The Cannon Falls City Council met in a work session on Tuesday, February 7, 2023, in the City Council Chambers. Present were Mayor Matt Montgomery and Council Members Derek Lundell, Steve Gesme, Lisa Groth, Ryan Jeppesen, and Diane Johnson; Council Member Laura Kronenberger was absent. Also present were Neil Jensen, City Administrator; Dan Howard, Public Works Director; Laura Qualey, Community & Economic Business Specialist; Dianne Howard, Zoning Administrator; and Jeffrey McCormick, Police Chief.

- Call to Order Mayor Montgomery called the City Council work session to order at 5:00 p.m. He stated that the purpose of the work session would be to discuss current issues and projects. He clarified that no Council action would be taken during the work session.
- Current Issues and Projects
 1) Hannah's Bend Park Trail Connection Grant. City Administrator Jensen discussed the proposed project and the trail connection grant. He summarized recent discussion by the Park Board. He indicated that the land acquisition portion of the project would be unable to be completed in time to take advantage of the current grant funding opportunity. He stated that both the Park Board and City staff recommend allowing the grant to expire. Mayor Montgomery provided additional background information. Mayor Montgomery and Administrator Jensen provided an update regarding the land agreement with the Cannon Valley Fair Board. The next steps in the process were reviewed.
 - 2) 2023 Street Reconstruction Project.

City Administrator Jensen reviewed the project area and detailed the proposed project. He discussed utility work, right-of-way issues, and land acquisition / easement challenges. Flood plain considerations were discussed. Stormwater management was discussed. The next steps in the process were reviewed. It was noted that the street reconstruction project may need to be delayed until 2024.

3) Water and Sewer Rate Increase.

City Administrator Jensen provided background information. He reported that the bond debt from the wastewater treatment plant has now been paid off. He reviewed options to fund future infrastructure projects and provided rationale for not lowering the current water and sewer rates. He discussed the cost of bond funding and the use of a municipal reserve fund. Council Member Gesme expressed agreement with this approach.

Public Works Director Howard discussed recent projects.

Council Member Johnson suggested consideration of decreasing water and sewer rates and exploring other potential project funding sources. City Administrator Jensen discussed how enterprise funds are used to maintain and improve utility infrastructure and referenced State regulations in this regard.

4) Endres Sandstone Concept Plan.

City Administrator Jensen provided background information and reviewed the Endres Sandstone concept plan. He stated that the Planning Commission will be reviewing the plan during an upcoming meeting. Past project plans were referenced. The proposed street layout was discussed. It was stated that Council feedback regarding the preliminary concept plan will be requested during a future meeting. Council Member Gesme asked about access to past soil boring data, and additional information was provided in this regard.

Updates were also provided regarding a GreenSmith Builders proposal and other housing development projects. Trail connections were discussed.

5) Casey Underdahl Lot Purchase.

City Administrator Jensen provided background information and pointed out the location of the property being discussed on an aerial photo. It was clarified that the lots will be combined into one parcel.

6) Mill and Overlay Project.

Public Works Director Howard discussed plans to repave the pool parking lot and reviewed the anticipated project schedule and project funding sources. City Administrator Jensen reviewed the next steps in the process.

7) Union Contracts.

City Administrator Jensen reviewed the union contracts up for renewal and discussed the negotiation process. Council Members Groth, Gesme, and Johnson volunteered to participate in the negotiation process. The contract approval process was further clarified.

8) Fire Department Contracts.

Mayor Montgomery and City Administrator Jensen provided background information regarding the five-year contracts with the surrounding townships. Administrator Jensen reported that the Finance Committee will be discussing the contracts during an upcoming meeting.

9) Capital Equipment Funds.

City Administrator Jensen provided background information and referenced the capital equipment schedule. Public Works Director Howard reviewed equipment cost estimates. Administrator Jensen indicated that the capital equipment schedule and budget will need to be reviewed and revised.

10)City Site Visit.

City Administrator Jensen discussed plans for a spring tour of City departments and facilities. Council Members indicated that they would appreciate this opportunity.

11)Other Discussion.

Council Member Johnson suggested posting meeting dates, agendas, and minutes for all boards and commissions on the City website. City Administrator Jensen discussed the process and referenced staff time considerations.

Adjournment Mayor Montgomery adjourned the work session at 6:18 p.m.

Adopted by the City Council of the City of Cannon Falls on the 21st day of February, 2023.

ATTEST:

Matt Montgomery, Mayor

Neil L. Jensen, City Administrator