

COUNCIL PROCEEDINGS

Tuesday, July 2, 2024

CALL TO ORDER

This meeting is officially called to order at 5:30 p.m. on July 2, 2024. This meeting is being presided over by Mayor Brian Holmer.

PLEDGE OF ALLEGIANCE

ROLL CALL

The following Councilmembers were present: Holmer, McCraw, Narverud, Pream, Lorensen, Bolduc, Aarestad, and Arlt. Mayor Holmer chaired the meeting.

PUBLIC HEARING

Cannabis Moratorium Public Hearing

Richard Baker, Economic / Community Development Director, presented an update with Delray Sparby, City Attorney, making some clarifying points.

The Public Hearing was called to order by Mayor Brian Holmer. The following people spoke during the hearing:

- Casey Hammer from Canna Corner would like to work together with the City to help figure out what the City wants. He also stated the typical customer is currently older with pain or sleep issues.
- John Rightmeir from Canna Corner wanted to express a Thank You to Law Enforcement and the Community of Thief River Falls.

The public hearing was closed.

PUBLIC FORUM

PRESENTATIONS/PROCLAMATIONS/PUBLIC INFORMATION ANNOUNCEMENTS

APPROVE AGENDA

Councilmember Mike Lorensen motioned, being seconded by Councilmember Scott Pream, to approve the agenda.

On vote being taken, the resolution was unanimously passed.

CONSENT AGENDA

RESOLUTION NO. 07.140.24: Approval of June 18, 2024 and June 24, 2024 Council Proceedings

Presented as part of the Consent Agenda, Councilmember Michele McCraw introduced RESOLUTION 07.140.24, being seconded by Councilmember Megan Arlt, that:

THEREFORE, BE IT RESOLVED By the City Council, to approve the June 18, 2024 and June 24, 2024 Council Proceedings.

On vote being taken, the resolution was unanimously passed.

RESOLUTION NO. 07.141.24: City of Thief River Falls Bills and Disbursements and Council Per Diems

Presented as part of the Consent Agenda, Councilmember Michele McCraw introduced RESOLUTION 07.141.24, being seconded by Councilmember Megan Arlt, that:

THEREFORE, BE IT RESOLVED By the City Council, to authorize payment of bills and disbursements in the total amount of \$2,164,935.00 and council per diem in the amount of \$942.50. A printout of the approved payments, disbursements are attached hereto and made a part hereof.

On vote being taken, the resolution was unanimously passed.

RESOLUTION NO. 07.142.24: Approval of the list of City surplus items

Presented as part of the Consent Agenda, Councilmember Michele McCraw introduced RESOLUTION 7.142.24, being seconded by Councilmember Megan Arlt, that:

WHEREAS, The City of Thief River Falls periodically compiles a list of no longer useful items for city services and disposes of the items through a public auction.

The sale of auction items are returned to the respective departments that the surplus originated from for other maintenance expenses.

THEREFORE, BE IT RESOLVED Approve the current list of unused items as surplus to be sold at public auction.

On vote being taken, the resolution was unanimously passed.

NEW BUSINESS

Conduct First Reading of an Ordinance to adopt an Interim Moratorium on the commercial cultivation and retail sales of cannabis in the city limits of Thief River Falls.

Councilmember Steve Narverud motioned, being seconded by Councilmember Michele

McCraw to call for the first reading of an ordinance PROHIBITING THE SALE, TESTING, MANUFACTURING, CULTIVATING, GROWING, TRANSPORTING, DELIVERY, AND DISTRIBUTION OF CANNABIS PRODUCTS IN THE CITY OF THIEF RIVER FALLS

THE CITY COUNCIL OF THE CITY OF THIEF RIVER FALLS, MINNESOTA
ORDAINS:

Section 1. BACKGROUND.

- A. By enacting 2022 Session Law Chapter 98, Article 13, the Minnesota Legislature amended Minn. Stat. §151.72 and permitted the sale of edible and nonedible cannabinoid products that contain no more than 0.3% of Tetrahydrocannabinol, commonly known as THC (“THC Products”).
- B. The 2023 Legislature recently approved a new law to expand both the legalization of types of THC and cannabis products and also the types of THC and cannabis businesses permitted.
- C. This new law establishes a regulatory framework for adult-use cannabis, as well as the lower potency hemp edibles; moves the medical cannabis program under a newly created state agency called the Office of Cannabis Management; establish taxes on regulated products; create grants to assist individuals entering into the legal cannabis market; amends criminal penalties; provides for expungement and resentencing of certain convictions; provides for temporary regulation of hemp derived edible cannabinoid products; reschedules marijuana; and appropriates money.
- D. The State licensing agency became effective July 1, 2023, and is directed in the new law to establish a model ordinance for cities, which the City of Thief River Falls would benefit from reviewing and analyzing before making any decisions related to cannabis businesses and products in the City.
- E. The law specifies what distance restrictions cities can put in place under their zoning power. The City would benefit from having time to study and analyze acceptable time, place and manner restrictions that would be feasible for the City of Thief River Falls, which are specifically mentioned as a basis of regulation in the new law.
- F. Pursuant to Minn. Stat. § 462.355, subd. 4, the City is authorized to enact by ordinance a moratorium to regulate, restrict or prohibit land uses within its jurisdiction to protect the public health, safety, and welfare. Specifically, the City is authorized to enact a moratorium ordinance to allow it to undertake a study to determine whether to adopt any regulations or restrictions, including siting and location of uses, related to the sales, testing, manufacturing, cultivating, growing, transporting, delivery and distribution of Cannabis Products.
- G. Pursuant to its general police powers, as set forth in Minn. Stat. § 412.221, subd. 32, the City may enact and enforce regulations or restrictions on Cannabis Products within the City to protect the public safety, health, and welfare, including restrictions and a moratorium on the sales, testing, manufacturing, cultivating, growing, transporting, delivery and distribution, during the pendency of a study to determine the need for police power regulations, including but not necessarily limited to any additional

licensing and permitting that may be allowed, if any, by the State.

H. Pursuant to the language of the new law, cities, as soon as the law becomes effective, have authority to adopt an interim ordinance to prohibit a cannabis business from opening until January 1, 2025, to conduct studies or consider adopting or amending allowed restrictions on the operation of a cannabis business.

Section 2. FINDINGS.

A. The City Council finds there is a need to study:

a. Cannabis products, including products: using any part of the genus Cannabis plant; containing cannabis concentrate; infused with cannabinoids (including but not limited to tetrahydrocannabinol); extracted or derived from cannabis plants or cannabis flower; synthetically derived cannabinoids; and any lower potency hemp edibles that contain more than 0.3% of Tetrahydrocannabinol;

b. Cannabis businesses related thereto; and

c. The impact of those businesses and products as related to allowed land uses and zoning, in order to assess the necessity for and efficacy of regulation and restrictions relating to the retail sales, wholesale sales, testing, growing, cultivating, manufacturing, transporting, delivery of or distribution of any of the products referenced herein, including through zoning ordinances or licensing, if allowed, in order to protect the public health, safety, and welfare of its residents.

B. The study will allow the City Council to determine the appropriate changes, if any, that it should make to the Thief River Falls Code, including any necessary zoning changes.

C. The time will allow for the Office of Cannabis Management which will be licensing cannabis businesses to rule make and adopt its model ordinances which will further aid the Council in studying and considering restrictions on the operation of cannabis businesses and the use of the products listed in Section 2, paragraph A above.

D. The City Council, therefore, finds that there is a need to adopt a city-wide moratorium on the retail sale, wholesale sale, testing, growing, cultivating, manufacturing, transporting, delivery of, and distribution of Cannabis Products, including products: using any part of the genus Cannabis plant; containing cannabis concentrate; infused with cannabinoids (including but not limited to tetrahydrocannabinol); extracted or derived from cannabis plants or cannabis flower; synthetically derived cannabinoids, or lower potency hemp edibles that contain more than 0.3% of Tetrahydrocannabinol, within the City while City staff studies the issue

Section 3. MORATORIUM.

A. No individual, establishment, organization, or business may engage in the retail sale, wholesale sale, testing, growing, cultivating, manufacturing, transporting, delivery of or distribution of Cannabis Products, including products using any part of the plant of the genus Cannabis plant; containing cannabis concentrate; infused with cannabinoids (including but not limited to tetrahydrocannabinol); extracted or derived from cannabis plants or cannabis flower; synthetically derived cannabinoids, or lower potency hemp edibles that contain more than 0.3% of Tetrahydrocannabinol, for twelve (12) months from the effective date of this ordinance.

B. Planning or zoning applications related to any of the products listed in Subsection A of Section 3 herein or applications from individuals, establishments, organizations, or businesses involved in the proposed sale, testing, growing, cultivating, manufacturing,

transporting, delivery of or distribution of Cannabis Products within the City of Thief River Falls shall not be accepted or considered for twelve (12) months from the effective date of this ordinance.

C. Should, at the end of the year, Council deems it necessary to continue to study the need for local regulation regarding the retail sale, wholesale sale, testing, growing, cultivating, manufacturing, transporting, delivery or distribution of Cannabis Products listed in Section 3(A), the City Council may extend this Moratorium by adoption of an interim ordinance pursuant to the new 2023 law if so allowed under that law.

D. This moratorium does not apply to the selling, testing, manufacturing, or distributing of Cannabis Products related to the Medical Cannabis Program as administered by the Minnesota Department of Health, provided that such activity is done in accordance with the regulations and laws of Minnesota regarding Medical Cannabis.

E. This moratorium does not apply to the sale of THC Products allowed under the 2022 Legislation, which includes edible and nonedible cannabinoid products that contain no more than 0.3% of Tetrahydrocannabinol.

Section 4. STUDY.

The City Council directs City staff to study the need for local regulation regarding the retail sale, wholesale sale, testing, growing, cultivating, manufacturing, transporting, delivery or distribution of Cannabis Products listed in Section 3(A) herein within the City of Thief River Falls. Staff must also study the need for creating or amending zoning ordinances, licensing ordinances, as allowed by the state, or any other ordinances, as allowed and not preempted by the state, to protect the citizens of Thief River Falls from any potential negative impacts. Upon completion of the study, the City Council will consider the advisability of adopting new ordinances or amending its current ordinances.

Section 5. ENFORCEMENT.

The City may enforce this Ordinance by mandamus, injunctive relief, or other appropriate civil remedy in any court of competent jurisdiction. The City Council hereby authorizes the City Administrator, in consultation with the City Attorney, to initiate any legal action deemed necessary to secure compliance with this Ordinance. A violation of this Ordinance is also subject to the City's general penalty listed in the City of Thief River Falls Code of Ordinances.

Section 6. TERM.

Unless earlier rescinded by the City Council, the moratorium established under this Ordinance shall remain in effect until twelve (12) months from its effective date, at which point, it will either automatically expire or be extended pursuant to other statutory authority until January 1, 2025.

Section 7. EFFECTIVE DATE.

This ordinance shall be effective immediately upon passage and publication according to law.

ADOPTED this 2nd day of July, 2024, by the City Council of the City of Thief River

Falls.

By: _____
Brian Holmer, Mayor

ATTEST:

Angela Philipp, City Administrator

CITY OF THIEF RIVER FALLS, PENNINGTON COUNTY, MINNESOTA

SUMMARY ORDINANCE NO. _____

A SUMMARY INTERIM ORDINANCE PROHIBITING THE SALE, TESTING, MANUFACTURING, CULTIVATING, GROWING, TRANSPORTING, DELIVERY, AND DISTRIBUTION OF CANNABIS PRODUCTS IN THE CITY OF THIEF RIVER FALLS

NOTICE IS HEREBY GIVEN that, on the 2nd day of July, 2024, Interim Ordinance No. _____ was adopted by the City Council of the City of Thief River Falls, Minnesota.

NOTICE IS FURTHER GIVEN that, because of the lengthy nature of Interim Ordinance No. _____ the following summary of the ordinance has been prepared for publication.

NOTICE IS FURTHER GIVEN that the ordinance adopted by the City Council establishes a moratorium prohibiting the sale, testing, manufacturing, cultivating, growing, transporting, delivery, and distribution of cannabis products in the City of Thief River Falls.

A printed copy of the whole ordinance is available for inspection by any person during the City's regular office hours or on the City's website.

APPROVED for summary publication by the City Council of the City of Thief River Falls, Minnesota, this 2nd day of July, 2024.

City Attorney Sparby read the proposed ordinance. No action was taken at this time and this ordinance will again be presented at the next Council Meeting.

RESOLUTION NO. 07.143.24: Approve VFW Post 2793 Beer in the Park Permit

Following discussion, Councilmember Anthony Bolduc introduced Resolution 7.143.24, being seconded by Councilmember Scott Pream, that:

WHEREAS, The VFW Post 2793 has applied for a Beer in the Park Permit for a membership picnic for 40-50 guests at Oakland Park

WHEREAS, The park has been reserved with the Parks and Recreation Department. No financial transactions may occur at this event for charging, directly or indirectly, for the sale of 3.2 malt liquor (i.e. admission, cover charge). The permit allows for the consumption of 3.2 Malt Liquor Only. No strong beer, wine, or intoxicating liquor is allowed.

THEREFORE, BE IT RESOLVED Approve a beer in the park permit effective August 18, 2024 from 11:00 am to 5 pm for a membership picnic at Oakland Park.

On vote being taken, the resolution was unanimously passed.

COUNCIL BOARDS AND COMMISSIONS REPORTS

UPCOMING MEETINGS

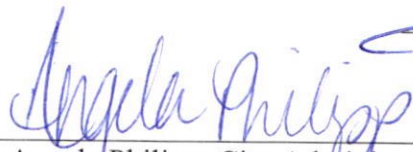
- Public Utilities Committee - July 8th at 7:00 a.m.
- Public Safety/Liquor Committee - July 8th at 4:30 p.m.
- Administrative Services Committee - July 9th at 4:30 p.m. Room 201 City Hall
- Public Works Committee - July 10th at 4:30 p.m.
- City Council Meeting - July 16th at 5:30 p.m.

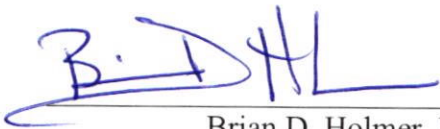
INFORMATIONAL ITEMS

ADJOURNMENT

There being no further discussion, Councilmember Anthony Bolduc motioned it being seconded by Councilmember Scott Pream to adjourn at 6:01 p.m. On a vote being taken, the Chair declared the motion unanimously carried.

Attest:


Angela Philipp, City Administrator


Brian D. Holmer, Mayor