

The Cannon Falls City Council met in a regular session on Tuesday, June 20, 2023, in the City Council Chambers. Present were Mayor Matt Montgomery and Council Members Laura Kronenberger, Derek Lundell, Lisa Groth, Ryan Jeppesen, and Diane Johnson; Council Member Steve Gesme was absent. Also present were Neil Jensen, City Administrator; Sara Peer, City Clerk; Zach Logelin, License and Permit Technician; Laura Qualey, Community & Economic Business Specialist; and Jeffrey McCormick, Police Chief.

- Call to Order Mayor Montgomery called the City Council meeting to order at 6:30 p.m.
- Roll Call Mayor Montgomery and Council Members Kronenberger, Lundell, Groth, Jeppesen, and Johnson were in attendance.
- Pledge of Allegiance Mayor Montgomery led the recitation of the Pledge of Allegiance.
- Approval of Agenda A motion was made by Council Member Lundell, seconded by Council Member Jeppesen and unanimously carried, to approve the Agenda as presented.
- Public Input Mayor Montgomery reviewed the public input procedure.
- Babe O’Gorman, Cannon Falls, referenced comments he made during a recent Council meeting, at which time he asked about Project Tulip. Mr. O’Gorman reiterated his request for information about this project. He stated that project expenses have been approved by the City Council and provided details in this regard. He commented that it has been difficult to obtain public information.
- Presentation:
2022 Audit
Presentation Brad Falteysek from Abdo discussed the audit process and reviewed the results of the 2022 financial audit. He stated that Abdo is issuing an unmodified (clean) opinion on the City’s financial statements in terms of accuracy, accordance with generally accepted accounting principles, and compliance with Minnesota statutes. He commented regarding management’s responsibility pertaining to the preparation of financial statements, noting that this is a common finding in smaller communities. Mr. Falteysek referenced the City’s policy relating to the general fund reserve. He noted that the general fund balance stayed well above the reserve percentage minimum of 40% to 50% of the operating budget, ending the year at 76%.
- Mr. Falteysek discussed 2022 budget variances relating to revenue and expenditures. He provided detailed explanations of general fund revenue and special revenue funds. He reviewed expenditures by

department. He reviewed the City's debt service funds and capital project funds. He reviewed enterprise fund balances and commented with regard to whether revenue is sufficient to support debt service and operating expenses. He referenced key performance indicators and provided comparison data with peer cities. Council Member Johnson pointed out a minor error in the report, and Mr. Falteysek indicated that this will be corrected.

A motion was made by Council Member Johnson, seconded by Council Member Groth and unanimously carried, to accept the audit reports.

Public Hearing:
Resolution 2684,
Approving
Administrative
Subdivision of Parcel
Number 52.500.0030

City Administrator Jensen provided background information and described the location of the property under discussion. He discussed land acquisition for right-of-way purposes relating to the Third Street project.

Mayor Montgomery opened the Public Hearing at 6:48 p.m. No one spoke during the Public Hearing. Mayor Montgomery closed the Public Hearing at 6:49 p.m. A motion was made by Council Member Lundell, seconded by Council Member Jeppesen and unanimously carried, to adopt Resolution 2684, approving the administrative subdivision.

Consent Agenda

~~A. Just and Correct Claims – Accounting Period Ending June 15, 2023~~

This item was pulled by Council Member Johnson

- B. Meeting Minutes for June 6, 2023, City Council Meeting
- C. Approve Verizon Fourth Amendment to Communications Site Lease Agreement
- D. Resolution 2685, Cannon Falls Concurrence with CSAH 14 Designation
- E. Approve Christi Buck to Practice Massage in the City Limits
- F. Resolution 2686, Authorizing Fund Closures for Year End 2022

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

Council Business:
Just and Correct
Claims – Accounting
Period Ending June
15, 2023

Council Member Johnson reviewed payments to community organizations. She asked about payments to the Cannon Valley Fair. Mayor Montgomery stated his understanding that these funds are

being withheld until legal fees resulting from a land dispute are resolved.

Council Member Johnson inquired regarding the amount of the legal fees. City Administrator Jensen estimated that these costs are \$12,000 to \$15,000. Council Member Johnson requested clarification of the actual amount, and City Administrator Jensen indicated that he will provide this information by the next Council meeting.

A motion was made by Council Member Lundell, seconded by Council Member Groth and unanimously carried, to approve the just and correct claims for the accounting period ending June 15, 2023.

Reports:

Council Committees /
Commissions /
Nonprofit
Organizations

Council Member Lundell summarized topics of discussion during a recent Finance Committee meeting.

Council Member Groth summarized topics of discussion during a recent Library Board meeting.

Staff

License and Permit Technician Zach Logelin was introduced and welcomed.

Police Chief McCormick provided a reminder regarding street closures during the 4th of July parade.

Mayor and Council

Council Member Jeppesen and Mayor Montgomery congratulated the Cannon Falls Bombers baseball team on a successful season.

Council Member Johnson asked about Project Tulip, and Mayor Montgomery indicated that information will be provided in this regard.

Mayor Montgomery wished everyone a happy 4th of July weekend and noted that the next Council meeting is scheduled on July 11.

Adjournment

A motion was made by Council Member Johnson, seconded by Council Member Lundell and unanimously carried, to adjourn the meeting. The meeting adjourned at 6:56 p.m.

Adopted by the City Council of the City of Cannon Falls on the 11th day of July, 2023.

Matt Montgomery, Mayor

ATTEST:

Neil L. Jensen, City Administrator