

The Cannon Falls City Council met in a regular session on Tuesday, May 1, 2018, at 6:30 p.m. in the City Council Chambers. Present were Mayor Robby Robinson and Council Members Morris Mattson, Cedar Abadie, Bill Duncan, Ken Carpenter, and John Althoff. Also present were Lanell Endres, Interim City Administrator; Greg Anderson, City Engineer; Nicole Miller, Library Director; Samantha Meyer, Zoning Assistant; and Jeffrey McCormick, Police Chief.

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 Duncan, seconded by Council Member Althoff and unanimously carried, to approve the Agenda as submitted.

Public Input Kyle Paulson from the Cannon Falls Area Chamber of Commerce invited everyone to attend the upcoming Chamber Fun Fest on Thursday, May 10. She commented that more food vendors were needed. Ms. Paulson noted that the flower baskets should be installed around Mother's Day weekend. She added that memorials, honorariums, and donations were being accepted to help cover the cost of the baskets.

Ross Nelson from Welch Mill Tubing and Canoeing, Welch, requested continued permission to use Riverside Park as an access point. He noted that insurance information would be forwarded. Mr. Nelson commented that he would like to be notified if there were any questions or concerns. Mayor Robinson indicated that he had not heard any complaints. A motion was made by Council Member Abadie, seconded by Council Member Mattson, to allow Welch Mill Tubing and Canoeing to use Riverside Park as an access point during the upcoming season. A vote was taken, and the motion carried unanimously.

Public Hearing:
Resolution 2345,
Certifying Unpaid
Utility Charges to be
Collected with Taxes

Interim City Administrator Endres provided background information noting that the purpose of the Public Hearing was to provide citizens impacted by the notification an opportunity to address the Council regarding unpaid utility charges and possible assessments.

Mayor Robinson opened the Public Hearing at 6:35 p.m.

Babe O'Gorman, Cannon Falls, asked whether any Council Members were on the delinquent list. Council Member Abadie commented that this has been known to happen in the past.

No one else came forward to speak during the Public Hearing. The Public Hearing was closed at 6:36 p.m.

A motion was made by Council Member Althoff, seconded by Council Member Carpenter and unanimously carried, to adopt Resolution 2345, certifying unpaid utility charges to be collected with taxes.

Presentation:
2017 Audit
Presentation

Brad Falteysek, a CPA with Abdo, Eick, & Meyers, referenced the Management Letter and the Annual Financial Report. He reviewed the results of the City's 2017 annual financial audit.

Mr. Falteysek summarized the Management Letter. He discussed the responsibilities of Abdo, Eick & Meyers to give an opinion regarding the City's financial statements in accordance with generally accepted accounting principles, including internal controls. He noted that an unmodified / clean opinion had been issued in this regard.

Mr. Falteysek commented that his firm prepared financial statements for the City, noting that his firm does so for approximately 85% of its clients. He noted that the firm believed that everything documented in the financial statements was accurately reported by City staff.

Mr. Falteysek reviewed the audit results. He discussed fund balances and recommendations in terms of fund reserves. He reviewed final budgeted numbers compared to actual numbers.

Mr. Falteysek reviewed sources of general fund revenue to support operations. He also reviewed expenditure categories, noting that the majority of the expenses related to public safety and general government services.

Mr. Falteysek reviewed special revenue fund balances, including the Library Fund, the Cable / Public Television Fund, and the Fire Department Operations Fund.

Mr. Falteysek reviewed capital project funds and debt service funds. He discussed enterprise funds. He recommended monitoring utility funds to ensure that utility rates are covering operating expenses. Utility rate increases were discussed. The Ambulance Fund and Stormwater Fund were reviewed.

Reasons for a deficit in the Deputy Registrar Fund were discussed.

It was noted that the Recycling Fund was doing well in terms of

receipts covering disbursements.

Mayor Robinson expressed appreciation for the services provided to the City by Abdo, Eick, & Meyers.

A motion was made by Council Member Carpenter, seconded by Council Member Abadie, to approve the 2017 Financial Audit as presented. Council Member Abadie asked whether this information was used for budget planning purposes. It was clarified that this information was utilized during the budgeting process. A vote was taken, and the motion carried unanimously.

Consent Agenda

- A. Just and Correct Claims – Accounting Period Ending April 26, 2018
- B. Meeting Minutes for April 17, 2018, City Council Meeting
- C. Resolution 2346, Accepting Donation of \$10.00 from James Rueber to the Library
- D. Resolution 2347, Declaring a Community Festival
- E. Approve Ken Walls Resignation from Fire Department
- F. Approve Todd Anderson Retirement from Fire Department
- G. Approve Website Contract with Municode WEB
- H. Approve Peddlers / Solicitor License for Christopher Abbott

A motion was made by Council Member Carpenter, seconded by Council Member Duncan and unanimously carried, to approve the Consent Agenda as submitted.

O’Gorman Request to Waive Fees

Babe O’Gorman reported that he was attempting to develop several City lots. He discussed platting fees and escrow requirements. He commented that the changes referred to reconfiguration of these lots, which were located in an older section of the City. He noted that these properties have been platted. He indicated that he was told by Community Development Director Dave Maroney that some of the escrow funds would be reimbursed. He stated his understanding that the winery was not required to pay anything.

Council Member Duncan asked about escrow requirements. Interim Administrator Endres provided additional information. She noted that the purpose of the escrow was to cover City costs for outside entities, such as publication costs, survey costs, recording fees, and potentially legal fees. She noted that a set amount was charged to cover these costs, with anything not used being returned to the applicant. Council Member Abadie described escrow as a deposit from which things are paid. Platting fees were discussed.

Mr. O’Gorman commented that he had already paid for survey, legal, and engineering services. Interim Administrator Endres commented that escrows were required for everyone. Mr. O’Gorman expressed his position that some people were not charged fees or required to pay escrow. Council Member Abadie summarized Mr. O’Gorman’s contention that the winery was not being asked to pay any fees and not being required to place any funds in escrow. Mr. O’Gorman stated that this was his understanding. Zoning Assistant Meyer affirmed this statement, adding that this was part of the agreement with the City. Interim Administrator Endres noted that this request was documented on the term sheet that was presented to the City Council. Mr. O’Gorman asked whether this was approved as part of a Consent Agenda. Council Member Abadie stated that the agreement was discussed at length.

Mayor Robinson noted that requests made by the winery were approved by the City Council. He commented that the City Council does have the authority to waive escrow requirements or fees. Mr. O’Gorman commented that he would be paying the same platting fees for four City lots or five City blocks.

Council Member Carpenter commented with regard to Goodhue County requirements. Interim Administrator Endres noted that the purpose of the fees was to cover City staff time for various things that were involved with the application in terms of platting, replatting, and other activities. Council Member Abadie referenced the audit discussion and noted that non-tax sources of revenue, such as fees, help provide City services without increasing the tax burden for citizens. Mr. O’Gorman expressed agreement with this concept.

Mayor Robinson asked about the type of development that was planned. Mr. O’Gorman indicated that he was planning to develop a twin home and three or four single-family homes.

Council Member Abadie asked whether the request was to waive the escrow requirement or waive the costs that would be covered by the escrow funds. Mr. O’Gorman stated that he was asking to be treated the same as the winery. Council Member Abadie asked whether the new development would create new jobs. Mr. O’Gorman indicated that he would employ construction workers. Council Member Abadie stated that entities were sometimes treated differently.

Council Member Duncan asked whether the Council has waived fees or escrow requirements in the past, other than for the winery. Interim Administrator Endres stated that it was not typical practice for the City

to waive fees. She reiterated that the winery was given this opportunity as part of the agreement negotiation process. She stated that other developers have paid fees and provided escrow funds.

Council Member Duncan stated his understanding that Mr. O’Gorman would likely be reimbursed for a significant portion of the escrow funds. Council Member Abadie noted that the escrow funds would be used to pay for actual costs, with the balance returned to Mr. O’Gorman. She referenced Mr. O’Gorman’s letter, which indicated that the excessive fees would negatively impact the affordability of the lots. She asked whether \$1,000 would change the lots from affordable to unaffordable. Mr. O’Gorman indicated that this would have a significant impact. He described the escrow amount as excessive relative to the size of the development.

Council Member Abadie asked about the process for establishing the fee schedule. Interim Administrator Endres provided historical background information. She noted that \$500 was felt to be an average cost for many developments to cover estimated staff time and in-house expenses. Council Member Abadie commented that developers can review the fee schedule in advance and budget appropriately. She spoke in support of a flat rate.

Council Member Mattson asked about the status of the plat. Mr. O’Gorman indicated that he paid for this service. Zoning Assistant Meyer clarified the process. She indicated that the preliminary plat would need to be reviewed by the Planning Commission and then come before the City Council for preliminary approval. She noted that the final plat would need approval by both the Planning Commission and the City Council. She discussed the \$500 preliminary plat fee and the \$500 final plat fee. She noted that the final plat, once approved, would be recorded at the County. She discussed the project timeline. Mr. O’Gorman commented that the surveyor reconfigured the lots, noting that the lots were previously platted.

The purposes of platting fees and the escrow requirements were clarified. Interim Administrator Endres noted that escrow funds do not cover staff time and are used to cover outside expenses.

A motion was made by Council Member Duncan to not waive fees or escrow requirements for the applicant. The motion was seconded by Council Member Abadie. A vote was taken, and the motion carried by a vote of 4:1, with Council Member Mattson voting nay.

Assignment of
Recycling Contract

Interim Administrator Endres provided background information regarding the current recycling contractor, Dale Gibson, indicating that he had sold his business to Waste Management. Mr. Gibson provided additional information regarding his decision to retire and sell the business. He expressed appreciation for the opportunity to have served the City. He reviewed the current recycling contract terms. Mr. Gibson indicated that Waste Management will honor the contract terms. He discussed the upcoming City-wide clean-up activity on May 19.

Council Members expressed appreciation to Mr. Gibson for the services provided to the community. Council Member Abadie referenced discussion of the contract by the Public Works Commission regarding concerns related to customer service provided by Waste Management.

Mr. Gibson noted that he would continue to be involved during the transition and recommended that any concerns be forwarded to him.

Jason Nieson introduced himself as a Public Sector Representative for Waste Management, noting that he would be the contact person for Cannon Falls and the surrounding area. He discussed the transition process. He noted that, if the contract assignment was approved, customer service representatives would be provided with a list of services along with pricing and scheduling information.

A motion was made by Council Member Mattson, seconded by Council Member Duncan and unanimously carried, to approve the assignment of the recycling contract from Gibson Sanitation to Waste Management.

Food Truck Vendors
Downtown

Zoning Assistant Meyer provided background information noting that there has been interest expressed by a food truck vendor, who would like to sell pizza out of a 24-foot long bus in the Downtown area near Tilion Brewing. She referenced the Cannon Falls City Code, which would not currently allow this. She requested guidance with regard to food trucks in the Downtown area. She discussed licensing fees and requirements by other cities.

Council Member Abadie referenced parking considerations along Mill Street. Council Member Duncan commented regarding the potential impacts of the winery expansion project. The potential use of the City parking lot was discussed. Zoning Assistant Meyer noted that ordinance changes would be required in order to allow food truck vendors to operate on City property.

Council Member Abadie referenced discussion by the Public Works Commission and stated that it may be too soon to make a determination. Council Member Duncan suggested waiting a couple of months to see how things evolve in the Downtown area. Mayor Robinson commented that there may be other options for food truck vendors to operate in the City.

A motion was made by Council Member Duncan, seconded by Council Member Carpenter and unanimously carried, to table this discussion.

Staff Reports

City Engineer Anderson provided a project update with regard to the Eastside II bid process.

Library Director Miller discussed upcoming Library events and activities.

Police Chief McCormick discussed burning permits and restrictions. He discussed a mock crash event on May 2 at Cannon Falls High School. He reported that the next Coffee, Cops, & Conversation activity will take place at Hi-Quality Bakery on May 3.

Mayor and Council Reports

Council Member Abadie discussed a recent Public Works Commission meeting, during which it was unanimously recommended to reinstate parking restrictions on Hoffman Street West between Third Street North and First Street North. Chief McCormick requested clarification of the recommended parking restrictions, which was provided.

A motion was made by Council Member Abadie to restrict parking on Hoffman Street West between Third Street and First Street, as outlined. The motion was seconded by Council Member Mattson. Council Member Duncan asked about parking during special events. Chief McCormick provided examples of events during which parking would be beneficial. He commented that he could seek approval to suspend the parking restrictions and cover the signage during these events, if the Council felt that extra parking would be beneficial. Council Member Abadie amended her motion to restrict parking, subject to requests for special event parking initiated by the Police Department or the Public Works Department. Council Member Mattson expressed agreement with the amended motion. A vote was taken, and the motion carried unanimously.

Adjournment

The meeting adjourned at 7:40 p.m.

Adopted by the City Council of the City of Cannon Falls on the 15th day of May, 2018.

Lyman M. Robinson, Mayor

ATTEST:

Lanell Endres, Interim City Administrator