lower rates but a drastic reduction in benefits. He discussed a cost shift with the Medica plan that would not make this coverage attractive to employees. He reported that premiums for Blue Cross Blue Shield may be lower in the short term but may increase faster than the other carriers in the future.

Mr. Singer stated his opinion that there would be no compelling reason to switch insurance carriers at this time and recommended staying with HealthPartners.

Mayor Robinson asked what the premiums would be if the City was located in nearby Dakota County, which was in Region 8. Mr. Singer indicated that he researched this for comparison purposes and noted 33% higher rates in Region 1 than in Region 8, which was the least expensive region. When asked about the cause of this, Mr. Singer indicated that this situation is likely related to the presence of the Mayo Clinic Health System in Region 1.

Council Member McCusker asked how many employees are covered by the City and the cost per employee. Assistant Administrator Endres indicated that there are approximately 30 full-time employees who are eligible for insurance coverage. Mr. Singer estimated the health insurance cost per employee at approximately \$10,000 per year.

Council Member McCusker asked about utilization by Cannon Falls employees in comparison with other communities. Mr. Singer indicated that the risk pool rates all communities equally, noting that the City does not absorb any higher risk as a result of its claims utilization. He explained that the Affordable Care Act establishes community rates for similar-sized groups. He added that utilization is higher for Cannon Falls employees than for other groups, which would mean higher premiums if the City decided to be self-insured. Mr. Singer reviewed the advantages of the community rating system.

Council Member McCusker expressed concerns with regard to increasing health insurance premiums. He asked about rate increases as opposed to higher deductibles and suggested that employees be given a raise and told to find their own insurance.

Mr. Singer discussed the fact that for-profit insurance carriers are not allowed to provide coverage in Minnesota. He indicated that the State regulates how much insurance carriers can charge for premiums based on claims and historical trends. Mr. Singer explained that the Affordable Care Act does not allow employers to give employees money for them to purchase insurance on the open market. He also referenced the fact that health insurance premiums are not subject to income tax, which benefits employees. He noted that individual plans may be associated with fewer benefits and much higher deductibles.

Mayor Robinson requested more specific information related to options and the City's costs for discussion during the upcoming budget workshop. Council Member McCusker suggested further discussion with regard to options. Mayor Robinson commented that more details would help provide a clearer picture, in order to make the best decision for both employees and taxpayers.

Mr. Singer commented that precise comparisons were not possible, as none of the plans line up exactly the same. He also referenced other factors, such as customer service considerations. Mayor Robinson recommended that information be provided in order to compare all available options, even if the plans differ.

Council Member McCusker asked why insurance coverage is not subject to a bidding process. Mr. Singer discussed the rules surrounding insurance coverage for smaller groups, indicating that this no longer involves a negotiation process.

Council Member Dalton commented that changes to employee benefits may impact retention and recruitment. Mayor Robinson recommended that the City consider all of the available information in order to make a good decision for employees and citizens. He commented that there may be healthcare expense accounts or other potential options that should be explored.

Administrator Johnson commented that there will be adequate time for this discussion prior to establishing the preliminary budget and levy. He commented with regard to the bargaining unit negotiation process. Mr. Singer provided additional information in this regard.

First English Church –
Bank Erosion

City Engineer Anderson provided background information concerning erosion issues at the First English Church parking lot and pointed out the area under discussion on an aerial photo. He reported that the area of bank erosion was fairly close to a sanitary sewer main. He indicated that Police Chief McCormick worked with FEMA to secure funds for repairs, as it was the result of a qualifying event from a few years ago. Mr. Anderson detailed a plan to correct this situation. He reported that the costs would be covered by the FEMA funding. He reviewed the next steps in the process.

Council Member Dalton asked whether the FEMA funding would fully cover the costs. Mr. Anderson indicated that the cost estimate indicated that the FEMA funding should be sufficient, adding that the next step would be to determine the actual construction costs.

Council Member McCusker asked whether a curb would be installed at the back of the church parking lot. Mr. Anderson pointed out the location of parking lot bumpers along the west side. He indicated that a catch basin would be installed with a berm behind it to try to capture the majority of the water and direct it toward the storm sewer. Council Member McCusker discussed the size of the parking lot and the increasing number of rain events. He noted the presence of a clay tile with a cement cap.

A motion was made by Council Member McCusker, seconded by Council Member Althoff, to move the project forward by requesting construction quotes.

Council Member McCusker asked whether this work could be performed by City staff. Director Bergeson indicated that this would not be allowed under FEMA rules.

A vote was taken, and the motion carried unanimously.

Woodridge Bluffs –
Limestone Road
Repair

City Engineer Anderson provided background information regarding Limestone Road repairs in Woodridge Bluffs. Per Council direction, quotes were requested to repair approximately 400 feet of Limestone Road. He reviewed the three quotes that were received, with the lowest bid of \$79,450 from Rochester Sand & Gravel. The project schedule was discussed.

Council Member Abadie discussed the quotes and asked whether it had been established that more fill material would be needed. Mr. Anderson indicated that a quantity of material was included in the bid document, as opposed to being added on later. He commented that two catch basins would also be repaired as part of this project. He explained that the actual construction costs may differ from the estimate.

Council Member Abadie inquired regarding grant funding toward this project, and Administrator Johnson provided information in this regard. He reviewed the options of completing the project this year versus holding off until next year. Council Member Abadie commented that potential parcel purchasers should be made aware that they would not be assessed for this work.

Council Member McCusker suggested putting the project on hold until next year. Council Member Abadie asked whether the quotes may be lower next year. Mr. Anderson indicated that the construction season is nearing the end, whereas if quotes were requested early next year, there may be more interest and better bids. He described a reasonable expectation for a reduction in the cost if the project was delayed until next year. He also discussed the possibility of adding this project to another project as an alternate bid. He referenced mobilization costs for this small project.

A motion was made by Council Member Carpenter to re-bid the project early next year or include it with another project.

The motion was seconded by Council Member McCusker. Council Member Abadie asked whether grant funding would be available for this project next year. Administrator Johnson indicated that the city

will receive approximately \$32,000 in 2017 and again in 2018 through the State of MN Small Cities Assistance Account that could be used for the project. Mayor Robinson suggested that Administrator Johnson verify this.

A vote was taken, and the motion to delay the project carried unanimously.

Mill Street Parking
Discussion

Mayor Robinson referenced concerns with regard to the issue of Mill Street parking.

Director Bergeson provided background information with regard to the decision to implement diagonal parking along Mill Street in order to gain additional parking stalls. He reported that there were currently 18 stalls on the north side and 10 stalls available on the south side of Mill Street. He referenced recent discussion related to parking concerns in this area. He commented regarding increased demand potential for parking with the ice cream shop and the brewery. He reported that the Public Works Commission recommended keeping the parking diagonal.

Council Member Althoff discussed conversations he has had with business owners along the west side of 4th Street, none of whom were in favor of losing parking spots in the downtown area. He commented that future plans by the winery would impact the parking situation. He suggested consideration of one-way streets.

Council Member Abadie provided additional background information. She indicated that at one time there was diagonal parking along the north side and parallel parking on the south side of Mill Street. She commented that recent discussions had involved reverting back to parallel parking along the south side. She referenced Public Works Commission discussion with regard to potential one-way streets. She stated that this was not felt to be a viable option, as there was not a parallel street situation in this area.

Council Member Abadie referenced past Council discussion with regard to prohibiting oversized vehicles from parking in this area. She commented with regard to discussion by the Public Works Commission related to the fact that people may not be aware of the exact length of their vehicles. She recommended consideration of signage to discourage parking by oversized vehicles, as opposed to an enforceable ordinance.

Council Member Abadie reported that Police Chief McCormick was asked to research incident and accident data involving Mill Street over the last 7 to 8 eight years, and finding no increase in accidents or incidents over this time frame.

Council Member Abadie commented with regard to similar parking concerns in other areas of the City. She discussed the benefits of attracting people to the downtown area, describing parking issues as a “beautiful problem to have.”

Council Member Althoff stated his opinion that emergency vehicles could still get through this area. He referenced tight parking situations in other communities.

Council Member McCusker commented with regard to balancing between safety and money, stating that safety should take precedence. He discussed parking challenges in this area and suggested looking at the overall picture. He provided examples of potential options to increase parking but spoke against consideration of a one-way street. He suggested working with the winery to help resolve these issues.

Council Member Dalton commented that feedback he had received from business owners and others indicated that angled parking was preferred, as long as these stalls were not utilized by oversized vehicles. The City Code was discussed as it related to angled parking. Officer Joe Berg commented that there was nothing in the City Code that restricted the length of vehicles.

Council Member Abadie reiterated her suggestion for signage to discourage parking along Mill Street by oversized vehicles. Mayor Robinson reported that the City Attorney had been consulted with regard to the issue of restricting parking by oversized vehicles and discussed enforcement challenges. Council Member Abadie stated her opinion that most people would adhere to this suggestion. Director Bergeson suggested that a back line might be helpful.

Mayor Robinson suggested continued discussion of this topic.

Council Member Abadie commented that the winery was in the process of finalizing a plan involving the former Lee Chevrolet property, which would impact discussion with regard to the parking lot and roadway. Council Member McCusker commented that he had received feedback in opposition to closing off this access. He reiterated his recommendation that the winery should work with the

City.

Mayor Robinson provided information related to Mr. O’Gorman’s earlier inquiry about the roadway. The GIS indicated that the City owned a portion of this property but that this was not listed as a road.

Mr. O’Gorman referenced a law stating that if an area was used as a roadway for a period of seven years, it was a roadway by prescription.

Council Member Althoff asked about plans for the winery. It was discussed that these plans were in the process of being finalized.

Council Member Carpenter asked about reducing the speed limit in this area. Officer Berg indicated that there would need to be a good reason to reduce the speed limit. He commented that people were more cautious due to the tight nature of the parking situation in this area. He indicated that there have not been complaints about speeding in this area, adding that there were sometimes incidents involving pedestrians. He suggested that a traffic survey be conducted.

Mayor Robinson commented regarding parking concerns along Hoffman Street and suggested further discussion.

Council Member Dalton suggested talking with Fire Chief Todd Anderson and EMS Chief Tim Malchow with regard to safety issues.

Council Member Abadie suggested consulting the City Attorney with regard to the prescriptive easement question. No action was taken.

Just and Correct
Claims – Accounting
Period Ending July
27, 2017

Council Member McCusker reported that he had reviewed the information regarding the just and correct claims and developed a list of questions with regard to the documented expenses. He asked a question with regard to an air conditioner, and Director Bergeson provided additional information. Council Member McCusker indicated that he would forward his list of questions.

A motion was made by Council Member McCusker, seconded by Council Member Mattson and unanimously carried, to approve the just and correct claims.

A Heart for
Guatemala Event

The item regarding A Heart for Guatemala event and the request to close the 400 block of Mill Street West was discussed during Staff Reports. A motion was made by Council Member Dalton, seconded

by Council Member Abadie and unanimously carried, to approve the street closure request.

Staff Reports

Public Works Director Bergeson provided an update with regard to pothole patching activities. Council Member McCusker suggested consideration of pavement overlay on Ohio Street. He also expressed concerns regarding rocks getting onto the highway from the railroad tracks and suggested that the State be contacted about this.

Officer Berg discussed a request to close the 400 block of Mill Street on Saturday, September 9, from 7:00 a.m. to 11:00 a.m. for a 5K event to benefit A Heart for Guatemala. It was discussed that no Public Works assistance will be requested for this event.

Coordination with Mill Street businesses was discussed. It was stated that there are no other events that day. Mayor Robinson recommended moving action with regard to this request under Council Business.

Following Council action with regard to the street closure request, Officer Berg discussed National Night Out activities and the recent Fire Department 125 Anniversary celebration. He discussed an upcoming Coffee, Cops, and Conversation activity at Hi-Quality Bakery, during which the Code Red program would be discussed.

Administrator Johnson discussed a potential website update project. He also provided an update regarding a parcel conveyance progress involving two parcels north of the VFW/American Legion.

Assistant Administrator Endres provided an update regarding the MNLARS project in the Motor Vehicle department.

Mayor and Council
Reports

Council Member Dalton discussed National Night Out activities and expressed appreciation to Public Safety employees for their participation.

Council Member Abadie discussed the recent Public Works Commission meeting, during which Marci French from the Cannon Arts Board was in attendance. She reported that the feasibility of Downtown banners was discussed along with fine arts celebrations in Cannon Falls. Council Member McCusker suggested a banner welcoming canoeists.

Council Member Althoff commented that the public access by the winery would be open now that bottling activities have been completed. Mayor Robinson commented that better arrangements would be made in the future. Council Member McCusker suggested the use of cones with flashers.

Mayor Robinson discussed the Fire Department 125th Anniversary celebration and his participation in a dunk tank fundraiser.

Mayor Robinson commented with regard to continued participation in National Night Out activities by Cannon Falls.

Adjournment

The meeting adjourned at 8:09 p.m.

Adopted by the City Council of the City of Cannon Falls on the 15th day of August, 2017.

Lyman M. Robinson, Mayor

ATTEST:

Ronald S. Johnson, City Administrator