

The Cannon Falls City Council met in a regular session on Tuesday, May 5, 2020, at 6:30 p.m. in the City Council Chambers. Present were Mayor John Althoff and Council Members Bill Duncan, Mary Jill Bringgold, Morris Mattson (remotely), Derek Lundell (remotely), Matt Montgomery (remotely), and Steve Gesme (remotely). Also present were Neil Jensen, City Administrator; Wes Anway, Interim Public Works Director (remotely), Greg Anderson, City Engineer (remotely); and Laura Qualey, Community and Economic Business Specialist (remotely).

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| Call to Order | Mayor Althoff called the City Council meeting to order at 6:30 p.m. |
| Roll Call | Roll call was conducted. All members were present. |
| Pledge of Allegiance | Mayor Althoff led the recitation of the Pledge of Allegiance. |
| Approval of Agenda | A motion was made by Council Member Duncan, seconded by Council Member Mattson and unanimously carried, to approve the Agenda. |
| Presentation:
2019 Audit
Presentation | <p>City Administrator Neil Jensen introduced Bonnie Schwieger, Audit Manager from Abdo, Eick & Meyers. Ms. Schwieger, attending remotely, reviewed the results of the City's financial audit with the aid of graphs and illustrations. She noted that this was a very clean audit. She discussed compliance with Minnesota statutes, noting that there were no legal compliance issues. She discussed internal controls in terms of the preparation of financial statements, adding that there are sufficient checks and balances in place.</p> <p>Ms. Schwieger referenced the City's policy in terms of the general fund balance. She reviewed budget variances relating to revenue and expenditures. She noted a revenue variance related to reimbursement of tornado damage expenses incurred in 2018.</p> <p>Ms. Schwieger also provided a detailed explanation of other City funds, including capital project and special revenue funds. She discussed the Alexander Court project fund, noting a plan to take care of the current negative balance. She reviewed the City's debt service funds along with outstanding bond principle and interest payments over the next 10 years. She reviewed enterprise funds, the Deputy Registrar fund, and recycling funds.</p> <p>Ms. Schwieger reviewed key ratios comparing Cannon Falls to similar sized cities.</p> <p>Administrator Jensen asked Ms. Schwieger to define the size range for Class 4 cities. She stated her understanding that a Class 4 city</p> |

has a population range of 2500 to 5000, adding that Cannon Falls is near the top of this range.

Mayor Althoff commented that the City has been struggling with water and sewer rates over the last couple of years and requested a recommendation. Ms. Schwieger provided additional information in this regard, noting several factors that should help determine the rates, including infrastructure needs and future capital projects. She suggested consideration of an updated water rate study.

Council Member Mattson and Mayor Althoff commented that a lot of money needs to be spent on the water towers, noting that this expense has been estimated in excess of a million dollars. Ms. Schwieger provided an explanation of how this expense could be covered, such as issuing bond debt. She described other potential capital and maintenance costs and how these could be planned for in the future.

Administrator Jensen and Ms. Schwieger expressed appreciation to City staff for their assistance with the audit process. Mayor Althoff thanked Ms. Schwieger for the presentation.

A motion was made by Council Member Bringgold, seconded by Council Member Duncan and unanimously carried, to approve the audit results provided by Abdo, Eick, and Meyers.

Consent Agenda

~~A. Just and Correct Claims—Accounting Period Ending April 30, 2020~~

This item was pulled by Mayor Althoff

- B. Meeting Minutes for April 21, 2020, City Council Meeting
- C. Resolution 2478, Accepting a Donation of \$150,000 from Economic Initiatives of Cannon Falls for the Cannonball Project
- D. Approve 2020 Mill and Overlay Project

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

Council Business:

Approve Combined
Farmers Market
Location

Administrator Jensen provided background information. He stated his understanding that in the past there have been two farmers markets operating in Cannon Falls. He requested Council discussion of this matter, in light of the COVID-19 pandemic and other factors. He

commented that having two farmers markets has resulted in challenges for the market manager.

Administrator Jensen described the differences between the Artisan Plaza market and the Downtown market. He discussed concerns related to parking, pedestrian flow, and safety at the Downtown location. He referenced liability considerations.

At this point Mayor Althoff invited the public to provide comments.

Tim Mahle spoke on behalf of vendors from the Downtown farmers market. He noted that he has been a vendor at this market since 2005. He stated that he and other vendors have built a clientele who are accustomed to this location. He discussed the economic value of this market to the community and the value of this location as a vibrant community gathering spot. He reviewed a proposal for his wife, Jody Mahle, to become the market manager and described her credentials. He expressed his hope that the Downtown farmers market will be able to work with the City and the Chamber of Commerce to ensure compliance with legal requirements and resolve any concerns. He added that Downtown farmers market vendors have been planning for this season based on past customer volumes. He suggested that the farmers market be allowed to operate in the Downtown location for this season, with a review of the reorganized market in the fall of 2020.

Rosie Schluter, Stanton Township, stated that she and her husband, Paul, helped start the Downtown farmers market many years ago. She noted that this market brings people into town, who spend money at local businesses.

Council Member Duncan noted that the Downtown location is not zoned for farmers market use, so the zoning would need to be changed. He expressed concerns regarding safety. He commented that he did not see the need for two farmers markets in Cannon Falls. He stated that the Artisan Plaza farmers market is licensed with the Minnesota Department of Agriculture as a food aggregation business. He expressed his belief that it would make sense to have one farmers market, at the Artisan Plaza location.

Council Member Bringgold commented that she feels strongly about both perspectives. She indicated that she participated in the Downtown farmers market in the past. She commented that, other than the liability issue, the other big issue relates to sharing the City parking lot with trail users on busy Saturday mornings. She

commented that things are a lot different now than when the Downtown farmers market first started. She expressed agreement that, although she likes the Downtown farmers market, there should only be one location, at Artisan Plaza.

Mayor Althoff referenced past discussion of perhaps having the Downtown farmers market open on Wednesday nights and the Artisan Plaza farmers market open on Saturdays.

Council Member Lundell expressed agreement with comments that were made, adding that Mr. Mahle's comments also made a lot of sense. He stated his opinion that a farmers market should be located in the Downtown area, as opposed to the farthest southern edge of town. He stated that the Artisan Plaza location benefits only one store, whereas the Downtown location benefits many local businesses. He expressed agreement that there should be only one location, stating his opinion that this location should be in the Downtown area. With regard to the parking issue, he commented that trail users have plenty of places to park.

Mayor Althoff commented with regard to liability issues and the continued need for social distancing.

Council Member Bringgold asked whether the Artisan Plaza location offers drive-through service. Mayor Althoff stated that people have to park and walk through the market.

Mayor Althoff commented that he added this item to the Agenda so that a decision can be made at this time.

Council Member Duncan reiterated his concerns regarding liability and zoning.

Council Member Bringgold inquired whether farmers markets will be allowed at all during the current pandemic.

Council Member Gesme expressed concerns that the Downtown farmers market has been allowed to operate for many years, with no zoning issues being raised. He noted that a lot of people and businesses would be impacted by this decision.

Council Member Lundell noted that zoning can be changed very easily. He commented that the City has expressed a desire to help Downtown businesses in the past. He reiterated that if the Downtown

farmers market is moved, multiple businesses would be adversely impacted.

Council Member Montgomery expressed agreement with comments made by Council Members Lundell and Gesme. He discussed the value of small town charm and walkability. He stated his opinion that the parking lot is large enough to spread things out and keep people safe.

Council Member Mattson discussed the pros and cons of the two locations. He suggested further researching the issues and addressing this topic again in the fall.

Council Member Bringgold asked if there are vendors who participate in both locations. Council Member Mattson indicated that some vendors participate in both market locations. Council Member Bringgold referenced past discussion of having markets in two locations and asked about the fees. Council Member Mattson noted that the fee is applicable for both markets.

Mayor Althoff commented that this matter was discussed last year, and it had been decided to look at it further this year.

Council Member Lundell asked about the number of vendors at each location. Mayor Althoff and Council Member Bringgold provided information in this regard.

Market vendor Sue Josephson provided additional information relating to the number of vendors, noting that the Downtown farmers market lost some vendors when fees were instituted. She noted that Downtown farmers market vendors are required to carry liability insurance. She commented that the City parking lot is not full on Saturday mornings, adding that the market is only open until noon. She commented that trail users often visit the market.

A motion was made by Council Member Duncan to make the Artisan Plaza the sole location for the Cannon Falls farmers market. The motion died due to the lack of a second.

A motion was made by Council Member Montgomery to make Downtown the sole location for the Cannon Falls farmers market. The motion died due to the lack of a second.

It was noted that the Artisan Plaza receives grant money, as it is a Minnesota Department of Agriculture approved market. Council

Member Duncan noted that if the Artisan Plaza location is discontinued, two people who currently assist with this market have indicated that they would no longer be willing to provide assistance due to liability and safety concerns.

A motion was made by Council Member Bringgold, seconded by Council Member Gesme, to keep the two locations for the 2020 season, conduct further research, and then address this issue again in the fall.

Council Member Duncan asked Administrator Jensen if there are any other cities the size of Cannon Falls that have multiple farmers markets. Administrator Jensen indicated that he had no information in this regard. Mr. Mahle commented that Northfield has two markets. Council Member Duncan commented that Northfield is much larger than Cannon Falls.

A vote was conducted, and the motion carried by a vote of 5:1, with Council Members Lundell, Mattson, Bringgold, Montgomery, and Gesme voting aye and Council Member Duncan voting nay.

Council Member Mattson asked if the \$100 fee would still be charged, and it was confirmed that this would be the case.

Just and Correct
Claims – Accounting
Period Ending April
30, 2020

Mayor Althoff questioned a \$750 expense for cleaning the windows at the Library, stating that this charge seemed high. Council Member Duncan asked how many times a year this is done. Council Member Bringgold stated that this is probably done in the spring and fall, adding that she was not sure. Administrator Jensen expressed his understanding that this is done once per year. Mayor Althoff reiterated his opinion that this charge was high. Council Member Bringgold commented that there are a lot of windows at the Library, that professional window cleaning services are expensive, and that the bill has already been paid.

Council Member Duncan indicated that he had a question with regard to the payroll expense. He commented that, as a result of the pandemic situation, the State's revenue will decrease. He noted that the City may not receive as much LGA as it has in the past and may experience other financial challenges. Council Member Duncan asked about the status of Library employees.

Council Member Montgomery referenced a recent Library Board meeting, during which it was discussed that 80% of Library staff duties can be done during the time that the Library is shut down, as

this is administrative work. He suggested contacting Library Director Miller with any questions.

Council Member Duncan commented he would like to see the Library work in conjunction with the rest of the City, so everyone is on the same page. He reiterated that the City's revenue will likely be down for 2020 and 2021. He referenced discussions last fall regarding the Police Department budget. He discussed the Police Department's payroll, stating his opinion that this department is top heavy in terms of administration. Council Member Duncan stated that it would behoove the City to try to cut costs sooner rather than later.

A motion was made by Council Member Duncan, seconded by Council Member Bringgold and unanimously carried, to approve the just and correct claims for the accounting period ending April 30, 2020.

Reports:
Council
Committees/
Commissions

Council Member Gesme discussed a recent Public Works Commission meeting. He noted that the pool opening was discussed, adding that this topic will be discussed again on Thursday, May 7, during the next Public Works Commission meeting. He also noted that the water usage at the winery was discussed, related to a water softener issue. He stated that it was decided that this was not the City's issue. It was suggested that the winery discuss this issue with its insurance company or the water softener vendor.

Council Member Gesme stated that new compost site rules were discussed by the Public Works Commission. Interim Public Works Director Anway discussed signage in this regard. He noted that bids were requested for the new signage, adding that the final costs will be forwarded for City Council review.

Council Member Gesme stated that the mill and overlay project was also discussed by the Public Works Commission, and it was recommended that the project proceed. The project area and estimated costs were discussed. Inclusion of the Public Safety Building parking lot in the project was discussed.

Council Member Duncan stated his opinion that the pool may not be able to open this season. He asked how much lead time would be needed for the pool to open.

Council Member Gesme stated that this was discussed at length during the Public Works Commission meeting, and it was decided

Public Works would need three weeks to open the pool. He added that it was decided to work on this as if it will be opened, with a final decision to be discussed on May 7. Interim Director Anway stated that he has not been putting any effort toward working to open the pool, as he did not want to spend unnecessary resources. He confirmed that it would take 3 to 4 weeks to get the pool ready to open. He stated that if he is directed to proceed with patching and painting, the pool could possibly open in 1-1/2 to 2 weeks.

Council Member Montgomery commented that the Pool Committee will wait until after the Public Works Commission meeting on May 7 to make a final recommendation regarding a new pool.

Council Member Bringgold asked if there has been any guidance from the State regarding public swimming pools.

Council Member Montgomery stated that he contacted the League of Minnesota Cities, noting that the information he received was that a lot of cities are waiting to see how the situation evolves and whether the stay at home order is extended.

Council Member Duncan commented that he did not know how social distancing could be accomplished in a pool. He referenced a discussion that was undertaken during the last Council meeting, during which it was suggested that this decision be made as soon as possible, in order to be fair to seasonal employees.

Council Member Montgomery noted that these issues are being discussed by the Public Works Commission, suggesting that this would be a better forum for this discussion than the City Council meeting. Council Member Duncan commented that the City Council may need to make the final decision.

Mayor Althoff expressed appreciation to Interim Director Anway and the Public Works Department for things looking very good at the compost site.

Council Member Gesme reported that the Public Works Commission also discussed a potential park at the site of the former hospital. Interim Director Anway stated his understanding that the Park Board will be discussing park planning activities during an upcoming meeting. Council Member Montgomery indicated that this will be a primary topic of discussion during the next Park Board meeting.

Council Member Mattson referenced past discussion and asked whether the City will be responsible for installing the equipment, or if this would be done by the equipment vendor. Interim Director Anway provided additional information in this regard.

Council Member Gesme reported that the Public Works Commission also discussed replacement of the some of the garbage cans in the Downtown area. He noted that septic issues relating to a Cedar Hills property were also discussed. He added that he would discuss issues relating to the West Side II street reconstruction project later during the meeting.

Council Member Bringgold noted that she did not attend the last Library Board meeting. She stated her understanding that some Library employees are working from home, adding that curbside services are being offered at this time. She commented that the Library operates and is governed differently from other City departments.

Staff

Community and Economic Business Specialist Qualey reported that she and Council Member Montgomery will be interviewing Cannon Falls businesses and compiling a video spotlighting how local businesses have been coping with the COVID-19 pandemic.

City Engineer Anderson further discussed the mill and overlay project, noting that more information will be provided in June.

Interim Director Anway discussed current and upcoming Public Works projects. He indicated that he has requested monthly budget reports from Administrator Jensen. He stated that Public Works will move forward with pool planning as directed.

Mayor and Council

Council Member Gesme commented regarding the West Side II project, stating that he feels badly for the residents in this area. He stated his opinion that the City Engineer and the contractor did not fulfill their duties to the City. He stated that he is unaware of any ramifications, adding that it is City Council's job to try to make things right.

Council Member Gesme also stated that he has been contacted by residents regarding rebates from the City due to the COVID-19 pandemic. He commented that the City should be careful what they promise people, as this is unchartered territory.

Council Member Gesme noted he had also been contacted with complaints regarding Sustane and requested an update in this regard.

Council Member Montgomery reported that John Burch Park will be lit up on Wednesday night at 8:20 p.m. (2020 hours) for 20 minutes and 20 seconds to honor the Class of 2020. He encouraged the public to participate, while maintaining social distancing.

Council Member Montgomery reiterated that the Park Board will be scheduling a meeting to discuss park planning.

Council Member Montgomery discussed a recent Cannon Valley Trail Board meeting, during which it was noted that, even with the three bridges being closed due to construction, just over \$1,000 more in trail passes have been sold this year compared with the same time span last year. He noted that people from as far away as the northwest Metro area are coming down to enjoy the trail. He stated the barriers are still up, with a soft opening planned for mid-May and an official grand opening planned during the second week of June.

Council Member Lundell noted that he has also had received complaints regarding Sustane and the odor being really bad again. He stated his opinion that, if invited to address this, Sustane representatives would offer the same excuses they have for years. He stated that the City should come to the realization that this business cannot operate without emitting an odor, and the City needs to decide what to do about it.

Administrator Jensen stated that he compiled a spreadsheet at the request of Mayor Althoff on water and sewer utility usage for the months of March and April of 2019 and 2020 to see if there were decreases or increases. He stated that the data indicate increases in both sewer and water usage for both commercial and residential properties.

Administrator Jensen noted that Council Member Mattson had requested an update on the Highway 19 project during a past City Council meeting. He stated that there had been a Public Hearing. He summarized a conversation he had with the project manager, who plans to conduct individual interviews with business and residents this summer to hear their concerns. He noted that the bid date is December 2021, with construction starting during the summer of 2022. He commented that he could invite the project manager to attend a future City Council meeting.

Administrator Jensen provided an update regarding Sustane. He summarized a recent discussion of these issues with Blaize Holden.

Administrator Jensen referenced a grant that had been secured previously for an extension of the bike trail through Hannah's Bend Park, noting that the State is requiring an archeological survey. He stated that he is in the process of soliciting bids for this survey, in order to move forward with this project.

Mayor Althoff noted that this project definitely needs to move forward. He expressed concerns regarding recent comments made by Minnesota Governor Tim Walz relating to the anticipated budget deficit. He discussed the adverse impact of potential LGA cuts on the City of Cannon Falls.

Public Input

Mayor Althoff reviewed the public input procedure.

Babe O'Gorman, Cannon Falls, commented that he was in attendance at the recent Public Works Commission meeting. He expressed disappointment regarding the handling of concerns relating to the West Side li project. He stated that the project specifications called for the installation of at least four inches of black dirt, which was not done. He added that the specifications did not require sod watering by residents. Mr. O'Gorman also discussed concerns relating to the replacement of lead utility lines with copper lines.

Mr. O'Gorman discussed concerns relating to other projects, including water run-off and roof issues at the Library, and concerns relating to Limestone Road and Sandstone Ridge. He provided examples of how SEH and City Engineer Anderson have failed the City.

No one else came forward to provide public input.

Adjournment

A motion was made by Council Member Duncan, seconded by Council Member Lundell and carried unanimously, to adjourn the meeting. The meeting adjourned at 8:12 p.m.

Adopted by the City Council of the City of Cannon Falls on the 19th day of May, 2020.

John O. Althoff, Mayor

ATTEST:

Neil L. Jensen, City Administrator