

The Cannon Falls City Council met in a regular session on Tuesday, August 6, 2024, in the City Council Chambers. Present were Council Members Derek Lundell, Steve Gesme, Lisa Groth, Ryan Jeppesen, Laura Kronenberger, and Diane Johnson; Mayor Montgomery was absent. Also present were Neil Jensen, City Administrator; Sara Peer, City Clerk; Jed Petersen, Public Works Director; Zach Logelin, License & Permit Technician; Laura Qualey, Economic & Business Specialist; Jeffrey McCormick, Police Chief; and Shelley Ryan, City Attorney.

- Call to Order Mayor Pro Tem Kronenberger called the City Council meeting to order at 6:30 p.m.
- Roll Call Roll call was conducted. Council Members Gesme, Groth, Jeppesen, Johnson, Kronenberger, and Lundell were in attendance.
- Pledge of Allegiance Mayor Pro Tem Kronenberger led the recitation of the Pledge of Allegiance.
- Approval of Agenda A motion was made by Council Member Jeppesen, seconded by Council Member Johnson and unanimously carried, to approve the Agenda as presented.
- Public Input Mayor Pro Tem Kronenberger reviewed the public input procedure.
- Babe O’Gorman, Cannon Falls, summarized the review process for the recent CUP and variance requests for Dollar General and the subsequent reconsideration of those requests. He expressed concerns regarding the process that was conducted and referenced several resolutions that were adopted. He also commented that Dollar General was not asking the City for any financial assistance. He stated that Mayor Montgomery did not have the authority to request that the City Attorney draft Findings of Fact, noting that the City Council should have been the body to request this.
- Public Hearing:  
Resolution 2774,  
Certifying Unpaid  
Utility Charges to be  
Collected with Taxes Mayor Pro Tem Kronenberger opened the Public Hearing for this item at 6:36 p.m. No one spoke during the Public Hearing. Mayor Pro Tem Kronenberger closed the Public Hearing at 6:37 p.m.
- A motion was made by Council Member Johnson, seconded by Council Member Jeppesen and unanimously carried, to adopt Resolution 2774, certifying unpaid utility charges to be collected with property taxes.

Consent Agenda

- A. Just and Correct Claims – Accounting Period Ending August 1, 2024
- B. Meeting Minutes for July 23, 2024, City Council Work Session
- C. Meeting Minutes for July 23, 2024, City Council Meeting
- D. Approve 3.2% Liquor License for Quik Stop
- E. Approve 2024-2025 John Burch Park User Agreement
- F. Approve Submission of the Taylor Rural Improvements Grant Application
- G. Approve Pay Request No. 1 and Final for 2024 Street Overlay Project

A motion was made by Council Member Groth, seconded by Council Member Lundell and unanimously carried, to approve the Consent Agenda as presented.

Council Business:  
City Administrator  
Position  
Announcement

Mike Humpal introduced himself as a representative of South Central Service Cooperative. He discussed his background and experience along with reviewing the services provided by SCSC. He detailed the process, timeline, and ranking system that SCSC will utilize to recruit and evaluate City Administrator applicants. He described the position profile and the position announcement and discussed how the position will be advertised. He referenced an opportunity for the finalists to meet with the Mayor and City Council, City staff, and community members. He reviewed the interview and negotiation process for the final candidates.

Council Member Johnson requested clarification of the timeline, and Mr. Humpal provided additional information. Council Member Gesme asked about other communities that are currently recruiting for similar positions, and Mr. Humpal provided information in this regard. He indicated that the final applicants will likely have master's degrees and several years of experience. He stated that the pay scale and the proximity to the metro area will help to attract well qualified applicants. The interview date and process were further discussed.

Dollar General  
Requests

City Attorney Ryan provided background information, summarized the procedure that was followed, and referenced draft Resolutions 2775 and 2776. She reviewed the options and requirements for finalizing the process, per the City Charter and State statutes. She noted that the decision needs to be supported by documentation of the Council's discussion and rationale. City Attorney Ryan noted that the draft resolution language reflects the discussion that occurred during the last Council meeting, during which the Mayor's objection was

presented and past Council actions were reconsidered. She stated that if the Council chooses not to adopt Resolutions 2775 and 2776, existing documentation of the discussion relating to the Mayor's objection could be deemed sufficient.

City Attorney Ryan noted that, in either case, the applicant will be notified of the Council's decision and will have the option to appeal the decision.

Council Member Johnson referenced a statement in the draft resolution language indicating that the zoning of surrounding properties was RB. License & Permit Technician Logelin clarified that a property across the street is zoned I-2, with other surrounding properties zoned RB.

Council Member Johnson inquired regarding the requirement to provide Findings of Fact. City Attorney Ryan stated that the process is dependent upon the circumstances of each application. Council Member Johnson commented that a two-step process has not been conducted in conjunction with other applications.

Council Member Groth provided rationale to support her opposition to the Dollar General proposal. She summarized the results of her research regarding its business practices. She clarified that she opposed the CUP and variances because, in her opinion, the store did not fit on the proposed site.

Mayor Pro Tem Kronenberger requested that the Council consider taking action relating to the draft resolutions.

1. Resolution 2775, Denying Conditional Use Permit for Dollar General.

A motion was made by Council Member Groth, seconded by Council Member Lundell, to adopt Resolution 2775 as presented. Upon call of the roll, Council Members Groth and Lundell voted aye; Council Members Jeppesen, Johnson, and Kronenberger voted nay; Council Member Gesme abstained from the vote. Two ayes; three nays; one abstention; motion failed.

2. Resolution 2776, Denying Variances for Dollar General.

A motion was made by Council Member Lundell, seconded by Council Member Groth, to adopt Resolution 2776 as presented. Upon call of the roll, Council Members Groth and Lundell voted aye; Council Members Jeppesen, Johnson, and Kronenberger

voted nay; Council Member Gesme abstained from the vote. Two ayes; three nays; one abstention; motion failed.

City Attorney Ryan recommended that the Council direct City staff to mail a written summary of the denial, including the objections as articulated by the Mayor and the subsequent Council discussion, to the applicant, in order to comply with the legal requirements for completing the process for both the Conditional Use Permit and the variance applications.

The timeline for taking action was clarified. City Attorney Ryan indicated that if the process is not completed per legal requirements, the applications would be automatically approved with no oversight, no conditions, and no authority for the City to monitor those uses.

Council Member Johnson requested clarification of the legal requirements, and City Attorney Ryan provided additional information.

A motion was made by Council Member Johnson to direct the City Attorney to send a letter to the applicant summarizing the Council's discussion, during which the Mayor's objection was upheld. The motion was seconded by Council Member Jeppesen. A vote was conducted and the motion carried unanimously, with Council Member Gesme abstaining from the vote.

Reports:  
Council Committees,  
Commissions, and  
Nonprofit  
Organizations

Economic & Business Specialist Qualey provided an EDA update. She provided a reminder that there is funding available from the Small Cities Development Program toward improvement projects for income-qualified owner-occupied housing. She noted that up to nine forgivable loans of up to \$25,000 are currently available. She stated that a Public Hearing has been scheduled, after which the EDA will take action relating to the sale of four more lots in Hardwood Estates. She also provided a Timber Ridge (formerly known as Sandstone Ridge) project update. Ms. Qualey further discussed income guidelines for the Small Cities Development Program funding and the application process.

Council Member Lundell summarized topics of discussion during a recent Public Works and Park Board meeting.

Staff

Police Chief McCormick discussed National Night Out (Night to Unite) activities, noting that public safety staff are attending several gatherings.

City Clerk Peer discussed the filing period of City Council vacancies and provided a reminder regarding the Primary Election on August 13.

Public Works Director Petersen provided several project updates. He reported that internet service will be disrupted south of the river during the early morning hours of August 8, during which HBC will be moving a fiberoptic line along Third Street.

Mayor and Council  
Members

Council Member Johnson discussed the recent Fun Fest.

The upcoming meeting schedule was clarified.

Council Member Groth relayed concerns regarding the numbers of loose dogs. Police Chief McCormick recommended that residents call the Police Department when they witness loose dogs. Council Member Groth further clarified her earlier comments regarding Dollar General.

Adjournment

A motion was made by Council Member Johnson, seconded by Council Member Jeppesen and unanimously carried, to adjourn the meeting. The meeting adjourned at 7:34 p.m.

Adopted by the City Council of the City of Cannon Falls on the 20<sup>th</sup> day of August, 2024.

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Matt Montgomery, Mayor

ATTEST:

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Neil L. Jensen, City Administrator