

The Cannon Falls City Council met in a regular session on Tuesday, January 16, 2018, 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 (arrived at 6:33 p.m.). Also present were Ron Johnson, City Administrator; Lanell Endres, Assistant City Administrator; Samantha Meyer, Zoning Assistant, Tom Bergeson, Public Works Director; Tim Malchow, EMS Chief; Todd Anderson, Fire Chief; and Jeffrey McCormick, Police Chief.

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

Roll Call Roll call was conducted. Mayor Robinson and Council Members Abadie, Althoff, Carpenter, Dalton, and Mattson were present. Council Member McCusker arrived at 6:33 p.m.

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

Approval of Agenda Mayor Robinson requested the addition of Item 7F, relating to a proposed pay grade increase for EMS Chief Tim Malchow.

A motion was made by Council Member Althoff, seconded by Council Member Mattson and unanimously carried, to approve the amended Agenda.

Public Input Adam Peters, 700 West State Street, Cannon Falls, inquired with regard to alley blacktopping and asked whether work was planned for the alley behind 708 West State Street. He expressed concerns about water drainage issues in this area. Mayor Robinson requested that Public Works Director Bergeson research this question.

Mr. Peters also inquired regarding the proposed winery expansion. Mayor Robinson indicated that this topic would be discussed later in the meeting.

Mr. Peters suggested consideration of constructing a public parking lot near City Hall for use by visitors, in order to avoid vehicles parking along Highway 20. He expressed concerns about large pickup trucks parking along Mill Street by the winery, describing this as a safety problem that needed to be addressed.

Consent Agenda

- A. Just and Correct Claims – Accounting Period Ending December 31, 2017
- B. Just and Correct Claims – Accounting Period Ending January 12, 2018
- C. Meeting Minutes for December 19, 2017, City Council Special Meeting
- D. Meeting Minutes for January 2, 2018, City Council Meeting

- E. Disposal of Unclaimed or Abandoned Bicycles
- ~~F. Resolution 2324, Rescheduling Eastside II Public Improvements Hearing~~
This item was pulled by Council Member Althoff.
- G. Resolution 2325, Accepting Donations of \$95.00 from Beverly Lundell and Steve & Anita Dabelow to the Library
- H. Accept Resignation of Paramedic and Hire Full-Time Paramedic
- I. 2018 Committee Appointments

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

Election of 2018 Fire
Department Officers

Mayor Robinson referenced a memo from 2017 Fire Chief Todd Anderson. City Administrator Johnson reviewed the results of the 2018 Fire Department Officer election: Fire Chief Mike Althoff, First Assistant Chief Ferlin Miller, and Second Assistant Chief Steve Sullivan.

A motion was made by Council Member Carpenter, seconded by Council Member Dalton, to approve the 2018 Fire Department Officer election results. A vote was taken and the motion carried by a vote of 5:0, with Council Member Althoff abstaining from the vote.

Mayor Robinson expressed appreciation to Todd Anderson for his service as Fire Chief and to all of the Fire Department personnel for the job that they do. Fire Chief Anderson commented that it has been a pleasure to work with the Mayor, City Council, and City staff over the last three years.

Approve Sale of
Parcel 52.100.4080

Administrator Johnson provided background information regarding the possible sale of city property. He discussed a request to purchase this parcel and described the location of the parcel. He referenced a memo from City Engineer Greg Anderson indicating that, due to the irregular shape of the parcel, only six to seven parking stalls could be created if the parcel was used for public parking. Administrator Johnson reported an assessed market value of \$7,100 for the parcel. He commented that there was a well on the property, which should be sealed. He noted that the potential purchaser has offered to assume this responsibility, at an estimated cost of \$1,500 to \$3,000.

Administrator Johnson reviewed the purchase offer of \$5,000. He reported that use of the parcel was discussed by the Public Works Commission, at which time the parcel was not seen as having a

Public Works use.

Administrator Johnson referenced the draft purchase agreement. He suggested a deadline of September or October for getting the well sealed. He indicated that staff recommends approval of the purchase agreement as drafted.

Council Member Althoff asked why the purchaser offered less than the market value of the property. Administrator Johnson clarified that the City had not established a purchase price for the property. He noted the assessed value of \$7,100 along with the purchaser's offer of \$5,000 in addition to sealing the well at her expense. Council Member Dalton asked whether Public Works would be able to seal the well. Administrator Johnson indicated that this was not something that Public Works could do. He indicated an estimated cost of \$1,500 to \$3,000 for this to be done.

A motion was made by Council Member Carpenter, seconded by Council Member Dalton, to approve the sale of Parcel 52.100.4080 to Sharon Swanson Johnson for \$5,000, with Ms. Swanson Johnson being responsible for sealing the well at her expense. A vote was taken and the motion carried by a vote of 4:1, with Council Member Mattson abstaining from the vote and Council Member McCusker voting nay.

Cannon River Winery
Expansion Request

Mayor Robinson provided background information and an update on the Cannon River Winery expansion request. He reported that the EDA and the winery have come to an agreement for the winery to purchase property from the EDA. He noted that the winery was also requesting to purchase City-owned property along with consideration of TIF or tax abatement assistance from the City.

Council Member Abadie requested clarification of the Agenda. Mayor Robinson clarified that the current Agenda item relates to a small strip of City-owned property along with consideration of TIF or tax abatement. He noted that the next Agenda item to be discussed was a separate issue. Council Member Mattson provided additional information about the EDA-owned property. It was noted that the pieces of property under discussion adjoin each other.

Council Member McCusker requested clarification of the property under discussion. Mayor Robinson clarified the property that was currently owned by the EDA and the property that was owned by the City. He discussed the 30-foot strip of property owned by the City that the winery has proposed to purchase. Council Member Althoff

reiterated that the winery and the EDA have come to an agreement for the winery to purchase EDA-owned property for \$75,000. He noted that the City Council was also being asked to consider TIF or tax abatement assistance.

Council Member McCusker asked what would happen if the City Council does not approve the winery's request. It was noted that the winery and the EDA have come to an agreement but that the agreement had not been finalized.

Council Member McCusker expressed concerns about the winery expansion in terms of access to the area, including access by large trucks. He noted that the City may end up being responsible for putting in another access and asked why this should be at the City's expense. Mayor Robinson asked where another outlet would be located. Council Member McCusker referenced discussion of another outlet across from EconoFoods. He stated his opinion that there was not enough room to add another access.

Council Member Althoff commented that there were three issues; issues pertaining to the winery's request for tax abatement or TIF, issues with access, and issues with parking. He suggested discussing the request for TIF or abatement at this time. He commented that a two-way access could be considered on the west end. He added that there may be ways to alleviate some of the downtown parking concerns.

Mayor Robinson suggested discussion of the winery's request to purchase the small piece of City-owned property. Administrator Johnson reviewed the applicant's request to purchase this property for \$1, along with a 15-year City and County property tax abatement.

Council Member McCusker suggested that access issues be included in the discussion. Mayor Robinson referenced the preliminary plan for a loading dock at the west end of the building. Council Member McCusker requested clarification of how trucks would enter and leave the building and referenced public input regarding why this should remain an alley.

Mayor Robinson requested Council discussion regarding the winery's request to purchase a 30-foot piece of City-owned property for \$1. The location of this property was clarified.

Council Member Abadie commented that it had been conclusively established that the property under discussion did not constitute a

roadway.

Mayor Robinson reiterated the winery's request to purchase the City-owned property for \$1, along with a request for tax abatement. Council Member Mattson asked about tax increment financing (TIF). Mayor Robinson stated his understanding that the owner of the winery would prefer tax abatement. He added that the length of the abatement could be changed.

Council Member Althoff asked whether Goodhue County has agreed to tax abatement. Mayor Robinson stated his understanding that Goodhue County would agree to an abatement plan, if the City agreed to an abatement plan. Council Member Dalton asked whether the School District would have to sign off on an abatement plan, and Mayor Robinson indicated that the School District would not have to agree to the plan.

Council Member Dalton stated a preference for TIF over tax abatement. Mayor Robinson commented that a 15-year tax abatement plan was approved for the GrandStay Hotel project, and Administrator Johnson commented that the Grandpa's Garage redevelopment project was a 25-year TIF. Council Member Althoff asked whether a TIF could be done for more than 9 years. Mayor Robinson indicated that this would involve a longer and more complicated process.

Council Member Dalton referenced conversations with Community Development Director Dave Maroney regarding a 9-year TIF followed by 4 to 6 years of tax abatement. Administrator Johnson indicated that abatement was a quicker process, assuming that Goodhue County would agree to an abatement plan. He commented that the length of time could be shortened.

Council Member Mattson asked whether the winery owner would accept a 12-year abatement plan. Mayor Robinson stated his opinion that the winery owner would work with the City on the abatement length. Council Member Carpenter commented that, if the City agreed to sell the property for \$1, the winery should be willing to agree to a 12-year abatement.

Council Member Dalton asked for clarification that the abatement would not pertain to taxes on the existing building. Mayor Robinson clarified that the tax abatement would involve only the expansion.

A motion was made by Council Member Carpenter to sell City-owned

property to the Cannon River Winery for \$1 and agree to a 12-year property tax abatement. Council Member Mattson suggested making the approval contingent upon Goodhue County agreeing to a 12-year tax abatement plan. The motion was seconded by Council Member Dalton. Council Member Dalton suggested exploring the possibility of altering the planned building design to better accommodate access. Council Member Althoff expressed agreement with this suggestion. Mayor Robinson discussed the next steps in the process.

A vote was taken, and the motion carried by a vote of 5:1, with Council Member McCusker voting nay.

Approve Payment to
EDA for Park / Trail
Land

Mayor Robinson provided background information with regard to the property, which was purchased by the EDA on behalf of the City from the previous owners of the Cannon River Winery to accommodate a planned trail extension. Mayor Robinson asked Assistant City Administrator Endres where the funds would come from to repay the EDA for this purchase. Assistant Administrator Endres indicated that the funds would most likely come from General Fund reserves. Council Member McCusker asked whether there would be adequate funds in the General Fund reserves. Assistant Administrator Endres indicated that City staff is in the process of finalizing the 2017 finances, adding that the requested \$57,000 should be available.

Council Member Dalton asked why this issue was being raised at this time. Mayor Robinson indicated that the purchase was made back in 2013. He added that these funds could be utilized by the EDA for other economic development projects. Administrator Johnson commented that the EDA Board recently voted to request the fund transfer.

Mayor Robinson asked whether half of the funds could be transferred now and the other half on July 1, 2018. Administrator Johnson and Assistant Administrator Endres stated that this would be an acceptable arrangement.

A motion was made by Council Member Dalton, seconded by Council Member Carpenter, to approve payment of \$57,942.45 to the Cannon Falls Economic Development Authority (EDA) for the parcel that was purchased in 2013 on behalf of the City, with the fund transfer to be split into two payments, one now and one on July 1, 2018.

Council Member Mattson commented that the parcel under discussion was purchased with the intent to seek a DNR grant, noting that the grant was not approved.

A vote was taken, and the motion carried by a vote of 5:1, with Council Member McCusker voting nay.

Hire Part-Time
Administrative
Assistant

Assistant Administrator Endres provided background information and rationale for the request to hire a part-time administrative assistant. She noted that the 2018 budget that was adopted by the City Council included a part-time position for the Administration Department. She reported that the Personnel Committee had discussed and agreed with the promotion of Courtney Duesterhoeft, who has worked for the City for the last two summers on a temporary basis. She noted that Council authorization was requested to move forward with the hiring of this individual as a part-time employee at Pay Grade 5, Step 1. Mayor Robinson reiterated that this position had been budgeted and was discussed by the Personnel Committee.

A motion was made by Council Member Mattson, seconded by Council Member Althoff, to approve the requested hire. Council Member McCusker asked how this would benefit the individual. Assistant Administrator Endres indicated that the individual was working sporadically as a temporary employee and would now be hired as a part-time employee with scheduled hours and more responsibilities. A vote was taken, and the motion carried unanimously.

EMS Chief Pay

Mayor Robinson discussed a recommendation for EMS Chief Malchow to move to Pay Grade 16, Step 8, effective on January 1, 2018. He noted that this recommendation was endorsed by the Personnel Committee. Administrator Johnson provided additional background information and rationale for the recommendation. He reported that other department heads are at the top of their respective pay grades except for Library Director Miller, who was new to her position and under the authority of the Library Board.

A motion was made by Council Member Dalton, seconded by Council Member Althoff and unanimously carried, to approve EMS Chief Malchow's move to Pay Grade 16, Step 8, effective January 1, 2018.

Resolution 2324A,
Rescheduling
Eastside II Public
Improvements
Hearing

Council Member Althoff stated his understanding of a plan to initiate the bidding process early in the year. Administrator Johnson indicated that an error occurred with regard to distribution of the required published notices. He added that the bidding process would still be conducted relatively soon.

A motion was made by Council Member Carpenter, seconded by

Council Member Dalton and unanimously carried, to adopt Resolution 2324A, rescheduling the Eastside II public improvements hearing for February 20, 2018.

Staff Reports

Director Bergeson reported that the new manager of USAgain had expressed concerns about items that have been put in the drop boxes and has decided to pull the boxes. Director Bergeson discussed plans for a City-wide clean-up day on May 19. Mayor Robinson suggested posting information about the clean-up day.

EMS Chief Malchow expressed appreciation for the approval of his pay grade increase. He reported that the new ambulance would be delivered the following week. He noted that extra work was done on the ambulance in exchange for its use during an EMS trade show in Duluth. He discussed the process of switching over to a new compliance software.

Police Chief McCormick referenced past discussion with regard to the feasibility of a deer hunt within City limits. He reported that research was being conducted with regard to how other communities were handling these types of hunts. He noted that the next step would be to talk with the DNR.

Administrator Johnson expressed appreciation to Fire Chief Anderson for his service and his accomplishments.

Mayor and Council Reports

Council Member Dalton asked who picked up all the discarded Christmas trees this year. Director Bergeson indicated that Gibson Sanitation picked them up as a service.

Council Member Althoff reported that the Planning Commission did not meet in January.

Adjournment

The meeting was duly adjourned at 7:19 p.m.

Adopted by the City Council of the City of Cannon Falls on the 20th day of February, 2018.

Lyman M. Robinson, Mayor

ATTEST:

Lanell Endres, Interim City Administrator