

The Cannon Falls City Council met in a regular session on Tuesday, June 19, 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, John Althoff, and Derek Lundell (after sworn in). Also present were Lanell Endres, Interim City Administrator; Greg Anderson, City Engineer; Samantha Meyer, Zoning Assistant; Nicole Miller, Library Director; Mike Gesme, PEG Access Coordinator; Mike Althoff, 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 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 Carpenter and unanimously carried, to approve the amended Agenda.

Resolution 2367,
Appointment of City
Council Member At this point Mayor Robinson requested discussion of Resolution 2367, appointing a Council Member to fill the vacancy.

Mayor Robinson discussed his recommendation to appoint Derek Lundell to complete the remainder of former Council Member LeRoy McCusker's term, which expires on December 31, 2018.

A motion was made by Council Member Mattson, seconded by Council Member Althoff and unanimously carried, to adopt Resolution 2367, appointing Derek Lundell to fill the vacant City Council seat. Interim City Administrator Endres administered the Oath of Office for Council Member Lundell.

Public Input There was no public input with regard to items not listed on the Agenda.

Consent Agenda

- A. Just and Correct Claims – Accounting Period Ending June 14, 2018
- B. Meeting Minutes for June 5, 2018, City Council Meeting
- ~~C. Resolution 2361, Requesting Speed Study for Goodhue County Road 17 East Within Cannon Falls~~
This item was pulled by Council Member Duncan.
- D. Resolution 2362, Accepting a Donation of \$150 from Gemini to the Fire Department
- ~~E. Introduction and First Reading of Ordinance 361, Amending Chapter 152 of the Cannon Falls City Code, the Zoning Ordinance, Concerning the Zoning Map and Zoning Classification for a Specific Property~~

- This item was pulled by Council Member Duncan.*
- ~~F. Resolution 2365, Variance for 305 Cannon Street West~~
This item was pulled by Council Member Duncan.
- ~~G. Council Chambers Technology Updates~~
This item was pulled by Council Member Althoff.
- H. Appointment of Joe Garbarind to the Library Board
- I. Resolution 2366, Adopting Primary and General Election Judges for 2018 and Setting the Hourly Wages
- J. Appointment of Nate Watson to the Cannon Valley Trail Board
- ~~K. Resolution 2367, Appointing Council Member to Fill Vacancy~~
This item was pulled by Mayor Robinson and discussed earlier in the meeting.
- L. Approve Temporary Liquor License for VFW 4452
- M. Rescue Truck Change Order
- ~~N. Fire Contract – Cannon Falls Township~~
This item was pulled by Council Member Althoff.

A motion was made by Council Member Duncan, seconded by Council Member Carpenter and unanimously carried, to approve the Consent Agenda, minus Items C, E, F, G, K, and N.

Resolution 2363,
Accepting Proposal
on the Sale of
\$3,955,000 General
Obligation Bonds,
Series 2018A,
Providing for their
Issuance and
Pledging for the
Security Thereof
Special Assessments
and Net Revenues
and Levying a Tax for
the Payment Thereof

George Eilertson from Northland Securities provided background information and an update with regard to the bond sale for the East Side II improvement project. He referenced the bond sale report. He reviewed Resolution 2363, relating to the Eastside II street improvement project bonds. He clarified that the amount of the bond sale had been downsized to \$3,920,000. He reported that Standard and Poor's affirmed the City's AA- bond rating, noting that this indicates very strong credit. He noted that the strong bond rating was due to the City's strong budgetary performance with operating surpluses in the General Fund, very strong budget flexibility with an available fund balance at 73% of operating expenditures, and very strong liquidity, combined with the City's proximity to both Rochester and the Twin Cities.

Mr. Eilertson noted that two bids were received, with Robert W. Baird from Milwaukee submitting the low bid. He reviewed the 3.21% true interest cost, adding that this reflected a lower interest rate based upon today's market.

Mr. Eilertson described the reasons for the decreased amount of the bond sale, from \$3,955,000 to \$3,920,000.

A motion was made Council Member Abadie, seconded by Council Member Duncan and unanimously carried, to adopt Resolution 2363, approving the bond sale.

Resolution 2364,
Awarding the Sale of
\$360,000 General
Obligation Equipment
Certificate of
Indebtedness, Series
2018B and Levying a
Tax for the Payment
Thereof

Mr. Eilertson reviewed Resolution 2364, which related to the financing of a fire truck. He noted that a proposal was sent to three local banks. He reported that Merchants Bank submitted a bid, with an interest rate of 4%.

A motion was made by Council Member Mattson, seconded by Council Member Carpenter, to adopt Resolution 2364, awarding the sale of \$360,000 in general obligation equipment certificates. A vote was taken, and the vote carried by a vote of 5:0. Council Member Althoff abstained from the vote, stating that he was a Merchants Bank Board Member.

Sustane Natural
Fertilizer

The City Council had previously requested a representative from Sustane Natural Fertilizer attend the Council meeting to discuss odor issues and the complaints the City was receiving concerning the odors. Blaize Holden from Sustane Natural Fertilizer was present and introduced himself. Mayor Robinson referenced concerns relating to odor issues. Mr. Holden discussed operations at the Sustane facility. He described an exhaust system that emitted water vapor from the drying process. He explained that if the operation was not functioning properly, there could be some burning of granular material that was going into the fertilizer, which would produce smoke and a nuisance odor. He noted that there have been some odor issues off and on over the years, with a small increase in complaints over the past year. He noted that a burner was replaced, as it was hoped that this would eliminate much of the problem. He added that there have been some challenges with the settings on the new burner. Mr. Holder reported that, since receiving complaints over the last few months, significant changes were made to the settings and to the operating procedures. He noted that Sustane tries to be very responsive to odor complaints. He stated that there had been a significant reduction in complaints over the last month, adding that there was more work to be done. He noted that an engineering firm had been hired, which specialized in these types of drying operations, to help develop a more permanent long-term solution.

Council Member Althoff commented that the Sustane website indicated that the product was quality controlled as an EPA permitted composing facility. He asked about quality control assurances in terms of emissions.

Mr. Holden clarified that the compost site has an EPA permit, but the manufacturing plant does not. He stated that the EPA does not regulate odor and that emissions from the facility were well below thresholds that would require any type of air quality permit.

Council Member Althoff commented that the website indicated that Sustane has an in-house lab to test the product. He asked about emissions testing. Mr. Holden noted that the lab tests fertilizer for nutrients, adding that this did not apply to the drying and processing operation. Mr. Holden added that Sustane takes odor complaints very seriously. He stated that a solution to the problem has proven to be very complicated. He noted that Sustane has developed a unique process that continues to be improved.

Council Member Althoff asked whether Sustane was accountable to the federal EPA or to the Minnesota Pollution Control Agency. Mr. Holden indicated that the facility was regulated by the Minnesota Clean Air Act. He stated that the MPCA would have jurisdiction if there was any type of pollution violation. He stated that the MPCA has looked at the exhaust system. He reiterated that the facility was not required to have an air quality permit.

Council Member Althoff indicated that complaints have been received from City residents as well as from residents to the north, east, and west of the plant. He asked about an MPCA contact. Mr. Holden indicated that the MPCA has relayed complaints about odor to the facility at times and stated that he would provide contact information.

Mayor Robinson referenced past discussion of odor complaints and stated his understanding that odor testing equipment was installed. Mr. Holden referenced a past odor study by the City and indicated that equipment was installed to monitor odors. He added that the study report was requested but never received. He stated that more information would be helpful in terms of responding to complaints. He commented that the company appreciates receiving information about complaints, adding that this helps to identify what needs to be done differently to eliminate complaints.

Mayor Robinson asked Police Chief McCormick about the monitoring equipment. Chief McCormick provided additional information with regard to monitoring activities. Mr. Holden noted that the monitoring equipment attempts to quantify the intensity of the odor and allows Sustane to determine whether odors are detectable at the property line.

Mayor Robinson asked whether the public could register complaints via the company's website. Mr. Holden agreed that this would be a good idea. He added that phone numbers have been set up for this purpose. Mayor Robinson expressed appreciation for Sustane's willingness to try to fix the problem as much as possible. Mr. Holden indicated that this was the company's intention.

Mr. Holden noted that all complaints are responded to, especially if specific information is provided about the direction relative to the facility and the time of day.

Council Member Abadie asked about the study report. It was discussed that this information will be researched. Council Member Abadie asked about the consultant that was hired to help manage the process. Mr. Holden noted that representatives of Sustane have been in contact with this consultant over the years, adding that the original consulting firm was sold to a larger firm. He indicated that the consultant was working on an action plan, which would start with a site visit in the near future.

Mayor Robinson suggested that residents continue to report complaints and noted that the City would continue to work with Sustane to try to resolve the issues. Council Member Abadie commented that calls should be directed to the MPCA as opposed to the EPA, adding that the MPCA is very responsive. Mayor Robinson suggested that the study report be located and forwarded to Sustane. Mr. Holden expressed appreciation for the City's willingness to work together, adding that Sustane was an important part of the business community and strove to be a good, responsible neighbor. He reiterated the company's intention to resolve the issue.

July 3 Meeting
Discussion

It was discussed that the next regular city council meeting would fall on July 3. Interim City Administrator Endres referenced discussion of rescheduling or cancelling this meeting. It was noted that there was not an option to hold the meeting at the Cannon Valley Fair this year, as had been done in the past. Mayor Robinson asked whether there were any pressing issues. Interim Administrator Endres indicated that she knew of no issues at this time.

A motion was made by Council Member Abadie to cancel the July 3 meeting and meet only on July 17. The motion was seconded by Council Member Carpenter, a vote was taken, and the motion carried unanimously.

Hiring Public Works
Director

Interim Administrator Endres reported that a subcommittee of the Personnel Committee met the previous week and conducted interviews with five candidates for the Public Works Director position. A recommendation was made to hire Mike Althoff as the Public Works Director. She noted that the hire would be subject to the satisfactory completion of a background check.

Mayor Robinson commented regarding the interview process and referenced information that was included in the Agenda packet. Council Member Duncan expressed support for the recommendation.

A motion was made by Council Member Duncan, seconded by Council Member Mattson, to approve the hiring of Mike Althoff as the Public Works Director, subject to the successful completion of a background check. A vote was taken, and the motion was approved by a vote of 5:0, with Council Member Althoff abstaining. Mike Althoff expressed appreciation for the opportunity.

Resolution 2361,
Requesting Speed
Study for Goodhue
County Road 17 East
Within Cannon Falls

Council Member Duncan indicated that he brought down Resolution Number 2361 regarding the speed study issue due to some apparent confusion about the purpose of the speed study. Chief McCormick provided background information and noted that Police Lieutenant Berg posted information on the Police Department Facebook page. He discussed concerns about speed and pedestrian safety and referenced past discussion of a walking path. Council Member Duncan stated his understanding that, following the speed study, there would be future opportunities for citizen input regarding potential solutions, such as a walking path or trail connection. Chief McCormick clarified that Resolution 2361 would initiate a request for MnDOT to conduct a speed study, which may or may not be approved. Council Member Althoff spoke in support of the speed study request. Potential speed limit reductions were discussed. Chief McCormick indicated that the Facebook post was meant to inform the public that this issue was being evaluated. He reiterated that the purpose of Resolution 2361 would be to request a speed study. He noted that, if MnDOT decided to conduct the study, no advance notice would be provided, so as not to influence the results of the study.

Mayor Robinson suggested, in the meantime, that citizens continue to provide input to Goodhue County Commissioner Brad Anderson about a potential walking path or trail connection. Council Member Duncan commented that County cooperation would be needed if a pedestrian path or trail was within the County right-of-way. It was suggested that the City and the County work together on a potential project.

Ken Allen, 109 Trillium Court, Cannon Falls, commented that there have been two waves of development in this area. He stressed the importance of a speed study and cited safety concerns. Chief McCormick and Council Member Duncan discussed the road design and elevation considerations. It was discussed that private property abuts the roadway.

Mayor Robinson suggested adding this topic to a future meeting Agenda.

A motion was made by Council Member Duncan, seconded by Council Member Abadie and unanimously carried, to adopt Resolution 2361, requesting a speed study.

Introduction and First Reading of Ordinance 361, Amending Chapter 152 of the Cannon Falls City Code, the Zoning Ordinance, Concerning the Zoning Map and Zoning Classification for a Specific Property

Council Member Duncan indicated that he brought down Ordinance 361 due to concerns expressed by neighbors about noise coming from the Raw Bistro facility. Council Member Althoff summarized discussion by the Planning Commission. He reported that the Planning Commission approved the variance request and recommended the rezoning, with reservations. He reported that concerns about semis loading during off hours and noise were discussed. He noted that additional information was requested from the owner of Raw Bistro.

Zoning Assistant Meyer provided additional information. She reported that the rezoning request was approved by the Planning Commission, subject to Raw Bistro supplying more solid information relating to the decibel levels. She noted that there have been complaints from neighbors about the existing temporary trailer. She reported that no additional information had been submitted at this point.

Justin Magnuson from Raw Bistro indicated that the owner, Pat Greene, requested that he attend the meeting on her behalf, as she was unable to attend. He reported that information was received from John Riester, owner of Riester Refrigeration, adding that this information did not include specific decibel levels. He noted that Mr. Riester indicated, based on the layout, that the noise level should be lower than the current level. The information was provided to Zoning Assistant Meyer.

Council Member Duncan asked about a potential cooperative building project in the industrial park to provide refrigeration. Mr. Magnuson referenced discussion of a freezer warehouse, stating the Raw Bistro would be interested in utilizing this type of facility. Council Member Althoff referenced discussion of this project by Ms. Greene during the Planning Commission meeting.

Zoning Assistant Meyer reviewed the documentation that was provided, including a letter from John Riester indicating that, with the addition of the new freezer, the condenser unit would not exceed the noise levels of what had been in place for 30 years. It was noted that

the temporary semi-trailer would be removed. It was discussed that there were very few, if any, noise complaints before the use of the semi-trailer.

Council Member Duncan asked whether the fans would face the river. Mr. Magnuson described the location of the current compressor units and the proposed layout for the new freezer. Council Member Duncan commented with regard to a townhome development across the river.

Mayor Robinson commented that Raw Bistro worked with David Olson to lessen the current level of noise.

Council Member Abadie requested clarification of the requested Council action. She stated her understanding that the request was to approve the first reading of Ordinance 361, with a condition that specifications on noise levels generated by the new addition be provided prior to the second reading. Zoning Assistant Meyer indicated that this condition had now been satisfied.

A motion was made by Council Member Duncan to approve the introduction and first reading of Ordinance 361. The motion was seconded by Council Member Carpenter, a vote was taken, and the motion carried unanimously.

Resolution 2365,
Variance for 305
Cannon Street West

Council Member Duncan indicated that he pulled Resolution 2365 regarding a variance for 305 Cannon Street West, as it was connected to the Raw Bistro discussion.

A motion was made by Council Member Duncan, seconded by Council Member Abadie and unanimously carried, to adopt Resolution 2365 relating to the variance for Raw Bistro.

Council Chambers
Technology Updates

Council Member Althoff asked whether the technology updates being requested had been budgeted. PEG Access Coordinator Mike Gesme reported that technology upgrades were included in the 2018 budget from the cable television fund.

A motion was made by Council Member Althoff, seconded by Council Member Mattson and unanimously carried, to approve the technology updates for the Council Chambers.

Fire Contract

Council Member Althoff requested additional information with regard to the fire contract with Cannon Falls Township. Fire Chief Althoff provided background information and reviewed the contract terms. He reported that the State Fire Marshal's Office reviewed and

approved the contract language. The per-call rate was discussed. Chief Althoff indicated that these charges were almost always covered by insurance companies. He discussed the mutual aid agreement structure.

A motion was made by Council Member Althoff, seconded by Council Member Mattson and unanimously carried, to approve the fire contract with Cannon Falls Township.

Staff Reports

City Engineer Anderson provided an update with regard to the Eastside II street improvement project. He discussed tree removal. Council Member Duncan relayed a question from a property owner about a tree that was located on an alley, stating his understanding that the property owner had been experiencing sewer problems. Mr. Anderson reported that an open house was held with residents the prior week. He noted that the property owner would be working with the contractor on these issues. Council Member Duncan asked about the cost of tree removal, and Mr. Anderson indicated that this would be part of the project costs.

Library Director Miller discussed the summer reading program at the Cannon Falls Library. She provided an update regarding ongoing leak problems and other building issues. Drainage issues were discussed.

Mayor Robinson asked about the staff entrance door problem. Director Miller reviewed a quote from Red Wing Glass to fix a problem with the panic bar. Chief McCormick discussed past repairs and consideration of replacing the panic bar at this point. He stated that the locksmith indicated that the door itself was structurally sound but identified the panic bar issue. Director Miller expressed agreement with replacing the panic bar.

Chief McCormick discussed the upcoming Cannon Valley Fair. He noted that the prior year the Police Department worked with the Fair Board to resolve parking issues by utilizing some of the surrounding park space. He requested Council consensus in this regard. Council Members expressed no concerns regarding this approach for this year's Cannon Valley Fair.

Interim Administrator Endres provided election reminders. She reported that absentee voting for the primary election would begin on June 29. She discussed the candidate filing period for City Council seats, which would run from July 31 through August 14. She noted that the primary election would be held on August 14, with the general election on November 6.

Interim Administrator Endres noted that she would be unable to attend the July 17 Council meeting, adding that Community Development Director Dave Maroney would be in attendance.

Council Member Duncan reported that the start date for the new Public Works Director would be August 6. He welcomed Mike Althoff to the position and asked about fire training on Tuesday evenings. Chief Althoff indicated that he would work out any scheduling conflicts, noting that fire training typically begins at 7:30 p.m.

Council Member Abadie requested a formal correction to a mistake of fact that was unfortunately entered into the public record. She referenced a past discussion of parking issues, at which time the width of Hoffman Street was reported to have remained the same at 36 feet following street reconstruction. She noted that this statement was incorrect and clarified that the current width of Hoffman Street was 32 feet, with 4 feet of width having been lost during the street reconstruction project.

Council Member Abadie discussed a recent Public Works Commission meeting, during which Hardwood Way was discussed, which was shared with Cannon Falls Township. She reported that the Public Works Commission unanimously recommended accepting the bid from Anderson Rock & Lime to install three inches of class 5 gravel with water and chloride, and have it graded. She noted that the \$9,375 cost would be split between the City and the Township. She asked whether Council action was required to accept the bid. Interim Administrator Endres indicated that general maintenance was included in the Public Works budget and would not need Council approval.

Council Member Lundell expressed appreciation for the opportunity to serve on the City Council.

Council Member Carpenter discussed a recent Park Board meeting. He noted that the Park Board recommended moving forward with a dog park project.

Council Member Mattson congratulated Council Member Lundell on his appointment and Mike Althoff for being hired as the new Public Works Director. He referenced the Raw Bistro discussion and commented that it is good to hear about business expansion.

Mayor Robinson echoed the congratulatory remarks made by Council Members. He also thanked Nate Watson for joining the Cannon Valley Trail Board. He stated that all of these positions were important to the community.

Adjournment The meeting adjourned at 7:44 p.m.

Adopted by the City Council of the City of Cannon Falls on the 17th day of July, 2018.

Lyman M. Robinson, Mayor

ATTEST:

Lanell Endres, Interim City Administrator