

**AGENDA  
OF THE WORK SESSION  
CITY OF EAST GRAND FORKS  
TUESDAY, JULY 23, 2024 – 5:00 PM**

**CALL TO ORDER:**

**CALL OF ROLL:**

**DETERMINATION OF A QUORUM:**

- 1. Request to Fill Vacant Position – Jason Stordahl**
- 2. Request Input for Cannabis Ordinance – Reid Huttunen**
- 3. Request Direction on Planned Use of General Fund Reserves and 2023 Surplus – Reid Huttunen and Karla Anderson**

**ADJOURN:**

**Upcoming Meetings**

Council Meeting – Tuesday, August 6, 2024 – Council Chambers – 5:00 PM

Work Session – Tuesday, August 13, 2024 – Council Chambers – 5:00 PM

The meeting on August 13<sup>th</sup> will be done by 6:00pm due to the Primary Election.

Council Meeting – Tuesday, August 20, 2024 – Council Chambers – 5:00 PM

Work Session – Tuesday, August 27, 2024 – Training Chambers – 5:00 PM

Individuals with disabilities, language barriers or other needs who plan to attend the meeting and will need special accommodations should contact Nancy Ellis, ADA Coordinator at (218)-773-2208. Please contact us at least 48 hours before the meeting to give our staff adequate time to make arrangements. Also, materials can be provided in alternative formats for people with disabilities or with limited English proficiency (LEP) by contacting the ADA Coordinator (218)-773-2208 five (5) days prior to the meeting.

# Request for Council Action

Date: 7/18/2024

To: East Grand Forks City Council Mayor Steve Gander, Council President Mark Olstad, Council Vice-President Tim Riopelle, Council members Clarence Vetter, Ben Pokrzywinski, Dale Helms, Brian Larson, and Karen Peterson.

Cc: File

From: Jason Stordahl-Public Works Director

RE: Filling Vacant Position

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Background: After nearly 40 years of service with the City's Public Works Department Cletus Landa is retiring August 30<sup>th</sup>, 2024. This will leave a vacancy within our Department which we like to fill as soon as possible.

Recommendation: Approve Staff to start the hiring process to fill vacant Truck Driver position.

# Request for Council Action

Date: July 23, 2024

To: East Grand Forks City Council Mayor Steve Gander, Council President Mark Olstad, Council Vice-President Tim Riopelle, Council members Clarence Vetter, Ben Pokrzywinski, Dale Helms, Brian Larson, and Karen Peterson.

Cc: File

From: Reid Huttunen, City Administrator

RE: Cannabis Planning: Seeking input for Ordinance writing guidance

## **Background:**

The States Office of Cannabis Management (OCM) has released a Guide for Local Governments on Adult-Use Cannabis, as well as a Model Ordinance for local governments. That Guide can be found at this link: [A Guide for Local Minnesota Governments on Adult-Use Cannabis \(mn.gov\)](#)

It has become more clear what the role of Local Governments is through the Cannabis rule making process. The following are areas that Local Government can set rules for cannabis by ordinance.

1. Ordinances pertaining to:
  - a. Zoning
  - b. Time, Place, Manner of business operations
2. Local Approval review process for MN State Licensing
  - a. Certification of compliance with zoning ordinances
  - b. Retail Business Registration
3. Compliance Checks – age verification and compliance with local ordinances.

City Staff have formed a cannabis work group to review the above areas and have reached a point where we would like to check in with the City Council as a whole, to gather feedback on some of the proposed rules we are discussing. Below is a summary of areas that are within local control and questions that we'd like City Council and public input on.

## **ZONING**

MN State Law for Cannabis does not restrict how a Local Government sets its zoning designations for cannabis businesses, except that the municipality may prohibit the operation of a cannabis business within 1,000 feet of a school, or 500 feet of a day care, residential treatment facility, or an attraction within a public park that is regularly used by minors, including playgrounds and athletic fields.

1. The City is proposing the following Zoning and Land Use regulations for Cannabis Businesses.
  - a. All Business types would be prohibited within all Zoning Districts if they are located:
    - i. within 750 Feet of a School
    - ii. Within 300 feet of a Licensed Childcare Center/Facility, Residential Treatment facility, or public park, playground, or athletic field.

b. Business License Types and proposed Zoning District

<b>BUSINESS TYPE</b>	<b>ZONING AREA PERMITTED</b>
Retail location	Downtown Commercial and Highway Commercial
Microbusiness	Light Industrial and General Industrial
Mezzobusiness	Light Industrial and General Industrial
Cultivator	Light Industrial and General Industrial
Manufacturer	Light Industrial and General Industrial
Wholesaler	Light Industrial and General Industrial
Transporter	Light Industrial and General Industrial
Testing Facility	Light Industrial and General Industrial
Delivery Service Industrial	Highway Commercial, Light Industrial, General Industrial
Medical Cannabis Combo Bus.	Light Industrial and General Industrial
Low Potency Hemp Manufacturer	Light Industrial and General Industrial
Low Potency Hemp Retailer Commercial	Downtown Commercial and Highway Commercial

**ZONING BUFFER MAPS ARE INCLUDED AS AN ATTACHMENT FOR REVIEW**

**ZONING QUESTIONS:**

1. Do you support the proposed restriction that no Cannabis business shall be located within 750 of a school?
2. Do you support the proposed restriction that no Cannabis business shall be located within 300 feet of a Licensed Childcare Center/Facility, Residential Treatment facility, or public park, playground, or athletic field.
3. Do you support the idea that retail sale locations for Cannabis be in the Downtown Commercial or Highway Commercial district?
4. Do you support the idea that any cultivation, or manufacturing of cannabis and cannabis products be located within the Light Industrial or General Industrial district?

**BUSINESS REGISTRATION**

1. By Ordinance, the municipality may limit the number of licensed cannabis retailers to no fewer than One (1) per every 12,500 residents. This means the City of East Grand Forks will be required to allow at least one (1) retail business license. It can set limitations to the total number of retail licenses allowed.
  - a. How many retail business locations should the City of East Grand Forks allow?
    - One
    - Two
    - Three to five
    - More than five

2. If the Municipality wishes to place a limitation on the number of retailers allowed within the city, The City will need to define the process for how it will select the retail holder, if more than the allowed number of license holders apply. A few options for this process include:
  - a. Use of a Lottery
  - b. A first Come/First Serve model
  - c. A rolling basis
  - d. Others

If the City determines it will limit the number of retail licenses, how should it determine which retailer is selected for a license?
  
3. The municipality shall require a Cannabis Business Registration, by ordinance. Fees for these registrations are set by State Law as listed below.
  - a. An initial retail registration fee shall not exceed \$500 or half the amount of an initial state license fee under Minn. Stat. 342.11, whichever is less
  - b. A renewal retail registration fee shall not exceed \$1,000 or half the amount of a renewal state license fee under Minn. Stat. 342.11, whichever is less

**BUSINESS REGULATIONS/RESTRICTIONS:**

4. By State Law, the municipality may adopt an ordinance limiting hours of operation to the hours between 10 a.m. and 9 p.m., seven days a week. State statute prohibits the sale of cannabis between 2 a.m. and 8 a.m., Monday through Saturday, and between 2 a.m. and 10 a.m. on Sundays
  - a. Our Cannabis Work Group is recommending the following business hours:
    - Monday through Sunday: 10:00 a.m. to 9:00 p.m.

Do you agree with the above proposed cannabis business hours of operation?

**Recommendation:**

No recommendations at this time. Seeking City Council and public input on the above-described business parameters and zoning.

**Enclosures:**

Cannabis – Proposed Zoning List  
 East Grand Forks Zoning Map  
 Maps showing impact of proposed buffer zones

<b>Business License Type</b>	<b>Definition</b>	<b>Downtown Commercial</b>	<b>Highway Commercial</b>	<b>Light Industrial</b>	<b>General Industrial</b>
Retailer	Sell Cannabis and hemp products to customers & patients	Yes	Yes	No	No
Microbusiness	Cultivate & Package for resale. May Operate one retail location	No	No	Yes	Yes
Mezzobusiness	Cultivate & Package for resale. May Operate up to three retail locations	No	No	Yes	Yes
Cultivator	Cultivate and Package for sale to another retail business. *Indoor Cultivation only within City Limits	No	No	Yes	Yes
Manufacturer	manufacture products for sale to another retail business	No	No	Yes	Yes
Wholesaler	Purchase and/or sell immature cannabis products to/from another cannabis license	No	No	Yes	Yes
Transporter	Transport plants/seedlings to licensed business	No	No	Yes	Yes
Testing Facility	obtain and test immature plants/seedlings from licensed cannabis businesses	No	No	Yes	Yes
Event Organizer	Organize a temporary event lasting no more than 4 days				
Delivery Service	purchase from retailers with retail endorsement to deliver to customers	No	Yes	Yes	Yes
Medical Cannabis Combination Business	Cultivate and manufacture medical cannabis. Operate one retail location	No	No	Yes	Yes
Low Potency Hemp Edible Manufacturer	Manufacture low potency edibles for consumer sale	No	No	Yes	Yes
Lower Potency Hemp Edible Retailer	sell lower potency edibles to customers	Yes	Yes	No	No

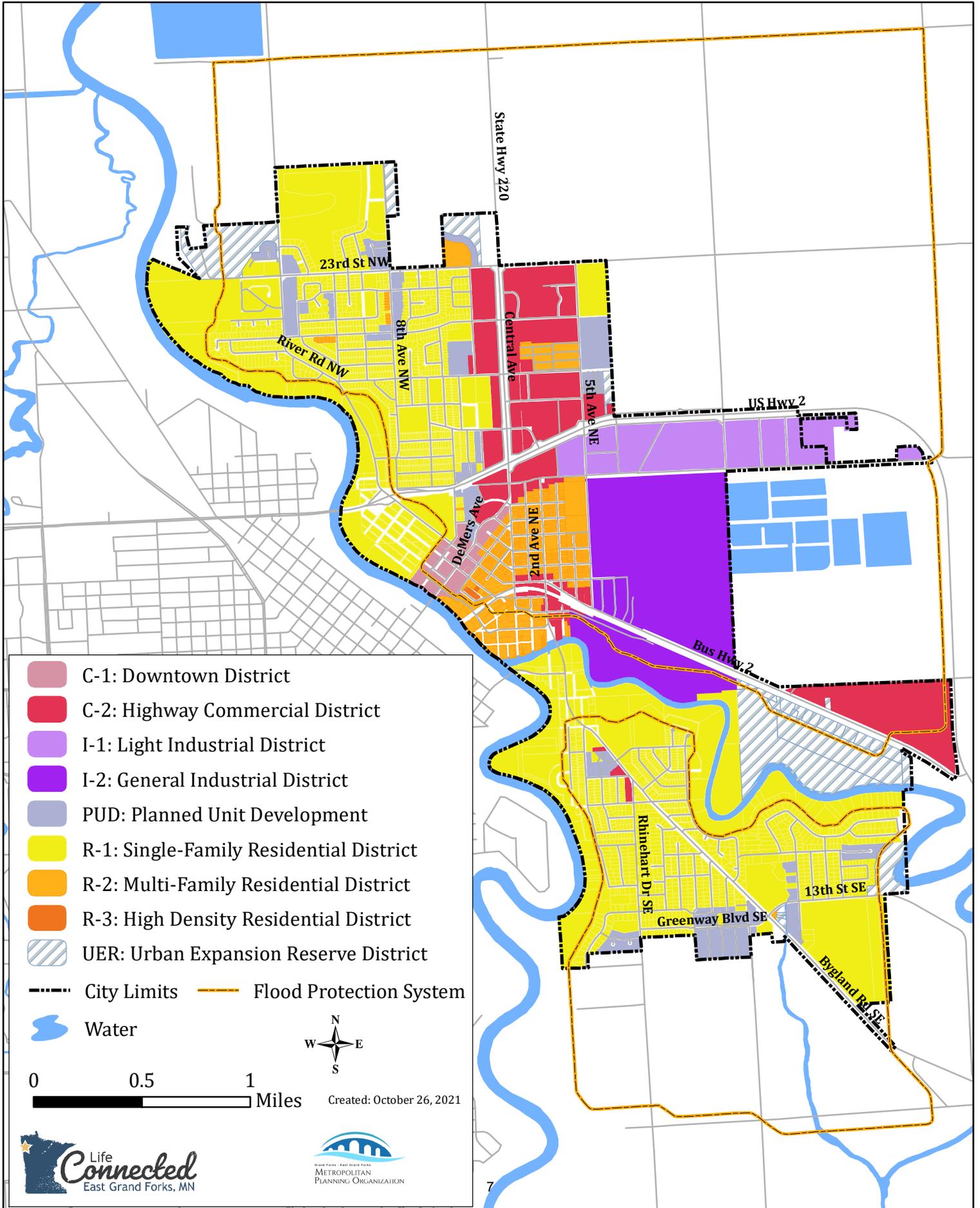
Yes = Permitted Zone & Land Use  
No = Prohibited Zone & Land Use

**\*Zoning District buffers for all business types.**

No closer than 750 Feet from any school

No closer than 300 feet from any childcare center/facility, residential treatment facility or public park, playground, or athletic field regularly used by minors.

# East Grand Forks Zoning Map



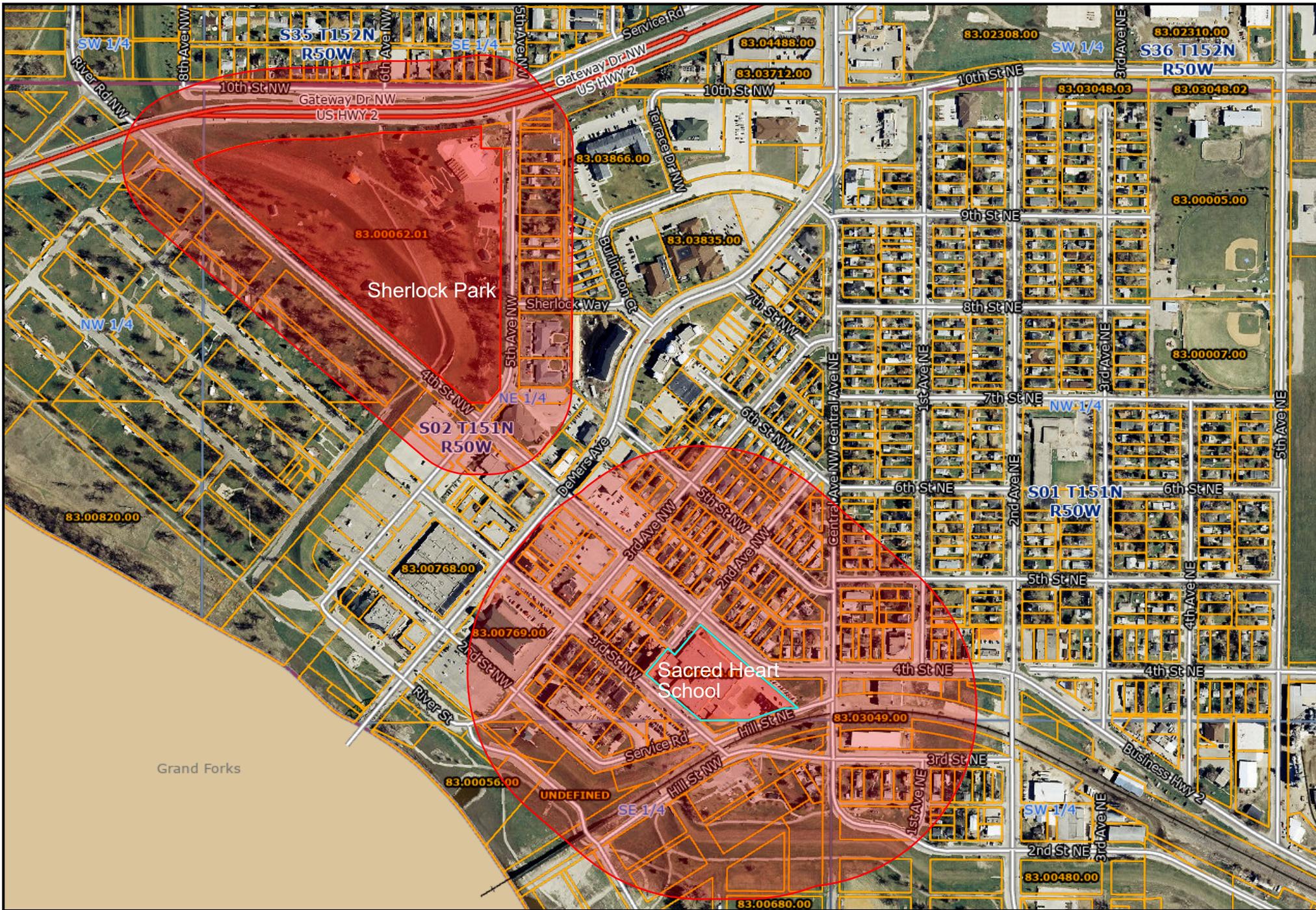
- C-1: Downtown District
- C-2: Highway Commercial District
- I-1: Light Industrial District
- I-2: General Industrial District
- PUD: Planned Unit Development
- R-1: Single-Family Residential District
- R-2: Multi-Family Residential District
- R-3: High Density Residential District
- UER: Urban Expansion Reserve District
- City Limits
- Flood Protection System

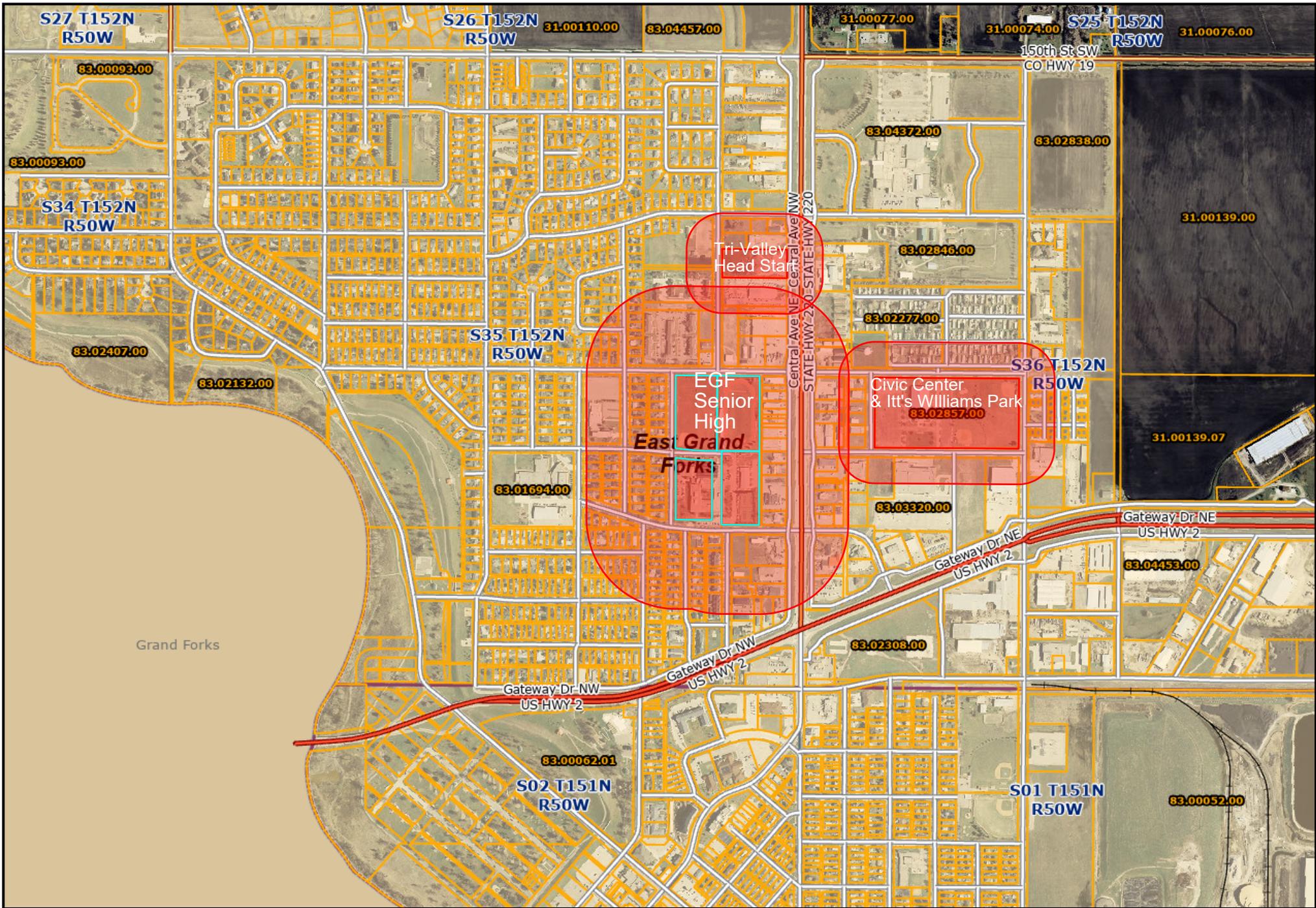
Water

0 0.5 1 Miles

Created: October 26, 2021





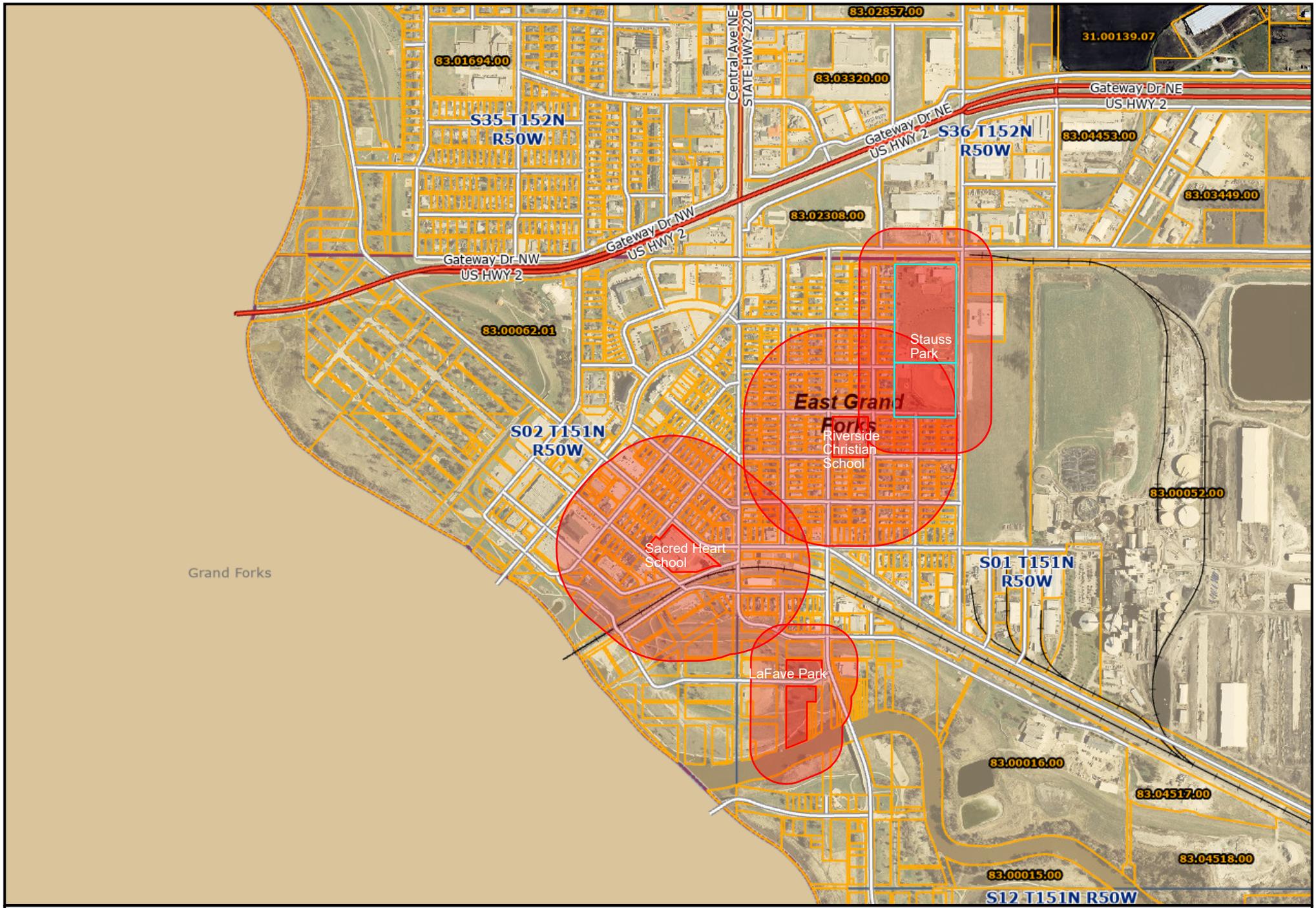


Highway Commercial  
along Hwy 220

C-2 with buffers\_map2

7/1/2024

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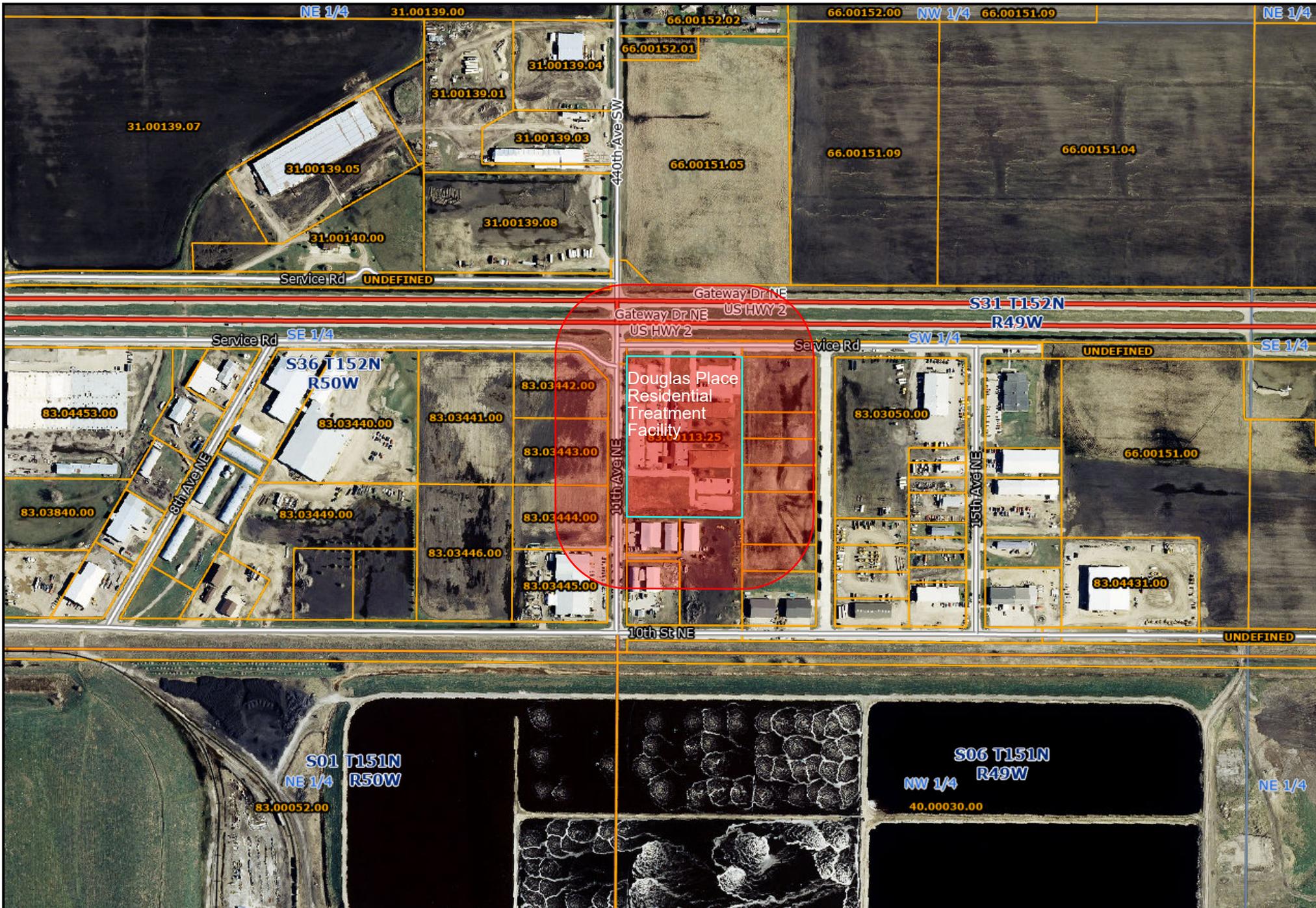


Highway Commercial  
along Business Hwy 2

### Bus 2 C-2 with buffers

7/1/2024

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Industrial Zoning

*I-1 and I-2 with res facility buffer*

7/1/2024

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# Request for Council Action

Date: July 23, 2024

To: East Grand Forks City Council Mayor Steve Gander, Council President Mark Olstad, Council Vice-President Tim Riopelle, Council members Clarence Vetter, Ben Pokrzywinski, Dale Helms, Brian Larson, and Karen Peterson.

Cc: File

From: Reid Huttunen, City Administrator and Karla Anderson, Finance Director

RE: Requesting direction on planned use of General Fund reserves and 2023 surplus

## Background:

City staff are preparing our first draft of the 2025 Budget and plan to bring an initial budget proposal to City Council for review in August. As discussed during the 2023 Audit review:

- General Fund Balance increased \$743,627 as of December 31, 2023.
- Total General Fund Balance \$7,244,930.00 as of December 31, 2023.

City Policy and Office of State Auditor recommendation is the City to maintain an unrestricted fund balance of 35 to 50 percent of fund operating revenues or no less than five months of regular general fund operating expenditures. With the assumption that we will collect and spend as budgeted in 2024, the 2024 General Fund Balance would be at 55% of Revenue and Expenditures.

- Projected Total Revenue:           \$13,327,897     5% of Revenues = \$666,394.85
- Projected Total Expenditures:   \$13,501,961     5% of Expenditures = \$675,098.05

City Staff are preparing the 2025 budget and considering potential Capital Improvement projects to include in our budget request.

How would City Council like to see us handle our General Fund balance and 2023 surplus? City staff have discussed the below considerations as potential ideas/options:

- Apply a portion of the balance toward Capital Improvement projects:
  - o Examples could include: Fire Station 2 renovation, Parks & Recreation Improvement projects, Industrial Park improvements, etc.
- Apply a portion of the balance to 2025 Budget
- Save a higher than 50% balance in our general fund

## Recommendation:

No recommendation from staff. Seeking input and direction to help City Staff take the next steps in preparing its 2025 budget proposal.

## Enclosures:

2024 Budget brief updated with December 31, 2023 fund balance

# 2024

The City of East Grand Forks' budget reflects the goals developed by City Council, and provides a blueprint for City services. The budget not only serves as a financial plan, but also as a tool for accountability.

## CITY OF EAST GRAND FORKS

### PROPOSED GENERAL FUND BUDGET BRIEF

#### EAST GRAND FORKS VISIONING GOALS



Plan for projects within Fund Balance



South End Bridge



Local Sales Tax for Recreation Facilities



Restore and Maintain Trust



Strengthen City/School Partnership Bond



Upgrade City Facilities & Streets



#### 2024 BUDGET SUMMARY

Beginning Fund Balance:

**\$7,244,930**

Projected Total Revenue:

**\$13,327,897**

Projected Total Expenditures:

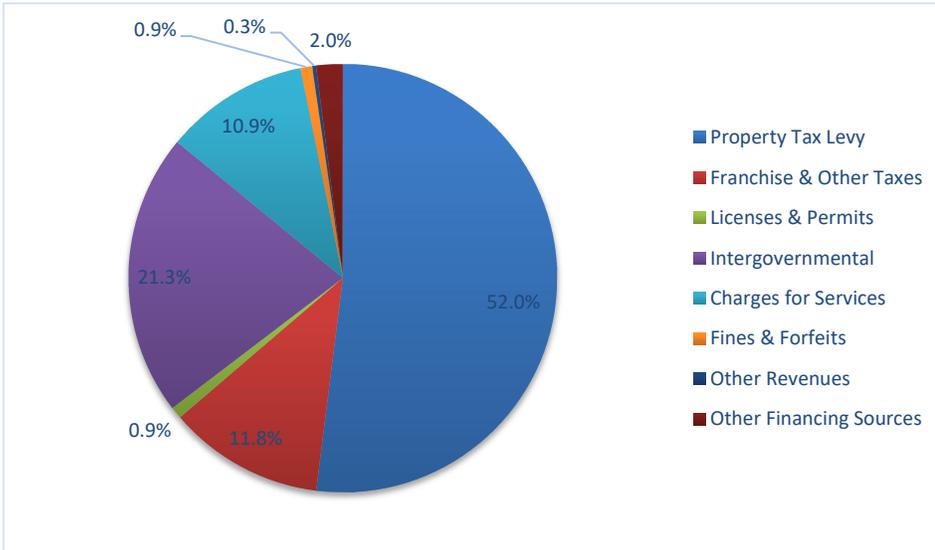
**\$13,501,961**

Estimated End of Year Fund Balance:

**\$7,369,901**

Fund Balance as % of Revenue	55%
Fund Balance as % of Expenditures	55%

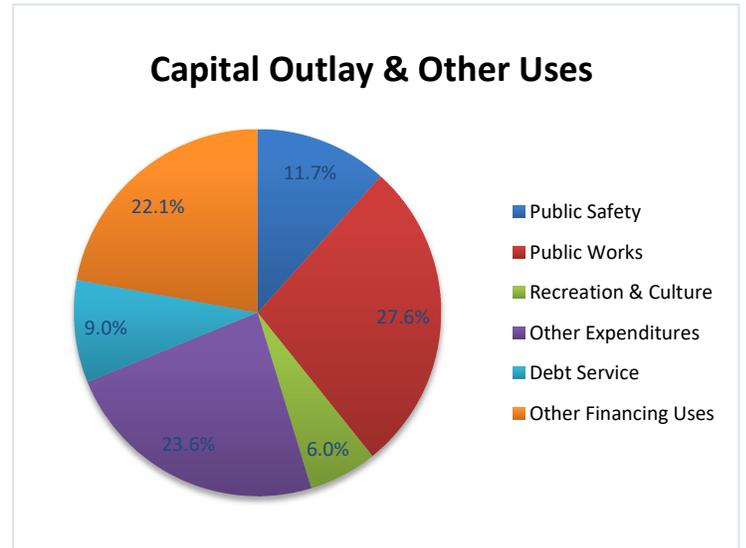
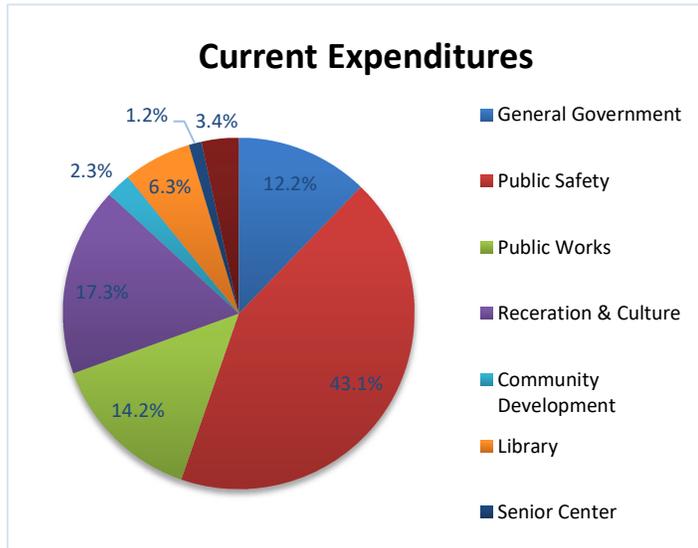
# 2024 TOTAL REVENUE



## REVENUES

Property Tax Levy	\$6,930,081
Franchise & Other Taxes	\$1,567,684
Licenses & Permits	\$116,275
Intergovernmental	\$2,839,577
Charges for Services	\$1,451,180
Fines & Forfeits	\$118,000
Other Revenues	\$38,500
Other Financing Sources	\$266,600
<b>TOTAL REVENUES</b>	<b>\$13,327,897</b>

# 2024 TOTAL EXPENSES



## Current Expenditures

General Government	\$1,527,950
Public Safety	\$5,388,142
Public Works	\$1,772,297
Recreation & Culture	\$2,168,822
Community Development	\$288,963
Library	\$785,008
Senior Center	\$146,036
Other Expenditures	\$427,009

## Capital Outlay & Other Uses

Public Safety	\$116,500
Public Works	\$275,000
Recreation & Culture	\$60,000
Other Expenditures	\$235,000
Debt Service	\$90,000
Other Financing Uses	\$220,794
<b>TOTAL EXPENSES</b>	<b>\$13,501,521</b>

# GENERAL FUND EXPENSES

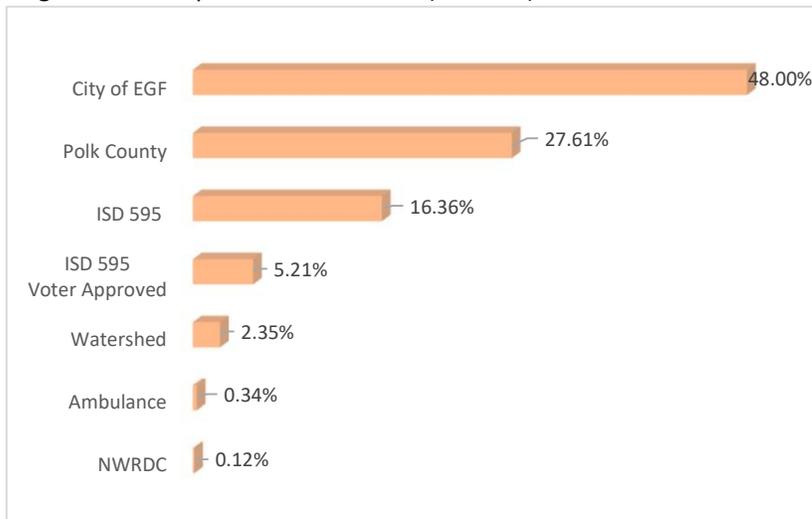
## SUMMARY OF CITY SERVICES

<b>PUBLIC WORKS</b>		<b>CITY ENGINEER</b>	
Pavement Management & Infrastructure	Road & Street Maintenance	Planning & Reviewing City Infrastructures	
Concrete Repair	Snow Removal		
<b>PUBLIC SAFETY</b>		<b>PARKS &amp; RECREATION</b>	
Emergency Notifications & Preparedness		Maintenance of City pool, parks, outdoor rinks	
Fire Services	Police Services	Maintenance of City arenas	
		Red River State Recreational Area Campground	
		Recreational Activities	
		Greenway & Trail maintenance	
<b>COMMUNITY DEVELOPMENT</b>		<b>LEGAL SERVICES</b>	
Building Permits & Inspections	Planning & Zoning	Legal Consultation & Advice	
Economic Development		Representation for the City During Litigation	
		Preparation of Legal Documents	
<b>FINANCE</b>		<b>LIBRARY</b>	
Management of City Fees	Taxes & Licensing	Library Activities	
Audits & Financial Statements	Budgets	Library Collection	
<b>LEADERSHIP &amp; ADMINISTRATION</b>		<b>SENIOR CENTER</b>	
General Oversight	City Council Support	Senior Activities	
City Manager's Office	Strategic Planning		
City Clerk	Municipal Election		

# COMMUNITY TAX BREAKDOWN

## PROPERTY TAX

Property owners residing in the East Grand Forks City limits: Property tax statements consists of taxes collected for Polk County, City of EGF, ISD 595 Voter Approved, ISD 595, Watershed, Northwest Regional Development Commission (NWRDC), and Ambulance.



## FOR EXAMPLE

Estimated Market Home Value: **\$237,500**

Total Property Tax: **\$3,474**

### BREAKDOWN OF 2023 PROPERTY TAX:

NWRDC	\$4.33	0.12%
Ambulance	\$11.78	0.34%
Watershed	\$81.74	2.35%
ISD 595 Voter Approved	\$181.16	5.21%
ISD 595	\$568.25	16.36%
Polk County	\$959.05	27.61%
City of EGF	\$1,667.69	48.00%
	<b>\$3,474.00</b>	<b>100.00%</b>