

The Cannon Falls City Council met in a regular session on Tuesday, December 3, 2019, at 6:30 p.m. in the City Council Chambers. Present were Mayor John Althoff and Council Members Morris Mattson, Bill Duncan, Derek Lundell, Mary Jill Bringgold, Matt Montgomery, and Steve Gesme. Also present were Dave Maroney, City Administrator; Lanell Endres, Finance Director; Greg Anderson, City Engineer; Mike Althoff, Fire Chief; Nicole Miller, Library Director; Joe Berg, Police Lieutenant; and Jeff McCormick, Police Chief (arrived at 6:35 p.m.).

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

Roll Call                        All members were present.

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

Approval of Agenda        Mayor Althoff requested moving the Fire Department pension increase discussion immediately following the budget discussion.

A motion was made by Council Member Bringgold, seconded by Council Member Mattson and unanimously carried, to approve the Agenda, with the change in order as discussed.

Public Hearing  
Resolution 2451,  
Adopting 2020 Tax  
Levy and Budget            Finance Director Endres noted that during this meeting, time would be set aside for public input regarding the proposed 2020 budget and commented that several budget work sessions had been conducted.

Finance Director Endres provided an update regarding the proposed 2020 budget. She noted a preliminary increase in the net tax capacity value of 3.6%, as reported by Goodhue County. She noted that no general obligation bonds were issued during 2019 and that staffing levels were proposed to remain the same. She discussed an approximately 9.5% increase in health insurance premiums. She discussed a planned mill and overlay project.

Finance Director Endres noted that the purpose of the Public Hearing would be to discuss the proposed 2020 budget and levy, adding that property tax valuations were discussed during the Board of Equalization and Adjustment meeting held this past Spring.

Mayor Althoff opened the Public Hearing at 6:34 p.m.

Adam Peters, Cannon Falls, asked whether a consensus was reached regarding the tax levy. Mayor Althoff reported a proposed increase of 4.01%. Mr. Peters commented that he was in agreement with this percentage and expressed appreciation to City Council Members for their careful consideration of the budget and levy.

No one else came forward to speak during the Public Hearing. The Public Hearing was closed at 6:35 p.m.

A motion was made by Council Member Lundell, seconded by Council Member Montgomery, to adopt Resolution 2451, approving the 2020 tax levy and budget. The motion carried by a vote of 4:2, with Council Members Lundell, Mattson, Gesme and Montgomery voting aye and Council Members Bringgold and Duncan voting nay.

Fire Relief  
Pension Increase

Administrator Maroney provided background information regarding the Fire Relief Association pension increase request. He stated that the proposal had been reviewed with City consultants to ensure adequate fund balances and compliance with State statutes. He noted that, in the event that there were insufficient funds to pay the pensions, the City of Cannon Falls would be obligated to make up the difference.

Fire Chief Althoff noted that the pension fund was governed by a Board of Trustees and that an accounting firm ensured that the guidelines were met. He provided rationale for the requested \$200 increase for each retiree. He noted that, even with the increase, the fund would remain over-funded.

Council Member Duncan spoke in support of the \$200 increase. He asked what would happen in the event that the fund was unable to sustain the increased amount. Chief Althoff stated that pension amounts have historically never been decreased. He commented that the only time the fund could completely be depleted would be if something tragic happened or if every vested firefighter decided to retire in the same year. He stated that the fund had been well managed from an investment perspective and provided additional details in this regard.

Council Member Bringgold asked if this increase would only affect people who were going to retire or if it was a raise for people who had already retired. Chief Althoff explained that this would only be for current members and that there was a lump sum paid out at age 50 for members who retire. The time frame to become fully vested was reviewed.

A motion was made by Council Member Bringgold, seconded by Council Member Montgomery and unanimously carried, to approve the Fire Department pension increase from \$2,500 to \$2,700 per year.

Consent Agenda

- A. Just and Correct Claims – Accounting Period Ending November 26, 2019
- B. Meeting Minutes for November 19, 2019, City Council Meeting
- C. Meeting Minutes for November 19, 2019, City Council Work Session
- D. Meeting Minutes for November 25, 2019, City Council Special Meeting
- E. Meeting Minutes for November 25, 2019, City Council Work Session
- F. Approve New Liquor License for Chuggers
- G. Appointment of David Dyson to Library Board
- H. Approve Application for Payment No. 7 for 2018 Street Improvement Project

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

Sandstone Ridge  
Development Project

Administrator Maroney referenced past discussion regarding the Sandstone Ridge development project. He reported that SEMMCHRA had submitted a petition to the City, requesting that the City Council proceed with consideration of vacating certain street rights-of-way and easements within the Sandstone Ridge development. He reviewed the supporting documents, including the petition and an accompanying map. He detailed next steps, including the scheduling of a Public Hearing, potential vacation of certain street rights-of-way and easements, and completion of a quiet title process. He reviewed several potential options for future potential land uses.

A motion was made by Council Member Gesme, seconded by Council Member Bringgold and unanimously carried, to receive the petition and authorize the scheduling of a Public Hearing in January.

Council  
Committees/  
Commissions Reports

Kyle Paulson, President of the Cannon Falls Area Chamber of Commerce, expressed appreciation to everyone in the community who came out for the Deck the Falls festivities, to the Police Department for taking care of traffic, and to the volunteers who assisted with all of the activities. She invited everyone to attend and assist again next year. She provided an update of all the activities and read a list of sponsors and invited everyone to express appreciation to these sponsors.

Council Member Mattson commented that he received many positive comments regarding the fireworks display at the Deck the Falls event.

Council Members agreed that this was a great event for Cannon Falls.

Mayor Althoff commented that there was a good turnout and the fireworks were very nice. Ms. Paulson stated that she heard from many local business owners that they were very busy during this event.

Staff Reports

City Engineer Anderson noted that payout No. 7 for the East Side II Project was approved as part of the Consent Agenda. He provided background information on this project and what remained to be completed. He reviewed issues with one driveway. He asked if the Council would be amenable to a final payment to close out the project.

Council Member Bringgold asked City Engineer Anderson if the dollar amount that would be needed to fix this driveway was significant enough to keep the project open. City Engineer Anderson provided an explanation of the improvements that have been made to the driveway and cul-de-sac in question, and commented that he did not feel it really could be further improved.

Council Member Duncan expressed support for closing out the contract, noting that he did not feel there was a financially responsible method of further improving this driveway.

Council Member Bringgold commented that she felt if anything further could be done for the driveway, it could be addressed later. She stated her opinion that it would not be worth holding the project open.

City Engineer Anderson stated that he would submit information to the Council in January to close out the project.

Library Director Miller provided an update of upcoming activities.

Police Lieutenant Berg issued a reminder with regard to upcoming Coffee, Cops, and Conversation and Triad events and provided details.

Administrator Maroney noted that the application period had closed for the Utility Billing Clerk position, with 20 applications being received.

Administrator Maroney provided an update regarding the agreement with Novel Energy Solutions.

Administrator Maroney expressed appreciation to all of the department heads for their assistance with the budget, with special thanks to Finance Director Endres.

Mayor and Council  
Reports

Mayor Althoff commended the Public Works Department for their efforts during recent winter storms. He also expressed appreciation to Finance Director Endres and the department heads for all their efforts during the budget process.

Mayor Althoff provided an update regarding the employee appreciation luncheon held earlier that day and noted that service awards were awarded. He reviewed a list of the recipients of these service awards and expressed appreciation to all of these employees:

Tony Haan – 5 years  
Sulo Kyyra – 5 years  
Ted Hartgers – 10 years  
Lola Meyers – 10 years  
Michelle Sandeen – 15 years  
Chuck Widholm – 15 years  
Chuck Peterson – 20 years  
Judy Miller – 30 years

Mayor Althoff asked Lieutenant Berg about cars parked on the street when Public Works was trying to plow snow. Lieutenant Berg noted that there were difficulties with this, adding that the Police Department tries to post on social media for the public to remove their cars from the street so they do not have to be towed.

Public Input

Mayor Althoff reviewed the public input process. No one came forward to speak.

Adjournment

A motion was made by Council Member Duncan, seconded by Council Member Mattson and unanimously carried, to adjourn the meeting. The meeting adjourned at 7:06 p.m.

Adopted by the City Council of the City of Cannon Falls on the 17<sup>th</sup> day of December, 2019.

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John O. Althoff, Mayor

ATTEST:

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David Maroney, City Administrator