

The Cannon Falls City Council met in a regular session on Tuesday, October 7, 2025, in the City Council Chambers. Present were Mayor Matt Montgomery; Council Members Ryan Jeppesen, Chad Johnson, Diane Johnson, Laura Kronenberger, Chris Nobach, and Lisa Zimmerman. Also present were Jon Radermacher, City Administrator; Sara Peer, City Clerk; Jed Petersen, Public Works Director; Izzy Carlson, License & Permit Technician; Bill Angerman, City Engineer; Tim Malchow, EMS Chief; Nicole Miller, Library Director; Laura Qualey, Community & Business Development Specialist; and Mike Truax, Police Officer.

- 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 Jeppesen, C. Johnson, D. Johnson, Kronenberger, Nobach, and Zimmerman 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 Zimmerman, seconded by Council Member Jeppesen and unanimously carried, to approve the Agenda as presented.
- Public Input Mayor Montgomery reviewed the public input procedure.
- Kari Lundin, Cannon Falls, commented regarding the data center proposal, citing the current technological revolution. She stated that Tract does not represent the interests of Cannon Falls, adding that data centers are infiltrating small towns across the country. She indicated that the tax revenue that could help the Cannon Falls Schools would instead go to Randolph. She commented that data center employees would not be able to find housing in Cannon Falls. She noted that the data center would consume the City's extra bandwidth for water and sewer services and may adversely impact the aquifer that serves local wells. She expressed concerns about energy usage along with noise and light pollution.
- Joff Weeks, Cannon Falls, stated that he has attended three meetings during which the data center proposal has been discussed. He noted that the need for more information was brought up during a recent meeting. He expressed concerns about energy usage and other issues. He commented that, if data center is built, City leaders would have no power to address issues and concerns.

Alissa Jacobsen, Cannon Falls, commented regarding the data center proposal, expressing concerns about water quality and private well impacts. She asked about the potential for expansion of data center facilities. She stated that she is also concerned about noise pollution.

Ann Buselmeier, Cannon Falls, expressed concerns regarding the proposed data center. She urged the City to hire independent land management specialists to oversee the process and ensure that all aspects of the proposed development would be in the best interests of the community. She asked whether Tract has provided written commitments that specify community benefits. She noted that there are technical, legal, environmental, and financial issues associated with the proposal that need to be addressed. She suggested putting the project on hold until all concerns have been resolved. She commented that the development would forever alter the character of Cannon Falls. She noted that developers such as Tract strategically select smaller communities for these types of projects.

Anna Lundahl, Cannon Falls, described the reasons that she and her husband have chosen to raise their family in Cannon Falls. She stated that she understands that the City has some issues related to growth, budgets, and property taxes. She commented that, while change is sometimes inevitable, a data center is not a change that Cannon Falls needs.

Ms. Lundahl posed several questions for the City Council to consider:

- 1) Will there be a clearly defined path of water usage for the data center, and will there be a provision in place to give future City Councils the ability to negotiate to protect the businesses and residents that are already here in Cannon Falls?
- 2) Is there a surety bond in place to protect the City in the case of an incomplete project or project abandonment?
- 3) Will the infrastructure of this data center be designed to support other options, like an industrial park or a new housing development, in the event that the data center goes under and the building is no longer used for its intended purpose?
- 4) Is this Council going to find a way to address the noise pollution issues, and what resources will be made available for residents who suffer from the adverse effects of the noise pollution?
- 5) Are you going to be generating maximum taxable income from this project, and are there any deals or tax cuts that the City is giving the data center, that they aren't already getting from the State or Federal government?

- 6) Are you going to forbid or cap the transfer of energy costs from the data center to residents of Cannon Falls, is the data center going to pay for 100% of the electricity that they use, and is there a fund in place to supply financial aid to low-income residents if the utility bills increase as a result of this data center?

Ms. Lundahl stated that, until all of the questions are clearly answered and there is a contract in place that clearly benefits the citizens of Cannon Falls, the citizens of Cannon Falls will do everything in their legal power to prevent the data center project from happening.

Luke Lundahl, Cannon Falls, expressed opposition to the data center project from a practical level, an aesthetic level, and as a matter of principle. He commented that it has been stated that “big tech” or AI is the race for the future and will be the next cold war. He stated that data centers are popping up all over the country, with communities like Cannon Falls being the primary target. He commented that Cannon Falls is the perfect place to raise small children. He expressed concerns about the negative impacts of high energy usage and water consumption.

Ginger Bauer, Cannon Falls, introduced herself as a long-time resident and former business owner. She echoed concerns about the data center causing environmental harm, increased energy costs, and light pollution. She stated that a massive data center will not enhance the beauty and reputation of Cannon Falls and may detract from it. She stated that the City Council has not detailed the benefits that a data center would provide. She asked the City Council to take the following steps:

- 1) Take the time to listen to and investigate the concerns of citizens.
- 2) Hold a town hall meeting, during which residents can ask questions of Council Members and City staff and receive answers.
- 3) Tell residents exactly what benefits the community would be expected to receive by proceeding with this development.

Ms. Bauer cautioned against change for the sake of change, resulting in a lot of work with no benefit.

Tim Dehmer, Cannon Falls, expressed agreement with the comments made by others regarding the proposed data center. He referenced concerns he expressed during a past Council meeting regarding his interactions with the Cannon Falls Library Board and Library staff and

requested a written apology. He also referenced concerns relating to interactions he has had with the Cannon Falls Police.

Presentations:
School Board
Referendum
Presentation

Cannon Falls School Board Chair Clinton Sjoquist provided background information and discussed the School District's operating levy. He stated that on November 4 voters will be asked to support a \$950 per pupil operating levy to support School District operations, subject to inflationary increases. He noted that this would generate between \$700,000 and \$950,000 annually.

A short video was viewed, detailing the reasons for the School District's financing challenges:

- 1) Decades of underfunding by the State, combined with rising costs and inflation.
- 2) New mandates.
- 3) Changing roles of schools within the community, including mental health support for students, specialized learning assistance, technological resources, and career programs to meet workforce needs.
- 4) Safety needs.
- 5) Aging buildings.
- 6) Declining birthrates.

Mr. Sjoquist described how schools in Minnesota are funded. He stated that school funding is an investment in the future. He noted that a referendum vote failed in 2024, forcing the School District to cut approximately \$800,000 from its 2024-2025 budget. He reviewed School District accomplishments, despite budget reductions. He discussed the current funding gap and discussed how the additional funds, if approved by the voters, would be utilized. He noted that the operating levy has not increased since 2004. He provided property tax comparisons with other communities in terms of school funding. He described what would happen if the referendum is not successful, including staffing cuts, increased fees, larger class sizes, and a potential 4-day school week. He provided contact information and encouraged residents to reach out to School Board Members. Potential State funding relief was discussed.

Coalition of Greater
Minnesota Cities
Presentation

Attorney Bradley Peterson from Flaherty & Hood discussed the benefits of membership in the Coalition of Greater Minnesota Cities. City Administrator Radermacher further discussed the advocacy work of CGMC. The membership rate structure was reviewed.

Consent Agenda

- A. Just and Correct Claims – Accounting Period Ending October 2, 2025
- B. Meeting Minutes for September 8, 2025, City Council Work Session
- C. Meeting Minutes for September 16, 2025, City Council Meeting
- D. Approve Council Meeting Date Change for November
- E. Approve Health Insurance Renewal and Additional Plan Option
- F. Acceptance of John Burch Park Improvement Project
- G. Resolution 2829, Accepting Grant from Goodhue County Cooperative Electric Association for \$750 to the Parks Department
- H. Approve Lease Agreement for Stryker Medical Equipment for the Ambulance Department
- I. Approve Laserfiche Conversion
- J. Approve John Deere 325G Compact Track Loader Trade
- K. Approve Purchase of Second Gridbee AP500 Wet Well Mixer
- L. Approve Disposal of Surplus Equipment for Public Works
- M. Approve Disposal of Surplus Equipment and Purchase of Replacement Tractor for Public Works
- N. Resolution 2830, Accepting a Monetary Donation of \$640 for a Memorial Park Bench in Honor of Jane Duckett
- O. Resolution 2831, Receiving Preliminary Report and Calling Public Hearing on 2026 Street & Utility Improvements
- P. Introduction and First Reading of Ordinance 411, an Ordinance Authorizing the Sale of Parcel No. 52.140.0140
- Q. Approve Signage on Hoffman Street East and First Street North

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

Council Business

There was no other Council business.

Reports:
Council Committees,
Commissions, and
Nonprofit
Organizations

Library Director Miller indicated that she had nothing to report from the Library Board. She discussed an upcoming free workshop at the Cannon Falls Public Library.

Community & Business Development Specialist Qualey provided an EDA project update.

Topics of discussion during a recent Public Works & Park Board meeting were reviewed.

Staff

Public Works Director Petersen issued a reminder that the sewer credit for summer watering has now ended. He discussed hydrant flushing activities and a paving project.

City Engineer Angerman referenced items from the Consent Agenda, including approval of the 2026 street improvement project. He detailed the project and reviewed the next steps, including a Public Hearing on November 4 for discussion of the assessment process.

City Engineer Angerman discussed the data center proposal and invited Council Members to ask questions during an upcoming work session on October 9.

License & Permit Technician Carlson summarized agenda topics for the upcoming Planning Commission meeting on October 13, including continued discussion of items relating to the Tract proposal that were tabled during the last meeting. It was clarified that Public Hearings were conducted for these items on September 8 and that no Public Hearings are scheduled on October 13.

Police Officer Truax discussed issues relating to abandoned buildings and urged residents to say something if they see something.

Library Director Miller discussed the Downtown Trick or Treat Trot event on Halloween, October 31.

City Administrator Radermacher referenced some of the concerns that were raised earlier during the meeting related to the Tract proposal. He reviewed the agenda and structure of the upcoming joint work session on October 9. He answered some of the questions that were posed by Anna Lundahl earlier during the meeting relating to water and sewer usage, developer contributions toward infrastructure improvements, noise monitoring and potential mitigation strategies, property tax revenue and park dedication fees, and energy costs. Council Member Nobach relayed information he received from Dakota Electric Association representatives. It was clarified that residential energy usage takes priority over industrial usage, per State regulations. Administrator Radermacher commented that water and sewer rates could be lowered for residents if revenue exceeds expenses, as anticipated. User agreements were discussed.

Community & Business Specialist Qualey noted that the City of Cannon Falls is served by Dakota Electric Association and Xcel

Energy. She stated that consultant costs are being covered under an escrow agreement with Tract.

Mayor and Council
Members

Mayor Montgomery further discussed the upcoming joint work session.

Council Member Nobach requested an update on McDonald's. License & Permit Technician Carlson stated that a permit has been submitted to Goodhue County.

Council Member D. Johnson expressed appreciation for public comments relating to the data center and the work of City staff and consultants.

Council Member C. Johnson commented regarding the data center proposal and discussed the regulatory process.

Mayor Montgomery expressed appreciation for the respectful and focused public input process. He stated that the City will work hard to seek clarity, answer questions, and address concerns.

Mayor Montgomery expressed appreciation to Keith Meyers for his service and leadership as Football Director for the past 11 years. He expressed best wishes to Mike Ayers, who will be taking over as the new Football Director.

Adjournment

A motion was made by Council Member Zimmerman, seconded by Council Member Jeppesen and unanimously carried, to adjourn the meeting. The meeting adjourned at 8:05 p.m.

Adopted by the City Council of the City of Cannon Falls on the 21st day of October, 2025.

Matt Montgomery, Mayor

ATTEST:

Jon Radermacher, City Administrator