

The Cannon Falls City Council met in a regular session on Tuesday, November 7, 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; Nicole Miller, Library Director; Tom Bergeson, Public Works Director; Tim Malchow, EMS Chief; Jeffrey McCormick, Police Chief; and Mike Gesme, PEG Access Coordinator

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 Dalton, seconded by Council Member Carpenter and unanimously carried, to approve the Agenda as submitted.

Public Input Babe O’Gorman, Cannon Falls, expressed concerns regarding the decision to remove trees along the boulevard. He also discussed an email sent to Public Works employee Dave Pagel by Council Member Abadie regarding the swans. He stated that this behavior was no different than actions allegedly taken by Council Member McCusker, which have been described as inappropriate. Council Member Abadie asked whether Mr. O’Gorman actually read this email. Mr. O’Gorman indicated that he read the message that was displayed on Mr. Pagel’s phone. Council Member Abadie stated that she did not send an email to Mr. Pagel and does not have his email address. Public Works Director Bergeson clarified that he sent the email to Mr. Pagel, as it was relayed to him that one of the swans might be sick.

Library Foundation Presentation Mayor Robinson reported that the Library Foundation has requested that this presentation be postponed until a later date.

Public Hearing: Resolution 2303, Certifying Unpaid Utility Charges to be Collected with Taxes Assistant City Administrator Endres provided background information regarding the certification of unpaid utility charges to be collected with taxes. She indicated that a Public Hearing is required to be conducted to provide an opportunity for residents to come forward and speak to this issue. She commented regarding the option to make utility payments by credit card.

Mayor Robinson asked whether delinquent account holders have utilized the credit card option. Assistant Administrator Endres commented there had been some credit card activity and that this option may help residents resolve delinquent charges in the future.

Mayor Robinson opened the Public Hearing at 6:35 p.m. No one came forward to speak. The Public Hearing was closed at 6:36 p.m.

A motion was made by Council Member Mattson, seconded by Council Member Dalton and unanimously carried, to adopt Resolution 2303, certifying unpaid utility charges to be collected with taxes.

Council Member McCusker asked whether the larger unpaid balances, in excess of \$1,000, involve commercial or residential accounts. Assistant Administrator Endres indicated that she will research this question.

Council Member McCusker commented that the total amount appears to be increased this quarter. Assistant Administrator Endres stated her understanding that the total amount has increased since last quarter.

Council Member Dalton asked how many of the delinquent accounts are repeat customers and whether the balances are zeroed out after they are sent to the County to be collected with taxes. Assistant Administrator Endres reported that account balances are zeroed out after they are sent to the County. She noted that typically there are a lot of repeat customers on the delinquent list but indicated that she could not provide more detailed information. She added that some customers find it easier to have their utility charges added to their property taxes.

Council Member Abadie commented that she does not recall seeing unpaid charges in excess of \$1,100 in the past. Mayor Robinson stated that this is not an unusual occurrence. Assistant Administrator Endres commented that this might have something to do with higher water bills as a result of lawn watering activities.

Council Member McCusker expressed concerns about unpaid utility charges for commercial accounts. Assistant Administrator Endres indicated that shut-off notices have been issued for commercial accounts in the past. Mayor Robinson referenced past discussion of ways to address this issue and suggested further discussion in this regard.

Consent Agenda

- A. Just and Correct Claims – Accounting Period Ending October 31, 2017
- B. Meeting Minutes for October 17, 2017, City Council Meeting
- C. Meeting Minutes for October 17, 2017, City Council Work Session

- D. Resolution 2304, Accepting Donation of \$1,500 from Invenergy to the Police Department
- E. Resolution 2305, Accepting Donation of \$1,500 from Invenergy to the Ambulance Department
- F. ~~Approve Memorandum of Understanding — IUOE / 49ers~~
This item was pulled by Council Member McCusker
- G. ~~Add Full-Time Paramedic Position~~
This item was pulled by Council Member McCusker
- H. ~~Resolution 2306, Support for State Bond Funding for the Cannon Valley Trail~~
This item was pulled by Council Member Abadie
- I. ~~Sandstone Ridge SEMMCHRA Redevelopment Plan — Set Public Hearing~~
This item was pulled by Council Member McCusker
- J. Resolution 2307, To Establish License Fees for Brewer Taprooms
- K. Approve New Brewer Taproom Off-Sale License and New Brewer Taproom On-Sale License for Tilion Brewing Company, LLC

A motion was made by Council Member Althoff, seconded by Council Member Dalton and unanimously carried, to approve the Consent Agenda, minus items F, G, H, and I.

PEG Access HD
Upgrade

PEG Access Coordinator Mike Gesme provided background information, noting that the City signed new franchise agreements with two cable companies earlier this year. He reported that these agreements included grants to upgrade some of the equipment. He commented that community programming will be available in high definition on the HBC platform, adding that system upgrades will be necessary.

Coordinator Gesme proposed a phased approach for the equipment upgrades. As a first phase, he recommended upgrades to Channel 12 and production equipment in order to allow programming to be broadcast in high definition.

Coordinator Gesme detailed the equipment that would be upgraded, including the server that runs the system and the production system. He indicated that funding for the upgrades would come from the cable television fund, which is funded by the cable companies.

Council Member Dalton asked whether there was enough funding to cover the cost of the equipment upgrades. Coordinator Gesme indicated that there was adequate funding. He added that the second phase would include upgrades to the A/V system at City Hall and other equipment.

Council Member McCusker stated his hope that the sound quality of the programming will be improved as a result of the system upgrades. He also expressed concerns about the recent purchase of HBC by Schurz.

A motion was made by Council Member Dalton, seconded by Council Member Carpenter and unanimously carried, to approve the HD upgrade project, at a cost not to exceed \$55,200.

NLC Service Line
Warranty Program

Director Bergeson provided background information with regard to an optional insurance policy for homeowners that would cover service line issues for their water service, sewer service, and interior plumbing. Council Member Dalton asked how many times this could have been used in the past. Director Bergeson reported that four years ago this program would have been extensively utilized, when there were significant issues as a result of frozen water lines. He added that there have been multiple back-ups that have occurred.

Deryck Freudeman, representing Utility Service Partners, provided additional details about the NLC Service Line Warranty Program and discussed how cities enroll in this program. He noted that Utility Service Partners administers the entire program, including marketing, mailing costs, homeowner enrollments and renewals, and recruitment of local contractors, with no direct cost to the partner cities that enroll in the program.

Mr. Freudeman reviewed three main reasons that cities are choosing to enroll in this program:

- 1) Aging infrastructure.
- 2) Opportunities to educate homeowners about their responsibilities.
- 3) Cost savings for homeowners.

Mr. Freudeman discussed how the program is marketed through periodic public awareness campaigns. He noted that the City would approve all of the documentation and communication prior to launch of the program.

Mayor Robinson asked whether there would be any cost to the City. Mr. Freudeman reiterated that there was no cost for the City to enroll in the program, other than some staff time to help put the documentation together.

Council Member Althoff asked about the use of local contractors, and Mr. Freudeman provided additional information in this regard.

Council Member McCusker asked whether there are other companies that provide this type of service. Mr. Freudeman indicated that there are other companies that offer this service. He stated that one of the goals of this program is to educate homeowners about the types of issues that could potentially arise. He noted that Utility Service Partners is one of only two companies that partners with cities, with American Water Resources being the other company. He stated that one of the advantages of this is that knowledge of the infrastructure allows Utility Service Partners to offer a product that will fully cover the homeowner.

Council Member McCusker asked about a bidding process for this service. He stated his opinion that Cannon Falls is not a high-risk town in terms of water main issues. He expressed concerns about the Council endorsing private companies. It was clarified that the City did not seek out this service. Council Member Dalton asked whether this partnership would be an exclusive agreement. Mr. Freudeman discussed an exclusivity provision pertaining to use of the City's logo in marketing materials. He added that American Water Resources does not tend to partner with smaller cities.

Council Member McCusker commented regarding potential legal issues in terms of using the City's logo. He recommended further discussion of a potential partnership. Mayor Robinson expressed agreement with this recommendation.

Council Member Dalton commented that the City would not be doing any of the contracting and thus would not require a bidding process. Council Member Abadie commented that this would be a licensing and marketing agreement and not a contract that requires a financial obligation by the City. Mr. Freudeman discussed marketing activities. He noted that the water plan, the sewer plan, and the plumbing plan would be offered as separate components and reviewed the costs to homeowners. He commented that homeowners would not be obligated to purchase this type of product through Utility Service Partners. Council Member Abadie commented there would be additional discussion that would occur before the program is launched. Mr. Freudeman reiterated that no letters would be sent to homeowners without City approval of the content.

Council Member Dalton commented that this program could provide peace of mind to homeowners, adding that this would be a voluntary

program.

A motion was made by Council Member Dalton to move the process forward in a nonbinding manner. Additional discussion followed.

Mr. Freudeman discussed a royalty option. He noted that, if the City does not desire to receive a royalty, the cost of the service would be reduced. He clarified that the Utility Service Partners administers the program for the National League of Cities.

Council Member Abadie asked about coverage for houses with wells. Mr. Freudeman indicated that the insurance would cover well lines but not well pumps. He noted that homeowners within the City limits as well as those just outside the City limits could be included in the coverage area.

Council Member McCusker commented with regard to Public Works involvement. He suggested researching whether this service is offered by a local insurance provider and recommended against the proposed partnership with Utility Service Partners.

Mayor Robinson asked whether Cannon Falls is a member of the National League of Cities. City Administrator Johnson indicated that Cannon Falls is not an NLC member. Mr. Freudeman clarified that NLC membership is not required to participate in the program.

Council Member Althoff commented that this type of coverage may appeal to homeowners. Mr. Freudeman described how the subscription-type program would operate from the perspective of a homeowner. Council Member McCusker expressed agreement with the service but opposition to the program being connected to the City. He reiterated potential legal concerns. Mr. Freudeman noted that there are approximately 20 partner cities in Minnesota and that the marketing documents have been vetted by hundreds of City Attorneys across the country.

The motion to move the process forward was seconded by Council Member Abadie. Council Member Abadie clarified that the motion was to continue exploring whether this opportunity can be offered to residents, stating that she saw no good reason to stand in the way of offering this opportunity. Council Member McCusker asked why she felt that the City would be standing in the way of this opportunity, stating that other companies may now request an endorsement from the City. Council Member Abadie indicated that she does not consider the proposed agreement to be an endorsement. Council

Member Althoff commented that homeowner's insurance does not cover these types of repairs. Council Member McCusker commented that there are other companies offering this service.

A vote was taken, and the motion carried by a vote of 4:2, with Council Members McCusker and Carpenter voting nay. Next steps were reviewed.

Approve
Memorandum of
Understanding –
IUOE / 49ers

Council Member McCusker asked why a Memorandum of Understanding (MOU) was necessary. Administrator Johnson provided background information, noting that in September the Council approved a new classification and compensation plan for non-union employees. He clarified that the bargaining units were not included in that motion. The proposed MOU would add union Public Works employees to the new structure, effective from October 1, 2017, through December 31, 2017. He commented that an MOU for LELS employees will be discussed during the next Council meeting.

A motion was made by Council Member McCusker, seconded by Council Member Dalton and unanimously carried, to approve the Memorandum of Understanding with the International Union of Operating Engineers Local 49 regarding wages from October 1, 2017, through December 31, 2017.

Add Full-Time
Paramedic Position

Council Member McCusker expressed agreement with the position request to add a full-time paramedic to the Ambulance Department. He suggested scheduling a workshop for discussion of the future of the ambulance service. He referenced challenges associated with growth of the ambulance service and considerations pertaining to Mayo Clinic.

EMS Chief Malchow clarified that the Cannon Falls Ambulance Service is not the Mayo ambulance service, although it does provide service to the Mayo Clinic Health System. He expressed appreciation to Dr. Mike Wilcox for his support as Medical Director. He noted that the Cannon Falls Ambulance Service provides medical care that Gold Cross cannot provide. He thanked the Council for allowing the Ambulance Service to reinvest its revenue. He indicated that he would be happy to participate in additional discussion about the future of the Ambulance Service.

Council Member Abadie suggested that department heads be asked to provide an update to the Mayor and Council, as has been done in the past. Mayor Robinson expressed agreement with this suggestion. He complimented the Ambulance Service on its efficient and up-to-

date operation, noting that it has been self-supporting for many years. He commented that the training and equipment provided to the Ambulance Service allows it to take good care of the community.

Council Member Dalton commented that the City's continued actions to support the Ambulance Service will mean that Gold Cross and other private ambulance services will have no incentive to come in.

Council Member McCusker expressed appreciation for the work of the Ambulance Service and encouraged EMS Chief Malchow to keep the Council informed of any challenges or concerns.

A motion was made by Council Member McCusker, seconded by Council Member Carpenter and unanimously carried, to approve the hiring of a full-time paramedic position for the Ambulance Department and authorize the EMS Chief to advertise the position and interview prospective candidates.

Sandstone Ridge
SEMMCHRA
Redevelopment Plan
– Set Public Hearing

Council Member McCusker stated his understanding that SEMMCHRA was going to conduct a study regarding the redevelopment of the Sandstone Ridge area. He expressed concerns about proposed new development while questions remain with regard to City utilities and other issues. He suggested further discussion with regard to affordable housing and recommended involving Goodhue County in these discussions.

Council Member Althoff stated his understanding that a few months earlier the Council approved a request by SEMMCHRA to provide a redevelopment plan, noting that the situation has changed since that time. Council Member McCusker expressed concerns about locking into a plan without having all of the information. Mayor Robinson asked about Planning Commission involvement in the process.

Administrator Johnson provided background information. He noted that the Council approved a motion for the Southeast Minnesota Multi-County HRA to move forward with a development plan. It was subsequently determined that a Public Hearing was required. In the meantime, at least three of the lots in the west end of the development have been sold by Goodhue County to private parties. Administrator Johnson indicated that these parties are aware of potential soil issues. He noted that concerns have been expressed by a developer with regard to SEMMCHRA involvement in the area of Bluff Drive. He indicated that a revised plan will be presented during the Public Hearing, noting that SEMMCHRA will be primarily focusing on workforce housing on the east end of the development.

Council Member Althoff asked about rezoning. Administrator Johnson indicated that rezoning will be considered later in the process, adding that Zoning Assistant Samantha Meyer is working on this along with the Planning Commission.

Council Member McCusker referenced past concerns that arose in the Sandstone Ridge area. Administrator Johnson indicated that these issues would be researched by SEMMCHRA as part of the redevelopment plan. Council Member McCusker expressed support for working with SEMMCHRA on affordable housing initiatives.

A motion was made by Council Member McCusker, seconded by Council Member Carpenter and unanimously carried, to set a Public Hearing for December 5 to accept input regarding the SEMMCHRA redevelopment plan.

Resolution 2306,
Support for State
Bond Funding for the
Cannon Valley Trail

Council Member Abadie indicated that she pulled this item regarding the resolution supporting State bond funding for the Cannon Valley Trail to distinguish it from the funding request that will be discussed during the budget work session. She clarified that Resolution 2306, if adopted, would provide written statements of support for State funding toward the Cannon Valley Trail. She noted that the Cannon Valley Trail Board is requesting statements of support from the other impacted government entities along with Chambers of Commerce, so these can be included with funding requests to be considered by the State Legislature.

A motion was made by Council Member Abadie, seconded by Council Member Dalton and unanimously carried, to adopt Resolution 2306 in support of State bond funding for the Cannon Valley Trail.

Staff Reports

City Engineer Anderson provided an update regarding the First English Lutheran Church bank erosion project. He also discussed ongoing concerns relating to leaks at the Library, noting that the results of a forensic study by a third party were expected within the next couple weeks. He indicated that he would forward this report, which should detail both findings and recommendations, to Administrator Johnson and Library Director Miller.

Director Bergeson reported that the LED street light project had been delayed until December. He provided rationale for trees being removed in the Downtown area. He noted that the bricks have receded, causing a safety hazard. He reported that it was decided to cement these areas to prevent tripping hazards. He commented that

new trees cannot be planted in the same spots due to remaining tree roots, adding that replacement trees are being planted in other locations.

Director Miller reported with regard to Library activities. She noted that a new library assistant will be hired to replace Heidi Holmes-Helgren, who has retired. She discussed upcoming Library programming. She reported that the Library will be closed on November 10 and 11 for Veterans Day.

Administrator Johnson reported that the Attorney Bob Vose was reviewing information received with regard to the HBC sale to Schurz, adding that he has been assured by HBC that the current operation will be maintained.

Mayor and Council
Reports

Council Member McCusker commented that a manager had been hired by HBC, who purchased a home in Cannon Falls.

Council Member Abadie and Director Bergeson provided an update with regard to the swans.

Council Member Dalton asked about the garland, and Director Bergeson provided an update in this regard. It was discussed that volunteers are welcome to assist with this process.

Adjournment

A motion was made by Council Member Dalton, seconded by Council Member Carpenter and unanimously carried, to adjourn the meeting. The meeting adjourned at 7:40 p.m.

Adopted by the City Council of the City of Cannon Falls on the 21st day of November, 2017.

Lyman M. Robinson, Mayor

ATTEST:

Ronald S. Johnson, City Administrator