

The Cannon Falls City Council met in a regular session on Tuesday, October 1, 2024, in the City Council Chambers. Present were Mayor Matt Montgomery and Council Members Derek Lundell, Steve Gesme, Lisa Groth, Laura Kronenberger, and Diane Johnson (attended remotely); Council Member Ryan Jeppesen was absent. Also present were Neil Jensen, City Administrator; Sara Peer, City Clerk; Jed Petersen, Public Works Director; Laura Qualey, Community & Business Development 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 Roll call was conducted. Mayor Montgomery and Council Members Gesme, Groth, Kronenberger, and Lundell were in attendance. Council Member Johnson attended the meeting remotely.
- 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 Groth, to approve the Agenda as presented. A roll call vote was conducted, and the motion carried unanimously.
- Public Input Mayor Montgomery reviewed the public input procedure.
- Curt Beissel, Cannon Falls, referenced ongoing discussion of the go-kart racetrack at the fairgrounds. He stated that the City Council and the Cannon Valley Fair Board have been trying to determine whether the Cannon Valley Fair is a designated county fair and whether it holds status as an agricultural society. He stated that the City Attorney stated that these questions required additional research and clarification. He noted that, without proof of its legal status and without official approval from the City, the Fair Board went ahead with plans to construct a racetrack within City limits on the west side of the fairgrounds. He indicated that he was speaking on behalf of the many residents who have been adversely affected by the racetrack. He thanked Council Member Lundell and others for keeping this issue at the forefront. He referenced current State statutes and MPCA regulations that restrict where racetracks can be located. He stated that residents believe in due process and support the City Council's efforts to hold the Fair Board accountable and shut the racetrack down permanently. He added that residents support the right to enjoy their properties, protect their homes, and encourage future growth of the community.

Gary Johnson, Cannon Falls, spoke in opposition to the racetrack, citing excessive noise and other concerns. He asked why the City is not monitoring noise levels or taking steps to shut the racetrack down.

Babe O’Gorman, Cannon Falls, referenced an email that he sent to the Mayor and Council Members in July concerning the Keller-Baartman apartment complex. He stated that the complex looks nice but suggested that the City Council ensure compliance with City ordinances. He stated that the developer installed public improvements that have not been accepted via a resolution of the City Council. He indicated that tenants are being charged for parking and referenced a City ordinance stating that residents of multifamily housing developments cannot be charged for parking. He noted that the landscaping plan that was approved by the City Council has not been implemented by the developer. He also referenced a banner on the side of the building that was only recently taken down.

Public Hearing:  
Introduction and First  
Reading of Ordinance  
406, an Ordinance  
Amending City Code  
Title III Relating to  
Fees, Charges, and  
Rates

City Administrator Jensen referenced City Council budget planning discussions and summarized the proposed fee schedule, including water, sewer, and stormwater rates. He noted that the City Council recommended a 10% reduction in on-sale liquor license fees. He noted that a sexually oriented business fee of \$2500 has been added to the fee schedule. He commented regarding other fees and charges, including adjustments that were previously made to pool and park fees. He noted that a 4% increase in water and sewer rates is being proposed. It was clarified that the proposed fee schedule reflects the 10% reduction in on-sale liquor license fees, and Mayor Montgomery spoke in support of the fee reduction.

Mayor Montgomery opened the Public Hearing at 6:41 p.m.

Babe O’Gorman, Cannon Falls, commented regarding the sexually oriented business fee, noting that the fee schedule does not include an investigation (background check) fee, as required by Ordinance 120.05(B). Mr. O’Gorman also referenced sign fees and noted that banners require a license, per Ordinance 152.352. He stated that the fee schedule does not address banner fees.

No one else spoke during the Public Hearing. Mayor Montgomery closed the Public Hearing at 6:43 p.m.

Mayor Montgomery asked whether the concerns raised by Mr. O’Gorman need to be addressed. City Administrator Jensen indicated that the fee schedule can be amended at a later time.

City Administrator Jensen suggested that the City Council take action regarding the fee schedule at this time, as liquor license applications will be sent out in the near future.

A background check fee for sexually oriented businesses was discussed, and Police Chief McCormick provided additional information regarding the business background check process. City Administrator Jensen suggested that the \$2500 fee should include the background check.

A motion was made by Council Member Groth, seconded by Council Member Gesme, to approve the introduction and first reading of Ordinance 406 as drafted. A roll call vote was conducted, and the motion carried unanimously.

Consent Agenda

- A. Just and Correct Claims – Accounting Period Ending September 24, 2024
- B. Meeting Minutes for September 17, 2024, City Council Meeting
- C. Approve Goodhue County Agreement for Cannabis Retail Sales

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

Council Business

There was no other Council business.

Reports:  
Council Committees,  
Commissions, and  
Nonprofit  
Organizations

Council Member Kronenberger referenced the Annual Report of the Joint Powers Trail Board. She discussed bridges that are in desperate need of repairs. She noted that grant funding has been allocated toward a project to resolve erosion issues near Mile Marker 14.

Staff

Public Works Director Petersen discussed upcoming hydrant flushing activities. He provided John Burch Park project updates, detailed progress relating to the Third Street project, and discussed the Third Street Bridge. He provided an update relating to the Hardwood Estates paving project.

Community & Business Development Specialist Qualey further discussed the Hardwood Estates project, noting that six lots have been sold and two model homes were included in the recent Parade of Homes. She reported that a private single family home is under construction, ground-breaking for the first set of townhomes will occur in the near future, and additional lot sales are pending.

Ms. Qualey reported that the Fire Department has been awarded a \$4,000 grant and a \$50,000 grant toward equipment and radio purchases.

Police Chief McCormick reported that the Cannon Falls Police Department was found during a recent audit to be in compliance with Minnesota Peace Officer Training Board standards.

City Administrator Jensen reported that a City Council work session has been scheduled on October 9. He referenced Mr. O’Gorman’s earlier comments relating to public improvements made by Keller-Baartman Properties, noting that the project has not been finalized and there are punch list items to address.

Mayor and Council  
Members

Mayor Montgomery discussed a benefit breakfast on October 5 at the Fire Hall for Jonathan Althoff, the son of former Public Works Director and Fire Chief Mike Althoff. He also acknowledged the recent passing and contributions of former Mayor John Althoff.

Adjournment

A motion was made by Council Member Kronenberger, seconded by Council Member Lundell and unanimously carried, to adjourn the meeting. The meeting adjourned at 6:55 p.m.

Adopted by the City Council of the City of Cannon Falls on the 15<sup>th</sup> day of October, 2024.

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Matt Montgomery, Mayor

ATTEST:

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Neil L. Jensen, City Administrator