

**Announcement of Meeting
City Council
Regular Meeting Minutes**

Tuesday, June 17, 2025

5:00 PM

Council Chambers

A. CALL TO ORDER - ROLL CALL

Present: Council Member Caroline Thorson, Council Member Kevin Aaker,
Council Member Dan Nath, and Council Member Marlin Kracht

Excused: Mayor Patrick Baustian

Additional : Jessica Mead, Jill Wolf, Tyler Reisch, and Chad McClure

B. PLEDGE OF ALLEGIANCE

C. APPROVAL OF AGENDA AND SPECIAL ORDERS

With the addition of Take 16 Lower-Potency Hemp Registration a motion was made by Council Member Aaker, seconded by Council Member Nath, that the agenda be approved as amended. The motion carried unanimously.

D. APPROVAL OF MINUTES OF PRECEDING MEETING(S)

D.1. 2025-207 City Council Minutes from May 27, 2025.

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

E. RECOGNITION OF GUEST(S)

Chad McClure, Jason Berghorst, Carol Morgan, Traci Davis, Dylan Stokes, Peter Dikun and Shawn Kinsinger.

F. PETITIONS, COMMUNICATIONS, COMMITTEE/COMMISSION REPORTS

F.1. 2025-178 Planning Commission Minutes from April 7, 2025.

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

G. STAFF AND CONSULTANT REPORTS

G.1. [2025-144](#) Palace Theatre Bi-annual Report--Shawn Kinsinger.

The Palace reported steady year-over-year growth in attendance, with 12,788 visitors from June 2023 to June 2024 and 13,520 from June 2024 to June 2025. School visits, including those from Adrian and Rock Rapids, contributed significantly to May attendance, with hundreds of students attending movie screenings. Notable events included a Taylor Swift-themed show and a Christmas piano meditation, both of which exceeded expectations. Due to high sound system rental costs, the number of live music events has been reduced, with plans to purchase equipment and prioritize local performers. A new partnership with the Green Earth Players will expand live theater to six productions annually through 2026. The Palace is also increasing its focus on community-written plays and family-friendly holiday events featuring local talent. Financial strategies include reducing reliance on movie distributors and mixing live events with films to retain more revenue locally. Affordable school field trip packages have helped maintain strong attendance. Volunteer support and positive community feedback continue to play a vital role. Looking ahead to 2025–2026, the Palace aims to sustain attendance through expanded live theater and local programming while managing costs and maintaining strong community ties.

G.2. [2025-208](#) City Administrator Report.

City offices will be closed on Thursday in observance of the Juneteenth holiday. As a result, Thursday's garbage route will be collected on Friday, June 20, along with the recycling route south of Dodge Street. During peak mowing season, five employees continue to maintain approximately 180 acres on a full-time basis. Water and wastewater staff completed quarterly testing for toxicity and biosolids, with additional testing now required due to the city's population growth. PFAS testing equipment, funded through a grant from the Minnesota Pollution Control Agency (MPCA), arrived this week. Potholing work is underway on Spring Street to identify lead service lines. The Electric Department installed three new residential services—two in the Uithoven Addition and one on Britz Drive—and replaced lighting and poles in the public parking lot behind Minnwest Bank. Staff remain busy responding to utility locate requests. The rates in the City's Reserved Capacity Agreement with Missouri River Energy Services (MRES) increased from \$5.18 to \$5.35 per KW resulting in an additional \$1,513 per month or \$18,156 annually. The City's 8.9 megawatts of generation capacity continues to provide reserved capacity to MRES, for which the City receives monthly payments. These rates are adjusted annually. Attending the League of Minnesota Cities (LMC) Annual Conference in Duluth next week. I have been appointed to the LMC Nominating Committee and will travel early to participate in Board interviews.

H. FINANCE AND BUDGET**H.1. [2025-175](#) Claim Report for June 2025 (Check No. 164892-165106) for \$1,827,137.89.**

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

H.2. [2025-214](#) Motion to approve petty cash reconciliation as of May 31, 2025.

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

I. PERSONNEL**I.1. No items under personnel to consider.****J. MOTIONS AND GENERAL BUSINESS**

- J.1. [2025-204](#) Requested Conditional Use Permit (CUP) application submitted by Terry Gray, to open and operate a Cannabis Retail Establishment, located at 206 West Main Street (20-1649-000), in D-Downtown District, City of Luverne, Minnesota.

Following the public hearing held by the Planning Commission on June 9, the Planning Commission recommends approval of a conditional use permit (CUP) to allow operation of a cannabis retail establishment at 206 West Main, subject to specific conditions including off-street parking, screening for automobile headlights, odor control, exterior property maintenance, obtaining a state license for proposed business type, and compliance with all state and local regulations. Under Minnesota law, if an applicant meets all the general and specific standards set forth in the city's zoning ordinance, the city is required to grant the CUP. The applicant for this cannabis retail establishment has satisfied all ordinance requirements, and therefore, the city council must approve the CUP as recommended by the Planning Commission. This ensures the city's actions are consistent with state law and local land use standards.

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.

- J.2.** [2025-206](#) Requested Conditional Use Permit (CUP) application submitted by Terry Gray, to open and operate a Cannabis Retail Establishment, located at 218 East Main Street (20-1125-000), in D - Downtown District, City of Luverne, Minnesota.

Following the public hearing held by the Planning Commission on June 9, the Planning Commission recommends denial of the conditional use permit (CUP) application to operate a cannabis retail establishment at 218 East Main. Under Minnesota law, a city may deny a CUP if the proposed use does not meet the specific standards or conditions established in the city's zoning ordinance. In this case, the applicant's site plan provides only two off-street parking spaces, which does not meet the minimum requirement for retail uses as set forth in the ordinance-specifically, one space per 200 square feet of gross floor area. Because the application fails to satisfy this key standard for adequate off-street parking, the Planning Commission finds that the proposal does not meet all required criteria for a CUP and recommends denial. The city council may deny the CUP on this basis, as Minnesota law allows denial when an application does not comply with the ordinance's established standards.

A motion was made by Council Member Kracht, seconded by Council Member Nath, Motion failed. The motion carried by a unanimous vote.

- J.3. [2025-209](#)** Requested Conditional Use Permit (CUP) application submitted by Dylan Stokes, to open and operate a Cannabis Retail Establishment, located at 1202 South Kniss Avenue (20-1943-000), in H-C - Highway Commercial District, City of Luverne, Minnesota.

Following the public hearing held by the Planning Commission on June 9, the Planning Commission recommends approval of a conditional use permit (CUP) to allow operation of a cannabis retail establishment at 1202 South Kniss Avenue, subject to specific conditions including off-street parking, screening for automobile headlights, odor control, exterior property maintenance, obtaining a state license for proposed business type, and compliance with all state and local regulations. Under Minnesota law, if an applicant meets all the general and specific standards set forth in the city's zoning ordinance, the city is required to grant the CUP. The applicant for this cannabis retail establishment has satisfied all ordinance requirements, and therefore, the city council must approve the CUP as recommended by the Planning Commission. This ensures the city's actions are consistent with state law and local land use standards.

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.

- J.4. [2025-210](#)** Requested Conditional Use Permit (CUP) application submitted by Peter Dikun, to open and operate a Cannabis Retail Establishment, located at 704 South Kniss Avenue (20-0675-000), in C-C - Community Commercial District, City of Luverne, Minnesota.

Following the public hearing held by the Planning Commission on June 9, the Planning Commission recommends approval of a conditional use permit (CUP) to allow operation of a cannabis retail establishment at 704 South Kniss Avenue, subject to specific conditions including off-street parking, screening for automobile headlights, odor control, exterior property maintenance, obtaining a state license for proposed business type, and compliance with all state and local regulations. Under Minnesota law, if an applicant meets all the general and specific standards set forth in the city's zoning ordinance, the city is required to grant the CUP. The applicant for this cannabis retail establishment has satisfied all ordinance requirements, and therefore, the city council must approve the CUP as recommended by the Planning Commission. This ensures the city's actions are consistent with state law and local land use standards.

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.

- J.5.** [2025-211](#) Requested Conditional Use Permit (CUP) application submitted by Terry Kapple, to open and operate a Cannabis Retail Establishment, located at 401 South Kniss Avenue (20-0037-200), in C-C - Community Commercial District, City of Luverne, Minnesota.

Following the public hearing held by the Planning Commission on June 9, the Planning Commission recommends approval of a conditional use permit (CUP) to allow operation of a cannabis retail establishment at 401 South Kniss, subject to specific conditions including off-street parking, screening for automobile headlights, odor control, exterior property maintenance, obtaining a state license for proposed business type, compliance with all state and local regulations, and visual screening installation on the East property line. Under Minnesota law, if an applicant meets all the general and specific standards set forth in the city's zoning ordinance, the city is required to grant the CUP. The applicant for this cannabis retail establishment has satisfied all ordinance requirements, and therefore, the city council must approve the CUP as recommended by the Planning Commission. This ensures the city's actions are consistent with state law and local land use standards.

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.

- J.6.** [2025-212](#) Private Use of Public Property Request for Luverne Lake Events at The Lake on July 4, 2025

Representing Luverne Lake Events, Jen Wiebe applied for permission to host a public 4th of July event at The Lake, located on West Edgehill Street. Activities include a triathlon, inflatables, bean bags, log rolling, hula hoops, limbo, tug o war, bingo, food vendors, a band from 8:30-Midnight, and Fireworks at 10:00 p.m. Certificates of Insurance and Fireworks Operator Permit have been received.

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.

- J.7. [2025-213](#) Application for Exempt Permit for the Rock County Agriculture Society to Conduct a Raffle on July 26, 2025 at the Rock County Fairgrounds.

Representing the Rock County Agriculture Society, Lee Sells has applied for an exempt permit to conduct a raffle on July 26, 2025 in conjunction with the Rock County Fair.

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.

- J.8. [2025-216](#) Lower-Potency Hemp Product Business Registration for Luverne Brew Partners DBA Take 16 Brewing.

Take 16 has submitted a City registration form for 2025 to manufacture and sell on and off sale lower-potency hemp products. The completed application is attached, fees have been paid and background checks were also found to be favorable.

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

Aye: Kevin Aaker, and Marlin Kracht

Abstain: Caroline Thorson, and Dan Nath

K. ORDINANCES AND RESOLUTIONS

- K.1. [11-25](#) PROPOSED RESOLUTION
RESOLUTION APPOINTING A DELEGATE AND ALTERNATE TO
REPRESENT THE CITY OF LUVERNE AT THE LEWIS & CLARK
REGIONAL WATER SYSTEM, INC. ANNUAL MEMBERSHIP
MEETING

This proposed resolution ensures the City of Luverne will be represented at the Lewis & Clark Regional Water System Annual Membership Meeting on June 26, 2025. Patrick T. Baustian has been appointed as the delegate, with Jill Wolf and Kevin Aaker named as alternates to ensure the City's interests are represented at this important regional event.

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

K.2. [50](#)

Proposed Ordinance, Fourth Series
AN ORDINANCE AUTHORIZING CONVEYANCE OF REAL
ESTATE
(712 WEST LAWN PARK AVE, CITY OF LUVERNE, ROCK
COUNTY, MINNESOTA)

The City has received a \$5,000 offer to purchase the vacant lot at 712 W Lawn Park for the construction of a new home. A development agreement has been negotiated and signed by the buyer, requiring the home to be built within one year. As this sale 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 the following vote:

Aye: Caroline Thorson, Kevin Aaker, Dan Nath, and Marlin Kracht

K.3. [51](#)

Proposed Ordinance, Fourth Series
AN ORDINANCE AUTHORIZING CONVEYANCE OF REAL
ESTATE
(LOT 1, BLOCK 1, MAYES ADDITION, CITY OF LUVERNE, ROCK
COUNTY, MINNESOTA)

This proposed ordinance transfers the Marty Mayes Addition in the industrial park from the City to the Economic Development Authority (EDA). The EDA takes on the role of developer for this property because it has the authority and expertise to manage redevelopment projects, market the site, and facilitate new investment in the community. Approval of this transfer will support the EDA's efforts to attract and guide appropriate development on the site. As this sale is governed by ordinance, a roll call vote is required for approval.

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

Aye: Caroline Thorson, Kevin Aaker, Dan Nath, and Marlin Kracht

K.4. [12-25](#)

**PROPOSED RESOLUTION
RESOLUTION ALLOWING THE WAIVER OF CHAPTER 152
SUBDIVISION REQUIREMENTS AND RECORDING OF MAYES
FOURTH ADDITION (City of Luverne to Luverne Economic
Development Authority)**

This proposed resolution waives the subdivision requirements of Chapter 152 of the City Code for the platting of Mayes Fourth Addition. Staff and the City Engineer have collaborated to plat a 6-acre area north of the waterway in the industrial park, creating four lots for sale and development by the Luverne Economic Development Authority (EDA). 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. This waiver will allow the Luverne EDA to move forward efficiently with lot sales and development to support local economic growth.

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.

K.5. [52](#)

**Proposed Ordinance, Fourth Series
AN ORDINANCE AMENDING CITY CODE CHAPTER 118.
CANNABIS BUSINESS REGULATIONS, SECTION 118.09, SUBD
(A)**

This ordinance amendment clarifies the City's role in cannabis retail registration in accordance with the new state law (Minnesota Statutes, Chapter 342.22). Under this law, local governments shall issue a local retail registration to applicants who have received a license or preliminary license approval from the Office of Cannabis Management, even before full state licensure is granted. This update requires the City to process and approve local retail registrations earlier in the state licensing process, providing greater clarity and efficiency for applicants. The ordinance aligns local procedures with the requirements and intent of the new state law, supporting a streamlined and transparent approach to cannabis business regulation. 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 Aaker, that this Ordinance be introduced and adopted. The motion carried by the following vote:

Aye: Caroline Thorson, Kevin Aaker, Dan Nath, and Marlin Kracht

K.6. [53](#)

Proposed Ordinance, Fourth Series
AN ORDINANCE AMENDING CITY CODE CHAPTER 91. HEALTH AND SANITATION; NUISANCES, REPEALING AND REPLACING SECTION 91.02 OPEN BURNING WITH NEW REGULATIONS FOR RECREATIONAL FIRES

Due to ongoing complaints about residents burning large piles of branches, staff recommends repealing the current open burning ordinance and adopting a new ordinance that aligns with Minnesota State Fire Marshal guidelines. The proposed ordinance restricts outdoor burning to small recreational fires with clear limitations on size, location, and materials, requiring fires to be no larger than three feet in diameter and two feet in height, set at least 25 feet from buildings, and attended by an adult at all times. Only clean, dry, natural wood may be burned, and fires must be extinguished if they pose a safety risk or when directed by authorities. This update will help address nuisance complaints, improve public safety, and ensure local regulations are consistent with state standards. 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 Aaker, that this Ordinance be introduced and adopted. The motion carried by a unanimous vote.

Aye: Caroline Thorson, Kevin Aaker, Dan Nath, and Marlin Kracht

K.7. [54](#)

Proposed Ordinance, Fourth Series
AN ORDINANCE AMENDING CITY CODE CHAPTER 91. HEALTH AND SANITATION; NUISANCES BY ADDING SECTION 91.05 GARAGE OR RUMMAGE SALE

This proposed ordinance amends City Code Chapter 91 to add Section 91.05, regulating garage and rummage sales. The ordinance limits sales to personal property, restricts sales to three per year per property, and sets a maximum duration of four consecutive days per sale. Signage is limited and must be promptly removed after the sale. Exceptions apply for court-ordered sales, auctions, and sales of farm or garden products. This ordinance aims to prevent nuisance, address nuisance complaints, and maintain neighborhood character. As this amendment is governed by ordinance, a roll call vote is required for approval.

A motion was made by Council Member Kracht, seconded by Council Member Aaker, that this Ordinance be introduced and adopted. The motion carried by the following vote:

Aye: Caroline Thorson, Kevin Aaker, Dan Nath, and Marlin Kracht

L. COUNCIL REQUESTS - GENERAL DISCUSSION

Thank you to all City staff for assisting with Buffalo Days, it was a wonderful event.

M. ADJOURNMENT

A motion was made by Council Member Nath, seconded by Council Member Kracht, to adjourn the meeting at 6:00 p.m. The motion carried unanimously.

Jessica Mead, City Clerk

Caroline Thorson, Acting Mayor