

INVER GROVE HEIGHTS CITY COUNCIL MEETING

MONDAY, December 9, 2024 - 6:00 P.M. - 8150 BARBARA AVENUE

1. CALL TO ORDER:

The City Council of Inver Grove Heights met in regular session on Monday, December 9, 2024. Mayor Dietrich called the meeting to order at 6:00 p.m. The Pledge of Allegiance was recited.

2. ROLL CALL:

Present In-Person: Mayor Dietrich; Council Members: Murphy, T'Kach, Gliva and Scales; City Administrator Wilson, City Clerk Kiernan, Community Development Director Ziemer, Public Works Director Connolly, City Engineer Merchlewicz, City Attorney Nason, Fire Chief Thill, Assistant Fire Chief Bergum, Police Chief Chiodo, Human Resource Manager Shefchik and Parks & Recreation Director Lares.

3. APPROVAL OF AGENDA:

4. PRESENTATIONS:

5. CONSENT AGENDA:

- A.** Approval of Minutes of the November 25, 2024, City Council Work Session
- B.** Approval of Disbursements, **Resolution 2024-278**
- C.** Personnel Actions
- D.** 2025 Classification and Compensation Plan for Regular, Non-Union Employees
- E.** 2025 Pay Plan for Seasonal, Temporary, On-Call and Non-Regular Status Employees
- F.** 2025 City Council Meeting Schedule
- G.** 2025 Advisory Commissions Meeting Schedules
- H.** Resolution Authorizing Submission and Execution of the 2025 Dakota County Community Waste Abatement Grant Application and Contract, **Resolution 2024-279**
- I.** Resolution Executing a Memorandum of Understanding Extension with Xcel Energy Partners In Energy for 2025 Energy Action Plan Implementation, **Resolution 2024-280**
- J.** Resolution Approving Hardship Deferral for Assessment on City Project No. 2024-09H 96th and 99th Street Area, **Resolution 2024-281**
- K.** Resolution Approving Hardship Deferral of Assessment for City Project No. 2024-09F - Corcoran Path & Dawson Way Area, **Resolution 2024-282**
- L.** Resolution Approving Early Redemption (Payoff) of the City's 2020A Bonds, **Resolution 2024-283**
- M.** Grant Agreement for Heritage Village Park Phase 5 Improvements
- N.** Resolution Approving the Fiscal Year 2025 Host Community Economic Development Grant, **Resolution 2024-284**
- O.** Resolution Approving Changes to Previously Approved Amendment #3 to the Development Contract for Plat of Peltier Reserve and Related Amendments, **Resolution 2024-285**

Administrator Wilson said there is an updated attachment for Item C regarding personnel actions that was provided to Council and one of the planned hires was removed.

Attorney Nason said Item O has an amended Resolution that has slight changes compared to the Resolution in the packet.

Motion to approve Item A - O by T’Kach, second by Gliva.

Ayes: 5

Nays: 0 Motion carried.

6. PUBLIC HEARING:

A. 2025 Liquor License Renewals and Change in Management Approvals

Clerk Kiernan presented this item. There are ten remaining liquor license renewal applications that were submitted. Staff reviewed the applications, and they were complete and eligible for renewal. There was a change in management for three licensees: Jahna Sandkamp for LW Bierstube, Dustin Hanuman for Applebee’s, and Debra Watson, Jeffrey Studeman, and Allison Momper for Moose Lodge #1088. The Police Department has completed the background for each and found no basis for denial. Staff recommend holding a public hearing and approving the ten liquor license renewals.

Mayor Dietrich opened the public hearing.

There were no public comments.

Motion to Close Public Hearing by Murphy, second by Gliva.

Ayes: 5

Nays: 0 Motion carried.

Motion to approve 2025 Liquor License renewals and changes in management by Gliva, second by Scales.

Ayes: 5

Nays: 0

B. 2025 Tobacco License Renewals

Clerk Kiernan presented this item. The 21 remaining tobacco license renewals have been reviewed by Staff. Staff recommend holding a public hearing and approving the 21 tobacco license renewals. This will complete the current cycle of tobacco license renewals.

Mayor Dietrich opened the public hearing.

There were no public comments.

Motion to close public hearing by Scales, second by T’Kach.

Ayes: 5

Nays: 0 Motion carried.

Motion to approve 2025 Tobacco License renewals by Scales, second by Murphy.

Ayes: 4

Nays: 0

Abstain: 1 (Gliva) Motion carried.

7. REGULAR BUSINESS:

A. Approval of Rental Housing Licenses

Director Ziemer presented five rental housing licenses that has been reviewed by Staff and found to be eligible for a license. Staff recommends approval.

Mayor Dietrich asked if the licenses for the Diffley Court addresses were for the new rentals near Highway 3.

Director Ziemer said yes, they are the new rentals off of Highway 3.

Motion to approve rental housing licenses for the addresses of 9800 Diffley Ct, 6931 Claude Ave, 8779 Branson Dr, & 6361 Barclay Ave by T’Kach, second by Gliva.

Ayes: 5

Nays: 0 Motion carried.

B. Final Adoption of 2025 Budget & Tax Levy

Finance Director Hove presented this item. Director Hove said they are focused on the overall 2025 budget for this meeting.

2025 Budget Calendar - Recap:

- June thru September - Various meeting and work sessions to discuss the General Fund budget and preliminary tax levies
- September 9, 2024 - Council adopts preliminary 2025 general fund budget and tax levies
- October & November - Work sessions to review additional budgets (enterprise funds, internal service funds, convention & visitors bureau)
- Week of November 11, 2024 - Dakota County mails out Proposed Tax Notices (2025 tax estimates based on proposed tax levies)
- December 2, 2024 - Public meeting to discuss 2025 budgets and tax levies (also referred to as Truth in Taxation Meeting). The public is invited to comment.
- December 9, 2024 - Council to approve final 2025 budgets and tax levies

2025 Budget Summary:

- Fund Budgets (27)
 - General Fund & Public Safety Small Equipment Fund
 - Special Revenue Funds (5)
 - Capital Project Funds (2)
 - Debt Service Funds (6)
 - Enterprise Funds (8)
 - Internal Service Funds (4)
- Revenues
 - Tax Levy = \$34,214,757

- Other Revenues = \$60,542,681
- Expenditures = \$97,128,783
- Net/Reduction to Fund Balance = \$2,371,345

The Budget Book was attached to this agenda item and is included in the Council packet. On Page 2 / Exhibit B in the Budget Book provides the breakdown of all of the funds including operating revenues, property tax levy, expenditures and transfers and the net increase or decrease of each fund.

Citywide Tax Levy Calculation:

	2024 Approved Budget	2025 Proposed Budget	\$ Difference	% Change
General Fund Subtotal	\$32,938,000	\$34,669,804	\$1,731,804	2.88%
Minus Other Revenues	-5,966,897	-6,120,729	-153,832	2.58%
Amount Levied for General Fund Activities	\$26,971,103	\$28,549,075	\$1,577,972	5.58%
General Fund - Tax Abatement	182,880	183,300	420	0.23%
Debt Levy	2,542,411	2,547,632	5,221	0.21%
Pavement Management Levy	<u>3,045,000</u>	<u>2,934,750</u>	<u>(110,250)</u>	<u>-3.62%</u>
Total Levy	\$32,741,394	\$34,214,757	\$1,473,363	4.50%

Director Hove said in past they have had two transfers into the Parks Capital fund, one from the General fund and one from the Pavement Management fund. Moving forward in 2025 they consolidated the transfer to only transfer funds from the General fund to the Parks Capital fund.

Impact of 4.50% Citywide Tax Levy Increase on Median Valued Residential Property (\$349,200):

Proposed Citywide 2025 Tax Levy	\$34,214,757
Levy Increase (%)	4.50%
Tax Rate	50.732
Change in Tax Rate	1.20%
2025 Median Valued Property*	\$349,200
Annual Change in City Taxes (for \$349,200 median property*)	\$61.60

*In 2024, the median valued property was valued at \$341,700

2025 Budget Overview - Key Factors:

- 3% Wage Increase, plus step increases for all full-time staff as negotiated with various employee unions
- 6.2% average increase in the City's costs for employee health insurance
- 5% increase in the Pavement Management levy funding
- 5% increase to Parks Capital Replacement levy funding
- 5% increase to EDA levy funding

- \$540,500 increase to Fire Department's Central Equipment allocation (from \$856,200 to \$1,396,700) to better save for equipment replacements
- 50% decrease (\$50,000) to cable franchise revenue to allow Town Square to retain more

2025 Budget Overview - Use of Fund Balance:

- General Fund - 2025 is the first year to start spending down previous year's savings from Fire SAFER Savings Plan (\$525,000)
- From one-time Public Safety Aid
 - \$11,250 for Police Department badge updates and new honor guard uniforms
 - \$224,625 to cover phase-in of 3 new police officers
- Debt Funds - continue to utilize Closed Bond Funds in lieu of levy for 2020A Refunding Bonds (\$202,250) with full payoff planned for 2025
- City Facilities
 - Use fund balance for ongoing capital needs (\$188,500)
 - Plus: use \$45,000 for Police Department building updates (2025 = year 2)
- Technology Fund - utilize \$75,000 for Fire Station #2 AV updates

New Staff Positions Included in the 2025 Levy and Budget (6 FTE's)

- Police Department - 2 additional police officers plus 1 sergeant
 - 5-year phased approach like SAFER savings plan, using Police's share of one-time public safety dollars plus federal COPS grant award
 - Adds \$74,875 to the 2025 levy
 - Adds an additional \$101,524 to the 2026 levy
- Fire Department - 3 additional FT firefighters / start date of July 1, 2025
 - Adds \$198,450 to the 2025 levy
 - Adds an additional \$209,295 to the 2026 levy

2025 Fund Budgets - General Fund:

Property Tax Levy	Other Revenues	Expenditures	Net
\$ 28,732,375	\$ 6,248,280	\$ 34,980,655	\$ -

General Fund Revenues (%):

- Taxes - 82%
- Charges for Services - 6%
- Licenses & Permits - 4%
- Intergovernmental - 4%
- Other Sources & Transfers - 2%
- Fines & Penalties - 1%
- Other Misc. - 1%
- Special Assessments - 0%

2025 General Fund Budget Expenditures by Department:

Department	2024 Amended Budget	2025 Total Budget
Unassigned	673,645	954,540
Mayor & Council	331,925	365,765
Administration	329,250	278,600
Human Resources	427,100	432,300
City Clerk	338,675	383,242
Elections	234,703	92,700
Communications	398,362	442,553
Finance	1,399,685	1,458,450
Police	11,843,256	12,692,919
Fire	6,565,985	6,887,655
Engineering	1,466,095	1,417,485
Street Maintenance	3,385,760	3,392,010
Street Lighting	199,000	203,000
Parks Maintenance	2,863,361	2,862,850
Recreation	774,935	783,510
Community Development	506,775	520,950
Planning	420,749	423,826
Inspections	<u>1,337,700</u>	<u>1,388,300</u>
Total Expenses	\$33,506,961	34,980,655

Director Hove said the unassigned category is for expenses that are not assigned to a specific department. This includes transfers out to EDA, transfers to parks and tax abatement all fall under unassigned.

2025 General Fund Budget Expenditures by Function:

- Police - 36%
- Fire - 20%
- Public Works - 14%
- Parks & Recreation - 12%
- General Government - 10%
- Community Development 8%

2025 Fund Budgets - Public Safety Small Equipment Fund:

Revenues	Expenditures	Net
\$ 59,740	\$ 235,875	\$ (176,135)

The City created this fund to start saving for some of the small equipment replacement needs within the Police and Fire Departments. Original Funding, received in 2022, was due to a \$121,700 refund from the Dakota County Communications Board. An additional deposit of \$1,564,124 was receipted into the fund in 2023 from the City's receipt of one-time public safety aid dollars from the State of Minnesota. In 2025, the fund is scheduled to receive a transfer in from the General Fund of \$29,740 to start saving for the future replacement of the

Fire Department's SCBA equipment. The fund is scheduled to transfer \$224,625 to the General Fund to partially fund two additional officers and one sergeant in the Police Department.

2025 Fund Budgets - Special Revenue Funds:

Fund	Revenues	Expenditures	Net
Convention & Visitor's Bureau	227,000	227,000	-
Community Center Operating	4,326,110	4,326,110	-
Community Center Capital	715,000	750,200	(35,200)
Host Community Fund	3,079,500	3,267,175	(187,675)
Economic Development Authority	183,990	208,815	(24,825)
Special Revenue Funds Total	\$ 8,531,600	\$ 8,779,300	\$ (247,700)

The only Special Revenue Fund that receives tax levy funding is the EDA which receives that support indirectly via a transfer in from the General Fund. The EDA's 2025 levy support is \$177,990.

2025 Fund Budgets - Debt Service Funds:

	Property Tax Levy	Other Revenues	Expenditures	Net
2015A G.O. Improvement Bonds	634,055	30,000	648,350	15,705
2016A G.O. Improvement Bonds	732,227	8,000	676,938	54,289
2017B G.O. Improvement Bonds	267,731	42,000	319,363	(9,632)
2018A G.O. Improvement Bonds	733,514	3,000	694,460	42,054
2019A G.O. Improvement Bonds	189,105	750	177,800	12,055
2020A G.O. Improvement Bonds	-	212,500	759,030	(546,780)
Debt Service Funds Total	\$ 2,547,632	\$ 296,000	\$ 3,275,941	\$ (432,309)

All the above debt funds are scheduled to receive property tax support in 2025 except for the 202A G.O. Improvement Bonds which are being funded using existing financial resources from the City's Closed Bond Fund. The 2020A Bonds are scheduled to be paid off early (February 2025).

Director Hove said the 2015A, 2016A and 2017A are all bonds from previous street projects. The 2018A and the 2019A bonds are from the fire station bonds for fires station 2. The 2020A bonds are refinanced 2010 bonds.

2025 Fund Budgets - Capital Project Funds:

	Property Tax Levy	Other Revenues	Expenditures	Net
PMP-Local Streets	2,934,750	14,540,768	18,317,563	(842,045)
PMP-Partnership Projects	-	3,325,000	3,325,000	-
Capital Project Funds Total	\$ 2,934,750	\$ 17,865,768	\$ 21,642,563	\$ (842,045)

The PMP-Local Streets Fund receives property tax levy support in addition to revenues from Franchise Fees, Special Assessments, State Aid, and other reimbursements. The City also anticipates bonding in 2025 to finance the special assessment portion of 2025 project special assessment costs.

2025 Fund Budgets - Enterprise Funds:

	Revenues	Expenditures	Net
Water Operating	4,179,500	4,244,815	(65,315)
Water Capital	1,777,205	2,772,908	(995,703)
Sewer Operating	5,141,000	4,707,095	433,905
Sewer Capital	2,717,256	3,570,333	(853,077)
Storm Water Operating	1,155,515	1,020,020	135,495
Storm Water Capital	1,932,677	1,637,025	295,652
Storm Water Capital NWA	40,000	56,000	(16,000)
Inver Wood Golf Course	2,776,465	2,983,303	(206,838)
Enterprise Funds Total	\$ 19,719,618	\$ 20,991,499	\$ (1,271,881)

Enterprise Funds do not receive tax levy dollars. These funds are decreasing in the fund balance to help support the planned street projects. The Water Capital, Stormwater Capital and Sewer Capital funds will typically have transfers out to the Pavement Management Capital funds to support the utility related costs. The Golf Course is going to have a slight decrease because they are scheduled to make the final payment of their interfund loan from the Central Equipment fund.

2025 Fund Budgets - Internal Service Funds:

	Revenues	Expenditures	Net
Risk Management	1,303,400	1,303,400	-
Central Equipment	3,927,700	2,833,535	1,094,165
City Facilities	1,294,575	1,633,100	(338,525)
Technology	1,296,000	1,452,915	(156,915)
Internal Service Funds Total	\$ 7,821,675	\$ 7,222,950	\$ 598,725

Internal Service Funds are supported by transfers from other funds.

Storm Water Special Taxing District Levies:

- Established under M.S. 444
- Used to fund trunk storm sewer improvements installed in conjunction with the 70th Street East Reconstruction Project from Cahill Avenue to Concord Blvd (City Project 2001-02)
 - Babcock Trail
 - South Grove
 - 70th Street
- Contains approximately 3,000 parcels
- 10-Year Term (2018-2027)

- \$79,394 annually

2025 Budget - Final Steps:

- Council is asked to adopt three Resolutions:
 - Set Final Citywide Levy
 - Set Final Special Taxing District Levies
 - Approve Fund-Level Budgets

Mayor Dietrich said she has not received any correspondence from residents regarding the tax levy.

Council Member T’Kach said there is a large transfer for equipment for the Fire Department and asked if the transfer would be the same for the following years.

Director Hove said there was an increase of \$540,000 being transferred into the Fire Department’s Central Equipment allocation. In 2024, the Fire Department’s allocation to the fund was \$856,000 and in 2025 it is \$1,396,700. It is not anticipated that they will have similar increases in the future but the allocation in the future will be similar to \$1.4 million or potentially a little higher due to the increase in the cost of fire trucks.

Motion to approve Resolution 2024-286 Adopting Final Citywide Tax Levies for Payable 2025, Resolution 2024-287 Adopting Final Storm Water Special Taxing District Tax Levies for Payable 2025, and Resolution 2024-288 Adopting Final 2025 Budgets by Scales, second by Murphy.

Ayes: 5

Nays: 0

C. 3rd Reading of Ordinance Adopting Cannabis and Hemp Business Regulations and Summary Publication

Attorney Nason presented this item.

Legislative Background:

- In 2022, the legislature made certain edible products containing THC legal for adult consumption
- In 2023, the legislature legalized adult use cannabis in Minnesota and cities adopted moratoriums while they worked to determine their approach to registration and zoning ordinance regulations related to lower-potency hemp edible and cannabis businesses

Current City Regulations:

- Moratorium on operation of cannabis businesses until January 1, 2025
- No license is required to sell hemp edibles containing THC, but businesses must register with the Office of Cannabis Management.
- Public Property Use Regulations

Office of Cannabis Management:

- Responsible for all cannabis Act licensing of cannabis and hemp businesses and products and most of the regulatory framework established by the Cannabis Act
- Administrative rulemaking
- Enforcement of licensing requirements

City Regulation of Cannabis Businesses and Hemp Businesses:

"Cannabis business" means any of the following licensed under [Minnesota Statutes, Chapter 342]:

1. Cannabis microbusiness
2. Cannabis mezzobusiness
3. Cannabis cultivator
4. Cannabis manufacturer
5. Cannabis retailer
6. Cannabis wholesaler
7. Cannabis transporter
8. Cannabis testing facility
9. Cannabis event organizer
10. Cannabis delivery service
11. Medical cannabis combination business

"Hemp business" means any of the following licensed under [Minnesota Statutes, Chapter 342]:

1. Lower-potency hemp edible retailer
2. Lower-potency hemp edible manufacturer

Registration and Compliance:

1. Registration of allows City to:
 - Impose a registration fee.
 - Limit the number of retailers (min. 3; 4 proposed)
 - Suspend Registration.
2. Limit hours of retail operation
3. Impose standards for temporary cannabis events

Zoning:

1. Assign cannabis businesses to specific zoning districts or classify by underlying use.
2. Establish "buffers" to separate cannabis businesses from certain uses, or each other.
3. Establish "buffers" to separate LPHE businesses from certain uses, or each other.

Proposed Cannabis Business and Hemp Business Regulations - five proposed areas of regulation:

1. City registration required for all cannabis and lower potency hemp edible businesses
2. Establishment of buffer zones from other cannabis businesses, and schools, daycares, and child-oriented park features

3. Restricted hours of operation
4. Required cannabis event permit
5. Zoning ordinance amendments (separate ordinance)

City Retail Registration:

- Imposes a registration fee and renewal fees
- Limits the number of cannabis retailers (optional)
 - Inver Grove Heights must allow at least 3 (based on population)
 - Can refuse to issue registration if county has 36 retailers
 - Ordinance proposes a limit of 4 retail registrations
- May suspend registrations, including the ability to suspend immediately if the business poses “an immediate threat to the health and safety of the public”
- Perform preliminary compliance checks
- Perform the required annual compliance check

Cannabis Retail Businesses:

- Within 1,000 feet of a school.
- Within 500 feet of a day care, residential treatment facility, or public park attraction regularly used by minor (e.g. playground, athletic field).
- Within 1,000 feet of another cannabis business
- Apply to all cannabis retail businesses

Lower-Potency Hemp Edible Retail Businesses:

- Same standards as cannabis retail businesses
- Exception for existing lower-potency hemp edible retail businesses

Retail hours of operation:

- Default: 8:00 a.m. and 10:00 p.m. Monday through Saturday, 10:00 a.m. and 9:00 p.m. on Sunday

Additional Business Regulations - Temporary Cannabis Events:

- OCM Cannabis Event Organizer license required
- Additional requirement for City permit for event
- Application requirements:
 - Contact information for on-site contact
 - Site plan for event, including consumption areas
- Not allowed on City-owned property
- Not allowed on residentially zoned property, including Agriculturally zoned property
- Restricted hours and dates and number of permits issued each year

Requested Council Action:

1. Consider approval of the 3rd reading of the Ordinance Adopting Cannabis and Hemp Business Regulations; and

2. If approved, consider adoption of attached Summary Publication Resolution

Council Member T’Kach asked to confirm if the City can set the hours of operation.

Attorney Nason said yes, the City can limit the hours of operation based on parameters in the statute.

Council Member T’Kach asked if they wanted to establish earlier hours of operation, 8 a.m. to 8 p.m. Monday through Saturday and reduced hours on Sunday, based on where the businesses will be located. T’Kach said she was not sure if they could set the hours of operation.

Administrator Wilson said they can prohibit the hours between 8 a.m. and 10 a.m. Monday through Saturday and between 9 p.m. and 2 a.m. the following day. They cannot require a business to close any earlier than 9 p.m. on a Sunday. The hours in the ordinance are the earliest hours that they can require a cannabis to close.

Council Member Scales asked what the hours of operation are for the Industrial Office Park (IOP).

Administrator Wilson said she was not sure, but the proposed hours are for retail only and would not be in the industrial areas of the City.

Council Member T’Kach said a mezzobusiness would have a retail component.

Council Member Gliva said she would be interested in not allowing consumption at cannabis events.

Mayor Dietrich said she agreed and would like the ordinance to include no consumption for cannabis events.

Council Member Murphy said he supports not allowing consumption at the events.

Council Member T’Kach said she is ok with or without consumption at events but wants to think more about using a lottery system for licenses instead of giving licenses based on a first come first serve basis. T’Kach asked if they would keep a waitlist of businesses that would be next if one of the licensed businesses closes and suggested removing the language referring to first come first serve and left it open until staff could work through options. If they allowed consumption at the events, they would likely get more people interested in having events in the City.

Council Member Scales said he agrees with the first come first serve approach and would like to limit consumption at events. It would better to be more restrictive when starting and it could change in the future.

Mayor Dietrich said they did discuss first come first serve at a previous meeting and requested the language to remain the same.

Dustin Kerr - 5858 Blaine Avenue - said he was concerned about the buffer zones for lower potency hemp products because his business is next to a liquor store, retail shops and restaurants and the buffer zone may be an issue.

Attorney Nason said if a business currently sells lower potency THC products, is registered with the Office of Cannabis Management and is within the buffer zone to another business selling THC products, the business will be able to continue selling the products and the buffer zone will not apply. It could become an issue if the business next door is currently licensed to sell the products and they want to start selling THC products, the buffer zone would apply, and the business would not be getting a registration to start selling the THC products. Existing businesses that are legally operating and registered with the OCM to sell lower potency products will be able to continue to sell the products regardless of how close they are to another business, school, or daycare. The buffer zones will apply to businesses requesting to start selling these products starting January 1, 2025.

The ordinance goes into effect January 1, 2025 but the OCM is not currently licensing lower potency hemp edible businesses. They are doing a registration process, and the licensing process is expected to start in early 2025. Once a license is required by the OCM, a business would also have to have a registration from the City.

Mayor Dietrich asked if Attorney Nason had any recommendations for the business owner.

Kerr said he is already registered.

Attorney Nason said if he is registered and the liquor store next door is registered, the new ordinance will have no impact on them.

Council Member T'Kach asked if the business community would agree with the 1,000 foot buffer of another cannabis business and said there might be an advantage to being near each other. They only have a few commercial business areas in the City and asked to confirm the buffers could be reduced if there was an interest from the business community.

Attorney Nason said the buffer is designed to prevent a cluster of these types of businesses in any one area. If the Council wants to change the buffer, they can do so. It would be a change to an ordinance and would require three readings.

Council Member Gliva asked if they needed to add the restricted consumption at cannabis events into the motion.

Administrator Wilson said there are two changes to the ordinance to prohibit the consumption of cannabis products at a temporary cannabis event.

- 4-4-16: Item 1.V
 - Remove the second sentence referring to event organizers having a plan for where consumption can occur.
- D. Standards for Temporary Cannabis Events:
 - Add: No sampling, other consumption or use of cannabis products or lower potency hemp edibles shall be allowed on the premise of the temporary cannabis event.

The motion would be made to adopt the ordinance with the two amendments.

Motion to Approve Ordinance 1488, Adopting Inver Grove Heights City Code Title 4, Chapter 4, Cannabis and Hemp Business Regulations with 2 changes to the proposed by removing the consumption portion of the temporary cannabis events (Item 4-4-16 C1v - delete 2nd sentence) and add to D by 7. No sampling, consumption, or use of cannabis products or lower-potency hemp edibles shall be allowed on the premises of the Temporary Cannabis Event by Gliva, second by Murphy.

Ayes: 5

Nays: 0 Motion carried.

Motion to approve Resolution 2024-289 allowing summary publication by Murphy, second by Scales.

Ayes: 5

Nays: 0

D. Ordinance Amending Zoning Code Regarding the Addition of Cannabis and Lower Potency Hemp Edible Users and Related Performance Standards

Director Ziemer presented this item.

Cannabis, Medical Cannabis & LPH Edibles - Consideration and Action at this Meeting:

- Previous Agenda Action Item
 - Establish registration process, regulation & business standards
- This Action Item
 - Establish zoning standards

Zoning Standards:

- Create Definitions
- Define Uses
 - Permitted, Conditional & Accessory
- Determine Uses by Zoning
 - Agriculture: No commercial operations permitted
 - Commercial Districts: Retail only focus
 - Office Park District: No uses permitted
 - Industrial Districts: Cultivation, manufacturing, wholesale & limited retail
- Establish Performance Standards

Cannabis in Commercial Districts:

- Commercial Zoning Districts
 - Limited Business, B-1
 - Neighborhood Business, B-2
 - General Business, B-3
 - Shopping Center, B-4
- Cannabis & Lower-Potency Hemp (Edibles) Uses
 - All must be licensed by OCM & registered with City

- Retail only allowed in B-2, B-3 & B-4
- Match to "General Retail" use categories regarding size of store (<1,000 sf or ≥1,000 sf)
- Delivery Services considered Accessory Uses

Cannabis as Agriculture Uses:

	A	E-1
Agriculture	P ⁴	P ⁴

Footnote 4: "Excludes indoor & outdoor cannabis cultivation beyond that allowed for personal use..." per Statute.

Cannabis as Commercial Uses:

	B-1	B-2	B-3	B-4
Cannabis Retail / Dispensary (<1,000 sf)		P	P	P
Cannabis Retail / Dispensary (≥1,000 sf)			P	P
LDH Edible Retail / Dispensary (<1,000 sf)		P	P	P
LDH Edible Retail / Dispensary (≥1,000 sf)			P	P
Cannabis Delivery Service		A	A	A

P = Permitted Use; A = Accessory Use

Cannabis as Industrial Uses:

- Industrial Office Park, IOP
- Limited Industrial, I-1
- General Industrial, I-2

	IOP	I-1	I-2
Cannabis Cultivator	C	C	P
Cannabis Delivery Service	P	P	P
Cannabis Manufacturer	C	C	P
Medical Cannabis Combination Business	C	P	P
Mezzobusiness	C	P	P
Microbusiness	C	P	P
Cannabis Testing		P	P
Cannabis Transporter	P	P	P
Cannabis Wholesaler	P	P	P
LPH (Edible) Manufacturer	C	C	P

C = Conditional Use, P = Permitted Use

Director Ziemer said the IOP is intended to be a different type of industrial zone and are focused on conditional use. Council can decide if they want to permit cannabis manufacturing in all three industrial zonings or if they want to limit it. Cannabis manufacturing has to be allowed somewhere in the City. The Planning Commission and Staff were focusing on the IOP and I-1 zoning districts uses be similar. The IOP has higher standards of design and utilization than the I-1 district. The IOP district does not require outdoor storage, and there are other restrictions associated with smell, odor, lighting, etc.

Cannabis, Medical Cannabis & LPH Edibles - Cannabis Industrial Businesses:

- Microbusiness
 - 3-in-1 (cultivator, manufacturer & retailer); capped at 1 retail location
 - On-site consumption allowed (i.e., "cannabis lounge")
 - Uses do not need to be on same premise or in same community
- Mezzobusiness
 - 3-in-1 (cultivator, manufacturer & retailer); up to 3 retail locations
 - No on-site consumption allowed
 - Uses do not need to be on same premise or in same community

Council Member Scales said his understanding was that retail components were not permitted in the IOP and asked if micro/mezzobusinesses with a retail component were going to be permitted.

Director Lares said yes, a micro/mezzobusiness with a retail component could be in an IOP zoning district.

Council Member Scales said the hours of operation for the IOP ends at 8 p.m. and they are unable to require a cannabis business close before 9 p.m.

Attorney Nason said that the hours of operation ending at 8 p.m. might be related to some of the development and operational agreements specifically for Inverpoint Business Park. It is not a requirement of the entire IOP zoning district. There are specific hours of operations for some components of that office park for shipping and receiving hours. The City has requirements for land use approvals of the CUP and the hours of operations would apply to any business.

Cannabis, Medical Cannabis & LPH Edibles - Cannabis Industrial Businesses:

- Performance Standards
 - Only indoor cultivation
 - Retail with Micro/Mezzobusinesses only if cultivation/manufacturing on same premise
 - Outdoor storage of raw/finished product or waste materials prohibited
 - On-site storage of raw/finished product prohibited with Delivery Services & Transporters
 - Transport vehicles for raw/finished product must be parked in secured, fenced site
 - No raw/finished product may be stored in vehicles
 - Security systems, lighting, etc.
 - Additional conditions for CUPs, if necessary or required

Council Member Murphy said in his previous work experience, often times product would come in and it would not be taken offsite until 24 hours later and asked if the City has a definition of on-site storage.

Director Ziemer said he does not have the definition of outside storage, but the ordinance says that it is prohibited. Any product that is being received or disposed of must be kept in a secure building and not sit outside.

Council Member T’Kach asked if on-site storage would be different than outdoor storage.

Director Ziemer said they could have product stored on-site in a secured building.

Cannabis, Medical Cannabis & LPH Edibles – Cannabis Industrial Businesses:

Additional Notes:

- Cannabis Uses in Planned Unit Developments (PUDs)
 - Northwest Area PUD Zoning based on “underlying” zoning
 - Argenta Hills commercial properties B-4
 - Bishop Heights, Arbor Point & Office PUDs
 - Defined uses; not applicable to proposed addition
 - Permitting cannabis uses would require amendment to PUD
- Existing Lower-Potency Hemp (Edibles) & Medical Cannabis
 - Can continue if licensed through State
 - Qualify as legal, non-conforming where currently located if not allowed by zoning or in buffer areas
 - Staff verifying other legal questions regarding existing LPH & medical cannabis uses

Council Member Murphy businesses like FedEx have packages come in and they do not go out the same evening and asked if cannabis delivery businesses would not be able to keep packages overnight.

Director Ziemer said yes, that is correct.

Council Member Murphy said Director Ziemer said as long as products were stored on-site indoors the business was ok and asked for clarification.

Director Ziemer said a manufacturing company can have on-site indoor storage for their materials and products. A delivery service or transporter can park their delivery vehicles on the property, but they cannot keep product in the building or vehicle. The intent of these businesses is to pick up product and deliver it the same day.

Council Member Murphy asked if a company that both manufactured and delivered products would have the same restrictions.

Director Ziemer said if a company both manufactures and delivers cannabis products, they would fall under the manufacturing guidelines. The on-site storage is specific to companies that are only a delivery service.

Council Member Gliva said the office space at Bishop Heights is B-1 and asked if a cannabis retailer wanted to locate there if the PUD would have to be adjusted for the entire site.

Director Ziemer said if a business said they wanted to be on that property, staff would first look at the zoning district. The zoning on that property is the Bishop Heights PUD. Staff would review the table in that PUD zoning and say that it is not currently a permitted use. There would have to be an application to amend the Bishop Heights PUD to include a cannabis retailer as a permitted use.

Council Member T'Kach asked if Director Ziemer had any additional information about IOPs.

Director Ziemer said they can discuss IOPs after the presentation.

Action Items:

- Planning Commission Consideration
 - Public hearing & review on November 6, 2024
 - Recommended approval to City Council
- Ordinance Correction
 - Page 4, Section 5: Add back in "...are prohibited..." to end of sentence
 - *The sale of cannabis plants, cannabis flower, cannabis products or any other product containing or derived from the cannabis hemp plant are prohibited.*
- Recommendation
 - Motion to approve the ordinance, amending zoning code related to Cannabis uses - as amended with change noted above

Council Member T'Kach said the IOP south of Highway 52 is currently zoned IOP and asked if there was a PUD over it.

Director Ziemer said he did not have the time to verify but according to the zoning map, it shows as a PUD. It might be an IOP PUD or a straight PUD.

Council Member T'Kach said they could be more restrictive at the beginning, and they could expand later. There are residential properties nearby that IOP and another IOP north of Highway 55 on 80th Street. They may want to restrict the IOP districts and add them later if necessary because smell is going to be an issue, and they could have a lot of complaints from residents. They could also have retail open later causing additional traffic. There are a lot of other options in town and the IOP district is not necessary at this point.

Director Ziemer said the City has land that is guided as IOP, but nothing is zoned as IOP. An applicant could ask for a property to be zoned IOP which would allow the use based on the ordinance. United Properties and other properties that are guided as IOP but zoned for Agriculture could request their zoning be changed according to the land use. Council can choose where they want to allow it as long as it is allowed somewhere.

Council Member T'Kach provided Director Ziemer with a map of the IOP districts to share.

There was unanimous consensus from Council to not permit cannabis businesses in the IOP districts.

Council Member T’Kach said any business would need to meet lighting and security camera requirements from the State and asked if there was anything that could be done to limit security cameras from recording neighboring businesses.

Director Ziemer said there may be conversations with applicants about positions of cameras, but it would all be circumstantial based on the businesses. Staff would work with them to make sure they are meeting the State requirements and protect the privacy of other businesses.

Motion to approve Ordinance 1491, Amending City Code Sections 10-2-2 (Definitions), 10-6-1 (Uses in Residential Districts) 10-6-2 (Uses in Nonresidential Districts) and 10-15-27 (Seasonal Agricultural products stands), and adoption of 10-15-38 Performance Standards relation to the addition of cannabis uses with a change to 10-15-27L to add ‘are prohibited’ to the end of the sentence and removing IOP from the ordinance proposed by T’Kach, second by Scales.

Ayes: 5

Nays: 0 Motion carried.

E. Discussion & Update on Proposed Expansion of Pine Bend Landfill and Resolution Tolling Deadline for Compliance Use Permit Condition

Administrator Wilson presented this item. Council is not being asked for any formal action on the expansion of the Pine Bend Landfill. There is one action needed to extend the landfill’s current CUP.

Expansion Request:

- Pine Bend Landfill (PBL) is seeking authorization to:
 - accept additional cubic yards of waste,
 - grow taller, and
 - operate longer than currently permitted.
- Process involves permits and approvals from:
 - State of MN via the MN Pollution Control Agency
 - Dakota County
 - City of IGH
- The City’s role is focused on the landfill as a land use with our community and negotiation of a Host Community Agreement.

City’s Action Items:

1. Zoning Code Amendment
 2. Amendment to Non-Conforming Use Certificate (NCUC)
 3. Conditional Use Permit for Vertical Expansion
 4. Host Community Agreement
- Environmental Advisory Commission - reviewed the proposed CUP and recommended its approval (6-0 vote)

- Planning Commission - review the proposed Zoning Code Amendment, NCUC Amendment and CUP - and recommended their approval (5-2-2 abstained) vote.

Council Member Scales asked if there was a reason provided for the two that abstained from voting.

Administrator Wilson said there was no reason given.

Requested Actions Tonight:

- Receive Staff Presentation
- Council Discussion, questions & comments
- Consider Resolution "Tolling" Condition #14 of existing CUP for an additional 30-days

Administrator Wilson said there were representatives from the Pine Bend Landfill and Bryan Pitterle, the City's consulting engineer from Barr Engineering, to help answer questions from Council.

Future Actions - anticipated for Jan. 6, 2025 meeting:

- Consider approval of Zoning Code Amendment, NCUC Amendment, CUP, and Host Community Agreement

Pine Bend Landfill - Site:

- 2495 117th Street
- Between Highways 52/55 and Rich Valley Boulevard
- Sanitary landfill: Mixed municipal solid waste, non-hazardous industrial solid waste, construction debris and demolition debris, non-infectious waste, and asbestos.

Basics of Request - Proposed Expansion - "Phase 7":

- Currently authorized:
 - Max capacity 33,937,400 cubic yards (w/final cover)
 - Nearing current capacity limits by January 2028
 - Stop accepting waste & close by December 31, 2030
- Application for vertical capacity expansion
 - June 2022: Initial expansion request with MPCA
 - Environmental Assessment Worksheet completed & reviewed in 2023, determined no EIS needed
- June 2024: Submitted land use applications to City
- Result of expansion
 - Vertically extend the 3:1 final cover slopes
 - Vertical expansion only, no footprint increase
 - Extend the life approximately 13.6 years
 - Raise height by approximately 86.8 feet at the highest point

Zoning Code Amendment - Existing Land Use & Zoning:

- 2040 Land Use: GI, General Industrial
- Zoning: I-2, General Industry
- Landfill located in Overlay District
 - Integrated Resource Management (IRM) Overlay District
- Proposed Zoning Code Amendment
 - Parcel would continue to be zoned I-1 and guided GI
 - Revisions proposed to the size and height allowed within the IRM

Zoning Code Amendment - Integrated Resource Management (IRM) Overlay District:

- Identifies certain uses as Conditional Uses (§10-13E-6)
 - Air space expansion of an existing sanitary landfill
- Proposed City Code revisions
 - Subp. F: Final height not to exceed 1,105.8 ft
 - Subp. H: Capacity not to exceed 42,123,200 cubic yds
 - Subp. J: Remove
- Revisions consistent with amendments to:
 - Non-Conforming Use Certificate (NCUC)
 - Conditional Use Permit (CUP)

Amendment to Non-Conforming Use Certificate:

Legal, Non-Conforming Uses (LNC)

- Zoning amendments may result in existing uses no longer permitted by zoning
 - Uses become LNC, if lawful at time of change
 - Protections provided by State Statute & City Code
 - Limitations on continuation of uses & expansion

Non-Conforming Use Certificate (NCUC)

- Policy & process established by City Code §10-3-3
- Allows continuation of legal, non-conforming uses with conditions
- NCUCs may be amended

Pine Bend Landfill NCUC

- Landfill permitted by MPCA in 1971
- Municipal waste disposal facilities "out zoned" by IGH in 1991
- NCUC for PBL created & approved in 1995
 - Clarified zoning status
 - Determined rights & responsibilities
 - Established specific controls
- Previous amendments in 2002, 2004 & 2018

Administrator Wilson said the City requested renderings of what the landfill would look like from different areas of the City if the expansion was approved. PBL provided street view rendering from seven locations surrounding the landfill and modeling of the proposed elevation at final capacity which would occur over the next 18 years in 2042.

Locations requested:

- Rich Valley Blvd and Blaine Avenue
- Rich Valley Blvd and 117th Street
- Exit Rich Valley Park onto 105th Street East
- Bartley Court (residential area boarding the landfill)
- Highway 52 Northbound
- Highway 52 Southbound
- Mississippi River Greenway Trailhead

Proposed CUP - as currently drafted:

The "*Now Therefore be it resolved ...*" section:"

- Approves an additional 86.8 feet of height to a maximum elevation of 1,105.8 feet.
- Approves an increase in the capacity of the landfill by 8,185,800 cubic yards to a new total of 42,123,200 cubic yards

Subject to the following conditions - Conditions 1 and 2:

- Spells out the previous height and capacity maximums
 - Height of 1,019 feet
 - Capacity of 33,937,400 cubic yards
- Notes that the two previous CUPs - for the 2004 and 2018 expansions - remain in effect
 - *But* - if anything in those conflicts with something in the CUP - the terms of this CUP (the most recent one) will prevail

Conditions 3 and 4:

- Requires that the vertical expansion be constructed and operated in accordance with the application materials and plan documents submitted, as well as information provided in follow-up letters.

Conditions 5 and 6:

- Identifies the list of past City actions and approvals, which remain in effect and which the Landfill must continue to comply with - including the Landfill's Non-Conforming Use Certificate.

Conditions 7 and 8:

- Identifies the types of waste that may be disposed of in the Landfill - no change from current list
- Requires that the Landfill connect to the City's sanitary sewer system and pay the applicable connection and hook up charges once sanitary sewer is extended to the property (with 117th St. reconstruction)
- Previous Condition #8 removed - related to traffic queueing on 117th St. - no longer needed given reconstruction of 117th St. and change of ownership of the road.

Administrator Wilson said leachate is currently collected and trucked to the Metropolitan Council Environmental Services Facility where it is cleaned. Connecting to the sanitary sewer system would carry the leachate to the same facility through pipes instead of over the road. The reconstruction of 117th Street is being redesigned with a long turn lane for traffic to queue to turn into the landfill. It is also now owned by the County and it would be their discretion if they implement any requirements or rules for their road.

Conditions 9 and 10:

- Establishes hours for construction of the expansion
 - Same as the hours allowed for construction of the last expansion
 - Notes that hours for landfill operations - accepting waste and applying daily cover - are spelled out in the Non-Conforming Use Certificate.
- States that the landfill must comply with all applicable:
 - Federal laws and regulations
 - MN Statutes and Rules
 - Dakota County Rules
 - Terms of their Solid Waste Permit, as amended

Conditions 11 and 12:

- Surface water and groundwater monitoring
 - Same requirements as current CUP
- Dual gas/leachate extraction system
 - Same requirements as current CUP
 - Except annual report due Marcy 1 instead of February 1 to line up with the State's deadline

Conditions 13, 14, and 15:

- All address subsurface gas migration - which was a major focus of CUP issued for the last expansion
- Requires compliance with MN Rule 7035.2815, Subpart 11 regarding landfill gas management
- Last CUP (from 2018) required PBL to come into compliance and maintain compliance for 6 consecutive months by January 1, 2025 or 30 million cubic yards of waste - whichever came first.
- If not met, the CUP requires the Landfill to cease operations until compliance is achieved.
- PBL has not yet achieved compliance with this requirement.

Administrator Wilson said the Resolution in the Council packet is to provide a 30-day extension for this requirement. The gas migration will not be resolved in 30 days, but it gives time for the new CUP to take over once it is adopted.

Mayor Dietrich said that this is a State of Minnesota rule and asked if the State has provided any guidance for how to achieve compliance.

Administrator Wilson said they have had conversations with the MPCA, and they have said that PBL is acting reasonably and taking reasonable steps in making good progress in controlling the subsurface gas migration. The MPCA is not taking any enforcement action against PBL. City Staff have met with them to seek information, and they said that they do not know what the solution is. There is not a specific technology or change that they can make that would solve the problem. The experts are advising that the subsurface gas migration is believed to be coming from the unlined portion of the land fill, not the active areas.

Council Member T'Kach asked if PBL was told in 2018 that they would need to start looking into investments and technologies to become compliant with the subsurface gas migration.

Administrator Wilson said the 2018 CUP is when the City instituted a requirement that they come into compliance with the MPCA's existing rule, but she is not sure when the MPCA rule was put into effect. It was likely sometime between the City's 2004 CUP and the 2018 CUP.

Council Member Murphy asked if there was information regarding what the subsurface gas migration means to residents of Inver Grove Heights and if there is any information on whether other landfills were able to meet the MPCA's requirements.

Administrator Wilson said they do have some information, and she would provide the information later in the presentation.

Subsurface Gas Migration:

- PBL currently makes:
 - Annual report to the City
 - Annual presentation to the City's Environmental Advisory Commission
- Starts with source control
 - 242 gas collection points
 - Renewable Natural Gas Plant
- Includes monitoring around perimeter of landfill
 - 39 probes – monitored quarterly, monthly if exceedance are detected
 - Ongoing efforts with new methods

Administrator Wilson said Aaron Janusz, the Environmental Manager from the landfill, and Engineer Bryan Pitterle with Barr Engineering will also speak to the subsurface gas migration. The Crosby American Landfill is a closed landfill that is directly north of Pine Bend Landfill. In Minnesota, closed landfills become the property of MPCA, and they are responsible for compliance. They have one monitoring site where they have had an exceedance on their own landfill.

Conditions 13, 14, and 15:

- Continued annual reporting to the EAC on progress
- Continued oversight by MPCA
- Not expected to worsen as a result of expansion

Administrator Wilson said the proposed expansion would be over the liner that was installed.

Draft CUP for this expansion includes:

- Extending deadline 2 more years or to 35 million cubic yards
- Grants the City Council the authority to waive this requirement if adequate progress is being made
- Continued annual reporting – but with trend analysis
- Requires efforts by PBL to identify the outer boundaries of the subsurface gas plume

Administrator Wilson said identifying the outer boundaries may require testing off the boundaries of their property. Pine Bend owns property that surrounds the landfill on some sides and do some testing on their own land.

Administrator Wilson said landfill gas is generally 50% methane and if it builds up in a high enough concentration, it is explosive. It is a low lying gas and is a concern for buildings with basements in proximity to the gas plume. They do have a good buffer around the landfill, and it is quite a distance before you get to buildings with basements. The landfill does have a few of its own buildings that they test.

Mayor Dietrich asked how close the residential home was to the landfill.

Administrator Wilson showed on the map where the nearest residential homes were.

Conditions 16, 17, 18, and 19:

Consistent with existing CUP

- Requires MPCA air emission permit for the Renewable Natural Gas facility.
- Makes both the owner and operator of the Landfill responsible for compliance with the CUP
- Documents that a breach of the Host Community Agreement is a violation of this CUP
- Identifies the effective date of this CUP is the effective date of the new Host Community Agreement
- Identifies the effective date of this CUP is the effective date of the new Host Community Agreement

Condition 20:

- Makes this CUP effective only if a valid Host Community Agreement is in place.

Administrator Wilson said the conditional use permit tries to bring together what the City is doing in the Host Community Agreement and the zoning code. There is also a fair number of repeating items that are required or obvious to bring it all together under the conditional use permit.

Next Steps – MPCA Review of CUP:

MN Statute 473.811, Subd. 4a.

Ordinances; general conditions; restrictions; application.

... With the approval of the commissioner, local government units may impose and enforce reasonable conditions respecting the construction, operation, inspection, monitoring, and maintenance of the disposal facilities...

Administrator Wilson said the CUP requires approval from the Commissioner of the MPCA. City Staff has been in contact with the MPCA Staff, and they expect to receive any substantive comments back prior to the January 6, 2025 Council meeting.

Questions & Discussions:

- Are there areas where the Council would like additional information in order to be prepared to vote on these items at the January 6 meeting?
- Does the Council have concerns or objections to any of the proposed conditions contained in the draft CUP?

Council Member Murphy said the expansion will be a difficult decision and it would be helpful to have details of the new Host Community Agreement. Murphy asked why they do not have a new Host Community Agreement already completed.

Administrator Wilson said the Host Community Agreement is a complicated agreement and Staff has been working on it since the summer. They have four paragraphs left of the agreement to complete in order to have both sides agree. They are seeking the right balance of public input and engagement while conducting the agreement. Council should receive an overview of the agreement from the City Attorney in an attorney/client privileged communication in the next ten days. The agreement will be publicly available prior to a vote.

Council Member Murphy said he would like to understand more as to why PBL is not in compliance in terms of gas migration and if more landfills other than the Crosby landfill was able to achieve compliance. Murphy asked to confirm that the 30-day extension is to allow the landfill to operate until a decision is made on the expansion.

Administrator Wilson said yes, the 30-day extension is to allow the landfill to remain optional until a decision on the CUP is made.

Council Member Scales said he would like more information on the unlined area and if they could see the gas plume in an aerial view with some kind of data to show where they believe the plume is.

Council Member T'Kach asked if the extension of the deadline for two years in the new CUP was to extend the deadline for compliance with gas migration.

Administrator Wilson said yes, it is to extend the deadline to become compliant with the MPCA's requirements for subsurface gas migration. The two year extension would be in the new CUP if it is acted on. The 30-day extension is in the resolution for this meeting.

Council Member T'Kach asked how long it would take to get 35 million cubic yards into the landfill. T'Kach said she would like more information about where the plume is, where the pollution is occurring and if there is any pollution going into the Mississippi River.

Administrator Wilson said she does not believe they have information regarding water pollution. They know that gas is hitting the monitors that are in place, but they are generally around the border of the landfill because the MPCA rule states that the gas reaching the border of the landfill property needs to be under a certain level.

Council Member T'Kach asked if there may be gas that appears to be landfill gas going further than the monitors.

Administrator Wilson said she was not qualified to answer that question, but she would try to find the information.

Council Member Gliva said she does not recall hearing about the gas leakage and did not realize it was going to be on the agenda. Gliva said she is concerned with a gas that is 50% methane being exposed to the surrounding areas and thinks the map of the plume would be helpful. Any testing or anything that can give them a direction as to the scale of the gas plume would be helpful.

Administrator Wilson said they will seek more data.

Council Member T'Kach said she would like to know the fire history including any previous fires, how long they took to put out and standard operating procedures for preventing fires.

Administrator Wilson said the existing Host Community Fund and the new Host Community Fund include emergency preparedness and what the landfill will do and what the City of Inver Grove Heights will do. They will present that information to Council.

Mayor Dietrich said she would like to know any further implications to the residents over the next two years.

Aaron Janusz - Pine Bend Landfill - said they have been dealing with the gas migration issue at the landfill for over 15 years. They drill wells on their property to try to collect the gas. They have probes around the wells that are approximately 40 feet into the ground. They are screened on the bottom, and they have a vacuum on it that they pull air from to monitor the probes over time.

In 2018 they had 20+ probes out of 39 that the gas would hit intermittently throughout the year. Currently they have 4 to 6 probes out of 39 that are detecting gas exceedance. The areas of exceedance are focused in the northeast area. It is an unlined area that was a gravel pit at one time and then they started to put garbage in the bottom of it. Most of the gas migration is coming from there.

The location of PBL is very tight with railroad tracks on both sides of the landfill. PBL has been focusing on intercepting the gas before it gets to the PBL boundary. They have done other testing in other areas of the property and there has been no gas found. The buildings on the property and the recycling center building to the east of PBL have gas monitoring systems. They have not seen any detection of gas in any of the buildings. The closed Crosby Landfill is between PBL and Bartley Court. There could be a mingling of a gas plume, but he does not see any gas getting far offsite from the landfill.

Janusz said they have not approached other property owners and asked if they could drill into their property to see if there is any gas. They are focused on the four to five areas of concern.

Council Member Scales asked how large the unlined area is.

Janusz said it is the northern part of the landfill.

Council Member T'Kach asked how much methane gas is being released into the air.

Janusz said they have isolated one area, and it does not seem to be an actual release of gas. Everything between the landfill and the probe is clean of gas. It seems there is a pocket of gas that is trapped 40 feet below the surface. They are trying to determine the best way to release it safely. They measure concentration of the gas, not the flow of gas.

Council Member T'Kach asked if there is potential technology to remove it from the ground and put it in the renewable energy pipeline or flare it off.

Janusz said they are trying to do that now, but they are doing it very slowly. The quality of methane gas to put it into renewable energy is 50% methane and they are seeing 6 to 7% methane. The threshold is at 5% and they are trying to bring it under the 5%.

Council Member T'Kach asked if they are doing any preprocessing for organics that tend to be the source of methane gasses.

Janusz said they are not doing any physical sorting at the landfill. They rely on the network of recycling and composting. The MPCA is talking about preprocessing and finding ways to mitigate. The unlined area is now lined so there should be no new waste getting beneath it. They are able to collect the leachate and gas with the liner system.

Bryan Pitterle, from Barr Engineering, said he is an environmental and engineering consultant with the City.

Subsurface Gas Migration - Background:

- Landfill Gas is produced as organic waste decomposes and releases methane and carbon dioxide
- Gas generation rates are somewhat unpredictable
- Subsurface gas migration occurs as pressure builds
- It is difficult to predict specific patterns of gas movement or the distance the gas will travel (MPCA gives the rule of thumb of up to 1,000 feet)
- Migration assessment is completed through perimeter gas probes monitoring for combustible gas content
- Minnesota Rule 7035.2815, Subpart 11
 - "The concentration of any explosive gas must not exceed its lower explosion limit at the property boundary or 25 percent of its lower explosion limit in and around facility structures or any other on-site monitoring point."

Pitterle said the life cycle of methane lasts anywhere from 10 to 80 years after the waste was placed depending on environmental factors and how quickly the landfill is closed.

Potential Impacts:

- Explosions
 - 5% Methane is Lower Explosive Limit
 - Concentrations buildup in basements or confined spaces
- Health Issues
 - Asphyxiation in confined spaces as LFGs displace oxygen (without proper gas detection equipment)
 - Health and Safety plan
- Odors
- Green House Gas (about 1% of Minnesota's GHGs)
- Vegetation Stress

PBL's Proposed Phase 7 Expansion:

- Likely no impact to subsurface gas migration
- Lined areas have a landfill gas collection system
- Unlined area will continue to have a gas collection system
- Benefit of additional landfill gas from additional waste that would be converted to pipeline-grade natural gas

Pitterle said when PBL started looking at the data from the probes, more than 50% of them had some type of exceedance and now only approximately 10% have detected an exceedance in the last six months. They have been making progress and most of the exceedances are in the northwest corner of the landfill.

The Crosby landfill to the north of PBL have five methane sampling locations with probes. They have had one exceedance which is similar to PBL. There is nothing separating the Pine Bend Landfill from the Crosby Landfill, so it is difficult to determine where gas is coming from in the area.

Council Member Gliva asked if the progress that has been happening is a function of time and the landfill gas migration will stop on its own.

Pitterle said overtime the gas could go away on its own, but it could be between 10 and 80 years before that happens. PBL has done quite a lot of work putting in vents to extract some of the gas.

Council Member T'Kach asked if there is any groundwater impacts or contamination and the plume.

Pitterle said there are quite a few monitoring locations for groundwater that have an exceedance, and he can provide more information at the meeting on January 6 and include a plume map.

Mayor Dietrich asked if Pitterle could attend the next meeting with more information and provide it to Council beforehand.

Pitterle said he would attend the January 6 meeting and provide more information to Council.

Council Member T'Kach asked if the chemicals detected by the groundwater monitoring were after the leachate collection system was in place.

Pitterle said there was a plume before any of the liner systems were installed. It is hard to determine how much of the plume where there before versus after and there was still gas coming from the unlined area. Some of the gas vent locations have a dual extraction and are pumping both leachate out to restrict additional contamination.

Council Member T'Kach asked if there would be any negative impacts to a torrential rainfall and if rain could get past any of the currently existing barriers or if that much rain would dilute the concentrations of the pollutants removed in the leachate collection system.

Pitterle said there would not be a concern of it damaging the liner itself but there could be areas where it could damage some of the cover. There is a contingency action plan to address those situations.

Janusz said this has been a partnership with the City to make sure they are doing the right thing and thanked Staff for working with them.

Mayor Dietrich said she has talked to some of the trash haulers and curb pick up has not diminished.

Motion to approve Resolution 2024-291 Tolling Deadline for compliance with conditional use permit condition related to compliance with Minnesota Rule 7035.2815, Subpart 11 for Pine Bend Landfill by Scales, second by T'Kach.

Ayes: 5

Nays: 0

F. Consideration of Special Assessment Resolution (includes CLOSED SESSION)

Motion to move into Closed Session by Gliva, second by Murphy.

Ayes: 5

Nays: 0

Motion to move into Open Session by Murphy, second by Gliva.

Ayes: 5

Nays: 0

Motion to approve Resolution 2024-292 Memorializing reduction and deferment of special assessment by the City of Inver Grove Heights for Property owned by Lars Runquist and Lori Ann Johnson, Titcomb Acres by Murphy, second by Gliva.

Ayes: 5

Nays: 0

8. PUBLIC COMMENT:**9. MAYOR AND COUNCIL COMMENTS:**

Council Member Murphy said a small business owner contacted him and asked if Council would consider increasing the number of licenses permitted to a business to expand their premise and if the approvals could be done at the beginning of the year if the business is ready. It would be supportive of businesses.

Mayor Dietrich said it would be business friendly and asked if Staff would be able to look into it and provide Council with ideas.

Administrator Wilson said this is for expanding the premise for a holder of an on-sale liquor license. The rules in place are an ordinance and to change the rules they would need to adopt an amendment to the City code. Liquor licensing is regulated by the City and the State and Staff will need to review the requirements for both. Staff can research and provide options early in 2025.

Council Member T'Kach said she is not opposed to reviewing the information but asked if Council and Staff will have the time as they have a lot of priorities and items to get done.

Mayor Dietrich said this could fall under updating codes and making them relevant.

Council Member Murphy said he did not think it would be time consuming.

Administrator Wilson said Staff could provide an initial report with 8 to 10 hours of staff time total. Council could then decide if they want to continue.

Council Member Murphy thanked Staff for all that they were able to accomplish in 2024.

Mayor Murphy said she was happy with the progress they made this year and how it was highlighted during the State of the City event.

Council Member Scales said the Christmas tree lighting was a fun event and it grows every year.

Council Member Gliva said the Christmas tree lighting event was a nice way to move into 2025.

Council Member T'Kach thanked Staff for putting in all of the work that they have to accomplish as much as they were able to in 2024.

10. ADJOURN:

Motion to Adjourn at 8:43 p.m. by Scales, second by Gliva.

Ayes: 5

Nays: 0 Motion carried.

Minutes prepared by Recording Secretary Sara Lyons