

The Cannon Falls City Council met in a regular session on Tuesday, December 1, 2020, 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 Neil Jensen, City Administrator, and Jeffrey McCormick, Police Chief.

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 Bringgold and unanimously carried, to approve the Agenda.

Public Hearing:
2021 Final Budget
and Levy Public
Hearing

City Administrator Jensen provided background information regarding the 2021 final budget and levy. He commented with regard to stagnant population growth of the City of Cannon Falls, suggesting that the City Council investigate this trend. He stated that homes are being added, but the population is remaining stable. He commented that some of reasons for this could include the population getting older, kids moving on, or family sizes getting smaller.

Administrator Jensen referenced the estimated tax capacity, the total levy, and the bond levy. He stated that bonds go up and down but the tax capacity and the total levy go up equally, which is a good sign.

Administrator Jensen noted that the total tax levy in 2012 was \$2,268,000 and for 2020 and 2021 it was \$3,201,739, which is close to a \$1 million increase in 10 years.

Administrator Jensen stated that approximately \$240,000 of tax capacity was added between 2020 and 2021, which he commented illustrates commercial and industrial growth. He stated that the tax rate is determined by dividing the total tax levy by the tax capacity. Administrator Jensen noted that the bond levy went up in 2019 and 2020 but is now on a downward course and will continue on that trend unless major infrastructure projects are undertaken.

Administrator Jensen summarized building permit data over the years.

Administrator Jensen provided information relating to water and sewer rates. He referenced information gathered from neighboring

communities in this regard. He stated that rates for Cannon Falls are higher than other communities and provided reasons for this, including bond debt for past infrastructure improvements.

Administrator Jensen provided an overview of the proposed 2021 budget:

- 1) The tax levy and budget will maintain a 0% increase for 2021.
- 2) A 1% COLA and step increases for City employees have been included in the budget.
- 3) Health insurance costs reflect a moderate increase of 6%.
- 4) Departmental budget changes were reviewed:
 - The Finance Department has been reorganized, resulting in reduction of 1.5 full-time equivalent employees.
 - The Police Department budget has been reduced by one FTE.
 - Janitorial staffing will be reduced to a part-time position from a full-time position.
 - EDA staffing will be maintained at one contracted (3 days per week) position.
 - The Vehicle License Center budget has been increased by \$10,000 to meet customer demand, with one employee moved from part time to full time.
- 5) Debt service was reviewed, which included the refinancing of a couple of bonds this year, resulting in lower bond payments.
- 6) The budget line item for bituminous mill-and-overlay projects was increased from \$130,000 to \$150,000; Administrator Jensen suggested reviewing this annually.
- 7) The capital equipment budget was reviewed:
 - The Fire Department is looking at purchasing a new fire truck in the next couple of years; Administrator Jensen referenced work on equipment replacement schedules.
 - The Public Works Department capital equipment needs are underfunded at this time.
 - The Police Department budget was referenced.
- 8) LGA revenue was reviewed. Administrator Jensen provided an update in this regard. Administrator Jensen discussed the use of fund reserves to offset any decrease in LGA revenue, adding that this could also be used for capital equipment purchases.

Administrator Jensen reiterated that the proposed tax levy for 2021 is \$3,201,739, which reflects a 0% increase from 2020.

Police Chief McCormick clarified Police Department staffing. He stated that one FTE was eliminated from the preliminary budget resulting from a decision not to replace an officer position. He referenced past Council discussion of the Police Department budget, at which time a records position was eliminated. He noted that the 2021 Police Department budget has been reduced by a total of two FTEs. He suggested holding off on a decision with regard to the records position until State LGA funding has been determined.

Mayor Althoff opened the Public Hearing at 6:53 p.m. No one from the public spoke during the Public Hearing. A motion was made by Council Member Gesme, seconded by Council Member Duncan and unanimously carried, to close the Public Hearing. The Public Hearing was closed at 6:54 p.m.

Council Member Duncan referenced past discussion of Police Department staffing. He stated that the records position was eliminated at that time. He noted that reserve funds may be needed to offset LGA revenue and cover capital equipment needs. He spoke in favor of approving the 2021 budget as presented.

It was clarified that the 2021 levy and budget would not be formally adopted during this meeting.

Council Member Montgomery stated that in an ideal world all departments would be fully staffed and have the right equipment. He stated that 2021 will be a tough year and that caution needs to be exercised. He suggested one additional review of the overall budget, prior to this being finalized.

Consent Agenda

- A. Just and Correct Claims – Accounting Period Ending November 24, 2020
- B. Meeting Minutes for November 12, 2020, Special City Council Meeting
- C. Meeting Minutes for November 17, 2020, City Council Meeting
- D. Resolution 2523, Accepting a Donation from Invenergy Cannon Falls LLC for \$1,500 to the Police Department
- E. Resolution 2524, Accepting a Grant from the Minnesota Department of Health for \$25,000 to the Ambulance Department
- ~~F. Respectful Workplace Policy Amendment~~
This item was pulled by Council Member Montgomery.
- G. Resolution 2525, Accepting a Donation from Invenergy Cannon Falls LLC for \$1,500 to the Ambulance Department
- H. Approve Off-Sale 3.2 Malt Liquor License for Family Fare for 2021

A motion was made by Council Member Duncan, seconded by Council Member Gesme and unanimously carried, to approve the Consent Agenda, minus item F.

Council Business:

Respectful Workplace
Policy Amendment

Council Member Montgomery noted that it has been stated before that the City Council has the backs of all City employees. He commented that, while he is in favor of this policy, it saddens him that this policy language is necessary, which threatens legal action if a citizen threatens a City employee.

Council Member Duncan commented that this topic was raised during union negotiations. He stated that it was agreed that this language should not be put into a union contract but should be added as a personnel policy. He described this as a positive change.

Council Member Montgomery expressed his hope that this policy conveys the fact that all City employees are protected against harassment from citizens. Council Member Bringgold expressed agreement with these comments.

A motion was made by Council Member Montgomery, seconded by Council Member Duncan and unanimously carried, to approve the Respectful Workplace Policy Amendment.

Reports:

Council
Committees/
Commissions

Kyle Paulson, President of the Cannon Falls Area of Chamber of Commerce, provided an update regarding activities in conjunction with the holiday season, including an adopt-a-tree program and holiday light tour. She also discussed a buy local giving initiative and a holiday scavenger hunt.

Ms. Paulson provided a Library update on behalf of Library Director Nicole Miller, who is on a medical leave. She discussed a virtual community Christmas concert and no-contact curbside service through December. An update was also provided regarding drop-off sites for the Toys for Tots program. Ms. Paulson provided details regarding technology programs that will be offered to the community through the Library.

Administrator Jensen and Council Member Bringgold summarized topics of discussion during a recent Finance Committee meeting.

Staff Administrator Jensen stated that the Vehicle License Center has been closed due to a COVID-19 exposure but will be reopening soon.

Administrator Jensen reported that the new phone system is being installed, funded by CARES Act funds, in the event that employees need to be working remotely. He stated that a new server is also being installed to help facilitate remote work.

Mayor and Council Council Member Gesme extended well wishes to Library Director Miller.

Mayor Althoff expressed appreciation to the Ambulance Department for applying for and receiving a \$25,000 grant award from the Minnesota Department of Health.

Mayor Althoff issued a reminder to shop locally whenever possible.

Council Member Montgomery commented that the community is very much in the holiday spirit this year.

Public Input Mayor Althoff reviewed the public input procedure. No one came forward to provide public input.

Adjournment A motion was made by Council Member Gesme, seconded by Council Member Duncan and carried unanimously, to adjourn the meeting. The meeting adjourned at 7:18 p.m.

Adopted by the City Council of the City of Cannon Falls on the 15th day of December, 2020.

John O. Althoff, Mayor

ATTEST:

Neil L. Jensen, City Administrator