

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

CALL TO ORDER:

The Work Session of the East Grand Forks City Council for Tuesday, July 23, 2024 was called to order by Council President Olstad at 5:00 P.M.

CALL OF ROLL:

On a Call of Roll the following members of the East Grand Forks City Council were present: 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.

Staff Present: Karla Anderson, Finance Director; Nancy Ellis, City Planner; Ron Galstad, City Attorney; Paul Gorte, Economic Development Director; Michael Hedlund, Police Chief, Charlotte Helgeson, Library Director; Reid Huttunen, City Administrator; Jeremy King, Parks and Recreation Superintendent; Megan Nelson, City Clerk; and Jason Stordahl, Public Works Director.

DETERMINATION OF A QUORUM:

The Council President Determined a Quorum was present.

1. Request to Fill Vacant Position – Jason Stordahl

Mr. Stordahl told the Council that Mr. Cletus Landa would be done as of August 30th after almost 40 years of working for the city. He asked to fill the vacancy and start the hiring process. There were no questions.

This item will be referred to a City Council Meeting for action.

2. Request Input for Cannabis Ordinance – Reid Huttunen

Mr. Huttunen told the Council a work group had been formed to work through the rules and regulations from the State, more information was needed from the State to complete this process, but the City was able to control zoning and where the business types could be located. He explained how the State would be setting the registration fees so the group had spent its time reviewing zoning, buffer zones for areas around schools could be up to 1000 feet, and the buffer zones for day care centers, a residential treatment facility, or an attraction such as a public park or a place used regularly by minors could have a buffer zone up to 500 feet. He stated if they used the largest buffer zones these businesses would be zoned out of the commercial areas, the work group's suggestion would be to allow the retail business in the commercial areas instead of the industrial areas because the commercial areas were set up for traffic, so the use would be allowed in downtown commercial and highway commercial zones utilizing a 750 foot buffer zone from schools and a 300 foot buffer from a park or child day care center. He added most of the other businesses would be in the industrial park.

Council President Olstad asked about the maps that were included in the packet. Mr. Huttunen said the maps showed the buffer zones that were 750 feet from schools and 300 feet from parks or a day care center. Council President Olstad said that buffer would only allow one side of Demers Avenue. Mayor Gander commented how he liked the way this had been laid out and was being done in an orderly way. Mr. Huttunen stated the State would be registering the businesses and there was a requirement for one of these businesses for every 12,500 in population which would be approximately three businesses for Polk County. He added the City could set a minimum or not, or start with one business to understand the market and demand because it would be hard to limit businesses if they started out with no limit. Council member Larson asked to consider starting with two businesses because only having one would be a monopoly. Council member Peterson said she liked the idea of having two businesses because of how they operate. Mayor Gander said he would like to start with one business, see how things go, and roll out a second business in about six months. Discussion followed about having a buffer between the businesses and how they could allow one business in each commercial area.

Mr. Galstad stated there were mezzo and micro businesses that did have a retail aspect to them, he submitted questions to the State regarding these businesses, and was still waiting on answers about what limitations or restrictions that could be put on those businesses. Council member Vetter asked if they limit this to one business, how would they decide who got the license. Council member Pokrzywinski asked about the selection process. Mr. Huttunen informed everyone the business would first have to apply with the State, the State would review the application, a retailer would reach out to the City about locating in the city, and the business would not have to have a location picked out. He continued saying the City would have 30 days to review the license, multiple registrations could be received, and there were a few different ways of moving forward such as a lottery system or a first come, first serve system. He added he spoke with someone recently about if the area became oversaturated with these businesses none of them would be profitable. Council member Pokrzywinski said his initial thought was to have two locations but could agree to starting with one and reviewing at 6 months to consider a second location. Council member Vetter asked how they would evaluate things at 6 months. Council member Pokrzywinski said he did not have the answer but made some suggestions on what could be used. Discussion followed about how there were age limits on cannabis purchases, annual compliance checks would be conducted, and driving impaired would be based upon officer observations because there was nothing currently to test the level of concentration.

Council member Larson said he was concerned about having only one location, business would eventually slow down, but they have not addressed how to select a business, so it could be challenging, and they should determine what could be reviewed. Mr. Galstad reminded the Council the State licensed the businesses, the City would determine the amount of licenses, and someone applying for a license would have a benefit if they had a criminal record from a marijuana conviction. Council member Larson said it was frustrating there was not more local control. Mr. Galstad stated again he had sent some questions to the State regarding the micro and mezzo businesses, if the retail for those businesses could be restricted and he was still waiting on answers. Council member Vetter said there should be research done on how liquor licenses determined when the number of the licenses were restricted. Council member Peterson commented how there should not be retail businesses located in the industrial park. Mr. Huttunen said the micro and mezzo businesses would be located in the industrial park, not the retail location for those businesses, and the City was waiting on a response from the State. Council President Olstad said he would prefer having two businesses and it could be revisited later.

Council Vice-President Riopelle said the proposed buffers restricted locations to one side of Demers Avenue and it should be allowed on both sides. Mr. Huttunen said it was the same along Highway 220

and the buffer zone could be changed to allow for both sides. He added that this would just be for the full cannabis stores and the current stores that were selling THC would still be allowed to do so in their current locations. Mr. Galstad reminded the Council the limitations or buffer zones were not required but they were trying to limit this from children but things could be opened up on the corridors. He added that nothing could be located in residential areas. Mayor Gander said many people did not want these businesses in the city and they were trying to do this in an orderly way. Council member Helms said he did not want these businesses, but he would like to see the 750 foot buffer zone. Council member Larson said they could allow the corridors. Discussion followed about how the only way to prohibit an area was by buffer zones so buffer zone would need to be adjusted to allow certain areas and how the operating hours should be set from 10am to 9pm for each day of the week which was allowed by the State.

This item will be brought back to a future meeting.

3. Request Direction on Planned Use of General Fund Reserves and 2023 Surplus – Reid Huttunen and Karla Anderson

Mr. Huttunen stated the handout was a summary of the building maintenance fund. He explained there was a surplus from 2023, if the 2024 budget was collected and spent as it was budgeted, this would put the fund balance reserve at 55% at the end of 2024. He reminded the Council the 2024 budget included \$174,000 being spent from the reserves. He added the State recommendation was to have a reserve of 35% up to 50% of expenditures so the 5% of the 55% would total approximately \$675,000. He said staff was working on the proposed 2025 budget which would be brought forward at an August work session and asked if the Council would want to spend, save, or give some direction on how to use some of that funding. He asked for input and if there were questions.

Council President Olstad asked if health insurance was determined. Mr. Huttunen said they should have that information in August. Council President Olstad stated he would like to see a 3% tax levy for 2025, reserves at 50%, and asked what had been delayed and how the greensite needed some work. Mayor Gander said if they had a 3% levy increase that could be close to almost no increase to the residents, the City was running lean, the Ad Hoc committee did a good job, and reviewed history of tax levies. Discussion followed about how there was a -1% tax levy in 2012, how \$743,000 was being carried over from 2023, and it was unknown where things would end up for 2024. More discussion followed about how the back portion of the greensite needed to be addressed because of how rough the ground was, how concrete could be added, how there are many issues with the gate, and a change could be made to charge everyone for the greensite and not have cards anymore.

This will be brought back to a future meeting.

ADJOURN:

A MOTION WAS MADE BY COUNCIL MEMBER HELMS, SECONDED BY COUNCIL MEMBER LARSON, TO ADJOURN THE JULY 23, 2024 WORK SESSION OF THE EAST GRAND FORKS, MINNESOTA CITY COUNCIL AT 6:09 P.M.

Voting Aye: Peterson, Vetter, Pokrzywinski, Riopelle, Helms, Olstad, and Larson.

Voting Nay: None.

Megan Nelson, City Clerk