

Agenda-Henderson City Council Special Meeting, Wednesday, September 6, 2023, 7:00 P.M.

7:00 P.M.

- A.) Call to order

- B.) 2023-2024 Street and Utility Project
 - 1. Resolution 2023-09 Approving Bids with Alternate
 - 2. Resolution 2023-10 Approving S.E.H. agreement

- C.) Bonds and Debt
 - 1.) Resolution 2023-11 Sale of 2023A Bonds
 - 2.) Resolution 2023-12 Entering Into Credit Enhancement Program
 - 3.) Resolution 2013-13 Set Hearing for Property Tax Abatements
 - 4.) Adopting Post Issuance Debt Policy and Procedures

- D.) Mixer for Water Tower with Procedures Update

- E.) Sibley County Cannabis Ordinance

8:00 P.M.

- F.) Adjourn

Mediacom**chenderson165@mchsi.com**

Henderson Bid Tab

From : Chris Knutson <cknutson@sehinc.com>

Thu, Aug 31, 2023 03:25 PM

Subject : Henderson Bid Tab 1 attachment**To :** chenderson165 <chenderson165@mchsi.com>,
Berberich Lon <lonber3@mchsi.com>, jkroehler
<jameskro@hotmail.com>**Cc :** Doug Scott <dscott@sehinc.com>

Please see the attached bid tabulation for the street and utility improvement project.

The low bidder, Hjerpe Contracting, has completed many SEH projects and is highly recommended. We'll provide a memo tomorrow with more information, but I wanted to get this out.

Thanks,

Chris Knutson, PE (MN)
Sr. Project Engineer
Short Elliott Hendrickson Inc.
507.237.8383 direct | 651.490.2000 main

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 **Bid Tab HENDE 171842.pdf**
194 KB

RESOLUTION NO. 2023-09
ACCEPTING BID

WHEREAS, pursuant to an advertisement for bids for the construction of the **2023-2024 Street and Utility Improvements**, bids were received, opened and tabulated according to law, and the following bids were received complying with the advertisement:

<u>Contractor</u>	<u>Base Bid</u>	<u>Alternate 1</u>	<u>Total Bid</u>
Hjerpe Contracting, Inc. Hutchinson, MN	\$3,735,568.00	\$760,759.00	\$4,496,327.25
BCM Construction, Inc. Faribault, MN	\$3,938,888.00	\$797,000.00	\$4,735,888.00
S.M. Hentges & Sons, Inc. Jordan, MN	\$4,123,692.90	\$859,477.25	\$4,983,170.15
Northdale Construction Company, Inc. Albertville, MN	\$4,230,901.78	\$886,205.52	\$5,117,107.30
Holtmeier Construction, Inc. Mankato, MN	\$4,412,272.43	\$881,172.00	\$5,293,445.20
GM Contracting, Inc. Lake Crystal, MN	\$4,627,614.98	\$863,989.03	\$5,491,604.02
Meyer Contracting Inc. Maple Grove, MN	\$5,087,999.30	\$887,033.85	\$5,975,033.15
RL Larson Excavating Inc. St. Cloud, MN	\$5,963,975.17	\$978,321.08	\$6,942,296.25

AND WHEREAS, it appears Hjerpe Contracting, Inc., of Hutchinson, Minnesota, is the lowest responsible bidder,

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF HENDERSON, MINNESOTA:

1. The mayor and city administrator are hereby authorized and directed to enter into a contract with Hjerpe Contracting, Inc., of Hutchinson, Minnesota, in the name of the City of Henderson, Minnesota, for the construction of the 2023-2024 Street and Utility Improvements, Total Bid Amount (Base Bid and Alternate 1), according to the plans and specification therefore approved by the city council and on file in the office of the city administrator.
2. The city administrator is hereby authorized and directed to return forthwith to all bidders the deposits made with their bids, except that the deposits of the successful bidder and the next lowest bidder shall be retained until a contract has been signed.

Adopted by the city council this 6th day of September, 2023.

Mayor

City Clerk

RESOLUTION 2023-10

A RESOLUTION ON AGREEMENT FOR PROFESSIONAL SERVICES,
CONSTRUCTION AND POST-CONSTRUCTION FOR THE 2023-2024 STREET
AND UTILITY IMPROVEMENT PROJECT IN ACCORDANCE WITH THE
MASTER AGREEMENT FOR PROFESSIONAL SERVICES EFFECTIVE
DECEMBER 18, 2019

WHEREAS, the Henderson City Council desires to retain the professional services of Short Elliott Hendrickson, Inc for the 2023-2024 Street and Utility Project; and

WHEREAS, the Henderson City Council has reviewed and discussed the project scope and proposed fees at its Wednesday, September 6, 2023, city council meeting.

NOW THEREFORE, BE IT RESOLVED THAT:

The City of Henderson accepts the proposed agreement for professional services, construction and post-construction for the 2023-2024 Street and Utility Improvement Project, Project SEH No. HENDE 171842.

Adopted this 6th day of September, 2023.

BY _____
Keith Swenson, Mayor

ATTEST _____
Timothy Pautsch, City Clerk



Building a Better World
for All of Us®

2023-10

September 1, 2023

RE: Agreement for Professional Services
Construction and Post-Construction
2023- 2024 Street and Utility
Improvement Project
Project SEH No. HENDE 171842

Lon Berberich and Tim Pautsch
City of Henderson
600 Main St, P.O. Box 433
Henderson, MN 56044

Dear Lon and Tim:

Please consider this proposal for construction services related to the 2023-2024 Street and Utility Improvement Project.

PROJECT SCOPE AND PROPOSED FEES

This proposal includes the final engineering services related to completion of the project as well as a proposal for construction services.

FINAL DESIGN AND BIDDING

Task 2.1 – Final Design / Bidding Documents – Fee Amendment

The scope of the project within our original proposal was increased to include the reconstruction of the remainder of South St (from Beverly Ln to Ridge Rd) as well as Ridge Rd (from where new alignment will end to South St). This required additional topographic survey, design, and preparation of bidding documents. We are requesting a fee amendment to cover this additional work as follows:

<u>Design Services related to original contract:</u>	<u>\$19,000</u>	
Total Fee Amendment	\$19,000	(Hourly)

CONSTRUCTION SERVICES

Task 3.1 – Construction Administration (\$68,700 Lump Sum)

This task is associated with administration of the project, including preparation and administration of the construction contract, weekly construction meetings, project updates to residents, pay applications, shop drawing reviews, and general coordination of the project with the Contractor and City.

Task 3.2 – Construction Staking (\$59,500 Lump Sum)

This task is associated with providing field construction staking for the full project including streets, sanitary sewer, water main, and storm sewer. On past projects this service has been provided as lump sum. We are proposing to complete this service as hourly as the time and cost involved is highly influenced by Contractor schedule and phasing.

Task 3.3 – Construction Observation (\$238,200 Hourly Not to Exceed)

This task is for providing construction observation and resident project representative (RPR) services. Services include monitoring and observing construction progress, compliance with the project

Engineers | Architects | Planners | Scientists

Short Elliott Hendrickson Inc., 11 Civic Center Plaza, Suite 200, Mankato, MN 56001-7710

507.388.1989 | 877.316.7636 | 888.908.8166 fax | sehinc.com

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specifications, representation of the engineer on the project, liaison between the contractor and the residents and City.

We will provide construction observation services (Resident Project Representative – RPR) on a full-time basis, based on the work happening at a particular time. At times during peak construction activity, we may provide additional field staff to meet the needs of the project at a given time. We will maintain daily construction records and quantities and will prepare record drawings upon completion of the project. Detailed explanation of the scope of RPR services is provided in the attached Exhibit B – RPR.

We are estimating the typical work week to include 55 hours of construction observation per week from mid-September to mid-November of 2023 and also April thru August 2024, with some part time at the beginning and end of the project. Work weeks may exceed 60 hours some week, but 55 hours is used as an average over the 28 weeks with shorter weeks as the project ramps up early and slows down in the fall and spring. There is also time for project closeout, warranty reviews, punch list reviews, and final paving. Five weeks of work is estimated with a second RPR on-site to assist during peak construction periods. This work is proposed at an hourly, not to exceed basis.

PHASE 4 - POST CONSTRUCTION SERVICES

Task 4.1 – Record Drawings (\$12,800 Lump Sum):

This task is for providing record drawings of the work completed under this project. This would be for all work within the proposed project.

TOTAL FEES

An outline of the total engineering fees for the project

Final Design and Bidding	\$164,000	(Previously Approved)
Proposed Fee Amendment	\$19,000	
Construction Services	\$366,300	
Post Construction Services (Record Drawings)	\$12,800	
Total Proposed Engineering Fees	\$562,100	(164,000 Previously Approved)

Please contact us with any questions or comments concerning this proposal/agreement.

Sincerely,

SHORT ELLIOTT HENDRICKSON INC



Chris Knutson, PE
Client Service Manager
(Lic. MN)

Attachments

1. Task Hour Budget
2. Supplemental Letter Agreement

cdk

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2023 - 2024 Street and Utility Project
Henderson, Minnesota
September 1, 2023

DETAILED TASK HOUR BUDGET/COST ANALYSIS

	Knutson Project Eng PE	Scott Project Eng PE	Annable Lead RPR	TBD Eng Aid TECH	Brinkman Admin Tech	Totals
Task 3.1 - Construction Administration:						
Const Project Management / Calls / Doc. Mgmt (assume Avg 3 hrs/wk X 32 wks)	11	85			32	128
Prepare / Coordinate construction contracts	1	4			5	10
Preconstruction meeting/Prepare / agenda / minutes	2	8	4		2	16
Const. Progress Meetings / Field visits / minutes / (assume weekly over 32 weeks = 32X5 hrs)	20	160			4	184
Project updates - (assume approx. 34)		34			10	44
Pay Estimates / Review / Estimates of Project Costs & Funding Breakdowns (assume monthly 8 x 3 hrs)	0	24			8	32
Subtotal Hours this Task:	34	315	4	0	61	414
Subtotal Fee this Task:						\$68,600

Task 3.2 - Construction Staking

Research/Plan Review/Crew Management/Set Control						0
Staking Computations / Field Staking						0
Subtotal Hours this Task:	0	0	0	0	0	0
Subtotal Fee this Task:						\$58,500 See Attachr See Attachment

Task 3.3 - Construction Observation (RPR):

Fall RPR Daily Duties (assumed: 2 wks@20hrs+9wks@55hrs = 535 hrs)		0	535			535
Spring RPR Daily Duties (assumed: 2 wks@20hrs+17wks@55hrs+4wks@40hrs = 1165 hrs)		0	1135			1135
Second RPR Assistance				200		200
Subtotal Hours this Task:	0	0	1670	200	0	1870
Subtotal Fee this Task:						\$238,200

Total Fee Construction Engineering: \$366,300

Task 4.0 - Record Drawings

Prepare Record Drawings			8	16		24
Review, Submittal, and Distribution of Record Drawings	0	2	80			82
Subtotal Hours this Task:	0	2	88	16	0	106
Subtotal Fee this Task:						\$12,800

Total Fee Post-Construction Engineering: \$12,800

Project - 2023-24 Streets
Estimate by CDM 8/31/23

7,400'

Variables

Crew Rate 2-Person

\$ 235.00

Round Trip Time(Hrs)

0.75

Round Trip Mileage

50

CONSTRUCTION STAKING

	Trips	Hubs	Hours	Rate	Field Time	Drive Time	Overall	Proposal Amount
Control	1		5	\$ 235.00	\$ 1,175.00	\$ 176.25	\$ 1,351.25	
Buildings								
Rough				\$ 235.00	\$ -	\$ -	\$ -	
Offsets				\$ 235.00	\$ -	\$ -	\$ -	
Actuals				\$ 235.00	\$ -	\$ -	\$ -	
Sub Total					\$ -	\$ -	\$ -	\$ -
Underground Stakes								
Water & Sanitary 50's	3	160	20	\$ 235.00	\$ 4,700.00	\$ 528.75	\$ 5,228.75	
Services				\$ 235.00	\$ -	\$ -	\$ -	
Storm 50's	7	375	50	\$ 235.00	\$ 11,750.00	\$ 1,233.75	\$ 12,983.75	
SubDrain 50's				\$ 235.00	\$ -	\$ -	\$ -	
Sub Total					\$ 16,450.00	\$ 1,762.50	\$ 18,212.50	\$ -
Grading Stakes								
<i>Rough</i>								
Parking Lot				\$ 235.00	\$ -	\$ -	\$ -	
Pond/Rain Garden	1	40	5	\$ 235.00	\$ 1,175.00	\$ 176.25	\$ 1,351.25	
Swale				\$ 235.00	\$ -	\$ -	\$ -	
C/L Twice				\$ 235.00	\$ -	\$ -	\$ -	
Other				\$ 235.00	\$ -	\$ -	\$ -	
Sub Total					\$ 1,175.00	\$ 176.25	\$ 1,351.25	\$ -
<i>Finish</i>								
Curb 25's	8	650	65	\$ 235.00	\$ 15,275.00	\$ 1,410.00	\$ 16,685.00	
EOB				\$ 235.00	\$ -	\$ -	\$ -	
Landings & Non-Adjacent Walks				\$ 235.00	\$ -	\$ -	\$ -	
Retain Walls				\$ 235.00	\$ -	\$ -	\$ -	
Blue Tops				\$ 235.00	\$ -	\$ -	\$ -	
Other				\$ 235.00	\$ -	\$ -	\$ -	
Sub Total					\$ 15,275.00	\$ 1,410.00	\$ 16,685.00	\$ -
Misc. Stakes								
Removals				\$ 235.00	\$ -	\$ -	\$ -	
R/W 100's	2	150	16	\$ 235.00	\$ 3,760.00	\$ 352.50	\$ 4,112.50	
Prop Lines				\$ 235.00	\$ -	\$ -	\$ -	
Transformer, LPs				\$ 235.00	\$ -	\$ -	\$ -	
Trash Enclosure				\$ 235.00	\$ -	\$ -	\$ -	
Misc				\$ 235.00	\$ -	\$ -	\$ -	
Total Crew Hour			161		\$ 3,760.00	\$ 352.50	\$ 4,112.50	\$ -
GPS/Total Station								
			180	\$40.00	\$ 7,200.00		\$ 7,200.00	
Office Prep								
			10	\$ 150.00	\$ 1,500.00		\$ 1,500.00	
Crew Coordination								
			8	\$ 200.00	\$ 1,600.00		\$ 1,600.00	
Proj. Management								
			8	\$ 200.00	\$ 1,600.00		\$ 1,600.00	
Computer								
			348	\$6	\$ 2,088.00		\$ 2,088.00	
Accounting Proj Prep								
				\$0	\$0		\$0	
Sub Total					\$ 13,988.00		\$ 13,988.00	\$ -
Mileage - Total Trips								
	22	1100			\$ 1,602.50		\$ 1,602.50	
Materials								
		1375			\$ 2,131.25		\$ 2,131.25	
Sub Total					\$ 3,733.75		\$ 3,733.75	\$ -
Crew Hrs								
TOTAL	1100		161		\$ 55,556.75	\$ 3,877.50	\$ 59,434.25	\$ -

EXTRACT OF MINUTES OF A MEETING OF THE
CITY COUNCIL OF THE CITY OF HENDERSON, MINNESOTA

HELD: SEPTEMBER 6, 2023

Pursuant to due call and notice thereof, a regular or special meeting of the City Council of the City of Henderson, Sibley County, Minnesota, was duly held at the City Hall on September 6, 2023, at 7:00 P.M., for the purpose, in part, of authorizing the competitive negotiated sale of \$6,150,000 General Obligation Bonds, Series 2023A.

The following members were present:

and the following were absent:

Member _____ introduced the following resolution and moved its adoption:

RESOLUTION NO. 2023-11

RESOLUTION PROVIDING FOR THE SALE OF \$6,150,000 GENERAL OBLIGATION
BONDS, SERIES 2023A

A. WHEREAS, the City Council of the City of Henderson, Minnesota (the "City") has heretofore determined that it is necessary and expedient to issue the City's \$6,150,000 General Obligation Bonds, Series 2023A (the "Bonds"), to finance projects as described in the Official Statement to be prepared by Ehlers & Associates, Inc., in Roseville, Minnesota ("Ehlers"); and

B. WHEREAS, the City has retained Ehlers, as its independent municipal advisor for the Bonds in accordance with Minnesota Statutes, Section 475.60, Subdivision 2(9).

NOW, THEREFORE, BE IT RESOLVED by the City of Henderson, Minnesota, as follows:

1. Authorization. The City Council hereby authorizes Ehlers to assist the City for the sale of the Bonds.
2. Meeting; Proposal Opening. The City Council shall meet at 7:00 P.M. on October 18, 2023, for the purpose of considering proposals for and awarding the sale of the Bonds.
3. Official Statement. In connection with said sale, the officers or employees of the City are hereby authorized to cooperate with Ehlers and participate in the preparation of an official statement for the Bonds and to execute and deliver it on behalf of the City upon its completion.

The motion for the adoption of the foregoing resolution was duly seconded by Council Member _____ and, after full discussion thereof and upon a vote being taken thereon, the following Council Members voted in favor thereof:

and the following voted against the same:

Whereupon said resolution was declared duly passed and adopted.

EXTRACT OF MINUTES OF A MEETING
OF THE CITY COUNCIL OF THE
CITY OF HENDERSON

HELD: SEPTEMBER 6, 2023

Pursuant to due call and notice thereof, a regular or special meeting of the City Council of the City of Henderson, was duly held at City Hall on September 6, 2023, at 7:00 PM.

The following Councilmembers were present: _____

and the following were absent: _____

Councilmember _____ introduced the following resolution and moved its adoption:

RESOLUTION NO. 2023-12

RESOLUTION AUTHORIZING THE CITY OF HENDERSON TO ENTER INTO A
CREDIT ENHANCEMENT PROGRAM AGREEMENT WITH THE
MINNESOTA PUBLIC FACILITIES AUTHORITY

A. WHEREAS, the City Council of the City of Henderson (the "Issuer") proposes to issue its General Obligation Bonds, Series 2023A (the "Bonds"), the proceeds of which will be used to finance the costs of construction, improvements or rehabilitation to the Issuer's municipal water system and municipal sanitary sewer system (the "Project"); and

B. WHEREAS, the City Council hereby determines that it is in the best interests of the Issuer to apply to the Minnesota Public Facilities Authority (the "Authority") for credit enhancement of the Bonds.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Henderson as follows:

1. Approval of the Authority's Credit Enhancement Program Agreement. The Authority's Credit Enhancement Program Agreement (the "Agreement") is hereby approved, the same being before the City Council and made a part of this resolution by reference.

2. Authorization to Sign Agreement and Related Forms. The Mayor and the City Administrator, or any other duly authorized official to sign in either's absence, are authorized to sign the Agreement on the Issuer's behalf and to execute any other related forms prescribed by the Authority with respect to the Agreement.

3. Agreement to Comply with Minnesota Statutes, Section 446A.086. The Issuer is entering into the Agreement with the Authority pursuant to Minnesota Statutes, Section 446A.086 (the "Act") and the Issuer hereby agrees to comply with and be bound by the provisions of the Act.

4. Submission of the Agreement. The Mayor and the City Administrator are hereby authorized to submit, on the Issuer's behalf, the Agreement to the Authority, together with the nonrefundable application fee in the amount of \$500.

The motion for the adoption of the foregoing resolution was duly seconded by Councilmember _____ and, after full discussion thereof and upon a vote being taken thereon, the following voted in favor thereof: _____

and the following voted against the same: _____

Whereupon the resolution was declared duly passed and adopted.

EXTRACT OF MINUTES OF A MEETING OF THE
CITY COUNCIL OF THE CITY OF HENDERSON, MINNESOTA

HELD: SEPTEMBER 6, 2023

Pursuant to due call and notice thereof, a regular or special meeting of the City Council of the City of Henderson, Sibley County, Minnesota, was duly held at City Hall on September 6, 2023 at 7:00 P.M., for the purpose in part of calling for a public hearing on property tax abatements.

The following members were present:

and the following were absent:

Member _____ introduced the following resolution and moved its adoption:

RESOLUTION NO. 2023-13

RESOLUTION CALLING FOR A PUBLIC HEARING
ON PROPOSED PROPERTY TAX ABATEMENTS

BE IT RESOLVED by the City Council (the "Council") of the City of Henderson, Minnesota (the "City"), as follows:

1. Recitals.
 - (a) Minnesota Statutes, Sections 469.1812 through 469.1815, as amended, both inclusive, authorize the City, upon satisfaction of certain conditions, to grant an abatement of all or a part of the taxes levied by the City on real property within its boundaries.
 - (b) It is a legal requirement that the City hold a public hearing prior to adoption of a resolution granting any property tax abatements.
2. Hearing. A public hearing on the consideration of the property tax abatement will be held at the time and place set forth in the Notice of Hearing attached hereto as Exhibit A and hereby made a part hereof.
3. Notice. The City Administrator is hereby authorized and directed to cause notice of said hearing in substantially the form attached hereto as Exhibit A to be given one publication in a newspaper of general circulation in the City at least 10 days but not more than 30 days before the hearing. The newspaper must be one of general interest and readership in the City, and the notice must be published at least once.

Councilmember _____ moved for the adoption of the foregoing resolution, and said motion was duly seconded by Councilmember _____, and upon a vote being taken thereon after full discussion thereof, the following voted in favor thereof:

and the following voted against the same:

whereupon said resolution was declared duly passed and adopted.

Adopted on _____, 2023, by the Henderson City Council.

Mayor

Attest:

City Clerk

EXHIBIT A

CITY OF HENDERSON

NOTICE OF PUBLIC HEARING
REGARDING PROPOSED PROPERTY TAX ABATEMENTS

NOTICE IS HEREBY GIVEN that the City Council of the City of Henderson, Minnesota (the "City") will hold a public hearing at a meeting of the Council beginning at 7:00 P.M., on Wednesday, September 27, 2023, to be held at the Henderson City Hall, 600 Main St., Henderson, Minnesota, on the proposal that the City abate property taxes levied by the City on the following property identified by the tax parcel identification numbers listed below (the "Property"):

The total amount of the taxes proposed to be abated by the City on the Property for up to a 20 year period is estimated to be not more than \$410,000. The City Council will consider the property tax abatements to assist in financing the construction of street improvements to 7th Street in connection with the 2023-2024 Street and Utility Improvement Project located in the City (the "Project").

The City proposes to issue General Obligation Bonds, Series 2023A in the aggregate principal amount not to exceed \$6,150,000 to finance the Project. The City will use property tax abatements to pay the principal of the bonds to be issued.

All interested persons may appear at the Wednesday, September 27, 2023 public hearing and present their views orally or in writing.

BY ORDER OF THE CITY COUNCIL

/s/Lon Berberich
City Administrator

The City of Henderson, Minnesota Post-Issuance Debt Compliance Policy

The City Council (the "Council") of the City of Henderson, Minnesota (the "City") has chosen, by policy, to take steps to help ensure that all obligations will be in compliance with all applicable federal regulations. This policy may be amended, as necessary, in the future.

IRS Background

The Internal Revenue Service (IRS) is responsible for enforcing compliance with the Internal Revenue Code (the "Code") and regulations promulgated thereunder ("Treasury Regulations") governing certain obligations (for example: tax-exempt obligations, Build America Bonds, Recovery Zone Development Bonds and various "Tax Credit" Bonds). The IRS encourages issuers and beneficiaries of these obligations to adopt and implement a post-issuance debt compliance policy and procedures to safeguard against post-issuance violations.

SEC Background

The Securities and Exchange Commission (SEC) is responsible for enforcing compliance with the SEC Rule 15c2-12 (the "Rule"). Governments or governmental entities issuing obligations generally have a requirement to meet specific continuing disclosure standards set forth in continuing disclosure agreements ("CDA"). Unless the issuer, obligated person, or a specific obligation is exempt from compliance with CDAs, these agreements are entered into at the time of obligation issuance to enable underwriter(s) to comply with the Rule. The Rule sets forth certain obligations of (i) underwriters to receive, review and disseminate official statements prepared by issuers of most primary offerings of municipal securities, (ii) underwriters to obtain CDAs from issuers and other obligated persons to provide material event disclosure and annual financial information on a continuing basis, and (iii) broker-dealers to have access to such continuing disclosure in order to make recommendations of municipal securities transactions in the secondary market. The SEC encourages issuers and beneficiaries adopt and implement a post-issuance debt compliance policy and procedures to safeguard against Rule violations.

When obligations are issued, the CDA commits the issuer or obligated person to provide certain annual financial information and material event notices to the public. Issuers and other obligated persons may also choose to provide periodic, voluntary financial information and filings to investors in addition to fulfilling the specific responsibilities delineated in their CDA. It is important to note that issuers and other obligated persons should not give any one investor certain information that is not readily available to all market participants by disseminating information to the marketplace, at large. Issuers and other obligated persons should be aware that any disclosure activities determined to be "communicating to the market" can be subject to regulatory scrutiny.

Post-Issuance Debt Compliance Policy Objective

The City desires to monitor these obligations to ensure compliance with the IRS Code, Treasury Regulations and the SEC Rule. To help ensure compliance, the City has developed the following policy (the "Post-Issuance Debt Compliance Policy"). The Post-

Issuance Debt Compliance Policy shall apply to the obligations mentioned above, including bonds, notes, loans, lease purchase contracts, lines of credit, commercial paper or any other form of debt that is subject to compliance.

Post-Issuance Debt Compliance Policy

The City Administrator of the City is designated as the City's agent who is responsible for post-issuance compliance of these obligations.

The City Administrator shall assemble all relevant documentation, records and activities required to ensure post-issuance debt compliance as further detailed in corresponding procedures (the "Post-Issuance Debt Compliance Procedures"). At a minimum, the Post-Issuance Debt Compliance Procedures for each qualifying obligation will address the following:

1. General Post-Issuance Compliance
2. General Recordkeeping
3. Arbitrage Yield Restriction and Rebate Recordkeeping
4. Expenditure and Asset Documentation to be Assembled and Retained
5. Miscellaneous Documentation to be Assembled and Retained
6. Additional Undertakings and Activities that Support Sections 1 through 5 above
7. Continuing Disclosure Obligations
8. Compliance with Future Requirements

The City Administrator shall apply the Post-Issuance Debt Compliance Procedures to each qualifying obligation and maintain a record of the results. Further, the City Administrator will ensure that the Post-Issuance Debt Compliance Policy and Procedures are updated on a regular and as needed basis.

The City Administrator or any other individuals responsible for assisting the City Administrator in maintaining records needed to ensure post-issuance debt compliance, are authorized to expend funds as needed to attend training or secure use of other educational resources for ensuring compliance such as consulting, publications, and compliance assistance.

Most of the provisions of this Post-Issuance Debt Compliance Policy are not applicable to taxable governmental obligations unless there is a reasonable possibility that the City may refund their taxable governmental obligation, in whole or in part, with the proceeds of a tax-exempt governmental obligation. If this refunding possibility exists, then the City Administrator shall treat the taxable governmental obligation as if such issue were an issue of tax-exempt governmental obligations and comply with the requirements of this Post-Issuance Debt Compliance Policy.

Private Activity Bonds

The City may issue tax-exempt obligations that are "private activity" bonds because either (1) the bonds finance a facility that is owned by the City but used by one or more qualified 501(c)(3) organizations, or (2) the bonds are so-called "conduit bonds", where the proceeds are loaned to a qualified 501(c)(3) organization or another private entity that finances activities eligible for tax-exempt financing under federal law (such as certain manufacturing projects and certain affordable housing projects). Prior to the issuance of

either of these types of bonds, the City Administrator shall take steps necessary to ensure that such obligations will remain in compliance with the requirements of this Post-Issuance Debt Compliance Policy.

In a case where compliance activities are reasonably within the control of a private party (i.e., a 501(c)(3) organization or conduit borrower), the City Administrator may determine that all or some portion of compliance responsibilities described in this Post-Issuance Debt Compliance Policy shall be assigned to the relevant party. In the case of conduit bonds, the conduit borrower will be assigned all compliance responsibilities other than those required to be undertaken by the City under federal law. In a case where the City Administrator is concerned about the compliance ability of a private party, the City Administrator may require that a trustee or other independent third party be retained to assist with record keeping for the obligation and/or that the trustee or such third party be responsible for all or some portion of the compliance responsibilities.

The City Administrator is additionally authorized to seek the advice, as necessary, of bond counsel and/or its financial advisor to ensure the City is in compliance with this Post-Issuance Debt Compliance Policy.

Adopted this date 9/6/2023 by the City of Henderson, Minnesota

**The City of Henderson, Minnesota
Post-Issuance Debt Compliance Procedures**

The City Council (the "Council") of The City of Henderson, Minnesota (the "City") has adopted the attached Post-Issuance Debt Compliance Policy dated 9/6/2023. The Post-Issuance Debt Compliance Policy applies to qualifying debt obligations issued by the City. As directed by the adoption of the Post-Issuance Debt Compliance Policy, the City Administrator of the City will perform the following Post-Issuance Debt Compliance Procedures for all of the City's outstanding debt.

1) General Post-Issuance Compliance

- a) Ensure written procedures and/or guidelines have been put in place for individuals to follow when more than one person is responsible for ensuring compliance with Post-Issuance Debt Compliance Procedures.
- b) Ensure training and/or educational resources for post-issuance compliance have been approved and obtained.
- c) The City Administrator understands that there are options for voluntarily correcting failures to comply with post-issuance compliance requirements (e.g. as remedial actions under Section 1.141-12 of the Treasury Regulations and the ability to enter into a closing agreement under the Tax-Exempt Bonds Voluntary Closing Agreement Program described in Notice 2008-31(the "VCAP Program")).

2) General Recordkeeping

- a) Retain records and documents for the obligation and all obligations issued to refund the obligation for a period of at least seven years following the final payment of the obligation. If an obligation is refunded, then the final payment of the refunding obligation becomes the beginning of the period unless otherwise directed by the City's bond counsel.
- b) Retain electronic (preferred) and/or paper versions of records and documents for the obligation.
- c) General records and documentation to be assembled and retained:
 - i) Description of the purpose of the obligation (i.e. the project or projects) and the state statute authorizing the project.
 - ii) Record of tax-exempt status or revocation of tax-exempt status, if applicable.
 - iii) Any correspondence between the City and the IRS.
 - iv) Audited financial statements.
 - v) All accounting audits of property financed by the obligation.
 - vi) Obligation transcripts, official statements, and other offering documents of the obligation.
 - vii) Minutes and resolutions authorizing the issuance of the obligation.
 - viii) Certifications of the issue price of the obligation.

- ix) Any formal elections for the obligation (i.e. an election to employ an accounting methodology other than the specific tracing method).
- x) Appraisals, demand surveys, or feasibility studies for property financed by the obligation.
- xi) All information reports filed for the obligations.
- xii) All management contracts and other service agreements, research contracts, and naming rights contracts.
- xiii) Documents related to governmental grants associated with construction, renovation or purchase of property financed by the obligation.
- xiv) Reports of any prior IRS examinations of the City or the City's obligation.
- xv) All correspondence related to the above (faxes, emails, or letters).

3) Arbitrage Yield Restriction and Rebate Recordkeeping

- a) Investment and arbitrage documentation to be assembled and retained:
 - i) An accounting of all deposits, expenditures, interest income and asset balances associated with each fund established in connection with the obligation. This includes an accounting of all monies deposited to the debt service fund to make debt service payments on the obligation, regardless of the source derived. Accounting for expenditures and assets is described in further detail in Section 4.
 - ii) Statements prepared by Trustee and/or Investment Provider.
 - iii) Documentation of at least quarterly allocations of investments and investment earnings to each obligation.
 - iv) Documentation for investments made with obligation proceeds such as:
 - (1) investment contracts (i.e. guaranteed investment contracts),
 - (2) credit enhancement transactions (i.e. obligation insurance contracts),
 - (3) financial derivatives (e.g. swaps, caps, and collars), and
 - (4) bidding of financial products:
 - (a) Investments acquired with obligation proceeds are purchased at fair market value (e.g. three bid safe harbor rule for open market securities needed in advance refunding escrows).
- b) Computations of the arbitrage yield.
- c) Computations of yield restriction and rebate amounts including but not limited to:
 - i) Compliance in meeting the "Temporary Period from Yield Restriction Exception" and limiting the investment of funds after the temporary period expires.
 - ii) Compliance in meeting the "Rebate Exception."
 - (1) qualifying for the "Small Issuer Exception,"
 - (2) qualifying for a "Spending Exception,"
 - (a) 6-Month Spending Exception
 - (b) 18-Month Spending Exception
 - (c) 24-Month Spending Exception
 - (3) qualifying for the "Bona Fide Debt Service Fund Exception," and

- (4) quantifying arbitrage on all funds established in connection with the obligation in lieu of satisfying arbitrage exceptions including reserve funds and debt service funds.
 - d) Computations of yield restriction and rebate payments.
 - e) Timely Tax Form 8038-T filing, if applicable.
 - i) Remit any arbitrage liability associated with the obligation to the IRS at each five-year anniversary date of the obligation, and the date in which the obligation is no longer outstanding (redemption or maturity date), whichever comes sooner, within 60 days of said date.
 - f) Timely Tax Form 8038-R filing, if applicable.
 - i) Remit the form after the date in which the obligation is no longer outstanding (redemption or maturity date), whichever comes sooner, within 2 years of said date.
 - g) Procedures or guidelines for monitoring instances where compliance with applicable yield restriction requirements depends on subsequent reinvestment of obligation proceeds in lower yielding investments (e.g. reinvestment in zero coupon SLGS).
- 4) Expenditure and Asset Documentation to be Assembled and Retained
- a) Documentation of allocations of obligation proceeds to expenditures (e.g. allocation of proceeds to expenditures for the construction, renovation or purchase of facilities owned and used in the performance of exempt purposes).
 - i) Such allocation will be done not later than the earlier of:
 - (1) eighteen (18) months after the later of the date the expenditure is paid, or the date the project, if any, that is financed by the obligation is placed in service; or
 - (2) the date sixty (60) days after the earlier of the fifth anniversary of the issue date of the obligation, or the date sixty (60) days after the retirement of the obligation.
 - b) Documentation of allocations of obligation proceeds to issuance costs.
 - c) Copies of requisitions, draw schedules, draw requests, invoices, bills, and cancelled checks related to obligation proceed expenditures during the construction period.
 - d) Copies of all contracts entered into for the construction, renovation or purchase of facilities financed with obligation proceeds.
 - e) Records of expenditure reimbursements incurred prior to issuing obligations for projects financed with obligation proceeds (declaration of official intent/reimbursement resolutions including all modifications).
 - f) List of all facilities and equipment financed with obligation proceeds.
 - g) Depreciation schedules for depreciable property financed with obligation proceeds.
-

- h) Documentation that tracks the purchase and sale of assets financed with obligation proceeds.
 - i) Documentation of timely payment of principal and interest payments on the obligation.
 - j) Tracking of all issue proceeds and the transfer of proceeds into the debt service fund as appropriate.
 - k) Documentation that excess earnings from a Reserve Fund are transferred to the Debt Service Fund on an annual basis. Excess earnings are balances in a Reserve Fund that exceed the Reserve Fund requirement.
- 5) Miscellaneous Documentation to be Assembled and Retained
- a) Ensure that the project, while the obligation is outstanding, will avoid IRS private activity concerns.
 - b) The City Administrator shall monitor the use of all obligation-financed facilities in order to:
 - i) Determine whether private business uses of obligation-financed facilities have exceeded the *de minimus* limits set forth in Section 141(b) of the Code as a result of:
 - (1) sale of the facilities;
 - (2) sale of City capacity rights;
 - (3) leases and subleases of facilities including easements or use arrangements for areas outside the four walls (e.g. hosting of cell phone towers);
 - (4) leasehold improvement contracts, licenses, management contracts in which the City authorizes a third party to operate a facility (e.g. cafeteria);
 - (5) research contracts;
 - (6) preference arrangements in which the City permits a third-party preference (e.g. parking in a public parking lot, joint ventures, limited liability companies or partnership arrangements);
 - (7) output contracts or other contracts for use of utility facilities including contracts with large utility users;
 - (8) development agreements which provide for guaranteed payments or property values from a developer;
 - (9) grants or loans made to private entities including special assessment agreements;
 - (10) naming rights agreements; and
 - (11) any other arrangements that provide special legal entitlements to nongovernmental persons.
 - ii) Determine whether private security or payments that exceed the *de minimus* limits set forth in Section 141(b) of the Code have been provided by nongovernmental persons with respect to such obligation-financed facilities.

- c) The City Administrator shall provide training and educational resources to any City staff that have the primary responsibility for the operation, maintenance, or inspection of obligation-financed facilities with regard to the limitations on the private business use of obligation-financed facilities and as to the limitations on the private security or payments with respect to obligation-financed facilities.
 - d) The City shall undertake the following with respect to the obligations:
 - i) An annual review of the books and records maintained by the City with respect to such obligations.
 - ii) An annual physical inspection of the facilities financed with the proceeds of such obligations, conducted by the City Administrator with the assistance of any City staff who have the primary responsibility for the operation, maintenance, or inspection of such obligation-financed facilities.
 - e) Changes in the project that impact the terms or commitments of the obligation are properly documented and necessary certificates or opinions are on file.
- 6) Additional Undertakings and Activities that Support Sections 1 through 5 above:
- a) The City Administrator will notify the City's bond counsel, financial advisor and arbitrage provider of any survey or inquiry by the IRS immediately upon receipt. Usually responses to IRS inquiries are due within 21 days of receipt. Such IRS responses require the review of the above-mentioned data and must be in writing. As much time as possible is helpful in preparing the response.
 - b) The City Administrator will consult with the City's bond counsel, financial advisor and arbitrage provider before engaging in post-issuance credit enhancement transactions (e.g. obligation insurance, letter of credit, or hedging transaction).
 - c) The City Administrator will monitor all "qualified tax-exempt debt obligations" (often referred to as "bank qualified" obligations) within the first calendar year to determine if the limit is exceeded, and if exceeded, will address accordingly. For obligations issued during years 2009 and 2010 the limit was \$30,000,000. During this period, the limit also applied to pooled financings of the governing body and provides a separate \$30,000,000 for each 501 (c)(3) conduit borrower. In 2011 and thereafter it is \$10,000,000 unless changed by Congress.
 - d) Identify any post-issuance change to terms of obligations which could be treated as a current refunding of "old" obligations by "new" obligations, often referred to as a "reissuance."
 - e) The City Administrator will consult with the City's bond counsel prior to any sale, transfer, change in use or change in users of obligation-financed property which may require "remedial action" under applicable Treasury Regulations or resolution pursuant to the VCAP Program.

- i) A remedial action has the effect of curing a deliberate action taken by the City which results in satisfaction of the private business test or private loan test. Remedial actions under Section 1.141-12(d)(e) and (f) include the redemption of non-qualified obligations and/or the alternative uses of proceeds or the facility (i.e. to be used for another qualified purpose).
- f) The City Administrator will ensure that the appropriate tax form for federal subsidy payments is prepared and filed in a timely fashion for applicable obligations (e.g. Build America Bonds).

7) Continuing Disclosure Obligations

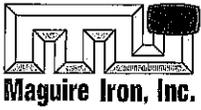
- a) Identify a position at the City to be responsible for compliance with continuing disclosure obligations as defined by the Rule and any policies of the City.
- b) The position responsible for compliance may have the ability to assign responsibilities, delegate where appropriate or engage a dissemination agent or third-party service providers to perform all or some of the duties described in this section. The City cannot delegate its compliance responsibilities.
- c) The City should specify how providers or delegated authorities will be monitored and supervised.
- d) The City should identify the documents that set forth the respective requirements being monitored at the time of closing for each obligation.
- e) The City should catalog all outstanding Continuing Disclosure Agreements and establish consolidated filing requirements based on the outstanding CDAs.
- f) The City should identify the frequency of the actions to be undertaken to ensure compliance, establish a system of filing alerts or reminders to administer the filing requirements.
- g) The City Administrator for compliance must be made aware of any new outstanding debt, changes to obligation or loan covenants, events of acceleration or default that would materially affect investors.
- h) The City should review a compliance checklist to verify compliance with CDA requirements, at least annually, although it may be advisable to provide more frequent reviews in connection to specific material events.
- i) The City should monitor mandatory material events specifically identified in accordance with the Rule and file required notices within 10 days of occurrence.
 - i) Principal and interest payment delinquencies.
 - ii) Non-payment related defaults, if material.
 - iii) Unscheduled draws on debt service reserves reflecting financial difficulties.
 - iv) Unscheduled draws on credit enhancements reflecting financial difficulties.
 - v) Substitution of credit or liquidity providers or their failure to perform.

- vi) Adverse tax opinion, IRS notices or material events affecting the tax status of the obligation.
 - vii) Modifications to rights of security holders, if material.
 - viii) Obligation calls, if material.
 - ix) Defeasances.
 - x) Release, substitution or sale of property securing repayment of the obligations, if material.
 - xi) Rating Changes.
 - xii) Bankruptcy, insolvency, receivership, or similar event of the obligated person(s).
 - xiii) Merger, consolidation, or acquisition of the obligated person, if material.
 - xiv) Appointment of a successor or additional trustee, or change of name of a trustee, if material.
 - xv) Incurrence of financial obligation of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the City, any of which affect security holders, if material.
 - xvi) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the financial obligation of the City, any of which reflect financial difficulties.
- j) In addition to the mandatory material events, the City should review and file any additional or voluntary event notices.
 - k) The City should maintain a catalog of all outstanding obligations whether publicly offered or privately placed, and the terms and conditions that govern default or acceleration provisions.
 - l) Any missed filing requirement should be remedied with a failure to file notice as soon as possible once the late filing is identified and the required information is available to file.
 - m) Sensitive information such as bank accounts and wire information should be redacted from documents prior to posting on EMMA.
 - n) The City needs to monitor for changes in law and regulations that effect continuing disclosure obligations and review disclosure policies and procedures periodically to ensure compliance and consistency with regulation and market expectations.

8) Compliance with Future Requirements

- a) Take measures to comply with any future requirements issued beyond the date of these Post-Issuance Debt Compliance Procedures which are essential to ensuring compliance with the applicable state and federal regulations.

Adopted this date 9/6/2023 by the City of Henderson, Minnesota



WATER TOWER EXPERTS

info@maguireiron.com
1610 N. Minnesota Ave
Sioux Falls, SD 57104
(605) 334-9749

CONTRACT FOR SERVICES

This contract made and entered into this 05 day of September, 2023, by and between HENDERSON, MN - CITY OF hereinafter called the "Owner" or "Customer" and Maguire Iron, Inc., a South Dakota Corporation with its principal office located in Sioux Falls, South Dakota, hereinafter called the "Contractor" or "Company" for and in consideration of the mutual covenants and promises hereinafter contained.

Sphere - 100MG - GS 9 mixer

WITNESSETH:

Contractor agrees to make the following repairs and improvements on the Owner's water supply tank, and to furnish the necessary equipment, labor, material, as well as Workmen's Compensation Insurance and Contractor's Liability Insurance, and to do the work hereinafter stated in a good and workmanlike manner.

Mixing System (GS 9)

- Contractor will furnish and install a new Gridbee model GS-9 submersible mixer unit into the interior of the potable water tank.
- Mixer will be suspended by chain from the top of the tanks roof area.
- Electrical cord will come out of the top of the tank and into a junction box.

Contract Notes

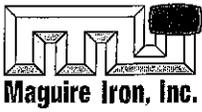
- Contractor will install conduit and wiring from the roof junction box to the ground level of the water tank.
- Owner will be responsible for making the final power connection from the source to the wiring at ground level.

Owner will inspect the work as it progresses and upon completion and acceptance by Owner of the above work, the sum of **\$ 18,275.00** plus applicable sales, excise, and/or use tax shall become due and payable in full.

MAGUIREIRON.COM

Quote ID: DQ007331-1

v070721_2



WATER TOWER EXPERTS

info@maguireiron.com
1610 N. Minnesota Ave
Sioux Falls, SD 57104
(605) 334-9749

Terms: Net 30 days from acceptance and invoicing, plus applicable sales, use, excise, transfer or similar taxes required by law. A service charge of 1½% per month (annual rate of 18%) will be charged on past due accounts. During any exterior painting, Owner shall assist in removing any vehicles in the area which might receive paint damage. Contractor will exercise reasonable care and caution to avoid, but will accept no liability for damage to antenna, communication, telemetry and/or electrical system(s) which may be attached to the structure. Removal, repair and/or replacement of the antenna, communication, telemetry and/or electrical system(s) shall be the responsibility of the Owner. Contractor may apply a temporary surcharge to amounts otherwise payable under this Agreement to reflect significant cost increases for materials, supplies, and/or fuel during high inflationary periods. Owner and the authorized agents signing this contract as such agents do hereby expressly warrant that Owner has authority to make and enter into this contract and that it becomes a party hereto pursuant to a lawful resolution duly and regularly adopted by the governing board of said Owner pursuant to the applicable statutes of this State. Customer shall reimburse Company for all travel, meal and entertainment expenses incurred by Company and its employees in connection with Company's performance under the contract. To the extent that any meal or entertainment expenses incurred by Company or its employees are subject to the limitation on deductibility under IRC Section 274(n) (1) and the Regulations thereunder, Customer shall be subject to the limitation and shall reduce its deduction accordingly. **This is included in the contract amount.**

The owner will be responsible to the Company for the cost (at current market rates) of any work that has been performed prior to termination.

HAZARDOUS MATERIAL DISCLAIMER: *In the event that hazardous materials are on the water tank and this information is not addressed in the specification or made known to Maguire Iron, Inc. prior to the price or bid being supplied by Maguire Iron, Inc., any additional means of hazardous material abatement or disposal costs will be born upon the Owner.*

This constitutes the entire contract. No verbal agreements or additions will be honored. Any amendments or additions hereto must be in writing and executed by the duly authorized agents and officers of the parties hereto.

IN WITNESS WHEREOF, we have set our hands and seals the day and year above written.

Owner: HENDERSON, MN - CITY OF

MAGUIRE IRON, INC.

By: _____
(Name) (Title)

By: Chad Edwards 09/05/2023
(Authorized Agent) (Date)

By: _____
(Name) (Title)

Date Accepted: _____
Upon acceptance, please provide two (2) signatures and date the agreement.

MAGUIREIRON.COM

Quote ID: DQ007331-1

v070721_2

COUNTY OF SIBLEY

ORDINANCE No.: _____

**ORDINANCE REGULATING THE USE OF CANNABIS AND
CANNABIS DERIVED PRODUCTS IN PUBLIC PLACES**

THE SIBLEY COUNTY BOARD OF COMMISSIONERS HEREBY ORDAINS
AS FOLLOWS:

SECTION 1. PURPOSE AND INTENT

This Ordinance is adopted by Sibley County for the purpose of protecting public health and safety by REGULATING/PROHIBITING the use of Cannabis and cannabis derived products in public places and places of public accommodation within Sibley County.

Minnesota Session Law 2023, Chapter 63, effective in relevant part August 1, 2023, establishes that the adult use, possession and personal growing of cannabis is legal subject to the requirements and restrictions of Minnesota Statutes.

Minnesota Session Law 2023, Chapter 63, Art. 4, section 19, codified as Minn. Stat. 342.0263, subd. 5 authorizes the adoption of a local ordinance establishing a petty misdemeanor offense for public use of cannabis.

The County intends to be proactive in protecting public health and safety by enacting an ordinance that will mitigate threats presented to the public and public health by the public use of cannabis.

Sibley County (hereinafter “the County”) recognizes the risks that unintended access and use of cannabis products and exposure to cannabis and its effects present to the health, welfare, and safety of members of the public and in particular the youth of the County.

SECTION 2. DEFINITIONS

Except as may otherwise be provided or clearly implied by context, all terms shall be given their commonly accepted definitions. The following words, terms, and phrases, when used in this ordinance, shall have the meanings ascribed to them except where the context clearly indicates a different meaning.

(a) **Adult-use cannabis flower.** “Adult-use cannabis flower” means cannabis flower that is approved for sale by the Minnesota Office of Cannabis Management or is substantially similar to a product approved by the office. Adult-use cannabis flower does not include medical cannabis flower, hemp plant parts, or hemp-derived consumer products.

(b) **Adult-use cannabis products.** “Adult-use cannabis products” means a cannabis product that is approved for sale by the office or is substantially similar to a product approved by the office. Adult-use cannabis product includes edible cannabis products but does not include medical cannabinoid products or lower-potency hemp edibles.

(c) **Cannabis flower.** “Cannabis flower” means the harvested flower, bud, leaves, and stems of a cannabis plant. Cannabis flower includes adult-use cannabis flower and medical cannabis flower. Cannabis flower does not include cannabis seed, hemp plant parts, or hemp-derived consumer products.

(d) **Cannabis product.** “Cannabis product” means any of the following:

- (1) cannabis concentrate;
- (2) a product infused with cannabinoids, including but not limited to tetrahydrocannabinol, extracted or derived from cannabis plants or cannabis flower; or
- (3) any other product that contains cannabis concentrate.

(e) **Hemp derived consumer products.**

(1) “Hemp derived consumer products” means a product intended for human or animal consumption, does not contain cannabis flower or cannabis concentrate, and:

- (i) contains or consists of hemp plant parts; or
- (ii) contains hemp concentrate or artificially derived cannabinoids in combination with other ingredients.

(2) Hemp-derived consumer products does not include artificially derived cannabinoids, lower-potency hemp edibles, hemp-derived topical products, hemp fiber products, or hemp grain.

(f) **Lower-potency hemp edible.** A “lower-potency hemp edible” means any product that:

- (1) is intended to be eaten or consumed as a beverage by humans;
- (2) contains hemp concentrate or an artificially derived cannabinoid; in combination with food ingredients;
- (3) is not a drug;
- (4) consists of servings that contain no more than five milligrams of delta-9 tetrahydrocannabinol, 25 milligrams of cannabitol, 25 milligrams of cannabitol, or any combination of those cannabinoids that does not exceed the identified amounts;
- (5) does not contain more than a combined total of 0.5 milligrams of all other cannabinoids per serving;
- (6) does not contain an artificially derived cannabinoid other than delta-9 tetrahydrocannabinol;
- (7) does not contain a cannabinoid derived from cannabis plants or cannabis flower; and
- (8) is a type of product approved for sale by the office or is

substantially similar to a product approved by the office, including but not limited to products that resemble nonalcoholic beverages, candy, and baked goods.

(g) **Public place.** A “public place” means a public park or trail, public street or sidewalk, any enclosed, indoor area used by the general public, including, but not limited to, theaters, restaurants, bars, food establishments, places licensed to sell intoxicating liquor, wine, or malt beverages, retail businesses, gyms, common areas in buildings, public shopping areas, auditoriums, arenas, or other places of public accommodation.

(h) **Place of public accommodation.** “Place of public accommodation” means a business, refreshment, entertainment, recreation, or transportation facility of any kind, whose goods, services, facilities, privileges, advantages, or accommodations are extended, offered, sold, or otherwise made available to the public.”

(i) **Exceptions to the definition of public place or place of public accommodation.** “A public place” or “a place of public accommodation” does not include the following:

- (1) a private residence, including the individual’s curtilage or yard.
- (2) a private property, not generally accessible by the public, unless the individual is explicitly prohibited from consuming cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products on the property by the owner of the property; or
- (3) on the premises of an establishment or event licensed to permit on-site consumption.

(j) **Smoking.** “Smoking” means inhaling, exhaling, burning, or carrying any lighted or heated cigar, cigarette, pipe, or any other lighted or heated product containing cannabis flower, cannabis products, artificially derived cannabinoids, or hemp-derived consumer products. Smoking includes carrying or using an activated electronic delivery device for human consumption through inhalation of aerosol or vapor from the product.

SECTION 3. PROHIBITED ACTS

Subd. 1. No person shall use cannabis flower, cannabis products, lower-potency hemp edibles, or hemp- derived consumer products in a public place or a place of public accommodation unless the premises is an establishment or event licensed to permit on-site consumption of adult-use cannabis flower and adult use cannabis products. *See Minnesota Session Law 2023, Chpt. 63, Art. 1, Sec. 9 codified as Minn. Stat. 342.09, subd. 1(2) and 342.09, subd.1 (7)(iii) and Art. 4, Sec. 19 codified as Minn. Stat. Sec. 152.0263, subd. 5.*

Subd. 2. No person shall vaporize or smoke cannabis flower, cannabis products, artificially derived cannabinoids, or hemp-derived consumer products in any location where the smoke, aerosol, or vapor would be inhaled by a minor. *Minnesota Session Law 2023, Chpt. 63, Art. 1, Sec. 9 codified as Minn. Stat. Sec. 342.09, subd. 1 (7)(b)(9).*

SECTION 4. PENALTY

Subd. 1. Criminal Penalty. A violation of this ordinance shall be a petty misdemeanor punishable by a fine of up to \$300. Nothing in this ordinance shall prohibit the United States, the State of Minnesota, or the County from investigating or prosecuting any other activity that is a crime under any other federal or state statute or county ordinance.

Subd.2. An alleged violation or violation of this ordinance may be investigated by a peace officer as defined in Minn. Stat. 626.84, Subd. 1. Any alleged violation or violation of this ordinance shall be prosecuted by the Office of the Sibley County Attorney.

SECTION 5. SEVERABILITY

If any section or provision of this ordinance is held invalid, such invalidity will not affect any other section or provision that can be given force and effect without the invalidated section or provision.

SECTION 6. EFFECTIVE DATE

This ordinance shall be in full force and effect immediately from and after its passage and publication as required by law.

ADOPTED by the _____ County Board of Commissioners this _____ day of ____, 2023.

Sibley County Board Chair

Attest: _____
Sibley County Administrator