

The Cannon Falls City Council met in a regular session on Tuesday, April 16, 2024, in the City Council Chambers. Present were Mayor Matt Montgomery and Council Members Laura Kronenberger, Derek Lundell, Steve Gesme, Lisa Groth, Ryan Jeppesen, and Diane Johnson. Also present were Sara Peer, City Clerk; Jed Petersen, Public Works Director; Bill Angerman, City Engineer; Zach Logelin, Permit & License Technician; Laura Quality, Community & Business Development Specialist; and Jaxson Hanson, 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. All members 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 Johnson, seconded by Council Member Groth and unanimously carried, to approve the Agenda as presented.
- Public Input There was no public input regarding items not listed on the Agenda.
- Public Hearing:
72nd Avenue Way
Improvements City Engineer Angerman provided background information and discussed the project. He referenced Minnesota Statute 429 relating to special assessments. He referenced two resolutions that will be considered by the City Council following the Public Hearing, a resolution to accept and levy the assessment amounts and a resolution to award the contract for the project.
- City Engineer Angerman reviewed the project area, the improvements, and the project costs. He discussed the assessments, noting that residents would not be assessed for stormwater improvements or the turn lane. He referenced past Council discussion of the assessments and direction to reduce the property owner assessments by 50%. He detailed the assessments and discussed payment options and a deferral program.
- City Engineer Angerman reviewed the next steps and the anticipated project schedule.
- City Clerk Peer reported that no additional written objections to the project were received prior to the meeting.
- City Engineer Angerman reviewed the required assessment proceedings and detailed the appeal process. He stated that the

Public Hearing will provide an opportunity for residents to present evidence to support their position.

Mayor Montgomery reviewed the Public Hearing procedure and opened the Public Hearing at 6:40 p.m.

Mike Althoff spoke on behalf of his elderly grandparents, Marland and Senora Husaby, 30339 72nd Avenue Way, Cannon Falls. He stated that the property owners object to the project. He stated that he is confused regarding the purpose of the Public Hearing at this time. He noted that with another recent project the assessment hearing and appeal process occurred at the end of the project, once the exact costs were known. He stated his understanding that the proposed assessments for this project would be based on project cost estimates.

Mr. Althoff stated that his grandparents are the last remaining original 72nd Avenue Way property owners whose properties were annexed into the City of Cannon Falls. He referenced comments that he provided to the City Council last fall during discussion of the proposed project. He reiterated his earlier comments that his grandparents' property was annexed into the City on the promise that they would pay nothing toward future street and utility improvements. He stated that property owners were told that they could hook up to City utilities, once infrastructure was installed, at their expense.

Mr. Althoff referenced data requests that he submitted to the City of Cannon Falls and Cannon Falls Township and other research that he has conducted. He quoted from a commitment letter that he stated was part of the discussion with Cannon Falls Township regarding the proposed annexation.

"...committed to extending utilities across Highway 19 south on 72nd Avenue Way, which would include street improvements necessary to the expense of the development."

Mr. Althoff stated that Cannon Falls Township leaders initially opposed the annexation because they knew it would be expensive for the residents.

Mr. Althoff referenced Resolution 1598, adopted by the City Council at the time of annexation. He stated that the resolution language indicated that water and sewer utilities would be provided to property owners, who could hook up at their expense. Mr. Althoff noted that

the planned development failed and everything went stagnant after that.

Mr. Althoff referenced City Council meeting and work session minutes, Cannon Falls Township meeting minutes, and Stanton Township meeting minutes from around 2005. He stated that concerns were expressed that the proposed development would fail, as did other proposed developments around this same time period. He stated that property owners were concerned about paying City property taxes without having access to City services. He stated that his grandparents paid excess property taxes for over a decade, amounting to approximately \$15,000. He stated that his grandparents were assessed \$14,304.87 by the City of Cannon Falls, once City water and sewer utilities were extended. He added that his grandparents were also billed for stormwater fees, even though no additional improvements were made and his grandfather continued to mow the ditches through which stormwater drained.

Mr. Althoff indicated that his grandparents and other annexed residents were not allowed to vote in a City election and thus had no representation the first year after annexation, because the paperwork had not been completed.

Mr. Althoff stated that his grandfather estimated the total cost of becoming a City resident, if the initially proposed assessments were approved, at approximately \$90,000. He noted that this cost would still be \$70,000, based on the 50% assessment rate.

Mr. Althoff commented that alley paving is not assessed to property owners. He referenced inconsistent assessment practices for other projects.

Mr. Althoff stated that annexation was "sold" to property owners along with City and Township leaders on promises that were made. He noted that Resolution 1598 also stated that annexed residents could continue to use their wells and septic systems until they failed. He noted that his grandparents disabled a perfectly good septic system and capped off a perfectly good well because they were pressured by the City to hook up to City utilities within two years of sewer and water services being extended.

Mr. Althoff stated that his grandparents are requesting an adjustment of 50% of the more than \$14,000 that they have already paid in assessments, in addition to paying 50% of the current assessment.

He stated that they feel that this would constitute “meeting in the middle.”

No one else spoke during the Public Hearing. Mayor Montgomery closed the Public Hearing at 6:42 p.m.

1. Resolution 2744, Adopting Assessment.

City Engineer Angerman provided additional information relating to the process. He stated that an objection to the assessment has been filed on behalf of Marland and Senora Husaby. He stated that the City Council needs to consider whether evidence was presented during the Public Hearing demonstrating that the value of the property would not be increased by the value of the assessment. He stated that he and City Clerk Peer researched the claims made by Mr. Althoff, stating that they found no documentation committing the City to the cost of future improvements.

Council Member Johnson referenced her past concerns regarding the proposed assessments, stating that the past agreement with annexed property owners was not honored. City Engineer Angerman commented that the resolutions that they reviewed did not state that the City would be responsible for the cost of extending water and sewer services to annexed properties or the cost of paving the road.

Mike Althoff stated his understanding that the developer had agreed to cover these costs.

Council Member Gesme commented that the assessed property owners would benefit from the proposed improvements and spoke in support of assessing 50% of the cost.

Council Member Groth commented that the developer was at fault in this situation.

Council Members asked about the assessment deferral option, and additional information was provided in this regard.

Mayor Montgomery summarized the extensive discussions that were conducted regarding the project, the history of these properties, and the assessments for this project. He spoke in support of the creative solution that has been proposed.

A motion was made by Council Member Gesme to approve Resolution 2744, adopting the assessments and denying the objection. The motion was seconded by Council Member Kronenberger. A roll call vote was requested. Upon call of the roll, Council Members Gesme, Groth, Jeppesen, Kronenberger, and Lundell voted aye; Council Member Johnson abstained. Five ayes; no nays; one abstention, motion carried.

2. Resolution 2745, Receiving Bids and Awarding Contract.
City Engineer Angerman reviewed the bidding process and the bid that was submitted by Albrightson Excavating, noting that this is the same contractor for the Hardwood Estates project.

A motion was made by Council Member Jeppesen, seconded by Council Member Groth and unanimously carried, to receive the bids and award the contract.

Consent Agenda

- A. Just and Correct Claims – Accounting Period Ending April 11, 2024
- B. Meeting Minutes for April 2, 2024, City Council Meeting
- C. Resolution 2746, Accepting an In-Kind Donation from Cannon Falls Lions Club
- ~~D. Approve Cannon Valley Fair Water Truck Use Request~~
This item was pulled by Council Member Gesme
- E. Approve Pool Caulking Quote
- F. Resolution 2747, Accepting a Batting Cage Donation from Cannon Falls Youth Athletics Association
- G. Approve 2024 Event Street Closures
- H. Resolution 2748, Approving Variance for 510 Water Street East
- I. Resolution 2749, Approving Variance for Ed Rymer
- J. Approve State Road 20 Construction Detour

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

Council Business:

Lead Service Line
Grant Discussion

Public Works Director Petersen discussed a lead line identification process and grant funding from the Minnesota Department of Health. He stated that City staff will be working with WHKS to identify and record lead service lines and galvanized service lines. He stated that no Council action is required.

Council Member Johnson commented that the State of Minnesota is highly encouraging that all lead service lines be replaced by 2033.

She referenced grant funding to assist with this. She asked whether the City will be applying for these grants. Director Petersen commented that the service lines under discussion are owned by property owners and not the City. City Engineer Angerman stated his understanding that grants will be made available to individual property owners, noting that the inventory is the first step in the process. He stated that the City has no direct knowledge of lead service lines, adding that it is likely that some exist. He further reviewed the inventory process and the next steps if lead service lines are identified.

Council Member Johnson stated her understanding that the State grant program would assist both cities and homeowners with replacement of lead service lines. City Engineer clarified the grant agreement between the Minnesota Department of Health and WHKS relating to the inventory process.

Resolution 2750,
Receiving Bids and
Awarding Contract for
the John Burch Park
Improvements

City Engineer Angerman reviewed the bidding process for the John Burch Park wall project. He stated that seven bids were received, with the low bid coming in below the engineer's estimate of \$800,000. He stated that the low bid was submitted by Blakeborough Hardscapes in the amount of \$734,500. He stated that 50% of the project cost will be covered by a grant. He stated that the concrete work will be completed by a local subcontractor. He noted that the John Burch Park Committee has expressed support for awarding the contract. He reviewed the anticipated project schedule. Plans for the upcoming baseball and football seasons were discussed.

A motion was made by Council Member Johnson, seconded by Council Member Jeppesen and unanimously carried, to adopt Resolution 2750, receiving the bids and award the contract.

Approve Cannon
Valley Fair Water
Truck Use Request

Council Member Gesme asked whether proof of liability insurance was received. It was noted that this has been received.

A motion was made by Council Member Gesme, seconded by Council Member Lundell and unanimously carried, to approve the water truck use request as submitted.

Reports:

Council Committees,
Commissions, and
Nonprofit
Organizations

Community & Business Development Specialist Qualey summarized recent discussion by the Active Transportation Community Committee with regard to a link to an interactive map to help identify areas of concern in the community. She stated that a walking and biking audit is planned for this summer. She discussed promotion of the

interactive map tool and encouraged community members to engage with this.

Council Member Lundell summarized topics of discussion during a recent Public Works and Park Board meeting, including a Fire Muster event at Hannah's Bend Park on June 15 and the new swans.

Mayor Montgomery summarized topics of discussion during a recent Finance Committee meeting, including the 2025 budget planning process and the Fire Association agreements.

Council Member Groth summarized topics of discussion during a recent Library Board meeting, including the new doors that have been installed and increased circulation numbers.

Council Member Gesme discussed a recent Planning Commission meeting, during which two variance requests were reviewed and recommended for approval.

Mayor Montgomery summarized topics of discussion during a recent Police Commission meeting, including ongoing discussion of cannabis licensing and regulation.

Staff

Public Works Director Petersen discussed hydrant flushing activities and provided a street improvement project update. He discussed closure of the bridge.

City Engineer Angerman discussed the dedicated volunteers who have provided assistance with the John Burch Park project. He also thanked Community & Business Development Specialist Qualey for her assistance with the grant process.

City Clerk Peer discussed the upcoming financial audit, stating that a report will be provided to the City Council.

Mayor and Council

Mayor Montgomery expressed condolences to City Administrator Jensen on the death of a family member.

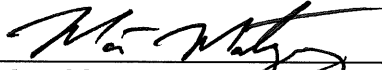
Mayor Montgomery discussed a recent fundraising event hosted by the Cannon Falls Education Foundation. He reported that the robotics team has been invited to participate in a world competition in Houston, Texas.

Mayor Montgomery commented that foot and trail traffic have been increasing with the nice weather.

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 7:20 p.m.

Adopted by the City Council of the City of Cannon Falls on the 7th day of May, 2024.



Matt Montgomery, Mayor

ATTEST:



Neil L. Jensen, City Administrator