

The Cannon Falls City Council met in a regular session on Tuesday, December 6, 2022, in the City Council Chambers. Present were Council Members Bill Duncan, Steve Gesme, Matt Montgomery, Laura Kronenberger, and Derek Lundell; Mayor John Althoff was absent. Also present were Neil Jensen, City Administrator; Dan Howard, Public Works Director; Dianne Howard, Zoning Administrator; Sara Peer, City Clerk; Jeffrey McCormick, Police Chief; Bill Angerman, City Engineer (WHKS); Laura Qualey, Community & Economic Business Specialist; and Nicole Miller, Library Director (remotely).

- Call to Order Mayor Pro Tem Steve Gesme called the City Council meeting to order at 6:30 p.m.
- Roll Call Roll call was conducted. Council Members Duncan, Gesme, Kronenberger, Lundell, and Montgomery were in attendance. Mayor Pro Tem Gesme announced the passing of Council Member Mary Jill Bringgold, and a moment of silence was held in her honor.
- Pledge of Allegiance Mayor Pro Tem Gesme led the recitation of the Pledge of Allegiance.
- Approval of Agenda Mayor Pro Tem Gesme requested the addition of an action item relating to the scheduling of a work session. A motion was made by Council Member Montgomery, seconded by Council Member Lundell and unanimously carried, to approve the Agenda as amended.
- Public Input Mayor Pro Tem Gesme reviewed the public input procedure.
- Diane Johnson, 113 Primrose Lane, Cannon Falls, expressed concerns about the proposed purchase of the Mulvihill property. She stated that the City already owns the former Sandstone Ridge development property. She also expressed concerns regarding the above market value purchase price for the Mulvihill property. She referenced past and current discussions pertaining to infrastructure. She suggested delaying a decision, with further discussion and consideration of the property acquisition in early 2023.
- Public Hearings:
2023 Final Budget
and Levy Public
Hearing City Administrator Jensen provided background information and referenced past budget planning discussions. He stated that the Council will take action to finalize the 2023 budget and property tax levy during the December 20 City Council meeting. He noted that the preliminary levy that was adopted in September cannot be increased but may be decreased.
- City Administrator Jensen summarized the proposed 2023 budget. He discussed salary increases and healthcare insurance costs. He referenced budgeted funding toward mill and overlay projects. He

discussed equipment and capital expenses, fuel and utility costs, LGA funding, Invenergy revenue, and the proposed 2023 street and utility reconstruction project. He referenced past discussion of water and sewer rates.

City Administrator Jensen reviewed the proposed tax levy for 2023, noting that this represents a 3.49% increase from 2022. He reviewed City funds.

Mayor Pro Tem Gesme reviewed the Public Hearing procedure and opened the Public Hearing for this item at 6:45 p.m.

Becky Youngmark, Cannon Falls, offered her condolences regarding the passing of Council Member Bringgold. She expressed concerns about water and sewer rate increases, noting that the bond debt was paid off in 2022. She reviewed past rate increases and suggested postponing further rate increases until 2024, citing the current rate of inflation and other financial pressures on Cannon Falls residents.

No one else spoke during the Public Hearing. Mayor Pro Tem Gesme closed the Public Hearing at 6:47 p.m.

Resolution 2658,
Ordering
Improvements and
Directing Preparation
of Final Plans and
Specifications

City Engineer Angerman provided background information, referenced past Council discussion of the proposed project, and summarized the feasibility report. He reviewed the project area and summarized Council discussion of the assessment policy. He provided a project overview. He stated that Resolution 2658 will require a 4/5 majority vote of the Council Members for adoption. He reviewed the next steps in the process, including a contract bidding process and final assessment hearing. He discussed the anticipated project schedule and referenced supply chain challenges. He reviewed estimated project costs and detailed the assessment process.

Mayor Pro Tem Gesme referenced the Public Hearing procedure and opened the Public Hearing for this item at 7:01 p.m. No one spoke during the Public Hearing. Mayor Pro Tem Gesme closed the Public Hearing at 7:02 p.m.

A motion was made by Council Member Montgomery to adopt Resolution 2658. The motion was seconded by Council Member Duncan. Council Member Gesme discussed the need for street and utility improvements. A voice vote was conducted, and the motion carried unanimously.

Consent Agenda

- ~~A. Just and Correct Claims – Accounting Period Ending December 1, 2022~~
This item was pulled by Council Member Gesme and moved to Council Business
- B. Meeting Minutes for November 15, 2022, City Council Work Session
- C. Meeting Minutes for November 15, 2022, City Council Meeting
- D. Approve Amended 2023 Street and Utility Project Professional Service Agreement
- E. Resolution 2656, Accepting a Monetary Donation of \$3,104 from the Cannon Falls Fire Department Relief Association
- F. Resolution 2657, Approving Conditional Use Permits for 31633 64th Avenue
- ~~G. Approve Quote from Precision Landscape and Tree~~
This item was pulled by Council Member Kronenberger and moved to Council Business
- H. Approve Water Leak Credit
- I. Schedule Work Session on December 20

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

Council Business:

Hardwood Estates /
Mulvihill Property
Acquisition

Community & Economic Business Specialist Qualey provided background information. She reviewed the area under discussion on an aerial map. She summarized discussions between the property owner and the EDA. She referenced the City's Comprehensive Plan and discussed housing needs. She reviewed past population growth projections and cited actual population growth information from the 2020 Census. She stated that the EDA has obtained a purchase agreement from the property owner, Glenn Mulvihill, noting that the EDA has the funds for a down payment and the initial contract for deed payments. She referenced discussion with the Finance Committee and requested financial assistance from the City toward engineering, design, and infrastructure costs. She discussed plans for preliminary infrastructure work to enable the EDA to begin selling lots in 2023. She discussed failed development projects. She reviewed community assets and amenities.

Council Member Montgomery asked how many housing units are planned for the development. Ms. Qualey stated her understanding that approximately 100 lots would be platted.

Council Member Gesme asked whether local builders have expressed interest in the development. Ms. Qualey indicated that the plan would be for builders to purchase the lots and develop the homes. She referenced opportunities for mixed use housing units and noted the property's proximity to the schools. She commented regarding grant funding opportunities toward Safe Routes to School trail projects.

Council Member Duncan requested clarification of the financial assistance that is being requested from the City and how these funds would be reimbursed. Ms. Qualey provided details in this regard and reviewed EDA revenue streams. She also reviewed options for phased development of the property. Council Member Duncan provided the example of an agreement with the Historical Society relating to a property acquisition.

Council Member Lundell asked why this proposal is expected to succeed, when private developers have not come forward to develop this property. City Engineer Angerman provided additional information and summarized discussions with developers. Council Member Lundell also referenced the Hayes annexation. Ms. Qualey indicated that the GreenSmith Builders development will involve a specific type of home with a higher price point, while the Mulvihill development would involve different types of housing options and a variety of prospective buyers.

Council Member Kronenberger inquired regarding the \$800,000 purchase price for the property. Ms. Qualey indicated that the property was listed at \$850,000, adding that the property owner was willing to enter into a contract for deed arrangement.

Council Members Gesme and Duncan summarized discussion by the Finance Committee relating to the proposed development project and the financial assistance that is being requested from the City.

Ms. Qualey reviewed the proposed next steps in the process.

A motion was made by Council Member Duncan to support the property acquisition and move the project forward. The motion was seconded by Council Member Lundell, a vote was conducted, and the motion carried unanimously.

Council Member Kronenberger requested a definition of the term "clean wood." Public Works Director Howard provided information in

this regard. The wood grinding and removal services to be provided were clarified. The anticipated project timeframe was discussed.

Council Member Kronenberger asked whether others were offered an opportunity to provide a quote for this work. Director Howard provided additional background information, noting that a representative of Precision Landscape and Tree approached Public Works.

A motion was made by Council Member Duncan, seconded by Council Member Montgomery and unanimously carried, to approve the quote from Precision Landscape and Tree.

Just and Correct
Claims – Accounting
Period Ending
December 1, 2022

Council Member Gesme requested clarification of squad car repair expenses. Police Chief McCormick provided additional information in this regard. He discussed insurance reimbursement of repairs relating to hail storm damage and equipment damage resulting from a police call.

A motion was made by Council Member Gesme, seconded by Council Member Montgomery and unanimously carried, to approve the just and correct claims for the accounting period ending December 1, 2022.

Reports:

Council Committees /
Commissions /
Nonprofit
Organizations

Staff

Community & Economic Business Specialist Qualey provided an EDA update. She discussed the demolition of a home at 300 East Minnesota Street, which will provide a lot for a student built home in 2023.

Library Director Miller provided a Library Board update and discussed current Library programs and activities.

Zoning Administrator Howard discussed the upcoming Planning Commission meeting agenda.

Police Chief McCormick provided a squad car repair update and discussed recent vehicle disposals. He also discussed the ordering process for new vehicles, per the State contract.

City Administrator Jensen discussed the planning process for Public Works equipment purchases.

Mayor and Council

Council Members expressed appreciation for the contributions of Council Member Bringgold to the Council and to the community.

Adjournment

A motion was made by Council Member Lundell, seconded by Council Member Montgomery and unanimously carried, to adjourn the meeting. The meeting adjourned at 7:42 p.m.

Adopted by the City Council of the City of Cannon Falls on the 20th day of December, 2022.

John O. Althoff, Mayor

ATTEST:

Neil L. Jensen, City Administrator