

Announcement of Meeting
City Council
Regular Meeting Minutes

Tuesday, July 22, 2025

5:00 PM

Council Chambers

A. CALL TO ORDER - ROLL CALL

Present: Mayor Patrick Baustian, Council Member Kevin Aaker, Council Member Dan Nath, and Council Member Marlin Kracht

Excused: Council Member Caroline Thorson

Additional : Jessica Mead, Jill Wolf, Tyler Reisch, and Benjamin Vander Kooi

B. PLEDGE OF ALLEGIANCE

C. APPROVAL OF AGENDA AND SPECIAL ORDERS

With the removal of CUP submitted by Jordan Manjo and addition of Proposed Resolution No. 17-25, a motion was made by Council Member Aaker, seconded by Council Member Nath, that the Agenda and Special Orders be approved as amended. The motion carried unanimously.

D. APPROVAL OF MINUTES OF PRECEDING MEETING(S)

D.1. 2025-229 City Council Minutes from June 17, 2025

A motion was made by Council Member Nath, seconded by Council Member Kracht, that the Minutes be approved. The motion carried by a unanimous vote.

E. RECOGNITION OF GUEST(S)

Peter Dikun, Dylan Stokes, Jason Berghorst, Carol Morgan, Terry Gray and Hope Moural.

F. PETITIONS, COMMUNICATIONS, COMMITTEE/COMMISSION REPORTS

F.1. 2025-230 Airport Board Minutes from March 4, 2025
Luverne Aquatics & Fitness Minutes from March 10, 2025
EDA Minutes from June 9, 2025

A motion was made by Council Member Kracht, seconded by Council Member Aaker, that this Other Boards and Commission Minutes be received and filed. The motion carried by a unanimous vote.

G. STAFF AND CONSULTANT REPORTS

G.1. 2025-231 City Administrator Report

Public Works staff continues mowing, spraying for weeds and mosquitoes, and recently completed blacktopping for the seal coat project; crack filling is scheduled for next week. Water/Wastewater performed potholing for lead service lines and replaced valves on TH75 in preparation for the 2026 reconstruction, while identifying and recording curb stops using GIS technology. Oil samples were taken from 32 VFI switches to monitor for moisture. Over the weekend, a planned 10-minute outage was conducted to isolate the 3-phase cabinet at the Sheriff's Office, after which staff set a new cabinet and replaced primary elbow connections; on Monday afternoon, a planned outage with the county enabled the community transit building to be transferred to the smaller generator. In addition, four wooden light poles at Redbird Field were removed and replaced with aluminum poles on new concrete bases, and eight inefficient 1500-watt mercury vapor lights were upgraded to energy-efficient 320-watt LED fixtures.

H. FINANCE AND BUDGET

- H.1. [2025-217](#) Claim Report for July 2025 (Check No. 165106-165370) for \$1,854,077.72.

A motion was made by Council Member Nath, seconded by Council Member Kracht, that this Claim Report be approved. The motion carried by a unanimous vote.

I. PERSONNEL

- I.1. No items under personnel to consider.

J. ORDINANCES AND RESOLUTIONS

- J.1. [13-25](#) PROPOSED RESOLUTION
DECERTIFYING TAX INCREMENT FINANCING
REDEVELOPMENT DISTRICT NO. 22 OF THE CITY OF
LIVERNE

Proposed Resolution No. 13-25 to officially decertify Tax Increment Financing (TIF) Redevelopment District No. 22 Barck Housing Development, effective December 31, 2025. This decision follows confirmation that all financial obligations tied to the district have been satisfied, allowing the tax base to return to standard taxing jurisdictions starting in 2026. The Finance Director is authorized to complete all necessary steps for decertification, including notifying Rock County and the State Auditor, redistributing any excess increment funds, and closing out the district fund.

A motion was made by Council Member Aaker, seconded by Council Member Nath, that this Resolution be adopted. The motion

carried by a unanimous vote.

J.2. [14-25](#)

PROPOSED RESOLUTION

REGARDING A LIMITED USE PERMIT FOR TRUNK HIGHWAY NO. 75 WITH THE STATE OF MINNESOTA, DEPARTMENT OF TRANSPORTATION.

The Minnesota Department of Transportation requires a Limited Use Permit to the City of Luverne, allowing the installation and maintenance of beautification amenities-such as benches, planters, and waste receptacles-within the right-of-way of Trunk Highway 75. The permit is valid until May 28, 2035, and may be renewed for an additional 10 years with proper notice and documentation. All construction and maintenance must be approved by MnDOT and carried out at the City's expense, with strict adherence to safety, legal, and environmental regulations. The City must sign and return the permit along with a certified resolution to finalize the agreement. A motion was made by Council Member Kracht, seconded by Council Member Nath, that this Resolution be adopted. The motion carried by a unanimous vote.

J.3. [15-25](#)

PROPOSED RESOLUTION

A RESOLUTION ALLOWING THE WAIVER OF CHAPTER 152 SUBDIVISION REQUIREMENTS AND RECORDING OF SUBDIVIDED PROPERTY (Kings Custom Trailers, LLC to Austin Christensen and Michael Hagen)

Property owners are requesting a waiver of subdivision requirements to split a parcel located at 1551 South Kniss into two parcels. Kings Custom Trailers is the current owner of the property, with Austin Christensen and Michael Hagan serving as co-owners of the company. They are proposing to subdivide and convey the parcel to accommodate current and future operational needs on the site. Requiring full compliance with subdivision procedures, such as public hearings and additional meetings, would impose unnecessary hardship and delay on the project without providing any corresponding public benefit.

A motion was made by Council Member Nath, seconded by Council Member Kracht, that this Resolution be adopted. The motion carried by a unanimous vote.

J.4. [16-25](#)

PROPOSED RESOLUTION

A RESOLUTION ESTABLISHING RATES RELATING TO CANNABIS RETAIL REGISTRATION FEES

This proposed resolution establishes cannabis retail registration fees by resolution in accordance with Minnesota state law and City Code.

A motion was made by Council Member Aaker, seconded by Council Member Kracht, that this Resolution be adopted. The motion carried by a unanimous vote.

J.5. [55](#)

Proposed Ordinance, Fourth Series
TO AMEND CITY CODE CHAPTER 153. ZONING, SECTIONS
153.008 AND 153.210 TO REGULATE CANNABIS AND HEMP
BUSINESSES

This proposed ordinance amends the city's zoning code to ensure local regulations align with newly established state business categories and definitions. The updated ordinance incorporates state-recognized terms like "cannabis retail business" and "lower-potency hemp edible wholesaler," clarifying operational permissions for these entities within specific zoning districts. The changes address expanded licensing and retail activities allowed under state law and ensure that local district permissions do not conflict with or add barriers beyond what state law prescribes. These amendments also enable the City to regulate new cannabis business types effectively while complying with state preemption rules. As this amendment is governed by ordinance, a roll call vote is required for approval.

A motion was made by Council Member Nath, seconded by Council Member Kracht, that this Ordinance be introduced and adopted. The motion carried by a unanimous vote.

Aye: Kevin Aaker, Dan Nath, and Marlin Kracht

J.6. [56](#)

Proposed Ordinance, Fourth Series
TO AMEND CITY CODE CHAPTER 118. ZONING, CANNABIS
BUSINESS REGULATIONS

This proposed ordinance amends the cannabis registration ordinance to reflect changes in Minnesota state law by formalizing that applicants with "preliminary license approval" from the Office of Cannabis Management (OCM) must submit local retail registration applications before obtaining a full state license. Applications filed with only preliminary approval must include evidence of property interest and as much operational information as is available, with final documents to be submitted upon receipt of the valid state license. Requirements such as resident manager details and a certificate of insurance are now deferred until full state licensure and before retail sales are allowed, at which point the applicant must also pass a city-conducted preliminary inspection. These adjustments ensure city procedures align with state mandates, preventing unnecessary local barriers and expediting the transition from preliminary approval to full local registration. As this amendment is governed by ordinance, a roll call vote is required for

approval.

A motion was made by Council Member Aaker, seconded by Council Member Nath, that this Ordinance be introduced and adopted. The motion carried by a unanimous vote.

Aye: Kevin Aaker, Dan Nath, and Marlin Kracht

J.7. 17-25

PROPOSED RESOLUTION
RESOLUTION ALLOWING THE WAIVER OF CHAPTER 152
SUBDIVISION REQUIREMENTS AND RECORDING OF
SUBDIVIDED PROPERTY
(Russell Forrest)

Property owners are requesting a waiver of subdivision requirements to split a parcel located within the city's two-mile buffer at 1253 121st Street into two parcels. Russell Forrest is the current owner of the property, and is proposing to subdivide the parcel to accommodate current and future operational needs on the site. Requiring full compliance with subdivision procedures, such as public hearings and additional meetings, would impose unnecessary hardship and delay on the project without providing any corresponding public benefit.

A motion was made by Council Member Kracht, seconded by Council Member Nath, that this Resolution be adopted. The motion carried by a unanimous vote.

K. MOTIONS AND GENERAL BUSINESS

- K.1. [2025-232](#)** Application for Exempt Permit for Rock County Pheasants Forever to Conduct a Raffle on October 2, 2025.

Representing Rock County Pheasants Forever, Darin Kindt has submitted an application for an exempt permit to conduct a raffle on October 2, 2025 at Big Top Tents & Events.

A motion was made by Council Member Nath, seconded by Council Member Kracht, that this Motion be approved. The motion carried by a unanimous vote.

- K.2. [2025-233](#)** Temporary Liquor License and Private Use of Public Property Request for Luverne Brew Partners for August 23, 2025

Representing Luverne Brew Partners, Amanda McDonald has applied for a temporary liquor license for the sale and consumption of intoxicating liquors, along with requested street closure of Blue Mound Avenue from Main Street to Lincoln Street from 2 p.m. to midnight on August 23. This will be a free community event for Ag Appreciation Day. All required materials have been submitted and if approved, an application will be submitted to the Alcohol and Gambling Enforcement Division as well.

A motion was made by Council Member Kracht, seconded by Council Member Aaker, that this Motion be approved. The motion carried by the following vote:

Aye: Kevin Aaker, and Marlin Kracht

Abstain: Dan Nath

- K.3. [2025-241](#)** Cannabis Registration Application for Stozopoulos Holdings, Inc. DBA Coastless for a Retail Cannabis Microbusiness at 1202 South Kniss.

Dylan Stokes has secured preliminary approval from the Minnesota Office of Cannabis Management (OCM) for a cannabis microbusiness and has submitted all necessary documentation to the City of Luverne for local retail registration. The required \$500 registration fee has been paid, preliminary state approval has been verified, local zoning and buffer requirements are met, and property taxes at the retail location are current. In addition, resident manager information and evidence of control of the property have been provided as part of the application. Before Dylan Stokes is allowed to make any retail cannabis sales within the city, he must submit a copy of the final valid state license issued by the OCM, provide the required certificate of insurance, and permit the City to conduct a preliminary site compliance inspection. State law requires local governments, to accommodate applicants who have received preliminary state approval, ensuring they do not impose procedural barriers beyond what is permitted by state or local ordinance.

A motion was made by Council Member Kracht, seconded by Council Member Nath, that this Motion be approved. The motion carried by a unanimous vote.

- K.4. [2025-242](#)** Cannabis Registration Application for The Flower Shop MN for a Retail Cannabis Microbusiness at 704 South Kniss.

Peter Dikun has secured preliminary approval from the Minnesota Office of Cannabis Management (OCM) for a cannabis microbusiness and has submitted an application to the City of Luverne for local retail registration. The required \$500 registration fee has been paid, preliminary state approval has been verified, local zoning and buffer requirements are met, and property taxes at the retail location are current. Before Peter Dikun is allowed to make any retail cannabis sales within the city, he must submit a copy of the final valid state license issued by the OCM, provide the required certificate of insurance, provide resident manager information, provide final copies of operational plan, organizational structure, environmental, odor control systems, parking, traffic movement and aesthetics, and permit the City to conduct a preliminary site compliance inspection. State law requires local governments, to

accommodate applicants who have received preliminary state approval, ensuring they do not impose procedural barriers beyond what is permitted by state or local ordinance.

A motion was made by Council Member Nath, seconded by Council Member Aaker, that this Motion be approved. The motion carried by a unanimous vote.

K.5. [2025-243](#)

Cannabis Registration Application for Loud Garden LLC for a Retail Cannabis Microbusiness at 401 South Kniss.

Terry Kapple has secured preliminary approval from the Minnesota Office of Cannabis Management (OCM) for a cannabis microbusiness and has submitted an application to the City of Luverne for local retail registration. The required \$500 registration fee has been paid, preliminary state approval has been verified, local zoning and buffer requirements are met, and property taxes at the retail location are current. Before Terry Kapple is allowed to make any retail cannabis sales within the city, he must submit a copy of the final valid state license issued by the OCM, provide the required certificate of insurance, provide resident manager information, provide final copies of operational plan, organizational structure, environmental, odor control systems, parking, traffic movement and aesthetics, and permit the City to conduct a preliminary site compliance inspection. State law requires local governments, to accommodate applicants who have received preliminary state approval, ensuring they do not impose procedural barriers beyond what is permitted by state or local ordinance.

A motion was made by Council Member Aaker, seconded by Council Member Nath, that this Motion be approved. The motion carried by a unanimous vote.

K.6. [2025-244](#)

Cannabis Registration Application for Green Grass LLC for a Retail Cannabis Microbusiness at 206 W Main Street.

Terry Gray has secured preliminary approval from the Minnesota Office of Cannabis Management (OCM) for a cannabis microbusiness and has submitted an application to the City of Luverne for local retail registration. The required \$500 registration fee has been paid, preliminary state approval has been verified, local zoning and buffer requirements are met, and property taxes at the retail location are current. Before Terry Gray is allowed to make any retail cannabis sales within the city, he must submit a copy of the final valid state license issued by the OCM, provide the required certificate of insurance, provide resident manager information, provide final copies of operational plan, organizational structure, environmental, odor control systems, parking, traffic movement and aesthetics, and permit the City to conduct a preliminary site compliance inspection. State law requires local governments, to

accommodate applicants who have received preliminary state approval, ensuring they do not impose procedural barriers beyond what is permitted by state or local ordinance.

A motion was made by Council Member Kracht, seconded by Council Member Aaker, that this Motion be approved. The motion carried by a unanimous vote.

- K.8. [2025-245](#)** Requested Conditional Use Permit (CUP) submitted by Tim Gust of TKG, LLC, to construct a garage/storage behind 222 East Main Street, located at 222 East Main Street (20-1123-000), in D - Downtown District, City of Luverne, Minnesota

222 East Main Street is zoned within the downtown district allowing mixed-uses through conditional use permits. The planning commission held a public hearing on July 8, 2025. In summary, the planning commission recommended the following findings and orders: a parking garage on Main Street will benefit residents and businesses while minimally impacting the surrounding area, the garage's location will not hinder future projects and has practical considerations like easy access to electricity and proper drainage addressed.

A motion was made by Council Member Nath, seconded by Council Member Kracht, that this Motion be approved. The motion carried by a unanimous vote.

- K.9. [2025-240](#)** City Council Meeting Schedule for Remainder of 2025.

A motion was made by Council Member Aaker, seconded by Council Member Kracht, that this Motion be approved. The motion carried by a unanimous vote.

5:00 p.m. August 12 – Regular Meeting
5:00 p.m. September 16—Budget Work Session
5:00 p.m. September 23—Regular Meeting
5:00 p.m. October 21—Regular Meeting
5:00 p.m. November 18—Regular Meeting
5:00 p.m. December 16—Regular Meeting

L. COUNCIL REQUESTS - GENERAL DISCUSSION

M. ADJOURNMENT

A motion was made by Council Member Nath, seconded by Council Member Aaker, to adjourn the meeting at 5:45 p.m. The motion carried unanimously.

Jessica Mead, City Clerk

Patrick T. Baustian, Mayor