

The Cannon Falls City Council met in a regular session on Tuesday, August 2, 2022, in the City Council Chambers. Present were Mayor John Althoff and Council Members Bill Duncan, Matt Montgomery, Mary Jill Bringgold, Laura Kronenberger, Derek Lundell, and Steve Gesme (remotely). Also present were Neil Jensen, City Administrator; Dan Howard, Public Works Director; Dianne Howard, Zoning 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 in attendance.

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

Approval of Agenda A motion was made by Council Member Lundell, seconded by Council Member Bringgold, to approve the Agenda as presented. A roll call vote was conducted, and the motion carried unanimously.

Public Input Mayor Althoff reviewed the public input procedure.

Zach Rohr introduced himself as one of the owners of Minny Grown, a local Federal and State compliant manufacturer of hemp products. He stated that recent changes in Minnesota law have now made some THC edibles legal in Minnesota. He noted that some communities are restricting or banning the sale of these products. He spoke in opposition to a proposed moratorium on the sale of THC products in Cannon Falls but agreed with the need for regulation. He discussed the economic impacts of the company to the area. He suggested working with City leaders on regulations or licensing requirements, adding that these types of products are already heavily regulated.

Joe Rohr introduced himself as a lifetime resident of Cannon Falls and one of the owners of Minny Grown. He described how the business began and has grown over the last few years. He discussed the regulatory process and spoke in opposition to a moratorium.

Public Hearings:  
Resolution 2643,  
Certifying Unpaid  
Utility Charges to be  
Collected with Taxes

City Administrator Jensen provided background information. He stated that the purpose of the Public Hearing is to allow property owners with unpaid utility charges an opportunity to address the City Council if they wish, prior to these charges being certified to be paid with property taxes.

Mayor Althoff opened the Public Hearing for this item at 6:41 p.m. No one spoke during the Public Hearing. Mayor Althoff closed the Public Hearing at 6:42 p.m.

Following the Public Hearing, a motion was made by Council Member Bringgold, seconded by Council Member Montgomery, to adopt Resolution 2643, certifying unpaid utility charges to be collected with taxes. A roll call vote was conducted, and the motion carried unanimously.

Introduction and First  
Reading of Ordinance  
386, an Ordinance  
Annexing Land  
Located in Cannon  
Falls Township,  
Goodhue County,  
Minnesota, Pursuant  
to Minnesota Statutes  
414.033, Subd. 2(3),  
Permitting Annexation  
by Ordinance

Zoning Administrator Howard provided background information. She stated that an approximately 53.86 acre parcel in Cannon Falls Township, now owned by GreenSmith Builders, is proposed to be annexed into the City of Cannon Falls and zoned R-3 Medium Density Residential. She stated that the Planning Commission unanimously voted to approve the proposed annexation.

Aaron Smith, Founder and CEO of GreenSmith Builders, provided an overview of the proposed two-phase housing project. He summarized ongoing discussions with City staff relating to a future access road. The anticipated project schedule was discussed.

Mayor Althoff opened the Public Hearing for this item at 6:47 p.m.

Babe O’Gorman, Cannon Falls, distributed information from a comprehensive Goodhue County housing needs study that was compiled by CEDA (Community Economic Development Associates). He cited information relating to projected population growth over the next ten years and anticipated housing needs. He expressed concerns about the over-building of single family homes in Cannon Falls. He asked why GreenSmith Builders has not begun construction on the 25 homes that were proposed for the approximately 8.5 acre parcel that was annexed about a year ago.

Ray Otto, Cannon Falls Township Board Supervisor, stated that he wished to clarify information that was published in the newspaper indicating that the Township Board voted in favor of the annexation request. He stated that the Township Board did not support the annexation proposal, noting that a comment was made that there was nothing that the Township Board could do to prevent the annexation.

No one else spoke during the Public Hearing. Mayor Althoff closed the Public Hearing at 6:54 p.m.

A motion was made by Council Member Montgomery to approve the introduction and first reading of Ordinance 386, approving the annexation by ordinance. The motion was seconded by Council Member Duncan. A roll call vote was conducted, and the motion carried unanimously.

Consent Agenda

- A. Just and Correct Claims – Accounting Period Ending July 28, 2022
- B. Meeting Minutes for July 19, 2022, City Council Meeting

A motion was made by Council Member Bringgold, seconded by Council Member Duncan, to approve the Consent Agenda as presented. A roll call vote was conducted, and the motion carried unanimously.

Council Business:  
Introduction and First  
Reading of Ordinance  
387, an Interim  
Ordinance Prohibiting  
the Sale and  
Distribution of  
Products Containing  
THC Within the City of  
Cannon Falls

It was clarified that the proposed interim ordinance would prohibit the sale but not the distribution of products containing THC within the City of Cannon Falls. Zoning Administrator Howard provided background information. She stated that the purpose of the proposed interim ordinance would be to temporarily place a hold on the sale of THC products, in order to allow City staff and the City Attorney to research regulations relating to zoning and licensing. She summarized recent discussions with representatives of Minny Grown. She indicated that, although a moratorium can last up to a year, the intention would be to implement regulations as soon as possible.

Council Member Lundell requested clarification of proposed ordinance language revisions that were submitted by Minny Grown representatives. Zoning Administrator Howard and City Administrator Jensen indicated that the proposed language revisions have not been reviewed with the City Attorney. It was noted that the ordinance language could be revised prior to the second reading, if the first reading is approved by the City Council.

Council Member Lundell commented that the State did not provide regulations or specific guidance when the new law was enacted. Council Member Montgomery suggested allowing the sales of THC containing products, according to the new State law, while researching local regulations or licensing requirements. Zoning Administrator Howard clarified that off-sale liquor stores are not permitted to sell these types of products at this time. Council Member Bringgold stated that the proposed ordinance may be trying to solve a problem that does not exist.

Council Member Duncan spoke in support of a temporary moratorium, stating that it will be problematic to allow businesses to sell these products initially, and then restrict sales under the new regulations.

Council Member Kronenberger requested clarification of the new State law. Zoning Administrator Howard and Police Chief McCormick provided additional information in this regard. The benefits of regulation were discussed. Police Chief McCormick commented that the owners of Minny Grown are supportive of regulations that would be beneficial to both their business and the community. He added that retailers have requested guidance. He stated that the League of Minnesota has formed a task force to look into best practices for cities to follow in terms of regulation. He spoke in support of a common sense approach to regulation.

Zoning Administrator Howard expressed appreciation to Zach Rohr for sharing his knowledge and expertise. Council Members discussed the possibility of a 90-day moratorium while a committee researches potential regulations.

A motion was made by Council Member Duncan to approve the introduction and first reading of Ordinance 387, with a 90-day moratorium. Other Council Members spoke in opposition to a moratorium. Following discussion, Council Member Duncan withdrew his motion.

A motion was made by Council Member Lundell to request the Police Commission to discuss the proposed ordinance language and potential regulations and provide a recommendation to the City Council. The motion was seconded by Council Member Montgomery. A roll call vote was conducted, and the motion carried unanimously.

Reports:

Council Committees /  
Commissions /  
Nonprofit  
Organizations

Cannon Falls Area Chamber of Commerce President Kyle Paulson discussed the Cannon Cruisers event on August 5. She also detailed Fun Fest activities on August 11.

Council Member Bringgold summarized discussion during a recent Cannon Valley Trail Board meeting.

Staff

Public Works Director Howard provided updates regarding the water tower rehab project, stoplight work, and the River Road sewer extension project. He stated that the compost piles have been screened and that compost is available to the public. He reported

that a new air conditioning unit was instilled in the Public Works Building.

Police Chief McCormick indicated that a Police Commission meeting will be scheduled in the near future.

City Administrator Jensen referenced public comments that were made during a past City Council meeting relating to the Vehicle License Center and stated that he wished to clarify some of the information that was cited from the City's financial audit. He reviewed information compiled by the City's financial auditor, noting that the Vehicle License Center lost several thousand dollars during each of the last four years. He added that the Vehicle License Center was also not charged for expenses relating to building rent, insurance, or utilities. He reviewed budget information relating to projected revenue and expenses, and referenced budget adjustments relating to the closure of the Vehicle License Center. Mayor Althoff commented that it was never the intention of the City Council to close the Vehicle License Center, noting that staffing challenges and other issues resulted in the closure. It was noted that discussions continue with the State and interested parties with regard to potentially reopening the Vehicle License Center. The process was reviewed.

Mayor and Council

Council Member Montgomery referenced housing study information that was shared earlier during the meeting related to population growth projections, commenting that communities grow at their own rates.

Mayor Althoff discussed the application process for elected positions for the Mayor and City Council and reviewed the terms of these positions.

A reminder was provided regarding the primary election on August 9, and early voting was discussed.

Mayor Althoff reviewed the upcoming meeting schedule.

Adjournment

A motion was made by Council Member Montgomery, seconded by Council Member Duncan, to adjourn the meeting. A roll call vote was conducted, and the motion carried unanimously. The meeting adjourned at 7:37 p.m.

Adopted by the City Council of the City of Cannon Falls on the 16<sup>th</sup> day of August, 2022.

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John O. Althoff, Mayor

ATTEST:

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Neil L. Jensen, City Administrator