



CITY OF NEWPORT

2060 1<sup>ST</sup> Avenue  
Newport, MN 55055  
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ci.newport.mn.us

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**COUNCIL WORKSHOP AGENDA**

**AUGUST 18, 2022- Immediately following the Regular City Council Meeting**

1. CALL TO ORDER
2. ROLL CALL
3. ORDINANCE NO 2022-05- Vollrath Sign Text Amendment
4. 2023 BUDGET
5. THC LAW
6. FUTURE MEETING AGENDA ITEMS
7. ADJOURNMENT



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## MEMORANDUM

**Memo Date:** August 9, 2022  
**Meeting Date:** August 18, 2022  
**To:** Newport City Council  
**From:** Nathan Fuerst, AICP, City Planner  
**Subject:** Zoning Text Amendment – Sign Ordinance

**Action Requested:** Review the request and provide a determination on the zoning text amendment.

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### Overview

**Applicant:** Vollrath

**Request:** Zoning Text Amendment to City Code Section 36-554

**60 Day Period:** August 21, 2022

### Background

Staff received an inquiry from Vollrath, a company operating at 910 Hastings Avenue in the City, for a proposed temporary banner advertising employment opportunities. This banner could not be permitted due to the City's temporary signage regulations which will not allow for the banner size or duration of time proposed by Vollrath. The company is seeking to install a large vinyl banner on the 910 Hastings Avenue industrial building which would be visible from Highway 61.

Specifically, the company is seeking to install a 50' by 63" vinyl banner for 6 (six) months to 1 (one) year. The proposed banner would be approximately 262.5 square feet in area. Staff suggested a zoning text amendment as the only way to permit the sign as proposed.

### Current Code Section

Temporary Signage is defined in City Code Section 36-552 as follows:

*Temporary sign means a sign which is erected or displayed for a limited time. Temporary signs are typically constructed of lightweight, non-permanent materials and structures.*

The existing City Code Section regulating temporary signage (Sec. 36-554.a) in Business and Mixed Use zoning districts is provided on the next page:

a) *Temporary signs. Temporary signs or banners that are a maximum 20 square feet in size are allowed. A maximum of three temporary signs are allowed per parcel on commercial properties in business, commercial, and mixed-use districts. Temporary signs may be displayed for a maximum of 30 consecutive days. No sign permit is required for temporary signs.*

1) *Temporary signs shall include: banners, pennants, portable bulletin signs, freestanding signs, streamers, and sandwich boards. The design and construction of all the signs shall be professional looking and not be allowed to become torn or weathered.*

2) *Temporary signs such as flying signs, air inflated devices, and search lights shall not be allowed at any time in any zoning district.*

### **Zoning Text Amendment Request**

The applicant's stated reason for making this request is as follows:

*Placing a 'now hiring' sign on the building viewable from the highway. Preference is to leave on the building for six months to a year.*

By requesting a 262.5 square foot vinyl banner for 6 or more months, the applicant is effectively requesting two separate amendments.

- To increase allowable sign area from 20 square feet to over 260 square feet.
- To increase the duration of a temporary sign from approximately 30 days to over 180 days.

### **City Consideration**

City Code Section 36-40(e) provides considerations that are intended to guide the City's decision on zoning amendments. Notably, it states that: *No change shall be recommended unless it is required of the public good, is in the interest of the public health, safety, and welfare, and is compatible with the comprehensive plan of the city and any applicable requirements of this article.*

### **City Council Discussion**

After reviewing the request at its meeting on July 21, 2022, the Newport City Council determined that the requests for both temporary banner size and duration exceeded what was found to be acceptable. Staff were guided to amend the draft ordinance to allow for banners of up to 80 square feet for up to 120 days.

Another change discussed was reducing the limitation for temporary banners to allow them in mixed use districts along with business districts. Staff has amended the draft ordinance accordingly.

### **Revisions Proposed**

The following amendments are based on staff review and feedback received from both the Newport Planning Commission and City Council:

1. One Temporary Banner, in addition to any other temporary sign, will be permitted in Business and Mixed Use zoning districts.
1. Banners, specifically when affixed to a façade, shall be allowed up to 80 square feet or 10% of the façade area, whichever is less. When in combination with wall signs, all signage may be no more than 20% of the wall area.
2. Banners be permitted for a maximum duration of no longer than 4 months or 120 days per calendar year.
3. Temporary banners shall require a zoning permit. Other temporary signage shall not require a permit

Staff review also resulted in identification of proposed changes as follows:

1. Improve definition of temporary signage based on language already found in the ordinance.

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Date: August 18, 2022

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2. Relocate language prohibiting certain types of temporary signage to a more suitable location in code.

### **Public Hearing**

A public hearing was noticed and held at the Planning Commission's regular meeting on July 12, 2022.

One member of the public provided comment at the public hearing in support of the requested amendment to the City Code.

### **Planning Commission Recommendation**

After discussion, the Planning Commission unanimously voted to recommend the requested amendments to the City Council for approval with several specific revisions. The specific revisions requested by the planning commission were to require a zoning permit for temporary banners, and to ensure that such signage is regulated according to a calendar year. The Planning Commission's discussion included consideration for how the City can track the duration of banners, concern for keeping such banners in good repair, and how this ordinance would impact multi-tenant parcels.

Staff revised the draft ordinance presented with this item to include language satisfying the Planning Commission's recommendation relating to temporary banners.

### **City Council Determination**

The City Council is asked to provide a determination about whether to approve or deny this request. The Council should review the text amendment for consistency with the intent of the City's established policies and plans.

Staff have provided an example motion as follows:

**“Move to [adopt/deny] the draft Ordinance 2022-XX, amending City Code Chapter 36, Article 9”**

### **Resources:**

- Application Documents (attached)
- Draft Ordinance 2022-05 (attached)
- City Council Packet 7/21/2022 ([link only](#))
- Citywide Zoning Map ([link only](#))
- City Sign Ordinance ([link only](#))



The Vollrath Company, LLC  
1236 N. 18th Street  
Sheboygan, WI 53081  
Phone: 1.800.624.2051  
vollrathcompany.com

July 6, 2022

City of Newport  
Attn: Planning Commission  
596 7<sup>th</sup> Avenue  
Newport, MN 55055

Re: Request for Zoning Amendment for 910 Hastings Ave, Suite 150, Newport, MN 55055

Dear Chairman and Commission Members,

We lease a commercial building at 910 Hastings Ave, Suite 150, Newport, MN 55055. The zoning code limits the size of sign we may place on the building.

We are requesting a zoning amendment because we would like to hang a "now hiring" sign that can be seen from the highway. Anything placed on the ground by our building is only viewable on a low traffic frontage road, not viewable from the highway. Given the large size of the building and plain exterior, we do not think it will have a negative visual impact on the neighborhood or region. The sign will state "Now Hiring" and provide a list of positions open "welders/fabricators, polishers/finishers". It will have our logo "Vollrath" and list our website where positions are posted "vollrathcompany.com/careers". A sign rendering has been provided for your reference to see what the sign will look like.

The sign we are proposing is 50' wide by 63" high. The intention is to have the sign up for as long as we can. We are requesting a minimum of 6 months, but up to a year would be ideal. If approved, it will be printed on heavy duty vinyl and installed securely.

We would like to place the sign as soon as possible and hope the Planning Commission can consider this request at its earliest possible date.

Thank you for your consideration of this matter.

Sincerely,

Tiffany Wieser, Senior Project Manager  
Corporate Communications, Media, and PR  
The Vollrath Company, L.L.C.





# NOW HIRING

VOLLRATHCOMPANY.COM/CAREERS

› WELDERS/FABRICATORS

› POLISHERS/FINISHERS

Design - 50' wide x 63" high



Street View Mock



Highway View Mock

City of Newport, MN  
Ordinance No. 2022-05  
An Ordinance Amending Chapter 36, Article IX, Section 554.

**THE CITY COUNCIL OF THE CITY OF NEWPORT DOES ORDAIN THAT** (new material is underlined; deleted material is lined out; sections which are not proposed to be amended are omitted, sections which are only proposed to be re-numbered are only set forth below as to their number and title):

**SECTION 1.** City of Newport City Code, Chapter 36 – Zoning, Article IX- Signs

**Sec. 36-552. Definitions.**

*Temporary sign* means a sign which is erected or displayed for a limited time. Temporary signs are typically constructed of lightweight, non-permanent materials and structures. Temporary signs shall include: banners, pennants, portable bulletin signs, freestanding signs, streamers, and sandwich boards.

**Sec. 36-553. District regulations.**

- (a) All permanent signs shall be constructed in accordance with the current state building code and National Electrical Code. To the extent that any conflict exists between those provisions and the provision of this Code, the more restrictive shall apply. All signs shall be constructed in such a manner and of such material that they shall be safe and substantial, provided that nothing in this Code shall be interpreted as authorizing the erection or construction of any sign not permissible under the current zoning or building codes of the city.
- (b) All permanent signs utilizing electricity shall be subject to the state's current electrical code and electrical wiring shall be buried or concealed.
- (c) All permanent sign structures shall be designed and constructed to withstand a wind pressure of not less than 80 mph, or as determined by the current state building code.
- (d) All billboards and signs along interstates and highways shall comply with applicable federal laws and rules and with M.S.A. §§ 173.13-173.231 and Minn. R. pts. 8810.0200—8810.1400 and successor statutes and rules.
- (e) All sign distances and setbacks required in this article shall be measured from the outer edge of the sign that is closest to the structure or roadway edge from which the setback is required.
- (f) Freestanding and monument signs.
  - (1) Non-accessory freestanding and wall signs are prohibited in all districts, except in areas specially designated for off-premises signs in this article.
  - (2) The base or support structure for freestanding and monument signs shall compliment the design of the building and incorporate 40 percent of brick, stone, decorative block, or similar substantial materials as approved by the city. The base of the sign shall be at least 75 percent of the width of the sign from the ground to the bottom of the sign.
  - (3) Freestanding, on-premises signs along major thoroughfares (I-494 and T.H. 61) shall be subject to a review by the zoning administrator. The focus of the review is to assure the quality of the sign's design and materials and compliance with this code. Furthermore, the zoning administrator will consider the signs' relationship to any architectural theme of existing or proposed structures on the parcel.
  - (4) Any freestanding sign within 25 feet of any intersection of street right-of-way lines or driveway entrances shall have vertical clearance for proper visibility by motorists on all affected roadways.
- (g) No sign other than public traffic controls shall be erected within any street right-of-way or upon any public easements except as permitted in this section.

- (h) A permit for a sign to be located within 50 feet of any street or highway regulatory or warning sign, or of any traffic sign or signal, or of any crossroad or crosswalk, will be issued only if:
  - (1) The sign will not interfere with the ability of drivers and pedestrians to see any street or highway sign, or any traffic sign or signal, or any crossroad or crosswalk.
  - (2) The sign will not distract drivers nor offer any confusion to any street or highway sign, or any traffic sign or signal. The burden of establishing whether a sign configuration will not disturb or confuse drivers will be on the applicant seeking to construct the sign.
  - (3) Campaign yard signs permitted by this section may be placed not less than five feet from the curb, lot line or edge of street in residential, mixed-use, business, and industrial districts.
- (i) Any illuminated sign located within 50 feet of lot line of a residential use or a Residential or Mixed-Use district shall have diffused or indirect illumination so direct rays of light shall not be directed into an adjacent residence. All illuminated signs in Business and Industrial Districts adjacent to Residential and Mixed-Use Districts shall be designed to illuminate the sign and not illuminate residential properties to the extent practicable.
- (j) The building official, in granting permits for illuminated signs, shall specify the hours during which the same may be kept lighted to prevent the creation of a nuisance. All illuminated signs shall have a shielded light source.
- (k) Roof signs shall be prohibited in all districts.
- (l) Billboards shall be prohibited in all districts except as expressly allowed in Section 36-555.
- (m) Campaign yard signs, posted by a bonafide candidate for political office or by a person or group promoting a political issue or a political candidate, may be placed in any district. Such signs may be erected beginning 46 days before the state primary in a state general election year and must be removed no later than ten days following the election. The signs shall be setback a minimum of five feet from the edge of the street and signs shall not visually obstruct motor vehicle operation. Candidates shall be provided a copy of this ordinance upon filing for office.
- (n) Temporary real estate signs may be erected for the purpose of selling or promoting residential development projects provided:
  - (1) Such signs shall not exceed 128 square feet in area.
  - (2) Only one sign shall be permitted per street frontage upon which the property abuts.
  - (3) Such signs shall be removed when the project is 80 percent completed, sold, or leased.
  - (4) Such signs shall be located no closer than 100 feet to any residence not part of the project.
- (o) Temporary signs adjacent to the public right-of-way for the purpose of selling or leasing individual lots or buildings shall be permitted provided:
  - (1) Such signs shall not exceed six square feet in area for residential property and 32 square feet for nonresidential property and multiple-family developments of four or more dwelling units.
  - (2) Only one such sign is permitted per street frontage upon which the property abuts.
  - (3) Such signs shall be removed within seven days following the lease or sale.
- (p) Temporary signs such as flying signs, air inflated devices, and search lights shall not be allowed at any time, in any zoning district, unless otherwise specified in this chapter.
- (p) The total sign area of any multi-faced free-standing or projecting wall sign shall not exceed two times the permitted area of a two-sided sign or three times the area of a three-sided sign. All applications for signs of more than two sides shall be reviewed by the zoning administrator, and at his/her discretion by the planning commission and city council.
- (q) Off-premises signs, except permitted temporary signs and permitted pylon signs and billboards in business, commercial, and industrial districts, are prohibited in all districts.



- (~~f~~s) Bench signs are permitted in all districts at MTC bus stops. Back-lighted signs are permitted on the ends of bus shelters or transit stations.
- (~~s~~t) Church directional signs shall be permitted in all districts provided the total area of such signs shall not exceed four square feet per facing.
- (~~t~~u) Canopies and marquees shall be considered an integral part of the structure to which they are accessory. Signs may be attached to a canopy or marquee but such structure shall not be considered as part of the wall area and thus shall not warrant additional sign area.
- (~~h~~v) Signs advertising garage, yard or similar household sales shall be removed within seven days of the sale.
- (~~w~~u) Signs with moving or changing electronic messages are allowed as part of the total area of a permitted sign.
- (~~w~~x) Signs located in the interior of a building and are not visible from the outside of the building shall be exempt from the provisions of this section and shall not require permits or payment of fees.
- (~~x~~y) No sign shall contain any obscene matter as described by M.S.A § 617.241 or successor statutes.

### **Sec. 36-554. District regulations.**

- (a) In addition to those signs permitted or prohibited in all districts, the following signs are allowed in each specific district and shall be regulated as to size, location, and character according to the requirements set forth:
  - (1) *Residential and mixed-use districts.*
    - a. Non-commercial (election) signs that comply with M.S.A. § 211B.045 or successor statutes.
    - b. Nameplate signs: one for each dwelling unit, not greater than two square feet in area, indicating the name and/or address of the occupant.
    - c. Recreational signs: one sign or bulletin board per street frontage for a park and recreational use in residential districts. Such sign or bulleting board shall not exceed 24 square feet in area nor shall it be placed closer than ten feet to any edge of a street line nor shall it be placed in a location that would interfere with the safe movement of traffic.
    - d. Temporary signs that are a maximum of 20 square feet in size. A maximum of three temporary signs are allowed per parcel in residential districts. Temporary signs may be displayed for a maximum of 14 days, up to two times per year.
    - e. Temporary signs for individual lot or building sales and for sales of residential development projects that comply with section 36-553.
    - f. One permanent sign up to 32 square feet per street frontage shall be allowed by sign permit to identify residential subdivisions and multiple-unit developments. The sign may be a maximum of six feet in height. The sign shall be designed to be architecturally compatible with the building or project with the base of the sign consisting of colors and materials compatible to the building or project.
    - g. The maximum height of freestanding signs in residential districts shall be eight feet.
    - h. Lighting must be indirect or diffused and comply with the requirements of this section.
    - i. Non-residential institutional uses in residential districts and mixed-use districts:
      - 1. Wall signs: one wall sign for each street frontage shall be permitted on a building. The total area of all wall signs affixed to a building wall shall not exceed 20 percent of the total area of that wall. No individual wall sign shall exceed 150 square feet.  
  
A wall sign shall not project more than 18 inches from the wall to which the sign is to be affixed. Furthermore, wall-mounted signs shall not exceed the roofline of any building.

Banners shall be included in the allowance for wall signs. The design and construction of all banners shall be professional looking and not be allowed to become torn or weathered.

2. Free-standing signs: one freestanding sign is permitted for each street frontage. The total area of a free-standing sign for a building having one street frontage shall not exceed 60 square feet. Where a building has two or more street frontages, each permitted free-standing sign in excess of one shall be no greater than one-half the area of the first sign.

No part of a free-standing sign shall be closer than eight feet to the property line or exceed ten feet in height. The height shall be measured from the base of the sign or grade of the nearest adjacent roadway, whichever is lower.

3. Temporary signs: temporary special event signs may be displayed upon issuance of a permit for not more than ten calendar days, and not more than two times each year. Such signs shall include banners, pennants, flying signs, air-inflated devices, search lights, portable bulleting signs, streamers, and other signs approved by the city.

Established churches are exempt from permit requirements, number of days, and frequency guidelines.

4. Electronic message signs: for non-residential institutional uses in residential and mixed-use districts, signs with moving or changing electronic messages are allowed as part of the total area of the permitted sign, with the following standards:

- i. A Conditional use permit is required.
- ii. The sign is allowed as a portion of a free-standing sign.
- iii. The electronic portion of the sign shall not exceed 32 square feet.
- iv. Signs may be square or rectangular and contain all messages within.
- v. Signs must have minimum display duration of 30 seconds.
- vi. No dynamic display electronic sign shall be erected that by reason of position, shape, movement, or color, interferes with the proper function of a traffic sign, signal, or which constitutes a traffic hazard.
- vii. Signs shall not exceed 4,500 Nits between the hours of civil sunrise and civil sunset, as measured from the sign face.
- viii. Electronic portion of the sign may not be illuminated between 10:00 pm and 6:00 am and shall have a maximum of 250 Nits from civil sunset to civil sunrise, as measured from the sign face. The city council may extend the hours of illumination if the proposed sign is located at least 100 feet from all residential property boundaries.
- ix. Signs shall have a fully-functional off switch that automatically shuts the display sign off when the display deteriorates ten percent or greater.
- x. The lamp wattage and luminance level in Nits shall be provided at the time of permit application.
- xi. Public service messages, in addition to messages such as Amber Alerts, are to be provided at no cost to the public.
- xii. Electronic message signs are prohibited as temporary signs.

- j. The following types of signs are not allowed in residential zoning districts or on parcels with residential uses or adjacent to residential uses in all other districts: awning signs, canopy signs, changeable copy signs, dynamic display signs, flashing signs, marquee signs, pole signs, and pylon signs.

(2) *Business districts and business signs in mixed-use districts.*

- a. *Temporary signs.* Temporary signs or banners that are a maximum 20 square feet in size are allowed. A maximum of three temporary signs are allowed per parcel on commercial properties in business, commercial, and mixed-use districts. Temporary signs may be displayed for a maximum of 30 consecutive days. No sign permit is required for temporary signs unless otherwise noted.
  1. ~~Temporary signs shall include: banners, pennants, portable bulletin signs, freestanding signs, streamers, and sandwich boards.~~ The design and construction of ~~all the~~ temporary signs shall be professional looking and not be allowed to become torn or weathered. The City may require removal of a temporary sign if found inconsistent with this requirement.
  2. Temporary signs such as flying signs, air inflated devices, and search lights shall not be allowed at any time in any zoning district as established in Sec. 36.553(p).
  3. One additional banner meeting the requirements established in Sec. 36-554(a)(2)(b) may be allowed with a permit.
- b. *Wall signs.*
  1. One wall sign for each street frontage shall be permitted on a building for each business located within the building. The total area of all wall signs affixed to a building wall shall not exceed 20 percent of the total area of that wall. No individual wall sign shall exceed 150 square feet. The business or property owner shall obtain a sign permit for each wall sign.
  2. A wall sign shall not project more than 18 inches from the wall to which the sign is to be affixed. Furthermore, wall mounted signs shall not exceed the roof line on any building.
  3. ~~Banners shall be included in the allowance for wall signs.~~ The design and construction of all banners shall be professional-looking and not be allowed to become torn or weathered. The City may require removal of a temporary banner if found inconsistent with this requirement.
  4. One temporary banner is allowed in addition to existing wall signs or other temporary signage for a period of up to 120 days per year. Such temporary banners require a permit and must be affixed to a façade.
  5. Temporary banners affixed to a façade shall be limited in size to 80 square feet or 10% of the building facade, whichever is less. When combined on a façade with Wall Signs, the overall sign area shall not exceed 20% of the total area of that wall.
- c. *Permanent freestanding signs.* One permanent freestanding sign is allowed for each building for each street frontage. The business or property owner shall obtain a sign permit for each permanent freestanding sign.
  1. The total area of a freestanding sign for a building having one street frontage shall not exceed 80 square feet. Where a building has two or more street frontages, each permitted freestanding sign in excess of one shall be no greater than one-half the area of the first sign.
  2. No part of a permanent freestanding sign shall be closer than ten feet to the front property line or exceed 25 feet in height. The height shall be measured from the base of the sign or grade of the nearest adjacent roadway, whichever is lower, to the top edge of the sign.
- d. *Portable signs.* One portable message sign up to 40 square feet in area may be displayed only during the merchant's business hours. The business or property owner shall obtain a sign permit for a portable sign if the sign has electrical components. Such signs shall be located within the width of the storefront to which it is related and shall not be placed within the public right-of-way or public easements.
- e. *Multi-tenant monument signs.* One monument sign shall be permitted for each multi-tenant building provided the surface area of the sign does not exceed 100 square feet per side, 25 feet in

height, and is setback in no case less than 20 feet from the property lines. The area may be increased to maximum of 150 square feet per side for developments of over 20 acres.

- f. *Pylon signs.* Retail and service establishments on property abutting an interstate freeway or state highway right-of-way may erect one pylon sign for each building or building owned by a corporate entity or business. The sign shall not exceed 150 square feet of display surface area and shall be in addition to their one freestanding sign or wall sign. The pylon sign must be placed a minimum of 50 feet from the right-of-way of highways or interstate roadways. The maximum allowed height of pylon signs is 35 feet unless the city approves an increase in the height of the sign.
  - 1. Application may be made to the city for a variance to increase the maximum pylon sign height on a lot having the following characteristics:
    - i. The lot abuts the right-of-way of an interstate freeway or state highway or abuts a frontage road immediately adjacent to an interstate freeway or state highway.
    - ii. The lot does not have and is not allowed to have directional signage on the interstate freeway or state highway directing the public to the subject lot.
  - 2. To be eligible for a variance to increase sign height, the application shall be accompanied by the following drawings drawn to scale:
    - i. A site plan showing the location of the proposed sign, property lines of the subject property, road alignments of adjacent streets and highways and the locations of any cross-sectional drawings necessary to analyze the request.
    - ii. Cross-sectional drawings necessary to analyze the request showing the entire traveled surface of the freeway or state highway, any retaining walls or fences, any frontage roads, and the proposed sign location.
  - 3. The zoning administrator may approve an application for a variance to increase pylon sign height above the 35 foot maximum height permitted in this section when the proposed sign plan meets each of the following requirements:
    - i. The sign is no higher than necessary to allow the bottom edge of the sign face to be visible from at least 50 percent of the traveled surface of the interstate or state highway.
    - ii. The top of the sign face is no more than 12 feet above the bottom of the sign face.
    - iii. The location of the sign is such that the increase in sign height is minimized.
    - iv. The sign face shall not exceed 150 square feet.
- g. *Flags.* An individual business and institution may have no more than three flags or 45 square feet of flag surface area displayed at any one time.
- h. *Illuminated signs.* The building inspector and zoning administrator, in granting permits for illuminated signs, shall specify the hours during which the sign may be kept lighted to prevent the creation of a nuisance. All illuminated signs shall have a shielded light source that will prevent the direct view of that light source from any passing roadway or residence at grade. Any illuminated sign located within 50 feet of a lot line of a residential district shall be diffused or indirect so as not to direct rays of light into adjacent residences.
- i. *Electronic dynamic display business signs.* Signs with moving or changing electronic messages are allowed as part of the total area of the permitted sign in business districts or for business uses in mixed-use districts, with the following standards:
  - 1. Require a sign permit and approval of the city administrator.
  - 2. Allowed for use with free-standing, wall, and pylon signs.

3. Signs may be square or rectangular and shall contain the entire message within the sign area.
  4. Signs must have a minimum display duration of 30 seconds.
  5. Goods and services described on the sign must be available at the businesses.
  6. No electronic dynamic display business sign shall be erected that by reason of position, shape, movement, or color, interferes with the proper functioning of traffic signs, signals, or which constitutes a safety hazard.
  7. Signs shall not exceed 4,500 Nits between the hours of civil sunrise and civil sunset and shall not exceed 500 Nits between the hours of civil sunset and civil sunrise, as measured from the sign face.
  8. Signs adjacent to residential properties shall be shut off from 10:00 pm to 6:00 am or have a maximum of 250 Nits from civil sunset to civil sunrise.
  9. Signs shall have a fully functional off switch that automatically shuts the display sign off when the display deteriorates ten percent or more.
  10. The lamp wattage and luminance level in Nits shall be provided at the time of permit application.
  11. Public service messages, in addition to messages such as Amber Alerts, are to be provided at no cost to the public.
  12. Electronic dynamic display business signs are prohibited as temporary signs.
- j. Non-commercial (election) signs that comply with M.S.A. § 211B.045 or successor statutes are permitted in Business and Mixed-Use Districts.
- (3) *Industrial districts.*
- a. *Temporary signs.* Temporary signs or banners that are a maximum 20 square feet in size are allowed. A maximum of three temporary signs are allowed per parcel on commercial properties industrial districts. Temporary signs may be displayed for a maximum of 30 consecutive days. No sign permit is required for temporary signs.
    1. Temporary signs shall include: banners, pennants, portable bulletin signs, freestanding signs, streamers, and sandwich boards. The design and construction of all the signs shall be professional looking and not be allowed to become torn or weathered.
    2. Temporary signs such as flying signs, air inflated devices, and search lights shall not be allowed at any time in any zoning district.
  - b. *Free-standing identification signs.* One identification sign is permitted for each building, not to exceed 80 square feet in area.

No part of a freestanding sign shall be closer than ten feet to the front property line or exceed 15 feet in height. The height shall be measured the same as for a freestanding sign in the Commercial Districts.

The maximum height of free-standing signs shall be 20 feet.
  - c. *Wall signs:* One wall sign is permitted for each tenant having a private entry into a multi-tenant building in addition to the free-standing building identification sign. The sign be displayed at or near the tenants' entrance and not to exceed ten percent of the area of the wall to which it is affixed.

No wall sign shall exceed 150 square feet in area. Commercial activities such as motels, restaurants, and similar businesses may have signs according to the standards of the Business and Mixed-Use districts.
  - d. Billboard signs are permitted that comply with section 36-555.

- e. Non-commercial (election) signs that comply with M.S.A. § 211B.045 or successor statutes are permitted in Industrial Districts.

**SECTION 2.** This Ordinance shall take effect following its passage and publication.

Passed by the City Council of Newport, Minnesota this \_\_\_\_ day of \_\_\_\_, 2022.

Motion by: \_\_\_\_\_,

Seconded by: \_\_\_\_\_

VOTE:

Elliott \_\_\_\_\_  
Chapdelaine \_\_\_\_\_  
Ingemann \_\_\_\_\_  
Taylor \_\_\_\_\_  
Johnson \_\_\_\_\_

Signed: \_\_\_\_\_  
Laurie Elliott, Mayor

Attest: \_\_\_\_\_  
Deb Hill, City Administrator





CITY OF NEWPORT

2060 1<sup>ST</sup> Avenue  
Newport, MN 55055  
(651) 459-5677  
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## MEMO

TO: Mayor and Council  
FROM: Travis Brierley  
DATE: August 18, 2022  
SUBJECT: Preliminary Budget

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### Highlights:

- To preface, this preliminary budget is **preliminary**. Many assumptions have been taken.
- **Assumptions:**
  1. LGA Reduction
  2. Fiscal Disparities remain constant
  3. 15% health insurance increase
  4. 12.4% increase in law enforcement
  5. Council pay increases
  6. Fire Dept. pay increases
  7. Staff COLA increases – 4.5%
  8. Tax Impacts will be available mid-late August
  9. CIP additions/changes
  10. Equipment CIP adjustments
  11. Ballistic Resistant Glass Protectant
- **Revenue.** There will not be firm numbers for fiscal disparities for another few weeks or so. Due to anticipated wage increases the revenue is up \$58,710.
- **General Government.** Legal services have been increased to \$88,000 primarily due to potential legal costs associated with solving the concrete issue at the new city hall. We also have put in a significant amount of money into utilities for the new city hall. It is hard to estimate the costs of a new building also with the soaring energy costs. Presently, general government is up \$67,979. (No change since July 21)
- **Public Safety.** Fire Department wages have been increased to start at Grade 1, Step 1 on the pay scale. The Sheriff's Office presented their increase of 12.4%. This increase is primarily for staff and deputy increases due to recruiting and retention issues.
- **Public Works.** Utilities, fuel and similar items have been slated with large increases. Presently, public works is up \$41,534. (No change since July 21)
- **Parks.** Like public works, utilities and fuel were increased. We moved the cost of the porta potties to the parks budget as there is no longer a Newport Athletic Association. Presently, parks and recreation are up \$26,269. (No change since July 21)

- **Transfers.** The transfer to the parks CIP was increased to \$245,000 due to conversations with Mayor Elliott and Councilor Chapdelaine for goals in park improvements. The fund will need another \$250,000 - \$300,000 to keep it in the black. The other large transfer is to the Equipment fund of \$100,000. The monies from the sale of city hall were planned to go into the equipment fund to keep that flush, so hopefully that will happen this year. Transfers are down \$230,000. (No changes since July 21)
- **Fund Balance to Expenditures Ratio.** Even with the stated additional expenditures, the ratio is 63.1%. This amount is expected to change when healthcare costs are available in October.
- **Enterprise Funds.** The good news is that our wastewater charge from Met Council went down 3.84%.
- **CIP Funds.**
  - Building CIP had Security Cameras and Irrigation added to the CIP for \$15,000. This amount is an estimate based on general information.
  - Two changes to the Equipment CIP for public works include
    - increasing the dump truck to be replaced in 2026 from \$150,000 to \$225,000
    - increasing the chipper for 2025 from \$25,000 to \$50,000.
  - City Hall ballistic glass shielding will be added to the CIP for 2023 in conjunction with installation covering law enforcement windows. The cost is unknown at this point and will be added to the CIP once an estimate is furnished.
  - Fire Department moved Air Packs (\$170,000) from 2022 to 2023
  - FD Structural Firefighting Gear adjusted (no expenditure change)
    - 2022 Decreased from \$4,600 to \$1,100
    - 2023 Increase from \$5,000 to \$8,500
  - FD added Replace Gas Saw (Chain & K12)

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# CITY OF NEWPORT, MINNESOTA

## GENERAL FUND 2023 PROPOSED BUDGET

| REVENUE                          | 2018<br>ACTUAL<br>BUDGET | 2019<br>ACTUAL<br>BUDGET | 2020<br>ACTUAL<br>BUDGET | 2021<br>ACTUAL<br>BUDGET | 2022<br>APPROVED<br>BUDGET | 2023<br>PROPOSED<br>BUDGET |
|----------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|----------------------------|----------------------------|
| Property Taxes                   |                          |                          |                          |                          |                            |                            |
| Current ad valorem               | 1,792,910                | 1,908,778                | 1,893,896                | 1,858,170                | 1,878,500                  | 1,950,000                  |
| Fiscal disparities               | 326,837                  | 345,853                  | 381,122                  | 368,425                  | 358,927                    | 358,927                    |
| Fire relief                      | 62,157                   | 15,385                   | 15,938                   | 5,396                    | -                          |                            |
| Special Assessments/debt service |                          |                          |                          |                          |                            |                            |
| Total Property Taxes             | 2,181,904                | 2,270,016                | 2,290,956                | 2,231,991                | 2,237,427                  | 2,308,927                  |
| Intergovernmental Revenue        |                          |                          |                          |                          |                            |                            |
| Local governmental aid           | 599,605                  | 563,975                  | 563,975                  | 527,195                  | 527,195                    | 452,475                    |
| Market Value & other tax credits |                          |                          |                          |                          |                            |                            |
| Police town aid                  |                          |                          |                          |                          |                            |                            |
| Police training reimbursement    |                          |                          |                          |                          |                            |                            |
| State fire relief aid            | 20,837                   | 22,320                   | 24,582                   | 23,969                   | 24,000                     | 24,000                     |
| Other/miscellaneous grants       | 37,651                   | 14,892                   | 36,814                   | 78,576                   | 25,000                     | 25,000                     |
| Total Intergovernmental Revenue  | 658,093                  | 601,187                  | 625,371                  | 629,740                  | 576,195                    | 501,475                    |
| Licenses and Permits             |                          |                          |                          |                          |                            |                            |
| Conditional use permits          | 3,550                    | 1,500                    | 1,950                    | 2,000                    | 1,700                      | 1,700                      |
| Licenses and permits             | 375                      |                          | 600                      | 150                      |                            |                            |
| Liquor licenses                  | 8,610                    | 8,610                    | 273                      | 1,350                    | 8,600                      | 8,600                      |
| Cigarette licenses               | 750                      | 750                      |                          | 1,000                    | 750                        | 750                        |
| Building permit fees             | 288,166                  | 473,823                  | 371,947                  | 478,655                  | 125,000                    | 100,000                    |
| Animal licenses/citations        | 1,605                    | 1,440                    | 1,095                    | 1,395                    | 1,400                      | 1,400                      |
| Recycling/sanitation             | 3,600                    | 1,500                    | 2,100                    | 1,800                    | 2,400                      | 2,400                      |
| Total Licenses and Permits       | 306,656                  | 487,623                  | 377,965                  | 486,350                  | 139,850                    | 114,850                    |
| Charges for Services             |                          |                          |                          |                          |                            |                            |
| Planning and zoning              |                          |                          |                          |                          |                            |                            |
| Special assessment search        | -                        |                          | -                        |                          |                            |                            |
| Accident reports                 |                          |                          |                          |                          |                            |                            |
| Antenna franchise fees           | 83,854                   | 89,898                   | 94,203                   | 95,878                   | 96,000                     | 98,000                     |
| Miscellaneous                    | 23,800                   | 19,235                   | 15,864                   | 57,790                   | 20,000                     | 22,000                     |
| Total Charges for Services       | 107,654                  | 109,133                  | 110,067                  | 153,668                  | 116,000                    | 120,000                    |
| Other Revenue                    |                          |                          |                          |                          |                            |                            |
| Fines and forfeits               | 31,279                   | 22,352                   | 24,642                   | 32,470                   | 25,250                     | 27,000                     |
| Interest earned on investments   | 16,012                   | 93,419                   | 76,825                   | 8,737                    | 20,000                     | 20,000                     |
| Billboard/rent/sale property     | -                        |                          | -                        | 123,015                  | 152,128                    | 156,588                    |
| Donations                        | 546                      | 1,055                    | 564                      | 10,769                   | 1,500                      | 3,500                      |
| Other                            | 33,236                   | 53,467                   | 77,364                   | 38,896                   | 50,000                     | 50,000                     |
| Total Other Revenue              | 81,073                   | 170,293                  | 179,395                  | 213,887                  | 248,878                    | 257,088                    |
| <b>TOTAL REVENUE</b>             | <b>3,335,380</b>         | <b>3,638,252</b>         | <b>3,583,754</b>         | <b>3,715,636</b>         | <b>3,318,350</b>           | <b>3,302,340</b>           |

# CITY OF NEWPORT, MINNESOTA

## GENERAL FUND 2023 PROPOSED BUDGET

| EXPENDITURES: GENERAL GOVERNMENT | 2018<br>ACTUAL<br>BUDGET | 2019<br>ACTUAL<br>BUDGET | 2020<br>ACTUAL<br>BUDGET | 2021<br>ACTUAL<br>BUDGET | 2022<br>APPROVED<br>BUDGET | 2023<br>PROPOSED<br>BUDGET |
|----------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|----------------------------|----------------------------|
| Mayor and Council                |                          |                          |                          |                          |                            |                            |
| Personnel services               | 19,550                   | 22,560                   | 22,560                   | 22,560                   | 22,560                     | 25,200                     |
| PERA                             | 787                      | 909                      | 909                      | 690                      | 1,128                      | 1,260                      |
| FICA/Medicare                    | 1,495                    | 1,726                    | 1,726                    | 1,726                    | 1,726                      | 1,928                      |
| Workers Comp                     | 97                       | 81                       | 98                       | 92                       | 100                        | 100                        |
| Computer & phone service         |                          |                          |                          | 589                      | 750                        | 750                        |
| Travel/conferences               | -                        | 551                      | 47                       | 10                       | 1,200                      | 1,200                      |
| Memberships                      | 250                      | 105                      | 270                      |                          | 400                        | 400                        |
| Education                        | 465                      | 400                      | 208                      | 95                       | 1,500                      | 1,500                      |
| Miscellaneous                    | 0                        | 1313                     |                          |                          |                            |                            |
| Total Mayor and Council          | 22,644                   | 27,645                   | 25,818                   | 25,762                   | 29,364                     | 32,338                     |
| Administration                   |                          |                          |                          |                          |                            |                            |
| Personnel services (3.0)         | 179,481                  | 193,687                  | 224,141                  | 249,937                  | 293,400                    | 282,000                    |
| PERA                             | 13,408                   | 14,446                   | 17,283                   | 18,745                   | 21,000                     | 20,300                     |
| FICA/Medicare                    | 13,334                   | 14,415                   | 17,227                   | 18,766                   | 22,561                     | 20,650                     |
| Health Insurance                 | 23,847                   | 25,522                   | 25,826                   | 34,355                   | 47,257                     | 55,650                     |
| Workers Comp                     | 1,983                    | 1,328                    | 2,070                    | 1,804                    | 2,200                      | 2,300                      |
| Office supplies                  | 7,110                    | 4,406                    | 3,229                    | 3,903                    | 7,000                      | 7,000                      |
| Computer & phone services        | 9,467                    | 10,161                   | 9,204                    | 10,989                   | 10,000                     | 12,000                     |
| Travel & mileage                 | 2,296                    | 2,375                    | 1,297                    | 1,334                    | 3,500                      | 3,500                      |
| Printing and publishing          | 2,646                    | 1,418                    | 1,540                    | 1,034                    | 3,000                      | 3,000                      |
| Postage                          | 1,405                    | 2,635                    | 2,946                    | 1,459                    | 3,500                      | 3,500                      |
| Dues and subscriptions           | 7,617                    | 8,169                    | 7,531                    | 6,590                    | 8,300                      | 8,300                      |
| Education                        | 3,123                    | 4,302                    | 815                      | 1,691                    | 5,000                      | 5,000                      |
| Contractual services             | 7,400                    | 7,421                    | 9,106                    | 11,699                   | 10,000                     | 13,000                     |
| Capital outlay                   | -                        | 6,742                    |                          | -                        | 2,000                      | 2,000                      |
| Miscellaneous                    | 14,964                   | 16,137                   | 7,444                    | 31,048                   | 14,000                     | 16,000                     |
| Total Administration             | 288,081                  | 313,164                  | 329,659                  | 393,354                  | 452,718                    | 454,200                    |
| Elections                        |                          |                          |                          |                          |                            |                            |
| Temporary employees              | 2,418                    | 783                      | 4,143                    | 1,217                    | 3,200                      | 700                        |
| Operating supplies               |                          |                          | 723                      | 92                       | 700                        | 700                        |
| Travel and conferences           |                          | 62                       |                          |                          | 100                        | 100                        |
| Printing and publishing          | 49                       |                          |                          |                          |                            |                            |
| Miscellaneous                    | 171                      |                          | 172                      |                          | 500                        | 500                        |
| Total Elections                  | 2,638                    | 845                      | 5,038                    | 1,309                    | 4,500                      | 2,000                      |
| Rental Inspections               |                          |                          |                          |                          |                            |                            |
| Part-time employees              | 279                      | 4,070                    | -                        |                          | 4,200                      | 4,200                      |
| FICA/Medicare                    | 21                       |                          |                          |                          |                            |                            |
| Total Inspections                | 300                      | 4,070                    | -                        | -                        | 4,200                      | 4,200                      |

# CITY OF NEWPORT, MINNESOTA

## GENERAL FUND 2023 PROPOSED BUDGET

|   | 2018<br>ACTUAL<br>BUDGET | 2019<br>ACTUAL<br>BUDGET | 2020<br>ACTUAL<br>BUDGET | 2021<br>ACTUAL<br>BUDGET | 2022<br>APPROVED<br>BUDGET | 2023<br>PROPOSED<br>BUDGET |
|---|--------------------------|--------------------------|--------------------------|--------------------------|----------------------------|----------------------------|
| <b>EXPENDITURES: GENERAL GOVERNMENT</b> |                          |                          |                          |                          |                            |                            |
| Professional services                   |                          |                          |                          |                          |                            |                            |
| Accounting/audit                        | 31,082                   | 33,448                   | 32,236                   | 37,021                   | 36,000                     | 37,000                     |
| Engineering                             | 70,667                   | 74,030                   | 82,380                   | 96,048                   | 70,000                     | 80,000                     |
| Legal                                   | 67,665                   | 79,195                   | 69,510                   | 64,381                   | 75,000                     | 88,000                     |
| IT, phone support & hardware            | 12,328                   | 13,346                   | 11,035                   | 16,711                   | 25,000                     | 20,000                     |
| Financial/Assessment services           | 36,239                   | 32,842                   | 31,911                   | 44,973                   | 35,000                     | 42,000                     |
| Building inspection                     | 74,629                   | 265,549                  | 209,895                  | 221,285                  | 100,000                    | 85,000                     |
| Insurance                               | 34,295                   | 38,675                   | 50,263                   | 55,668                   | 50,000                     | 58,000                     |
| Misc. contracted services               | 8,865                    | 14,419                   | 18,858                   | 22,107                   | 50,000                     | 45,000                     |
| Total Professional Services             | 335,770                  | 551,504                  | 506,088                  | 558,194                  | 441,000                    | 455,000                    |
| Planning and Zoning                     |                          |                          |                          |                          |                            |                            |
| Personnel services                      | 0                        |                          |                          |                          |                            |                            |
| Part time - planning com.               | 1,050                    | 1,320                    | 1,260                    | 1,500                    | 1,800                      | 1,800                      |
| PERA                                    | 0                        |                          |                          |                          |                            |                            |
| FICA/Medicare                           | 80                       | 101                      | 96                       | 115                      | 138                        | 138                        |
| Operating supplies                      | 380                      | 161                      |                          |                          | 500                        | 500                        |
| Professional services                   | 58,121                   | 15,841                   | 25,468                   | 31,624                   | 55,000                     | 58,000                     |
| Travel and conferences                  | 10                       | 100                      |                          |                          | 1,000                      | 1,000                      |
| Miscellaneous                           | 0                        |                          |                          |                          |                            |                            |
| Total Planning & Zoning                 | 59,641                   | 17,523                   | 26,824                   | 33,239                   | 58,438                     | 61,438                     |
| Government Buildings                    |                          |                          |                          |                          |                            |                            |
| City Hall                               |                          |                          |                          |                          |                            |                            |
| Operating supplies                      | 371                      | 418                      | 141                      | 200                      | 900                        | 4,000                      |
| Repairs and maintenance                 | 1,562                    | 282                      | 100                      | 50                       | 1,500                      | 6,000                      |
| Utilities                               | 6,840                    | 5,244                    | 6,125                    | 7,101                    | 12,000                     | 45,000                     |
| Capital outlay                          | -                        |                          |                          |                          | 2,500                      | 14,000                     |
| Total City Hall                         | 8,773                    | 5,944                    | 6,366                    | 7,351                    | 16,900                     | 69,000                     |
| Library                                 |                          |                          |                          |                          |                            |                            |
| Personnel                               | 13,829                   | 13,723                   | 15,586                   | 15,770                   | 21,800                     | 25,000                     |
| FICA                                    | 857                      | 851                      | 966                      | 978                      | 1,352                      | 1,550                      |
| Medicare                                | 201                      | 199                      | 226                      | 229                      | 316                        | 363                        |
| PERA                                    | 942                      | 845                      | 1,019                    | 982                      | 1,635                      | 1,875                      |
| Supplies                                | 5                        | 282                      | 624                      | 263                      | 1,100                      | 1,100                      |
| Computer and phones                     | 1,946                    | 2,309                    | 4,125                    | 2,936                    | 2,500                      | 2,500                      |
| Repairs and maintenance                 | 422                      | 6                        | 32                       | 777                      | 750                        | 750                        |
| Utilities                               | 2,362                    | 2,100                    | 2,078                    | 2,364                    | 2,500                      | 4,500                      |
| Contracted Services                     | 1,705                    | 1,697                    | 1,730                    | 1,730                    | 2,500                      | 2,500                      |
| Capital outlay                          | 2,680                    | 2,096                    |                          |                          | 4,500                      | 4,500                      |
| Total Library                           | 24,949                   | 24,108                   | 26,386                   | 26,028                   | 38,953                     | 44,638                     |
| Railroad Tower                          |                          |                          |                          |                          |                            |                            |
| Repairs and maintenance                 | -                        |                          |                          |                          | 200                        | 200                        |
| Utilities                               | 293                      | 322                      | 367                      | 349                      | 400                        | 800                        |
| Total Railroad Tower                    | 293                      | 322                      | 367                      | 349                      | 600                        | 1,000                      |
| Total Government Buildings              | 34,015                   | 30,374                   | 33,119                   | 33,728                   | 56,453                     | 114,638                    |
| Total General Government                | 743,089                  | 945,125                  | 926,546                  | 1,045,586                | 1,046,672                  | 1,123,813                  |

# CITY OF NEWPORT, MINNESOTA

## GENERAL FUND 2023 PROPOSED BUDGET

| EXPENDITURES: PUBLIC SAFETY      | 2018<br>ACTUAL<br>BUDGET | 2019<br>ACTUAL<br>BUDGET | 2020<br>ACTUAL<br>BUDGET | 2021<br>ACTUAL<br>BUDGET | 2022<br>APPROVED<br>BUDGET | 2023<br>PROPOSED<br>BUDGET |
|----------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|----------------------------|----------------------------|
| Law Enforcement                  |                          |                          |                          |                          |                            |                            |
| Personnel services               | 730,855                  | 790,738                  | 574,469                  | 871,814                  | 913,125                    | 1,026,148                  |
| CSO                              |                          | 911                      | 338                      | 565                      | 7,000                      | 7,000                      |
| Animal control                   | 5,717                    | 5,676                    | 4,999                    | 4,003                    | 6,500                      | 6,500                      |
| Total Police Department          | 736,572                  | 797,325                  | 579,806                  | 876,382                  | 926,625                    | 1,039,648                  |
| Fire Protection                  |                          |                          |                          |                          |                            |                            |
| Personnel services (25)          | 53,902                   | 63,412                   | 49,784                   | 60,789                   | 69,000                     | 100,000                    |
| Fica/Medicare                    | 4,124                    | 4,851                    | 3,931                    | 4,678                    | 5,279                      | 7,650                      |
| Workers' comp. insurance         | 9,917                    | 7,281                    | 10,338                   | 7,668                    | 12,000                     | 12,000                     |
| Office supplies                  | 1,725                    | 3,289                    | 29                       | 1,005                    | 2,000                      | 2,000                      |
| Vehicle supplies                 | 1,349                    | 4,946                    | 1,683                    | 3,528                    | 3,500                      | 3,500                      |
| Tools and equipment              | 2,553                    | 1,700                    | 3,842                    | 2,691                    | 4,000                      | 5,000                      |
| Fuel                             | 3,291                    | 4,146                    | 1,912                    | 3,494                    | 4,500                      | 8,000                      |
| Uniforms                         | 1,812                    | 2,461                    | 1,469                    | 2,293                    | 3,000                      | 3,000                      |
| Computers & phones (1-cell)      | 5,111                    | 5,507                    | 5,343                    | 6,095                    | 6,000                      | 7,500                      |
| Radios - 800 MHz (27) * \$400/yr | 9,686                    | 16,946                   | 13,271                   | 12,675                   | 16,000                     | 16,000                     |
| Travel and conferences           | 273                      | 355                      | 101                      |                          | 1,000                      | 1,000                      |
| Memberships & subscriptions      | 856                      | 982                      | 1,800                    | 150                      | 1,000                      | 2,100                      |
| Education                        | 5,073                    | 11,262                   | 6,662                    | 4,569                    | 11,000                     | 11,000                     |
| Repairs & maintenance            | 6,422                    | 4,702                    | 8,541                    | 16,717                   | 7,000                      | 10,000                     |
| Contractual & Fire Inspections   | 8,359                    | 9,244                    | 7,432                    | 8,160                    | 13,000                     | 13,500                     |
| Fire Relief                      | 62,157                   | 15,385                   | 15,938                   | 5,396                    | -                          |                            |
| State Fire Relief Aid            | 20,837                   | 22,320                   | 22,902                   | 23,969                   | 24,000                     | 24,000                     |
| Civil Defence                    |                          |                          |                          |                          | 300                        | 300                        |
| Capital outlay                   | 972                      | 321                      |                          |                          | 6,500                      | 7,500                      |
| Total Fire Protection            | 198,419                  | 179,110                  | 154,978                  | 163,877                  | 189,079                    | 234,050                    |
| Fire Station No. 1               |                          |                          |                          |                          |                            |                            |
| Operating supplies               | -                        |                          |                          |                          | 500                        |                            |
| Repairs and maintenance          | 966                      | 939                      | 484                      | 1,288                    | 500                        |                            |
| Utilities                        | 7,334                    | 6,741                    | 5,995                    | 6,906                    | 4,000                      |                            |
| Capital outlay                   | -                        |                          |                          |                          | 1,000                      |                            |
| Total Fire Station No. 1         | 8,300                    | 7,680                    | 6,479                    | 8,194                    | 6,000                      |                            |
| Fire Station No. 2               |                          |                          |                          |                          |                            |                            |
| Operating supplies               | -                        |                          |                          |                          | 500                        |                            |
| Repairs and maintenance          | 0                        | 525                      |                          |                          |                            |                            |
| Utilities                        | 3,191                    | 737                      | 1,648                    | 1,988                    | 1,200                      |                            |
| Capital outlay                   | 0                        |                          |                          |                          |                            |                            |
| Total Fire Station No. 2         | 3,191                    | 1,262                    | 1,648                    | 1,988                    | 1,700                      |                            |
| Total Public Safety              | 946,482                  | 985,377                  | 742,911                  | 1,050,441                | 1,123,404                  | 1,273,698                  |



# CITY OF NEWPORT, MINNESOTA

## GENERAL FUND 2023 PROPOSED BUDGET

| EXPENDITURES: OPERATIONS & MA     | 2018<br>ACTUAL<br>BUDGET | 2019<br>ACTUAL<br>BUDGET | 2020<br>ACTUAL<br>BUDGET | 2021<br>ACTUAL<br>BUDGET | 2022<br>APPROVED<br>BUDGET | 2023<br>PROPOSED<br>BUDGET |
|-----------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|----------------------------|----------------------------|
| Streets                           |                          |                          |                          |                          |                            |                            |
| Personnel services (1.94)         | 120,168                  | 122,129                  | 126,432                  | 129,990                  | 131,960                    | 137,000                    |
| PERA                              | 8,920                    | 9,694                    | 9,743                    | 9,791                    | 10,347                     | 10,725                     |
| FICA/Medicare                     | 8,003                    | 9,101                    | 9,204                    | 9,117                    | 10,554                     | 10,940                     |
| Workers' compensation             | 24,060                   | 29,721                   | 45,502                   | 6,605                    | 48,000                     | 49,000                     |
| Health insurance                  | 39,886                   | 45,651                   | 35,187                   | 37,172                   | 38,560                     | 27,500                     |
| Full-time overtime                | 4,726                    | 7,850                    | 3,480                    | 561                      | 6,000                      | 6,000                      |
| Part-time personnel               |                          |                          |                          |                          |                            |                            |
| Education                         | 772                      | 910                      |                          |                          | 1,500                      | 1,500                      |
| Operations and supplies           | 42,818                   | 66,066                   | 58,635                   | 64,498                   | 60,000                     | 70,000                     |
| Vehicle supplies                  | 8,636                    | 14,337                   | 15,930                   | 13,710                   | 16,000                     | 17,000                     |
| Small tools and equipment         | 520                      | 1,291                    | 1,914                    | 3,344                    | 3,000                      | 4,000                      |
| Fuel                              | 13,311                   | 14,407                   | 6,581                    | 13,300                   | 15,000                     | 26,000                     |
| Uniforms                          | 3,381                    | 2,438                    | 2,454                    | 2,659                    | 3,500                      | 3,500                      |
| Computer (2) & phone (5) services | 1,977                    | 2,044                    | 2,178                    | 3,429                    | 4,000                      | 4,000                      |
| Travel and milage                 | 210                      |                          |                          |                          | 500                        | 500                        |
| Street maintenance                | 12,731                   | 81,315                   | 86,197                   | 79,919                   | 87,000                     | 90,000                     |
| Repairs & maint.-vehicles         | 2,685                    | 4,273                    | 6,827                    | 6,045                    | 6,500                      | 7,000                      |
| Rentals                           | -                        |                          |                          |                          | 3,000                      | 3,000                      |
| Dues & Subscriptions              | 608                      | 637                      | 508                      |                          | 700                        | 700                        |
| Contracted services               | 5,720                    | 15,318                   | 5,491                    | 17,980                   | 14,000                     | 16,000                     |
| Capital Outlay                    | -                        |                          |                          |                          | 1,200                      | 1,200                      |
| Miscellaneous                     | 940                      | 129                      | 372                      | 1,334                    | 3,500                      | 3,500                      |
| Total Streets                     | 300,072                  | 427,311                  | 416,635                  | 399,454                  | 464,821                    | 489,065                    |
| Composting                        |                          |                          |                          |                          |                            |                            |
| Personnel services                | 4,351                    | 4,804                    | 4,394                    | 5,152                    | 6,000                      | 6,600                      |
| FICA                              | 270                      | 298                      | 272                      | 319                      | 372                        | 409                        |
| Medicare                          | 63                       | 70                       | 64                       | 75                       | 87                         | 96                         |
| PERA                              | 326                      | 346                      | 330                      | 386                      | 450                        | 495                        |
| Operating supplies                | 454                      | 20                       |                          |                          | 250                        | 250                        |
| Contracted Services               | 928                      |                          |                          | 559                      | 800                        | 1,400                      |
| Miscellaneous contractual         | 350                      | 490                      | 350                      |                          |                            |                            |
| Total Composting                  | 6,742                    | 6,028                    | 5,410                    | 6,492                    | 7,959                      | 9,250                      |
| Public Works Garage               |                          |                          |                          |                          |                            |                            |
| Operating supplies                | 3,032                    | 3,386                    | 3,978                    | 6,766                    | 4,000                      | 6,500                      |
| Repairs and maintenance           | 807                      | 415                      | 2,668                    | 3,116                    | 2,500                      | 3,500                      |
| Utilities                         | 17,284                   | 17,458                   | 17,114                   | 18,949                   | 18,500                     | 30,000                     |
| Capital outlay                    | 1,220                    |                          |                          | 5,249                    | 2,000                      | 3,000                      |
| Total Public Works Garage         | 22,343                   | 21,259                   | 23,760                   | 34,080                   | 27,000                     | 43,000                     |
| Total Public Works                | 329,157                  | 454,598                  | 445,805                  | 440,026                  | 499,780                    | 541,314                    |

# CITY OF NEWPORT, MINNESOTA

## GENERAL FUND 2023 PROPOSED BUDGET

| EXPENDITURES: OPERATIONS & MA    | 2018<br>ACTUAL<br>BUDGET | 2019<br>ACTUAL<br>BUDGET | 2020<br>ACTUAL<br>BUDGET | 2021<br>ACTUAL<br>BUDGET | 2022<br>APPROVED<br>BUDGET | 2023<br>PROPOSED<br>BUDGET |
|----------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|----------------------------|----------------------------|
| Parks                            |                          |                          |                          |                          |                            |                            |
| Personnel services (3.35)        | 225,193                  | 233,718                  | 253,287                  | 273,767                  | 265,300                    | 262,000                    |
| Overtime                         | -                        | 1,268                    |                          |                          | 4,400                      | 4,400                      |
| PERA                             | 16,890                   | 18,061                   | 20,654                   | 21,453                   | 20,228                     | 19,980                     |
| FICA/Medicare                    | 17,622                   | 19,773                   | 20,498                   | 21,226                   | 22,200                     | 22,139                     |
| Health insurance                 | 32,285                   | 34,429                   | 35,705                   | 38,051                   | 39,133                     | 59,500                     |
| Workers' compensation            | 14,639                   | 11,678                   | 5,712                    | 33,295                   | 8,500                      | 8,500                      |
| Seasonal/Part-time personnel     | 12,564                   | 30,664                   | 18,527                   | 12,176                   | 20,500                     | 23,000                     |
| Education                        | 1,559                    | 1,993                    |                          | 1,953                    | 4,000                      | 4,000                      |
| Operating supplies               | 5,243                    | 8,237                    | 9,627                    | 7,910                    | 10,500                     | 11,000                     |
| Vehicle supplies                 | 6,371                    | 4,521                    | 5,986                    | 5,220                    | 6,500                      | 6,500                      |
| Tools and minor equipment        | 232                      | 1,107                    | 230                      | 1,232                    | 3,000                      | 3,000                      |
| Fuels                            | 8,465                    | 9,094                    | 5,280                    | 7,113                    | 10,000                     | 13,000                     |
| Uniforms                         | 2,511                    | 3,064                    | 3,255                    | 2,765                    | 3,700                      | 3,900                      |
| Rental                           | -                        |                          |                          | 441                      | 1,500                      | 1,500                      |
| Phones (2) - warming houses      | -                        |                          |                          | 32                       | 300                        | 300                        |
| Dues and Subscriptions           |                          |                          |                          | 1,500                    | 1,500                      | 1,500                      |
| Miscellaneous contractual        | 31,165                   | 7,634                    | 7,553                    | 9,884                    | 10,000                     | 18,000                     |
| Capital outlay                   | -                        |                          | 1,433                    | 4,591                    | 15,000                     | 10,000                     |
| Miscellaneous                    | 250                      | 2,104                    | 2,530                    | 1,010                    | 3,000                      | 5,000                      |
| Total Parks                      | 374,989                  | 387,345                  | 390,277                  | 443,619                  | 449,261                    | 477,219                    |
| Recreation                       |                          |                          |                          |                          |                            |                            |
| Personnel services               | 2,981                    | 3,675                    |                          |                          | 8,200                      | 8,200                      |
| Supplies                         | 20                       |                          |                          |                          | 500                        | -                          |
| Total Recreation                 | 3,001                    | 3,675                    | 0                        | 0                        | 8,700                      | 8,200                      |
| Parks Buildings - Warming Houses |                          |                          |                          |                          |                            |                            |
| Part time employees              | 3,520                    | 4,549                    | 4,775                    | 1,503                    | 4,900                      | 5,700                      |
| Fica                             | 218                      | 282                      | 296                      | 93                       | 304                        | 353                        |
| Medicare                         | 51                       | 66                       | 69                       | 22                       | 71                         | 83                         |
| PERA                             | 124                      | 135                      | 176                      |                          | 150                        | 150                        |
| Operating supplies               | -                        | 80                       | 638                      |                          | 400                        | 400                        |
| Repairs and maintenance          | -                        |                          |                          |                          | 250                        | 250                        |
| Utilities                        | 2,721                    | 4,082                    | 1,890                    | 3,243                    | 4,000                      | 5,600                      |
| Total Parks Buildings            | 6,634                    | 9,194                    | 7,844                    | 4,861                    | 10,075                     | 12,536                     |
| Special Contributions            |                          |                          |                          |                          |                            |                            |
| Ballfield Sanitation             | 500                      | 412                      | 600                      |                          | 650                        |                            |
| Total Special Projects           | 500                      | 412                      | 600                      | -                        | 650                        | -                          |
| Total Parks and Recreation       | 385,124                  | 400,626                  | 398,721                  | 448,480                  | 468,686                    | 497,955                    |
| Miscellaneous                    |                          |                          |                          |                          |                            |                            |
| Contingency                      | 5,980                    | 60,063                   | -                        | 741                      | 20,000                     | 20,000                     |
| <b>TOTAL EXPENDITURES</b>        | <b>2,409,832</b>         | <b>2,845,789</b>         | <b>2,513,983</b>         | <b>2,985,274</b>         | <b>3,158,541</b>           | <b>3,456,781</b>           |

# CITY OF NEWPORT, MINNESOTA

## GENERAL FUND 2023 PROPOSED BUDGET

| EXPENDITURES: OPERATIONS & MA                       | 2018<br>ACTUAL<br>BUDGET | 2019<br>ACTUAL<br>BUDGET | 2020<br>ACTUAL<br>BUDGET | 2021<br>ACTUAL<br>BUDGET | 2022<br>APPROVED<br>BUDGET | 2023<br>PROPOSED<br>BUDGET |
|---|--------------------------|--------------------------|--------------------------|--------------------------|----------------------------|----------------------------|
| Excess (Deficiency) of Revenue<br>over Expenditures | 925,548                  | 792,463                  | 1,069,771                | 730,361                  | 159,809                    | (154,441)                  |
| <b>Other Financing Sources (uses) net</b>           |                          |                          |                          |                          |                            |                            |
| Economic Dev. Authority                             | (34,900)                 | -                        | (25,000)                 |                          |                            |                            |
| Heritage Preservation Fund                          | (9,000)                  | (9,000)                  | (9,000)                  | (9,000)                  | (9,000)                    | (9,000)                    |
| Parks Fund  | (94,500)                 | (50,000)                 | (33,000)                 | (33,660)                 | (275,000)                  | (245,000)                  |
| Utility Extension (Capital fund 402)                | (400,000)                |                          |                          |                          |                            |                            |
| Buy Forfeiture Fund                                 |                          |                          |                          |                          |                            |                            |
| City/Fire Hall Fund                                 |                          | (258,000)                | (415,000)                | (600,000)                |                            |                            |
| Equipment Fund                                      | (145,000)                | (32,000)                 | (33,000)                 | (91,800)                 | (300,000)                  | (100,000)                  |
| Buildings Fund                                      | (200,000)                | (50,000)                 | (25,000)                 | (25,000)                 | (25,000)                   | (25,000)                   |
| Seal Coating (405)                                  | (62,000)                 |                          |                          |                          |                            |                            |
| Total Other Financing Sources                       | (945,400)                | (399,000)                | (540,000)                | (759,460)                | (609,000)                  | (379,000)                  |
| Other Financing Sources (uses) net                  | (945,400)                | (399,000)                | (540,000)                | (759,460)                | (609,000)                  | (379,000)                  |
| Net change in fund balance                          | (19,852)                 | 393,463                  | 529,771                  | (29,099)                 | (449,191)                  | (533,441)                  |
| Fund Balance: Beginning of Year                     | 2,529,365                | 2,509,513                | 2,902,976                | 3,432,747                | 3,403,648                  | 2,954,457                  |
| Fund Balance: End of Year                           | 2,509,513                | 2,902,976                | 3,432,747                | 3,403,648                | 2,954,457                  | 2,421,016                  |
| Ratio: Fund balance to expenditures                 | 74.8%                    | 89.5%                    | 112.4%                   | 90.9%                    | 78.4%                      | 63.1%                      |

**CITY OF NEWPORT, MINNESOTA**

**WATER ENTERPRISE FUND  
2023 PROPOSED BUDGET**

|   | 2018<br>ACTUAL<br>BUDGET | 2019<br>ACTUAL<br>BUDGET | 2020<br>ACTUAL<br>BUDGET | 2021<br>ACTUAL<br>BUDGET | 2022<br>APPROVED<br>BUDGET | 2023<br>PROPOSED<br>BUDGET |
|---|--------------------------|--------------------------|--------------------------|--------------------------|----------------------------|----------------------------|
| Operating revenue   |                          |                          |                          |                          |                            |                            |
| Water sales   | \$ 310,782               | \$ 360,297               | \$ 434,730               | \$ 507,596               | \$ 432,467                 | \$ 458,415                 |
| Trunk connection fees                                       | 42,750                   | 190,910                  | 117,250                  | 126,000                  | 25,000                     | 30,000                     |
| Access fees   | 57,693                   | 238,850                  | 70,350                   | 75,600                   | 15,000                     | 15,000                     |
| Permits and licenses  | 1,815                    | 8,465                    | 6,660                    | 7,576                    | 2,500                      | 4,500                      |
| Total operating revenue                                     | 413,040                  | 798,522                  | 628,990                  | 716,772                  | 474,967                    | 507,915                    |
| Operating expenses  |                          |                          |                          |                          |                            |                            |
| Personnel (1.85)  | 95,106                   | 90,181                   | 96,872                   | 101,462                  | 116,025                    | 122,325                    |
| Overtime  | 3,270                    | 3,656                    | 1,081                    | 2,033                    | 4,000                      | 4,000                      |
| PERA  | 7,222                    | 7,524                    | 7,308                    | 6,812                    | 9,002                      | 9,474                      |
| FICA/Medicare   | 7,884                    | 6,772                    | 7,144                    | 8,600                    | 9,182                      | 9,664                      |
| Employee benefits   | 11,339                   | 10,621                   | 14,424                   | 14,152                   | 16,980                     | 21,651                     |
| Workers Comp  | 5,744                    | 3,468                    | 2,944                    | 3,874                    | 5,000                      | 5,000                      |
| Education   | 640                      | 430                      | 46                       | 583                      | 1,500                      | 1,500                      |
| Fuel  | 1,480                    | 1,569                    | 1,914                    | 1,503                    | 3,000                      | 4,500                      |
| Insurance   | 1,589                    | 4,947                    |                          |                          | 4,500                      | 4,500                      |
| Supplies  | 7,574                    | 15,111                   | 26,124                   | 32,152                   | 20,000                     | 20,000                     |
| Vehicle supplies  | 896                      | 137                      | 1,070                    | 121                      | 2,000                      | 2,000                      |
| Tools & minor equip.  | 405                      |                          | 1,841                    | 2,183                    | 2,500                      | 2,500                      |
| Repair & maint. supply                                      | 3,995                    |                          | 3,881                    | 268                      | 3,000                      | 3,000                      |
| Professional services                                       | 22,534                   | 38,397                   | 2,830                    | 102                      | 30,000                     | 30,000                     |
| Engineering fees  | 539                      | 5,189                    | 2,474                    | 4,234                    | 7,000                      | 7,000                      |
| Connection fee  | 6,108                    | 6,108                    | 9,340                    | 9,456                    | 9,600                      | 9,600                      |
| Telephone   | 241                      | 240                      | 240                      | 240                      | 450                        | 450                        |
| Postage   | 724                      | 2,116                    | 794                      | 800                      | 1,000                      | 1,000                      |
| Utilities (Xcel)  | 36,137                   | 37,464                   | 46,581                   | 48,693                   | 47,000                     | 65,000                     |
| Gopher State  | 450                      | 692                      | 816                      | 749                      | 1,000                      | 1,000                      |
| Contracted services   | 6,256                    | 4,910                    | 15,599                   | 48,719                   | 20,000                     | 20,000                     |
| Vehicle repair & maint.                                     | 5,491                    |                          |                          |                          | 8,500                      | 8,500                      |
| Depreciation  | 99,955                   | 146,805                  | 137,959                  | 195,337                  | 130,000                    | 182,000                    |
| Uniforms  | 1,011                    | 867                      | 1,082                    | 986                      | 1,400                      | 1,400                      |
| Capital Expenses  | 16,544                   |                          |                          |                          | 16,000                     | 16,000                     |
| Refunds & Reimbursements                                    |                          |                          |                          |                          |                            |                            |
| Other   | 11,578                   | (7,828)                  | 2,958                    | 1,724                    | 12,500                     | 12,500                     |
| Total operating expenses                                    | 354,712                  | 379,376                  | 385,322                  | 484,783                  | 481,139                    | 564,564                    |
| Operating income (loss)                                     | 58,328                   | 419,146                  | 243,668                  | 231,989                  | (6,172)                    | (56,649)                   |
| Cash flows  |                          |                          |                          |                          |                            |                            |
| Operating income (loss)                                     | 58,328                   | 419,146                  | 243,668                  | 231,989                  | (6,172)                    | (56,649)                   |
| Depreciation  | 99,955                   | 146,805                  | 137,959                  | 195,337                  | 130,000                    | 182,000                    |
| Change in assets and liabilities                            | (34,414)                 | (113,862)                | (25,023)                 | (129,788)                | (6,671)                    | (6,671)                    |
| Acquisition of capital assets                               | 0                        | 1,066,300                | 0                        | 0                        | 0                          | 0                          |
| Net cash provided (used) by noncapital financing activities | (28,338)                 |                          |                          |                          |                            |                            |
| Water meter changout  | (16,673)                 |                          |                          |                          | (16,673)                   | (16,673)                   |
| Telemetry controls  |                          |                          |                          |                          |                            |                            |
| 2013 Street   | (2,748)                  | (2,748)                  | (2,748)                  | (2,748)                  | (2,748)                    | (2,748)                    |
| 2014 Street Bond  | (20,270)                 | (19,905)                 | (21,114)                 | (21,114)                 | (21,114)                   | (21,114)                   |
| 2016 Street Bond  | (23,936)                 | (28,266)                 | (27,930)                 | (27,930)                 | (27,930)                   | (27,930)                   |
| 2016 Tower Painting   | (8,858)                  | (15,043)                 | (17,790)                 | (17,790)                 | (17,790)                   | (17,790)                   |
| 2018A Debt Service (Catherine Extension)                    |                          |                          | (32,253)                 | (32,253)                 | (32,253)                   | (32,253)                   |
| Interest received   | 6,984                    | 13,896                   | 10,471                   | 1,576                    | 300                        | 300                        |
| Well #1 rehab   | 0                        | 0                        | 0                        | 0                        | 0                          | 0                          |
| 250,000 Tower Inspection/Ma                                 | 0                        | 0                        | 0                        | 0                        | 0                          | 0                          |
| 500,000 Tower Inspecon/Maint                                |                          |                          |                          |                          |                            |                            |
| State Grants and Aids                                       |                          |                          |                          | 144                      |                            |                            |
| Misc. and Assets  |                          |                          |                          | 1,456,243                |                            |                            |
| Transfers In/Out  | (21,850)                 | (112,150)                | (207,000)                | 50,000                   |                            |                            |
|   | 0                        |                          | 0                        | 0                        | 0                          | 0                          |
| Net change in net position                                  | 8,179                    | 1,354,174                | 58,240                   | 1,703,666                | (1,051)                    | 472                        |
| Cash and cash equivalents                                   |                          |                          |                          |                          |                            |                            |
| Beginning of year   | 1,133,412                | 1,141,591                | 2,495,765                | 2,554,005                | 4,257,671                  | 4,256,620                  |
| End of year   | \$ 1,141,591             | \$ 2,495,765             | \$ 2,554,005             | \$ 4,257,671             | \$ 4,256,620               | \$ 4,257,092               |

**CITY OF NEWPORT, MINNESOTA**

**SEWER ENTERPRISE FUND  
2023 PROPOSED BUDGET**

|   | 2018<br>ACTUAL<br>BUDGET | 2019<br>ACTUAL<br>BUDGET | 2020<br>ACTUAL<br>BUDGET | 2021<br>ACTUAL<br>BUDGET | 2022<br>APPROVED<br>BUDGET | 2023<br>PROPOSED<br>BUDGET |
|---|--------------------------|--------------------------|--------------------------|--------------------------|----------------------------|----------------------------|
| Operating revenue                               |                          |                          |                          |                          |                            |                            |
| Sewer charges                                   | \$ 701,591               | \$ 598,977               | \$ 703,804               | \$ 823,422               | \$ 712,741                 | \$ 755,508                 |
| Trunk connection fees                           | 42,750                   | 190,210                  | 119,000                  | 126,000                  | 25,000                     | 30,000                     |
| Access fees                                     |                          | 238,150                  | 71,400                   | 75,600                   | 15,000                     | 20,000                     |
| MetCouncil access fees                          |                          | 539,245                  | 168,980                  | 178,920                  | 35,000                     | 35,000                     |
| Permits and licenses                            | 1,515                    | 8,816                    | 6,463                    | 7,676                    |                            |                            |
| Total operating revenue                         | 745,856                  | 1,575,398                | 1,069,647                | 1,211,618                | 787,741                    | 840,508                    |
| Operating expenses                              |                          |                          |                          |                          |                            |                            |
| Salaries (1.85)                                 | 98,905                   | 90,296                   | 102,181                  | 103,255                  | 116,025                    | 122,325                    |
| Overtime  | 761                      | 1,917                    | 0                        |                          | 2,400                      | 2,400                      |
| PERA  | 7,318                    | 7,583                    | 7,447                    | 7,649                    | 8,882                      | 9,354                      |
| FICA/Medicare                                   | 7,906                    | 7,385                    | 7,970                    | 8,237                    | 9,060                      | 9,541                      |
| Employee benefits                               | 11,992                   | 12,697                   | 13,238                   | 13,558                   | 17,249                     | 21,892                     |
| Work Comp                                       | 6,062                    | 4,155                    |                          |                          |                            |                            |
| Education                                       | 1,395                    | 1,074                    |                          | 382                      | 1,500                      | 1,500                      |
| Supplies  | 1,874                    | 1,175                    | 3,820                    | 489                      | 10,000                     | 10,000                     |
| Fuel  | 1,480                    | 1,540                    | 1,500                    | 936                      | 2,000                      | 4,500                      |
| Vehicle supplies                                | 59                       | 136                      |                          |                          | 2,500                      | 2,500                      |
| Repair & maint. supplies                        | 1,500                    | 399                      | 4,396                    | 1,865                    | 5,000                      | 5,000                      |
| Tools & minor equipment                         | 405                      |                          | 2,013                    | 681                      | 3,500                      | 3,500                      |
| Professional services                           | 25,045                   | (225)                    |                          |                          |                            |                            |
| Engineering fee                                 | 239                      | 4,769                    | 2,534                    | 6,255                    | 5,500                      | 5,500                      |
| Telephone                                       | 240                      | 240                      | 240                      | 240                      | 500                        | 500                        |
| Postage   | 713                      | 790                      | 790                      | 800                      | 900                        | 900                        |
| Insurance                                       | 3,971                    | 1,349                    |                          |                          | 4,500                      | 4,500                      |
| Utilities                                       | 1,703                    | 11                       | 12,226                   | 10,171                   | 13,500                     | 18,000                     |
| Gopher State                                    | 488                      | 654                      | 816                      | 749                      | 800                        | 800                        |
| MCES sewer charges/contrac                      | 253,409                  | 307,867                  | 311,962                  | 341,055                  | 360,223                    | 346,380                    |
| Met Council SAC charges                         | 132,899                  | 555,993                  | 157,599                  | 211,956                  | 60,000                     | 40,000                     |
| Contractual services (jetting, l                | 1,281                    | 1,408                    | 3,190                    | 24,848                   | 20,000                     | 20,000                     |
| Uniforms  | 925                      | 1,096                    | 1,268                    | 983                      | 1,500                      | 1,500                      |
| Dues and subscriptions                          | 0                        |                          |                          |                          | 500                        | 500                        |
| Depreciation                                    | 103,445                  | 103,445                  | 103,445                  | 123,692                  | 110,000                    | 137,697                    |
| Capital Outlay                                  |                          |                          |                          |                          |                            |                            |
| Refunds & Reimbursements                        |                          |                          |                          |                          |                            |                            |
| Other   | (703)                    | (4,455)                  | (11,529)                 | (4,931)                  | 5,000                      | 5,000                      |
| Total operating expenses                        | 663,312                  | 1,101,299                | 725,106                  | 852,870                  | 761,038                    | 773,790                    |
| Operating income (loss)                         | 82,544                   | 474,099                  | 344,541                  | 358,748                  | 26,703                     | 66,718                     |
| Cash flows                                      |                          |                          |                          |                          |                            |                            |
| Operating income (loss)                         | 82,544                   | 474,099                  | 344,541                  | 358,748                  | 26,703                     | 66,718                     |
| Depreciation                                    | 103,445                  | 103,445                  | 103,445                  | 123,692                  | 110,000                    | 137,697                    |
| Change in assets and liabilitie                 | (18,193)                 | 15,930                   | (17,896)                 | (44,818)                 | 2,006                      | 2,006                      |
| Cash flows from noncapital financing activities |                          |                          |                          |                          |                            |                            |
| I/I project financing                           | (24,064)                 | (24,064)                 | (24,064)                 | (24,064)                 | (24,064)                   | (24,064)                   |
| I/I project                                     | 0                        | 0                        | 0                        | 0                        | 0                          | 0                          |
| 2013 Street Bond                                | (16,731)                 | (16,731)                 | (16,731)                 | (16,731)                 | (16,731)                   | (16,731)                   |
| 2014 Street Bond                                | (33,783)                 | (33,174)                 | (35,190)                 | (35,190)                 | (35,190)                   | (35,190)                   |
| 2016 Street Bond                                | (37,438)                 | (36,104)                 | (35,684)                 | (35,684)                 | (35,684)                   | (35,684)                   |
| 2018A Debt Service (Catherine extension)        |                          |                          |                          |                          |                            |                            |
| Interest received                               | 6,018                    | 22,781                   | 21,916                   | 5,724                    | 17,252                     | 17,465                     |
| State grant and aid                             |                          |                          |                          | 143                      |                            |                            |
| Telemetry System financing                      |                          |                          |                          |                          |                            |                            |
| Lift station rehab                              |                          |                          |                          |                          |                            |                            |
| Transfers In/Out                                | (21,850)                 | (112,150)                | (207,000)                | 50,000                   |                            |                            |
| Capital Equip & Assests                         | 0                        | 0                        | 0                        | 1,391,243                | 0                          | 0                          |
| Change in net position                          | 39,948                   | 394,032                  | 133,337                  | 1,773,063                | 44,292                     | 112,216                    |
| Cash and cash equivalents                       |                          |                          |                          |                          |                            |                            |
| Beginning of year                               | 1,253,773                | 1,293,721                | 1,687,753                | 1,821,090                | 3,594,153                  | 3,638,445                  |
| End of year/Cash                                | \$ 1,293,721             | \$ 1,687,753             | \$ 1,821,090             | \$ 3,594,153             | \$ 3,638,445               | \$ 3,750,661               |

# CITY OF NEWPORT, MINNESOTA

## STORM SEWER ENTERPRISE FUND 2023 PROPOSED BUDGET

|                                     | 2018<br>ACTUAL<br>BUDGET | 2019<br>ACTUAL<br>BUDGET | 2020<br>ACTUAL<br>BUDGET | 2021<br>ACTUAL<br>BUDGET | 2022<br>APPROVED<br>BUDGET | 2023<br>PROPOSED<br>BUDGET |
|-------------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|----------------------------|----------------------------|
| Operating revenue                   |                          |                          |                          |                          |                            |                            |
| Storm sewer charges                 | \$ 133,541               | \$ 152,405               | \$ 172,885               | \$ 181,132               | \$ 182,725                 | \$ 187,760                 |
| Total operating revenue             | 133,541                  | 152,405                  | 172,885                  | 181,132                  | 182,725                    | 187,760                    |
| Operating expenses                  |                          |                          |                          |                          |                            |                            |
| Salaries (.285)                     | 13,628                   | 13,693                   | 12,713                   | 13,065                   | 19,250                     | 20,475                     |
| PERA                                | 1,022                    | 1,026                    | 954                      | 980                      | 1,444                      | 1,536                      |
| FICA/Medicare                       | 1,043                    | 1,001                    | 939                      | 969                      | 1,473                      | 1,566                      |
| Insurance                           | 2,589                    | 2,625                    | 2,390                    | 2,692                    | 4,075                      | 5,364                      |
| Vehicle Supplies                    |                          |                          |                          |                          |                            |                            |
| Utilities                           |                          |                          |                          |                          |                            |                            |
| Depreciation                        | 19,378                   | 22,578                   | 29,329                   | 28,640                   | 20,884                     | 21,795                     |
| Engineering fees                    | 21,267                   | 56,063                   | 46,038                   | 5,960                    | 30,000                     | 30,000                     |
| Contracted Services                 |                          | 14,092                   | (4,519)                  | 5,981                    | 14,000                     | 14,000                     |
| Other Misc.                         | 24,178                   | 20,541                   | 12,523                   | 26,107                   | 20,000                     | 20,000                     |
| Total operating expenses            | 83,105                   | 131,619                  | 100,367                  | 84,394                   | 111,125                    | 114,736                    |
| Operating income (loss)             | 50,436                   | 20,786                   | 72,518                   | 96,738                   | 71,600                     | 73,024                     |
| Cash flows                          |                          |                          |                          |                          |                            |                            |
| Operating income (loss)             | 50,436                   | 20,786                   | 72,518                   | 96,738                   | 71,600                     | 73,024                     |
| Depreciation                        | 19,378                   | 22,578                   | 29,329                   | 28,640                   | 20,884                     | 21,795                     |
| Change in assets and liabilities    | 23,948                   | 19,778                   | 11,519                   | 45,134                   |                            |                            |
| Interest received                   | 804                      | 358                      | 56                       | 124                      |                            |                            |
| Financing activity                  |                          |                          |                          |                          |                            |                            |
| 2013 Street                         | (2,902)                  | (2,902)                  | (2,902)                  | (2,902)                  | (2,902)                    | (2,902)                    |
| 2014 Street Bond                    | (13,513)                 | (13,270)                 | (14,076)                 | (14,076)                 | (14,076)                   | (14,076)                   |
| 2016 Street Bond                    | (14,467)                 | (13,230)                 | (13,070)                 | (13,070)                 | (13,070)                   | (13,070)                   |
| North Ravine Debt Service 2012-2031 | (20,000)                 | (20,000)                 | (20,000)                 | (20,000)                 | (20,000)                   | (20,000)                   |
| Transfer In/Out                     |                          |                          | 179,550                  |                          |                            |                            |
| Change in net position              | 43,683                   | 14,098                   | 242,924                  | 120,588                  | 42,435                     | 44,771                     |
| Cash and cash equivalents           |                          |                          |                          |                          |                            |                            |
| Beginning of year                   | (70,490)                 | (26,807)                 | (12,709)                 | 230,215                  | 350,803                    | 393,238                    |
| End of year                         | \$ (26,807)              | \$ (12,709)              | \$ 230,215               | \$ 350,803               | \$ 393,238                 | \$ 438,009                 |



**CITY OF NEWPORT, MINNESOTA**

**STREET LIGHT ENTERPRISE FUND  
2023 PROPOSED BUDGET**

|   | 2018<br>ACTUAL<br>BUDGET | 2019<br>ACTUAL<br>BUDGET | 2020<br>ACTUAL<br>BUDGET | 2021<br>ACTUAL<br>BUDGET | 2022<br>APPROVED<br>BUDGET | 2023<br>PROPOSED<br>BUDGET |
|---|--------------------------|--------------------------|--------------------------|--------------------------|----------------------------|----------------------------|
| Operating revenue                       |                          |                          |                          |                          |                            |                            |
| Street light charges                    | 87,256                   | 88,146                   | 86,035                   | 87,953                   | 92,438                     | 93,178                     |
| Total operating revenue                 | 87,256                   | 88,146                   | 86,035                   | 87,953                   | 92,438                     | 93,178                     |
| Operating expenses                      |                          |                          |                          |                          |                            |                            |
| Salaries (.175)                         | 8,270                    | 8453                     | 8819                     | 9127                     | 12440                      | 13610                      |
| PERA                                    | 620                      | 634                      | 662                      | 684                      | 933                        | 1021                       |
| FICA/Medicare                           | 616                      | 626                      | 655                      | 682                      | 952                        | 1041                       |
| Insurance                               | 1,101                    | 1,188                    | 1257                     | 1367                     | 2687                       | 3090                       |
| Supplies                                |                          |                          |                          |                          |                            |                            |
| Utilities                               | 42,752                   | 41966                    | 39101                    | 43074                    | 46920                      | 47858                      |
| Depreciation                            |                          |                          |                          |                          |                            |                            |
| Other                                   | 1,612                    | -4035                    |                          |                          |                            |                            |
| Total operating expenses                | 54,971                   | 48,832                   | 50,494                   | 54,934                   | 63,932                     | 66,620                     |
| Operating income (loss)                 | 32,285                   | 39,314                   | 35,541                   | 33,019                   | 28,506                     | 26,558                     |
| Cash flows                              |                          |                          |                          |                          |                            |                            |
| Operating income (loss)                 | 32,285                   | 39,314                   | 35,541                   | 33,019                   | 28,506                     | 26,558                     |
| Depreciation                            | 0                        |                          |                          |                          |                            |                            |
| Change in assets & liabilities          | 0                        |                          |                          | -125                     |                            |                            |
| Transfer to Other CIP for lights        |                          |                          |                          |                          |                            |                            |
| Interest received                       | 733                      | 1805                     | 1873                     |                          |                            |                            |
| Net change in cash and cash equivalents | 33,018                   | 41,119                   | 37,414                   | 32,894                   | 28,506                     | 26,558                     |
| Cash and cash equivalents               |                          |                          |                          |                          |                            |                            |
| Beginning of year                       | 124,006                  | 157,024                  | 198,143                  | 235,557                  | 268,451                    | 296,957                    |
| End of year                             | \$ 157,024               | \$ 198,143               | \$ 235,557               | \$ 268,451               | \$ 296,957                 | \$ 323,515                 |

CITY OF NEWPORT

2018-2026 EQUIPMENT CIP  
2023 PROPOSED BUDGET

Fund 401

| REVENUE                             | 2019      | 2020      | 2021      | 2022       | 2023       | 2024       | 2025       | 2026       | 2027       |
|-------------------------------------|-----------|-----------|-----------|------------|------------|------------|------------|------------|------------|
| Transfer from General Fund          | \$ 32,000 | \$ 33,000 | \$ 91,800 | \$ 300,000 | \$ 100,000 | \$ 100,000 | \$ 100,000 | \$ 100,000 | \$ 100,000 |
| Grants                              |           |           |           |            |            |            |            |            |            |
| Investment Earnings                 | \$ 9,952  | \$ 8,354  | \$ 2,793  |            |            |            |            |            |            |
| Misc.                               |           | \$ 6,500  |           |            |            |            |            |            |            |
| ARC Funds                           |           |           |           |            | \$ 150,000 |            |            |            |            |
| Transfer from Sale of Old City Hall |           |           |           | \$ 280,000 |            |            |            |            |            |
| TOTAL REVENUE                       | \$ 41,952 | \$ 47,854 | \$ 94,593 | \$ 580,000 | \$ 250,000 | \$ 100,000 | \$ 100,000 | \$ 100,000 | \$ 100,000 |

EXPENDITURES

|                                   |  |  |  |  |  |  |       |  |  |
|-----------------------------------|--|--|--|--|--|--|-------|--|--|
| General                           |  |  |  |  |  |  |       |  |  |
| 11 Council and commision computer |  |  |  |  |  |  | 10000 |  |  |
| Administration computers          |  |  |  |  |  |  |       |  |  |
| Life span                         |  |  |  |  |  |  |       |  |  |

Public Works

|   |    |        |        |        |         |         |        |        |         |        |  |
|---|----|--------|--------|--------|---------|---------|--------|--------|---------|--------|--|
| 12 GMC Canyon - Bruce                         | 10 |        |        |        |         |         |        |        |         | 30,000 |  |
| 09 Ford Explorer (former squad)               | 10 |        |        |        |         |         |        |        |         |        |  |
| 00 Wacker asphalt roller one-ton (Not Dep Sc) | 20 |        |        |        |         |         |        |        |         | 30,000 |  |
| 03 Ford 550 Utility Truck w&s (Not Dep Sc)    | 15 |        |        |        |         |         |        |        |         |        |  |
| 21 GMC 3500 3/4 ton (parks)                   | 15 |        | 30,304 | 6,306  |         |         |        |        |         |        |  |
| 17 GMC 3500 3/4 ton (parks)                   | 15 |        |        |        |         |         |        |        |         |        |  |
| 19 Ford 250 Truck                             | 15 | 40,367 |        |        |         |         |        |        |         |        |  |
| 21 GMC Sierra 2500 (parks)                    | 15 |        |        | 31,141 |         |         |        |        |         |        |  |
| 82 Ford 555 Backhoe (Not Dep Sc)              | 40 |        |        |        |         |         |        |        |         |        |  |
| 68 Cat 12 Motor Grader (Not Dep Sc)           | 50 |        |        |        |         |         |        |        |         |        |  |
| 22 John Deere Front End Loader                | 20 |        |        |        | 156,484 |         |        |        |         |        |  |
| 07 Elgin Pelican Sweeper                      | 20 |        |        |        |         |         |        |        |         |        |  |
| 66 Layton Pull Type Paver (Not Dep Sc)        | 30 |        |        |        |         |         | 26,000 |        |         |        |  |
| 91 Vermeer Chipper (Not Dep Sc)               | 30 |        |        |        |         |         |        | 50,000 |         |        |  |
| 13 Bob Cat Skid Steer                         | 15 |        |        |        |         |         |        |        |         |        |  |
| 13 Tool Cat 5600 Bobcat                       | 15 |        |        |        |         |         |        |        |         |        |  |
| 12 Mower - Farris Mower                       | 12 |        |        |        |         |         | 30,000 |        |         |        |  |
| 15 Mower - Farris Mower                       | 12 |        |        |        |         |         |        |        |         |        |  |
| 17 Mower - Farris Mower                       | 12 |        |        |        |         |         |        |        |         |        |  |
| 08 JD 1565 Front Mount Mower                  | 15 |        |        |        |         |         |        | 30,000 |         |        |  |
| 19 Tool Cat 5610                              | 40 | 45,235 |        |        |         |         |        |        |         |        |  |
| 71 Ford 2000 Tractor (Not Dep Sc)             | 50 |        |        |        |         |         |        |        |         |        |  |
| 14 International Dump Truck                   | 20 |        |        |        |         |         |        |        |         |        |  |
| 11 International Dump Truck                   | 20 |        |        |        |         |         |        |        |         |        |  |
| 01 Dump Truck - Sterling                      | 20 |        |        |        |         |         |        |        | 225,000 |        |  |
| 17 GMC HD Dump Truck                          | 15 |        |        |        |         |         |        |        |         |        |  |
| 87 Sreco Sewer Rodder (Not Dep Sc)            | 40 |        |        |        |         |         |        |        |         |        |  |
| 09 Towmaster tandem trialer                   | 20 |        |        |        |         |         |        |        |         |        |  |
| 95 24' Tandem Trailer (Not Dep Sc)            | 25 |        |        |        |         |         |        |        |         |        |  |
| 90 Stepp asphalt trailer (Not Dep Sc)         | 30 |        |        |        |         |         |        |        |         |        |  |
| 93 Leroi Diesel air compressor (Not Dep Sc)   | 30 |        |        |        |         |         |        |        |         |        |  |
| 23 Vac /Camera Truck                          | 30 |        |        |        |         | 150,000 |        |        |         |        |  |

Fire Department

|                                       |    |        |        |         |         |        |        |       |        |       |  |
|---------------------------------------|----|--------|--------|---------|---------|--------|--------|-------|--------|-------|--|
| 70 F-1 GMC 4x4 Grass Rig (Not Dep Sc) | 20 |        |        |         |         |        |        |       |        |       |  |
| 13 Ford CV (Chief's vehicle)          | 10 |        |        |         |         |        |        |       |        |       |  |
| 82 F-2 Ford 8000 Tanker/Tender        | 30 |        |        | 233,000 |         |        |        |       |        |       |  |
| 13 F- , Emax Typhoon Pumper           | 25 |        |        |         |         |        |        |       |        |       |  |
| 88 F-2 Ford L9000 Pumper              | 25 |        |        |         |         |        |        |       |        |       |  |
| 19 GMC Crew Grass Rig                 | 20 |        |        |         |         |        |        |       |        |       |  |
| 04 F-1 Sterling Pumper                | 25 |        |        |         |         |        |        |       |        |       |  |
| 05 *F-1 Crown Vic (Extra vehicle)     |    |        |        |         |         |        |        |       |        |       |  |
| 15 *Ford Utility Vehicle              | 20 |        |        |         |         |        |        |       |        |       |  |
| 67 F-1 10Kw Generator                 | 30 |        |        |         |         |        |        |       |        |       |  |
| 98 Air Packs                          | 15 |        |        |         | 170,000 |        |        |       |        |       |  |
| var Fire Hose (DNR matching grant)    | 10 |        |        |         |         |        |        |       |        |       |  |
| 21 Portable Radios                    | 10 |        |        | 76,227  |         |        |        |       |        |       |  |
| var Fire Pagers (DNR mating grant)    | 10 |        | 3,877  |         |         |        |        |       |        |       |  |
| var Structural Firefighting Gear      | 10 | 11,955 | 12,726 | 20,531  | 4,600   | 5,000  | 5,100  | 7,000 | 25,000 | 7,000 |  |
| 04 Extrication Equipment              | 15 |        |        |         |         |        | 38,000 |       |        |       |  |
| na Vehicle CAD System Laptops 4       | 10 |        |        |         | 20,000  |        |        |       |        |       |  |
| 85 Ventilation Fan                    | 15 |        |        |         | 5,000   |        |        |       |        |       |  |
| 06 Mobile radios                      | 10 |        |        |         |         | 45,000 |        |       |        |       |  |

|                    |           |           |            |            |            |           |           |            |          |
|--------------------|-----------|-----------|------------|------------|------------|-----------|-----------|------------|----------|
| TOTAL EXPENDITURES | \$ 97,557 | \$ 46,907 | \$ 367,205 | \$ 356,084 | \$ 200,000 | \$ 99,100 | \$ 97,000 | \$ 310,000 | \$ 7,000 |
|--------------------|-----------|-----------|------------|------------|------------|-----------|-----------|------------|----------|

|  |             |        |              |            |           |        |          |              |           |
|--|-------------|--------|--------------|------------|-----------|--------|----------|--------------|-----------|
| Excess (Deficiency) of Revenue over Expenditures | \$ (55,605) | \$ 947 | \$ (272,612) | \$ 223,916 | \$ 50,000 | \$ 900 | \$ 3,000 | \$ (210,000) | \$ 93,000 |
|--|-------------|--------|--------------|------------|-----------|--------|----------|--------------|-----------|

|                                 |            |            |            |            |            |            |            |            |            |
|---------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Fund Balance: Beginning of Year | 462,955    | 414,361    | 415,308    | 142,696    | 366,612    | 416,612    | 417,512    | 420,512    | 210,512    |
| Fund Balance: End of Year       | \$ 407,350 | \$ 415,308 | \$ 142,696 | \$ 366,612 | \$ 416,612 | \$ 417,512 | \$ 420,512 | \$ 210,512 | \$ 303,512 |
| Audit 414361                    |            |            |            |            |            |            |            |            |            |

\* Donated vehicles no replacement.

## CITY OF NEWPORT, MINNESOTA

2020-2026 PARKS CIP  
2023 PROPOSED BUDGET

| REVENUE  | 2020             | 2021             | 2022              | 2023              | 2024              | 2025             | 2026              | 2027             |
|--|------------------|------------------|-------------------|-------------------|-------------------|------------------|-------------------|------------------|
| Transfer from General Fund                       | \$ 33,000        | \$ 33,660        | \$ 275,000        | \$ 245,000        | \$ 75,000         | \$ 75,000        | \$ 75,000         | \$ 75,000        |
| Investments                                      | \$ 9,273         | \$ 37            |                   |                   |                   |                  |                   |                  |
| Park Dedication Fees                             |                  |                  |                   |                   |                   |                  |                   |                  |
| Transfer from Street Light Fund                  |                  |                  |                   |                   | 50,000            |                  | 50,000            |                  |
| Transfer from Pioneer Day fund                   |                  |                  |                   | 30,000            |                   |                  |                   |                  |
| Donations  | 80               |                  |                   |                   |                   |                  |                   |                  |
| Transfer from NEDA                               |                  |                  | 85,000            | 300,000           |                   |                  |                   |                  |
| <b>TOTAL REVENUE</b>                             | <b>\$ 42,353</b> | <b>\$ 33,697</b> | <b>\$ 360,000</b> | <b>\$ 575,000</b> | <b>\$ 125,000</b> | <b>\$ 75,000</b> | <b>\$ 125,000</b> | <b>\$ 75,000</b> |
| EXPENDITURES                                     |                  |                  |                   |                   |                   |                  |                   |                  |
| Bailey School Forest                             |                  |                  |                   |                   |                   |                  |                   |                  |
| Install 45' gazebo                               |                  |                  |                   |                   |                   |                  |                   |                  |
| Parkinglot and trail overlay maintenance         |                  |                  |                   | 30,000            |                   |                  |                   |                  |
| Busy Beaver Park                                 |                  |                  |                   |                   |                   |                  |                   |                  |
| Build shelter with table                         |                  |                  |                   |                   |                   |                  |                   |                  |
| Play Structure 1997 MN WI Playground             |                  |                  |                   | 100,000           |                   |                  |                   |                  |
| Fencing  |                  |                  |                   | 6,000             |                   |                  |                   |                  |
| Fishing Pier                                     |                  |                  |                   |                   |                   | 30,000           |                   |                  |
| Park Development                                 |                  | 6,000            | 30,000            |                   |                   |                  |                   |                  |
| Newport trail overlay                            |                  |                  |                   |                   |                   |                  |                   |                  |
| Tree Removal EAB                                 |                  |                  |                   |                   |                   |                  |                   |                  |
| CSAH 38 Trail                                    |                  |                  | 150,000           | 25,000            |                   |                  |                   |                  |
| Lions Park                                       |                  |                  |                   |                   |                   |                  |                   |                  |
| New lighting for skating                         |                  |                  |                   |                   | 50,000            |                  |                   |                  |
| Parkinglot overlay                               |                  |                  |                   |                   | 100,000           |                  |                   |                  |
| Install new play structure                       |                  |                  |                   |                   | 250,000           |                  |                   |                  |
| Loveland Park                                    |                  |                  |                   |                   |                   |                  |                   |                  |
| Repair warming house wiring                      |                  |                  |                   |                   | 7,000             |                  |                   |                  |
| Lighting of the skating rink                     |                  |                  |                   |                   |                   |                  | 50,000            |                  |
| Finish tennis courts                             |                  |                  |                   |                   |                   |                  |                   |                  |
| Parkinglot overlay-replace 2037                  |                  |                  |                   |                   |                   |                  |                   |                  |
| Replace 2 ADA drinking fountains                 |                  |                  | 7,500             |                   |                   |                  |                   |                  |
| New fencing for backstops-replace 2042           |                  |                  |                   |                   |                   |                  |                   |                  |
| Springler system on ball fields-replace 2032     |                  |                  |                   |                   |                   |                  |                   |                  |
| Hockey rink asphalt                              |                  |                  |                   |                   |                   |                  | 150,000           |                  |
| Play structure - fall area                       |                  |                  |                   |                   |                   |                  | 150,000           |                  |
| Play structure - 2001 EFA                        |                  |                  |                   |                   |                   |                  | 200,000           |                  |
| Pioneer Park                                     |                  |                  |                   |                   |                   |                  |                   |                  |
| Veteran's Memorial                               |                  |                  |                   |                   |                   |                  |                   |                  |
| Install class 5 parking with bituminous          |                  |                  |                   |                   |                   | 8,500            |                   |                  |
| Upgrade park lighting                            |                  |                  |                   |                   |                   |                  |                   |                  |
| Replace play structure - 1996 EFA                |                  |                  |                   | 320,000           |                   |                  |                   |                  |
| Run water to large pavilion                      |                  |                  |                   | 5,000             |                   |                  |                   |                  |
| <b>TOTAL EXPENDITURES</b>                        | <b>\$ -</b>      | <b>\$ 6,000</b>  | <b>\$ 187,500</b> | <b>\$ 486,000</b> | <b>\$ 407,000</b> | <b>\$ 38,500</b> | <b>\$ 550,000</b> | <b>\$ -</b>      |
| Excess (Deficiency) of Revenue over Expenditures | \$ 42,353        | \$ 27,697        | \$ 172,500        | \$ 89,000         | \$ (282,000)      | \$ 36,500        | \$ (425,000)      | \$ 75,000        |
| Fund Balance: Beginning of Year                  | 523,281          | 565,634          | 593,331           | 765,831           | 854,831           | 572,831          | 609,331           | 184,331          |
| Fund Balance: End of Year                        | \$ 565,634       | \$ 593,331       | \$ 765,831        | \$ 854,831        | \$ 572,831        | \$ 609,331       | \$ 184,331        | \$ 259,331       |

## CITY OF NEWPORT, MINNESOTA

2018-2026 BUILDINGS CIP  
2023 PROPOSED BUDGET

| REVENUE   | 2019             | 2020             | 2021             | 2022             | 2023              | 2024             | 2025             | 2026              | 2027             |
|---|------------------|------------------|------------------|------------------|-------------------|------------------|------------------|-------------------|------------------|
| Transfer from General Fund                        | \$ 50,000        | \$ 25,000        | \$ 25,000        | \$ 25,000        | \$ 25,000         | \$ 25,000        | \$ 25,000        | \$ 25,000         | \$ 25,000        |
| Investment earnings                               | \$ 11,418        | \$ 7,226         | \$ 72            |                  |                   |                  |                  |                   |                  |
| Transfer from Light Fund                          |                  |                  |                  |                  |                   | \$ 5,000         |                  |                   |                  |
| <b>TOTAL REVENUE</b>                              | <b>\$ 61,418</b> | <b>\$ 32,226</b> | <b>\$ 25,072</b> | <b>\$ 25,000</b> | <b>\$ 25,000</b>  | <b>\$ 30,000</b> | <b>\$ 25,000</b> | <b>\$ 25,000</b>  | <b>\$ 25,000</b> |
| EXPENDITURES                                      |                  |                  |                  |                  |                   |                  |                  |                   |                  |
| City Hall   |                  |                  |                  |                  |                   |                  |                  |                   |                  |
| 22 Upgrade HVAC                                   | 20               |                  |                  |                  | -                 |                  |                  |                   |                  |
| 22 Carpet Council Chambers/Offices                |                  |                  |                  |                  |                   |                  |                  |                   |                  |
| 22 Replace roof                                   | 30               |                  |                  |                  |                   |                  |                  |                   |                  |
| 22 Boiler   | 30               |                  |                  |                  |                   |                  |                  |                   |                  |
| 22 Fire garage doors                              | 20               |                  |                  |                  |                   |                  |                  |                   |                  |
| 22 Law enforcement garage doors                   | 30               |                  |                  |                  |                   |                  |                  |                   |                  |
| 22 Electronic sign                                | 15               |                  |                  |                  |                   |                  |                  |                   |                  |
| 22 Generator                                      | 25               |                  |                  |                  |                   |                  |                  |                   |                  |
| 22 Elevator                                       | 30+              |                  |                  |                  |                   |                  |                  |                   |                  |
| 22 Extractors                                     | 10               |                  |                  |                  |                   |                  |                  |                   |                  |
| 22 SCBA   | 15               |                  |                  |                  |                   |                  |                  |                   |                  |
| 22 Siren  | 30               |                  |                  |                  |                   |                  |                  |                   |                  |
| Security cameras                                  |                  |                  |                  |                  | 10,000            |                  |                  |                   |                  |
| Irrigation system                                 |                  |                  |                  |                  | 5,000             |                  |                  |                   |                  |
| Demoliton of old fire halls                       |                  |                  |                  |                  | 100,000           |                  |                  |                   |                  |
| Library & Community Center                        |                  |                  |                  |                  |                   |                  |                  |                   |                  |
| Upgrade entry doors                               |                  |                  |                  |                  |                   |                  |                  |                   |                  |
| Railing repair                                    |                  |                  |                  | 8,600            |                   |                  |                  |                   |                  |
| Install new roof                                  |                  |                  |                  |                  |                   | 15,000           |                  |                   |                  |
| Paint exterior                                    |                  |                  |                  |                  |                   | 5,000            |                  |                   |                  |
| Upgrade lighting                                  |                  |                  |                  |                  |                   | 5,000            |                  |                   |                  |
| Window restoration                                |                  |                  |                  |                  |                   | 50,000           | 50,000           |                   |                  |
| Carpeting   |                  |                  |                  |                  |                   |                  |                  | 5,000             |                  |
| Public Works                                      |                  |                  |                  |                  |                   |                  |                  |                   |                  |
| Paint interior of maint. Shop & exterior          |                  |                  |                  |                  |                   |                  | 16,500           |                   |                  |
| Floor repair                                      |                  |                  |                  |                  |                   |                  | 8,000            |                   |                  |
| Security system                                   |                  |                  |                  |                  |                   |                  |                  |                   |                  |
| Upgrade garage doors & openers                    |                  |                  |                  |                  |                   |                  |                  | 8,000             |                  |
| New floor hoists for heavy equipment-replace 2032 | 20               |                  |                  |                  |                   |                  |                  |                   |                  |
| Reroof building (2001)                            |                  |                  |                  |                  |                   |                  |                  | 150,000           |                  |
| Update HVAC for office area                       |                  |                  |                  |                  |                   |                  |                  | 20,000            |                  |
| Upgrade garage HVAC to radiant heat               |                  |                  |                  |                  |                   |                  |                  | 28,000            |                  |
| Reconstruct all asphalt driving surfaces          |                  |                  |                  |                  |                   |                  |                  | 60,000            |                  |
| New garage doors                                  | 20               | 11,870           |                  |                  |                   |                  |                  |                   |                  |
| Solar panels-replace 2053                         | 35               |                  |                  |                  |                   |                  |                  |                   |                  |
| Concrete apron repair                             |                  |                  |                  | 15,000           |                   |                  |                  |                   |                  |
| Railroad Club                                     |                  |                  |                  |                  |                   |                  |                  |                   |                  |
| Exterior upgrades to siding                       |                  |                  |                  |                  |                   |                  |                  |                   |                  |
| Install new roof                                  | 25               |                  |                  |                  |                   |                  |                  |                   |                  |
| Upgrade windows and doors                         |                  | -                |                  |                  |                   |                  |                  |                   |                  |
| Upgrade electrical system & lighitng              |                  |                  |                  |                  | 6,000             |                  |                  |                   |                  |
| Upgrade HVAC (2030?)                              |                  |                  |                  |                  |                   |                  | 8,000            |                   |                  |
| Railroad Tower - roof 2018                        |                  |                  |                  |                  |                   |                  |                  |                   |                  |
| <b>TOTAL EXPENDITURES</b>                         | <b>\$ 11,870</b> | <b>\$ -</b>      | <b>\$ -</b>      | <b>\$ 23,600</b> | <b>\$ 121,000</b> | <b>\$ 75,000</b> | <b>\$ 82,500</b> | <b>\$ 271,000</b> | <b>\$ -</b>      |
| Excess (Deficiency) of Revenue over Expenditures  | \$ 49,548        | \$ 32,226        | \$ 25,072        | \$ 1,400         | \$ (96,000)       | \$ (45,000)      | \$ (57,500)      | \$ (246,000)      | \$ 25,000        |
| Fund Balance: Beginning of Year                   | 551,408          | 593,946          | 626,172          | 651,244          | 652,644           | 556,644          | 511,644          | 454,144           | 208,144          |
| Fund Balance: End of Year                         | \$ 600,956       | \$ 626,172       | \$ 651,244       | \$ 652,644       | \$ 556,644        | \$ 511,644       | \$ 454,144       | \$ 208,144        | \$ 233,144       |



CITY OF NEWPORT

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## MEMO

TO: Mayor and Council  
FROM: Travis Brierley  
DATE: August 18, 2022  
SUBJECT: THC Law

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### Background

Minnesota recently enacted laws allowing for the consumption of THC products. This include edible and beverages. Many questions have been raised regarding cities and they ability to restrict the sale and/or consumption of these products. The LMC has provided guidance to cities regarding what actions could be taken. Metro Cities has requested responses from cities regarding the thoughts of councils on the new law in relation to their respective cities.

### Discussion

Metro Cities has the following questions:

1. What, if any, action has your city considered or adopted in response to this law change?
2. What, if any, challenges do you expect for your city in light of this law change? What are the areas of highest concern?
3. What information – from other cities and/or other sources – would be helpful to have as your city considers its policies and response to the new law?
4. Do you have any questions, comments, or concerns that you would like us to know?

With responses being requested, staff would like guidance on what steps, if any, should be researched regarding the new THC law. Different options include, but not limited to:

- Do nothing and let the regulation remain at the State level
- Enact a moratorium as the City researches potential licensing and code provisions
- Identify zoning restrictions for the sale of THC products
  - City wide prohibition will require guidance from the City Attorney
  - Zoning restrictions may be regulated similar to that of Adult Uses (cannot be prohibited city wide)

# Cities and Regulation of Edible Cannabinoid Products

Published: July 15, 2022

A new law was enacted at the end of the 2022 legislative session that allows certain edible and beverage products infused with tetrahydrocannabinol (THC) to be sold. Since the enactment of the law, the League of Minnesota Cities has been researching and collecting information from state agencies and stakeholders to answer questions pertaining to local regulatory authority, law enforcement, taxing, and employment. The following frequently asked questions (FAQ) aim to provide information to cities on the new law to assist local governments in making decisions related to the law. The League will continually update the information below as necessary.

*(Updated July 28, 2022)*

**Get answers to FAQs regarding the new law allowing certain edible and beverage products containing THC extracted from hemp to be sold.**

## **General information**

Q1. What does the new law do?

Q2. Under the new law, where are edible cannabinoids allowed to be sold? *(Updated July 20, 2022)*

Q3. Could my city's municipal liquor store sell the edible cannabinoid products? *(Updated July 20, 2022)*

Q4. What regulations are in place for packaging for edible cannabinoids?

Q5. Are these products legal under federal regulations? *(Updated July 22, 2022)*

Q6. Where do the edible cannabinoid products come from?

Q7. How are the new products taxed?

## **Enforcement and public safety**

Q8. How is the new law enforced? *(Updated July 28, 2022)*

Q9. What are penalties for someone who violates?

Q10. How do our officers determine if a driver is under the influence of these new products?

Q11. Could cities prohibit the sale of edible cannabinoids entirely? *(Updated July 19, 2022)*

Q12. Is our city required to adopt regulations under the new law?

## **City Licensing**



Q13. What authority do cities have regarding licensing the sale of edible cannabinoids?

Q14. What types of restrictions should we consider in regulating cannabinoids? (Updated July 19, 2022)

Q15. Can a city add edible cannabinoid products to its existing tobacco licensing program?

Q16. If our city licenses edible cannabinoid products, how much can we charge as a license fee?

## **Zoning**

Q17. What authority do cities have regarding zoning for where the products could be sold? (Updated July 19, 2022)

Q18. Could cities adopt a moratorium prohibiting the sale, manufacturing or, distribution of cannabinoids so it can study the issue?

## **City employment and personnel issues**

Q19. Does the new Minnesota legal cannabinoid law change anything about how we do drug testing for CDL holders? (Updated July 22, 2022)

Q20. Does the new law change anything related to employees who carry a firearm? (Updated July 22, 2022)

Q21. Are there now “acceptable” limits of cannabinoids for non-CDL employees for purposes of drug testing at work (i.e., those we test under state drug and alcohol testing law)?

Q22. Can we still prohibit employees from being under the influence of cannabinoids while at work? Does the League have a model policy with updated language?

Q23. Can employees be in possession of edibles or other cannabinoid products while at work?

Q24. Do we need to change anything in our collective bargaining agreement with regard to discipline of employees who use cannabinoid products?

Q25. Can employees use cannabinoid products off-duty?

Q26. How does this impact the requirements of the Drug-Free Workplace Act?

Q27. Should my city still continue to include marijuana as a pre-employment panel screen for my Non-DOT employees? (Updated July 19, 2022)

# **General information**

## **Q1. What does the new law do?**

**A1.** It is now legal to sell certain edibles and beverages infused with tetrahydrocannabinol (THC), the cannabis ingredient extracted from hemp.

The new law was passed by the Legislature as part of [Chapter 98](#). Article 13 makes several changes to [Minnesota Statutes, section 151.72](#) regarding the sale of certain cannabinoid (CBD) products. The changes took effect on July 1.

The new law amends the scope of sale of any product that contains cannabinoids extracted from hemp and that is an edible cannabinoid product or is intended for human or animal

consumption.

Previous law authorized a product containing nonintoxicating cannabinoids to be sold, but the authority to sell edible CBD products was unclear. The new law expands the authority to include nonintoxicating cannabinoids, including edible cannabinoid products, provided they do not contain more than 0.3% of any THC. An edible cannabinoid product also cannot exceed more than five milligrams of any THC in a single serving, or more than a total of 50 milligrams of any THC per package.

## Q2. Under the law, where are edible cannabinoids allowed to be sold?

**A2.** The new law does not limit where edible cannabinoids products may be sold. However, certain businesses by their nature maybe be limited on their ability to sell the products. Liquor stores, for example, are limited to selling specific items set by Minnesota Statute, section 340A.412, subd. 14. The Alcohol and Gambling Enforcement Division (AGE) of the Minnesota Department of Public Safety has advised the League of Minnesota Cities that products containing CBD, hemp, or THC are not allowed for sale at an exclusive liquor store. In addition, AGE has informed LMC that a liquor store's ability to sell food pursuant to Minnesota Statute, section 340A.412, subd. 14 (b), does not include edible cannabinoid products.

## Q3. Could my city's municipal liquor store sell the edible cannabinoid products?

**A3.** Liquor stores are limited to selling specific items set by Minnesota Statute, section 340A.412, subd. 14. The Alcohol and Gambling Enforcement Division (AGE) of the Minnesota Department of Public Safety has advised the League of Minnesota Cities that products containing CBD, hemp, or THC are not allowed for sale at an exclusive liquor store. AGE has advised LMC that CBD, hemp, or THC infused beverages are not intended to be mixed with alcoholic beverages and are not considered soft drinks. In addition, AGE has informed LMC that a liquor store's ability to sell food pursuant to Minnesota Statute, section 340A.412, subd. 14 (b), does not include edible cannabinoid products. Due to this guidance, LMC recommends cities refrain from selling such products at their municipal liquor stores.

## Q4. What regulations are in place for packaging for edible cannabinoids?

**A4.** Along with testing and labeling requirements, an edible cannabinoid must meet several requirements, including that it:

- Not bear the likeness or contain cartoon-like characteristics.
- Not be modeled after a brand of products primarily consumed or marketed to children.
- Not be made by applying an extracted or concentrated hemp-derived cannabinoid to a commercially available candy or snack food item.
- May not contain an ingredient, other than a hemp-derived cannabinoid, that is not approved by the federal Food and Drug Administration.
- May not be packaged in a way that resembles any commercially available food product.
- Must not be packaged in a container that could reasonably mislead any person to believe that it contains anything other than an edible cannabinoid product.

## Q5. Are these products legal under federal regulations?

**A5.** The 2018 Farm Bill made several changes to federal law related to hemp. Under the law, hemp was removed from the controlled substance act, including derivatives, extracts, and cannabinoids, provided those substances contained less than 0.3% THC concentration. If a product contains more than 0.3% THC it is considered marijuana and not hemp. Pursuant to the Farm Bill, Minnesota has legalized the production of hemp through its [industrial hemp program](#).

Although hemp extracts that meet the mandated THC level are no longer controlled substances, the Farm Bill did not alter the authority of other federal agencies, including the Food and Drug Administration (FDA) from regulating hemp and hemp byproducts. Under current [FDA regulations](#), CBD or THC products cannot be sold as a dietary supplement and cannot be added to food for humans or animals.

## Q6. Where do the edible cannabinoid products come from?

**A6.** Under current law, these products can be manufactured in Minnesota but also imported from other states. Growing hemp in Minnesota is governed by the Department of Agriculture, though the MDA Hemp Program does not regulate cannabis extracts, development and manufacturing of cannabis extracts, or the retail and marketing of cannabinoid products. Cities may want to consider zoning implications for manufacturing and production of cannabinoid products.

## Q7. How are the new products taxed?

**A7.** It is the understanding of LMC that edible cannabinoid products legalized under the new law are subject to Minnesota sales tax. LMC is waiting for more guidance from the Minnesota Department of Revenue to determine if any exemptions apply. The new law does not authorize cities to tax the products in their communities, however LMC is waiting on more information as to whether the products would be subject to a local food and beverage tax.

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# Enforcement and public safety

## Q8. How is the new law enforced?

**A8.** The Minnesota Board of Pharmacy has regulatory authority over drug products that are implicitly or explicitly intended for human or animal consumption. This includes products regulated in the new law. If a product does not meet all the requirements of the new law, the product may be considered [misbranded](#) or [adulterated](#). The sale of a misbranded or adulterated product is a [misdemeanor-level crime](#) which is to be prosecuted by the [county attorney](#) where the offense took place. Questions regarding whether a specific product deviates from the requirements of the new law should be forwarded to the [Minnesota Board of Pharmacy](#). The Board of Pharmacy has provided a [form to file complaints against licensed or unlicensed cannabis businesses \(pdf\)](#) and an [inspection checklist to assist law enforcement \(pdf\)](#).

In addition, the new law limits the sale of CBD and THC products to persons over the age of 21. The sale of CBD and THC products to a person under the age of 21 is a misdemeanor-level crime which is to be prosecuted by the county attorney where the offense took place. Cities will need to work with local law enforcement and the county attorney to determine how to enforce this requirement.

If cities desire to further regulate CBD and THC products within their jurisdiction, they will need to work with their city attorney to adopt local regulations.

The League is working with the Minnesota Chiefs of Police Association and Minnesota Sheriff's Association to understand potential implications for law enforcement and identify additional questions pertaining to the enforcement of these new products along with employment related questions for law enforcement.

## Q9. What are penalties for someone who violates?

**A9.** A violation of the new law is a misdemeanor. In most cases, the county attorney is charged with prosecuting these violations.

## Q10. How do our officers determine if a driver is under the influence of these new products?

**A10.** The new law does not change the current rules relating to driving under the influence of a cannabinoid. Officers should use the same process to determine sobriety as they have used if they suspected a driver was under the influence of marijuana.

## Q11. Could cities prohibit the sale of edible cannabinoids entirely?

**A11.** In most states that have adopted adult use cannabis legislation, local governments are given the option to either opt-in or opt-out of cannabis in their communities. This framework helps to maintain local control of the cannabis issue. The new Minnesota law does not provide such an option. Therefore, the new law makes the new cannabinoid products legal in every city throughout the state.

Without a clear opt-out option, the question as to whether a city could completely prohibit the sale of edible cannabinoids is an open question. One potential approach would be to follow the Minnesota House Research's suggestion to LMC that it may be possible for a city to classify cannabis edibles containing THC as an intoxicating cannabinoid and therefore would not be allowed under the new law.

Arguments have also been made that a city may be able to prohibit the sale of edible cannabinoids products under its authority to provide for the health safety and welfare of its community. If a city were to attempt to prohibit edible cannabinoids under this authority, it would need to work with its city attorney to develop findings that clearly show the dangers of edible cannabinoids products and the need to prohibit the products. Cities may want to look at communities that have banned the sale of flavored tobacco products as a model for such prohibitions.

## Q12. Is our city required to adopt regulations under the new law?

**A12.** The new law does not require cities to take action in regulating the new products. If a city chooses not to adopt additional regulations, the sale and production of these new products will be governed by the city's existing zoning and other regulations. In addition, the new law gives local law enforcement power to enforce violations as a misdemeanor.

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## City licensing

### Q13. What authority do cities have regarding licensing the sale of edible cannabinoids?

**A13.** A city's authority to license comes from either a specific grant of authority from the Legislature or from its authority to provide for its general health, safety, and welfare. When a city official proposes local licensing of any activity or occupation, a city first must determine whether the state already licenses that activity and, if so, whether the law forbids or allows a local license.

### Q14. What types of restrictions should we consider in regulating cannabinoids?

**A14.** If a city decides to regulate edible cannabinoids or other cannabinoid products, the types of regulations can vary from city to city. Some items a city may consider when drafting these regulations include:

- What areas of the city edible cannabinoids may be sold or manufactured or distributed.
- What business should be allowed to sell edible cannabinoids.
- Age of person selling the product.
- Location of products within retail establishment.
- Pop-up sales.
- Transient merchants.
- Vending machines.
- Distance from other uses (schools, parks, residential, etc.).
- Distance between retailers.
- Delivery services.
- Online sales.
- Limit number of establishments within the city.
- Age verification.
- Hours.
- Background checks.

### Q15. Can a city add edible cannabinoid products to its existing tobacco licensing program?

**A15.** The requirements and legal authority for tobacco products are unique to those products. While some aspects of tobacco regulations may be used when regulating edible cannabinoid products, the products and the authority to regulate them are quite different. If a city chooses to license edible cannabinoid sellers, it would be best to do so separately from tobacco regulations or be sure to carefully draft new language in an existing ordinance that follows the unique requirements of the new law.

## Q16. If our city licenses edible cannabinoid products, how much can we charge as a license fee?

**A16.** When setting fees, cities should consider a number of things. First, cities should not view municipal licensing as a significant source of revenue. License fees must approximate the direct and indirect costs associated with issuing the license and policing the licensed activities. License fees that significantly exceed these costs are considered unauthorized taxes.

This means a license fee may not be so high as to be prohibitive or produce any substantial revenue beyond the actual cost to issue the license and to supervise, inspect, and regulate the licensed business.

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## Zoning

### Q17. What authority do cities have regarding zoning for where the products could be sold?

**A17.** Nothing in the new law limits a city's zoning authority related to CBD and THC products. No Minnesota court has interpreted the limits on zoning authority in this context, but at least one court in another state has ruled that a state law related to cannabis did "not nullify a municipality's inherent authority to regulate land use under [state] law so long as the municipality does not prohibit or penalize all medical marijuana cultivation ... and so long as the municipality does not impose regulations that are unreasonable and inconsistent with regulations established by state law." *DeRuiter v. Township of Byron*, 505 Mich. 130, 949 N.W.2d 91 (2020). It is unknown if a Minnesota court would come to the same conclusion.

Cities should be thoughtful and intentional about how zoning regulations related to cannabinoid products affect their communities and work with their city attorney to determine what, if any, zoning restrictions should be adopted. Cities will need to consider not only zoning regulations related to retail sales of CBD and THC products but also the manufacturing and production of the products within the city. Unless specifically differentiated in a zoning ordinance, a city's general manufacturing and production zoning provisions will likely apply to CBD and THC production as well.

### Q18. Could cities adopt a moratorium prohibiting the sale, manufacturing or, distribution of cannabinoids so it can study the issue?

**A18.** A moratorium is a tool cities use to pause specific uses in order that the city may study the issue in anticipation of future regulations. A moratorium is limited to a period of one year. To adopt a moratorium, a city must follow the procedures in [Minnesota Statute, section 462.355, subd. 4](#). The statute specifies the specific instances where a city may adopt a moratorium. If a

city were to adopt a moratorium prohibiting the sale or manufacturing of edible cannabinoid products, it should work with its city attorney to clearly state the legal justification for the moratorium.

If a city does adopt a moratorium, it must actually review and study the issue or meet one of the other requirements of the statute. More information on moratoriums can be found in the [LMC Zoning Guide for Cities](#).

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## City employment and personnel issues

### Q19. Does the new Minnesota legal cannabinoid law change anything about how we do drug testing for CDL holders?

**A19.** No, cities with positions requiring an employee to hold a commercial driver's license (CDL) will recall these positions are regulated by federal law, and those regulations are supervised by the Federal Department of Transportation (DOT). Federal law preempts state law related to cannabinoid use; in fact the DOT states in its [DOT Recreational Marijuana Notice](#) it does not authorize the use of Schedule I drugs, including marijuana, for any reason. As a result, cities should continue to follow their drug-testing procedures related to CDL holders and may enforce prohibitions against any use of cannabinoids for CDL holders, regardless of state law protections.

Although there is a legal difference between marijuana and hemp, [DOT warns](#) CDL drivers the hemp products could lead to a positive marijuana test; therefore CDL holders are ultimately responsible if those products lead to a positive marijuana test.

Cities can find more information on the effects of the new law on drug testing in the [LMC Drug and Alcohol Testing Toolkit](#), starting on page 22.

### Q20. Does the new law change anything related to employees who carry a firearm?

**A20.** No. Public safety employees who carry a firearm cannot lawfully use marijuana under federal law. [Federal law](#) prohibits cities from providing firearms or ammunition to an employee it knows or has reason to think is using marijuana. Although there is a legal difference between marijuana products and hemp products, it is the understanding of LMC that it may not be possible to differentiate the products in a drug test. Officers should be mindful of any substance they ingest because they are ultimately responsible if those products lead to a positive marijuana test.

### Q21. Are there now “acceptable” limits of cannabinoids for non-CDL employees for purposes of drug testing at work (i.e., those we test under state drug and alcohol testing law)?

**A21.** There isn't a clear answer, since THC can remain in the body for several weeks after usage (and long after any intoxicating or impairing effects have since disappeared), so positive test results may not indicate any wrongdoing on the employee's part and may just be evidence of an



employee's lawful actions done outside of work. The League of Minnesota Cities recommends that employers thoroughly document any suspicions of an employee being under the influence and to work closely with their city attorney(s) before taking any action against the employee. With this new area of law, a city may want to avoid relying on the results of traditional tests that detect metabolites remaining in a person's body (for many days or weeks after using marijuana) and instead focus on implementing reasonable-suspicion drug-testing protocols to detect marijuana intoxication based on behavioral observations. Keep in mind, employers may prohibit all employees from being under the influence while the employee is working. That would include employees who operate vehicles. Employers may want to revise their policies to clarify that employees still may not be under the influence of cannabis, legal or otherwise, while at work.

The [National Drug-Free Workplace Alliance](#) offers a toolkit to help employers work through the complex and confusing issue of marijuana and the workplace.

## Q22. Can we still prohibit employees from being under the influence of cannabinoids while at work? Does the League have a model policy with updated language?

**A22.** Yes, employers can continue to prohibit employees from being under the influence of cannabinoid products, including edibles, while at work. Although employers' obligations and restrictions related to marijuana use vary widely across the states, there is no law we are aware of that requires employers to allow cannabinoid use during work hours or to allow an employee to report to work impaired. Thus, employers may continue to maintain drug-free policies at the workplace and discipline employees who use cannabinoids during working hours or who report to work impaired. In fact, one could argue that under the [Occupational Safety and Health Administration's \(OSHA\) General Duty Clause](#) of the Occupational Safety and Health Act, employers are required to furnish a workplace free from recognized hazards that are likely to cause serious physical harm. This provision of the Act is typically used in accident cases where toxicology screens are positive.

OSHA's new electronic recordkeeping rule, [clarified on 10/11/2018](#), states "If the employer chooses to use drug testing to investigate the incident, the employer should test all employees whose conduct could have contributed to the incident, not just employees who reported injuries," with respect to using drug testing to evaluate the root cause of a workplace incident that harmed or could have harmed employees. Thus, if a city has a non-DOT drug-testing policy in place, a protocol following this guidance is important.

The League has a [Non-DOT Drug and Alcohol Testing and Drug-Free Workplace Act model policy](#) that has been updated initially, and will be continually updated as the League learns more.

## Q23. Can employees be in possession of edibles or other cannabinoid products while at work?

**A23.** Cities may enact policies prohibiting employees from bringing cannabinoid products, including edibles, to work.

## **Q24. Do we need to change anything in our collective bargaining agreement with regard to discipline of employees who use cannabinoid products?**

**A24.** No, but ensure your city's drug-testing policy has been updated and your supervisors are trained on the behavioral signs and symptoms associated with impairment. Of course, if the collective bargaining agreement includes language that policy changes need to be negotiated, then there would need to be a meeting with the union if the city's policy changes.

## **Q25. Can employees use cannabinoid products off-duty?**

**A25.** It depends. Certain types of employees, such as law enforcement officers and other employees issued firearms and ammunition as part of their jobs, are subject to regulations from the federal Bureau of Alcohol, Tobacco and Firearms, which prohibits firearms and ammunitions to be given to individuals who do or are believed to use illegal drugs. As noted above, city positions required to hold a commercial driver's license are subject to Department of Transportation regulations and are not authorized for the use of Schedule I drugs, including marijuana, for any reason. Thus, these types of employees could be prevented from using cannabinoid products both on and off duty. Other employees who are not subject to that or other federal regulations would likely be able to use cannabinoid products while they are off duty, as there is nothing under Minnesota law which prohibits certain classes of employees from using cannabinoid products off duty, as long as they are not impaired at work.

If there are any questions regarding whether an employee could be prevented from using cannabinoid products while off-duty due to federal regulations, please consult your city attorney before any action is taken.

## **Q26. How does this impact the requirements of the Drug-Free Workplace Act?**

**A26.** It does not. The Drug-Free Workplace Act of 1988 (DFWA) requires federal grantees and contractors to implement a drug-free workplace policy and establish a drug-free awareness program as a precondition for receiving a federal grant or a contract. However, the DFWA does not require covered employers to test employees for drugs or terminate them for drug-related violations, so the new Minnesota state law does not impact the DFWA directly. Minnesota law allows employers to prohibit employees from bringing legal cannabinoid products to work and permits employers to prohibit employees from being under the influence while at work. It would be best practice for cities with drug-free work policies to keep those in effect. If a city wishes to do so, it can update its policy to include lawful cannabinoid products within its scope.

## **Q27. Should my city still continue to include marijuana as a pre-employment panel screen for my Non-DOT employees?**

**A27.** That is for each city to decide for itself. Because currently there are no devices or blood tests available that measure marijuana impairment, and because a best practice approach for Non-DOT marijuana drug testing is to base testing on behavioral observations, some employers are excluding marijuana from their pre-employment Non-DOT drug screens. Some states even prohibit an employer from refusing to hire an applicant simply because of a positive drug test,

but Minnesota is currently not one of these states at this time. Any city that chooses to continue to test for THC for Non-DOT positions must be aware of the fact that these substances may remain in an individual's system for weeks after the impairing effect of the drug has worn off. Thus, it will be difficult, if not impossible, to determine whether the positive test indicates usage in violation of the city's drug-free workplace policy or indicates lawful usage during an employee's time-off from work. Cities should consult with their city attorneys prior to taking any action based upon a positive drug test for THC.

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Your LMC Resource

Research & Information Service staff members are ready to help you apply their broad knowledge to the issues you're dealing with today.

[Access online form to submit a question](#), or call us: (651) 281-1200 or (800) 925-1122