

The Cannon Falls City Council met in a regular session on Tuesday, July 23, 2024, in the City Council Chambers. Present were Mayor Matt Montgomery and Council Members Derek Lundell, Steve Gesme, Lisa Groth, Ryan Jeppesen, Laura Kronenberger, and Diane Johnson. Also present were Neil Jensen, City Administrator; Sara Peer, City Clerk; Jed Petersen, Public Works Director; Zach Logelin, License & Permit Technician; Brice Miller, Fire Chief; Joe Berg, Police Lieutenant; and Shelley Ryan, City Attorney.

- 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, Jeppesen, Johnson, Kronenberger, and Lundell 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 Jeppesen, seconded by Council Member Johnson and unanimously carried, to approve the Agenda as presented.
- Public Input There was no public input.
- Consent Agenda
- A. Just and Correct Claims – Accounting Period Ending July 18, 2024
  - B. Meeting Minutes for June 18, 2024, City Council Work Session
  - C. Meeting Minutes for July 2, 2024, City Council Meeting
  - D. Approve Tennis Court Agreement with Cannon Falls School District
  - E. Resolution 2770, Accepting a Monetary Donation of \$100 from the Cannon Falls Library Foundation to the Library
  - F. Approve Stump Grinding Quote
  - G. Approve Sending Vehicles to Auction
  - H. Approve Drinking Fountain Repairs
  - I. Resolution 2771, Accepting a Monetary Donation of \$8,045.60 from Goodhue County to the Fire Department
  - J. Resolution 2772, Accepting a Monetary Donation of \$1,200.00 from Cannon Falls Fire Department Relief Association to the Police Department
  - K. Resolution 2773, Accepting a Grant of \$2,200.00 from Goodhue County Health & Human Services to the Parks Department
- A motion was made by Council Member Gesme, seconded by Council Member Lundell and unanimously carried, to approve the Consent Agenda as presented.

Council Business:  
Reconsideration of  
Recent Council  
Actions

Mayor Montgomery stated that, in accordance with the City Charter Section 2.05, Subd. 3, as the Mayor of the City of Cannon Falls, he has the authority to challenge the adoption of Resolution 2767, Resolution 2768, and Resolution 2769 relating to CUP and variance requests for Dollar General. He provided rationale for the challenges, stating that the City Council did not follow the guidelines that have been established for the City of Cannon Falls. He noted that he is therefore unable to support the project. He stated that he disagrees with the granting of multiple variances for a project that involves new construction. He stated his position that Dollar General has not demonstrated that a hardship exists that would warrant exceptions to the City's zoning guidelines. He commented that Dollar General has not expressed a willingness to compromise on the building design and placement on the site. He noted that the project and the proposed site do not match. He added that the site is in a residential area, stating that variances would not be granted if a prospective home builder requested to construct a new home that was not compatible with the site.

Mayor Montgomery requested further discussion and action by the City Council relating to the CUP and variance requests by Dollar General.

Council Member Groth expressed agreement that the proposed project is not a good fit for the site.

Council Member Johnson stated that on June 18, 2024, the City Council voted to approve a Conditional Use Permit and two variances for Dollar General. She asked City Attorney Ryan to comment regarding whether these votes have somehow been negated. City Attorney Ryan clarified that motions were approved by the City Council during the June 18 meeting, directing City staff to draft resolutions relating to the CUP and variances, which were then adopted by the City Council on July 2, 2024. She referenced Cannon Falls City Charter language that relates to the Mayor's authority to invoke a reconsideration process pertaining to resolutions that are adopted by the City Council. It was noted that the Council votes on June 18 were not unanimous, while the votes on July 2 were approved via unanimous approval of the Consent Agenda.

Council Member Lundell requested clarification of the reconsideration process. City Attorney Ryan indicated that at least five affirmative votes by Council Members are required to overturn a mayoral objection (challenge).

Council Member Johnson stated her understanding that Dollar General has three different building design options from which to select. She commented that when the City Council expressed concerns regarding the first project proposal, representatives from Dollar General spoke with representatives from the railroad regarding safety issues. She noted that a revised proposal was then submitted, which included a smaller building in a different location on the site and two variance requests rather than three. She provided several examples of setback variances and other deviations from City zoning ordinances that were previously approved by the City Council pertaining to new construction. She provided additional rationale in support of the proposed project.

Mayor Montgomery expressed disagreement with the comparisons offered by Council Member Johnson. He reiterated his position that variances should not be granted relating to new construction. He restated his opinion that Dollar General has not demonstrated a hardship, has not been willing to compromise, and is trying to make their building design fit on a lot that is not compatible. He suggested that Dollar General consider other potential sites for the project. He again requested that the City Council reconsider its earlier actions.

Council Member Kronenberger commented that the CUP and variances were approved unanimously on July 2. She expressed disappointment that the City has not worked with Dollar General to find an alternate location. Mayor Montgomery stated his understanding that Dollar General considered other potential lots but ultimately decided not to pursue those locations due to cost concerns. Council Member Kronenberger asked about commented regarding the purpose of variances.

Mayor Montgomery suggested that variance requests on a new build deserve a second look. He also suggested future consideration of parking stall requirements.

Council Member Jeppesen relayed concerns that the City is anti-business.

Mayor Montgomery commented regarding perceptions and speculation, stating that the City of Cannon Falls does encourage business opportunities. He stated that what he is challenging is that the project is not the right fit for the proposed lot. Council Member Groth commented that perhaps a different business would be a better fit for the site.

Council Member Lundell commented Dollar General could modify the building design if they truly wanted the project to fit on the proposed site.

Council Member Gesme referenced his past question to the applicant pertaining to whether the building design could be modified to fit the site without the need for variances.

Council Member Kronenberger inquired regarding the Planning Commission's recommendation. It was noted that the CUP and variance requests were recommended for approval by the Planning Commission, with one member abstaining from the vote.

Council Member Johnson commented that some businesses have standard designs, which helps them contain costs. She commented that Dollar General is not requesting any financial assistance or TIF from the City.

The Mayor and Council Members expressed their opinions with regard to whether housing project proposals should be treated differently from other types of commercial business proposals.

City Attorney Ryan explained that CUP and variance requests have different purposes and different standards of approval. She suggested that the Council reconsider each resolution separately. Past Council actions were reviewed.

City Attorney Ryan noted that the purpose of a Conditional Use Permit is to allow a use that is compatible with the area and the zone, potentially requiring some additional conditions of approval. She referenced past discussion of requiring a fence to separate the Dollar General store from the railroad. Planned sidewalks were discussed. City Attorney Ryan clarified that a CUP is tied to a specific project plan. The voting process was reviewed.

Reconsideration of  
Resolution 2767,  
Granting Conditional  
Use Permit for Dollar  
General

A motion was made by Council Member Kronenberger, seconded by Council Member Jeppesen, to affirm the adoption of Resolution 2767, approving a Conditional Use Permit for Dollar General as submitted. Upon call of the roll, Council Members Jeppesen, Johnson, Kronenberger, and Lundell voted aye; Council Member Groth voted nay; Council Member Gesme abstained from the vote. Four ayes; one nay; one abstention; motion failed.

Reconsideration of  
Resolution 2768,

A motion was made by Council Member Jeppesen, seconded by Council Member Johnson, to affirm the adoption of Resolution 2768,

Granting Variance  
from Front Setback  
for Dollar General

granting a front setback variance for Dollar General. Upon call of the roll, Council Members Jeppesen, Johnson, and Kronenberger voted aye; Council Members Groth and Lundell voted nay; Council Member Gesme abstained from the vote. Three ayes; two nays; one abstention; motion failed.

Reconsideration of  
Resolution 2769,  
Granting Variance  
from Parking Stall  
Requirements for  
Dollar General

A motion was made by Council Member Johnson, seconded by Council Member Jeppesen, to affirm the adoption of Resolution 2769, granting a parking stall requirement variance to Dollar General. Upon call of the roll, Council Members Jeppesen, Johnson, and Kronenberger voted aye; Council Members Groth and Lundell voted nay; Council Member Gesme abstained from the vote. Three ayes; two nays; one abstention; motion failed.

City Attorney Ryan suggested directing the City Attorney to prepare findings relating to the votes and present them to the Council. Mayor Montgomery asked the City Attorney to prepare this information for consideration during the next Council meeting.

Reports:  
Council Committees,  
Commissions, and  
Nonprofit  
Organizations

Council Member Groth summarized topics of discussion during a recent Library Board meeting, including the resignation of a Library Board Member, circulation statistics, and a SELCO update.

Council Member Gesme summarized topics of discussion during a recent Planning Commission meeting, including an initial recommendation to deny a rezoning request by Bethel's Rock Church relating to the Grand O2 Event Center. Council Member Johnson suggested discussion of whether to allow religious institutions as a conditional use in the B-1 and B-2 zoning districts.

Council Member Gesme provided an EDA update, noting that two more lots have been sold and work continues on new home construction.

Staff

Public Works Director Petersen summarized topics of discussion during a recent Public Works and Park Board meeting, including the relocation of a drinking fountain from Veterans Memorial Park to the dog park, stump grinding, sending vehicles to auction, project updates, and the Active Transportation Plan. He reported that progress continues on paving projects in the Hardwood Estates and Timber Ridge developments. He also discussed utility work. He provided a John Burch Park project update and discussed park clean-up activities due to recent flooding events.

License & Permit Technician Logelin reported that the next Planning Commission meeting is scheduled on August 19.

Fire Chief Miller discussed call volumes, staff training activities, and grant applications.

Police Lieutenant Berg discussed fingerprinting activities during the upcoming Fun Fest. He also provided a Night to Unite update on August 6. Mayor Montgomery commented that a Council meeting is also scheduled on August 6. Options were discussed.

City Clerk Peer discussed the upcoming election, detailed City Council vacancies, and reviewed the candidate filing process.

Mayor and Council  
Members


City Administrator Jensen referenced the 2025 budget planning process and asked whether the Council would like to schedule a work session. The fee schedule was discussed. Following discussion, City Administrator Jensen indicated that he will present a preliminary budget to the Council in late August or early September.

Mayor Montgomery discussed the succession planning process for City Administrator Jensen. He commented regarding the successful Cannon Valley Fair and 4th of July parade.

Adjournment

A motion was made by Council Member Jeppesen, seconded by Council Member Johnson 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 6<sup>th</sup> day of August, 2024.

  
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Matt Montgomery, Mayor

ATTEST:

  
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Neil L. Jensen, City Administrator