

**AGENDA**  
**CITY OF DAYTON, MINNESOTA**  
**12260 S. Diamond Lake Road, Dayton, MN 55327**  
**Tuesday, September 10, 2024**  
**REGULAR MEETING OF THE CITY COUNCIL - 6:30 P.M.**

**The invite for Zoom for this meeting can be found on the City's website community calendar**

- 6:30      **CALL TO ORDER**
- 6:30      **PLEDGE OF ALLEGIANCE**
- 6:35      **APPROVAL OF AGENDA**
- 6:35      **CONSENT AGENDA**      *These routine or previously discussed items are enacted with one motion. Any questions on items should have those items removed from consent agenda and approved separately.*
- A. Approval of Work Session and Council Meeting Minutes of August 27, 2024
- B. Approval of Payment of Claims for September 10, 2024
- C. Approval of Awarding Contract for Water Main Extension on Territorial
- D. Approval of Pay Request 1 for Chip and Fog Seal
- E. Approval of Temp Employee Erin Omberg
- F. Approval of Accepting Resignation From Firefighter Greg Petersen
- 6:40      **OPEN FORUM**      *Is limited to Three minutes for non-agenda items; state your name and address; No Council Action will be taken and items will be referred back to staff*
- 6:50      **STAFF, CONSULTANT AND COUNCIL UPDATES**
- COUNCIL BUSINESS**
- New Business**
- 7:00      G. Adopt a Park Program
- 7:10      H. Discussion on Cannabis Zoning Ordinance
- 7:25      I. Approval of Proposed Resolution of City Code Enforcement Matters
- Action Items**
- 7:35      J. Resolution 47-2024 and Resolution 46-2024; Approval of Preliminary EDA Levy and Adopting the General Fund Budget and Preliminary Tax Levy for 2025
- 7:40      **ADJOURNMENT**

The City of Dayton's mission is to promote a thriving community and to provide residents with a safe and pleasant place to live while preserving our rural character, creating connections to our natural resources, and providing customer service that is efficient, fiscally responsible, and responsive.

***Mayor Fisher called the work session meeting to order at 5:00 p.m.***

***PRESENT:*** Mayor Dennis Fisher, David Fashant, Travis Henderson, Scott Salonek, and Matt Trost

***ABSENT:***

***PLANNING COMMISSIONERS PRESENT:*** Sara Van Asten, Darren Browen, and Nick Preisler

***PLANNING COMMISSIONERS ABSENT:*** Peter DeMuth and Paul Crosland

***ALSO PRESENT:*** City Engineer, Jason Quisberg; Planning Consultant, Kevin Shay; City Administrator/Finance Director, Zach Doud; Assistant City Administrator/City Clerk, Amy Benting; Community Development Director, Jon Sevald; Planner II, Hayden Stensgard

## **MASTER PLAN WORK SESSION CITY COUNCIL/PLANNING COMMISSION**

Shay stated that the Planning Commission met on March 7, 2024, and reviewed the draft of the Master Plan. The direction from the Planning Commission was to hold a Joint Work Session with City Council to review the land use in the Master Plan area. That Joint Work Session was held on May 2, 2024, and robust discussions were centered on land use and transportation for the Master Plan area. There was strong input to re-evaluate the roadway connections and networks.

Shay stated that the focus of this Joint Work Session is land use. The next step is to have an Open House on September 17, 2024, in the Activity Center. Shay stated that the current three options presented are all operating on the current Met Council requirements (3 units per acre).

Discussion ensued regarding ways to increase the high-density elements.

Browen asked about the transportation plan. Shay stated that the transportation plan is set. Today's meeting is focused solely on land use.

Fisher pointed out that residential building seems to be on main roads.

Sevald stated that in the Public Opinion Survey, most Dayton residents want a town square.

Additional conversation ensued.

The discussion shifted to "split land use" and the necessity of it for the Master Plan.

There was discussion regarding the need for business parks.

Browen stated that consideration needs to be given to Dubay Lake. Browen doesn't like the idea of trying to make a Master Plan for 640 acres of land.

Fisher stated that he too has concern about such a large area.

Sevald stated that the direction from the City Council was to create a Master Plan for the entire 640 acres.

Browen stated that the Staff, the City Council, and the Planning Commission deserve a failing grade on this project. Browen further stated that Staff, the City Council, and the Planning Commission are all going to look bad at the Open House.

Shay offered to change the title of the document. Rather than calling it a Master Plan, it will be called a Land Use Plan.

Additional conversation about mixed use zoning continued.

There was consensus that walkability is important to attract renters to the proposed city center area.

Shay stated that his goal is to create the document so everyone can read it, visualize what it will look like in the future, and understand the vision.

There was consensus to not go above 60 acres of commercial use property. Medium density housing equates to about six units per acre.

The conversation shifted to the requirements of Met Council.

### **ADJOURNMENT**

Fisher declared the meeting adjourned at 6:05 p.m.

Respectfully Submitted,

Sandra Major, Recording Secretary  
*TimeSaver Off Site Secretarial, Inc.*

Approved: \_\_\_\_\_

Attest: Amy Benting

***Mayor Fisher called the public meeting to order at 6:30 p.m.***

**PRESENT:** Mayor Dennis Fisher, David Fashant, Travis Henderson, Scott Salonek, and Matt Trost

**ABSENT:**

**ALSO PRESENT:** Public Works Superintendent, Marty Farrell; City Engineer, Jason Quisberg; Fire Chief, Gary Hendrickson; Police Chief, Paul Enga; City Administrator/Finance Director, Zach Doud; Assistant City Administrator/City Clerk, Amy Benting; Community Development Director, Jon Sevald;

### **PLEDGE OF ALLEGIANCE**

### **APPROVAL OF AGENDA**

Benting requested to add Item J.1., Approval of Dayton Lions Gambling Permit for a Permanent Location at Fisher Farms.

**MOTION:** Motion was made by Councilmember Henderson, seconded by Councilmember Fashant to approve the agenda items, as revised. Motion carries unanimously.

### **CONSENT ITEMS:**

- A. Approval of Council Meeting Minutes of August 12, 2024
- B. Approval of Payment of Claims for August 27, 2024
- C. Approval of Final Pay Application for Jaeger-Jordan Ditch Stabilization
- D. Approval of Letter of Credit Reduction for Sundance Greens 9<sup>th</sup> Addition
- E. Approval of Resolution 45-2024; Final Plat River Walk 3<sup>rd</sup> Addition
- F. Approval of Resolution 44-2024; Accepting Donation from RPM Graphics
- G. Approval of the Amended and Restated EDA Bylaws
- H. Approval of Raffle September 6 Located at Daytona Golf Club
- I. Approval of Resolution 41-2024; Appointing David Anderson to EDA
- J. Approval of Purchasing Slit Seeder
  - J1. Approval of Dayton Lions Gambling Permit for a Permanent Location at Fisher Farms

Fashant asked Farrell about the bill in Payment of Claims for \$12,730 from Hennepin County for snow plowing. Farrell stated that Hennepin County plows the interchange from 81 to Brockton. The agreement was made when the interchange was built.

Fashant questioned item G., noting Sevald is now the executive sponsor for the EDA Meetings and the EDA Bylaws mention signing documents. Fashant asked if there is a policy in place regarding signing authority and does Sevald normally have the signing authority, or is this something newly created with the EDA Bylaws. Doud stated that Sevald's signing authority is something newly executed with the EDA Bylaws. Doud further stated that the current people who have signing authority are Benting, Fisher, and



Fashant. Doud stated that he is able to sign if Amy is not available. Benting stated that it isn't realistic for the Clerk to attend the EDA Meetings. Fashant requested that a document be created to lay out exactly who can sign what.

Salonek asked about the decision for Sevald to take over for the EDA. Doud stated that he is an employee of the City. If the City would like for Doud to be utilized with the EDA, Doud is certainly willing, but he reminded the Council that his time is spread thin. Doud stated that in other cities, the Community Development Director serves as the liaison for the EDA. Salonek stated that the EDA would prefer to work with Doud. Sevald stated that preparing for the meeting takes much more time than attending the meeting.

Additional conversation ensued.

Fashant commented on page 2, section 1 of the EDA Bylaws. Fashant read the section and stated it is something that he was unfamiliar with. Benting stated that the same language is in all the Commissions for the City.

Additional conversation ensued.

Trost commented on item E. Trost would like to see signs that state "Residential Traffic Only" beyond a certain point so that the construction vehicles and delivery trucks don't inundate the neighbors.

Henderson directed a question to Farrell on item J., because the City is in the co-op program, and asked if the silt seeder becomes part of the program. The answer is yes.

Fisher asked if we borrow a piece of equipment and the motor blows up, who pays. Benting stated if Dayton owns the equipment, then Dayton's insurance pays. If another City owns the equipment, then their insurance pays.

**MOTION:** Motion was made by Councilmember Trost, seconded by Councilmember Fashant, to approve the Consent Agenda as presented. The motion carries unanimously.

**OPEN FORUM:**

No one came forward for open forum.

**STAFF, CONSULTANT, AND COUNCIL UPDATES:**

**Doud** stated the process is moving forward for the Federal grant related to the Wellhead Treatment Plant. The State Historic Preservation Office (SHPO) is still refusing to give a determination, but the Department of Housing and Urban Development (HUD) is working on the City's behalf.

Doud stated that the City will be closed for the Labor Day Holiday on Monday, September 2, 2024.

**Benting** stated that Hennepin County has published new recycling requirements. Benting sent those requirements to the Councilmembers, but she can send out additional information. By the end of the year, one of the requirements is that the City will have to begin licensing recycling and garbage haulers and assigning scores for a variety of categories. Benting stated some changes are coming that will impact the City financially and in other ways.

**Sevald** stated the Met Council came out with a Policy Plan. Staff is examining it and preparing a summary that will be presented at the next Council Meeting.

Additional conversation ensued.

**Salonek** stated that the Dayton Sign Ordinance needs some attention, noting community events are having their signs taken down. This past week, the Dayton Heritage Day and Dayton Car Show signs were removed. Salonek asked if the City-sponsored events have been removed in the past. Salonek stated that the Easter Egg Hunt signs were not removed. Doud stated that the Sign Ordinance was passed after the Easter Egg Hunt. Doud stated that the Sign Ordinance applies to the City as well as to the residents. No signs belong in the right-of-way.

## **COUNCIL BUSINESS**

### **New Business:**

#### **K. Concept Plan, 11085 French Lake Road (Holland)**

Sevald came forward and gave an overview of the project, which is located on the south side of French Lake Road. The entire projects consist of 25 lots, most of which are in Champlin. There are two full lots along with portions of two additional lots and a stormwater pond located in Dayton.

Sevald stated that the developer would like to know if there is support from the Council to either annex the portion of the project that is located within the boundary of Dayton into Champlin. Sevald stated that a second question for the Council to consider is whether there any changes to the proposed development that the Council would like to see.

Trost asked if the developer is asking for the annexation or if the City of Champlin is asking for the annexation. Sevald stated that both are requesting the annexation.

Doud stated that the developer is present for any questions the Council may have.

Fashant stated that he does not see the advantage of annexation. Fashant further stated that Dayton would be giving something away and not receiving anything for it. Fashant went on to state that the only thing Dayton receives out to the development is a pond and two houses, and the pond could go someplace else within the proposed development. Fashant is not a fan of the requested deviation as it relates to lot size either.

Trost stated that he agreed with Fashant about the annexation. Trost agrees with the red-line marked-up document that was provided in the packet.

Fisher stated that he was at the Planning Commission meeting when the Concept Plan was discussed and agrees with their findings.

Fashant asked if the second proposed intersection is even allowed. Sevald stated that he doesn't think there have been any discussions with Hennepin County about the subject.

Doud stated that if the intersection were allowed, it would be the only one allowed, based on the spacing restrictions.

Nathan Fair, of Landmark Development, located at 13432 Handson Boulevard came forward and provided an adjustment to the ghost plat that realigns the intersection in question.

Fair stated that the reason he's requesting annexation is to keep the process simple. Otherwise, Fare will need to deal with two different cities for one project.

Fair stated that if annexation were agreed to when the land develops to the west of the project, the Champlin stormwater pond would become available for use by Dayton. The stormwater pond is currently oversized for that purpose.

Salonek stated that he would be personally open to the annexation if there was more benefit to Dayton above and beyond the regional stormwater pond.

Salonek made mention of the fact that 25 homes being built will generate a considerable amount of money.

Fair stated the Public Notice that went out is incorrect. In the total plat, there will be 15 new homes.

Salonek stated that the builder generates money by building and selling the homes. Champlin makes money on tax revenue and Dayton receives a stormwater pond. Perhaps there is a dollar amount that can be agreed upon in exchange for the annexation.

Fisher asked for Sevald to quantify the long-term expense of owning the stormwater pond. Before Sevald could respond, Fair stated that Dayton wouldn't want that liability.

Conversation ensued.

Doud stated that Champlin will benefit from the connection with Dayton.

Additional conversation ensued.

Fisher asked if the annexation does not take place, is the plan to develop a single house and stormwater pond on the two-acre lot.

Doud asked Quisberg if stormwater can be drained into another community without a JPA. Quisberg stated that the stormwater rules would likely prevent that from happening without an agreement between the cities.

Additional conversation ensued.

There was consensus that the City Council is not interested in allowing Champlin to annex Dayton's property.

**L. 2024 Park Improvements Update - Kangas**

Farrell came forward and stated that the Council has had questions regarding the delays in the park improvements. Farrell stated that he invited Paul Kangas to address the Council's concerns.

Paul Kangas, 14165 James Road, Rogers, came forward to address the Council.

Henderson stated Farrell had informed the Council that the deadlines regarding the park improvements were not met due to backups. Henderson asked Kangas to elaborate.

Kangas stated that earlier in the year, attempts were made to lump three different design projects into one document to put out for bid. The three projects included: 1) Phase III of Elsie Stephens Park (picnic shelter, revision to performance area, and additional minor ancillary improvements); 2) Area 21 Park (new neighborhood park); and 3) Lone Gardens (small seating area and irrigation).

Kangas stated that delays were encountered. The neighborhood meetings at Sundance Woods did not happen until late in February, which caused design delays. There were no firm layouts, there were no exact project elements, there

were budget considerations, and there were land ownership considerations (the City did not have ownership of all the land).

Kangas stated that his biggest mistake was telling Farrell yes. The design schedule was too aggressive. Kangas stated that the bridge project at Elsie Stephens Park is supposed to be separated as a stand-alone project because it is a large enough project. The contractors would prefer to complete the project during the winter when the stormwater would be less of a challenge. The current thought is to put those documents out to bid in early fall and construct it through the winter months.

Kangas stated that there is no clearly defined schedule for Area 21 Park, but the thought is to put the project out to bid in early 2025.

Trost asked Kangas if he has a chart to show the timing of events. Kangas agreed to provide a spreadsheet.

Additional conversation ensued regarding irrigation plans.

Salonek stated that he has nothing good to say, so it is better if he says nothing.

Fashant stated his surprise was that funds were budgeted for Elsie Stephens Park and the Council wasn't made aware of the inability to complete the plans until late spring. Fashant stated that better communication could have eased that pain.

Fashant asked what type of premium the Council should expect to see for winter construction of the Elsie Stephens Park bridge. Kangas stated that it really can't be considered a premium because the City must either pay for de-watering or for winter conditions.

Additional conversation ensued.

#### **M. Term Limits for Commission Members**

Doud stated that this topic was raised by Councilmember Trost. Doud and Benting did some research from neighboring communities. Staff has no recommendation on this subject but simply supplying information for context.

Trost stated that having ends to terms is not a bad thing.

Fisher asked Trost why it isn't good enough for the Council being able to vote and by unanimous consent re-seat a Commission Member whose term is over. Trost stated that he thinks it is good to have the conversation.

Fashant stated that the Council should have the discussion. Fashant stated that the City struggles with not having enough community interest in serving. Having

term limits would force the City to keep a position open rather than allowing a current member to continue serving.

Additional conversation ensued.

Henderson suggested putting a sign in front of City Hall when there is an opening for one of the Commissions as it may inspire additional applications.

Benting stated that at the last Open House, the Commissions were invited so that the community would become familiar with them.

Trost suggested that people could pre-apply for Commissions they may be interested in serving on and when positions become available, Staff has people to contact.

There was consensus to make a greater effort in cultivating a pool of applicants for Commission openings rather than term limits.

**Action Items:**

**N. Interim Use Permit Home Extended Business 13551 Norwood Lane (Yancy)**

Sevald came forward and gave an overview of how a Home Extended Business is defined. The Yancy family is requesting an Accessory Building that is 32 feet by 48 feet that will satisfy the requirement of an enclosed garage and provide space for their Home School Co-Op to meet in. The property can accommodate the 100-foot setback from neighboring homes, and the Interim Use Permit will expire in five years.

Sevald stated that the Planning Commission did recommend approval for the project at their August 1, 2024, Meeting. Sevald noted some of the neighbors expressed concern, but Staff also recommends approval.

Sevald stated that according to the Applicant, only six families will be part of the Home School Co-Op, which will be 24 students in total. Sevald stated that the Applicants are present to answer any questions the Council may have.

Salonek stated that the Home School Co-Op is not a problem, but he would like the Applicants to be in compliance with the Garage Ordinance. Salonek stated that the City Attorney, Fisher, Staff, and the Applicants have been communicating on an agreement, and Salonek believes the City Council should be included in that conversation.

Henderson agreed with Salonek.

Fisher explained that there were two problems. The first problem was the connection between the house and the accessory unit in the house. The second problem was the fact that the garage no longer existed. Fisher stated that a timeline was put into place.

Doud stated that the plan had to be discussed and approved by City Council by October 31, 2024, and construction has to be completed by July of 2025.

Trost asked if there was anything else discussed at that meeting. Doud stated that another property that the Applicant owns has to come into Code compliance, and the Applicants are working through that process right now.

Trost asked if there were any waived fees. Doud stated there some waived fees in order to justify things that happened in the past by both sides. Trost asked if the waived fees exceeded \$6,000. Doud stated that the \$6,000 was related to the Ordinance on Zoning Code violations and fines.

Fisher stated that the discussion between attorneys probably kept the City out of the courtroom.

Trost stated he agrees with Salonek that there are five Councilmembers that should be making these types of decisions together.

Salonek stated that the Applicants don't really need an Interim Use Permit to operate their Home School in their house. Salonek stated that his only concern is that City Council follows through with what is decided.

Trost stated that he has heard from every neighboring property. The lack of care in the past for the property is what has the neighbors upset. Trost encouraged the Applicants to properly maintain the property.

Fashant stated that he was present at the meeting, and there couldn't be more Councilmembers present, because it would be a quorum and considered a Council Meeting. Right or wrong, it was a good faith effort to resolve some issues.

Fashant reminded the City Council that there is a need to restrict the discussion to whether to allow the Interim Use Permit for an Extended Home Business. It doesn't really matter if the Yancy's are good neighbors, and the actual building doesn't concern us, because that will be taken care of by the Building Code.

Salonek asked how part of a garage can be considered a school. Sevald stated that it is a Building Code issue. The area occupied by stuff can be separated from the area occupied by people with a firewall.

Henderson asked Staff what the worst-case scenario.

Fisher invited the residents to come forward with comments.

Paula Ervin of 12465 137<sup>th</sup> Avenue came forward and stated that she is shocked that the Planning Commission recommended to approve this. Ervin stated that the Applicants didn't even have a plan and shame on your guys for everything that you have allowed to happen.

Ervin asked if any of the Councilmembers have Home Schools with 25 kids in their neighborhoods. Three of the Councilmembers answered in the affirmative. Trost went on to state that it would be no different than having a bunch of kids over to play.

Ervin stated that a gully separates her yard from the Yancy property. She doesn't want to see any kids in that gully or even close to it. Ervin stated that she doesn't want to be held liable for one of the Yancy kids or their Home School kids getting stuck in the mud.

Salonek stated that as far as the building is concerned, it will come before the City Council again.

Jamie Wisnewski of 13600 Norwood Lane North came forward and stated she doesn't believe the actual number of children was set. She asked if there is a specific number that is considered a cap. Sevald stated Staff's recommendation is that the number be set by the Building Code.

When asked, Mr. Yancy stated that the number is fluid, but 25 would be the maximum. He further stated that three families just dropped out last week.

Wisnewski asked if specific business hours have been set. Trost stated in the letter from the Yancys, it states that the hours of operation will be Mondays, Tuesdays, and Thursdays from 9:00 a.m. until 1:00 p.m. The letter further states that there are approximately 20 students between the ages of 7 and 14 along with two licensed teachers.

Wisnewski asked if the Yancys would have to come back and get permission to adjust those times. The answer is no. The City Code dictates the hours of operation, and they are free to operate from 7:00 a.m. until 10:00 p.m.

Doud stated that the Council can add restrictions.

EDA Chair Huttner of 13531 Balsam Lane spoke from the online link. Huttner asked if the Applicants have filed for a 501-3-C and how will they be taxed. Huttner



also asked if the Applicants will be applying for State grants. Benting asked Huttner if he was asking if the Home School Co-Op would be tax exempt. Huttner stated that too. Sevald stated typically with a home business in an accessory building, the City would notify Hennepin County of the change, and it would be left up to the County to access the taxes.

Huttner asked who will be checking on the Home School Co-Op to make sure they are in compliance. Doud stated that once the Home School Co-Op is up and running, the City will verify their compliance.

Fisher asked if the City inspects the Interim Use Permits yearly. Sevald stated that the intention is to inspect yearly, but we have not been able to do that. Benting stated that inspections are complaint-based.

Huttner stated there are vulnerable citizens involved here and asked how the children would complain.

Fisher invited the Yancys to come forward for questions.

Nathan and Megan Yancy of 13551 Norwood Lane came forward.

Trost asked if the Yancys have a problem with limiting how late the business can operate. Mr. Yancy stated they are struggling with the process because 90% of the Home School Co-Op are our friends that we spend time with outside of school hours. What happens if 2:00 p.m. or 3:00 p.m. rolls around and some of the families are staying to hang out with them. Mr. Yancy stated that additional time restrictions would be setting up the Yancys for failure.

Trost asked for the hours. Mr. Yancy stated that the hours of operation for the Co-Op are Mondays, Tuesdays, and Thursdays from 9:00 a.m. until 1:00 p.m. Mr. Yancy stated that the Planning Commission expressed concern about additional cars. Mr. Yancy stated there may be five cars in total. Mr. Yancy stated that the families have all agreed to enter and exit through North Diamond Lake Road, so there will be no additional traffic at all north of our property.

Mr. Yancy stated that because Salonek brought it up, there is a false narrative surrounding his family about not being in compliance, and he would be happy to meet with Salonek and share the facts and documents that support the fact that the narrative is untrue.

Additional conversation ensued.

There was consensus to not limit the hours of operation beyond what is stated in the City Code.

Salonek asked if the Applicants had any objection to limiting the number of students to 30. The answer is no.

**MOTION:** Motion was made by Councilmember Salonek, seconded by Councilmember Fashant to approve the Interim Use Permit Home Extended Business 13551 Norwood Lane (Yancy) with a limit of 30 students. Motion carries unanimously

Fisher stated that regarding the meeting with the lawyers, that will come to Council for a vote, and it was made clear that nothing could be agreed to without the approval of the City Council.

Henderson asked if the meeting was recorded. The answer is no.

**O. Interim Use Permit Event Center (Magnus)**

Sevald stated that the focus of Magnus is out-patient care for veterans. Magnus is a non-profit organization that depends on donations. Magnus is requesting an Interim Use Permit for an Event Center so they can host fundraising events. Sevald stated the events would be held in the yard between the main structure and the pond. Parking would be located in a grass lot; however, the Ordinance requires an improved surface for parking. Sevald stated that the Applicant would be required to submit an Emergency Management Plan.

Bob Jaskowiak, Director of Magnus, 16861 North Diamond Lake Road, came forward to take questions from the Council.

Trost asked where the parking will be. Jaskowiak stated that a gate has been installed to prevent traffic from parking beyond the gate.

Fashant asked if the access point went through the proper channels for the County. The answer is yes.

Jaskowiak stated that Magnus has discovered that the large public events held on the Magnus property are volunteer and labor-intensive. Magnus recognizes that the organization cannot survive by simply fundraising with events on the property. This year there will be two large events, a small trunk-or-treat event, and next year there will likely only be one. Jaskowiak stated that Magnus is a wellness center providing services to veterans, not a Fisher Farms or a Dehn's.

Sara Van Asten of 16100 South Diamond Lake Road came forward and asked for clarification of the cut-off time for outdoor amplification of sound. The Ordinance states that 8:00 p.m. is the cut-off time, but the events go to approximately 10:30 p.m.

Jaskowiak stated that Magnus did ask for a variance for amplified music until 10:00 p.m.

Discussions ensued regarding special requests for time extensions.

**MOTION:** Motion was made by Councilmember Trost, seconded by Councilmember Henderson, to approve Interim Use Permit Event Center (Magnus). The motion carries unanimously.

**P. Ordinance 2024-10; Special Events**

Doud explained that there had been a motion to amend Ordinance 2024-10; Special Events, and it failed.

**MOTION:** Motion was made by Councilmember Salonek, seconded by Councilmember Fashant, to deny Ordinance 2024-10; Special Events. Motion passes 3 Ayes, 2 nays (Henderson, Trost).

**Q. Award Construction Contract for the Central Park Parking Lot Improvement Project**

Quisberg came forward and stated that Central Park is located right behind City Hall. There is a gravel parking lot located between City Hall and Dayton Elementary School. The gravel parking lot is used by Central Park users as well as for pick-up and drop-off for the school. An image of the current use was projected, and the lack of parking efficiency was noted by all. Quisberg stated that the striping will greatly impact the efficiency.

Quisberg stated that at the July 9, 2024, City Council Meeting, Staff was directed to design improvements and obtain construction costs for the parking lot improvements at Central Park. Quisberg projected the potential improvements that include 83 parking stalls plus 5 additional handicap stalls.

Quisberg stated there are six contractors who often handle this sort of work but only four bids were received. The estimated project costs are as follows: 1) Construction Cost \$164,000; 2) Engineering Cost \$34,000; and, 3) Other Indirect Cost \$2,000. The total project cost is \$200,000, and the funding source is the Pavement Management Fund. Quisberg recommends that the project be awarded to OMG Midwest, the lowest bidder, for \$163,993.85. Quisberg stated that Staff has conversed with the school, and they are comfortable relocating their drop-off and pick-up during the construction.

Additional conversation ensued regarding the projected image.

COUNCIL MEETING  
AUGUST 27, 2024  
6:30 P.M.  
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CITY OF DAYTON, MINNESOTA  
12260 SO. DIAMOND LAKE ROAD  
HENNEPIN/WRIGHT COUNTIES

**MOTION:** Motion was made by Councilmember Salonek, seconded by Councilmember Trost to approve awarding the construction contract for the Central Park Parking Lot Improvement Project. Motion carries unanimously

**ADJOURNMENT**

Fisher declared the meeting adjourned at 8:56 p.m.

Respectfully Submitted,

Sandra Major, Recording Secretary  
*TimeSaver Off Site Secretarial, Inc.*

Approved: \_\_\_\_\_

Attest: Amy Benting

**Payments to be approved at City Council Meeting September 10, 2024**

	<u>Totals</u>
<b>Claims Roster 09-10-2024</b>	<b>\$ 2,840,672.76</b>
<b>Prepaid 08-16-2024 EB Election Primary</b>	<b>\$ 1,251.24</b>
<b>Prepaid 08-29-2024 EB</b>	<b>\$ 65,817.40</b>
<b>Prepaid 09-06-2024 FB</b>	<b>\$ 2,437.64</b>

<b>Total Payments:</b>	<b>\$ 2,910,179.04</b>
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<b>Payroll 08-16-2024 Election Primary</b>	<b>\$ 13,859.88</b>
<b>Payroll 08-29-2024 Bi-Weekly 18</b>	<b>\$ 100,876.13</b>
<b>Payroll 09-06-2024 FD AUG 2024</b>	<b>\$ 12,708.69</b>

Check # sequence to be approved by City Council from meeting date of 09/10/2024:

**Checks # 077522-77576**

09/05/2024

INVOICE REGISTER REPORT FOR CITY OF DAYTON MN  
 EXP CHECK RUN DATES 09/10/2024 - 09/10/2024  
 BOTH JOURNALIZED AND UNJOURNALIZED  
 BOTH OPEN AND PAID

Inv Num Inv Ref#	Vendor Description GL Distribution	Inv Date Entered By	Due Date	Inv Amt	Amt Due	Status	Jrnized Post Date
	21ST CENTURY BANK RETURNED CHECK FEE: UB 6312 101-40700-34710	08/12/2024 DBRUNETTE RETURNED CHECK FEE: UB 6312	08/12/2024	4.00  4.00	0.00	Paid	Y 08/12/2024
	A-1 OUTDOOR POWER INC PARKS; OPERATING SUPPLIES 101-45200-50210	09/04/2024 KTHELEN PARKS; OPERATING SUPPLIES	09/10/2024	2.49  2.49	2.49	Open	N 08/23/2024
	ADAM WERLINGER 14940 142ND AVE N LANDSCAPE ESCROW RELE KTHELEN 420-00000-22100	09/03/2024 KTHELEN 14940 142ND AVE N LANDSCAPE ESCROW REL	09/10/2024	3,000.00  3,000.00	3,000.00	Open	N 09/03/2024
	ALLIED BLACKTOP CO PAYMENT #1 2024 CHIP AND FOG SEAL IMPROVE KTHELEN 414-41900-50530 414-00000-20600	09/04/2024 KTHELEN IMPROVEMENTS OTHER THAN BLDGS; PMT #1 RETAINAGE PAYABLE; PMT #1	09/10/2024	266,908.38  280,956.19 (14,047.81)	266,908.38	Open	N 09/04/2024
	ASPEN MILLS PD; GENERAL UNIFORM VEST- FIELDSETH 101-42120-50217	08/28/2024 KTHELEN PD; GENERAL UNIFORM VEST- FIELDSETH	09/10/2024	1,332.24  1,332.24	1,332.24	Open	N 08/27/2024
	BANK FEE-ADJ SCANNER FEE; AUG 2024 101-41500-50309	08/30/2024 DBRUNETTE SCANNER FEE; AUG 2024	08/30/2024	25.00  25.00	0.00	Paid	Y 08/30/2024
	BANK FEE-ADJ CASH MGMT FEE; AUG 2024 101-41500-50309	08/30/2024 DBRUNETTE CASH MGMT FEE; AUG 2024	08/30/2024	25.00  25.00	0.00	Paid	Y 08/30/2024

BEAUDRY	08/23/2024	09/10/2024	1,290.56	1,290.56	Open	N
PW; ULS #2 DYED DIESEL -429.90	KTHELEN					08/16/2024
101-43100-50212 PW; ULS #2 DYED DIESEL -429.90			1,290.56			
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BEAUDRY	08/23/2024	09/10/2024	1,481.51	1,481.51	Open	N
PW; UNLEADED 87 -531.20	KTHELEN					08/16/2024
101-43100-50212 PW; UNLEADED 87 -531.20			1,481.51			
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BEAUDRY	08/27/2024	09/10/2024	2,010.61	2,010.61	Open	N
PW; UNLEADED 87 - 764.20	KTHELEN					08/22/2024
101-43100-50212 PW; UNLEADED 87 - 764.20			2,010.61			
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C. VISION PRODUCTION	08/29/2024	09/10/2024	3,225.00	3,225.00	Open	N
VIDEO TECH; AUG 2024	KTHELEN					08/28/2024
226-41900-50430 VIDEO TECH; AUG 2024			3,225.00			
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CANVAS CRAFT, INC	08/28/2024	09/10/2024	250.00	250.00	Open	N
FD; CUSTOM TARP	KTHELEN					08/26/2024
101-42260-50220 FR; CUSTOM TARP			250.00			
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CARSON, CLELLAND & SCHREDER	08/29/2024	09/10/2024	2,000.00	2,000.00	Open	N
CRIMINAL PROSECUTION; AUG 2024	KTHELEN					08/29/2024
101-41640-50305 CRIMINAL PROSECUTION; AUG 2024			2,000.00			
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CENTERPOINT ENERGY	09/04/2024	09/10/2024	191.66	191.66	Open	N
8000014132-7 GAS SVCS; JUL 2024	KTHELEN					07/30/2024
101-43100-50383 PW; 5888628-4			49.64			
101-41810-50383 CH/FD; 5895786-1			56.33			
101-41910-50383 AC; 5895789-5			54.64			
101-43100-50383 BROCKTON; 5914909-6			31.05			
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CENTRAL WOOD PRODUCTS	08/26/2024	09/10/2024	100.00	100.00	Open	N
PW; TREE WASTE WOOD CHIPS	KTHELEN					07/25/2024
101-45200-50300 PW; TREE WASTE WOOD CHIPS			100.00			
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CENTRAL WOOD PRODUCTS	08/28/2024	09/10/2024	600.00	600.00	Open	N
PW- TREE WASTE DISPOSAL DUMP TRUCK-4	KTHELEN					07/31/2024
101-45200-50300 PW- TREE WASTE DISPOSAL DUMP TRUCK-4			600.00			
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CENTURYLINK	08/26/2024	09/10/2024	215.30	215.30	Open	N
PW; 763 323-0023 WATER SYSTEM SCADA AND P KTHELEN						08/13/2024
601-49400-50321 PW; 763 323-0023 WATER SYSTEM SCADA			107.65			
602-49400-50321 PW; 763 323-0975 WELLHOUSE 2 LANDLINE			107.65			
CENTURYLINK	08/27/2024	09/10/2024	44.86	44.86	Open	N
PW; 763 428-7345 AUG-SEPT 2024 KTHELEN						08/21/2024
101-43100-50321 PW; 763 428-7345 AUG-SEPT 2024			44.86			
CHARTER COMMUNICATIONS	08/27/2024	09/10/2024	542.00	542.00	Open	N
CH; INTERNET SEPT 2024 KTHELEN						08/21/2024
101-41820-50308 CH; INTERNET SEPT 2024			542.00			
CINTAS	08/23/2024	09/10/2024	121.70	121.70	Open	N
PW; UNIFORMS KTHELEN						08/22/2024
101-43100-50217 PW; UNIFORMS			121.70			
CINTAS	08/30/2024	09/10/2024	121.70	121.70	Open	N
PW; UNIFORMS KTHELEN						08/29/2024
101-43100-50217 PW; UNIFORMS			121.70			
COLLINS BROTHERS TOWING OF ST.CLOUD	09/04/2024	09/10/2024	362.25	362.25	Open	N
PD; TOW/ 2020 DODGE DURANGO KTHELEN						09/03/2024
101-42120-50220 PD; TOW			362.25			
CONNEXUS ENERGY	08/22/2024	09/10/2024	28.76	28.76	Open	N
325071; 13699 PINEVIEW LANE; JUL- AUG 2024 KTHELEN						07/31/2024
101-43100-50230 325071; 13699 PINEVIEW LANE; JUL- AUG 24			28.76			
CONNEXUS ENERGY	08/26/2024	09/10/2024	5,763.16	5,763.16	Open	N
ELECTRIC SERVICES/JUL-AUG 2024 KTHELEN						08/21/2024
101-43100-50230 172514 ST LIGHTS; JUL-AUG 2024			39.65			
101-43100-50230 172516 ST LIGHTS; JUL-AUG 2024			2,286.32			
101-43100-50230 172802 ST LIGHTS; JUL-AUG 2024			63.31			
101-43100-50230 172803 ST LIGHTS; JUL-AUG 2024			246.60			
101-42130-50381 173098 SIREN; JUL-AUG 2024			21.25			
602-49400-50381 178838 141ST OUTBUILDING; JUL-AUG 2024			33.99			



601-49400-50381	299049 WELL#2; JUL-AUG 2024			2,648.04			
602-49400-50381	299195 ROSEWOOD LIFT; JUL-AUG 2024			51.89			
601-49400-50381	299380 WATER TOWER; JUL-AUG 2024			142.22			
602-49400-50381	303882 PINEVIEW LIFT; JUL-AUG 2024			41.70			
602-49400-50381	307062 HACKBERRY LIFT; JUL-AUG 2024			101.53			
101-42130-50381	309045 E FRENCH SIREN; JUL-AUG 2024			17.25			
101-43100-50230	317271 ST LIGHTS; JUL-AUG 2024			69.41			
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CONNEXUS ENERGY	08/28/2024	09/10/2024		319,212.10	319,212.10	Open	N
UNDERGROUNDING OF ELECTRICAL LINES 117T KTHELEN							08/09/2024
415-41900-50300	UNDERGROUNDING OF ELECTR- LINES 117TH AV			319,212.10			
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CORE & MAIN	08/26/2024	09/10/2024		988.78	988.78	Open	N
PW; METERS	KTHELEN						08/23/2024
601-49400-50259	PW; METERS			988.78			
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CRYSTAL WELDING INC	08/22/2024	09/10/2024		838.07	838.07	Open	N
PW; REPAIR/MAINT. LAWN TRAILER	KTHELEN						08/16/2024
101-45200-50220	PW; MOWER TRAILER AXLE			838.07			
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CRYSTAL WELDING INC	09/04/2024	09/10/2024		54.85	54.85	Open	N
PW; REPAIR/MAINT.	KTHELEN						08/23/2024
101-43100-50220	PW; REPAIR/MAINT.			54.85			
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CSC ERECORDING	08/26/2024	08/26/2024		51.00	0.00	Paid	Y
RECORDING FEES; DECLAR GRANT WELLHEAD TIDBRUNETTE							08/26/2024
101-41420-50352	RECORDING FEES; GRANT WELLHEAD TREATMENT			51.00			
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EARL F ANDERSON INC	08/30/2024	09/10/2024		201.50	201.50	Open	N
PW; STREET SIGNS	KTHELEN						08/28/2024
101-43100-50224	PW; STREET SIGNS			201.50			
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ECM PUBLISHERS, INC	08/28/2024	09/10/2024		77.62	77.62	Open	N
LEGAL NOTICES/FILING FEE- 11321 ELM CREEK F KTHELEN							08/22/2024
411-43100-50351-6207	LEGAL NOTICES/FILING FEE- 11321			77.62			
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ECM PUBLISHERS, INC	08/28/2024	09/10/2024		86.25	86.25	Open	N
PHN; CUBES CONCEPT	KTHELEN						08/22/2024

101-41110-50352	PHN; CUBES CONCEPT			86.25				
ECM PUBLISHERS, INC		08/28/2024	09/10/2024	353.62	353.62	Open	N	
PHN;BIDS TERRITORIAL WATERMAIN EXT	KTHELEN							08/22/2024
601-49400-50303-2005	PHN;BIDS TERRITORIAL WATERMAIN EXT			353.62				
EMERGENCY APPARATUS		09/04/2024	09/10/2024	58.32	58.32	Open	N	
FD; REPAIR/ENGINE E-12	KTHELEN							08/26/2024
101-42260-50220	FD; REPAIR/ENGINE E-12			58.32				
EMERGENCY TECHNICAL DECON		08/26/2024	09/10/2024	1,224.50	1,224.50	Open	N	
FD; UNIFORM- JACKET AND PANTS	KTHELEN							08/23/2024
101-42260-50217	FD; UNIFORM- JACKET AND PANTS			1,224.50				
FORCE AMERICA DISTRIBUTING LLC		08/28/2024	09/10/2024	200.00	200.00	Open	N	
PW; FLAT DATA PLAN- JULY 2024	KTHELEN							07/31/2024
101-43100-50220	PW; FLAT DATA PLAN- JULY 2024			200.00				
GRADYS ACE HARDWARE		08/15/2024	09/10/2024	10.48	10.48	Open	N	
FD; SUPPLIES	KTHELEN							08/15/2024
101-42260-50200	FD; SUPPLIES			10.48				
GUIDANCEPOINT TECHNOLOGIES		08/28/2024	09/10/2024	225.00	225.00	Open	N	
IT; PROFESSIONAL SRVS- FD 8/18/-8/24	KTHELEN							08/28/2024
101-41820-50300	IT; PROFESSIONAL SRVS- FD 8/18/-8/24			225.00				
HACH COMPANY INC		08/26/2024	09/10/2024	533.50	533.50	Open	N	
PW; CHEMICALS	KTHELEN							08/20/2024
601-49400-50210	PW; CHEMICALS			533.50				
HACH COMPANY INC		09/03/2024	09/10/2024	75.39	75.39	Open	N	
PW; CHEMICALS	KTHELEN							08/22/2024
601-49400-50210	PW; CHEMICALS			75.39				
HACH COMPANY INC		09/03/2024	09/10/2024	51.09	51.09	Open	N	
PW; CHEMICALS	KTHELEN							08/23/2024
601-49400-50210	PW; CHEMICALS			51.09				

HANSON BUILDERS	09/03/2024	09/10/2024	3,000.00	3,000.00	Open	N
15231 110TH AVE N LANDSCAPE ESCROW RELE KTHELEN						09/03/2024
420-00000-22100	15231 110TH AVE N LANDSCAPE ESCROW REL		3,000.00			
HANSON BUILDERS	09/03/2024	09/10/2024	3,000.00	3,000.00	Open	N
15271 110TH AVE N LANDSCAPE ESCROW RELE/ KTHELEN						09/03/2024
420-00000-22100	15271 110TH AVE N LANDSCAPE ESCROW REL		3,000.00			
HANSON BUILDERS	09/04/2024	09/10/2024	3,000.00	3,000.00	Open	N
15221 110TH AVE N LANDSCAPE ESCROW RELE/ KTHELEN						09/04/2024
420-00000-22100	15221 110TH AVE N LANDSCAPE ESCROW REL		3,000.00			
HASSAN SAND & GRAVEL, INC	08/23/2024	09/10/2024	396.30	396.30	Open	N
PW; RECYCLED CLASS 5- 26.42	KTHELEN					08/22/2024
101-43100-50224	PW; RECYCLED CLASS 5- 26.42		396.30			
HASSAN SAND & GRAVEL, INC	08/30/2024	09/10/2024	101.50	101.50	Open	N
PARKS; WALNUT WOOD MULCH AND TOPSOIL	KTHELEN					08/29/2024
101-45200-50530	PARKS; WALNUT WOOD MULCH AND TOPSOIL		101.50			
HAWKINS, INC	09/04/2024	09/10/2024	7,034.86	7,034.86	Open	N
PW; CHEMICALS	KTHELEN					08/26/2024
601-49400-50216	PW; CHEMICALS		7,034.86			
HENNEPIN COUNTY SHERIFFS OFFIC	09/04/2024	09/10/2024	401.72	401.72	Open	N
PD; PER DIEM AND PROCESSING-JUN 2024	KTHELEN					08/23/2024
101-42120-50306	PD; PER DIEM AND PROCESSING-JUN 2024		401.72			
HP GROUP HEALTH NON-PATIENT A/R	08/27/2024	09/10/2024	96.05	96.05	Open	N
EAP (CUST# 12750101); AUG 2024	KTHELEN					08/11/2024
101-41810-50205	EAP (CUST# 12750101); AUG 2024		96.05			
LAUREL TREE FARMS	08/26/2024	09/10/2024	987.00	987.00	Open	N
PW: PROFESSIONAL SRVS-CIRCH, RIVER CLUMP	KTHELEN					08/23/2024
101-45200-50530	PW: PROFESSIONAL SRVS-CIRCH, RIVER CLUMP		987.00			
LENNAR	09/04/2024	09/10/2024	3,000.00	3,000.00	Open	N
14554 110TH AVE N LANDSCAPE ESCROW RELE/ KTHELEN						09/04/2024

420-00000-22100	14554 110TH AVE N LANDSCAPE ESCROW REL			3,000.00			
LENNAR	09/04/2024	09/10/2024	3,000.00	3,000.00	Open	N	
14574 110TH AVE N LANDSCAPE ESCROW RELE/ KTHELEN						09/04/2024	
420-00000-22100	14574 110TH AVE N LANDSCAPE ESCROW REL			3,000.00			
LENNAR	09/04/2024	09/10/2024	3,000.00	3,000.00	Open	N	
14584 110TH AVE N LANDSCAPE ESCROW RELE/ KTHELEN						09/04/2024	
420-00000-22100	14584 110TH AVE N LANDSCAPE ESCROW REL			3,000.00			
LENNAR	09/04/2024	09/10/2024	3,000.00	3,000.00	Open	N	
14564 110TH AVE N LANDSCAPE ESCROW RELE/ KTHELEN						09/04/2024	
420-00000-22100	14564 110TH AVE N LANDSCAPE ESCROW REL			3,000.00			
MACQUEEN EMERGENCY GROUP	09/04/2024	09/10/2024	267.02	267.02	Open	N	
FD; SUPPLIES	KTHELEN					09/04/2024	
101-42260-50200	FD; SUPPLIES			267.02			
MENARDS - MAPLE GROVE	09/04/2024	09/10/2024	350.87	350.87	Open	N	
PW; SUPPLIES	KTHELEN					08/18/2024	
101-43100-50210	PW; SUPPLIES			350.87			
MENARDS - MAPLE GROVE	09/04/2024	09/10/2024	174.41	174.41	Open	N	
PW; SUPPLIES	KTHELEN					08/12/2024	
101-43100-50210	PW; SUPPLIES			174.41			
MENARDS - MAPLE GROVE	09/04/2024	09/10/2024	87.32	87.32	Open	N	
PW; STREET MAINT-REPAIR	KTHELEN					09/04/2024	
101-43100-50224	PW; STREET MAINT-REPAIR			87.32			
MENARDS - MAPLE GROVE	09/04/2024	09/10/2024	111.93	111.93	Open	N	
PW; SUPPLIES	KTHELEN					08/21/2024	
101-43100-50210	PW; SUPPLIES			111.93			
MENARDS - MAPLE GROVE	09/04/2024	09/10/2024	107.42	107.42	Open	N	
PW; BUILDING SUPPLIES	KTHELEN					08/20/2024	
101-43100-50210	PW; BUILDING SUPPLIES			107.42			

METRO WEST INSPECTION	08/26/2024	09/10/2024	20,692.00	20,692.00	Open	N
258.65 BLDG INSPECTIONS JUL 2024	KTHELEN					08/23/2024
101-41660-50300	258.65 BLDG INSPECTIONS JUL 2024		20,692.00			
MN SECRETARY OF STATE-NOTARY	08/27/2024	09/10/2024	120.00	120.00	Open	N
NOTARY RENEWAL; K. THELEN 2024	KTHELEN					08/23/2024
101-41820-50205	NOTARY RENEWAL; K. THELEN 2024		120.00			
NAPA AUTO PARTS	09/04/2024	09/10/2024	134.35	134.35	Open	N
PW; REPAIR/MAINT	KTHELEN					08/19/2024
101-43100-50220	PW; REPAIR/MAINT		134.35			
NAPA AUTO PARTS	09/04/2024	09/10/2024	13.29	13.29	Open	N
FD; SUPPLIES	KTHELEN					08/29/2024
101-42260-50200	FD; SUPPLIES		13.29			
NO DOG LEFT BEHIND	08/27/2024	09/10/2024	575.00	0.00	Paid	Y
FD/PD DOG FEES	KTHELEN					08/22/2024
236-42260-50580	FD/PD DOG FEES		575.00			
OLSEN CHAIN & CABLE	08/26/2024	09/10/2024	434.64	434.64	Open	N
PW; OTHER EQUIPMENT	KTHELEN					08/26/2024
101-43100-50580	PW; OTHER EQUIPMENT		434.64			
OLSEN CHAIN & CABLE	08/26/2024	09/10/2024	(345.24)	(345.24)	Open	N
PW- REFUND FROM INVOICE 718917	KTHELEN					08/26/2024
101-43100-50580	PW- REFUND FROM INVOICE 718917		(345.24)			
OLSEN CHAIN & CABLE	08/26/2024	09/10/2024	1,194.00	1,194.00	Open	N
PW: OTHER EQUIPMENT	KTHELEN					08/26/2024
101-43100-50580	PW: OTHER EQUIPMENT		1,194.00			
OMANN BROTHERS INC	08/26/2024	09/10/2024	287.95	287.95	Open	N
PW; PAVING SUPPLIES 4.33	KTHELEN					08/22/2024
101-43100-50224	PW; PAVING SUPPLIES 4.33		287.95			
OMANN BROTHERS INC	08/26/2024	09/10/2024	272.65	272.65	Open	N
PW; PAVING SUPPLIES 4.1	KTHELEN					08/20/2024

101-43100-50224	PW; PAVING SUPPLIES 4.1			272.65			
PARENT BUILDERS, INC		08/27/2024	09/10/2024	3,000.00	3,000.00	Open	N
14980 142ND AVE N LANDSCAPE ESCROW RELE	KTHELEN						08/27/2024
420-00000-22100	14980 142ND AVE N LANDSCAPE ESCROW REL			3,000.00			
PAYMENTECH		08/02/2024	08/02/2024	1,109.52	0.00	Paid	Y
AUG 2024 FEES	DBRUNETTE						08/02/2024
101-41500-50309	AUG 2024 FEES			249.06			
101-41500-50309	AUG 2024 FEES			860.46			
PAYMENTECH		08/29/2024	08/29/2024	1,347.48	0.00	Paid	Y
AUG 2024 FEES	DBRUNETTE						08/29/2024
101-41500-50309	AUG 2024 FEES			1,347.48			
POMPS TIRE SERVICE, INC		09/04/2024	09/10/2024	31.80	31.80	Open	N
PD; REPAIRS	KTHELEN						08/29/2024
101-42120-50220	PD; REPAIRS			31.80			
QUADIENT INC.		08/26/2024	09/10/2024	175.75	175.75	Open	N
POSTAGE;CH- INK	KTHELEN						08/19/2024
101-41810-50322	POSTAGE;CH- INK			175.75			
QUADIENT INC.		08/26/2024	09/10/2024	1,589.71	1,589.71	Open	N
CH;STANDARD FOLDING MACHINE MAINT/SEPT2	KTHELEN						08/19/2024
101-41810-50322	CH;STANDARD FOLDING MACHINE MAINT/SEPT24			1,589.71			
READY WATT ELECTRIC		08/26/2024	09/10/2024	1,130.00	1,130.00	Open	N
REPAIR/MAINT- SIREN #2	KTHELEN						08/22/2024
101-42130-50220	REPAIR/MAINT- SIREN #2			1,130.00			
REPUBLIC SERVICES, INC.		09/05/2024	09/10/2024	16,909.34	16,909.34	Open	N
CITY RECYCLING- AUG 2024	KTHELEN						08/31/2024
101-41650-50386	CITY RECYCLING- AUG 2024			16,909.34			
SAMS CLUB INC		08/30/2024	09/10/2024	348.23	348.23	Open	N
CITY HALL: GENERAL OFFICE, CH; COUNCIL SUP	KTHELEN						08/25/2024
101-41810-50200	CITY HALL: GENERAL OFFICE			109.68			

101-41110-50210	CH; COUNCIL SUPPLIES			112.54			
101-41410-50210	ELECTIONS; OPERATING SUPPLIES			126.01			
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SIMMER BROTHER HOMES	08/27/2024	09/10/2024		3,000.00	3,000.00	Open	N
11140 NIAGARA LN LANDSCAPE ESCROW RELEA KTHELEN							08/27/2024
420-00000-22100	11140 NIAGARA LN LANDSCAPE ESCROW REL			3,000.00			
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SPRING LAKE PARK FIRE DEPT., INC	09/05/2024	09/10/2024		700.00	700.00	Open	N
PROFESSIONAL DEVELOPMENT; SIMULATION TES KTHELEN							09/05/2024
101-42260-50208	PROFESSIONAL DEVELOPMENT; SIMULATION TES			700.00			
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STANTEC CONSULTING SERVICES INC.	08/29/2024	09/10/2024		137,335.51	137,335.51	Open	N
ENGINEERING SVCS; JULY 2024	KTHELEN						07/31/2024
101-41630-50303	GEN. ENGINEERING RETAINER; JULY 2024			4,300.00			
101-41630-50303	GEN. ENGINEERING; JULY 2024			6,566.20			
101-41660-50308	BUILDING PERMIT ACTIVITIES; JULY 2024			14,713.00			
601-49400-50303	WATER SUPPLY & DISTRIBUTION; JULY 2024			4,381.60			
602-49400-50303	SANITARY SEWER SYSTEM; JULY 2024			4,299.20			
415-41900-50300	STORMWATER; JULY 2024			5,934.80			
414-41900-50303	TRANSPORTATION; JULY 2024			5,099.80			
408-45300-50303	PINEVIEW TRAIL; JULY 2024			65.20			
601-49400-50303	GIS/MAPPING; JULY 2024			1,399.40			
602-49400-50303	GIS/MAPPING; JULY 2024			1,399.40			
411-43100-50303-1006	RIVER HILLS-M/I HOMES; JULY 2024			204.54			
411-43100-50303-6098	SUNDANCE GREENS; JULY 2024			4,042.97			
411-43100-50303-6075	CLOQUET ISLAND ESTATES(CYPRESS) JULY 24			225.50			
411-43100-50303-6105	IONE GARDENS; JULY 2024			123.00			
411-43100-50303-6120	SUNDANCE GREENS-LENNAR; JULY 2024			6,883.03			
411-43100-50303-6131	MTL COMPANIES; JULY 2024			1,694.48			
411-43100-50303-6140	INLAND GROUP; JULY 2024			123.00			
411-43100-50303-6192	RIVERVIEW VILLAS; JULY 2024			272.50			
411-43100-50303-6143	RIVERWALK; JULY 2024			1,989.58			
411-43100-50303-6150	THE CUBES OF FRENCH LAKE; JULY 2024			888.56			
411-43100-50303-6149	KWIK TRIP-MAPLE CT; JULY 2024			2,865.50			
411-43100-50303-6147	LEE PROPERTY; JULY 2024			12,964.55			
411-43100-50303-6167	CAPITAL PARTNERS; JULY 2024			676.50			
411-43100-50303-6164	GRACO 2ND; JULY 2024			5,489.72			
411-43100-50303-6180	NEIGHBORHOOD ON DAYTON PKWY; JULY 2024			5,870.50			

411-43100-50303-6170	SCHANY PROPERTIES; JULY 2024			2,115.50			
411-43100-50303-6165	OPUS; JULY 2024			2,803.41			
601-00000-16500	DAYTON WELL #5 PRELIM DESIGN; JULY 2024			1,166.71			
601-49400-50303	DAYTON WATER COMP PLANS; JULY 2024			1,873.50			
602-49400-50303	DAYTON SEWER COMP PLANS; JULY 2024			1,873.50			
414-41900-50303	DAYTON RIV RD TURN LA IMPROV; JULY 2024			847.41			
414-41900-50303	CENTRAL PARK PARKING LOT IMPROV; JULY 24			5,472.40			
415-41900-50300	DAYTON JORDAN & JAEGER DITCH; JULY 2024			4,303.54			
414-41900-50303	DAYTON 2024 MILL & OVERLAY; JULY 2024			6,391.34			
601-49400-50303	DAYTON HUD ENVIRONMENTAL; JULY 2024			2,461.60			
405-41900-50303	PARKS; JULY 2024			65.20			
411-43100-50303-6198	DAYTON TERRITORIAL/E FRENCH; JULY 2024			1,040.00			
411-43100-50303-6203	DCM FARMS; JULY 2024			343.00			
414-41900-50303	DAYTON 2024 CHIP&FOG SEAL; JULY 2024			2,922.47			
601-49400-50303-2005	WATERLINE EXT TERRITORIAL; JULY 2024			6,265.40			
601-49400-50303	TERRITORIAL IMPROV FEASIBILITY; JULY 2024			4,918.00			
<hr/>							
SUMMIT FIRE PROTECTION	08/28/2024	09/10/2024		601.00	601.00	Open	N
PW; SERVICE CALL/ALARM	KTHELEN						08/14/2024
101-41810-50300	PW; SERVICE CALL/ALARM			601.00			
<hr/>							
T MOBILE	09/03/2024	09/10/2024		959.22	959.22	Open	N
CH/PW; 990673180 CELL SVC JUL-AUG 2024	KTHELEN						08/22/2024
101-43100-50321	PW; CELL SVC JUL-AUG 2024			583.23			
601-49400-50321	PW; CELL SVC JUL-AUG 2024			52.76			
602-49400-50321	PW; CELL SVC JUL-AUG 2024			52.77			
101-41910-50321	AC; CELL SVC JUL-AUG 2024			78.88			
101-41710-50321	PLANNING; CELL SVC JUL-AUG 2024			81.97			
101-41310-50320	CH; ADMINISTRATOR CELL SVC JUL-AUG 2024			39.23			
101-41420-50320	CH; CLERK CELL SVC JUL-AUG 2024			39.23			
101-41500-50320	CH; HOT SPOT JUL-AUG 2024			31.15			
<hr/>							
T MOBILE	09/04/2024	09/10/2024		310.34	310.34	Open	N
FD; 983779233 CELL SVC AUG 2024	KTHELEN						08/21/2024
101-42260-50320	FD; 983779233 CELL SVC AUG 2024			310.34			
<hr/>							
TASC	08/22/2024	09/10/2024		178.80	178.80	Open	N
PER EMPLOYEE FEE; OCT-DEC 2024	KTHELEN						08/22/2024



101-41810-50205	PER EMPLOYEE FEE; OCT-DEC 2024			178.80			
<hr/>							
TIMESAVER OFF SITE SECRETARIAL. INC	09/04/2024	09/10/2024		935.50	935.50	Open	N
MINUTES; 8/12 CC, 8/19 PC, 8/20 EDA	KTHELEN						08/30/2024
101-41420-50300	MINUTES; 8/12 CC, 8/19 PC, 8/20 EDA			935.50			
<hr/>							
UBS FINANCIAL SERVICES INC	08/29/2024	08/29/2024		2,000,000.00	0.00	Paid	Y
WIRE TO UBS FINANCIAL FOR INVESTING	DBRUNETTE						08/29/2024
901-00000-10400	WIRE TO UBS FINANCIAL FOR INVESTING			2,000,000.00			
<hr/>							
UNUM LIFE INSURANCE COMPANY	08/27/2024	09/10/2024		1,854.63	1,854.63	Open	N
SEPT 2024/0471540-001	KTHELEN						08/14/2024
101-00000-21705	SEPT 2024/0471540-001			1,854.63			
<hr/>							
XCEL ENERGY	08/22/2024	09/10/2024		25.54	25.54	Open	N
51-0014444656-9; CHESHIRE CT S.LIGHTS	KTHELEN						07/31/2024
101-43100-50230	51-0014444656-9; CHESHIRE CT S.LIGHTS			25.54			
<hr/>							
XCEL ENERGY	08/23/2024	09/10/2024		146.47	146.47	Open	N
51-4585810-2 S DIA LK; JUL-AUG AND 51-458581	KTHELEN						07/31/2024
101-43100-50381	51-4585810-2 S DIA LK; JUL-AUG			26.83			
602-49400-50381	51-4585810-2 LAWNDAL; JUL- AUG			109.11			
602-49400-50381	51-4585810-2 PRO LGT; JUL- AUG			10.53			
<hr/>							
XCEL ENERGY	08/26/2024	09/10/2024		3.94	3.94	Open	N
51-5815803-3 F SIREN; JUL-AUG 2024	KTHELEN						07/31/2024
101-42130-50381	51-5815803-3 F SIREN; JUL-AUG 2024			3.94			
<hr/>							
XCEL ENERGY	08/30/2024	09/10/2024		441.13	441.13	Open	N
51-8556975-3 TERR ST LGT; AUG 2024	KTHELEN						08/29/2024
101-43100-50230	51-8556975-3 TERR ST LGT; AUG 2024			441.13			
<hr/>							
XCEL ENERGY	08/30/2024	09/10/2024		155.56	155.56	Open	N
51-9348440-7 TROY ST LGT; AUG 2024	KTHELEN						08/29/2024
101-43100-50230	51-9348440-7 TROY ST LGT; AUG 2024			155.56			
<hr/>							
# of Invoices:	93 # Due: 85	Totals:		2,841,018.00	837,881.00		
# of Credit Memos:	1 # Due: 1	Totals:		(345.24)	(345.24)		
Net of Invoices and Credit Memos:				2,840,672.76	837,535.76		

\* 1 Net Invoices have Credits Totalling:

(14,047.81)

--- TOTALS BY FUND ---

101 - GENERAL FUND	96,421.27	93,859.27
226 - CABLE	3,225.00	3,225.00
236 - FIRE PUBLIC SAFETY AID	575.00	0.00
405 - PARK DEDICATION	65.20	65.20
408 - PARK TRAIL DEVELOPMENT	65.20	65.20
411 - DEVELOPER ESCROWS	50,693.46	50,693.46
414 - PAVEMENT MANAGEMENT AND IMPROVEMENTS	287,641.80	287,641.80
415 - STORMWATER	329,450.44	329,450.44
420 - LANDSCAPE ESCROWS	30,000.00	30,000.00
601 - WATER FUND	34,454.12	34,454.12
602 - SEWER FUND	8,081.27	8,081.27
901 - INVESTMENTS	2,000,000.00	0.00

--- TOTALS BY DEPT/ACTIVITY ---

00000 -	2,018,973.53	18,973.53
40700 - Misc Revenue	4.00	0.00
41110 - Council	198.79	198.79
41310 - Administration	39.23	39.23
41410 - Elections	126.01	126.01
41420 - City Clerk	1,025.73	974.73
41500 - Finance	2,538.15	31.15
41630 - Engineering Services	10,866.20	10,866.20
41640 - Legal Services	2,000.00	2,000.00
41650 - Recycling Services	16,909.34	16,909.34
41660 - Inspection Service	35,405.00	35,405.00
41710 - Plannning & Economic Dev	81.97	81.97
41810 - Central Services	2,807.32	2,807.32
41820 - Information Technology	887.00	887.00
41900 - General Govt	634,430.25	634,430.25
41910 - Activity Center	133.52	133.52
42120 - Patrol and Investigate	2,128.01	2,128.01
42130 - Emergency Mgmt	1,172.44	1,172.44

42260 - Fire Suppression	3,408.95	2,833.95
43100 - Public Works	63,474.38	63,474.38
45200 - Parks	2,629.06	2,629.06
45300 - Trail Development	65.20	65.20
49400 - Utilities	41,368.68	41,368.68

**ITEM:**

Territorial Road Watermain Extension

**PREPARED BY:**

Jason Quisberg, Engineering

**POLICY DECISION / ACTION TO BE CONSIDERED:**

Award Contract for Construction of the Territorial Road Watermain Extension

**BACKGROUND:**

As discussed at previous Council meetings, the construction of a portion of the watermain included in the planned Territorial Road Improvements project is being considered. This would benefit the planned Dayton Storage site development, by allowing use of City water supply and storage, in lieu of an on-site supply and storage, to support their fire suppression system.

The improvements include roughly 1,500' of directionally drilled watermain, extending from the current main terminus to the west, to the proposed storage facility site. The remainder of the utility extensions, and associated road improvements, would be constructed at a later date.



City Council approved plans and authorized the Advertisement for Bids at the August 13<sup>th</sup> meeting. A bid opening was scheduled for September 3<sup>rd</sup>; this was intentional such bid results could be compiled and included in the Council packet. However, being the 3<sup>rd</sup> is the day after a holiday weekend, and upon the request of a bidding contractor, the opening was delayed until September 5<sup>th</sup>.

Therefore, the bid results were not ready in time for them to be included in this packet.

**Compiled bids, and a recommendation, will be sent out under separate cover, either later in the day Thursday or Friday morning.**

**Anticipated Costs/Revenue:**

As has been shared, the preliminary total cost estimate for the project is \$450,000. A \$500,000 escrow has been provided by Dayton Storage property owner (primary benefiter of this work). This escrow will be utilized for funding the project through final completion, or until fully expended.

**Anticipated Schedule:**

Approve Plans/Authorize Bids	August 13, 2024
Open Contractor Bids	<del>September 3<sup>rd</sup></del> September 5 <sup>th</sup>
Review Bids/Award Contract	September 10 <sup>th</sup>
Start Construction	Late September/October
Substantial Completion	November 22 <sup>nd</sup>
Final Completion	May 30, 2025

Bid results and a recommendation will be distributed when ready.

**RECOMMENDATION:**

Review bids, consider award of contract.

**ATTACHMENT(S):**

None (Bid Results will be sent under separate cover)



Project Name: **Territorial Road Watermain Extension**

I hereby certify that this is an exact reproduction of bids received.

City Project No.:

Stantec Project No.: 193807211

Bid Opening: Tuesday, September 5, 2024 at 1:00 PM CDT

Owner: **Dayton, Minnesota**

Mark Schroeder, P.E.  
License No. 49904

**Bidder No. 1**

**Bidder No. 2**

**Bidder No. 3**

**BID TABULATION**

**New Look Contracting, Inc.**

**Bituminous Roadways, Inc.**

**Douglas-Kerr Underground LLC**

Item Num	Item	Units	Qty	Unit Price	Total	Unit Price	Total	Unit Price	Total
<b>BASE BID:</b>									
1	MOBILIZATION	LUMP SUM	1	\$7,500.00	\$7,500.00	\$9,000.00	\$9,000.00	\$30,450.00	\$30,450.00
2	TRAFFIC CONTROL	LUMP SUM	1	\$5,000.00	\$5,000.00	\$1,750.00	\$1,750.00	\$17,825.00	\$17,825.00
3	CLEARING AND GRUBBING	ACRE	0.05	\$85,000.00	\$4,250.00	\$70,620.00	\$3,531.00	\$156,000.00	\$7,800.00
4	SAWING BITUMINOUS PAVEMENT (FULL DEPTH)	LIN FT	115	\$7.50	\$862.50	\$3.00	\$345.00	\$3.55	\$408.25
5	REMOVE BITUMINOUS PAVEMENT	SQ YD	112	\$9.00	\$1,008.00	\$16.00	\$1,792.00	\$4.25	\$476.00
6	AGGREGATE BASE CLASS 5, 100% CRUSHED	TON	50	\$35.00	\$1,750.00	\$65.50	\$3,275.00	\$32.30	\$1,615.00
7	SELECT GRANULAR BORROW (MODIFIED)	TON	89	\$24.00	\$2,136.00	\$38.50	\$3,426.50	\$19.85	\$1,766.65
8	TYPE SP 9.5 WEARING COURSE MIXTURE (3,B)	TON	30	\$275.00	\$8,250.00	\$221.00	\$6,630.00	\$208.30	\$6,249.00
9	BITUMINOUS MATERIAL FOR TACK COAT	GAL	10	\$15.00	\$150.00	\$32.00	\$320.00	\$15.00	\$150.00
10	12" FUSIBLE PVC C900 DR-18 WATERMAIN (DIRECTION/	LIN FT	1783	\$145.00	\$258,535.00	\$159.00	\$283,497.00	\$156.05	\$278,237.15
11	6" PVC C900 DR-18 WATERMAIN (OPEN CUT)	LIN FT	15	\$90.00	\$1,350.00	\$63.50	\$952.50	\$90.25	\$1,353.75
12	12" PVC C900 DR-18 WATERMAIN (OPEN CUT)	LIN FT	34	\$160.00	\$5,440.00	\$159.00	\$5,406.00	\$181.80	\$6,181.20
13	6" DUCTILE IRON PIPE CL 52 HYDRANT LEADS	LIN FT	16	\$100.00	\$1,600.00	\$94.50	\$1,512.00	\$106.10	\$1,697.60
14	6" GATE VALVE AND BOX	EACH	1	\$3,400.00	\$3,400.00	\$3,210.00	\$3,210.00	\$4,900.00	\$4,900.00
15	12" GATE VALVE AND BOX	EACH	2	\$6,750.00	\$13,500.00	\$8,370.00	\$16,740.00	\$5,332.20	\$10,664.40
16	FIRE HYDRANT	EACH	2	\$7,000.00	\$14,000.00	\$10,110.00	\$20,220.00	\$11,610.00	\$23,220.00
17	HYDRANT EXTENSION	EACH	1.00	\$1,850.00	\$1,850.00	\$1,410.00	\$1,410.00	\$2,097.35	\$2,097.35
18	DUCTILE IRON FITTINGS	POUND	524	\$17.50	\$9,170.00	\$21.00	\$11,004.00	\$19.45	\$10,191.80
19	CONNECT TO EXISTING WATERMAIN	EACH	1	\$3,500.00	\$3,500.00	\$3,200.00	\$3,200.00	\$5,326.85	\$5,326.85
20	STABILIZED CONSTRUCTION EXIT	EACH	1	\$1.00	\$1.00	\$1,120.00	\$1,120.00	\$0.01	\$0.01
21	SEDIMENT CONTROL LOG TYPE STRAW (OR BIOROLL) - 1	LIN FT	300	\$10.00	\$3,000.00	\$3.00	\$900.00	\$3.00	\$900.00
22	STREET SWEEPER (WITH PICKUP BROOM)	HOURL	5	\$1.00	\$5.00	\$259.00	\$1,295.00	\$175.00	\$875.00
23	CULVERT PROTECTION - MAINTAINED	EACH	1	\$200.00	\$200.00	\$417.00	\$417.00	\$219.15	\$219.15
24	ROLLED EROSION PREVENTION CATEGORY 20	SQ YD	660	\$4.00	\$2,640.00	\$5.00	\$3,300.00	\$3.00	\$1,980.00
25	MNDOT SEED MIXTURE 25-131 (@160 LB/ACRE)	POUND	14	\$25.00	\$350.00	\$19.50	\$273.00	\$50.00	\$700.00
26	MNDOT SEED MIXTURE 25-141 (@65 LB/ACRE)	POUND	5	\$25.00	\$125.00	\$54.50	\$272.50	\$65.00	\$325.00
27	FERTILIZER TYPE 2 (@200 LB/ACRE)	POUND	30	\$10.00	\$300.00	\$4.00	\$120.00	\$6.00	\$180.00
<b>TOTAL BASE BID</b>					<b>\$349,872.50</b>		<b>\$384,918.50</b>		<b>\$415,789.16</b>
Contractor Name and Address:				New Look Contracting, Inc. 14045 Northdale Blvd. Rogers, MN 55374		Bituminous Roadways, Inc. 1520 Commerce Dr. Mendota Heights, MN 55120		Douglas-Kerr Underground LLC P. O. Box 85 Mora, MN 55051	
Signed By:				Jarrod Sargent		Pam Hague		Darren Douglas	
Title:				Chief Estimator		Secretary		Manager	
Bid Security:				Bid Bond		Bid Bond		Bid Bond	
Addenda Acknowledged:				1		1		1	



**Stantec Consulting Services Inc.**  
One Carlson Parkway, Suite 100  
Plymouth MN 55447

September 5, 2024

Honorable Mayor and City Council  
City of Dayton  
City Hall  
12260 S. Diamond Lake Rd.  
Dayton, MN 55327

Re: Territorial Road Watermain Improvements  
Stantec Project No. 193807211  
**Bid Results**

Dear Honorable Mayor and City Council:

Bids were opened for the Territorial Road Watermain Improvements project on September 5, 2024. Transmitted herewith is a copy of the Bid Tabulation for your information and file. Copies will also be distributed to each Bidder once the Project has been awarded.

There were 3 Bids. The following summarizes the results of the Bids received:

	<b><u>Contractor</u></b>	<b><u>Base Bid</u></b>
Low	New Look Contracting, Inc.	\$349,872.50
#2	Bituminous Roadways Inc.	\$384,918.50
#3	Douglas-Kerr Underground, LLC	\$415,789.16

The low Bidder on the Project was New Look Contracting, Inc. with a Total Base Bid in the Amount of \$349,872.50. These Bids have been reviewed and found to be in order.

If the City Council wishes to award the Project to the low Bidder, then **New Look Contracting Inc.** should be awarded the Project on the Total Base Bid in the Amount of **\$349,872.50.**

Should you have any questions, please feel free to contact me.

Sincerely,

**STANTEC CONSULTING SERVICES INC.**

Jason Quisberg, PE

Enclosure

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**PRESENTER:**

Jason Quisberg

**ITEM:**

2024 Chip and Fog Seal Improvements – Pay Application No. 1

**PREPARED BY:**

Jason Quisberg, Engineering  
Nick Findley, Engineering

**POLICY DECISION / ACTION TO BE CONSIDERED:**

None

**BACKGROUND:**

Allied Paving Company has completed the chip and fog seal portion of the work on the 2024 Chip and Fog Seal Improvements project and has submitted Pay Application No. 1 for the work completed to date in the amount of \$266,908.38. Attached is the payment request form, along with a summary of the payment request including the work completed to date. The requested payment has withheld 5% of the work completed to date in retaining, in accordance with the contract requirements.

Allied Paving Company has completed the majority of the work on the site, all that remains is striping and any final punchlist items.

**CRITICAL ISSUES:**

**COMMISSION REVIEW / ACTION (IF APPLICABLE):**

**60/120-DAY RULE (IF APPLICABLE):**



**RELATIONSHIP TO COUNCIL GOALS:**

The work completed is within the previously approved budget for the project.

**BUDGET IMPACT:****RECOMMENDATION:**

We recommend payment for the work completed to date, less retainage in the amount of \$266,908.38.

**ATTACHMENT(S):**

Pay Estimate No. 1

2024 Chip and Fog Seal Improvements Pay Estimate No. 1 Tabulation

**SECTION 00 62 76**  
**APPLICATION FOR PAYMENT FORM**

OWNER: City of Dayton  
PROJECT: 2024 Chip and Fog Seal Improvements  
CONTRACTOR:     Allied Blacktop Company    

	PAY ESTIMATE NO. <u>1</u>	
Original Contract Amount		\$..... <u>321,794.75</u>
Contract Changes approved to Date (List Change Order Numbers)		\$.....
Revised Contract Price		\$.....
Work Completed to Date (attached)		\$..... <u>280,956.19</u>
Retainage to Date, 5%		\$..... <u>14,047.81</u>
Work Completed to Date Less Retainage to Date		\$..... <u>266,908.38</u>
Total Amount Previously Certified		\$.....
Payment Request This Estimate		\$..... <u>266,908.38</u>

I declare under penalty of perjury that this account, claim, or demand is just and correct and that no part of it has been paid.

ALLIED BLACKTOP COMPANY

CONTRACTOR

**CERTIFICATE OF CONTRACTOR**

I hereby certify that the work and the materials supplied to date, as shown on the request for payment, represents the actual value of accomplishment under the terms of the contract dated

July 11th, 2024 between the City of Dayton (OWNER)

and ALLIED BLACKTOP COMPANY (CONTRACTOR) and all authorized changes thereto.

By Matt Dolecki, Project Manager

Title Project Manager

Approval:

(CONTRACTOR) Matt Dolecki Date 9-3-24

(ENGINEER) Jason P. Quisberg Date 9-3-24  
Jason Quisberg, P.E.

City of Dayton \_\_\_\_\_ Date \_\_\_\_\_

END OF SECTION

**2024 CHIP AND FOG SEAL IMPROVEMENTS  
PAYMENT REQUEST FORM  
QUANTITY TABULATION**

NO.	ITEM DESCRIPTION	UNIT	BID QUANTITY	UNIT PRICE	TOTAL PRICE	COMPLETED TO DATE		LESS PREVIOUS PAYMENTS		PAY REQUEST #1	
										SEPTEMBER 2024	
BASE BID SCHEDULE A						QTY	PRICE	QTY	PRICE	QTY	PRICE
1	MOBILIZATION	LUMP SUM	1	\$ 20,000.00	\$ 20,000.00	0.9	\$ 18,000.00	\$ -	0.9	\$ 18,000.00	
2	TRAFFIC CONTROL	LUMP SUM	1	\$ 30,000.00	\$ 30,000.00	0.9	\$ 27,000.00	\$ -	0.9	\$ 27,000.00	
3	PAVEMENT MARKING REMOVAL	LF	26480	\$ 0.55	\$ 14,564.00	26041	\$ 14,322.55	\$ -	26041	\$ 14,322.55	
4	PAVEMENT MESSAGE REMOVAL	SQ FT	1276	\$ 5.50	\$ 7,018.00	1263	\$ 6,946.50	\$ -	1263	\$ 6,946.50	
5	BITUMINOUS MATERIAL FOR SEAL COAT, CRS-2	GALLON	38750	\$ 2.05	\$ 79,437.50	35040	\$ 71,832.00	\$ -	35040	\$ 71,832.00	
6	SEAL COAT AGGREGATE, FA-2 (MOD), TRAP ROCK	SQ YD	136700	\$ 0.65	\$ 88,855.00	134769	\$ 87,599.85	\$ -	134769	\$ 87,599.85	
7	BITUMINOUS MATERIAL FOR FOG SEAL	SQ YD	136700	\$ 0.41	\$ 56,047.00	134769	\$ 55,255.29	\$ -	134769	\$ 55,255.29	
8	4" WHITE SOLID LINE, MULTI-COMPONENT	LIN FT	17665	\$ 0.50	\$ 8,832.50		\$ -	\$ -		\$ -	
9	4" YELLOW SOLID DOUBLE LINE, MULTI-COMPONENT	LIN FT	8815	\$ 0.95	\$ 8,374.25		\$ -	\$ -		\$ -	
10	24" WHITE SOLID LINE, MULTI-COMPONENT	LIN FT	27	\$ 9.50	\$ 256.50		\$ -	\$ -		\$ -	
11	CROSSWALK MARKING, MULTI-COMPONENT	SQ FT	936	\$ 8.50	\$ 7,956.00		\$ -	\$ -		\$ -	
12	PAVEMENT MESSAGE WHITE (LEFT/THRU ARROW), MULTI-COMPONENT	EA	2	\$ 225.00	\$ 450.00		\$ -	\$ -		\$ -	
13	PAVEMENT MESSAGE WHITE (RIGHT ARROW), MULTI-COMPONENT	EA	2	\$ 2.00	\$ 4.00		\$ -	\$ -		\$ -	
TOTAL SCHEDULE A BID						\$321,794.75		\$280,956.19		\$280,956.19	

GENERAL CONTRACTOR		COMPLETED TO DATE		LESS PREVIOUS PAYMENTS		PAYMENT REQUEST 1	
Allied Blacktop Company		Subtotal: \$	280,956.19	Subtotal: \$	-	Subtotal: \$	280,956.19
10503 89th Ave. N.		5% Retainage: \$	14,047.81	5% Retainage: \$	-	5% Retainage: \$	14,047.81
Maple Grove, MN 55369		Total: \$	266,908.38	Total: \$	-	Total: \$	266,908.38

**ITEM:** Fire Lieutenant Resignation

**PREPARED BY:** Fire Chief Gary Hendrickson

**POLICY DECISION / ACTION TO BE CONSIDERED:**

Accept Fire Lieutenant Greg Petersen's resignation and recognize that he has been an integral part of the team and that his leadership during his tenure has been second to none.

**BACKGROUND:** Fire Lieutenant Petersen has served the Dayton community with dedication and distinction. His ability to lead by example, mentor younger firefighters, and manage emergencies with composure and expertise has impacted our department. Under his leadership, we have seen significant growth in the organization's skills and morale.

Greg's decision to resign is a personal one. His absence will be felt in the department, and we will miss his presence and leadership. We respect his choice and wish him all the best in his future endeavors.

**CRITICAL ISSUES:**

N/A

**RECOMMENDATION:**

Approve the resignation of Fire Lieutenant Greg Petersen

**ATTACHMENT(S):**

Resignation Letter

**From:** Greg Petersen <[gpetersen18@gmail.com](mailto:gpetersen18@gmail.com)>  
**Sent:** Wednesday, September 4, 2024 12:13 PM  
**To:** Gary Hendrickson <[ghendrickson@cityofdaytonmn.com](mailto:ghendrickson@cityofdaytonmn.com)>  
**Subject:** Dayton Fire resignation

Gary, this email is a follow up to multiple conversations I've had with Chief Astrup over the last few months regarding my leave/break from the fire department. I told Kevin last week that I need to resign from the department due to time constraints. As you know, I have a business and three young kids at home that all take precedence over the fire department. Over the past year or so, I have had a harder time managing my work and family while also being a good quality active firefighter as well as lieutenant. I had a self realization at the end of 2023 that I was subconsciously and consciously choosing not to partake or add things to the family or work calendar many times due to this usually taking away time where I can make fire calls and attend training. This I know is not unique for myself as all paid-on-call firefighters basically answer fire calls mainly in their free time. I decided that even though I still enjoy and very much like being a firefighter, this is no way a good way for a Dad and business owner to prioritize my time and resources. Kevin and I came to an agreement that I would reach out if my situation changes and wanted to come back to the department, I had the option to do so in the next few months to years if I felt inclined to do so. This is not the way I saw my fire career going but I feel this is the best decision for me personally. I feel bad that I have strung this leave of absence out leaving questions on the table, in hindsight I think I never saw myself resigning like this so it was hard for me to commit to doing so. I appreciate you, Kevin, and Kirk for many hours of mentoring and grooming to be an asset for the City of Dayton. Please accept this resignation letter and please pass along my kind words to the above mentioned, and the rest of Dayton Fire, thank you.

**PRESENTER:** Martin Farrell

**ITEM:** Adopt-A-Park Program

**PREPARED BY:** Danielle Higgins

**POLICY DECISION / ACTION TO BE CONSIDERED:** Discussion on implementing an Adopt-A-Park Program for the City of Dayton.

**BACKGROUND:** Staff have been informed by multiple residents that they would like to see an Adopt-A-Park Program in Dayton. After reviewing other programs from surrounding cities, staff has created a program unique to Dayton. This has been reviewed by the City Attorney.

**CRITICAL ISSUES:** N/A

**BUDGET IMPACT:** None.

**RECOMMENDATION:** None.

**ATTACHMENT(S):** Adopt-A-Park Program overview, Application and Agreement. Example of Signage from Econosigns Company as well as an Adopt-A-Highway sign in Dayton.



## Adopt-A-Park Program

Help us care for City parks! We welcome neighborhood associations, schools, civic groups, community groups, religious groups, seniors, businesses, youth groups (with adult supervision) and individuals to join our efforts in keeping our parks clean and beautiful. This is an excellent opportunity to promote civic responsibility and generate community pride. In recognition of your efforts, we will provide an adoption certificate and recognize your group by name on the City of Dayton website. \*Your group may also purchase a sign for \$90 that would be placed at the park (optional).

### Adopt-A-Park Application

Contact Name: \_\_\_\_\_ Group Name: \_\_\_\_\_

Street Address: \_\_\_\_\_ City: \_\_\_\_\_

Primary Phone: \_\_\_\_\_ Email: \_\_\_\_\_

Park Of Interest: \_\_\_\_\_ Number in Your Group: \_\_\_\_\_

### Program Guidelines:

1. You choose the park – provided it has not already been adopted.
2. You and your group commit to visiting the park once a month during park hours for a minimum of one year. \*A good time to schedule this would be on Mondays following a busy weekend or immediately after a Holiday.

#### 3. Duties Include:

- Pick up litter. You provide the trash bags. Please place litter in or next to the trash receptacle.
- Gather fallen branches or sticks and place them in a pile. Please inform the City of the location for pick-ups.
- Report any graffiti, vandalism, safety concerns or equipment in need of repair.  
\*Contact public works with any immediate attention needed. (763) 323-4017
- Have fun and stay safe!

#### 4. Simply mail or drop off this Adopt-A-Park application to:

Dayton City Hall  
Attn: Adopt-A-Park  
12260 S. Diamond Lake Rd.  
Dayton, MN 55327

\*Once approved, staff will contact you to begin work on your adopted site.





## Adopt-a-Park Agreement

We (\_\_\_\_\_) (collectively, the “Group” and its collective “Volunteers” or individual “Volunteer”) wish to participate in the City of Dayton Adopt-a-Park program by adopting \_\_\_\_\_ Park.

The Group and its Volunteers commit to the following Program Guidelines:

1. We adopt \_\_\_\_\_ Park.
2. We will make all reasonable efforts to participate in the Adopt-A-Park Program for one year beginning on \_\_\_\_\_.
3. All Volunteers under 18 years of age will be supervised by a responsible adult.
4. In the Group’s sole discretion, a Group supervisor will be responsible for carrying a first aid kit, and for being aware of local emergency services in case of injury to any Volunteer.
5. We will make all reasonable efforts to schedule litter pick-up outings one time each month.
6. The Group acknowledges that a good time to clean the park is on Mondays following a busy weekend, or days directly following holidays. The Volunteers agree that Adopt-a-Park activities will occur only during daylight hours and during good weather.
7. A Group supervisor must call the Public Works department at (763) 323-4017 to schedule pickup of filled bags at least one week prior to planned work.
8. The Group may report any vandalism or potential safety hazards to Public Works (763)-323-4017

The City of Dayton ("City") reserves the right to refuse, cancel, or revise this agreement if, in its sole judgment, the nature of the group or its sign is political, controversial, or in questionable taste, or if the Group is not meeting the terms and conditions of this agreement. By signing this agreement, the Group acknowledges the possibly hazardous nature of the work and agrees to comply with the terms and conditions of this agreement to the satisfaction of the City of Dayton.

Except for negligent acts of the City, its officials, employees, contractors, and agents, the Group, its Volunteers or agents shall assume all liability for, and hold the City, its officials, employees, contractors, and agents, harmless from any and all claims for damages, actions, or causes, of actions arising out of the work to be done pursuant to this Agreement. This Agreement will not be construed to negate, abridge, or waive the City's immunities or limits on liability pursuant to Minnesota Statutes, Chapter 466, or any other applicable law.

Any and all Volunteers of the Group or other persons while engaged in the performance of any work or service performed under this agreement shall not be considered employees of the City, and any and all claims that may or might arise under the Worker's Compensation Act of Minnesota for which an employee or other persons might otherwise be entitled to while so engaged, and any and all claims made by any third party of the Group or its Volunteers or other persons while so engaged on any of the work or services to be rendered shall in no way be the obligation or responsibility of the City.

Contact Name: \_\_\_\_\_ Group Name: \_\_\_\_\_

Address: \_\_\_\_\_

City, State, and Zip Code: \_\_\_\_\_

Primary Phone: \_\_\_\_\_ Email: \_\_\_\_\_

Authorized Signature for the Group: \_\_\_\_\_ Date: \_\_\_\_\_

The adoption of the park will commence on \_\_\_\_\_, 20\_\_\_\_.

If you wish to purchase recognition signage, please remit payment of \$90 along with what you would like your sign to say.

---

If you have any questions, please contact [activitycenter@cityofdaytonmn.com](mailto:activitycenter@cityofdaytonmn.com)

---

Adopt-A-Park Coordinator

---

Date



18" X 24" CUSTOM SIGN - HIGH INTENSITY PRISMATIC - .080 ALUMINUM  
Estimated cost with shipping = \$89.40



Sample Signage of Adopt A Highway in Dayton

**ITEM:**

Cannabis Zoning Ordinance Implementation Discussion

**BACKGROUND/OVERVIEW:**

The Minnesota Legislature passed a law in 2023 legalizing adult-use cannabis statewide, giving certain authority to municipalities and counties related to zoning and registration. Cities and counties are tasked with adopting provisions in their respective zoning ordinances regarding time, place and manner for the adult-use cannabis business practices identified in [MN Statute 342](#). The State of Minnesota's Office of Cannabis Management (OCM) has stated they will be prepared to begin issuing business licenses after January 1, 2025. As such, staff has brought this item to the Planning Commission and City Council for discussion and feedback regarding the eventual zoning ordinance adoption, with the goal to have the ordinance established by January 1, 2025. Staff has also drafted an ordinance to serve as a benchmark for the discussion and to continue to build on. The following components listed are considerations (to a certain extent as described below) that the City can utilize to implement an ordinance for cannabis businesses.

**Land Use & Zoning**

Local governments have the authority to adopt a local ordinance regarding cannabis businesses related to time, place, and manner. State statute requires that the City must allow all license types somewhere within its jurisdiction.

**Staff Comment:** With the attached rough draft of the cannabis zoning ordinance. Staff felt that the correct place to start was to list the allowable areas, and to what capacity (permitted or conditional use) to reflect where similar uses are currently allowed in Dayton. Examples include retail locations for cannabis businesses are allowed where liquor stores and tobacco retail are allowed, cannabis manufacturers would be allowed where manufacturing is currently allowed, etc.

Some considerations for municipalities regarding local ordinances include provisions addressing odor and security. The first draft of the ordinance includes a provision requiring an odor mitigation system for all cannabis licensed businesses to mitigate odor pollution to the surrounding area, but does not mention provision requiring certain security measures as it seems that should be left to the location to find security measures necessary for their operations to succeed.

**Adult-Use Areas**

The law explicitly authorizes individuals to use adult-use cannabis flower and adult-use cannabis products:

- In a private residence, including the individual's curtilage or yard.
- On private property, not generally accessible by the public, unless the owner of the property prohibits the use of the products.
- On the premises of an establishment or event licensed to permit onsite consumption.
- Cannot use where smoking is prohibited under the Minnesota Clean Air Act.

**Staff Comment:** Public places, such as parks and rights-of-way, are left to the discretion of the City. The City Council recently adopted an ordinance addressing the use of cannabis in public places.

### **Buffer Options**

City's are allowed by statute to establish the following buffer requirements, but cannot exceed the distances noted below, established by statute.

- 1,000 feet of a school
- 500 feet of a day care facility
- 500 feet of a residential treatment facility
- 500 feet of a public park attraction regularly used by minors. Examples include playgrounds and ballfields.

**Staff Comment:** Currently, the only buffer requirements Dayton enforces is the location of liquor licenses within 100 feet of a school and church. The State law does not give local authority to buffer these businesses from religious institutions. As such, the buffer requirement from school property is reflected in the first draft cannabis ordinance attached. Staff welcomes further insight from the Planning Commission and City Council regarding the extent of buffer requirements implemented in Dayton.

### **Hours of Operation**

MN Statue does not allow for cannabis retail businesses to conduct operations between the time of 2:00 a.m. to 8 a.m. Monday through Saturday, and 2:00 a.m. to 10:00 a.m. on Sundays. City's do have the opportunity to further limit this to no more stringent than 10:00 a.m. and 9:00 p.m. seven days a week.

**Staff Comment:** The current ordinance does not address this, as it only refers to cannabis retail licensed businesses. As such, if the City Council is interested in adopting an ordinance to further limit the hours of operation, they would do so through the City Code amendment regulating local registration of these retail locations.

### **Retail Registration Authority**

- Allowable limits to registering retail locations (Cannabis Retail, Mezzobusinesses, Microbusinesses) except lower-potency hemp edible retailers.
  - The rule by statute is a minimum 1 location to be allowed per 12,500 must be permitted.
    - In Dayton's case, the strictest limitation would be only allowing 1 location for retail within the City limits not including lower-potency hemp edible retailers.
  - If a county has one cannabis retailer registration per 12,500 residents, a city located within the county is not obligated to register a cannabis retailer.

**Staff Comment:** Being that this provision allowance is specific to registered retail locations, this item will likely be included in the City Code amendment regarding the local registration process, and not the zoning ordinance.

### **ROLE OF THE PLANNING COMMISSION & CITY COUNCIL**

Staff is looking for general direction on the draft ordinance from the Planning Commission and City Council to incorporate any additional considerations before holding a public hearing on the amendment. The goal as noted above is to have an ordinance related to cannabis businesses (and registration) established in the City Code and Zoning Ordinance prior to January 1, 2025.

The Planning Commission reviewed this item on Thursday, September 5, 2024 at their regular meeting. A summary of the discussion, including recommendations and other considerations will be presented to the City Council during this discussion.

### **ATTACHMENTS**

Table of Uses – Cannabis-licensed Businesses

Draft Ordinance

Minnesota Office of Cannabis Management Local Government Guide

League of Minnesota Cities – Adult-Use Cannabis: What Cities Need to Know

Dayton Zoning Map

Cannabis Uses by District																												
Use Types “P” = Permitted “C” = Conditionally Permitted “I” Interim Permitted “A” Accessory Permitted	Zoning Districts																											Additional Requirements (Section References)
	A-1	A-2	S-A	R-1	R-1A	R-2	R-3	R-E	R-M	R-H	R-MH	R-O	GMU-1	GMU-2	GMU-3	GMU-4	GMU-5	V-M	P-R	B-1	B-2	B-3	B-4	I-1	I-2	B-P		
Cannabis Cultivator																	P								P	P		Indoor Only Includes Medical
Cannabis Delivery Service																	P							P	P			Acc. Use to Microbusiness, Mezzobusiness, Retail, Wholesaling and Medical Cannabis Combination Business
Cannabis Event Organizer																												Large Assembly Permit Required
Cannabis Manufacturer																	P							C	P	P		
Cannabis Mezzobusiness																	P							C	C		C	Indoor Cultivation Only
Cannabis Microbusiness																	P							C	C		C	Indoor Cultivation Only
Cannabis Retailer													P	P	P	C		C			C	C						Includes Medical Retail
Cannabis Testing Facility																								P	P		P	
Cannabis Transporter																								P	P		P	Acc. Use to Cultivation, Manufacturing, Microbusinesses, Mezzobusinesses, Wholsaling, Processing, and Testing
Cannabis Wholesaler																								C	P		P	
Lower-potency Hemp Edible Manufacturer																	P							C	P	P	A*	*Accessory Use to Brewpubs, Breweries, and Microdistilleries
Lower-Potency Hemp Edible Retailer													P	P	P	C / A*		C / A*				C / A*	C / A*					*Accessory to locations with active liquor or tobacco license

Cannabis Uses by District																											
Use Types “P” = Permitted “C” = Conditionally Permitted “I” Interim Permitted “A” Accessory Permitted	Zoning Districts																										Addition Requirements (Section Reference)
	A-1	A-2	S-A	R-1	R-1A	R-2	R-3	R-E	R-M	R-H	R-MH	R-O	GM U-1	GM U-2	GM U-3	GM U-4	GM U-5	V-M	P-R	B-1	B-2	B-3	B-4	I-1	I-2	B-P	
Medical Cannabis Combination Business																C							C	C		C	
Medical Cannabis Processor																P								P	P		



**Section 1. AMENDMENT.** Dayton City Code 1001.XX is hereby amended by adding the underlined material as follows:

1001.XX Cannabis Businesses

Subd. 1 Purpose and Intent. The purpose of this section is to preserve and protect the public health, safety, welfare, neighborhood character, and minimize negative community impacts by enacting effective regulatory and enforcement controls through minimum land use requirements for State licensed cannabis businesses within the City of Dayton.

Subd. 2 Minimum Buffer Requirements

- (1) The City of Dayton shall prohibit the operation of a cannabis business within 100 feet of a school measured from nearest property boundaries.
- (2) Pursuant to Minn. Stat. 462.367 subd. 14, nothing in Section 1001.37 Subd. 1 shall prohibit an active cannabis business or a cannabis business seeking registration from continuing operation at the same site if a school moves within the minimum buffer zone.

Subd. 3 Zoning and Land Use

(1) All Cannabis-related Uses shall adhere to the following standards:

- a. All cannabis licensed businesses and properties within the City of Dayton shall adhere to the guidelines established by Minn. Stat. 342 and the standards within this section.
- b. The facility shall display its state issued license on the interior of the facility, visible to the public, at all times.
- c. At the facility, any and all cultivation, processing, storage, display, sales or other distribution of cannabis shall occur within an enclosed building and shall not be visible from the exterior of the building.
- d. Outdoor cannabis cultivation for cannabis-licensed businesses is prohibited.
- e. All cannabis licensed facilities shall have an odor mitigation system installed to eliminate or lessen any odor pollution created at the facility.

- f. No person or facility shall dispose of cannabis or cannabis-containing products in an unsecured waste receptacle not in possession and control of the licensee and designed to prohibit unauthorized access.
- g. Outdoor storage is prohibited for all uses herein.
- h. No cannabis or paraphernalia shall be displayed or kept at the facility so as to be visible from outside the premises.
- i. No cannabis business shall be allowed within any agricultural or residential zoning districts.
- j. Home Occupations and Home-Extended Businesses for cannabis-licensed operations are prohibited.

(2) Cannabis Cultivation. Cannabis businesses licensed or endorsed for cultivation (medical or recreational) are allowed as a permitted principal use in the following zoning districts:

- a. GMU-5
- b. I-1
- c. I-2

(3) Cannabis Delivery Service.

- a. Cannabis businesses licensed for delivery service are allowed as a permitted principal use in the following zoning districts:
  - 1. GMU-5
  - 2. B-4
  - 3. I-1
- b. Cannabis businesses licensed for microbusiness, mezzobusiness, retail, wholesaling, or medical cannabis combination business can obtain a license or endorsement for delivery service as an accessory use at that same location.

(4) Cannabis Manufacturer.

- a. Cannabis businesses licensed or endorsed for cannabis manufacturing (recreational or medical) are allowed as a permitted principal use in the

following zoning districts subject to manufacturing-specific standards established in the Zoning Ordinance:

1. GMU-5
2. I-1
3. I-2

- b. Cannabis businesses licensed or endorsed for cannabis manufacturing (recreational or medical) are allowed as a conditional principal use in the following zoning districts subject to manufacturing-specific standards established in the Zoning Ordinance:

1. B-4

- (5) Cannabis Mezzobusiness. Cannabis businesses licensed or endorsed for cultivation are allowed as a conditional principal use in the following districts.

- a. GMU-5
- b. B-4
- c. I-1
- d. B-P

- (6) Cannabis Microbusiness. Cannabis businesses licensed or endorsed for cultivation are allowed as a conditional principal use in the following districts.

- a. GMU-5
- b. B-4
- c. I-1
- d. B-P

- (7) Cannabis Retail.

- a. Cannabis businesses licensed or endorsed for cannabis retail (recreational or medical) are allowed as a permitted principal use in the following districts:

1. GMU-1
2. GMU-2
3. GMU-3

- b. Cannabis businesses licensed or endorsed for cannabis retail are allowed as a conditional principal use in the following districts:

1. B-2
2. B-3
3. GMU-4
4. V-M

(8) Cannabis Testing Facility. Cannabis Businesses licensed or endorsed for cannabis testing facility are allowed as a permitted principal use in the following districts:

1. B-4
2. I-1
3. B-P

(9) Cannabis Transportation.

a. Cannabis businesses licensed or endorsed for transportation are permitted as a principal use in the following zoning districts:

1. B-4
2. I-1
3. B-P

b. Cannabis businesses licensed for cultivation, manufacturing, microbusiness, mezzobusiness, wholesaling, processing or testing can obtain a license or endorsement for transportation as an accessory use.

(10) Cannabis Wholesale.

a. Cannabis businesses licensed or endorsed for wholesaling are allowed as a permitted principal use in the following districts, subject to specific standards for wholesale uses established in the Zoning Ordinance:

1. I-1
2. B-P

b. Cannabis businesses licensed or endorsed for wholesaling are allowed as a conditional principal use in the following districts, subject to specific standards for wholesale uses established in the Zoning Ordinance:

1. B-4

(11) Lower-potency Hemp Edible Manufacturer.

- a. Hemp businesses licensed or endorsed for lower-potency hemp edible manufacturer are allowed as a permitted principal use in the following zoning districts subject to manufacturing-specific standards established in the Zoning Ordinance:
  - 1. GMU-5
  - 2. I-1
  - 3. I-2
- b. Cannabis businesses licensed or endorsed for lower-potency hemp edible manufacturer (recreational or medical) are allowed as a conditional principal use in the following zoning districts:
  - 1. B-4
- c. Brewpubs, Breweries and Microdistilleries can obtain a lower-potency hemp edible manufacturer license as an accessory use.

(12) Lower-potency Hemp Edible Retailer.

- a. Lower-potency hemp edible retail businesses as a principal use are permitted in the following districts:
  - 1. GMU-1
  - 2. GMU-2
  - 3. GMU-3
- b. Lower-potency hemp edible retail businesses as a principal use are allowed conditionally in the following districts:
  - 1. GMU-4
  - 2. V-M
  - 3. B-2
  - 4. B-3
- c. Businesses where tobacco and liquor licenses are held are allowed to hold a lower-potency hemp edible retailer license as an accessory use and as regulated by Minn. Stat. 342.

(13) Medical Cannabis Combination Business. Cannabis businesses licensed or

endorsed for medical cannabis combination business are allowed as a conditional principal use in the following districts.

- a. GMU-5
- b. B-4
- c. I-1
- d. B-P

(14) Medical Cannabis Processor. Cannabis businesses licensed or endorsed for medical cannabis processor are allowed as a permitted principal use in the following zoning districts:

- a. GMU-5
- b. I-1
- c. I-2

(15) Temporary Cannabis Events. Temporary Cannabis Events shall be reviewed individually in accordance with the City of Dayton's large assembly permit process, regardless of anticipated number of participants.

- a. Temporary Cannabis Events in commercial and industrial districts shall be administratively reviewed.
- b. Temporary Cannabis Events proposed at public parks within the City of Dayton shall be reviewed and approved by the City Council.

Subd. 4 Local Government as a Cannabis Retailer

- (1) The City of Dayton may establish, own, and operate one municipal cannabis retail business subject to the restrictions in this chapter.
- (2) The municipal cannabis retail store shall not be included in any limitation of the number of registered cannabis retail businesses.
- (3) The City of Dayton shall be subject to all of the same rental license requirements and procedures applicable to all other applicants.



# *A Guide for Local Governments on Adult-Use Cannabis*





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# Introduction

This guide serves as a general overview of **Minnesota’s new adult-use cannabis law**, and how **local governments** can expect to be involved. The guide also provides important information about Minnesota’s new Office of Cannabis Management (OCM), and the office’s structure, roles, and responsibilities. While medical cannabis continues to play an important role in the state’s cannabis environment, this guide is primarily focused on the adult-use cannabis law and marketplace.

The following pages outline the variety of cannabis business licenses that will be issued, provide a broad summary of important aspects of the adult-use cannabis law, and cover a wide range of expectations and authorities that relate to local governments. This guide also provides best practices and important requirements for developing a local cannabis ordinance.

**Chapter 342** of Minnesota law was established by the State Legislature in 2023 and was updated in 2024. Mentions of “adult-use cannabis law” or “the law” throughout this guide refer to Chapter 342 and the changes made to it.

As of this guide’s date of publication, state regulations governing the adult-use cannabis market have not yet been published — **this document will be updated** when such regulations become effective.



*This guide is not a substitute for legal advice, nor does it seek to provide legal advice. Local governments and municipal officials seeking legal advice should consult an attorney.*

# About OCM

Minnesota's **Office of Cannabis Management** is the state regulatory office created to oversee the implementation and regulation of the adult-use cannabis market, the medical cannabis market, and the consumer hemp industry. Housed within OCM are the **Division of Medical Cannabis** (effective July 1, 2024), which operates the medical cannabis program, and the **Division of Social Equity**, which promotes development, stability, and safety in communities that have experienced a disproportionate, negative impact from cannabis prohibition and usage.



OCM, through Chapter 342, is tasked with establishing rules and policy and exercising its regulatory authority over the Minnesota cannabis industry. In its duties, OCM is mandated to:

- Promote public health and welfare.
- Protect public safety.
- Eliminate the illicit market for cannabis flower and cannabis products.
- Meet the market demand for cannabis flower and cannabis products.
- Promote a craft industry for cannabis flower and cannabis products.
- Prioritize growth and recovery in communities that have experienced a disproportionate, negative impact from cannabis prohibition.

OCM governs the application and licensing process for cannabis and hemp businesses, specific requirements for each type of license and their respective business activities, and conducts enforcement and inspection activities across the Minnesota cannabis and hemp industries.

# License Types

Minnesota law allows for **13** different types of business licenses, each fulfilling a unique role in the cannabis and hemp supply chain. In addition to license types below, OCM will also issue endorsements to license holders to engage in specific activities, including producing, manufacturing, and sale of medical cannabis for patients.

## **Microbusiness**

Microbusinesses may cultivate cannabis and manufacture cannabis products and hemp products, and package such products for sale to customers or another licensed cannabis business. Microbusiness may also operate a single retail location.

## **Mezzobusiness**

Mezzobusinesses may cultivate cannabis and manufacture cannabis products and hemp products, and package such products for sale to customers or another licensed cannabis business. Mezzobusiness may also operate up to three retail locations.

## **Cultivator**

Cultivators may cultivate cannabis and package such cannabis for sale to another licensed cannabis business.

## **Manufacturer**

Manufacturers may manufacture cannabis products and hemp products, and package such products for sale to a licensed cannabis retailer.

## **Retailer**

Retailers may sell immature cannabis plants and seedlings, cannabis, cannabis products, hemp products, and other products authorized by law to customers and patients.

## **Wholesaler**

Wholesalers may purchase and/or sell immature cannabis plants and seedlings, cannabis, cannabis products, and hemp products from another licensed cannabis business.

Wholesalers may also import hemp-derived consumer products and lower-potency hemp edibles.

# ***License Types (continued)***

## **Transporter**

Transporters may transport immature cannabis plants and seedlings, cannabis, cannabis products, and hemp products to licensed cannabis businesses.

## **Testing Facility**

Testing facilities may obtain and test immature cannabis plants and seedlings, cannabis, cannabis products, and hemp products from licensed cannabis businesses.

## **Event Organizer**

Event organizers may organize a temporary cannabis event lasting no more than four days.

## **Delivery Service**

Delivery services may purchase cannabis, cannabis products, and hemp products from retailers or cannabis business with retail endorsements for transport and delivery to customers.

## **Medical Cannabis Combination Business**

Medical cannabis combination businesses may cultivate cannabis and manufacture cannabis and hemp products, and package such products for sale to customers, patients, or another licensed cannabis business. Medical cannabis combination businesses may operate up to one retail location in each congressional district.

## **Lower-Potency Hemp Edible Manufacturer**

Lower-potency hemp edible manufacturers may manufacture and package lower-potency hemp edibles for consumer sale, and sell hemp concentrate and lower-potency hemp edibles to other cannabis and hemp businesses.

## **Lower-Potency Hemp Edible Retailer**

Lower-potency hemp edible retailers may sell lower-potency hemp edibles to customers.

Each license is subject to further restrictions on allowable activities. Maximum cultivation area and manufacturing allowances vary by license type. Allowable product purchase, transfer, and sale between licensees are subject to restrictions in the law.

# The Adult-Use Cannabis Law

Minnesota's new adult-use cannabis law permits the personal use, possession, and transportation of cannabis by those 21 years of age and older, and allows licensed businesses to conduct cultivation, manufacturing, transport, delivery, and sale of cannabis and cannabis products.

## For Individuals

- **Possession limits:**
  - Flower – 2 oz. in public, 2 lbs. in private residence
  - Concentrate – 8 g
  - Edibles (including lower-potency hemp) – 800 mg THC
- **Consumption** only allowed on private property or at licensed businesses with on-site consumption endorsements. Consumption not allowed in public.
- **Gifting** cannabis to another individual over 21 years old is allowed, subject to possession limits.
- **Home cultivation** is limited to four mature and four immature plants (eight total) in a single residence. Plants must be in an enclosed and locked space.
- **Home extraction** using volatile substances (e.g., butane, ethanol) is not allowed.
- **Unlicensed sales** are not allowed.



## For Businesses

- **Advertising:**
  - May not include or appeal to those under 21 years old.
  - Must include proper warning statements.
  - May not include misleading claims or false statements.
  - Billboards are not allowed.
- The flow of all products through the supply chain must be tracked by the state-authorized **tracking system**.
- All products sold to consumers and patients must be **tested for contaminants**.
- **Home delivery** is allowed by licensed businesses.



# ***The Cannabis Licensing Process***

An applicant will take the following steps to proceed from application to active licensure. As described, processes vary depending on social equity status and/or whether the type of license being sought is capped or uncapped in the general licensing process.

## ***License Preapproval: Early Mover Process for Social Equity Applicants***

The license preapproval process is a one-time application process available for verified social equity applicants. State law requires OCM to open the application window on July 24, 2024, and close the window on August 12, 2024. The preapproval process is available for the following license types, and all are capped in this process: microbusiness, mezzobusiness, cultivator, retailer, wholesaler, transporter, testing facility, and delivery service.

Preapproval steps:

1. Applicant's social equity applicant (SEA) status verified.
2. Complete application and submit application fees.
3. Application vetted for minimum requirements by OCM.
4. Application (if qualified) entered into lottery drawing.
5. If selected in lottery, OCM completes background check of selected applicant and issues license preapproval.
6. Applicant with license preapproval\* submits business location and amends application accordingly.
7. OCM forwards completed application to local government.
8. Local government completes certification of zoning compliance.
9. OCM conducts site inspection.
10. When regulations are adopted, license becomes active, operations may commence.

\*For social equity applicants with license preapproval for microbusiness, mezzobusiness, or a cultivator license, they may begin growing cannabis plants prior to the adoption of rules if OCM receives approval from local governments in a form and manner determined by the office. This is only applicable to cultivation and does not authorize retail sales or other endorsed activities of the licenses prior to the adoption of rules.

# ***The Cannabis Licensing Process (cont.)***

The general licensing process will align with the adoption of rules and OCM will share more information about the timing of general licensing process. The general licensing process includes social equity applicants and non-social equity applicants.

## ***General Licensing: Cultivator, Manufacturer, Retailer, Mezzobusiness***

1. Complete application and submit application fees.
2. Application vetted for minimum requirements by OCM.
3. Application (if qualified) entered into lottery drawing.
4. If selected in lottery, OCM completes background check of selected applicant and issues preliminary approval.
5. Applicant with preliminary approval submits business location and amends application accordingly.
6. OCM forwards completed application to local government.
7. Local government completes certification of zoning compliance.
8. OCM conducts site inspection.
9. License becomes active, operations may commence.\*

## ***General Licensing: Microbusiness, Wholesaler, Transporter, Testing Facility, Event Organizer***

1. Complete application and submit application fees.
2. Application vetted for minimum requirements by OCM.
3. For qualified applicants, OCM completes background check of vetted applicant and issues preliminary approval.
4. Selected applicant submits business location and amends application accordingly.
5. OCM forwards completed application to local government.
6. Local government completes certification of zoning compliance.
7. OCM conducts site inspection.
8. License becomes active, operations may commence.\*

\*For businesses seeking a retail endorsement (microbusiness, mezzobusiness, and retailer), a valid local retail registration is required prior to the business commencing any retail sales. See Page 16 for information on the local retail registration process.

# General Authorities

Local governments in Minnesota have various means of oversight over the cannabis market, as provided by the adult-use cannabis law. Local governments may not issue outright bans on cannabis business, or limit operations in a manner beyond what is provided by state law.

## Cannabis Retail Restrictions (342.13)

Local governments may limit the number of retailers and microbusiness/mezzobusinesses with retail endorsements allowed within their locality, as long as there is **at least one retail location per 12,500 residents**. Local units of government are not obligated to seek out a business to register as cannabis business if they have not been approached by any potential applicants, but cannot prohibit the establishment of a business if this population requirement is not met. Local units of government may also issue more than the minimum number of registrations. Per statutory direction, a municipal cannabis store (Page 19) cannot be included in the minimum number of registrations required. For population counts, the state demographer estimates will likely be utilized.

## Tribal Governments (342.13)

OCM is prohibited from and will not issue state licenses to businesses in Indian Country without consent from a tribal nation. Tribal nations hold the authority to license tribal cannabis businesses on tribal lands – this process is separate than OCM’s licensing process and authority. Subject to compacting, Tribal nations may operate cannabis businesses off tribal lands. There will be more information available once the compacting processes are complete.

## Taxes (295.81; 295.82)

Retail sales of taxable cannabis products are subject to the state and local sales and use tax and a 10% gross receipts tax. Cannabis gross receipts tax proceeds are allocated as follows: 20% to the local government cannabis aid account and 80% to the state general fund. Local taxes imposed solely on sale of cannabis products are prohibited.

Cannabis retailers will be subject to the same real property tax classification as all other retail businesses. Real property used for raising, cultivating, processing, or storing cannabis plants, cannabis flower, or cannabis products for sale will be classified as commercial and industrial property.



# General Authorities (cont.)

## ***Retail Timing Restrictions (342.13)***

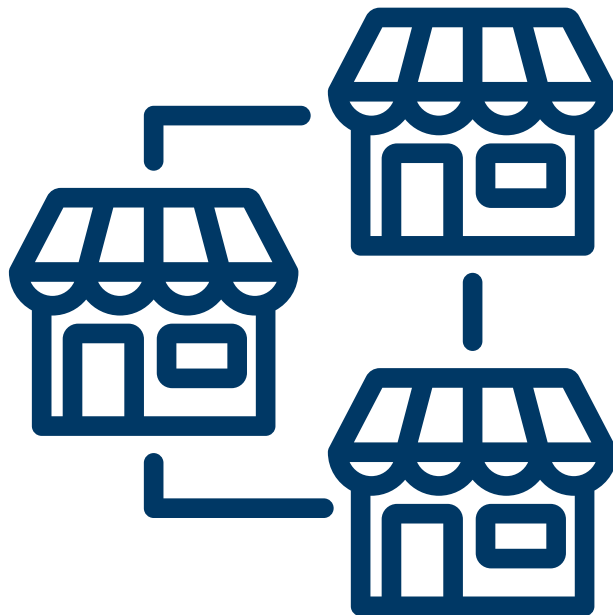
Local governments may prohibit retail sales of cannabis between the hours of 8 a.m. and 10 a.m. Monday-Saturday, and 9 p.m. and 2 a.m. the following day.

## ***Operating Multiple Locations with One License***

Certain cannabis licenses allow for multiple retail locations to be operated under a single license, with the following limitations:

- **Retailers:** up to five retail locations.
- **Mezzobusinesses:** up to three retail locations.
- **Microbusinesses:** up to one retail location.
- **Medical cannabis combination businesses:** one retail location per congressional district. Additionally, medical cannabis combination businesses may cultivate at more than one location within other limitations on cultivation.

For all other license types, one license permits the operation of one location. Each retail location requires local certification and/or registration.



# ***Zoning and Land Use***

## ***Buffer Guidelines (342.13)***

State law does not restrict how a local government conducts its zoning designations for cannabis businesses, except that they 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.

## ***Zoning Guidelines***

While each locality conducts its zoning differently, a few themes have emerged across the country. For example, cannabis manufacturing facilities are often placed in industrial zones, while cannabis retailers are typically found in commercial/retail zones. Cannabis retail facilities align with general retail establishments and are prohibited from allowing consumption or use onsite, and are also required to have plans to prevent the visibility of cannabis and hemp-derived products to individuals outside the retail location. Industrial hemp is an agricultural product, and should be zoned as such.

Cannabis businesses should be zoned under existing zoning ordinances in accordance with the license type or endorsed activities held by the cannabis business. Note that certain types of licenses may be able to perform multiple activities which may have different zoning analogues. In the same way municipalities may zone a microbrewery that predominately sells directly to onsite consumers differently than a microbrewery that sells packaged beer to retailers and restaurants, so too might a municipality wish to zone two microbusinesses based on the actual activities that each business is undertaking. Table 1, included on Pages 13 and 14, explains the types of activities that cannabis businesses might undertake, as well as, some recommended existing zoning categories.

# Zoning and Land Use (cont.)

**Table 1: Cannabis and Hemp Business Activities**

<b>Endorsed Activity</b>	<b>License Type Eligible to Do Endorsed Activity</b>	<b>Description of Activity</b>	<b>Comparable Districts</b>	<b>Municipal Considerations</b>
Cultivation	Cultivator Mezzobusiness Microbusiness Medical Cannabis Combination	"Cultivation" means any activity involving the planting, growing, harvesting, drying, curing, grading, or trimming of cannabis plants, cannabis flower, hemp plants, or hemp plant parts.	Indoor: Industrial, Commercial, Production  Outdoor: Agricultural	Odor  Potential need for transportation from facility  Waste, water, and energy usage  Security
Cannabis Manufacturing, Processing, Extraction	Manufacturer Mezzobusiness Microbusiness Medical Cannabis Combination	This group of endorsed activities turn raw, dried cannabis and cannabis parts into other types of cannabis products, e.g. edibles or topicals.	Industrial, Commercial, Production	Odor  Potential need for transportation from facility  Waste, water, and energy usage  Security
Hemp Manufacturing	Lower-Potency Hemp Edible (LPHE) Manufacturing	These business convert hemp into LPHE edible products.	Industrial, Commercial, Production	Odor Waste, water, and energy
Wholesale	Wholesale Cultivator Manufacturer Mezzobusiness Microbusiness Medical Cannabis Combination	This activity and license type allows a business to purchase from a business growing or manufacturing cannabis or cannabis products and sell to a cannabis business engaged in retail.	Industrial, Commercial, Production	Need for transportation from facility  Security

# Zoning and Land Use (cont.)

**Table 1: Cannabis and Hemp Business Activities (continued)**

<b>Endorsed Activity</b>	<b>License Type Eligible to Do Endorsed Activity</b>	<b>Description of Activity</b>	<b>Comparable Districts</b>	<b>Municipal Considerations</b>
Cannabis Retail	Retail Mezzobusiness Microbusiness Medical Cannabis Combination	This endorsed activity and license types allow a business to sell cannabis and cannabis products directly to consumers.	Retail, Neighborhood Shopping Districts, Light Industrial, Existing districts where off-sale liquor or tobacco sales are allowed.	Micros may offer onsite consumption, similar to breweries.  Micros and Mezzos may include multiple activities: cultivation, manufacture, and/or retail.
Transportation	Cannabis Transporter	This license type allows a company to transport products from one license type to another.		Fleet based business that will own multiple vehicles, but not necessarily hold a substantial amount of cannabis or cannabis products.
Delivery	Cannabis Delivery	This license type allows for transportation to the end consumer.		Fleet based business that will own multiple vehicles, but not necessarily hold a substantial amount of cannabis or cannabis products.
Events	Event Organizer	This license entitles license holder to organizer a temporary event lasting no more than four days.	Anywhere that the city permits events to occur, subject to other restrictions related to cannabis use.	On site consumption.  Retail sales by a licensed or endorsed retail business possible.

# Local Approval Process

Local governments play a critical role in the licensing process, serving as a near-final approval check on cannabis businesses nearing the awarding of a state license for operations. Once an applicant has been vetted by OCM and is selected for proceeding in the verification process, they are then required to receive the local government's certification of zoning compliance and/or local retail registration before operations may commence.



## Local Certification of Zoning Compliance (342.13; 342.14)

Following OCM's vetting process, local governments must **certify** that the applicant with preliminary approval has achieved **compliance with local zoning ordinances** prior to the licensee receiving final approval from OCM to commence operations.

During the application and licensing process for cannabis businesses, OCM will notify a local government when an applicant intends to operate within their jurisdiction and request a certification as to whether a proposed cannabis business complies with local zoning ordinances, and if applicable, whether the proposed business complies with state fire code and building code.

According to Minnesota's cannabis law, a local unit of government has 30 days to respond to this request for certification of compliance. If a local government does not respond to OCM's request for certification of compliance within the 30 days, the cannabis law allows OCM to issue a license. OCM may not issue the final approval for a license if the local government has indicated they are not in compliance.

OCM will work with local governments to access the licensing software system to complete this zoning certification process.

# ***Local Approval Process (cont.)***

## ***Local Retail Registration Process (342.22)***

Once the licensing process begins, local government registration applies to cannabis retailers or other cannabis/hemp businesses seeking a retail endorsement. Local governments must issue a retail registration after verifying that:

- The business has a valid license or license preapproval issued by OCM.
- The business has paid a registration fee or renewal fee to the local government;
  - Initial registration fees collected by a local government may be \$500 or half the amount of the applicable initial license fee, whichever is less, and renewal registration fees may be \$1,000 or half the amount of the applicable renewal license fee, whichever is less.
- The business is found to be in compliance with Chapter 342 and local ordinances.
- If applicable, the business is current on all property taxes and assessments for the proposed retail location.

Local registrations may also be issued by counties if the respective local government transfers such authorities to the county.

## ***Determining a Process for Limiting Retail Registrations***

If a local government wishes to place a limitation on the number of retailers and microbusiness/mezzobusinesses with retail endorsements allowed within their locality (as long as there is at least one retail location per 12,500 residents, see Page 10), state law does not define the process for a local government's selection if there are more applicants than registrations available. A few options for this process include the use of a lottery, a first-come/first-serve model, a rolling basis, and others. Local governments should work with an attorney to determine their specific process for selection if they wish to limit the number of licensed cannabis retailers per 342.13. Local governments are not required to limit the number of licensed cannabis retailers.

# ***Local Approval Process (cont.)***

Local governments are permitted specific authorities for registration refusal and registration suspension, in addition to—and not in conflict with—OCM authorities.

## ***Registration and Renewal Refusals***

Local governments may refuse the registration and/or certification of a license renewal if the license is associated with an individual or business who no longer holds a valid license, has failed to pay the local registration or renewal fee, or has been found in noncompliance in connection with a preliminary or renewal compliance check.



## ***Local Registration Suspension (342.22)***

Local governments may suspend the local retail registration of a cannabis business or hemp business if the business is determined to not be operating in compliance with a local ordinance authorized by 342.13 or if the operation of the business poses an immediate threat to the health and safety of the public. The local government must immediately notify OCM of the suspension if it occurs. OCM will review the suspension and may reinstate the registration or take enforcement action.

## ***Expedited Complaint Process (342.13)***

Per state law, OCM will establish an expedited complaint process during the rulemaking process to receive, review, read, and respond to complaints made by a local unit of government about a cannabis business. Upon promulgation of rules, OCM will publish the complaint process.

At a minimum, the expedited complaint process shall require the office to provide an initial response to the complaint within seven days and perform any necessary inspections within 30 days. Within this process, if a local government notifies OCM that a cannabis business poses an immediate threat to the health or safety of the public, the office must respond within one business day.



# Inspections & Compliance Checks

Local governments are permitted specific business inspection and compliance check authorities, in addition to—and not in conflict with—OCM authorities.

## Inspections and Compliance Checks (342.22)

Local governments must conduct **compliance checks** for cannabis and hemp businesses holding retail registration **at least once per calendar year**. These compliance checks must verify compliance with age verification procedures and compliance with any applicable local ordinance established pursuant to 342.13. OCM maintains inspection authorities for all cannabis licenses to verify compliance with operation requirements, product limits, and other applicable requirements of Chapter 342.





# Municipal Cannabis Stores

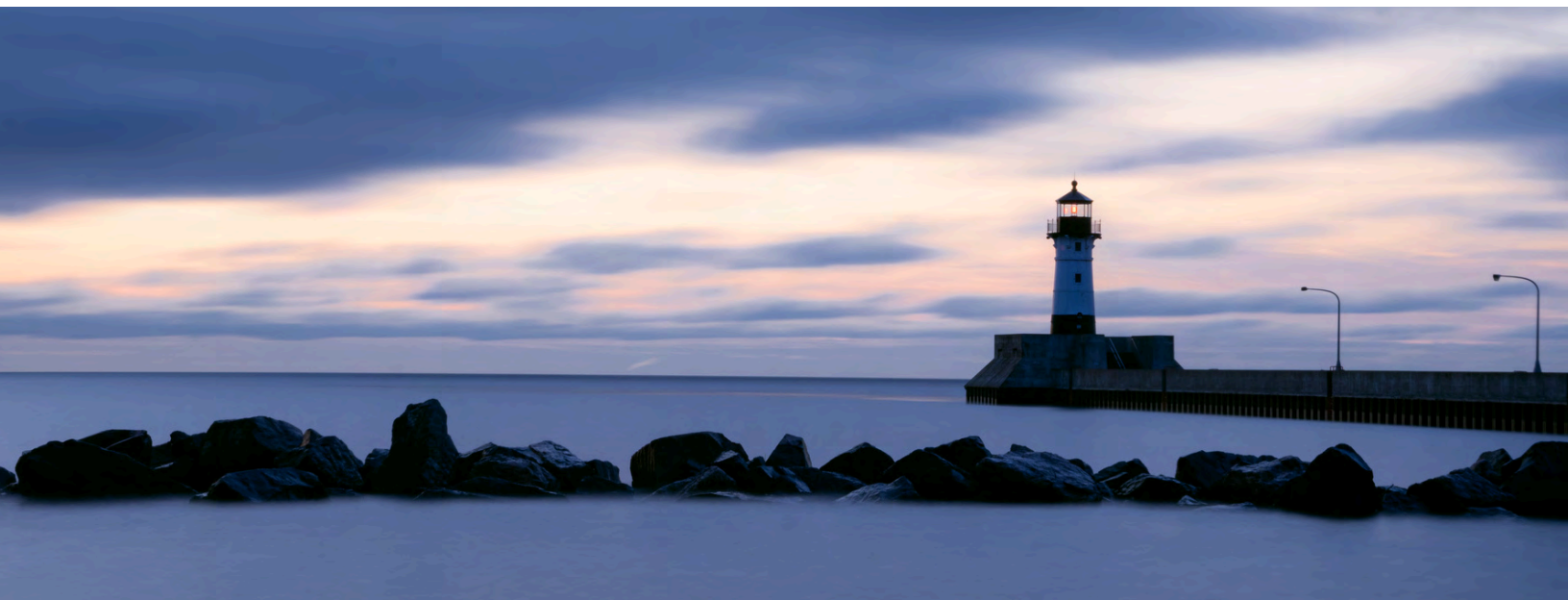
As authorized in Chapter 342.32, local governments are permitted to apply for a cannabis retail license to establish and operate a municipal cannabis store.

State law requires OCM issue a license to a city or county seeking to operate a single municipal cannabis store if the city or county:

- Submits required application information to OCM,
- Meets minimum requirements for licensure, and
- Pays applicable application and license fee.

A municipal cannabis store will not be included in the total count of retail licenses issued by the state under Chapter 342.

A municipal cannabis store cannot be counted as retail registration for purposes of determining whether a municipality's cap on retail registrations imposed by ordinance.



# Creating Your Local Ordinance

As authorized in 342.13, a local government may adopt a local ordinance regarding cannabis businesses. Establishing local governments' ordinances on cannabis businesses in a timely manner is critical for the ability for local cities or towns to establish local control as described in the law, and is necessary for the success of the statewide industry and the ability of local governments to protect public health and safety. The cannabis market's potential to create jobs, generate revenue, and contribute to economic development at the local and state level is supported through local ordinance work. The issuance of local certifications and registrations to prospective cannabis businesses is also dependent on local ordinances.

- Local governments may not prohibit the possession, transportation, or use of cannabis, or the establishment or operation of a cannabis business licensed under state law.
- Local governments may adopt reasonable restrictions on the time, place, and manner of cannabis business operations (see Page 11).
- Local governments may adopt interim ordinances to protect public safety and welfare, as any studies and/or further considerations on local cannabis activities are being conducted, until January 1, 2025. A public hearing must be held prior to adoption of an interim ordinance.
- If your local government wishes to operate a municipal cannabis store, the establishment and operation of such a facility must be considered in a local ordinance.



## Model Ordinance

For additional guidance regarding the creation of a cannabis related ordinance, please reference the addendum in this packet.

# ***Additional Resources***

## ***OCM Toolkit for Local Partners***

Please visit OCM webpage ([mn.gov/ocm/local-governments/](https://mn.gov/ocm/local-governments/)) for additional information, including a toolkit of resources developed specifically for local government partners. The webpage will be updated as additional information becomes available and as state regulations are adopted.

These resources are also included in the addendum of this packet.

Toolkit resources include:

- Appendix A: Model Ordinance
- Appendix B: Hemp Flower and Hemp-Derived Cannabinoid Product Checklist
- Appendix C: Enforcement Notice from the Office of Cannabis Management
- Appendix D: Notice to Unlawful Cannabis Sellers

## ***Local Organizations***

There are several organizations who also have developed resources to support local governments regarding the cannabis industry. Please feel free to contact the following for additional resources:

- League of Minnesota Cities
- Association of Minnesota Counties
- Minnesota Public Health Law Center

# ***Appendix A: Model Ordinance***

## Cannabis Model Ordinance

*The following model ordinance is meant to be used as a resource for cities, counties, and townships within Minnesota. The italicized text in red is meant to provide commentary and notes to jurisdictions considering using this ordinance and should be removed from any ordinance formally adopted by said jurisdiction. Certain items are not required to be included in the adopted ordinance: 'OR' and (optional) are placed throughout for areas where a jurisdiction may want to consider one or more choices on language.*

Section 1	Administration
Section 2	Registration of Cannabis Business
Section 3	Requirements for a Cannabis Business (Time, Place, Manner)
Section 4	Temporary Cannabis Events
Section 5	Lower Potency Hemp Edibles
Section 6	Local Government as a Retailer
Section 7	Use of Cannabis in Public

### AN ORDINANCE OF THE (CITY/COUNTY OF \_\_\_\_\_) TO REGULATE CANNABIS BUSINESSES

The (city council/town board/county board) of (city/town/county) hereby ordains:

#### Section 1. Administration

##### 1.1 Findings and Purpose

(insert local authority) makes the following legislative findings:

The purpose of this ordinance is to implement the provisions of Minnesota Statutes, chapter 342, which authorizes (insert local authority) to protect the public health, safety, welfare of (insert local here) residents by regulating cannabis businesses within the legal boundaries of (insert local here).

(insert local authority) finds and concludes that the proposed provisions are appropriate and lawful land use regulations for (insert local here), that the proposed amendments will promote the community's interest in reasonable stability in zoning for now and in the future, and that the proposed provisions are in the public interest and for the public good.

##### 1.2 Authority & Jurisdiction

*A county can adopt an ordinance that applies to unincorporated areas and cities that have delegated authority to impose local zoning controls.*

(insert local authority) has the authority to adopt this ordinance pursuant to:

- a) Minn. Stat. 342.13(c), regarding the authority of a local unit of government to adopt reasonable restrictions of the time, place, and manner of the operation of

a cannabis business provided that such restrictions do not prohibit the establishment or operation of cannabis businesses.

- b) Minn. Stat. 342.22, regarding the local registration and enforcement requirements of state-licensed cannabis retail businesses and lower-potency hemp edible retail businesses.
- c) Minn. Stat. 152.0263, Subd. 5, regarding the use of cannabis in public places.
- d) Minn. Stat. 462.357, regarding the authority of a local authority to adopt zoning ordinances.

Ordinance shall be applicable to the legal boundaries of (insert local here).

(Optional) (insert city here) has delegated cannabis retail registration authority to (insert county here). However, (insert city here) may adopt ordinances under Sections (2.6, 3 and 4) if (insert county here) has not adopted conflicting provisions.

### 1.3 Severability

If any section, clause, provision, or portion of this ordinance is adjudged unconstitutional or invalid by a court of competent jurisdiction, the remainder of this ordinance shall not be affected thereby.

### 1.4 Enforcement

*The elected body of a jurisdiction can choose to designate an official to administer and enforce this ordinance.*

The (insert name of local government or designated official) is responsible for the administration and enforcement of this ordinance. Any violation of the provisions of this ordinance or failure to comply with any of its requirements constitutes a misdemeanor and is punishable as defined by law. Violations of this ordinance can occur regardless of whether or not a permit is required for a regulated activity listed in this ordinance.

### 1.5 Definitions

1. Unless otherwise noted in this section, words and phrases contained in Minn. Stat. 342.01 and the rules promulgated pursuant to any of these acts, shall have the same meanings in this ordinance.
2. Cannabis Cultivation: A cannabis business licensed to grow cannabis plants within the approved amount of space from seed or immature plant to mature plant. harvest cannabis flower from mature plant, package and label immature plants and seedlings and cannabis flower for sale to other cannabis businesses, transport cannabis flower to a cannabis manufacturer located on the same premises, and perform other actions approved by the office.
3. Cannabis Retail Businesses: A retail location and the retail location(s) of a mezzobusinesses with a retail operations endorsement, microbusinesses with a retail operations endorsement, medical combination businesses operating a retail location, (and/excluding) lower-potency hemp edible retailers.

4. Cannabis Retailer: Any person, partnership, firm, corporation, or association, foreign or domestic, selling cannabis product to a consumer and not for the purpose of resale in any form.
5. Daycare: A location licensed with the Minnesota Department of Human Services to provide the care of a child in a residence outside the child's own home for gain or otherwise, on a regular basis, for any part of a 24-hour day.
6. Lower-potency Hemp Edible: As defined under Minn. Stat. 342.01 subd. 50.
7. Office of Cannabis Management: Minnesota Office of Cannabis Management, referred to as "OCM" in this ordinance.
8. Place of Public Accommodation: A business, accommodation, refreshment, entertainment, recreation, or transportation facility of any kind, whether licensed or not, whose goods, services, facilities, privileges, advantages or accommodations are extended, offered, sold, or otherwise made available to the public.
9. Preliminary License Approval: OCM pre-approval for a cannabis business license for applicants who qualify under Minn. Stat. 342.17.
10. Public Place: A public park or trail, public street or sidewalk; any enclosed, indoor area used by the general public, including, but not limited to, restaurants; bars; any other food or liquor establishment; hospitals; nursing homes; auditoriums; arenas; gyms; meeting rooms; common areas of rental apartment buildings, and other places of public accommodation.
11. Residential Treatment Facility: As defined under Minn. Stat. 245.462 subd. 23.
12. Retail Registration: An approved registration issued by the (insert local here) to a state-licensed cannabis retail business.
13. School: A public school as defined under Minn. Stat. 120A.05 or a nonpublic school that must meet the reporting requirements under Minn. Stat. 120A.24.
14. State License: An approved license issued by the State of Minnesota's Office of Cannabis Management to a cannabis retail business.

## Section 2. Registration of Cannabis Businesses

*A city or town can delegate authority for registration to the County. A city or town can still adopt specific requirement regarding zoning, buffers, and use in public places, provided said requirements are not in conflict with an ordinance adopted under the delegated authority granted to the County.*

### 2.1 Consent to registering of Cannabis Businesses

No individual or entity may operate a state-licensed cannabis retail business within (insert local here) without first registering with (insert local here).

Any state-licensed cannabis retail business that sells to a customer or patient without valid retail registration shall incur a civil penalty of (up to \$2,000) for each violation.

Notwithstanding the foregoing provisions, the state shall not issue a license to any cannabis business to operate in Indian country, as defined in United States Code, title 18, section 1151, of a Minnesota Tribal government without the consent of the Tribal government.

## 2.2 Compliance Checks Prior to Retail Registration

*A jurisdiction can choose to conduct a preliminary compliance check prior to issuance of retail registration.*

Prior to issuance of a cannabis retail business registration, (insert local here) (shall/shall not) conduct a preliminary compliance check to ensure compliance with local ordinances.

Pursuant to Minn. Stat. 342, within 30 days of receiving a copy of a state license application from OCM, (insert local here) shall certify on a form provided by OCM whether a proposed cannabis retail business complies with local zoning ordinances and, if applicable, whether the proposed business complies with the state fire code and building code.

## 2.3 Registration & Application Procedure

### 2.3.1 Fees.

(insert local here) shall not charge an application fee.

A registration fee, as established in (insert local here)'s fee schedule, shall be charged to applicants depending on the type of retail business license applied for.

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. The initial registration fee shall include the initial retail registration fee and the first annual renewal fee.

Any renewal retail registration fee imposed by (insert local here) shall be charged at the time of the second renewal and each subsequent renewal thereafter.

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.

A medical combination business operating an adult-use retail location may only be charged a single registration fee, not to exceed the lesser of a single retail registration fee, defined under this section, of the adult-use retail business.

### 2.3.2 Application Submittal.

The (insert local here) shall issue a retail registration to a state-licensed cannabis retail business that adheres to the requirements of Minn. Stat. 342.22.

(A) An applicant for a retail registration shall fill out an application form, as provided by the (insert local here). Said form shall include, but is not limited to:

- i. Full name of the property owner and applicant;
- ii. Address, email address, and telephone number of the applicant;
- iii. The address and parcel ID for the property which the retail registration is sought;
- iv. Certification that the applicant complies with the requirements of local ordinances established pursuant to Minn. Stat. 342.13.
- v. (Insert additional standards here)

(B) The applicant shall include with the form:



- i. the application fee as required in [Section 2.3.1];
  - ii. a copy of a valid state license or written notice of OCM license preapproval;
  - iii. (Insert additional standards here)
- (C) Once an application is considered complete, the (insert local government designee) shall inform the applicant as such, process the application fees, and forward the application to the (insert staff/department, or elected body that will approve or deny the request) for approval or denial.
- (D) The application fee shall be non-refundable once processed.

### 2.3.3 Application Approval

- (A) (Optional) A state-licensed cannabis retail business application shall not be approved if the cannabis retail business would exceed the maximum number of registered cannabis retail businesses permitted under Section 2.6.
- (B) A state-licensed cannabis retail business application shall not be approved or renewed if the applicant is unable to meet the requirements of this ordinance.
- (C) A state-licensed cannabis retail business application that meets the requirements of this ordinance shall be approved.

### 2.3.4 Annual Compliance Checks.

The (insert local here) shall complete at minimum one compliance check per calendar year of every cannabis business to assess if the business meets age verification requirements, as required under [Minn. Stat. 342.22 Subd. 4(b) and Minn. Stat. 342.24] and this/these [chapter/section/ordinances].

The (insert local here) shall conduct at minimum one unannounced age verification compliance check at least once per calendar year.

Age verification compliance checks shall involve persons at least 17 years of age but under the age of 21 who, with the prior written consent of a parent or guardian if the person is under the age of 18, attempt to purchase adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, or hemp-derived consumer products under the direct supervision of a law enforcement officer or an employee of the local unit of government.

Any failures under this section must be reported to the Office of Cannabis Management.

### 2.3.5 Location Change

*A jurisdiction may decide to treat location changes as a new registration, or alternatively treat a location change as allowable subject to compliance with the rest of the registration process.*

A state-licensed cannabis retail business shall be required to submit a new application for registration under Section 2.3.2 if it seeks to move to a new location still within the legal boundaries of (insert local here).

or

If a state-licensed cannabis retail business seeks to move to a new location still within the legal boundaries of (insert local here), it shall notify (insert local here) of the proposed location change, and submit necessary information to meet all the criteria in this paragraph.

## 2.4 Renewal of Registration

The (insert local here) shall renew an annual registration of a state-licensed cannabis retail business at the same time OCM renews the cannabis retail business' license.

A state-licensed cannabis retail business shall apply to renew registration on a form established by (insert local here).

A cannabis retail registration issued under this ordinance shall not be transferred.

### *2.4.1 Renewal Fees.*

The (insert local here) may charge a renewal fee for the registration starting at the second renewal, as established in (insert local here)'s fee schedule.

### *2.4.2 Renewal Application.*

The application for renewal of a retail registration shall include, but is not limited to:

- Items required under Section 2.3.2 of this Ordinance.
- Insert additional items here

## 2.5 Suspension of Registration

### *2.5.1 When Suspension is Warranted.*

The (insert local here) may suspend a cannabis retail business's registration if it violates the ordinance of (insert local here) or poses an immediate threat to the health or safety of the public. The (insert local here) shall immediately notify the cannabis retail business in writing the grounds for the suspension.

### *2.5.2 Notification to OCM.*

The (insert local here) shall immediately notify the OCM in writing the grounds for the suspension. OCM will provide (insert local here) and cannabis business retailer a response to the complaint within seven calendar days and perform any necessary inspections within 30 calendar days.

### *2.5.3 Length of Suspension.*

*A jurisdiction can wait for a determination from the OCM before reinstating a registration.*

The suspension of a cannabis retail business registration may be for up to 30 calendar days, unless OCM suspends the license for a longer period. The business may not make sales to customers if their registration is suspended.

The (insert local here) may reinstate a registration if it determines that the violations have been resolved.

The (insert local here) shall reinstate a registration if OCM determines that the violation(s) have been resolved.

#### 2.5.4 Civil Penalties.

Subject to Minn. Stat. 342.22, subd. 5(e) the (insert local here) may impose a civil penalty, as specified in the (insert local here)'s Fee Schedule, for registration violations, not to exceed \$2,000.

### 2.6 Limiting of Registrations

*A jurisdiction may choose to set a limit on the number of retail registrations within its boundaries. The jurisdiction may not however, limit the number of registrations to fewer than one per 12,500 residents.*

(Optional) The (insert local here) shall limit the number of cannabis retail businesses to no fewer than one registration for every 12,500 residents within (insert local legal boundaries here).

(Optional) If (insert county here) has one active cannabis retail businesses registration for every 12,500 residents, the (insert local here) shall not be required to register additional state-licensed cannabis retail businesses.

(Optional) The (insert local here) shall limit the number of cannabis retail businesses to (insert number <= minimum required).

## Section 3. Requirements for Cannabis Businesses

*State Statutes note that jurisdictions may “adopt reasonable restrictions on the time, place, and manner of the operation of a cannabis business.” A jurisdiction considering other siting requirements (such as a buffer between cannabis businesses, or a buffer from churches) should consider whether there is a basis to adopt such restrictions.*

### 3.1 Minimum Buffer Requirements

*A jurisdiction can adopt buffer requirements that prohibit the operation of a cannabis business within a certain distance of schools, daycares, residential treatment facilities, or from an attraction within a public park that is regularly used by minors, including a playground or athletic field. Buffer requirements are optional. A jurisdiction cannot adopt larger buffer requirements than the requirements here in Section 3.1. A jurisdiction should use a measuring system consistent with the rest of its ordinances, e.g. from lot line or center point of lot.*

(Optional) The (insert local here) shall prohibit the operation of a cannabis business within [0-1,000] feet of a school.

(Optional) The (insert local here) shall prohibit the operation of a cannabis business within [0-500] feet of a day care.

(Optional) The (insert local here) shall prohibit the operation of a cannabis business within [0-500] feet of a residential treatment facility.

(Optional) The (insert local here) shall prohibit the operation of a cannabis business within [0-500] feet of an attraction within a public park that is regularly used by minors, including a playground or athletic field.

(Optional) The (insert local here) shall prohibit the operation of a cannabis retail business within [X] feet of another cannabis retail business.

Pursuant to Minn. Stat. 462.367 subd. 14, nothing in Section 3.1 shall prohibit an active cannabis business or a cannabis business seeking registration from continuing operation at the same site if a (school/daycare/residential treatment facility/attraction within a public park that is regularly used by minors) moves within the minimum buffer zone.

### 3.2 Zoning and Land Use

*For jurisdictions with zoning, said jurisdiction can limit what zone(s) Cannabis businesses can operate in. As with other uses in a Zoning Ordinance, a jurisdiction can also determine if such use requires a Conditional or Interim Use permit. A jurisdiction cannot outright prohibit a cannabis business. A jurisdiction should amend their Zoning Ordinance and list what zone(s) Cannabis businesses are permitted in, and whether they are permitted, conditional, or interim uses. While each locality conducts its zoning differently, a few themes have emerged across the country. For example, cannabis manufacturing facilities are often placed in industrial zones, while cannabis retailers are typically found in commercial/retail zones. Cannabis retail facilities align with general retail establishments and are prohibited from allowing consumption or use onsite and are also required to have plans to prevent the visibility of cannabis and hemp-derived products to individuals outside the retail location. Cannabis businesses should be zoned under existing zoning ordinances in accordance with the license type or endorsed activities held by the cannabis business.*

#### 3.2.1. Cultivation.

Cannabis businesses licensed or endorsed for cultivation are permitted as a (type of use) in the following zoning districts:

- (Insert zoning districts use is permitted in here)
- (Insert zoning districts use is permitted in here)

#### 3.2.1. Cannabis Manufacturer.

Cannabis businesses licensed or endorsed for cannabis manufacturer are permitted as a (type of use) in the following zoning districts:

- (Insert zoning districts use is permitted in here)
- (Insert zoning districts use is permitted in here)

#### 3.2.1. *Hemp Manufacturer.*

Businesses licensed or endorsed for low-potency hemp edible manufacturers permitted as a (type of use) in the following zoning districts:

- (Insert zoning districts use is permitted in here)
- (Insert zoning districts use is permitted in here)

#### 3.2.1. *Wholesale.*

Cannabis businesses licensed or endorsed for wholesale are permitted as a (type of use) in the following zoning districts:

- (Insert zoning districts use is permitted in here)
- (Insert zoning districts use is permitted in here)

#### 3.2.1. *Cannabis Retail.*

Cannabis businesses licensed or endorsed for cannabis retail are permitted as a (type of use) in the following zoning districts:

- (Insert zoning districts use is permitted in here)
- (Insert zoning districts use is permitted in here)

#### 3.2.1. *Cannabis Transportation.*

Cannabis businesses licensed or endorsed for transportation are permitted as a (type of use) in the following zoning districts:

- (Insert zoning districts use is permitted in here)
- (Insert zoning districts use is permitted in here)

#### 3.2.1. *Cannabis Delivery.*

Cannabis businesses licensed or endorsed for delivery are permitted as a (type of use) in the following zoning districts:

- (Insert zoning districts use is permitted in here)
- (Insert zoning districts use is permitted in here)

### 3.3 Hours of Operation

*A jurisdiction 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.*

(Optional) Cannabis businesses are limited to retail sale of cannabis, cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products between the hours of (insert time here) and (insert time here).

### 3.4 (Optional) Advertising

Cannabis businesses are permitted to erect up to two fixed signs on the exterior of the building or property of the business, unless otherwise limited by (insert local here)'s sign ordinances.

## Section 4. Temporary Cannabis Events

*Any individual or business seeking to obtain a cannabis event license must provide OCM information about the time, location, layout, number of business participants, and hours of operation. A cannabis event organizer must receive local approval, including obtaining any necessary permits or licenses issued by a local unit of government before holding a cannabis event.*

### 4.1 License or Permit Required for Temporary Cannabis Events

#### 4.1.1 License Required.

*A cannabis event organizer license entitles the license holder to organize a temporary cannabis event lasting no more than four days. A jurisdiction should determine what type of approval is consistent with their existing ordinances for events.*

A license or permit is required to be issued and approved by (insert local here) prior to holding a Temporary Cannabis Event.

#### 4.1.2 Registration & Application Procedure

A registration fee, as established in (insert local here)'s fee schedule, shall be charged to applicants for Temporary Cannabis Events.

#### 4.1.3 Application Submittal & Review.

The (insert local here) shall require an application for Temporary Cannabis Events.

- (A) An applicant for a retail registration shall fill out an application form, as provided by the (insert local here). Said form shall include, but is not limited to:
  - i. Full name of the property owner and applicant;
  - ii. Address, email address, and telephone number of the applicant;
  - iii. (Insert additional standards here)
- (B) The applicant shall include with the form:
  - i. the application fee as required in (Section 4.1.2);
  - ii. a copy of the OCM cannabis event license application, submitted pursuant to 342.39 subd. 2.

The application shall be submitted to the (insert local authority), or other designee for review. If the designee determines that a submitted application is incomplete, they shall return the application to the applicant with the notice of deficiencies.

- (C) Once an application is considered complete, the designee shall inform the applicant as such, process the application fees, and forward the application to the (insert staff/department, or elected body that will approve or deny the request) for approval or denial.
- (D) The application fee shall be non-refundable once processed.
- (E) The application for a license for a Temporary Cannabis Event shall meet the following standards:

*A jurisdiction may establish standards for Temporary cannabis events which the event organizer must meet, including restricting or prohibiting any on-site consumption. If there are public health, safety, or welfare concerns associated with a proposed cannabis event, a jurisdiction would presumably be authorized to deny approval of that event.*

- Insert standards here

(G) A request for a Temporary Cannabis Event that meets the requirements of this Section shall be approved.

(H) A request for a Temporary Cannabis Event that does not meet the requirements of this Section shall be denied. The (insert city/town/county) shall notify the applicant of the standards not met and basis for denial.

(Optional) Temporary cannabis events shall only be held at (insert local place).

(Optional) Temporary cannabis events shall only be held between the hours of (insert start time) and (insert stop time).

## Section 5. (Optional) Lower-Potency Hemp Edibles

*A jurisdiction can establish different standards or requirements regarding Low-Potency Edibles. A jurisdiction can consider including the following section and subsections in their cannabis ordinance.*

### 5.1 Sale of Low-Potency Hemp Edibles

The sale of Low-Potency Edibles is permitted, subject to the conditions within this Section.

### 5.2 Zoning Districts

*If sales are permitted, a jurisdiction can limit what zone(s) the sales of Low-Potency Edibles can take place in. A jurisdiction can also determine if such activity requires a Conditional or Interim Use permit.*

Low-Potency Edibles businesses are permitted as a (type of use) in the following zoning districts:

- (Insert zoning districts use is permitted in here)
- (Insert zoning districts use is permitted in here)

### 5.3 (Optional) Additional Standards

#### 5.3.1 Sales within Municipal Liquor Store.

*A jurisdiction that already operates a Municipal Liquor Store may sell Low-Potency Edibles within the same store.*

The sale of Low-Potency Edibles is permitted in a Municipal Liquor Store.

#### 5.3.2 Age Requirements.

*A jurisdiction is able to restrict the sale of Low-Potency Edibles to locations such as bars.*

The sale of Low-Potency Edibles is permitted only in places that admit persons 21 years of age or older.

#### *5.3.3 Beverages.*

The sale of Low-Potency Hemp Beverages is permitted in places that meet requirements of this Section.

#### *5.3.4 Storage of Product.*

*A jurisdiction is able to set requirements on storage and sales of Low-Potency Edibles.*

Low-Potency Edibles shall be sold behind a counter, and stored in a locked case.

### Section 6. (Optional) Local Government as a Cannabis Retailer

(insert local here) may establish, own, and operate one municipal cannabis retail business subject to the restrictions in this chapter.

The municipal cannabis retail store shall not be included in any limitation of the number of registered cannabis retail businesses under Section 2.6.

(insert local here) shall be subject to all same rental license requirements and procedures applicable to all other applicants.

### Section 7 Use in Public Places

No person shall use cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products in a public place or a place of public accommodation unless the premises is an establishment or an event licensed to permit on-site consumption of adult-use.



# ***Appendix B: Hemp Flower and Hemp-Derived Cannabinoid Product Checklist***

## Hemp Flower and Hemp-Derived Cannabinoid Product Checklist

Minnesota Statute 18K.02, Definitions  
Minnesota Statute 152.01, Subdivision 9  
Minnesota Statute 151.72, Sale of Certain Cannabinoid Products

Minnesota Statute 152.0264, Cannabis Sale Crimes  
Minnesota Statute 342.09, Personal Adult Use of Cannabis

Question	Yes	No	Comments	Additional Information
<b>Business License and Registration Compliance</b>				
Is the business registered with the Minnesota Department of Health?				All businesses selling hemp-derived cannabinoid products must be registered. See <a href="http://www.health.state.mn.us/people/cannabis/edibles/index.html">Hemp-Derived Cannabinoid Products (www.health.state.mn.us/people/cannabis/edibles/index.html)</a>
If the business offers on-site consumption, do they have a liquor license?				Local authorities issue on-site consumption licenses. These are required for all businesses permitting on-site consumption of THC.
<b>Product Compliance – All Products</b>				
Does the business ensure that all sales are made to persons 21 years old or older?				Only persons 21 years of age or older may purchase hemp-derived cannabinoid products, with the exception of topicals. These products may be sold to anyone.
Does the business have all edible cannabinoid products, except beverages, behind the counter or in a locked cabinet?				Businesses must ensure all edible cannabinoid products are secure and inaccessible to customers.

Question	Yes	No	Comments	Additional Information
Only delta-8 and delta-9 are allowed for human consumption. Does the business sell edibles or beverages with any other intoxicating cannabinoids?				MDH has identified products containing many different intoxicating cannabinoids, such as HHC, THC-O, THC-P, PHC, delta-10, delta-11, delta-8p, delta-9p, etc. The product must contain only delta-8 and/or delta-9.
Does the business sell any edible products that are similar to a product marketed to or consumed by children?				Edible products that appear similar to candy or snacks marketed toward or consumed by children are not allowed.
Does the label on the edible or beverage state “Keep out of reach of children”?				All products must include the warning label “Keep out of reach of children.”
Is the manufacturer’s name, address, website, and contact phone number included on the label or provided through a QR code?				If not, the product is not in compliance.
Does the QR code on the product bring the user to a Certificate of Analysis on the website, which includes the name of the independent testing laboratory, cannabinoid profile, and product batch number?				All products must be tested by batch in an independent, accredited laboratory. The results must include the cannabinoid profile.
Does the label on the product indicate the cannabinoids by serving and in total?				The label must indicate the potency by individual serving as well as in total.

Question	Yes	No	Comments	Additional Information
Does the label on the product make any claim the product offers any kind of health benefit?				Health claims are not permitted on hemp or cannabis products unless approved by the FDA. At this time, there is not an approved statement.
Does the label on the product state that the product does not claim to diagnose, treat, cure or prevent any disease?				The manufacturer cannot claim the product will provide any health benefit unless the product has been formally approved by the FDA.
Does the business sell CBD (or other forms of cannabidiol) in the form of a softgel, tablet, or tincture?				Non-intoxicating cannabinoids may only be sold in the form of an edible, beverage, or topical. Therefore, softgels and tablets cannot be sold. Tinctures must be labeled as either an edible or beverage and comply with the edible or beverage requirements.
<b>Product Compliance – Edibles</b>				
Does the edible product contain more than 5 mg delta-8 and/or delta-9 per serving?				Edibles may not exceed 5 mg delta-8 and/or delta-9 per serving.
Does the edible product package/container contain more than 50 mg total THC (delta-8 and/or delta-9)?				Edibles may not exceed 50 mg total delta-8 or delta-9 per package. The edible cannot contain any other form of THC or intoxicating cannabinoid.
Are all the edible product's servings clearly marked, wrapped, or scored <u>on</u> the product?				Edible product servings must be clearly distinguished on the product. Bulk products that require the consumer to measure are not allowed.

Question	Yes	No	Comments	Additional Information
Does the business sell any edible products in the shape of bears, worms, fruits, rings, ribbons?				Edibles in shapes that appeal to children are not allowed.
Is the edible product in a child-proof, tamper-evident, opaque container?				All edibles must be in a container that is child-resistant and tamper evident. If the container is clear, the business must place the edible into an opaque bag at the point of sale. Clear bags are not allowed.
<b>Product Compliance - Beverages</b>				
Does the beverage product contain more than 5 mg delta-8 or delta-9 per serving?				Beverages may not exceed 5 mg delta-8 and/or delta-9 per serving.
Does the beverage product contain more than 2 servings?				Beverages cannot exceed two servings, regardless of the THC potency.
Is the beverage product in an opaque container?				If the beverage is in a clear container, the business must place the beverage in an opaque bag at the point of sale.
<b>Product Compliance – Smokables (non-flower)</b>				
Does the business sell vapes, pre-rolls, dabs, or other smokable products which contain more than 0.3% THC?				<p>A product's certificate of analysis will show the concentration of THC the product contains. The certificate typically is found through the QR code on the product package. In MDH's experience, most vapes contain 50% - 90%+ THC.</p> <p>Pre-rolls may consist of raw hemp flower. These products are not regulated by 151.72. However, if a pre-roll is labeled as "infused" or "coated" have additional cannabinoids applied to the material, of which the product typically exceeds the 0.3% THC limit.</p>

Question	Yes	No	Comments	Additional Information
Does the business sell vapes, pre-rolls, dabs, or other smokeable products that contain other intoxicating cannabinoids, such as HHC?				MN Statutes do not allow any cannabinoid, other than delta-8 or delta-9, to be sold if the cannabinoid is intended to alter the structure or function of the body. HHC is a cannabinoid known to have potency greater than THC.
Does the business sell vapes, pre-rolls, dabs, or other smokable products which contain CBD?				Non-intoxicating cannabinoids cannot be smoked, vaped, or inhaled.
<b>Product Compliance – Flower</b>				
Does the business sell raw hemp flower?				<p>Raw hemp flower must contain 0.3% or less of delta-9 on a dry weight basis. Products exceeding 0.3% delta-9 dry weight are marijuana, and are illegal for sale.</p> <p>THC-A is the non psychoactive precursor to delta-9. Once heated THC-A converts to delta-9. In that process some amount of THC-A is lost.</p> <p>To determine whether, once heated, the hemp flower will exceed the allowable 0.3% of delta-9, one can use a decarboxylation formula which takes into account the conversion of THC-A into delta-9.</p> <p>That formula is as follows:  <math display="block">\text{Total THC} = (0.877 \times \text{THC-A}) + \text{d-9 THC}</math></p> <p>Raw flower must include a certificate of analysis to show testing below 0.3% delta-9.</p> <ul style="list-style-type: none"> <li>A lack of a certificate of analysis would constitute an illegal sale.</li> </ul>

Question	Yes	No	Comments	Additional Information
				<ul style="list-style-type: none"> <li>A certificate of analysis showing that under the decarboxylation formula that delta-9 would exceed the 0.3% threshold would also indicate the flower is cannabis and not hemp and therefore being sold illegally.</li> </ul>
<b>Product Compliance – On-Site Consumption</b>				
If the business offers on-site consumption, do they serve the edible or beverage in its original packaging?				The business may not pour out or remove an edible from its original packaging.
If the business offers on-site consumption, do they mix a cannabis-infused beverage with alcohol?				The business may not mix cannabis-infused products with alcohol.
If the business offers on-site consumption, do they permit customers to remove from the premises products which have been removed from their original packaging?				Products which have been removed from their original packaging cannot be removed from the premises by the customer.

NOTE: If a person suspects that a hemp-derived cannabinoid product is being sold in violation of Minnesota law, they can use the complaint form at [Submitting Hemp-Derived Cannabinoid Product Complaints \(www.health.state.mn.us/people/cannabis/edibles/complaints.html\)](http://www.health.state.mn.us/people/cannabis/edibles/complaints.html).

# ***Appendix C: Enforcement Notice from the Office of Cannabis Management***



## Enforcement Notice from the Office of Cannabis Management

Dear Registered Hemp Derived Cannabinoid Business:

The Office of Cannabis Management (OCM), established in 2023, is charged with developing and implementing the operational and regulatory systems to oversee the cannabis industry in Minnesota as provided in Minnesota Statutes Chapter 342.

When Minnesota legalized the sale of adult-use of cannabis flower, cannabis products, and lower-potency hemp edibles/ hemp-derived consumer products, the Minnesota Legislature included statutory provisions, [Minnesota Statutes, chapter 152.0264](#), making the sale of cannabis illegal until a business is licensed by OCM. The Office of Cannabis Management has not yet issued licenses for the cultivation, manufacture, wholesale, transportation or retail sale of cannabis, therefore any retail sales of cannabis products, including cannabis flower, are illegal.

The Office of Cannabis Management has received complaints of retailers selling cannabis flower under the label of hemp flower. Under an agreement between The Minnesota Department of Health (MDH) and OCM, inspectors from MDH will begin to examine any flower products being sold during their regular inspections to determine whether they are indeed hemp flower or cannabis flower.

In distinguishing between hemp and cannabis flower, OCM, consistent with federal rules and regulations related to hemp under 7 CFR 990.1, will consider the total concentration of THC post- decarboxylation, which is the process by which THC-A is converted into Delta-9 to produce an intoxicating effect. The examination of raw flower products will include reviewing the certificate of analysis for compliance in several areas, including:

Compliance with the requirement that raw flower listed for sale includes a Certificate of Analysis (COA). Products for sale without a COA will constitute an illegal sale.

A COA that affirms concentrations of 0.3% or less of Delta-9 on a dry weight basis. Products exceeding 0.3% Delta-9 dry weight are considered marijuana and are therefore illegal to sell.

A COA that confirms that the total levels of Delta-9 and THC-A after the decarboxylation process do not exceed 0.3%. A COA that indicates the raw flower will exceed 0.3 percent Delta-9 post-decarboxylation, or a subsequent test conducted by an independent laboratory utilized by OCM that confirms Delta-9 in excess of 0.3 percent will be considered illegal.

[Minnesota Statutes, Chapter 342](#) governs Minnesota’s cannabis market, and empowers OCM to ensure regulatory compliance. [Minnesota Statutes, chapter 342.09, subdivision 4](#) prohibits the retail sale of cannabis flower and cannabis products “without a license issued under this chapter that authorizes the sale.”

To date, the Office of Cannabis Management has not issued any cannabis licenses, applications for licenses are expected to be available in the first half of 2025. As such, selling cannabis is a clear violation of law. Be aware that under [Minnesota Statutes, 342.09, subdivision 6](#), OCM may assess fines in excess of a \$1 million for violations of this law. Likewise, under [Minnesota Statutes, chapter 342.19](#), OCM is empowered to embargo any product that it has “probable cause to believe . . . is being distributed in violation of this chapter or rules adopted under this chapter[.]” Furthermore, violations of law may be considered in future licensing decisions made by OCM.

As inspectors enter the field, we encourage you to review the products you are currently selling to ensure they fall within the thresholds outlined above. If you have any questions related to the products you are selling, please send an email to [cannabis.info@state.mn.us](mailto:cannabis.info@state.mn.us).

Thank you for your attention to this matter.

A handwritten signature in black ink, appearing to read "Charlene Briner", with a long horizontal flourish extending to the right.

Charlene Briner  
Interim Director  
Office of Cannabis Management

# ***Appendix D: Notice to Unlawful Cannabis Sellers***

## Notice to Unlawful Cannabis Sellers

This notice is to inform you that your current course of action may run afoul of Minnesota law, and continuing this course of action may result in civil actions and potential criminal prosecution. To avoid such outcomes, you should immediately cease and desist any plans to engage in the unlicensed sale of cannabis and cannabis products.

[Minnesota Statutes, Chapter 342 \(www.revisor.mn.gov/statutes/cite/342\)](http://www.revisor.mn.gov/statutes/cite/342) governs Minnesota's cannabis market, and empowers OCM to ensure regulatory compliance. [Minnesota Statutes, chapter 342.09, subdivision 4 \(www.revisor.mn.gov/statutes/cite/342.09#stat.342.09.4\)](http://www.revisor.mn.gov/statutes/cite/342.09#stat.342.09.4) prohibits the retail sale of cannabis flower and cannabis products "without a license issued under this chapter that authorizes the sale." To date the Office of Cannabis Management has not issued any retail, or other, cannabis licenses. As such, your plan to sell cannabis in a retail setting at this date would be in flagrant violation of the law. Be aware that under [Minnesota Statutes, 342.09, subdivision 6 \(www.revisor.mn.gov/statutes/cite/342.09#stat.342.09.6\)](http://www.revisor.mn.gov/statutes/cite/342.09#stat.342.09.6), OCM may assess fines in excess of a \$1,000,000 for violations of this law.

Likewise, under [Minnesota Statutes, chapter 342.19 \(www.revisor.mn.gov/statutes/cite/342.19\)](http://www.revisor.mn.gov/statutes/cite/342.19), OCM is empowered to embargo any product that it has "probable cause to believe . . . is being distributed in violation of this chapter or rules adopted under this chapter[.]" It is believed that products attempted to be sold at your retail location might be distributed in violation of the law, and would therefore be subject to embargo by OCM. Under [Minnesota Statutes, chapter 342.19, subd. 2 \(www.revisor.mn.gov/statutes/cite/342.19#stat.342.19.2\)](http://www.revisor.mn.gov/statutes/cite/342.19#stat.342.19.2), once embargoed OCM "shall release the cannabis plant, cannabis flower, cannabis product, artificially derived cannabinoid, lower-potency hemp edible, or hemp-derived consumer product when this chapter and rules adopted under this chapter have been complied with or the item is found not to be in violation of this chapter or rules adopted under this chapter."

While Minnesota has legalized the sale of adult-use of cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products, the legislature did add new statutory provisions, [Minnesota Statutes, chapter 152.0264 \(www.revisor.mn.gov/statutes/cite/152.0264\)](http://www.revisor.mn.gov/statutes/cite/152.0264), making illegal the unlawful sale of cannabis. As there are not yet any licenses issued by OCM for the cultivation, manufacture, wholesale, transportation, or retail of cannabis, any sales of cannabis products in excess of the limits in 152.0264 is illegal.

If you are only planning to sell cannabinoid products that are derived from hemp, you should ensure that the sale of those products is consistent with [Minnesota Statutes, chapter 151.72 \(www.revisor.mn.gov/statutes/cite/151.72\)](http://www.revisor.mn.gov/statutes/cite/151.72), including but not limited to the requirement that your business be registered with the Commissioner of Health, and that all products are in compliance with the relevant statutes.

Finally, in addition to the state laws outlined above, please be aware that any retail location must be in compliance with local government ordinances and zoning requirements.

OCM takes seriously its charge to enforce Minnesota Statutes, Chapter 342, and its responsibility to ensure a safe and legal cannabis market. In order to avoid the above-described actions, all attempts to open a cannabis retail dispensary in Minnesota without the appropriate license should be ceased.

# Adult-Use Cannabis: What Cities Need to Know

Published: June 12, 2023

*Updated July 29, 2024*

A new law enacted at the end of the 2023 legislative session and amended during the 2024 legislative session legalized adult-use cannabis in Minnesota and established a regulatory framework over the cannabis industry. Since the enactment of the law, the League of Minnesota Cities has been researching and collecting information from state agencies and stakeholders to answer questions pertaining to local regulatory authority, law enforcement, taxing, and employment.

[Read the full law](#)

The following frequently asked questions (FAQs) aim to provide information to cities about the new law to assist local governments in making decisions related to the law. The League will continually update this information as necessary.

## Get answers to FAQs regarding the new law on adult-use cannabis

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### **General information**

[Q1. What does the new law do?](#)

[Q2. How much cannabis can a person legally possess?](#)

[Q3. Are cannabis products legal under federal regulations?](#)

[Q4. Can a person grow their own cannabis?](#)

[Q5. Does the Clean Indoor Air Act apply to cannabis products?](#)

[Q6. What types of licenses will the OCM issue?](#)

[Q7. Can cannabis start to be sold now?](#)

[Q8. Under the new law, where can adult-use cannabis be sold?](#)

[Q9. Could my city's municipal liquor store sell adult-use cannabis?](#)

[Q10. Can my city have a municipal cannabis retail store?](#)

[Q11. Can a retailer sell cannabis seeds for home growth of cannabis?](#) *(added Aug. 1, 2023)*

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## **Taxation and revenue**

Q12. How will these new products be taxed?

Q13. Can our city impose its own cannabis tax?

Q14. Do sales taxes apply?

Q15. Who receives taxes collected from the sale of cannabis products?

Q16. What is considered a “taxable cannabis product retailer?”

Q17. How much revenue will cities receive from the local government cannabis aid fund?

Q18. When will cities receive revenue from the local government cannabis aid account?

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## **Enforcement and public safety**

Q19. How is the new law enforced?

Q20. What are penalties for someone selling edible cannabis products that do not meet the state’s requirements?

Q21. Can a person still be charged with possession of cannabis products?

Q22. Can a person still be charged with sale of cannabis products?

Q23. Can a person be charged with a crime for cultivating cannabis?

Q24. Can a person be charged with a crime for using cannabis in public?

Q25. How do our officers determine if a driver is under the influence of adult-use cannabis?

Q26. Is it a crime to use cannabis products while operating a motor vehicle?

Q27. Is it a crime to possess cannabis products in a motor vehicle?

Q28. Could cities prohibit the sale of adult-use cannabis entirely?

Q29. Is our city required to adopt regulations under the new law?

Q30. Are prior convictions for cannabis use expunged and what is the city’s role in that process?

Q31: Can a city prohibit the use of cannabis in public places? (added Aug. 1, 2023)

Q32: Can our city ban the smoking of cannabis in public places? (added Aug. 1, 2023)

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## **City regulation**

Q33. Can the city require sellers to have a city-issued license?

Q34. When is our city required to issue retail registration to a cannabis retail business?

Q35. Can a retail registration issued by our city be transferred?

Q36. Is our city required to conduct compliance checks on businesses with a cannabis retail registration?

- Q37. Can our city charge a fee for a cannabis retail registration?
- Q38. Can my city limit the number of cannabis retailer licenses issued in our city?
- Q39. How does this impact my city's existing license for THC products?
- Q40. Can edible cannabinoid products be sold for on-site consumption?
- Q41. Will I be able to prohibit cannabis events in my city?
- Q42. How does this impact my city's existing THC license program?
- Q43. How does the new law impact my city's existing THC moratorium?
- Q44. Can the city's zoning regulation restrict where a business can operate?
- Q45. Can cities adopt a moratorium prohibiting the sale, manufacturing, or distribution of adult-use cannabis to study the issue?
- Q46: What if my city has complaints about a licensed cannabis business?
- Q47: Can a city deny a liquor license if they find that the business is selling cannabis or low-potency hemp products without a license?
- Q48. Can a city suspend or revoke a tobacco license if they find that they are selling cannabis or low-potency hemp products without a license?
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### **City employment and personnel issues**

- Q49. Does the new law allowing adult-use cannabis change anything about how we do drug testing for CDL holders?
- Q50. Does the new law change anything related to employees who carry a firearm?
- Q51. Besides positions requiring a CDL or carrying a firearm, are there any other positions which are not affected by the new law?
- Q52. Can we still prohibit employees from being under the influence of cannabis while at work? Does the League have a model policy with updated language?
- Q53. If an employee is injured while being under the influence of cannabis at work, are they still entitled to workers' compensation benefits?
- Q54. Can employees be in possession of edibles or other cannabis products while at work?
- Q55. Do we need to change anything in our collective bargaining agreement (CBA) regarding discipline of employees who use cannabis products?
- Q56. Can employees use cannabis products off-duty?
- Q57. How does this impact the requirements of the Drug-Free Workplace Act?
- Q58. Should my city continue to include cannabis as a pre-employment panel screen for my non-DOT/safety-sensitive employees?
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### **Edible cannabinoid products**

Q59. What is an edible cannabinoid product? (added Aug. 1, 2023)

Q60. What are the labeling requirements for edible cannabinoid products? (added Aug. 1, 2023)

Q61. What are the restrictions on edible cannabinoid products? (added Aug. 1, 2023)

Q62. Can edible cannabinoid products be sold for on-site consumption? (added Aug. 1, 2023)

Q63. Can an exclusive liquor store sell edible cannabinoid products? (added Aug. 1, 2023)

Q64. Do retailers that sell edible cannabinoid products need to register with the state? (added Aug. 1, 2023)

Q65. Who should I contact if a retailer is selling noncompliant products in my city? (added Aug. 1, 2023)

Q66. Will LMCIT coverage apply to sales of low-potency edible products sold at a municipal liquor store? (added July 29, 2024)

Q67. Where can I find more information on edible cannabinoid products? (added Aug. 1, 2023)

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## General information

### Q1. What does the new law do?

**A1.** The new law legalizes the possession, use, manufacturing, and sale of certain cannabis products within the state. It establishes the Office of Cannabis Management (OCM), which is charged with, among other things, enforcing an organized system of regulation for the cannabis industry and the hemp consumer industry. The law also:

- Establishes labor standards for the use of cannabis and hemp products by employees and testing of employees.
- Establishes expungement procedures for certain individuals previously convicted of a crime related to cannabis.

Possession, use, and home growth under this new law will be legal beginning Aug. 1, 2023, and legal sales are expected to begin in January of 2025. Various other effective dates are noted throughout these FAQs as they apply.

[Access the Office of Cannabis Management's website](#)

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### Q2. How much cannabis can a person legally possess?

**A2.** This law allows a person of 21 years of age or older to:

- Use, possess, or transport cannabis paraphernalia.
- Possess 2 ounces or less of cannabis flower in a public place.
- Possess 2 pounds or less of cannabis flower in a person's residence.
- Possess or transport 8 grams or less of adult-use cannabis concentrate.
- Possess or transport edible products infused with a total of 800 milligrams or less of tetrahydrocannabinol.



- Give away cannabis flower and products in an amount that is legal for a person to possess in public.

The law authorizes an individual to use adult-use cannabis flower and adult-use cannabis products:

- In a private residence including the individual's curtilage or yard.
- On private property, unless the owner of the property prohibits the use of the products.
- On the premises of an establishment or event licensed to permit on-site consumption.

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### Q3. Are cannabis products legal under federal regulations?

**A3.** Marijuana remains a Schedule I drug under federal law, meaning it is illegal, with limited exceptions, to grow, process, sell or possess marijuana from a federal standpoint.

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### Q4. Can a person grow their own cannabis?

**A4.** The law authorizes a person to cultivate up to eight cannabis plants, of which four or fewer may be mature, flowering plants provided that it is in an enclosed, locked space that is not open to public view.

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### Q5. Does the Clean Indoor Air Act apply to cannabis products?

**A5.** A person may not use cannabis flower, cannabis products, or hemp-derived consumer products in a manner that involves the inhalation of smokes, aerosol, or vapor at any location where smoking is prohibited under the Clean Indoor Air Act.

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### Q6. What types of licenses will the OCM issue?

**A6.** The OCM will issue the following types of licenses:

- Cannabis microbusiness.
- Cannabis mezzobusiness.
- Cannabis cultivator.
- Cannabis manufacturer.
- Cannabis retailer.
- Cannabis wholesaler.
- Cannabis transporter.
- Cannabis testing facility.
- Cannabis event organizer.
- Cannabis delivery service.
- Lower-potency hemp edible manufacturer.

- Lower-potency hemp edible retailer.
- Medical cannabis combination business.

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## Q7. Can cannabis start to be sold now?

**A7.** Cannabis will not be able to be sold until the Office of Cannabis Management is established and able to issue licenses. Communication from state agencies indicate an intended timeline of January 2025 for when sales will be live to the public. Before beginning sales, a cannabis retailer must obtain a local retail registration. Any business attempting to sell cannabis products before licenses are issued should be reported to the Department of Health.

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## Q8. Under the new law, where can adult-use cannabis be sold?

**A8.** Cannabis products and hemp derived consumer products may only be sold in business with a license issued by the OCM.

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## Q9. Could my city's municipal liquor store sell adult-use cannabis?

**A9.** The law adds edible cannabinoid products as an item allowed to be sold at exclusive liquor stores, including municipal liquor stores.

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## Q10. Can my city have a municipal cannabis retail store?

**A10.** The new law authorizes cities to operate a municipal cannabis retail store. This is a unique opportunity for Minnesota cities and more research is needed to determine the legal ramifications of such an operation.

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## Q11. Can a retailer sell cannabis seeds for home growth of cannabis?

**A11.** A retailer or a seed labeler may begin selling cannabis seed starting Aug. 1, 2023. Seeds must meet the state requirements for seed labeling. [More information on cannabis seeds can be found from the Minnesota Department of Agriculture \(pdf\).](#)

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# Taxation and revenue

## Q12. How will these new products be taxed?

**A12.** A tax equal to 10% of gross receipts from retail sales of taxable cannabis products will be imposed on any taxable cannabis product retailer that sells cannabis products to customers.

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## Q13. Can our city impose its own cannabis tax?

**A13.** Cities are prohibited from imposing a tax solely on the sale of taxable cannabis products.

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#### **Q14. Do sales taxes apply?**

**A14.** The state sales tax and local sales taxes apply to cannabis and hemp-derived cannabinoid products.

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#### **Q15. Who receives taxes collected from the sale of cannabis products?**

**A15.** Revenues from the retail sales of cannabis products will be divided, with 80% going to the general fund and 20% to the local government cannabis aid account. Cities will receive 50% of the amount certified to the local government cannabis aid account.

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#### **Q16. What is considered a “taxable cannabis product retailer?”**

**A16.** A taxable cannabis product retailer is a retailer that sells any taxable cannabis products. This includes a cannabis retailer, cannabis microbusiness, cannabis mezzobusiness, and lower-potency hemp edible retailer. Minn. Stat § 295.81, subd. 1(s).

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#### **Q17. How much revenue will cities receive from the local government cannabis aid fund?**

**A17.** Half of the amount certified in the cannabis local government aid fund will go to cities. Cities will receive a distribution proportional to the number of cannabis businesses located in the city as compared to the number of cannabis businesses in all cities.

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#### **Q18. When will cities receive revenue from the local government cannabis aid account?**

**A18.** The gross receipts tax goes is effective for gross receipts received after June 30, 2023. The law requires the Department of Revenue to certify the amount to be paid to each city by Sept. 1, 2024, and every year after, and the full amount must be paid on Dec. 26, 2024, and every year after.

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## **Enforcement and public safety**

#### **Q19. How is the new law enforced?**

**A19.** All licensing issues will be enforced by the Office of Cannabis Management. Local law enforcement may still enforce illegal possession or use crimes where applicable.

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## Q20. What are penalties for someone selling edible cannabis products that do not meet the state's requirements?

**A20.** If a retailer is found to be selling edible cannabis products that do not meet state requirements, the Office of Cannabis Management may embargo the products and potentially destroy the products with the retailer paying for all court costs and fees, storage, and other proper expenses.

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## Q21. Can a person still be charged with possession of cannabis products?

**A21.** Beginning Aug. 1, 2023, the following actions are considered cannabis possession crimes:

- *Possession of cannabis in the first degree.* (Punishable by imprisonment for not more than five years or payment of a fine of not more than \$10,000, or both).
  - More than 2 pounds but not more than 10 kilograms of cannabis flower.
  - More than 160 grams but not more than 2 kilograms of cannabis concentrate.
  - Edible cannabis products, lower-potency hemp edibles, or hemp-derived consumer products infused with more than 16 grams but not more than 200 grams of THC.
- *Possession of cannabis in the second degree.* (Punishable by imprisonment for not more than one year or payment of a fine of not more than \$3,000, or both).
  - More than 1 pound but not more than 2 pounds of cannabis flower in any place other than the person's residence.
  - More than 80 grams but not more than 160 grams of cannabis concentrate.
  - Edible cannabis products, lower-potency hemp edibles, or hemp-derived consumer products infused with more than 8 grams but not more than 16 grams of THC.
- *Possession of cannabis in the third degree.* (Punishable by imprisonment for not more than 90 days or payment of a fine of not more than \$1,000, or both).
  - More than 4 ounces but not more than 1 pound of cannabis flower in any place other than the person's residence.
  - More than 16 grams but not more than 80 grams of cannabis concentrate.
  - Edible cannabis products, lower-potency hemp edibles, or hemp-derived consumer products infused with more than 1,600 milligrams but not more than 8 grams of THC.
- *Possession of cannabis in the fourth degree.* (Punishable as a petty misdemeanor).
  - More than 2 ounces but not more than 4 ounces of cannabis flower in any place other than the person's residence.
  - More than 8 grams but not more than 16 grams of cannabis concentrate.
  - Edible cannabinoid products infused with more than 800 milligrams but not more than 1,600 milligrams of THC.

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## Q22. Can a person still be charged with sale of cannabis products?

**A22.** Beginning Aug. 1, 2023, the following actions are considered cannabis sale crimes:

- *Sale of cannabis in the first degree.* Punishable by imprisonment for not more than five years or to a payment of a fine of not more than \$10,000 or both if a person unlawfully sells more than 2 ounces of cannabis flower; more than 8 grams of cannabis concentrate; or edible cannabis products, lower-potency hemp edibles, or hemp-derived consumer products infused with more than 800 milligrams of THC:
  - To a minor and the defendant is more than 36 months older than the minor.
  - Within 10 years of two or more convictions of sale in the second or third degree.
  - Within 10 years of a conviction of first degree
- *Sale of cannabis in the second degree.* May be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both if an adult:
  - Unlawfully sells more than 2 ounces of cannabis flower; more than 8 grams of cannabis concentrate; or edible cannabis products, lower-potency hemp edibles, or hemp-derived consumer products infused with more than 800 milligrams of THC:
    - In a school zone, a park zone, or a drug treatment facility; or
    - Within 10 years of a conviction of sale of cannabis in the first, second, or third degree.
  - Unlawfully sells cannabis flower, cannabis concentrate, edible cannabis products, lower-potency hemp edibles, or hemp-derived consumer products to a minor.
- *Sale of cannabis in the third degree.* An adult may be sentenced to imprisonment for not more than 90 days or to payment of a fine of not more than \$1,000, or both, if the adult unlawfully sells:
  - More than 2 ounces of cannabis flower.
  - More than 8 grams of cannabis concentrate.
  - Edible cannabis products, lower-potency hemp edibles, or hemp-derived consumer products infused with more than 800 milligrams of THC.
- *Sale of cannabis in the fourth degree.* An adult is guilty of a petty misdemeanor if they unlawfully sell:
  - Not more than 2 ounces of cannabis flower.
  - Not more than 8 grams of cannabis concentrate.
  - Edible cannabis products, lower-potency hemp edibles, or hemp-derived consumer products infused with not more than 800 milligrams of THC.

A sale for no remuneration by an individual over the age of 21 to another individual over the age of 21 is not unlawful as cannabis sale in the fourth degree.
- *Sale of cannabis by a minor.* A minor is guilty of a petty misdemeanor if the minor unlawfully sells:
  - Not more than 2 ounces of cannabis flower.
  - Not more than 8 grams of cannabis concentrate.

- Edible cannabis products, lower-potency hemp edibles, or hemp-derived consumer products infused with not more than 800 milligrams of THC.

A minor is guilty of a misdemeanor if the minor unlawfully sells:

- More than 2 ounces of cannabis flower.
- More than 8 grams of cannabis concentrate.
- Edible cannabis products, lower-potency hemp edibles, or hemp-derived consumer products infused with more than 800 milligrams of THC.

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## Q23. Can a person be charged with a crime for cultivating cannabis?

**A23.** Beginning Aug. 1, 2023, the following are crimes related to the cultivation of cannabis.

- *Cultivation of cannabis in the first degree.* A person is guilty of cultivation of cannabis in the first degree and may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both, if the person unlawfully cultivates more than 23 cannabis plants.
- *Cultivation of cannabis in the second degree.* A person is guilty of cultivation of cannabis in the second degree and may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both, if the person unlawfully cultivates more than 16 cannabis plants but not more than 23 cannabis plants.

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## Q24. Can a person be charged with a crime for using cannabis in public?

**A24.** Beginning Aug. 1, 2023, a city may adopt an ordinance establishing a petty misdemeanor offense for a person who unlawfully uses cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products in a public place other than the following.

- A private residence including the person's curtilage or yard.
- Private property not generally accessible by the public, unless the person is explicitly prohibited from consuming cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products on the property by the owner of the property.
- The premises of an establishment or event licensed to permit on-site consumption.

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## Q25. How do our officers determine if a driver is under the influence of adult-use cannabis?

**A25.** Officers will need to use the same process for determining if a person is under the influence of cannabis while operating a vehicle as they would have prior to the new law being enacted.

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## **Q26. Is it a crime to use cannabis products while operating a motor vehicle?**

**A26.** It is a misdemeanor for a person to use cannabis flower, a cannabis product, a lower-potency hemp edible, a hemp-derived consumer product, or any other product containing an artificially derived cannabinoid in a motor vehicle when the vehicle is on a street or highway.

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## **Q27. Is it a crime to possess cannabis products in a motor vehicle?**

**A27.** Beginning Aug. 1, 2023, a person may be charged with a misdemeanor if they possess cannabis products in a motor vehicle on a street or highway if the products meet any of the following conditions:

- Do not meet the packaging requirements set in statute.
- Have been removed from the packaging in which they were sold.
- Are in packaging that has been opened, or the seal has been broken.
- Are in packaging in which the contents have been partially removed.

It is not considered a crime if the cannabis products are in the trunk of the vehicle or in another area of the vehicle not normally occupied by the driver and passengers if the vehicle is not equipped with a trunk. A utility compartment or glove compartment is deemed to be within the area occupied by the driver and passengers.

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## **Q28. Can cities prohibit the sale of adult-use cannabis entirely?**

**A28.** Cities may not prohibit the possession, transportation, or use of cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products authorized by the new law.

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## **Q29. Is our city required to adopt regulations under the new law?**

**A29.** Cities are not required to adopt any new regulations under the new law. However, they will be required to register retail sellers and perform compliance checks.

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## **Q30. Are prior convictions for cannabis use expunged and what is the city's role in that process?**

**A30.** Certain cannabis-related convictions will be expunged by the Bureau of Criminal Apprehension. Upon receipt of a notice of expungement, cities are required to seal all records related to the expungement, including the records of the person's arrest, indictment, trial verdict, and dismissal or discharge of the case.

Certain felony convictions will be reviewed by the Cannabis Expungement Board to determine what, if any, action should be taken related to a prior conviction. Cities will be required to provide the Cannabis Expungement Board free access to records held by law enforcement agencies or prosecuting authorities.

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### Q31. Can a city prohibit the use of cannabis in public places?

**A31.** A city may adopt an ordinance establishing a petty misdemeanor offense for a person who unlawfully uses cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products in a public place other than the following:

- A private residence including the person's curtilage or yard.
- Private property not generally accessible by the public, unless the person is explicitly prohibited from consuming cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products on the property by the owner of the property.
- The premises of an establishment or event licensed to permit on-site consumption.

Cities will need to work with their city attorney to craft an ordinance defining the areas where cannabis use will be prohibited.

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### Q32. Can our city ban the smoking of cannabis in public places?

**A32.** A city may adopt an ordinance establishing a petty misdemeanor offense for a person who unlawfully uses cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products in a public place other than the following:

- A private residence including the person's curtilage or yard.
- Private property not generally accessible by the public, unless the person is explicitly prohibited from consuming cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products on the property by the owner of the property.
- The premises of an establishment or event licensed to permit on-site consumption.

In addition, under the Minnesota Clear Indoor Air Act, cities are authorized to adopt more stringent regulations on smoking to protect individuals from secondhand smoke or from involuntary exposure to aerosol or vapor from electronic smoking devices. Cities have used this authority to prohibit smoking of tobacco products in public areas including parks, distances from business entrances, and outdoor restaurant patios. This same authority could be used to prohibit the smoking of cannabis in those areas.

Cities should check their ordinances to determine if a prohibition on smoking tobacco products in public places would also apply to cannabis products.

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## City regulation

### Q33. Can the city require sellers to have a city-issued license?

**A33.** A city may not require additional licenses other than the cannabis licenses issued by the OCM. However, the OCM will forward applications to cities for them to certify whether the proposed cannabis business complies with local zoning ordinance and, if applicable whether the proposed business complies with the state fire and building code. The OCM may not issue a license to a cannabis business that does not meet local zoning and land use laws.



Before a cannabis business begins making retail sales, it will be required to register with the city in which it is located.

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### **Q34. When is our city required to issue retail registration to a cannabis retail business?**

**A34.** A city is required to issue a retail registration to a cannabis microbusiness with a retail operations endorsement, cannabis mezzobusiness, cannabis retailer, medical cannabis combination business operating a retail location, or lower-potency hemp edible retailer that:

- Has a valid license or license preapproval issued by the OCM.
- Has paid the registration fee.
- Is found to be in compliance with the requirements of the applicable state laws through a preliminary compliance check performed by the city.
- Is current on all property taxes and assessments at the location where the retail establishment is located.

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### **Q35. Can a retail registration issued by our city be transferred?**

**A35.** Retail registration may not be transferred.

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### **Q36. Is our city required to conduct compliance checks on businesses with a cannabis retail registration?**

**A36.** Cities will be required to conduct compliance checks on retail cannabis businesses with a retail registration by the city. The OCM will develop standardized forms and procedures for these compliance checks.

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### **Q37. Can our city charge a fee for a cannabis retail registration?**

**A37.** A city may impose an initial retail fee of \$500 or up to half the amount of the applicable initial license fee charged by the OCM, whichever is less. The city may also charge a renewal retail registration fee of \$1,000 or up to half the amount of the applicable renewal license fee charged by the OCM, whichever is less.

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### **Q38. Can my city limit the number of cannabis retailer licenses issued in our city?**

**A38.** A city that issues cannabis retailer registrations may, by ordinance, limit the number of licensed cannabis retailers, cannabis mezzobusinesses with a retail operations endorsement, and cannabis microbusinesses with a retail operations endorsement to no fewer than one registration for every 12,500 residents. In addition, if a county has one active registration for every 12,500 residents, a city within the county is not obligated to register any additional cannabis businesses.

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### **Q39. How does this impact my city's existing license for THC products?**

**A39.** It appears that cities may continue to license edible cannabinoid products until the OCM begins issuing licenses. Those businesses that sell edible cannabinoid products to consumers must register with OCM before selling products. Once the OCM begins issuing lower-potency hemp edible retailer licenses, cities are likely preempted from continuing to issue their own licenses and would begin registering retailers through the city's cannabis retailer registration process.

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### **Q40. Can edible cannabinoid products be sold for on-site consumption?**

**A40.** Until the OCM begins issuing licenses, the on-site consumption of edible cannabinoid products is limited to those businesses with an on-sale liquor license issued under Minnesota Statutes, Chapter 340A. In addition, the following conditions must be met:

- Products, other than those intended to be consumed as a beverage, must be served in original.
- Products may not be sold to an intoxicated customer.
- Products must not be permitted to be mixed with alcoholic beverages.
- Products removed from packaging must remain on premises.
- Products that are intended to be consumed as a beverage may be served outside of the products' packaging if the information that is required to be contained on the label of an edible cannabinoid product is posted or otherwise displayed by the retailer.

After the OCM is set up, it will issue on-site consumption endorsements for cannabis license holders.

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### **Q41. Will I be able to prohibit cannabis events in my city?**

**A41.** The new law authorizes temporary cannabis events lasting no more than four days. To be approved for a cannabis event license, applicants must obtain any necessary permits or licenses issued by a local unit of government. Cities may not prohibit cannabis events, but they may set standards which the event organizer must meet. Cities may also permit on-site consumption for events but are not required to.

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### **Q42. How does this impact my city's existing THC license program?**

**A42.** Local THC licenses may continue until the OCM begins issuing its own licenses, which state agencies anticipate beginning in January of 2025. When the OCM licensing begins, cities will need to follow the retail registration procedures outlined in the law.

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### **Q43. How does the new law impact my city's existing THC moratorium?**

**A43.** The new law does not affect a current moratorium. If a city adopted a moratorium on low-potency edibles, it remains in place and will expire as noted when it was adopted.

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### **Q44. Can the city's zoning regulation restrict where a business can operate?**

**A44.** Cities are allowed to adopt reasonable restrictions on the time, place, and manner of the operations of a cannabis business provided that such restrictions do not prohibit the establishment or operation of cannabis businesses. Cities may prohibit the operations 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 a playground or athletic field.

OCM has published a [Guide for Local Governments on Adult-Use Cannabis](#) which contains model language related to zoning.

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### **Q45. Can cities adopt a moratorium prohibiting the sale, manufacturing, or distribution of adult-use cannabis to study the issue?**

**A45.** Cities may adopt an interim ordinance if:

- It is conducting studies.
- Has authorized a study to be conducted.
- Has held or has scheduled a hearing for the purpose of considering adoption or amendment of reasonable restriction on the time, place, and manner of the operation of a cannabis business as defined in the new law.

Before adopting an interim ordinance, the city must hold a public hearing on the issue. The interim ordinance may be in place until Jan. 1, 2025. The authority for an extended moratorium does not apply to the sale or production of low-potency hemp edible products.

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### **Q46: What if my city has complaints about a licensed cannabis business?**

**A46.** The OCM will establish an expedited complaint process to receive, review, and respond to complaints made by cities about a cannabis business. The OCM will be required to respond to the complaint within seven days and perform any necessary inspections within 30 days. If certain cannabis businesses are deemed by the city to pose an immediate threat to the health or safety of the public, the OCM must respond within one business day.

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## **Q47: Can a city deny a liquor license if they find that the business is selling cannabis or low-potency hemp products without a license?**

**A47.** Yes. The new law prohibits a retail license from being issued to a person who has had a license or registration issued under ch. 342 or Minn. Stat. § 151.72, subd. 5b revoked; has been convicted of an offense under Minn. Stat. § 151.72, subd. 7; or has been convicted under any other statute for the illegal sale of marijuana, cannabis flower, cannabis products, lower-potency hemp edibles, hemp-derived consumer products, or edible cannabinoid products and the sale took place on the premises of a business that sells intoxicating liquor or 3.2% malt liquor.

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## **Q48. Can a city suspend or revoke a tobacco license if they find that they are selling cannabis or low-potency hemp products without a license?**

**A48.** Yes. The new law allows a tobacco license to be suspended or revoked if the licensee has a registration or licensed under ch. 342 or Minn. Stat. § 151.72, subd. 5b revoked; is convicted of an offense under Minn. Stat. § 151.72, subd. 7; or has been convicted under any other statute for the illegal sale of marijuana, cannabis flower, cannabis products, lower-potency hemp edibles, hemp-derived consumer products, or edible cannabinoid products and the sale took place on the premises of a business that sells tobacco. A city must provide notice and an opportunity for a hearing before suspension or revocation.

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## **City employment and personnel issues**

### **Q49. Does the new law allowing adult-use cannabis change anything about how we do drug testing for CDL holders?**

**A49.** No, cities with positions requiring an employee to hold a commercial driver's license (CDL) will recall these positions are regulated by federal law, and those regulations are supervised by the Federal Department of Transportation (DOT). Federal law preempts state law related to cannabinoid use; in fact, the DOT states in its [DOT Recreational Marijuana Notice](#) that it does not authorize the use of Schedule I drugs, including marijuana, for any reason. As a result, cities should continue to follow their drug-testing procedures related to CDL holders and may enforce prohibitions against any use of cannabinoids for CDL holders, regardless of state law protections.

Cities can find more information on existing drug testing policies in the [LMC Drug and Alcohol Testing Toolkit](#), starting on page 22. An updated model Non-DOT Drug, Alcohol and Cannabis Policies will be available once legal consultants have reviewed.

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### **Q50. Does the new law change anything related to employees who carry a firearm?**

**A50.** No. Public safety employees who carry a firearm cannot lawfully use marijuana under federal law. Federal law prohibits cities from providing firearms or ammunition to an employee it knows or has reason to think is using marijuana. Although there is a legal difference between

marijuana products and hemp products, it may not be possible to differentiate the products in a drug test. Officers should be mindful of any substance they ingest because they are ultimately responsible if those products lead to a positive marijuana test.

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## **Q51. Besides positions requiring a CDL or carrying a firearm, are there any other positions which are not affected by the new law?**

**A51.** Yes. The law excludes the following seven position classes from the law's changes:

1. A safety-sensitive position, as defined in as defined in Minn. Stat. § 181.950, subd. 13.
2. A peace officer position, as defined in Minn. Stat. § 626.84, subd. 1.
3. A firefighter position, as defined in Minn. Stat. § 299N.01, subd. 3.
4. A position requiring face-to-face care, training, education, supervision, counseling, consultation, or medical assistance to:
  1. Children.
  2. Vulnerable adults, as defined in Minn. Stat. § 626.5572, subd. 21.
  3. Patients who receive health care services from a provider for the treatment, examination, or emergency care of a medical, psychiatric, or mental condition.
5. A position funded by a federal grant.
6. Any other position for which state or federal law requires testing of a job applicant or employee for cannabis.
7. A position requiring a commercial driver's license or requiring an employee to operate a motor vehicle for which state or federal law requires drug or alcohol testing of a job applicant or employee.

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## **Q52. Can we still prohibit employees from being under the influence of cannabis while at work? Does the League have a model policy with updated language?**

**A52.** Yes, employers can continue to prohibit employees from being under the influence of cannabis products, while at work. For employers, a key focus will be workplace safety with the consideration that cannabis is more difficult to detect and test than alcohol. Employers may continue to maintain drug-free policies at the workplace and discipline employees who use cannabis during working hours or who report to work impaired.

Under the Occupational Safety and Health Administration's (OSHA) General Duty Clause of the Occupational Safety and Health Act, employers are required to furnish a workplace free from recognized hazards that are likely to cause serious physical harm. This provision of the Act is typically used in accident cases where toxicology screens are positive. OSHA's new electronic recordkeeping rule, clarified on Oct. 11, 2018, states "If the employer chooses to use drug testing to investigate the incident, the employer should test all employees whose conduct could have contributed to the incident, not just employees who reported injuries," with respect to using drug testing to evaluate the root cause of a workplace incident that harmed or could have harmed employees. Thus, a non-DOT drug and cannabis-city testing policy with protocols following this guidance is important.

Under the new law, employers can enact and enforce work policies prohibiting the use, possession, and impairment of cannabis while at work or operating employer vehicles, equipment, and machinery. It is difficult to test for cannabis to determine if an employee is currently under the influence due to the drug's ability to be detectable for weeks after it is used. With the prohibitions on disciplining employees other than those listed in Q3, employers will be in a difficult position to take action against an employee who tests positive for cannabis. A best practice is for cities to train supervisors about the behavioral signs and symptoms of drug and cannabis use as well as how to document observations of potential impairment so should a situation occur in the workplace, supervisors can effectively respond and document what they observed leading to the situation.

An updated model Non-DOT Drug, Alcohol and Cannabis Policies will be available once legal consultants have reviewed.

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### **Q53. If an employee is injured while being under the influence of cannabis at work, are they still entitled to workers' compensation benefits?**

**A53.** While each case is very fact-specific, the general rule is that if the injury was intentionally self-inflicted or the intoxication of the employee is the proximate cause of the injury, then the employer is not liable for compensation. The burden of proof of these facts is upon the employer.

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### **Q54. Can employees be in possession of edibles or other cannabis products while at work?**

**A54.** Cities may enact policies prohibiting employees from bringing cannabis products, including edibles, to work. A best practice is for cities to train supervisors about the behavioral signs and symptoms of drug and cannabis use as well as documenting observations of potential impairment so should a situation occur in the workplace, supervisors can effectively respond and document what they observed leading to the situation.

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### **Q55. Do we need to change anything in our collective bargaining agreement (CBA) regarding discipline of employees who use cannabis products?**

**A55.** Maybe. If cities have policies within their CBAs that relate to cannabis use and discipline, cities should consult with their city attorney to determine if any changes are needed. CBAs may address cannabis and cannabis testing, but the CBAs must at least meet the minimum employee rights guaranteed by the statute.

Ensure your city's drug and cannabis-testing policies have been updated and your supervisors are trained on the behavioral signs and symptoms associated with impairment as well as documenting observations of potential impairment. If the CBA includes language that policy changes need to be negotiated, then there would need to be a meeting with the union if the city's policy changes.

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## Q56. Can employees use cannabis products off-duty?

**A56.** It depends. See Q1, Q2, and Q3 for a list of employees who can be prohibited from using cannabis products both on and off duty due to federal or state regulations. Other employees would be able to use cannabis products while they are off duty, if they are not impaired at work. If there are any questions regarding whether an employee could be prevented from using cannabis products while off-duty, please consult your city attorney before any action is taken.

In addition, the law prohibits an employer from taking adverse employment action against an employee who is a patient in the state's medical cannabis program unless a failure to do so would violate federal or state law or regulations, or cause an employer to lose a monetary or incensing-related benefit under federal law or regulations.

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## Q57. How does this impact the requirements of the Drug-Free Workplace Act?

**A57.** It does not. The Drug-Free Workplace Act of 1988 (DFWA) requires federal grantees and contractors to implement a drug-free workplace policy and establish a drug-free awareness program as a precondition for receiving a federal grant or a contract. However, the DFWA does not require covered employers to test employees for drugs or terminate them for drug-related violations, so the new Minnesota state law does not impact the DFWA directly. Minnesota law allows employers to prohibit employees from bringing legal cannabis products to work and permits employers to prohibit employees from being under the influence while at work. It would be best practice for cities with drug-free work policies to keep those in effect. If a city wishes to do so, it can update its policy to include lawful cannabis products within its scope.

An updated model Non-DOT Drug, Alcohol and Cannabis Policies will be available once legal consultants have reviewed.

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## Q58. Should my city continue to include cannabis as a pre-employment panel screen for my non-DOT/safety-sensitive employees?

**A58.** The new Minnesota law prohibits an employer from refusing to hire an applicant simply because of a positive cannabis drug test. There are exceptions for positions where such testing and denial of job offer is required under applicable federal or state law. Cities will want to refer to the Q3, which provides a list of positions excepted from cannabis testing prohibitions. Practically speaking, if a position is not excepted, cities will need to determine whether they want to continue to test for cannabis in light of the limitation of the testing and confer with their city attorney before taking an action as a result of a positive test.

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## Edible cannabinoid products

### Q59. What is an edible cannabinoid product?

**A59.** An edible cannabinoid product is any product that is intended to be eaten or consumed as a beverage by humans, contains a cannabinoid in combination with food ingredients and is not

a drug. The edible product must contain a maximum of 5 mg THC per serving. Edible cannabinoid products do not include products that are intended to be smoked or vaped.

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## **Q60. What are the labeling requirements for edible cannabinoid products?**

**A60.** Label's on THC edible products must include the following:

- Name, location, phone number, and website of manufacturer.
- Name and address of independent accredited laboratory used to test product.
- Batch number
- Amount or percentage of cannabinoids in each unit of the product.
- Statement stating that the product does not claim to diagnose, treat, cure, or prevent any disease and has not been evaluated or approved by the FDA.
- No claim that the product may be used or is effective for the prevention, treatment, or cure of a disease; or that it may be used to alter the structure or function of human or animal bodies, unless the claim has been approved by the FDA.
- Serving size
- Cannabinoid profile per serving and total.
- Ingredients
- The following Statement, "Keep this product out of reach of children."

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## **Q61. What are the restrictions on edible cannabinoid products?**

**A61.** Edible cannabinoid product in Minnesota must meet the following requirements:

- Products may not bear likeness or contain cartoon-like characteristics of a real or fictional person, animal, or fruit that appeals to children.
- Products may not be modeled after a brand of products primarily consumed by or marketed to children.
- Products may not be made by applying cannabinoids to a commercially available candy or snack food item.
- Products may not contain other non-FDA approved ingredients.
- Products may not be packaged in a way that resembles other commercially available food products.
- Products may not be packaged in a container that includes items that could reasonably mislead a person to believe the package contains anything but an edible cannabinoid product.
- Must be packaged in child resistant, tamper-evident, and opaque packaging except if intended to be consumed as beverage.
- Contain no more than 5 mg THC per serving.



- Contain no more than 50 mg THC per package.
- Only contain Delta-8 or Delta-9 THC.
- Must be stored behind counter or in locked space.
- Must not be sold to those under the age of 21.

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## Q62. Can edible cannabinoid products be sold for on-site consumption?

**A62.** Edible cannabinoid products can be sold for on-site consumption if the seller also holds an on-sale liquor license. Products sold for on-site consumption may not be mixed with alcohol and may not be sold to a customer who the retailer knows or reasonably should know is intoxicated.

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## Q63. Can an exclusive liquor store sell edible cannabinoid products?

**A63.** An exclusive liquor store is authorized under state law to sell edible cannabinoid products.

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## Q64. Do retailers that sell edible cannabinoid products need to register with the state?

**A64.** Sellers of edible cannabinoid products must register with the state of Minnesota by Oct. 1, 2023. The registration form can be found on the OCM website.

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## Q65. Who should I contact if a retailer is selling noncompliant products in my city?

**A65.** The Office of Cannabis Management has established a complaint form to be used if a person suspects that an edible cannabinoid product is being sold in violation of state law. [Access the OCM complaint form](#). In addition, MDH has created a [Hemp-Derived Cannabinoid Product Compliance Fact Sheet for retailers \(pdf\)](#).

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## Q66. Will LMCIT coverage apply to sales of low-potency edible products sold at a municipal liquor store?

**A66.** The Trust has defined two categories of cannabis products for purposes of coverage:

1. Low-potency edibles or infused drinks (cannabinoid products) sold at municipal liquor stores that are legal and authorized under state law. These products were legalized in Minnesota in 2022 with authority for municipalities to sell in 2023.
2. Other types of cannabis products that were legalized in 2023 and involve higher potencies and more ways to consume, such as inhalation.

The Trust will not exclude damages arising out the sale of low-potency cannabinoid products that fall within the requirements specified in [Minn. Stat. § 151.72](#).

Q67. Where can I find more information on edible cannabinoid products?

A67. Visit OCM's webpage related to hemp-derived cannabinoid products.

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Your LMC Resource

Research & Information Service staff members are ready to help you apply their broad knowledge to the issues you're dealing with today.

**[Access online form to submit a question](#)**, or call us: (651) 281-1200 or (800) 925-1122

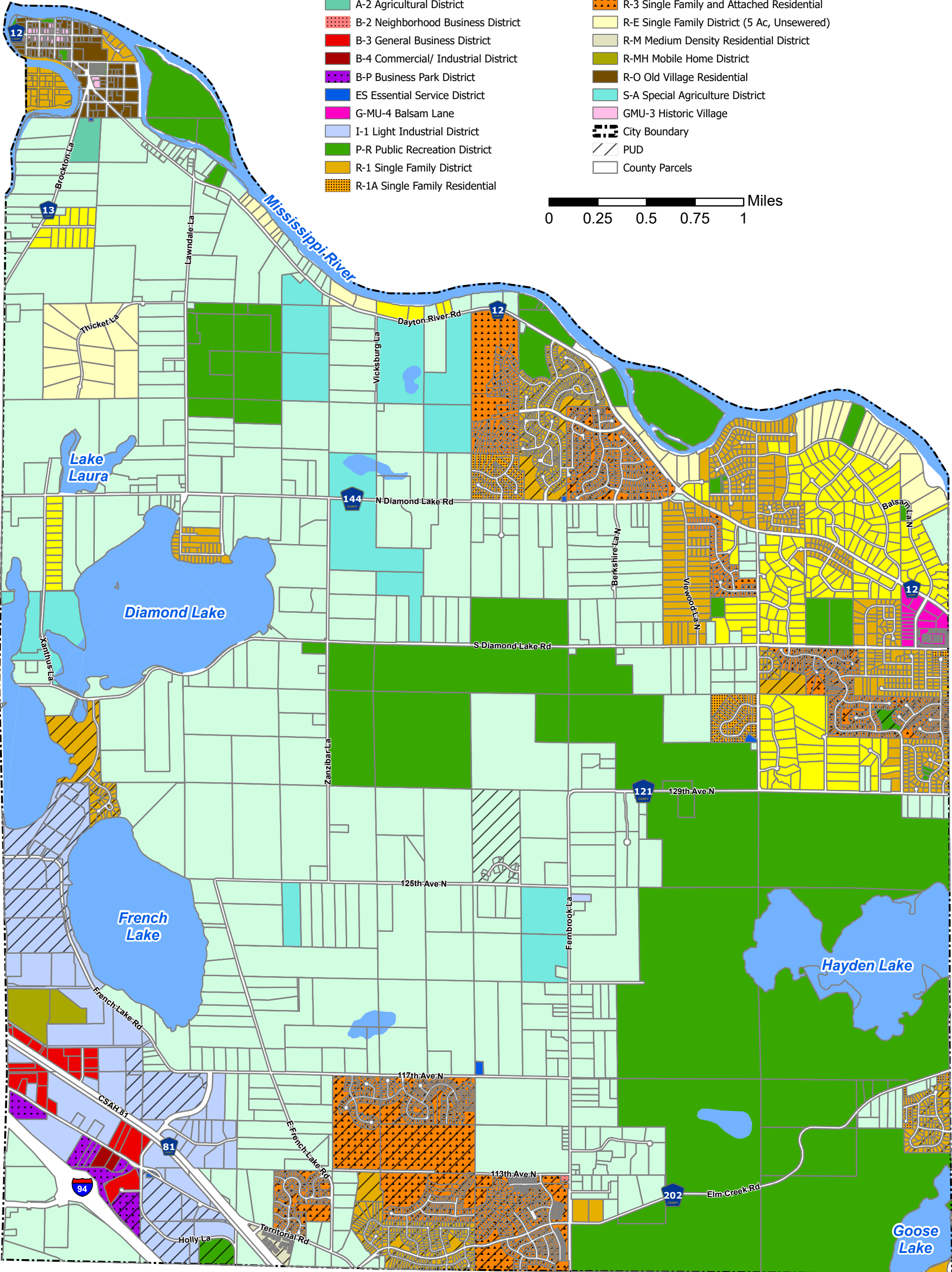
# Zoning Map

July 16, 2024



**Legend**

- |                                     |   |
|-------------------------------------|---|
| A-1 Agricultural District           | R-2 Single Family District (90,000 Sf, Unsewered) |
| A-2 Agricultural District           | R-3 Single Family and Attached Residential        |
| B-2 Neighborhood Business District  | R-E Single Family District (5 Ac, Unsewered)      |
| B-3 General Business District       | R-M Medium Density Residential District           |
| B-4 Commercial/ Industrial District | R-MH Mobile Home District                         |
| B-P Business Park District          | R-O Old Village Residential                       |
| ES Essential Service District       | S-A Special Agriculture District                  |
| G-MU-4 Balsam Lane                  | GMU-3 Historic Village                            |
| I-1 Light Industrial District       | City Boundary                                     |
| P-R Public Recreation District      | PUD   |
| R-1 Single Family District          | County Parcels                                    |
| R-1A Single Family Residential      |   |



**ITEM:**

City Code Enforcement Matters at 13551 Norwood Lane North and 15520 Lawndale Lane North  
Owners: Nathan and Meghan Yancy

**PREPARED BY:**

Zach Doud, City Administrator  
Amy Schmidt, City Attorney

**POLICY DECISION / ACTION TO BE CONSIDERED:**

Approval of proposed resolution to City Code Enforcement matters

**BACKGROUND:**

In October 2023, City staff received property complaints alleging City Code violations at the properties located at 13551 Norwood Lane North, 15520 Lawndale Lane North, and 15060 Diamond Lake Road North. In the following months, City staff and the owners met several times and exchanged emails in an effort to resolve the various alleged violations. In a gesture of good faith, the owners allowed City staff onto their properties for inspections. After all of these meetings and correspondence, as of February 7, 2024, all of the alleged violations had not been fully corrected.

City staff issued a correction notice requiring full compliance no later than April 1, 2024. This correction notice included information about the owners' right to request an administrative hearing with the City Council to appeal the alleged violations pursuant to City Code § 10.98(D)(2). As of that deadline, City staff was unaware of any change in condition on the properties, and the owners had not submitted an appeal to the City Council. Accordingly, on April 2, 2024, City staff issued a final Notice of Violations to the owners, pursuant to City Code § 10.98.

The City Attorney and the owners' attorney met on May 7, 2024. During that conversation, the owners' attorney proposed certain resolutions to the alleged violations. However, certain aspects of the proposals were not within the authority of City staff to approve. As of May 15, 2024, the owners submitted applications for various approvals by the City Council, and continued to communicate with City staff to provide additional information needed to complete the applications.

Ultimately, given (1) the complexity of the unresolved issues; (2) the limited authority of City staff to approve possible resolutions to these issues; and (3) the owners' stated feelings that they were not being treated fairly by City staff, the City Attorney suggested a meeting between the owners, their attorney, the City Administrator, the City Attorney, and a non-quorum subset of the City Council as a final effort to settle the matter.

The meeting occurred on June 27, 2024. As of that date, the alleged violations at 15060 Diamond Lake Road North had been resolved. At the meeting, the owners and the City's representatives reached an understanding for a "universal" resolution to the remaining issues, which was contingent on approval by the full City Council. Approval of the various applications to be submitted by the owners was not guaranteed.

**CRITICAL ISSUES:**

None

**RECOMMENDATION:**

Approve proposed settlement to resolve the alleged City Code violations at 13551 Norwood Lane North and 15520 Lawndale Lane North

**ATTACHMENT(S):**

Memo re: Summary of Meeting on June 27, 2024

**MEMORANDUM  
VIA EMAIL**



**CAMPBELL KNUTSON**  
PROFESSIONAL ASSOCIATION

TO: NATHAN AND MEGHAN YANCY, JEFF O'BRIEN;  
MAYOR DENNIS FISHER, COUNCILMEMBER DAVID  
FASHANT, CITY ADMINISTRATOR ZACH DOUD

FROM: AMY SCHMIDT, CITY ATTORNEY

DATE: JUNE 27, 2024

RE: SUMMARY OF MEETING; CODE ENFORCEMENT MATTERS AT 13551 NORWOOD LANE NORTH AND 15520  
LAWNDALE LANE NORTH

Thank you to everyone for the time and effort to talk through the issues and reach resolution on the following:

13551 Norwood Lane North	
<p><i>Option 1:</i></p> <p><i>Owners will convert ADU back to garage for two vehicles (same condition of property at the time of initial purchase)</i></p>	<p><i>Option 2:</i></p> <p><i>Owners will:</i></p> <p><i>(1) reconnect ADU space to primary dwelling (same as was done at 15060 Diamond Lake Road North) <b>or</b> design a plan to convert entry to connect the ADU space to primary dwelling; and</i></p> <p><i>(2) construct enclosed parking for two vehicles</i></p>
<ul style="list-style-type: none"> <li>• Owners will apply for City demolition permit</li> <li>• Owners will complete conversion project on or before <u>October 31, 2024</u></li> </ul>	<ul style="list-style-type: none"> <li>• Owners will submit project plans to City by <u>October 31, 2024</u></li> <li>• Owners will apply for City building permit by <u>January 31, 2025</u></li> <li>• Owners will complete construction of reconnection project and enclosed parking project by July 31, 2025</li> <li>• Enclosed parking will fit the character of the house on the property</li> </ul>
<ul style="list-style-type: none"> <li>• City will waive permit fee for conversion project</li> <li>• City will waive fines levied pursuant to City Code § 10.98(D)(2)</li> </ul>	<ul style="list-style-type: none"> <li>• City will waive permit fee for reconnection and enclosed parking projects</li> <li>• City will waive fines levied pursuant to City Code § 10.98(D)(2)</li> </ul>

15520 Lawndale Lane North	
<i>Owners will:</i>	<i>City will:</i>
<ul style="list-style-type: none"> <li>Continue with applications for               <ul style="list-style-type: none"> <li><u>Variance</u> for approval of DADU larger than 600sf</li> <li><u>IUP</u> for Home Extended Business for Home School Co-Op</li> <li><u>IUP</u> for Home Extended Business for dumpster business                   <ul style="list-style-type: none"> <li>This will follow City process to amend City Code related to Home Extended Businesses</li> </ul> </li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Bring forward <u>City Code amendment</u> to allow for Home Extended Businesses on adjacent parcels in common ownership</li> <li>Accept single \$1,000 escrow for three applications</li> <li>City Code amendment and Owners' applications expected to be presented to City Planning Commission on August 1, 2024; and to City Council on August 27, 2024</li> </ul>
<ul style="list-style-type: none"> <li>Pay \$450 in application fees for Variance, and two IUPs</li> <li>Deposit single \$1,000 escrow               <ul style="list-style-type: none"> <li>Any unused balance will be returned to Owners</li> </ul> </li> </ul>	

*Note:*

Although Mayor Fisher and Councilmember Fashant participated in the meeting with the Owners regarding the proposed resolutions of these issues, decisions on the City Code amendment and each Owner application will be made by the full City Council. Approval of the City Code amendment is not guaranteed. Approval of any of the three Owner applications is not guaranteed.

**ITEM:**

Resolution 47-2024 Approving the Preliminary EDA Levy, AND Resolution 46-2024 Adopting the General Fund Budget and Preliminary Tax Levy for 2025

**PREPARED BY:**

Zach Doud, City Administrator

**POLICY DECISION / ACTION TO BE CONSIDERED:**

Consider approving Resolution 47-2024 and 46-2024

**BACKGROUND:**

We have had a total of 4 work sessions starting in June running through August discussing the budget and long-term plan. At the first meeting in August (August 12, 2024) there was more discussion about the requests from staff on individual basis and a general consensus that the increase for tax levy would be limited to not increasing the tax rate for 2025. The levy increase requested at this point is an increase of \$1,311,615. This would result in a home with the same value across years of 2024 and 2025 with a median average value of \$525,000 having a decrease of \$6 per year or \$.50 per month. The decrease is due to having a larger increase in the tax capacity then compared to the increase in the tax levy from 2024 to 2025.

There is detailed budget memo has been updated for your review along with the resolution adopting a *preliminary* tax levy for 2025 as required by end of September.

This item also includes the EDA levy (Resolution 47-2024) which is proposed to be \$0 again for 2025. The EDA did make a recommendation to increase this to \$62,500 for 2025 from their meeting in July and that was provided to the council at the August 10, 2024 council worksession. There was not a majority of the council who wanted to increase their tax levy so it will remain at \$0 for 2025.

**CRITICAL ISSUES:**

There are no outstanding issues.

**RECOMMENDATION:**

Staff recommends approval of Resolution 47-2024 Approving the EDA Levy and Resolution 46-2024 for approval of the General Fund Budget and 2025 Preliminary Property Tax Levy

**ATTACHMENT(S):**

Resolution 47-2024 (EDA Levy)  
Resolution 46-2024  
Preliminary Budget memo



**RESOLUTION NO. 47-2024**

**RESOLUTION APPROVING 2025 PROPOSED ECONOMIC  
DEVELOPMENT AUTHORITY PROPERTY TAX LEVY**

**WHEREAS**, pursuant to Minnesota Statutes, Section 469.090 to 469.108 (the “EDA Act”), the City Council of the City of Dayton created the City of Dayton Economic Development Authority (the “Authority”); and

**WHEREAS**, Section 469.033, subdivision 6 of the Act authorizes the Authority to levy a tax upon all taxable property within the City to be expended for the purposed authorized by the EDA Act; and

**WHEREAS**, such levy may be in an amount not to exceed 0.0185 percent of estimated market value of the City; and

**WHEREAS**, the Authority has filed its budget for the special benefit levy in accordance with the budget procedures of the City in the amount of \$0; and

**WHEREAS**, based upon such budgets the Authority will levy all or such portion of the authorized levy as it deems necessary and proper;

**NOW THEREFORE BE IT RESOLVED** by the City of Dayton City Council:

1. That approval is hereby given for the Authority to levy, for taxes payable in 2025, such tax upon the taxable property of the City as the Authority may determine, subject to the limitations contained in the EDA Act.

Adopted by the Dayton City Council on this 10<sup>th</sup> day of September, 2024.

Motion made by Councilmember \_\_\_\_\_, seconded by Councilmember \_\_\_\_\_. Motion carried unanimously.

Attested:

\_\_\_\_\_  
Mayor  
Dennis Fisher

\_\_\_\_\_  
Assistant City Administrator/City Clerk  
Amy Benting

**RESOLUTION NO. 46-2024**

**RESOLUTION APPROVING 2025 PRELIMINARY GENERAL FUND BUDGET, 2025  
PRELIMINARY PROPERTY TAX LEVY, AND SETTING THE PUBLIC INPUT DATE  
FOR THE 2025 BUDGET AND PROPERTY TAX LEVY**

**WHEREAS**, the City of Dayton is required by State law to approve a resolution setting forth an annual tax levy to the Hennepin County Auditor; and

**WHEREAS**, Minnesota Statutes require approval of a preliminary property tax levy and preliminary budget on or before September 30th of each year; and

**WHEREAS**, the City Council has received the proposed budget document;

**NOW THEREFORE BE IT RESOLVED** by the City Council of the City of Dayton that the Preliminary 2025 budget shall be as follows:

	Actual	YTD	Budget	Budget	Amount	Percent
	2023	8/31/2024	2024	2025	Change	Change
<b>Revenues</b>						
Property Taxes	\$ 4,473,585	\$ 3,108,057	\$ 5,929,085	\$ 6,555,200	\$ 626,115	11%
Licenses and permits	1,155,054	986,880	1,204,200	1,313,600	109,400	9%
Intergovernmental	552,362	354,111	550,665	447,500	(103,165)	-19%
Charges for services	18,314	14,381	13,500	14,700	1,200	9%
Fines and forfeits	28,376	10,348	80,000	100,000	20,000	25%
Miscellaneous revenue	978,544	118,287	49,200	55,500	6,300	13%
Interest earnings	86,111	49,580	75,000	75,000	-	0%
Refunds and reimbursements	13,261	10,546	20,500	13,500	(7,000)	-34%
Total Revenues	\$ 7,305,607	\$ 4,652,190	\$ 7,922,150	\$ 8,575,000	\$ 652,850	
	Actual	YTD	Budget	Budget	Amount	Percent
	2023	8/31/2024	2024	2025	Change	Change
<b>Expenditures</b>						
Council	\$ 59,345	\$ 42,171	\$ 63,180	\$ 66,330	\$ 3,150	5%
Committees - Commissions	3,664	1,957	5,590	5,590	-	0%
Administration	91,989	77,037	118,340	140,650	22,310	19%
Elections	7,899	25,190	40,000	5,000	(35,000)	-88%
City Clerk	110,783	96,021	120,660	149,420	28,760	24%
Finance	293,654	224,995	309,160	365,720	56,560	18%
Assessing Services	177,405	195,861	195,000	-	(195,000)	-100%
Audit Services	32,745	34,400	36,000	36,000	-	0%
Engineering Services	92,433	55,475	75,000	100,000	25,000	33%
Legal Services	68,526	59,553	56,000	88,000	32,000	57%
Recycling Services	177,571	128,638	185,000	207,500	22,500	12%
Inspections Services	605,882	365,544	614,270	596,830	(17,440)	-3%
Planning & Economic Dev	282,251	164,659	212,180	277,480	65,300	31%
Central Services	96,361	53,097	84,200	89,200	5,000	6%
Information Technology	110,894	87,220	118,000	147,000	29,000	25%
Activity Center	111,225	55,724	94,820	149,410	54,590	58%
Farmers' Market	11,216	-	-	-	-	#DIV/0!
Patrol and Investigation	2,220,230	1,717,004	2,826,080	3,243,990	417,910	15%
Emergency Management	37,397	13,370	29,030	15,900	(13,130)	-45%
Animal Control	3,970	1,599	6,100	6,100	-	0%
Fire Suppression	701,520	475,527	926,280	1,034,000	107,720	12%
Public Works	1,381,996	928,094	1,319,790	1,243,140	(76,650)	-6%
Parks	395,068	261,046	472,470	568,740	96,270	20%
Transfer/Use of Fund Balance	-	-	-	-	-	0%
Contingency	114,242	23,491	15,000	39,000	24,000	0%
Total Expenditures	\$ 7,188,266	\$ 5,087,673	\$ 7,922,150	\$ 8,575,000	\$ 652,850	
Total Surplus/(Deficit)	\$ 117,341	\$ (435,483)	\$ -	\$ -	\$ -	

**BE IT FURTHER RESOLVED** by the City Council of the City of Dayton, Counties of Hennepin and Wright, Minnesota, that the following sums of money be levied for collection in 2025 upon the taxable property within the City of Dayton for the following purposes

	2024 Budget	2025 Preliminary	Increase (Decrease)	% Change of Overall Levy
<b>Base Levy</b>				
General Fund	5,929,085	6,545,700	\$ 616,615	7.82%
Capital Equipment	750,000	1,130,000	380,000	4.82%
Park Capital Equipment	30,000	45,000	15,000	0.19%
Capital Facilities	370,000	370,000	-	0.00%
Pavement Management	600,000	900,000	300,000	3.80%
<b>Total Base Levy</b>	<u>7,679,085</u>	<u>8,990,700</u>	<u>1,311,615</u>	<u>16.63%</u>
<b>Debt Service</b>				
2016A Improvement Bonds	210,000	210,000	-	0.00%
<b>Total Debt Service Levy</b>	<u>210,000</u>	<u>210,000</u>	<u>-</u>	<u>0.00%</u>
<b>Total General Levy</b>	<u>\$ 7,889,085</u>	<u>\$ 9,200,700</u>	<u>\$ 1,311,615</u>	<u>16.63%</u>
<b>EDA Levy</b>				
EDA General Fund	-	-	-	0.00%
<b>Total EDA Levy</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>0.00%</u>
<b>Total City Wide Levy</b>	<u><u>\$ 7,889,085</u></u>	<u><u>\$ 9,200,700</u></u>	<u><u>\$ 1,311,615</u></u>	<u><u>16.63%</u></u>

The debt service tax levies have been adjusted or cancelled based on the City's review of its debt service levy requirements. The following adjustments have been made to the debt levies:

The levy required for the GO Improvement Refunding, 2014A in the amount of \$878,579.31 has been cancelled

The levy required for the GO Improvement Refunding, 2015A in the amount of \$677,874.26 has been cancelled.

The levy required for the GO Capital Improvement Bonds/Equipment Certificates, 2016A has been adjusted from \$221,090.63 to \$210,000 as noted above.

The levy required for the GO Improvement Bonds, 2020A in the amount of \$160,116.55 has been cancelled.

**BE IT FURTHER RESOLVED** that the Truth in Taxation Public Input meeting will be held on December 10, 2024 and

**BE IT FURTHER RESOLVED** that the City Clerk is hereby authorized and directed to transmit this information to the County Auditor of Hennepin County, Minnesota and the Minnesota Department of Revenue, if applicable, in the format requested as required by law.

Adopted by the Dayton City Council on this 10<sup>th</sup> day of September, 2024.

Motion made by Councilmember \_\_\_\_\_, seconded by Councilmember \_\_\_\_\_. Motion carried unanimously.

Attested:

\_\_\_\_\_  
Mayor  
Dennis Fisher

\_\_\_\_\_  
Assistant City Administrator/City Clerk  
Amy Benting



**CITY OF DAYTON, MINNESOTA  
2025 PRELIMINARY  
ANNUAL BUDGET AND TAX LEVY**

**SEPTEMBER 10, 2024**

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**Prepared by Zach Doud, City  
Administrator**

City of Dayton, Minnesota  
2025 Preliminary Annual Budget and Tax Levy  
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## INTRODUCTORY SECTION

### CITY OF DAYTON, MINNESOTA 2025 PRELIMINARY ANNUAL BUDGET AND TAX LEVY





September 10, 2024

Honorable Mayor and City Council  
City of Dayton  
12260 South Diamond Lake Road  
Dayton, Minnesota 55327

### **Introduction**

Enclosed is the 2025 preliminary General fund budget as prepared by City Staff for consideration by the City Council. As you are aware, the construction of the City's annual budget is a year-long process commencing with Mayor, Council, and Staff input, budget work sessions, and finally culminating in the provided document. Some of the initiatives and goals that were set during this budget process included the following items from the budget work session notes and from meetings throughout this budget cycle.

- 1) Decreasing the tax rate from 35.64% to 35.53% or lower.
- 2) Continuation of the pavement management levy to support future pavement management needs as outlined in the draft 2024 - 2034 Long Term Plan.
- 3) Continuation of the capital equipment levy to support future capital needs in the capital equipment fund as outlined in the draft 2024 - 2034 Long Term Plan.
- 4) Continuation of the capital facilities levy to support future capital needs in the capital facilities fund as outlined in the draft 2024 - 2034 Long Term Plan.
- 5) Continuation of the debt service levies as outlined in the Debt Service Budgets.
- 6) Staffing changes as highlighted under Staffing below.
- 7) Changes in revenues and expenditures as highlighted below.

## **Staffing**

The 2025 budget assumes continued implementation of the existing salary schedule that includes step increases of 4.0 percent and a cost-of-living adjustment (COLA) of 4.0 percent.

### **Summary of Changes:**

Changes in staffing are as follows:

- 2 Full-Time hires for Police are requested in 2025. One position is needed to backfill a patrol officer position when a Sergeant position has been appointed. The second position requested is to continue to add additional police officers to shifts as the community continues to grow and more calls for services are needed. One of these positions would be hired mid-year so that would only be half of a person budgeted for in 2025.
- 1 Part-Time hire for Public Works Maintenance is requested in 2025. This position is needed to assist in allowing the current employee in charge communication and social media to have more time to spend on those items as we continue to have more demand from residents for communication.
- 1 Part-Time with benefits position is being requested for the Activity Center/Recreation Program. This position is currently PT without benefits and based on the work provided by this employee, the community has had its largest attendance at events in the history of this community. This position is needed to move to more hours to continue that trend in the right direction.

## **General Fund Revenues**

A summary of the general fund revenues for 2023 and YTD 2024 and budgeted revenue for 2024 and 2025 are as follows:

	Actual	YTD	Budget	Budget	Amount	Percent
	2023	8/31/2024	2024	2025	Change	Change
<b>Revenues</b>						
Property Taxes	\$ 4,473,585	\$ 3,108,057	\$ 5,929,085	\$ 6,555,200	\$ 626,115	11%
Licenses and permits	1,155,054	986,880	1,204,200	1,313,600	109,400	9%
Intergovernmental	552,362	354,111	550,665	447,500	(103,165)	-19%
Charges for services	18,314	14,381	13,500	14,700	1,200	9%
Fines and forfeits	28,376	10,348	80,000	100,000	20,000	25%
Miscellaneous revenue	978,544	118,287	49,200	55,500	6,300	13%
Interest earnings	86,111	49,580	75,000	75,000	-	0%
Refunds and reimbursements	13,261	10,546	20,500	13,500	(7,000)	-34%
Total Revenues	\$ 7,305,607	\$ 4,652,190	\$ 7,922,150	\$ 8,575,000	\$ 652,850	

### **Key Changes:**

- Property Taxes – Increase to offset increase in expenditures
- Licenses and Permits – Increase due to changes in the fee schedule.
- Intergovernmental Revenues – Decrease due to no longer having ARPA dollars from the federal government to cover operations. We have additional state dollars in aids however they are not enough to offset that federal aid.

## General Fund Expenditures

A summary of the general fund expenditures for 2023 and YTD 2024 and budgeted expenditures for 2023 and 2024 are as follows:

	Actual	YTD	Budget	Budget	Amount	Percent
	2023	8/31/2024	2024	2025	Change	Change
<b>Expenditures</b>						
Council	\$ 59,345	\$ 42,171	\$ 63,180	\$ 66,330	\$ 3,150	5%
Committees - Commissions	3,664	1,957	5,590	5,590	-	0%
Administration	91,989	77,037	118,340	140,650	22,310	19%
Elections	7,899	25,190	40,000	5,000	(35,000)	-88%
City Clerk	110,783	96,021	120,660	149,420	28,760	24%
Finance	293,654	224,995	309,160	365,720	56,560	18%
Assessing Services	177,405	195,861	195,000	-	(195,000)	-100%
Audit Services	32,745	34,400	36,000	36,000	-	0%
Engineering Services	92,433	55,475	75,000	100,000	25,000	33%
Legal Services	68,526	59,553	56,000	88,000	32,000	57%
Recycling Services	177,571	128,638	185,000	207,500	22,500	12%
Inspections Services	605,882	365,544	614,270	596,830	(17,440)	-3%
Planning & Economic Dev	282,251	164,659	212,180	277,480	65,300	31%
Central Services	96,361	53,097	84,200	89,200	5,000	6%
Information Technology	110,894	87,220	118,000	147,000	29,000	25%
Activity Center	111,225	55,724	94,820	149,410	54,590	58%
Farmers' Market	11,216	-	-	-	-	#DIV/0!
Patrol and Investigation	2,220,230	1,717,004	2,826,080	3,243,990	417,910	15%
Emergency Management	37,397	13,370	29,030	15,900	(13,130)	-45%
Animal Control	3,970	1,599	6,100	6,100	-	0%
Fire Suppression	701,520	475,527	926,280	1,034,000	107,720	12%
Public Works	1,381,996	928,094	1,319,790	1,243,140	(76,650)	-6%
Parks	395,068	261,046	472,470	568,740	96,270	20%
Transfer/Use of Fund Balance	-	-	-	-	-	0%
Contingency	114,242	23,491	15,000	39,000	24,000	0%
Total Expenditures	\$ 7,188,266	\$ 5,087,673	\$ 7,922,150	\$ 8,575,000	\$ 652,850	

**Key Changes of \$40,000 or more per Department:**

- Finance – Increase is based on additional dollars budgeted for credit cards fees (looking to be covered in 2025 by users), additional dollars for professional services, and increase related to wages and benefits.
- Assessing Services – Decrease due to the County covering 100% of the assessment service costs for cities smaller than 25,000 residents in 2025.
- Planning and Economic Development – Increase in professional service and professional development of employees. Additionally, the increase related to wages and benefits.
- Activity Center – Increase in wages and benefits from going PT to PT with benefits for our Recreation Program Specialist. Additional dollars for operating supplies as well.
- Patrol and Investigate – Increase in wages and benefits due to all officers receiving a 4.0% COLA, eligible officers receiving a 4.0% step increase, increase in contract services to bring closer to actuals. This includes 1 Full-Time new positions starting at Jan 1 and 1 Full-Time position starting at July 1.
- Fire Suppression – Increase in wages and benefits moving the paid on call firefighters to \$30/hour from current rate of \$17/hour, and increase for general work compensation insurance provided by the league for fire departments.
- Public Works – Reallocation of staff time is contributing to the decrease in the wages and benefits for all employees. Additionally there is 1 additional PT staff for 2025.
- Parks – Reallocation of staff time is contributing to the increase in the wages and benefits for all employees. Additionally there is 1 additional PT staff for 2025.

## Tax Levy Summary

Overall, the tax levy includes levies for general operations, capital improvements, debt service, and economic development. The 2024 levies and 2025 preliminary tax levies are listed below.

	2024 Budget	2025 Preliminary	Increase (Decrease)	% Change of Overall Levy
<b>Base Levy</b>				
General Fund	5,929,085	6,545,700	\$ 616,615	7.82%
Capital Equipment	750,000	1,130,000	380,000	4.82%
Park Capital Equipment	30,000	45,000	15,000	0.19%
Capital Facilities	370,000	370,000	-	0.00%
Pavement Management	600,000	900,000	300,000	3.80%
<b>Total Base Levy</b>	<b>7,679,085</b>	<b>8,990,700</b>	<b>1,311,615</b>	<b>16.63%</b>
<b>Debt Service</b>				
2016A Improvement Bonds	210,000	210,000	-	0.00%
<b>Total Debt Service Levy</b>	<b>210,000</b>	<b>210,000</b>	<b>-</b>	<b>0.00%</b>
<b>Total General Levy</b>	<b>\$ 7,889,085</b>	<b>\$ 9,200,700</b>	<b>\$ 1,311,615</b>	<b>16.63%</b>
<b>EDA Levy</b>				
EDA General Fund	-	-	-	0.00%
<b>Total EDA Levy</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>
<b>Total City Wide Levy</b>	<b>\$ 7,889,085</b>	<b>\$ 9,200,700</b>	<b>\$ 1,311,615</b>	<b>16.63%</b>

The 2025 preliminary levy will result in a 16.63 percent increase, compared to a 18.63 percent increase in the 2024 levy. As illustrated in the tax capacity section below, the increase in the property tax levy is estimated to decrease the City's tax rate by .11 percent due to growth in the City's overall tax capacity.

## Tax Capacity

	<b>Actual Payable 2024</b>	<b>Estimated Payable 2024</b>
Tax Capacity (Hennepin)	23,109,300	26,857,420
Additional Tax Capacity (Wright)	95,817	101,682
TIF Captured Value	(1,613,632)	(1,613,632)
Fiscal Disparities Contribution	(1,573,413)	(1,573,413)
<b>Net Tax Capacity</b>	<b>20,018,072 \$</b>	<b>23,772,057</b>
Certified Levy (including EDA)	7,889,085 \$	9,200,700
Fiscal Disparities Distribution	(755,000)	(755,000)
<b>Local Levy</b>	<b>7,134,085 \$</b>	<b>8,445,700</b>
<b>City Tax Rate</b>	<b>35.653%</b>	<b>35.528% *</b>
EDA Special District Tax Rate	0.000%	0.000% *
County Tax Rate	34.681%	34.681% (1)
School Tax Rate	23.002%	23.002% (1)
Other Tax Rate	5.192%	5.192% (1)
<b>Total Tax Rate</b>	<b>98.528%</b>	<b>98.403%</b>

*\*The City's Payable 2024 tax rate has been estimated based on preliminary tax capacity information provided by Hennepin and Wright Counties. The final tax capacity and rate will vary from the rate estimated in this report.*

*(1) Final tax rates for the County, School and Other Districts will not be known until the December final tax levy deadline. The School and Other Tax Rate will vary based on a property's location within Dayton, as the City limits overlap multiple school and other taxing districts. The current school district used is Osseo and the county used is Hennepin.*

## **2024 Assessment Report Summary**

### **Overview**

The Hennepin County Assessor issued their annual report in March of 2024. The assessment made will be used to determine the distribution of the property taxes levied by the various taxing jurisdictions within Hennepin County for taxes payable in 2025. The report collects data from October 1, 2022 to September 30, 2023 for the 2024 assessment and the 2025 taxes payable.

As a reminder, higher or lower market values do not automatically equate to lower or higher property taxes. Market value only determines the portion of the total tax the property owner will pay, while the level of taxation is determined by the budgets and resulting levies of the varying taxing authorities which are part of the property owners overall tax bill.

### **Summary of the 2024 Assessment**

The property tax capacity values increased significantly in 2025.

Property Type	2023 Pay 2024	2024 Pay 2025	% Change	\$ Change
Commercial/Industrial	\$ 5,400,571	\$ 7,569,594	40.16%	2,169,023
Apartment	61,488	48,313	-21.43%	(13,175)
Residential	16,800,432	18,357,230	9.27%	1,556,798
Agriculture	763,513	736,727	-3.51%	(26,786)
Other	179,113	247,238	38.03%	68,125
Total	<u>\$ 23,205,117</u>	<u>\$ 26,959,102</u>	<u>16.18%</u>	<u>3,753,985</u>

The 2025 property tax capacity values increased 16.18 percent. In comparison, the 2024 property tax capacity values increased 26.96 percent.

## **Tax Relief Programs**

The State has three direct property tax relief programs: the homestead credit refund, the renter's refund, and the special property tax refund (also known as the "targeting program").

### **Homestead Credit Refund**

The homestead credit refund is a program that provides a refund to homeowners when their property taxes exceed a certain percentage of the household's income. The 2013 Legislature renamed the former property tax refund program and also approved modifications to the eligibility guidelines and the refund structure that will increase the number of taxpayers eligible to receive the refund.

[http://www.revenue.state.mn.us/individuals/prop\\_tax\\_refund/Pages/Homeowners\\_Property\\_Tax\\_Refund.aspx](http://www.revenue.state.mn.us/individuals/prop_tax_refund/Pages/Homeowners_Property_Tax_Refund.aspx)

### **Renter's Refund**

Renters may be eligible for a separate program referred to as the renter property tax refund or the "renter's credit." The renter's property tax refund program is a state-paid refund that provides tax relief to renters whose rent and "implicit property taxes" are high relative to their incomes. Under the program, "rent constituting property taxes" is assumed to equal 17 percent of rent paid. If rent constituting property tax exceeds a threshold percentage of income, the renter is eligible for a refund equal to a percentage of the tax over the threshold, up to a maximum amount.

[http://www.revenue.state.mn.us/individuals/prop\\_tax\\_refund/Pages/Renters\\_Property\\_Tax\\_Refund.aspx](http://www.revenue.state.mn.us/individuals/prop_tax_refund/Pages/Renters_Property_Tax_Refund.aspx)

### **Special Property Tax Refund**

The special property tax refund program, frequently referred to as the "targeting program," directs property tax relief to homeowners who have large property tax increases from one year to the next. The special property tax refund has no income component, and a homeowner qualifies if the property tax on the home has increased by more than 12 percent over the previous year's tax and if the increase is over \$100. The maximum refund is \$1,000.

[http://www.revenue.state.mn.us/individuals/prop\\_tax\\_refund/Pages/Homeowners\\_Property\\_Tax\\_Refund.aspx](http://www.revenue.state.mn.us/individuals/prop_tax_refund/Pages/Homeowners_Property_Tax_Refund.aspx)

## **Public Input**

The City Council must announce a date, time and place for a public meeting where the budget and tax levy will be discussed. During this meeting, citizens should be encouraged to speak on the budget and property tax levy being proposed for 2024.

Staff recommends setting December 10, 2024 as the Public Input date for the 2025 property tax levy and budget.



## FINANCIAL SECTION

### CITY OF DAYTON, MINNESOTA 2025 PRELIMINARY GENERAL FUND BUDGET REPORT

GL NUMBER	DESCRIPTION	2023 ACTIVITY	2024 ACTIVITY THRU 08/31/24	2024 ORIGINAL BUDGET	2025 PRELIMINARY BUDGET
ESTIMATED REVENUES					
Dept 40100 - Property Taxes					
101-40100-31010	Current Ad Valorem Taxes	4,462,957.06	3,106,306.93	5,929,085.00	6,545,700.00
101-40100-31800	Other Taxes		1,750.52		1,000.00
101-40100-33404	MVC AG Credit	10,628.03			8,500.00
Totals for dept 40100 - Property Taxes		4,473,585.09	3,108,057.45	5,929,085.00	6,555,200.00
Dept 40300 - Licenses / Permits					
101-40300-32050	Cigarette License	600.00	600.00	600.00	600.00
101-40300-32105	Burn Permits	300.00	600.00	600.00	1,000.00
101-40300-32110	Liquor Licenses	10,700.00	10,400.00	10,000.00	10,000.00
101-40300-32160	Rental Licenses	6,375.00	17,275.00	2,500.00	5,000.00
101-40300-32170	Mechanical Permits	18,139.11	18,497.10	13,000.00	20,000.00
101-40300-32180	Other Permits	27,131.52	14,985.00	18,000.00	20,000.00
101-40300-32210	Building Permits	854,527.34	578,482.25	900,000.00	800,000.00
101-40300-32215	Fire Protection Permit	20,540.79	6,020.15	10,000.00	10,000.00
101-40300-32217	Septic Permit	3,900.00	1,650.00	500.00	1,000.00
101-40300-32218	Wetland Permit	1,350.00	600.00	1,000.00	1,000.00
101-40300-32230	Plumbing Permits	2,581.65	25,528.47	12,000.00	25,000.00
101-40300-34103	Zoning and Subdivision Fees	3,800.00	1,800.00	2,500.00	3,000.00
101-40300-34104	Plan Check Fee	194,788.48	284,907.17	225,000.00	400,000.00
101-40300-34110	Software Surcharge Fee	3,250.00	18,200.00	5,000.00	10,000.00
101-40300-34117	Admin. Subdiv. Fee	2,720.00	5,235.00	1,000.00	2,500.00
101-40300-34120	Cond. Use Permit	750.00	1,500.00	500.00	1,000.00
101-40300-34126	Final Plat Fee	3,600.00	600.00	2,000.00	3,500.00
Totals for dept 40300 - Licenses / Permits		1,155,053.89	986,880.14	1,204,200.00	1,313,600.00
Dept 40400 - Intergovernmental					
101-40400-33100	Federal Grants and Aids	182,665.00	182,665.51	182,665.00	
101-40400-33401	Local Government Aid		1,345.00		2,500.00
101-40400-33406	PERA Rate Aid	(3,393.00)			
101-40400-33416	Police Training Reimbursement	10,101.98	10,136.42	8,000.00	8,000.00
101-40400-33418	MSA Maintenance	116,999.00	138,154.00	105,000.00	150,000.00
101-40400-33419	Muni State Aid St Construction		3,978.00		4,000.00
101-40400-33422	Other State Aid Grants	47,307.23	8,134.12	40,000.00	40,000.00
101-40400-33425	Police State Aid	93,467.55		95,000.00	105,000.00
101-40400-33436	Safe and Sober	16,275.46		25,000.00	25,000.00
101-40400-33450	Fire Relief Aid	70,940.24		90,000.00	100,000.00
101-40400-33619	Recyling Grant	17,998.64	9,698.06	5,000.00	13,000.00
Totals for dept 40400 - Intergovernmental		552,362.10	354,111.11	550,665.00	447,500.00
Dept 40500 - Charges for Service					
101-40500-34101	Rent Revenue Ballfields-Parks	208.08	365.92	500.00	200.00
101-40500-34105	Sale of Maps/Public/Copies	13.25			
101-40500-34108	Admin Charges	7,563.62	475.00	5,000.00	5,000.00
101-40500-34109	Administrative Police Charges	1,641.00	1,608.00	1,000.00	1,000.00
101-40500-34111	City Facility Rental	4,878.81	7,806.59	3,000.00	4,500.00
101-40500-34403	Refuse Collection Charges	4,009.00	4,125.00	4,000.00	4,000.00
Totals for dept 40500 - Charges for Service		18,313.76	14,380.51	13,500.00	14,700.00
Dept 40600 - Fines & Forfeitures					
101-40600-35100	Court Fines	28,375.52	10,348.20	80,000.00	70,000.00
101-40600-35102	CREDIT CARD FEES				30,000.00
Totals for dept 40600 - Fines & Forfeitures		28,375.52	10,348.20	80,000.00	100,000.00
Dept 40700 - Misc Revenue					
101-40700-34710	Return CheckFees	(1.00)	108.00	200.00	
101-40700-36200	Miscellaneous Revenues	91,320.10	113,693.61	12,000.00	20,000.00
101-40700-36210	Interest Earnings	86,111.43	49,580.32	75,000.00	75,000.00
101-40700-36220	Cell Tower Lease	30,789.08		30,000.00	31,000.00
101-40700-36230	Contributions and Donations	1,629.32		5,000.00	2,500.00
101-40700-36242	Insurance Reimbursement	1,438.00		2,000.00	2,000.00
101-40700-39101	Sales of General Fixed Assets		4,485.00		
101-40700-39200	Interfund Operating Transfers	853,368.26			
Totals for dept 40700 - Misc Revenue		1,064,655.19	167,866.93	124,200.00	130,500.00
Dept 40800 - Expense Reimbursement					
101-40800-34010	Administration Exp Reimbured	100.00	10,157.18		
101-40800-34020	Police Exp Reimbured			10,000.00	
Totals for dept 40800 - Expense Reimbursement		100.00	10,157.18	10,000.00	
Dept 41910 - Activity Center					
101-41910-36230	Contributions and Donations	170.07		500.00	500.00
Totals for dept 41910 - Activity Center		170.07		500.00	500.00
Dept 42260 - Fire Suppression					
101-42260-34040	FIRE REIMBURSEMENT		388.85		

GL NUMBER	DESCRIPTION	2023 ACTIVITY	2024 ACTIVITY THRU 08/31/24	2024 ORIGINAL BUDGET	2025 PRELIMINARY BUDGET
ESTIMATED REVENUES					
Dept 42260 - Fire Suppression					
Totals for dept 42260 - Fire Suppression			388.85		
Dept 45200 - Parks					
101-45200-34950	Other Revenues	12,991.00		10,000.00	13,000.00
Totals for dept 45200 - Parks		12,991.00		10,000.00	13,000.00
TOTAL ESTIMATED REVENUES		7,305,606.62	4,652,190.37	7,922,150.00	8,575,000.00
APPROPRIATIONS					
Dept 41110 - Council					
101-41110-50100	WAGES AND SALARIES (GENERAL)	27,939.04	14,528.28	26,080.00	26,080.00
101-41110-50122	FICA/MED	2,137.33	1,111.43	2,000.00	2,000.00
101-41110-50205	Subscriptions/Membershp	18,866.00	22,259.00	22,000.00	25,000.00
101-41110-50208	Professional Development	1,906.35	477.51	1,500.00	1,600.00
101-41110-50210	Operating Supplies	729.53	799.36	500.00	550.00
101-41110-50300	Professional Srvs	350.00			
101-41110-50320	Communications	2,300.00		3,000.00	3,000.00
101-41110-50331	Mileage	234.36		500.00	500.00
101-41110-50352	General Notices and Pub Info	3,483.00	1,795.10	6,000.00	6,000.00
101-41110-50361	General & Wkr Comp Ins	74.22	66.86	100.00	100.00
101-41110-50362	Property Ins	1,325.20	1,133.70	1,500.00	1,500.00
Totals for dept 41110 - Council		59,345.03	42,171.24	63,180.00	66,330.00
Dept 41120 - Committees-Commissions					
101-41120-50100	Wages and Salaries (GENERAL)	3,300.00	1,725.00	5,100.00	5,100.00
101-41120-50122	FICA/MED	252.46	131.94	390.00	390.00
101-41120-50210	Operating Supplies	32.25	100.00	100.00	100.00
101-41120-50361	General & Wkr Comp Ins	79.48			
Totals for dept 41120 - Committees-Commissions		3,664.19	1,956.94	5,590.00	5,590.00
Dept 41310 - Administration					
101-41310-50100	Wages and Salaries (GENERAL)	63,728.52	54,486.93	79,940.00	95,050.00
101-41310-50121	PERA	1,297.80	4,086.54	6,000.00	7,130.00
101-41310-50122	FICA/MED	4,798.38	4,109.67	6,120.00	7,270.00
101-41310-50130	Insurance-Med/Den/Life	11,184.80	8,270.02	8,280.00	10,800.00
101-41310-50200	Supplies	1,873.62	450.49	500.00	3,300.00
101-41310-50205	Subscriptions/Membershp	278.60		1,500.00	1,500.00
101-41310-50208	Professional Development	3,555.34	1,650.85	3,000.00	5,500.00
101-41310-50300	Professional Srvs			5,000.00	1,000.00
101-41310-50320	Communications	373.04	277.87	1,000.00	1,000.00
101-41310-50331	Mileage	894.76	316.24	2,500.00	4,000.00
101-41310-50361	General & Wkr Comp Ins	1,509.68	1,032.49	1,700.00	1,200.00
101-41310-50362	Property Ins	2,494.28	2,356.29	2,800.00	2,900.00
Totals for dept 41310 - Administration		91,988.82	77,037.39	118,340.00	140,650.00
Dept 41410 - Elections					
101-41410-50100	Wages and Salaries (GENERAL)		22,944.06		
101-41410-50122	FICA/MED		852.44		
101-41410-50210	Operating Supplies	7,899.02	1,393.39	40,000.00	5,000.00
Totals for dept 41410 - Elections		7,899.02	25,189.89	40,000.00	5,000.00
Dept 41420 - City Clerk					
101-41420-50100	Wages and Salaries (GENERAL)	61,803.49	59,613.33	70,290.00	85,470.00
101-41420-50121	PERA	4,635.27	4,471.00	5,270.00	6,410.00
101-41420-50122	FICA/MED	4,727.97	4,560.34	5,380.00	6,540.00
101-41420-50130	Insurance-Med/Den/Life	12,320.00	9,584.93	12,420.00	16,200.00
101-41420-50205	Subscriptions/Membershp	70.00	130.50	500.00	1,000.00
101-41420-50208	Professional Development	1,496.96	1,204.64	3,000.00	4,000.00
101-41420-50300	Professional Srvs	13,255.75	10,367.63	12,000.00	15,000.00
101-41420-50320	Communications	555.22	235.43	500.00	1,000.00
101-41420-50331	Mileage	120.06	115.91	1,000.00	1,500.00
101-41420-50352	General Notices and Pub Info	6,433.70	1,537.00	4,000.00	7,500.00
101-41420-50361	General & Wkr Comp Ins	3,019.34	2,064.98	3,500.00	2,300.00
101-41420-50362	Property Ins	2,344.76	2,135.33	2,800.00	2,500.00
Totals for dept 41420 - City Clerk		110,782.52	96,021.02	120,660.00	149,420.00
Dept 41500 - Finance					
101-41500-50100	Wages and Salaries (GENERAL)	181,492.91	137,173.05	195,650.00	215,160.00
101-41500-50102	Overtime Wages	1,238.97	830.21	8,000.00	12,000.00
101-41500-50121	PERA	13,660.43	10,350.28	15,270.00	17,040.00
101-41500-50122	FICA/MED	13,344.17	10,158.86	15,580.00	17,380.00
101-41500-50130	Insurance-Med/Den/Life	37,692.34	28,175.00	44,460.00	48,240.00
101-41500-50200	Supplies	1,843.27	1,182.46	2,500.00	2,500.00
101-41500-50205	Subscriptions/Membershp	351.87	690.81	500.00	600.00
101-41500-50208	Professional Development	1,479.67	969.79	2,500.00	4,500.00

GL NUMBER	DESCRIPTION	2023 ACTIVITY	2024 ACTIVITY THRU 08/31/24	2024 ORIGINAL BUDGET	2025 PRELIMINARY BUDGET
APPROPRIATIONS					
Dept 41500 - Finance					
101-41500-50300	Professional Srvs	13,711.25	14,916.18	5,000.00	14,000.00
101-41500-50309	EDP, Software Svc	25,096.03	17,749.36	15,000.00	30,000.00
101-41500-50320	Communications	231.57	218.05	250.00	400.00
101-41500-50331	Mileage	587.55	189.48	1,000.00	1,000.00
101-41500-50361	General & Wkr Comp Ins	1,509.68	1,032.49	1,750.00	1,200.00
101-41500-50362	Property Ins	1,414.42	1,359.40	1,700.00	1,700.00
Totals for dept 41500 - Finance		293,654.13	224,995.42	309,160.00	365,720.00
Dept 41610 - Assessing Services					
101-41610-50300	Professional Srvs	177,405.04	195,861.03	195,000.00	
Totals for dept 41610 - Assessing Services		177,405.04	195,861.03	195,000.00	
Dept 41620 - Audit Services					
101-41620-50301	Auditing and Acct g Services	32,745.00	34,400.00	36,000.00	36,000.00
Totals for dept 41620 - Audit Services		32,745.00	34,400.00	36,000.00	36,000.00
Dept 41630 - Engineering Services					
101-41630-50303	Engineering Fees	92,433.00	55,474.68	75,000.00	100,000.00
Totals for dept 41630 - Engineering Services		92,433.00	55,474.68	75,000.00	100,000.00
Dept 41640 - Legal Services					
101-41640-50304	Legal Fees-Gen	44,525.86	45,553.27	28,000.00	60,000.00
101-41640-50305	Legal Fees-Prosecution	24,000.00	14,000.00	28,000.00	28,000.00
Totals for dept 41640 - Legal Services		68,525.86	59,553.27	56,000.00	88,000.00
Dept 41650 - Recycling Services					
101-41650-50386	Recycling	139,722.44	118,986.91	145,000.00	165,000.00
101-41650-50387	Yard Waste	32,510.72	4,283.04	35,000.00	35,000.00
101-41650-50388	Clean-up Day	5,337.82	5,367.76	5,000.00	7,500.00
Totals for dept 41650 - Recycling Services		177,570.98	128,637.71	185,000.00	207,500.00
Dept 41660 - Inspection Service					
101-41660-50100	Wages and Salaries (GENERAL)	189,834.04	148,180.08	305,860.00	293,970.00
101-41660-50121	PERA	20,569.89	15,541.74	29,810.00	29,460.00
101-41660-50122	FICA/MED	10,617.91	8,631.71	19,220.00	17,980.00
101-41660-50130	Insurance-Med/Den/Life	48,250.58	26,491.03	54,380.00	48,420.00
101-41660-50200	Supplies	185.94			
101-41660-50300	Professional Srvs	255,064.00	118,281.50	150,000.00	150,000.00
101-41660-50308	Contract Services	76,172.95	43,532.36	50,000.00	50,000.00
101-41660-50309	EDP, Software Svc	5,186.75	4,885.70	5,000.00	7,000.00
Totals for dept 41660 - Inspection Service		605,882.06	365,544.12	614,270.00	596,830.00
Dept 41710 - Plannning & Economic Dev					
101-41710-50100	Wages and Salaries (GENERAL)	49,975.53	70,325.16	109,610.00	124,320.00
101-41710-50102	Overtime Wages	148.32	282.76	10,000.00	1,000.00
101-41710-50121	PERA	3,759.29	5,295.64	8,970.00	9,400.00
101-41710-50122	FICA/MED	3,834.47	5,401.50	9,150.00	9,590.00
101-41710-50130	Insurance-Med/Den/Life	16,080.70	9,775.04	20,250.00	22,470.00
101-41710-50200	Supplies	86.72	92.54		500.00
101-41710-50205	Subscriptions/Membershp	620.00	2,524.61	2,500.00	18,500.00
101-41710-50208	Professional Development	796.69	3,246.00	6,500.00	12,000.00
101-41710-50300	Professional Srvs	193,205.66	52,855.25	30,000.00	60,000.00
101-41710-50321	Tele/Commun	1,270.37	970.35	2,000.00	2,000.00
101-41710-50331	Mileage	237.60	71.02	500.00	2,500.00
101-41710-50361	General & Wkr Comp Ins	9,978.68	11,982.93	10,000.00	13,000.00
101-41710-50362	Property Ins	2,257.40	1,836.19	2,700.00	2,200.00
Totals for dept 41710 - Plannning & Economic Dev		282,251.43	164,658.99	212,180.00	277,480.00
Dept 41810 - Central Services					
101-41810-50200	Supplies	13,607.82	3,252.87	7,500.00	8,000.00
101-41810-50205	Subscriptions/Membershp	4,535.13	7,870.15	4,000.00	4,100.00
101-41810-50220	Repair/Maint	5,215.27	6,976.17	15,000.00	15,000.00
101-41810-50223	Building Repair Supplies	3,117.89	2,473.93	2,000.00	3,500.00
101-41810-50300	Professional Srvs	3,000.00	3,768.00	5,000.00	4,000.00
101-41810-50308	Contract Services	8,220.00	10,480.50	10,000.00	11,000.00
101-41810-50321	Tele/Commun	8,640.82	4,863.15	9,000.00	9,000.00
101-41810-50322	Postage	9,308.97	1,446.48	4,000.00	4,500.00
101-41810-50362	Property Ins	1,031.40	871.01	1,200.00	1,200.00
101-41810-50381	Electric Utilities	10,766.12	6,305.67	11,000.00	12,000.00
101-41810-50383	Gas Utilities	3,415.10	1,942.50	6,000.00	6,600.00
101-41810-50384	Refuse/Garbage Disposal	4,868.23	2,847.02	4,500.00	5,000.00
101-41810-50580	Other Equipment	20,634.71		5,000.00	5,300.00
Totals for dept 41810 - Central Services		96,361.46	53,097.45	84,200.00	89,200.00
Dept 41820 - Information Technology					

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GL NUMBER	DESCRIPTION	2023 ACTIVITY	2024 ACTIVITY THRU 08/31/24	2024 ORIGINAL BUDGET	2025 PRELIMINARY BUDGET
APPROPRIATIONS					
Dept 41820 - Information Technology					
101-41820-50200	Supplies	6,425.88	7,260.02	15,000.00	15,000.00
101-41820-50205	Subscriptions/Membershp	13,621.99	24,594.66	17,000.00	38,000.00
101-41820-50300	Professional Srvs	19,423.54	9,821.59	20,000.00	21,500.00
101-41820-50308	Contract Services	54,797.25	34,440.96	35,000.00	38,000.00
101-41820-50309	EDP, Software Svc	3,713.00	3,562.44	10,000.00	13,500.00
101-41820-50580	Other Equipment	12,911.87	7,539.92	21,000.00	21,000.00
Totals for dept 41820 - Information Technology		110,893.53	87,219.59	118,000.00	147,000.00
Dept 41910 - Activity Center					
101-41910-50100	Wages and Salaries (GENERAL)	38,131.51	18,605.54	30,760.00	49,650.00
101-41910-50121	PERA	2,351.83	1,395.41	2,310.00	3,720.00
101-41910-50122	FICA/MED	2,917.06	1,423.32	2,350.00	3,800.00
101-41910-50130	Insurance-Med/Den/Life	8,054.36	320.08		17,340.00
101-41910-50205	Subscriptions/Membershp	2,216.46	1,112.83	1,500.00	2,000.00
101-41910-50208	Professional Development	2,537.91	570.00	2,000.00	2,000.00
101-41910-50210	Operating Supplies	22,833.11	15,649.49	20,000.00	35,000.00
101-41910-50211	MEALS & FOOD FOR PROGRAMS	1,012.49		2,500.00	2,500.00
101-41910-50213	EMPLOYEE APPRECIATION PROGRAM	3,366.74	2,838.78	7,000.00	8,000.00
101-41910-50220	Repair/Maint	3,291.24	796.87	2,000.00	1,500.00
101-41910-50308	Contract Services	8,880.84	5,958.00	8,000.00	8,000.00
101-41910-50321	Tele/Commun	2,831.16	840.24	1,500.00	1,500.00
101-41910-50322	Postage	158.70		500.00	500.00
101-41910-50331	Mileage	459.00	12.73	500.00	500.00
101-41910-50361	General & Wkr Comp Ins	1,351.92	602.49	1,500.00	1,000.00
101-41910-50362	Property Ins	2,053.74	1,919.82	2,400.00	2,400.00
101-41910-50381	Electric Utilities	2,436.12	843.90	2,500.00	2,500.00
101-41910-50383	Gas Utilities	4,333.62	1,483.64	5,000.00	5,000.00
101-41910-50384	Refuse/Garbage Disposal	2,007.07	1,350.53	2,500.00	2,500.00
Totals for dept 41910 - Activity Center		111,224.88	55,723.67	94,820.00	149,410.00
Dept 41950 - Farmers Market					
101-41950-50200	Supplies	7,717.39			
101-41950-50205	Subscriptions/Membershp	3,499.00			
Totals for dept 41950 - Farmers Market		11,216.39			
Dept 42120 - Patrol and Investigate					
101-42120-50100	Wages and Salaries (GENERAL)	1,185,013.39	907,331.27	1,562,960.00	1,824,100.00
101-42120-50102	Overtime Wages	58,423.40	53,524.56	60,000.00	50,000.00
101-42120-50103	Part-Time Employees	25,505.03	17,178.36	30,000.00	30,000.00
101-42120-50107	Contract - Safe & Sober	10,896.68	501.90		
101-42120-50121	PERA	202,884.25	157,501.88	272,980.00	314,940.00
101-42120-50122	FICA/MED	29,825.36	22,423.51	36,490.00	41,030.00
101-42120-50130	Insurance-Med/Den/Life	228,178.32	163,971.93	295,030.00	355,920.00
101-42120-50200	Supplies	6,526.35	3,886.13	7,500.00	8,000.00
101-42120-50205	Subscriptions/Membershp	1,865.35	2,925.65	3,500.00	4,500.00
101-42120-50208	Professional Development	12,785.65	11,351.76	18,000.00	20,000.00
101-42120-50212	Motor Fuels	36,273.36	17,324.46	50,000.00	50,000.00
101-42120-50217	Uniform	12,610.88	14,075.90	17,000.00	20,000.00
101-42120-50220	Repair/Maint	53,556.91	38,929.77	35,000.00	35,000.00
101-42120-50300	Professional Srvs	13,194.87	11,208.50	26,000.00	26,000.00
101-42120-50306	Cty Jail Fees	4,748.77	444.44	9,000.00	10,000.00
101-42120-50308	Contract Services	39,244.41	44,334.93	38,000.00	82,000.00
101-42120-50320	Communications	47,781.48	24,376.01	50,000.00	52,000.00
101-42120-50322	Postage	874.61	128.70	700.00	700.00
101-42120-50331	LODGING/MEALS/MILEAGE	1,786.19	1,411.09	3,000.00	3,500.00
101-42120-50361	General & Wkr Comp Ins	95,777.67	107,735.40	110,000.00	116,600.00
101-42120-50362	Property Ins	82,368.84	76,082.17	90,000.00	88,000.00
101-42120-50381	Electric Utilities	26,195.24	11,912.20	23,000.00	23,000.00
101-42120-50383	Gas Utilities	19,911.24	9,605.52	30,000.00	28,000.00
101-42120-50384	Refuse/Garbage Disposal	2,607.76	1,423.52	2,500.00	2,700.00
101-42120-50392	WELLNESS PROGRAM	900.00	1,499.25	10,000.00	12,000.00
101-42120-50395	Crime Prevention supplies	2,986.93	2,889.81	4,500.00	5,000.00
101-42120-50399	Code Enforcement expenses	79.68		4,000.00	4,000.00
101-42120-50580	Other Equipment	17,427.32	13,025.26	36,920.00	37,000.00
Totals for dept 42120 - Patrol and Investigate		2,220,229.94	1,717,003.88	2,826,080.00	3,243,990.00
Dept 42130 - Emergency Mgmt					
101-42130-50100	Wages and Salaries (GENERAL)	6,991.64	4,881.60	7,290.00	
101-42130-50121	PERA	518.13	366.14	550.00	
101-42130-50122	FICA/MED	533.98	373.51	560.00	
101-42130-50130	Insurance-Med/Den/Life	1,615.68	1,008.07	1,730.00	
101-42130-50220	Repair/Maint	21,322.99	2,579.00	10,000.00	5,000.00
101-42130-50308	Contract Services	5,460.16	3,597.84	4,500.00	4,500.00
101-42130-50320	Communications			3,000.00	5,000.00
101-42130-50361	General & Wkr Comp Ins	100.00	110.93	200.00	200.00

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Calculations as of 12/31/2024

GL NUMBER	DESCRIPTION	2023 ACTIVITY	2024 ACTIVITY THRU 08/31/24	2024 ORIGINAL BUDGET	2025 PRELIMINARY BUDGET
APPROPRIATIONS					
Dept 42130 - Emergency Mgmt					
101-42130-50381	Electric Utilities	854.03	453.32	1,200.00	1,200.00
Totals for dept 42130 - Emergency Mgmt		37,396.61	13,370.41	29,030.00	15,900.00
Dept 42140 - Animal Control					
101-42140-50200	Supplies			100.00	100.00
101-42140-50308	Contract Services	3,970.00	1,599.00	6,000.00	6,000.00
Totals for dept 42140 - Animal Control		3,970.00	1,599.00	6,100.00	6,100.00
Dept 42260 - Fire Suppression					
101-42260-50100	Wages and Salaries (GENERAL)	63,765.64	88,066.79	156,720.00	172,120.00
101-42260-50103	Part-Time Employees	159,723.00	97,883.63	305,720.00	290,540.00
101-42260-50121	PERA	11,074.12	15,022.85	51,270.00	30,470.00
101-42260-50122	FICA/MED	13,238.57	9,322.04	26,270.00	24,720.00
101-42260-50124	Fire Relief Cont- City	40,000.00			
101-42260-50125	State Fire Retirement Contribu	70,940.24			100,000.00
101-42260-50130	Insurance-Med/Den/Life	9,725.17	12,687.59	31,050.00	32,850.00
101-42260-50200	Supplies	17,609.68	10,648.31	24,000.00	26,000.00
101-42260-50205	Subscriptions/Membership	1,026.66	1,297.50	2,250.00	2,500.00
101-42260-50207	RECRUITMENT AND RETENTION	5,461.81	3,106.27	4,000.00	6,000.00
101-42260-50208	Professional Development	52,899.40	42,982.54	40,000.00	45,000.00
101-42260-50212	Motor Fuels	10,548.07	5,563.97	13,000.00	14,000.00
101-42260-50217	Uniform	31,115.17	38,003.32	60,000.00	60,000.00
101-42260-50220	Repair/Maint	92,562.53	18,080.90	60,000.00	60,000.00
101-42260-50223	Building Repair Supplies	1,351.15		2,500.00	2,700.00
101-42260-50300	Professional Srvs	32,253.85	14,382.00	40,000.00	50,000.00
101-42260-50308	Contract Services	11,351.12	34,440.05	10,000.00	
101-42260-50320	Communications	42,287.22	28,265.68	60,000.00	63,000.00
101-42260-50322	Postage	221.45	132.47	200.00	300.00
101-42260-50345	FD Public Ed Exp	1,587.08	790.00	4,500.00	5,000.00
101-42260-50361	General & Wkr Comp Ins	19,888.50	25,295.81	14,000.00	27,000.00
101-42260-50362	Property Ins	10,036.78	9,197.12	11,000.00	11,000.00
101-42260-50381	Electric Utilities	1,276.38	1,268.39	2,500.00	3,000.00
101-42260-50383	Gas Utilities	591.13		2,000.00	2,500.00
101-42260-50430	Miscellaneous			300.00	300.00
101-42260-50580	Other Equipment	984.85	19,089.51	5,000.00	5,000.00
Totals for dept 42260 - Fire Suppression		701,519.57	475,526.74	926,280.00	1,034,000.00
Dept 43100 - Public Works					
101-43100-50100	Wages and Salaries (GENERAL)	459,241.68	320,864.79	463,220.00	393,780.00
101-43100-50102	Overtime Wages	15,648.74	14,693.97	15,000.00	10,000.00
101-43100-50103	Part-Time Employees	24,805.38	15,492.60	28,040.00	55,100.00
101-43100-50121	PERA	36,855.15	26,276.69	37,970.00	34,420.00
101-43100-50122	FICA/MED	37,564.69	26,578.18	38,730.00	35,100.00
101-43100-50130	Insurance-Med/Den/Life	102,332.08	63,437.30	101,330.00	89,040.00
101-43100-50205	Subscriptions/Membership	60.00	2,166.15		2,000.00
101-43100-50208	Professional Development	15,853.68	1,728.02	12,000.00	10,000.00
101-43100-50210	Operating Supplies	47,382.93	34,753.59	56,000.00	58,000.00
101-43100-50212	Motor Fuels	66,404.37	39,015.30	70,000.00	75,000.00
101-43100-50217	Uniform	15,426.31	6,985.68	8,000.00	9,000.00
101-43100-50220	Repair/Maint	109,193.77	54,211.89	90,000.00	90,000.00
101-43100-50224	Street Maint-Repair	185,549.33	147,668.50	140,000.00	140,000.00
101-43100-50230	Street Light Elect & Maint Rpr	94,522.50	49,269.97	60,000.00	60,000.00
101-43100-50231	Street Light Mtce - Wicht Ind.	1,384.45	4,326.50	10,000.00	13,000.00
101-43100-50300	Professional Srvs	1,445.50	1,996.15	23,500.00	2,000.00
101-43100-50321	Tele/Commun	14,091.71	6,362.20	10,000.00	13,000.00
101-43100-50361	General & Wkr Comp Ins	40,151.68	37,037.87	45,000.00	36,700.00
101-43100-50362	Property Ins	23,722.28	23,737.95	27,000.00	28,000.00
101-43100-50381	Electric Utilities	28,282.56	12,035.95	18,000.00	18,000.00
101-43100-50383	Gas Utilities	23,235.39	11,484.99	25,000.00	25,000.00
101-43100-50384	Refuse/Garbage Disposal	3,923.00	2,158.90	2,500.00	3,000.00
101-43100-50410	Rentals (GENERAL)		1,471.68	3,500.00	3,000.00
101-43100-50520	Buildings and Structures	33,960.33	22,407.79	20,000.00	25,000.00
101-43100-50580	Other Equipment	958.63	1,931.25	15,000.00	15,000.00
Totals for dept 43100 - Public Works		1,381,996.14	928,093.86	1,319,790.00	1,243,140.00
Dept 45200 - Parks					
101-45200-50100	Wages and Salaries (GENERAL)	163,066.38	99,636.30	178,940.00	217,730.00
101-45200-50102	Overtime Wages	5,145.60	3,368.17	5,000.00	5,000.00
101-45200-50103	Part-Time Employees	8,200.00	23,045.10	32,330.00	73,080.00
101-45200-50108	Seasonal	14,895.00	16,005.00	40,000.00	30,800.00
101-45200-50121	PERA	12,014.01	8,412.02	13,800.00	22,190.00
101-45200-50122	FICA/MED	14,406.05	10,647.94	23,860.00	24,990.00
101-45200-50130	Insurance-Med/Den/Life	39,299.72	21,999.56	42,540.00	55,750.00
101-45200-50210	Operating Supplies	43,095.47	23,483.44	28,000.00	28,000.00
101-45200-50220	Repair/Maint	33,929.88	12,907.46	20,000.00	20,000.00

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BUDGET REPORT FOR DAYTON MN  
Fund: 101 GENERAL FUND  
Calculations as of 12/31/2024

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GL NUMBER	DESCRIPTION	2023 ACTIVITY	2024 ACTIVITY THRU 08/31/24	2024 ORIGINAL BUDGET	2025 PRELIMINARY BUDGET
APPROPRIATIONS					
Dept 45200 - Parks					
101-45200-50300	Professional Srvs		2,937.32	10,000.00	10,000.00
101-45200-50361	General & Wkr Comp Ins	11,710.96	14,232.67	13,000.00	16,200.00
101-45200-50362	Property Ins	8,575.76	13,333.85	10,000.00	16,000.00
101-45200-50381	Electric Utilities	4,305.86	2,999.08	5,000.00	5,000.00
101-45200-50390	Weed Control	1,946.34		3,000.00	4,000.00
101-45200-50410	Rentals (GENERAL)	8,554.00	5,906.10	15,000.00	10,000.00
101-45200-50530	Improvements Other Than Bldgs	25,922.49	2,131.90	32,000.00	30,000.00
Totals for dept 45200 - Parks		395,067.52	261,045.91	472,470.00	568,740.00
Dept 49999 - Contingency					
101-49999-50370	Property Tax Payments	3,427.12	5,221.55	5,000.00	7,000.00
101-49999-50430	Miscellaneous	100,815.00	8,269.19		22,000.00
101-49999-50450	Diamond Lk Improvement	10,000.00	10,000.00	10,000.00	10,000.00
Totals for dept 49999 - Contingency		114,242.12	23,490.74	15,000.00	39,000.00
TOTAL APPROPRIATIONS		7,188,265.24	5,087,672.95	7,922,150.00	8,575,000.00
NET OF REVENUES/APPROPRIATIONS - FUND 101		117,341.38	(435,482.58)		
BEGINNING FUND BALANCE		2,655,411.12	2,772,752.50	2,772,752.50	2,337,269.92
ENDING FUND BALANCE		2,772,752.50	2,337,269.92	2,772,752.50	2,337,269.92