

**SAUK CENTRE CITY COUNCIL
REGULAR MEETING
WEDNESDAY, NOVEMBER 2, 2022**

1. CALL TO ORDER/ROLL CALL/PLEDGE OF ALLEGIANCE

The Sauk Centre City Council met in a Regular Meeting on Wednesday, November 2, 2022 at 6:30 p.m. due notice being given thereof. Present were Mayor Warren Stone, Council Members Diane Kelly, Joe Fuechtmann, Heidi Leach and Shalon Wilber. Also present were Engineer Keith Yapp, Public Works Supervisor Ben Clink, Police Chief Bryon Friedrichs, City Administrator Vicki Willer and City Planner Sarah Morton. Mayor Stone presided thereat.

2. APPROVAL OF AGENDA

A motion was made by Council Member Fuechtmann and was seconded by Council Member Kelly to approve the agenda with the addition of 7g. A vote being recorded as follows: For: Council Members Fuechtmann, Kelly, Leach, Wilber and Mayor Stone. Against: None. The motion passed.

3. APPROVAL OF MINUTES

A motion was made by Council Member Wilber and was seconded by Council Member Leach to approve the October 19, 2022 Regular Meeting Minutes as presented. A vote being recorded as follows: For: Council Members Wilber, Leach, Fuechtmann, Kelly and Mayor Stone. Against: None. The motion passed.

4. PUBLIC OPEN FORUM (Comments Limited to 3 Minutes)

None.

5. PUBLIC HEARINGS

- a. **Ordinance 816 – Licensing of Retail Sale of Cannabinoid Edibles Derived from Hemp.**

Mayor Stone opened the Public Hearing and read the Public Hearing Procedure.

On July 1, 2022 the State of Minnesota passed legislation providing for the sale of cannabinoid edibles. On August 3, 2022, the City Council passed an Ordinance establishing a moratorium on the retail sale of Cannabinoid Edibles Derived from Hemp. This moratorium was put in place to give the city time to develop an Ordinance providing for licensing.

An Ordinance creating Chapter 120 in the Code has been developed and is presented for approval. Key factors in the Ordinance include:

- 120.001 Definitions
- 120.002 License Required
- 120.003 Procurement of License
- 120.004 Basis for Denial of License
- 120.005 Sales of Cannabinoids Derived from Hemp

- 120.006 Testing Requirements
- 120.007 Labeling Requirements
- 120.008 Additional Requirements for Edible Cannabinoid Products
- 120.009 Prohibited Sales
- 120.010 Adulterated or Misbranded Products
- 120.011 Signage
- 120.012. Age Verification
- 120.013 Responsibility
- 120.014 Hours of Sales
- 120.015 Compliance Checks and Inspections
- 120.016 Civil Penalty, Suspension or Revocation of Licenses
- 120.017 Penalties for Violations

Each year the retail establishment will apply for a license to sell the product. The Police Dept. will conduct a background check and the license will be issued by the City Council. Randomly during the year, the Police Dept. will conduct compliance checks and inspections to verify that the product is not being sold to anyone under 21, that only the allowed product (less than 5mg THC per serving) is being sold and is packaged correctly, and that the product is being properly secured and displayed.

The City Council should also set a fee for the license. The fee cannot exceed the cost of issuance, inspection and enforcement of the Ordinance. The recommendation is \$150.00.

One additional item the City Council may want to consider is how many licenses should be issued within the City.

Adoption of this Ordinance appeals the Moratorium previously enacted.

Mayor Stone called for persons to speak in favor or opposition.

Eric Hellerman, Next Door Bar Owner. Mr. Hellerman questioned if both the State and City will require a license fee. City Administrator Willer stated that it will only be a City fee. Hellerman then asked if his establishment could sell these products. Staff will research this and get back to Mr. Hellerman.

Smoke Shop Owner questioned if there is a limit of selling only gummies or only vape. City Administrator Willer stated it is for edibles.

Mayor stone called three additional times for persons to speak in favor or opposition. None additional spoke. See 7a.

6. REPORTS/PRESENTATIONS

- a. The EDA met on November 2, 2022 and discussed the phasing plan for Meyer Property Plat – input provided to engineer.
- e. City Engineer Keith Yapp updated the Council on the following City projects:

2022 Capital Improvement Project

- Paving complete
- Final wear course 2023
- One segment retaining wall work scheduled for Monday November 14

Industrial Park

- Project complete with exception of lift station which should be complete by mid-November
- Final wear course paving 2023

Meyer Parcel

- Preliminary review to soon be presented to staff, Planning Commission and Council

7. ACTION ITEMS

- a. See 5a.

CHAPTER 120: CANNABINOID EDIBLES LICENSING AND INSPECTIONS

Section:

- 120.001 Definitions
- 120.002 License Required
- 120.003 Procurement of License
- 120.004 Basis for Denial of License
- 120.005 Sales of Cannabinoids Derived from Hemp
- 120.006 Testing Requirements
- 120.007 Labeling Requirements
- 120.008 Additional Requirements for Edible Cannabinoid Products
- 120.009 Prohibited Sales
- 120.010 Adulterated or Misbranded Products
- 120.011 Signage
- 120.012. Age Verification
- 120.013 Responsibility
- 120.014 Hours of Sales
- 120.015 Compliance Checks and Inspections
- 120.016 Civil Penalty, Suspension or Revocation of Licenses
- 120.017 Penalties for Violations

A motion was made by Council Member Fuechtmann and was seconded by Council Member Wilber to approve Ordinance No. 816 adding Chapter 120 to the Sauk Centre City Code providing for the licensing of retail establishments for the sale of hemp derived THC food and beverages in the City of Sauk Centre, Minnesota; to set the fee at \$150.00 per license; and to have no limitation on number of licenses issued. A vote being recorded as follows: For: Council Members Fuechtmann, Wilber, Kelly, Leach and Mayor Stone. Against: None. The motion passed.

- b. The Council was presented with Ordinance 817 which authorizes Summary Publication of Ordinance 816. This summary publication is authorized when publishing the summary explains in sufficient detail what the Ordinance is and also provides for copies to be provided free of cost to anyone who requests them.

A motion was made by Council Member Leach and was seconded by Council Member Kelly to approve Ordinance No. 817, An Ordinance of the City of Sauk Centre Authorizing Summary Publication of Ordinance 816 Adding Chapter 120 to the Sauk Centre City Code Providing for Licensing of Retail Establishments for the Sale of Hemp Derived THC (Tetrahydrocannabinols) Food and Beverages in the City of Sauk Centre. A vote being recorded as follows: For: Council Members Leach, Kelly, Wilber, Fuechtmann and Mayor Stone. Against: None. The motion passed.

- c. At the City Council meeting on October 19, 2022, the City Council met in closed session to discuss an offer from a business to purchase a lot in the South Sauk Centre Industrial Park. Staff was given direction at that time to pursue the sale and develop documents.

The City Attorney prepared a Purchase Agreement which is now ready for execution by the City. The Purchase Agreement is for Lot 1, Block 2, South Sauk Centre Industrial Park and is set to close around the first of the year.

A motion was made by Council Member Wilber and was seconded by Council Member Kelly to approve Resolution No. 2022-85, Resolution Authorizing Execution of Documents. A vote being recorded as follows: For: Council Members Wilber, Kelly, Fuechtmann, Leach and Mayor Stone. Against: None. The motion passed.

- d. As part of the Special Assessment process for the 2022 Street Improvement Project, owners of adjacent properties assessed are afforded the opportunity to apply for a deferral of assessments under Mn Statute §435.193 through §435.195. Residents are eligible for deferral based on income, age and/or disability. The deferral will freeze payments without interest until the home is no longer the homestead of the owner at which time the assessment becomes due and payable.

The following have applied and are deemed eligible for the deferral:

Parcel 94.57867.0000	\$13,792.65
Parcel 94.57871.0000	\$17,449.30
Parcel 94.59211.0000	\$13,792.65
Parcel 94.59214.0000	\$ 8,172.25
Parcel 94.58405.0000	\$11,399.83
Parcel 94.59191.0000	\$11,068.57

The following was denied due to income exceeding threshold:

Parcel 94.58394-0000	\$13,182.32
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A motion was made by Council Member Kelly and was seconded by Council Member Leach to approve Resolution No. 2022-86, Resolution Providing for the Deferral of Special Assessments for the 2022 Street Improvement Project. A vote being recorded as follows: For: Council Members Kelly, Leach, Wilber, Fuechtmann and Mayor Stone. Against: None. The motion passed.

- e. Following any election where the City has candidates on the ballot, the City Council must certify or “canvass” the votes effectively making them official.

State Statute requires this vote to take place with a certain number of days of an election.

With the City Council meeting one week after the election, the date falls within the required timeline. It was recommended that the vote take place during the Regular Meeting on November 16 rather than at a Special Meeting.

A motion was made by Council Member Kelly and was seconded by Council Member Fuechtmann to set date for canvassing election results on November 16, 2022. A vote being recorded as follows: For: Council Members Kelly, Fuechtmann, Wilber, Leach and Mayor Stone. Against: None. The motion passed.

- f. Public Works Supervisor Ben Clink has requested that the City appoint Dennis Christensen as a Seasonal Outdoor Rink Attendant.

A motion was made by Council Member Leach and was seconded by Council Member Wilber to approve appointment of Dennis Christianson as winter seasonal employee. A vote being recorded as follows: For: Council Members Leach, Wilber, Kelly, Fuechtmann and Mayor Stone. Against: None. The motion passed.

- g. The City has a 1990 Chevy 1 Ton Pickup available for sale through Minnbid.

A motion was made by Council Member Leach and was seconded by Council Member Kelly to approve Resolution No. 2022-87, Resolution Authorizing Sale of Excess Vehicle. A vote being recorded as follows: For: Council Members Leach, Kelly, Wilber, Fuechtmann and Mayor Stone. Against: None. The motion passed.

8. UNFINISHED BUSINESS

- a. Following the Certification of Final Assessment for the 2022 Project, the owner of 225 Maple Street came to City Hall to ask questions about his assessment. (\$12,400.00)

He maintains he didn't receive a notice of the hearing. In addition, he recently purchased the home and says he was unaware of the assessment.

The City Council can withhold certification of the assessment until 2023 if it wishes to work through this issue, or the assessment can be certified and if found to be the responsibility of someone else, it could be retracted.

The owner intends to be in attendance to answer any questions.

A motion was made by Council Member Leach and was seconded by Mayor Stone to allow assessment to proceed with potential retraction or hold on certification. A vote being recorded as follows: For: Council Member Leach, Mayor Stone, Council Members Fuechtmann, Kelly and Wilber. Against: None. The motion passed.

9. NEW BUSINESS

None.

10. CONSENT AGENDA

The Council considered the following Consent Agenda Items:

- a. Schedule of Claims - Unpaid Claims \$267,394.87
 Paid Claims \$0.00
 Total \$267,394.87

- b. Resolution No. 2022-87 Resolution Accepting Contributions.

Men’s Card Playing Group	\$131.47		Senior Center
Jim Kazlauckas	Value of \$200 -	Chainsaw	Public Works
Mainstreet Title Closing	Costs	Ballfield Acquisition	Parks

- c. Gambling Application for Exempt Permit request from Sauk Centre Sno-Cleats, Inc. for a raffle on May 10, 2023 at the Sno-Cleats Club House.

- d. Gambling Application for Exempt Permit request from Centre Mat Wrestling for a raffle on December 29, 2022 at the Sauk Centre High School.

- e. Gambling Application for Exempt Permit request from Centre Mat Wrestling for a raffle on February 23, 2023 at the Sauk Centre High School.

A motion was made by Council Member Fuechtmann and was seconded by Council Member Leach to approve the Consent Agenda. A vote being recorded as follows: For: Council Members Fuechtmann, Leach, Kelly, Wilber and Mayor Stone. Against: None. The motion passed.

The Council thanked the Men's Card Playing Group, Jim Kazlauckas and Mainstreet Title & Closing for their donations.

11. INFORMATIONAL ITEMS

- a. Spectrum Lineup Changes
- b. Election Day – November 8

12. ADJOURNMENT

A motion was made by Council Member Kelly and was seconded by Council Member Wilber to adjourn the meeting. A vote being recorded as follows: For: Council Members Kelly, Wilber, Leach, Fuechtmann and Mayor Stone. Against: None. The motion passed.

With no further business to come before the Council, Mayor Stone adjourned the meeting.

Respectfully submitted:

Mayor Warren Stone

City Administrator Vicki Willer