

|   |
|---|
| <p><b>LAUDERDALE CITY COUNCIL MEETING AGENDA</b><br/><b>7:00 P.M. TUESDAY, JANUARY 28, 2025</b><br/><b>LAUDERDALE CITY HALL, 1891 WALNUT STREET</b></p> |
|---|

The City Council is meeting as a legislative body to conduct the business of the City according to Robert's Rules of Order and the Standing Rules of Order and Business of the City Council. Unless so ordered by the Mayor, citizen participation is limited to the times indicated and always within the prescribed rules of conduct for public input at meetings.

1. **CALL TO ORDER**
2. **SWEARING IN OF NEWLY ELECTED OFFICIAL**
  - a. Duane Pulford
3. **ROLL CALL**
4. **APPROVALS**
  - a. Agenda
  - b. Minutes of the January 14, 2025 City Council Meeting
  - c. Claims Totaling \$26,375.70
5. **CONSENT**
  - a. Fourth Quarter Investment Report
  - b. Hiring of Temporary Administrative Employee
  - c. Resolution No. 012825A – Approving the 2025 Tobacco Licenses
  - d. Resolution No. 012825B – Approving the 3.2 Off-Sale Malt Liquor Licenses for 2025
6. **SPECIAL ORDER OF BUSINESS/RECOGNITIONS/PROCLAMATIONS**
7. **INFORMATIONAL PRESENTATIONS / REPORTS**
8. **PUBLIC HEARINGS**

Public hearings are conducted so that the public affected by a proposal may have input into the decision. During hearings all affected residents will be given an opportunity to speak pursuant to the Robert's Rules of Order and the standing rules of order and business of the City Council.
9. **DISCUSSION / ACTION ITEM**
  - a. Municipal Cannabis Feasibility Report
10. **ITEMS REMOVED FROM THE CONSENT AGENDA**
11. **ADDITIONAL ITEMS**
12. **SET AGENDA FOR NEXT MEETING**
  - a. Cooperative Agreement with Ramsey County Regarding Eustis Street
  - b. NineNorth and Cable Commission Update by Jeff Ongstad (March 25)

### 13. **WORK SESSION**

- a. Community Development Updates
- b. Opportunity for the Public to Address the City Council

Any member of the public may speak at this time on any item not on the agenda. In consideration for the public attending the meeting, this portion of the meeting will be limited to fifteen (15) minutes. Individuals are requested to limit their comments to three (3) minutes or less. If the majority of the Council determines that additional time on a specific issue is warranted, then discussion on that issue shall be continued at the end of the agenda. Before addressing the City Council, members of the public are asked to step up to the microphone, give their name, address, and state the subject to be discussed. All remarks shall be addressed to the Council as a whole and not to any member thereof. No person other than members of the Council and the person having the floor shall be permitted to enter any discussion without permission of the presiding officer.

Your participation, as prescribed by the Robert's Rules of Order and the standing rules of order and business of the City Council, is welcomed and your cooperation is greatly appreciated.

### 14. **ADJOURNMENT**

You are invited to a Zoom webinar!

When: Jan 28, 2025 07:00 PM Central Time (US and Canada)

Topic: January 28, 2025 Lauderdale City Council Webinar

Join from PC, Mac, iPad, or Android:

<https://us02web.zoom.us/j/85860138911?pwd=ntKqtVKpUbb08WpvWXUomDuTPcgmsv.1>

Passcode:007473

Phone one-tap:

+13052241968,,85860138911#,,,\*007473# US

+13092053325,,85860138911#,,,\*007473# US

Join via audio:

+1 305 224 1968 US

+1 309 205 3325 US

+1 312 626 6799 US (Chicago)

+1 646 558 8656 US (New York)

+1 646 931 3860 US

+1 301 715 8592 US (Washington DC)

+1 360 209 5623 US

+1 386 347 5053 US

+1 507 473 4847 US

+1 669 900 9128 US (San Jose)

+1 253 215 8782 US (Tacoma)

+1 346 248 7799 US (Houston)

Webinar ID: 858 6013 8911

Passcode: 007473

International numbers available: <https://us02web.zoom.us/j/kdhuiAHX8T>

LAUDERDALE CITY COUNCIL  
MEETING MINUTES  
Lauderdale City Hall  
1891 Walnut Street  
Lauderdale, MN 55113

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January 14, 2024

**Swearing in of Newly Elected Officials**

Administrator Butkowski performed the swearing in ceremony for Mayor Gaasch in person and Councilor Dains via Zoom.

**Call to Order**

Mayor Gaasch called the Regular City Council meeting to order at 7:05 p.m.

**Roll Call**

Councilors present: Evan Sayre, Sharon Kelly, Jeff Dains via Zoom, and Mayor Mary Gaasch.  
Councilor absent: Duane Pulford.

Staff present: Heather Butkowski, City Administrator; Jim Bownik, Assistant to the City Administrator; and Miles Cline, Deputy City Clerk.

**Approvals**

Mayor Gaasch asked if there were any additions to the meeting agenda. There being none, Councilor Dains moved and seconded by Councilor Kelly to approve the agenda. Motion carried unanimously.

Mayor Gaasch asked if there were corrections to the minutes of the December 10, 2024, City Council meeting. There being none, Councilor Sayre moved and seconded by Councilor Kelly to approve the December 10, 2024, City Council meeting minutes. Motion carried unanimously.

Mayor Gaasch asked if there were any questions on the claims. Councilor Kelly asked about the higher than normal total. Staff responded that the time frame for the claims covered five weeks instead of two and included the annual 2019 Improvement Project bond payment. Councilor Kelly moved and seconded by Councilor Dains to approve the claims totaling \$395,089.64. Motion carried unanimously.

**Consent**

Councilor Sayre moved and seconded by Councilor Dains to approve the Consent Agenda thereby acknowledging the November financial report and December financial report and approving Resolution No. 011425A - Designating Official Depository and Investment Institutions, and establishing the 2025 City Council Meeting Schedule

**Public Hearings**

A. Resolution No. 011425B – Establishing 2025 License and Permit Fees and Administrative Fees and Fines

At the end of each year, staff reviews the fee schedule in anticipation of the year ahead. Many fees haven't changed in years, even a decade or more. Staff noted in red recommended fee

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increases. Butkowski said are significant increases, but more closely reflect the cost in staff time. Staff prefer to change the fees infrequently because it results in sizable work to update all our forms with the new fees. Prior to adopting the fee schedule, the city council must hold a public hearing.

Mayor Gaasch opened the floor at 7:11 p.m. to those interested in addressing the Council. There being nobody interested in speaking, Mayor Gaasch closed the floor at 7:12 p.m.

Councilor Kelly made a motion to adopt Resolution No. 011425B - A Resolution Establishing 2025 License and Permit Fees, and Administrative Fees and Fines. This was seconded by Councilor Sayre and carried unanimously.

**Discussion/Action Item**

A. Metropolitan Council 2025 Private Property Inflow and Infiltration Grant Agreement  
Butkowski explained the City was awarded a \$25,000 Private Property Inflow and Infiltration Grant from the Metropolitan Council for 2025. The grant provides Lauderdale residents with grants up to \$5,000 to help with sanitary sewer repairs that will prevent clear water (rain and ground water) from entering the wastewater treatment system. In 2024, the City was awarded \$16,000 in grant funds.

Certain work qualifies and the grant pays up to 50% of eligible costs for:

- Private lateral repair and/or replacement
- Foundation drain disconnects with new sump pump, if associated with the foundation drain disconnect
- Sewer lateral inspection and cleaning costs if televising and cleaning result in repair or replacement of sewer lateral

To proceed, the Council must approve the grant agreement.

Councilor Dains made a motion to approve the Metropolitan Council 2025 Private Property Inflow and Infiltration (I/I) Grant Agreement No. SG-22740. This was seconded by Councilor Kelly and carried unanimously.

**B. 2025 Committee Appointments and Assignments**

The Council determines committee assignments and makes other designations at the beginning of the year. Staff carried over the assignments from 2024 to 2025 and noted where new appointments need to be made. Staff will revise the form based on the discussion.

Councilor Kelly made a motion to approve the committee assignments as discussed. This was seconded by Councilor Sayre and carried unanimously.

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Lauderdale, MN 55113

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**Set Agenda for Next Meeting**

Butkowski stated that the January 28 Council meeting might include the fourth quarter investment report and the municipal cannabis feasibility report.

**Work Session**

**A. Community Development Update**

Butkowski stated that staff is working on audit preparation this week, with the formal audit being at the end of January. Staff learned that in the mid-1990s when Larpenteur Avenue was reconstructed, the City took ownership of the storm sewer trunk line in Eustis Street south of Larpenteur Avenue. Staff will review the condition of the pipe based on televising provided by Ramsey County and determine if repairs are needed in advance of the County project. Finally, Butkowski attended the recent Ramsey County engineers meeting to further efforts to reduce shared costs for non-MSA cities during Ramsey County road projects.

**B. Opportunity for the Public to Address the City Council**

Mayor Gaasch opened the floor to those interested in addressing the Council.

Greg Williams, 1626 Rose Hill Circle, approached the Council to play an MP3 recording that noted his suggestions for the Environment and Sustainability Commission.

There being nobody else interested in speaking, Mayor Gaasch closed the floor.

**Adjournment**

Councilor Sayre moved and seconded by Councilor Kelly to adjourn the meeting at 7:35 p.m. Motion carried unanimously.

Respectfully submitted,



Miles Cline  
Deputy City Clerk



CITY OF LAUDERDALE  
LAUDERDALE CITY HALL  
1891 WALNUT STREET  
LAUDERDALE, MN 55113  
651-792-7650  
651-631-2066 FAX

### **Request for Council Action**

**To:** Mayor and City Council  
**From:** City Administrator  
**Meeting Date:** January 28, 2025  
**Subject:** List of Claims

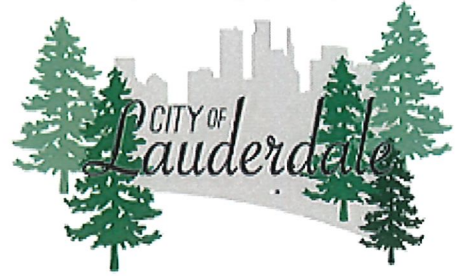
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The claims totaling \$26,375.70 are provided for City Council review and approval that includes check numbers 29244 to 29259.

# Accounts Payable

## Checks by Date - Detail by Check Date

User: miles.cline  
Printed: 1/23/2025 2:53 PM



| Check No                                 | Vendor No<br>Invoice No | Vendor Name<br>Description  | Check Date<br>Reference  | Check Amount   |
|--|-------------------------|---|--|--|
| ACH                                      | 34                      | AFSCME MN Council 5<br>PR Batch 50200.01.2025 Union Dues  | 01/17/2025<br>PR Batch 50200.01.2025 Unio  | 249.92   |
| Total for this ACH Check for Vendor 34:  |                         |   |  | 249.92   |
| ACH                                      | 389                     | BCBSM Inc<br>PR Batch 50200.01.2025 Vision Insurance  | 01/17/2025<br>PR Batch 50200.01.2025 Visi  | 12.82  |
| Total for this ACH Check for Vendor 389: |                         |   |  | 12.82  |
| ACH                                      | 415                     | Securian Life Insurance Company<br>PR Batch 50200.01.2025 Life Insurance  | 01/17/2025<br>PR Batch 50200.01.2025 Life  | 229.23   |
| Total for this ACH Check for Vendor 415: |                         |   |  | 229.23   |
| ACH                                      | 423                     | Madison National Life Ins Co Inc<br>PR Batch 50200.01.2025 Short Term Disability<br>PR Batch 50200.01.2025 Long Term Disability   | 01/17/2025<br>PR Batch 50200.01.2025 Sho<br>PR Batch 50200.01.2025 Lon   | 85.38<br>92.46                                       |
| Total for this ACH Check for Vendor 423: |                         |   |  | 177.84   |
| ACH                                      | 43                      | Public Employees Retirement Association<br>PR Batch 50200.01.2025 PERA Coordinated<br>PR Batch 50200.01.2025 PERA Coordinated   | 01/17/2025<br>PR Batch 50200.01.2025 PER<br>PR Batch 50200.01.2025 PER   | 1,448.78<br>1,255.61                                 |
| Total for this ACH Check for Vendor 43:  |                         |   |  | 2,704.39   |
| ACH                                      | 44                      | Minnesota Department of Revenue<br>PR Batch 50200.01.2025 State Income Tax  | 01/17/2025<br>PR Batch 50200.01.2025 Stat  | 913.94   |
| Total for this ACH Check for Vendor 44:  |                         |   |  | 913.94   |
| ACH                                      | 45                      | ICMA Retirement Corporation<br>PR Batch 50200.01.2025 Deferred Comp<br>PR Batch 50200.01.2025 Deferred Comp   | 01/17/2025<br>PR Batch 50200.01.2025 Def<br>PR Batch 50200.01.2025 Def   | 1,788.61<br>1,083.23                                 |
| Total for this ACH Check for Vendor 45:  |                         |   |  | 2,871.84   |
| ACH                                      | 46                      | Internal Revenue Service<br>PR Batch 50200.01.2025 FICA Employer Portio<br>PR Batch 50200.01.2025 Medicare Employer Po<br>PR Batch 50200.01.2025 FICA Employee Portio<br>PR Batch 50200.01.2025 Medicare Employee Pc<br>PR Batch 50200.01.2025 Federal Income Tax | 01/17/2025<br>PR Batch 50200.01.2025 FIC.<br>PR Batch 50200.01.2025 Mec<br>PR Batch 50200.01.2025 FIC.<br>PR Batch 50200.01.2025 Mec<br>PR Batch 50200.01.2025 Fed | 1,520.36<br>355.60<br>1,520.36<br>355.60<br>2,427.05 |
| Total for this ACH Check for Vendor 46:  |                         |   |  | 6,178.97   |
| Total for 1/17/2025:                     |                         |   |  | 13,338.95  |
| 29244                                    | 192                     | Comcast Holdings Corporation  | 01/28/2025   |  |



| Check No | Vendor No<br>Invoice No                            | Vendor Name<br>Description  | Check Date<br>Reference       | Check Amount            |
|----------|--|---|-------------------------------|-------------------------|
|          | 230237911  | January Internet  |                               | 413.00                  |
|          |  |   | Total for Check Number 29244: | 413.00                  |
| 29245    | 25<br>EMCOM-012168<br>EMCOM-012183<br>EMCOM-012199 | County of Ramsey<br>December Fleet Support<br>December CAD Services<br>December 911 Dispatch Services | 01/28/2025                    | 6.24<br>74.58<br>485.08 |
|          |  |   | Total for Check Number 29245: | 565.90                  |
| 29246    | 25<br>PRRRV-003315                                 | County of Ramsey<br>2025 Election Services  | 01/28/2025                    | 2,658.00                |
|          |  |   | Total for Check Number 29246: | 2,658.00                |
| 29247    | 25<br>PRRRV-003247                                 | County of Ramsey<br>Truth in Taxation Notice  | 01/28/2025                    | 230.15                  |
|          |  |   | Total for Check Number 29247: | 230.15                  |
| 29248    | 19<br>1461   | Ehlers and Associates Inc<br>2024 Second Half TIF Payment Calculations                                | 01/28/2025                    | 147.50                  |
|          |  |   | Total for Check Number 29248: | 147.50                  |
| 29249    | 31<br>185814                                       | Kennedy & Graven Chartered<br>December Legal Services   | 01/28/2025                    | 1,521.00                |
|          |  |   | Total for Check Number 29249: | 1,521.00                |
| 29250    | 185<br>122024<br>122024<br>122024                  | Lauderdale Certified Auto Repair Inc<br>December Fuel<br>December Fuel<br>December Fuel               | 01/28/2025                    | 74.43<br>15.95<br>15.95 |
|          |  |   | Total for Check Number 29250: | 106.33                  |
| 29251    | 30<br>419929                                       | League of Minnesota Cities<br>MN Cities Stormwater Coalition Contributions                            | 01/28/2025                    | 600.00                  |
|          |  |   | Total for Check Number 29251: | 600.00                  |
| 29252    | 114<br>2084  | Metro Cities<br>2025 Membership Dues  | 01/28/2025                    | 1,093.00                |
|          |  |   | Total for Check Number 29252: | 1,093.00                |
| 29253    | 10<br>0001839490                                   | On Site Sanitation Inc<br>01/18/2025 - 02/14/2025 Park Portable Restroom                              | 01/28/2025                    | 101.00                  |
|          |  |   | Total for Check Number 29253: | 101.00                  |
| 29254    | 388<br>PS-INV106469                                | PeopleService Inc<br>February Wastewater  | 01/28/2025                    | 660.00                  |
|          |  |   | Total for Check Number 29254: | 660.00                  |
| 29255    | 435<br>2109  | Point Seven LLC<br>Second Half Payment - Cannabis Financial Mod                                       | 01/28/2025                    | 3,250.00                |
|          |  |   | Total for Check Number 29255: | 3,250.00                |



| Check No                      | Vendor No<br>Invoice No  | Vendor Name<br>Description   | Check Date<br>Reference | Check Amount  |
|-------------------------------|--|--|-------------------------|---|
| 29256                         | 5<br>619861-12-24  | Premium Waters Inc<br>December Water Service   | 01/28/2025              | 30.88   |
| Total for Check Number 29256: |  |  |                         | 30.88   |
| 29257                         | 135<br>1224572525  | St Paul Pioneer Press<br>Publish Ord. 24-03  | 01/28/2025              | 34.84   |
| Total for Check Number 29257: |  |  |                         | 34.84   |
| 29258                         | 425<br>6290328681<br>6290328681<br>6290330916<br>6290330916  | Vestis<br>January Uniforms<br>January Uniforms<br>January Uniforms<br>January Uniforms   | 01/28/2025              | 22.77<br>22.76<br>22.76<br>22.77  |
| Total for Check Number 29258: |  |  |                         | 91.06   |
| 29259                         | 74<br>909699204<br>909699204<br>909699204<br>909699204<br>909699204<br>909699204<br>909699204<br>909699204 | Xcel Energy<br>1891 Walnut Street<br>Larpenteur Avenue Bridge Lights<br>1885 Fulham Street<br>Street Lighting December<br>1885 Fulham Street<br>1917 Walnut Street<br>1891 Walnut Street<br>1917 Walnut Street | 01/28/2025              | 475.72<br>38.43<br>122.57<br>454.72<br>85.66<br>170.89<br>161.58<br>24.52 |
| Total for Check Number 29259: |  |  |                         | 1,534.09  |
| Total for 1/28/2025:          |  |  |                         | 13,036.75   |
| Report Total (24 checks):     |  |  |                         | 26,375.70   |

## LAUDERDALE COUNCIL ACTION FORM

### Action Requested

Consent   X    
Public Hearing             
Discussion             
Action             
Resolution             
Work Session           

Meeting Date January 28, 2025

ITEM NUMBER 4Q24 Investment Report

STAFF INITIAL AB

APPROVED BY ADMINISTRATOR

### DESCRIPTION OF ISSUE AND PAST COUNCIL ACTION:

Following is the Fourth Quarter Investment Report for 2024.

### OPTIONS:

### STAFF RECOMMENDATION:

By approving the Consent Agenda, the Council acknowledges the investment report for October—December 2024.

### COUNCIL ACTION:

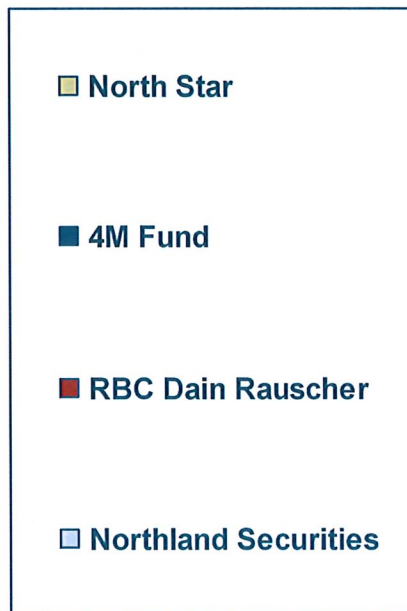
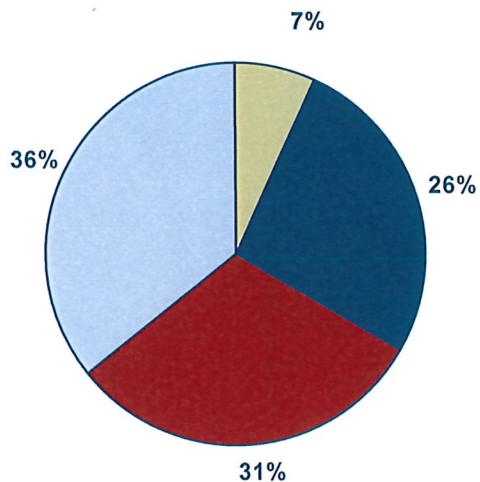


# **Fourth Quarter 2024 Investment Report**

## INVESTMENTS

As of December 31, 2024, the City had the following amounts with official depositories:

|                      |                     |
|----------------------|---------------------|
| North Star Bank      | \$ 296,184          |
| 4M Fund              | 1,110,082           |
| RBC Dain Rauscher    | 1,294,937           |
| Northland Securities | 1,503,868           |
| <b>TOTAL</b>         | <b>\$ 4,205,071</b> |



## DEPOSITORIES AND INVESTMENT TYPES

|                          |                   |
|--------------------------|-------------------|
| North Star Bank          |                   |
| Checking Account         | \$ 296,184        |
| 4M Fund                  |                   |
| Joint Powers Investment  | \$ 1,110,082      |
| RBC Dain Rauscher        |                   |
| US Government Securities | \$ 0              |
| Certificates of Deposit  | \$ 1,294,937 (13) |
| Northland Securities     |                   |
| Money Market Account     | \$ 103,868        |
| Certificates of Deposit  | \$ 1,400,000 (14) |

The City's Investment Policy sets some perimeters for investments, such as no more than 60% of the investment portfolio, or \$2,000,000 (whichever is less) shall be invested with any one investment company. No investments shall be made with a term over ten years unless with prior approval from the City Council.

## **INVESTMENT TERM**

Liquid assets are money market accounts.

1-5 Years are made up of certificate of deposit and US Government Instrumentality Securities.

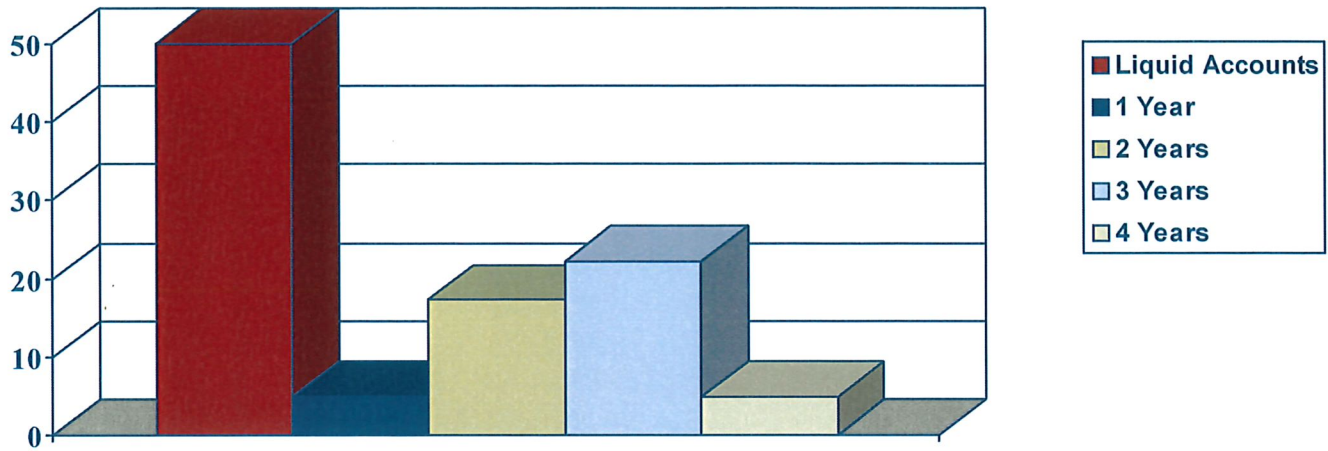
6-10 Years are US Government Instrumentality Securities.

11-15 Years are US Government Instrumentality Securities.

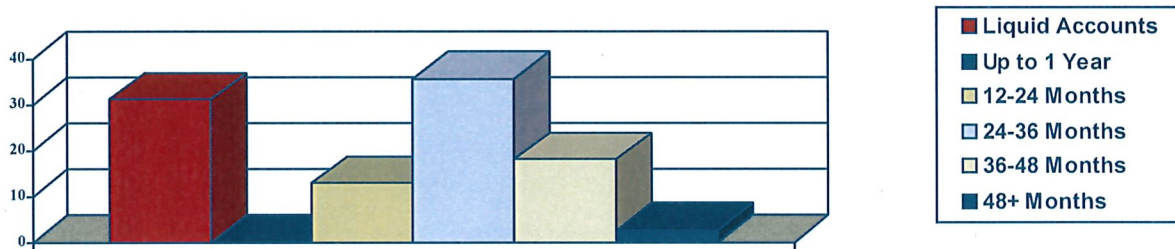
15+ Years are US Government Instrumentality Securities and bonds.

US Government Instrumentality Securities are financial intermediaries established by the federal government to fund loans to certain groups of borrowers, such as homeowners, farmers and students. Most active issuers are Federal Home Loan Bank, Federal National Mortgage Association (Fannie Mae) and Tennessee Valley Authority. Maturities range from three months to 30 years with fixed interest rates.

## EOY 2023 Investment Portfolio by Holding Period



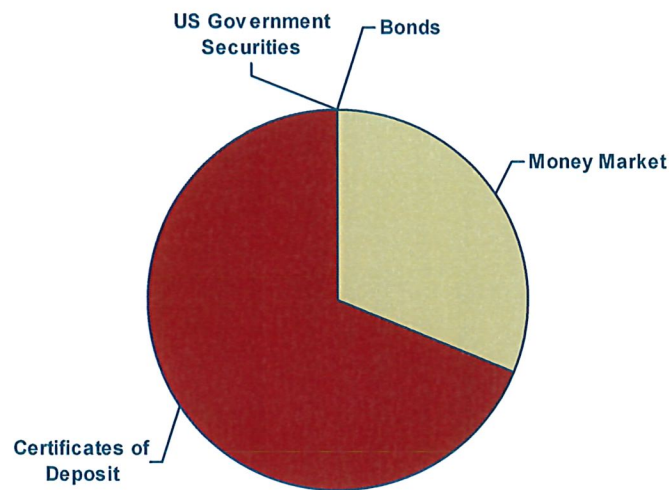
## Fourth Quarter 2024 Investment Portfolio by Holding Period





## INVESTMENT TYPES

|                          |              |
|--------------------------|--------------|
| Money Market             | \$ 1,213,950 |
| Bonds                    | 0            |
| Certificates of Deposit  | 2,694,937    |
| US Government Securities | 0            |



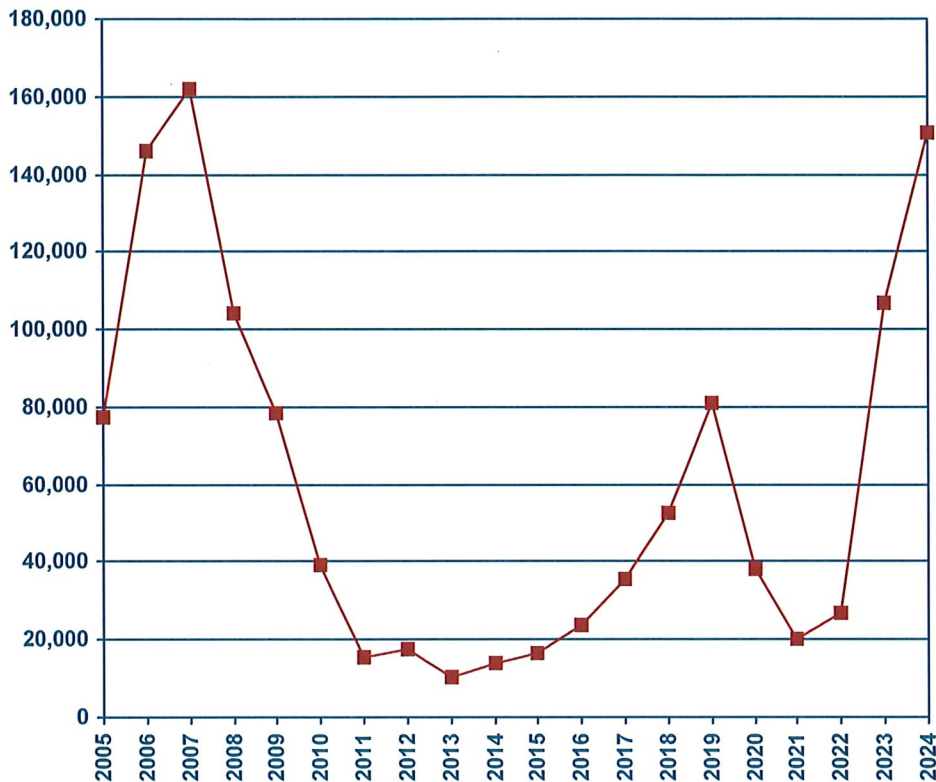
### Investment Schedule

| <i>Maturity Date</i> | <i>Type</i> | <i>Interest Rate</i> | <i>Investment Broker</i> | <i>Amount</i> | <i>Bank</i>                     |
|----------------------|-------------|----------------------|--------------------------|---------------|---------------------------------|
| 9/23/2027            | CD          | 3.90%                | RBC                      | 100,000.00    | Northeast Bank                  |
| 1/19/2027            | CD          | 4.05%                | RBC                      | 100,000.00    | Gate City Bank                  |
| 1/19/2027            | CD          | 3.85%                | RBC                      | 100,000.00    | Blue Ridge Bank                 |
| 12/4/2026            | CD          | 4.20%                | RBC                      | 100,000.00    | State Bank of India             |
| 11/9/2026            | CD          | 4.15%                | Northland                | 100,000.00    | DMB Community Bannk             |
| 10/7/2026            | CD          | 4.25%                | RBC                      | 100,000.00    | JP Morgan Chase Bank            |
| 9/21/2026            | CD          | 4.00%                | RBC                      | 100,000.00    | First National Bank Sioux Falls |
| 9/11/2026            | CD          | 3.95%                | RBC                      | 100,000.00    | American Express                |
| 7/17/2026            | CD          | 4.23%                | RBC                      | 100,000.00    | Texas Exchange Bank, Crowley    |
| 6/11/2026            | CD          | 4.20%                | Northland                | 100,000.00    | Preferred Bank, CA              |
| 6/11/2026            | CD          | 4.40%                | RBC                      | 100,000.00    | Washington Fed Bank Seattle     |
| 5/11/2026            | CD          | 4.25%                | Northland                | 100,000.00    | First Federal Savings Bank      |
| 3/13/2026            | CD          | 4.15%                | RBC                      | 100,000.00    | Israel Disc Bank                |
| 3/13/2026            | CD          | 4.40%                | Northland                | 100,000.00    | Austin Telco Fed CU             |
| 2/6/2026             | CD          | 4.40%                | Northland                | 100,000.00    | Freedom Bank (TX)               |
| 12/11/2025           | CD          | 4.25%                | Northland                | 100,000.00    | Barclays Bank                   |
| 12/10/2025           | CD          | 4.40%                | RBC                      | 100,000.00    | Flagstar Bank NA                |
| 11/13/2025           | CD          | 4.50%                | Northland                | 100,000.00    | Enterprise Bank                 |
| 9/11/2025            | CD          | 4.45%                | Northland                | 100,000.00    | Technology CU San Jose          |
| 8/26/2025            | CD          | 0.70%                | Northland                | 100,000.00    | Toyota Savings Bank             |
| 8/11/2025            | CD          | 5.05%                | Northland                | 100,000.00    | First Foundation Bank           |
| 8/11/2025            | CD          | 5.05%                | Northland                | 100,000.00    | Sallie Mae Bank                 |
| 8/11/2025            | CD          | 5.05%                | Northland                | 100,000.00    | Townebank Portsmouth VA         |
| 8/8/2025             | CD          | 5.40%                | RBC                      | 100,000.00    | Incredible Bank                 |
| 8/8/2025             | CD          | 5.40%                | RBC                      | 100,000.00    | US Bank Nat'l                   |
| 5/14/2025            | CD          | 4.70%                | Northland                | 100,000.00    | Southern First Bank             |
| 2/11/2025            | CD          | 5.20%                | Northland                | 100,000.00    | Morgan Stanley Bank             |
| 2/11/2025            | CD          | 5.20%                | Northland                | 100,000.00    | Morgan Stanley Private Bank     |
| 2/3/2025             | CD          | 4.50%                | RBC                      | 100,000.00    | Wells Fargo Bank Nat'l          |
| 2/3/2025             | CD          | 4.50%                | RBC                      | 100,000.00    | Sandy Springs                   |
| 1/16/2025            | CD          | 4.80%                | RBC                      | 100,000.00    | Western Alliance Bank           |
| 12/10/2024           | CD          | 0.90%                | Northland                | 100,000.00    | Synchrony Bank                  |

The investment in blue matured this quarter. Staff purchased six investments in the fourth quarter noted in red. Staff plan to continue investing in non-callable CDs to guarantee good yield over the next three years in spite of ebbs in the market. The City continues to hold a one sub one percent investment purchased before the interest rate increases.

## INTEREST EARNINGS

The following chart shows the interest earnings since 2005 with 2007 being our best year with earnings of \$161,884. Investment interest earned through the end of 2023 totaled \$106,702.21. Investment interest through the end 2024 totaled \$150,812.11. Most of the increase is from higher yields at the 4M Fund. Ideally in 2025 the City will best the 2007 interest record.



| 2024 City of Lauderdale Investments |             |       |        |                         |               |            |                             |            |            |              |               |                     |                   |   |            |              |               |                     |                   |           |            |
|-------------------------------------|-------------|-------|--------|-------------------------|---------------|------------|-----------------------------|------------|------------|--------------|---------------|---------------------|-------------------|---|------------|--------------|---------------|---------------------|-------------------|-----------|------------|
|                                     | FDIC        | CUSIP | % Rate | Approx. Holding in Days | Maturity Date | Purch Date | Balance 12/31/2023          | Purchases  | Sales      | Transfers in | Transfers out | Interest/ Dividends | Balance 1/31/2024 | Purchases                                     | Sales      | Transfers in | Transfers out | Interest/ Dividends | Balance 2/29/2024 | Purchases | Sales      |
| Northland                           |             |       |        |                         |               |            |                             |            |            |              |               |                     |                   |   |            |              |               |                     |                   |           |            |
| Money Market                        |             |       |        |                         |               |            |                             |            |            |              |               |                     |                   |   |            |              |               |                     |                   |           |            |
| CD State Bank of India              | 855288-AK-1 |       | 4.200  |                         | 12/4/2026     | 12/6/2024  | 234,686.14                  | -          | -          | -            | -             | 895.38              | 235,581.52        | -   | -          | -            | -             | 468.21              | 58,443.42         | -         | -          |
| CD DMB Community Bank               | 23322G-V6-1 |       | 4.150  |                         | 1/19/2026     | 2/7/2024   | -                           | -          | -          | -            | -             | -                   | -                 | 100,000.00                                    | -          | -            | -             | -                   | 100,000.00        | -         | 329.73     |
| CD Preferred Bank LA                | 740367-VB-0 |       | 4.200  |                         | 5/11/2026     | 12/11/2024 | -                           | 100,000.00 | -          | -            | -             | -                   | -                 | -   | -          | -            | -             | -                   | -                 | -         | -          |
| CD First Federal Savings            | 32021Y-EU-3 |       | 4.250  |                         | 5/11/2026     | 2/9/2024   | -                           | -          | -          | -            | -             | -                   | -                 | 100,000.00                                    | -          | -            | -             | -                   | 100,000.00        | -         | 337.67     |
| CD Austin Telco Fed CU              | 052392-DL-8 |       | 4.400  |                         | 3/13/2026     | 9/13/2024  | -                           | -          | -          | -            | -             | -                   | -                 | -   | -          | -            | -             | -                   | -                 | -         | -          |
| CD Freedom Bank                     | 35633E-AD-2 |       | 4.400  |                         | 2/6/2026      | 2/7/2024   | -                           | -          | -          | -            | -             | -                   | -                 | 100,000.00                                    | -          | -            | -             | -                   | 100,000.00        | -         | 349.59     |
| CD Barclays Bank                    | 06740K-TE-7 |       | 4.300  |                         | 12/11/2025    | 12/11/2024 | -                           | -          | -          | -            | -             | -                   | -                 | -   | -          | -            | -             | -                   | -                 | -         | -          |
| CD Enterprise Bank                  | 29367S-KV-5 |       | 4.500  |                         | 11/13/2025    | 2/13/2024  | -                           | -          | -          | -            | -             | -                   | -                 | 100,000.00                                    | -          | -            | -             | -                   | 100,000.00        | -         | 357.53     |
| CD Technology CU San Jose           | 87668Y-BA-0 |       | 4.450  |                         | 9/11/2025     | 9/11/2024  | -                           | -          | -          | -            | -             | -                   | -                 | -   | -          | -            | -             | -                   | -                 | -         | -          |
| CD Toyota Financial                 | 89235M-LJ-8 |       | 0.700  | 1460                    | 8/26/2025     | 8/26/2021  | 100,000.00                  | -          | -          | -            | -             | -                   | 100,000.00        | -   | 352.88     | -            | -             | 352.88              | 100,000.00        | -         | -          |
| CD TowneBank Portsmouth VA          | 89214P-DY-2 |       | 5.050  |                         | 8/11/2025     | 8/11/2023  | 100,000.00                  | -          | -          | -            | -             | -                   | 100,000.00        | -   | 2,545.75   | -            | -             | 2,545.75            | 100,000.00        | -         | -          |
| CD Morgan Stanley Private Bank      | 61768U-GW-1 |       | 5.200  |                         | 2/11/2025     | 8/11/2023  | 100,000.00                  | -          | -          | -            | -             | -                   | 100,000.00        | -   | 1,310.68   | -            | -             | 1,310.68            | 100,000.00        | -         | -          |
| CD Morgan Stanley Bank              | 61773T-K5-1 |       | 5.200  |                         | 2/11/2025     | 8/11/2023  | 100,000.00                  | -          | -          | -            | -             | -                   | 100,000.00        | -   | 1,310.69   | -            | -             | 1,310.69            | 100,000.00        | -         | -          |
| CD First Foundation Bank            | 32026U-J7-8 |       | 5.050  |                         | 8/11/2025     | 8/9/2023   | 100,000.00                  | -          | -          | -            | -             | -                   | 100,000.00        | -   | 2,545.75   | -            | -             | 2,545.75            | 100,000.00        | -         | -          |
| CD Sallie Mae BK                    | 795451-DC-4 |       | 5.050  |                         | 8/11/2025     | 8/9/2023   | 100,000.00                  | -          | -          | -            | -             | -                   | 100,000.00        | -   | 2,545.75   | -            | -             | 2,545.75            | 100,000.00        | -         | -          |
| CD Southern First Bank              | 84287P-JH-6 |       | 4.700  |                         | 5/14/2025     | 2/14/2024  | -                           | -          | -          | -            | -             | -                   | -                 | 100,000.00                                    | -          | -            | -             | -                   | 100,000.00        | -         | 373.42     |
| CD Synchrony Bank                   | 87164X-H2-5 |       | 0.900  | 1095                    | 12/10/2021    | 12/10/2021 | 100,000.00                  | -          | -          | -            | -             | -                   | 100,000.00        | -   | 2,344.11   | -            | -             | 2,344.11            | 100,000.00        | -         | -          |
| CD Manufacturers & Traders          | 564759-RZ-3 |       | 4.650  | 363                     | 7/31/2024     | 1/31/2023  | 100,000.00                  | -          | -          | -            | -             | -                   | 100,000.00        | -   | -          | -            | -             | -                   | 100,000.00        | -         | 100,199.45 |
| CD Third Fed Savings                | 88413Q-DC-9 |       | 0.400  | 913                     | 3/15/2024     | 9/15/2021  | 100,000.00                  | -          | -          | -            | -             | -                   | 100,000.00        | -   | 100,100.82 | -            | -             | 100.82              | -                 | -         | -          |
| CD TIAA                             | 87270L-DK-6 |       | 0.200  | 1095                    | 2/12/2024     | 2/12/2021  | 100,000.00                  | -          | -          | -            | -             | -                   | 100,000.00        | -   | 104,700.00 | -            | -             | 4,700.00            | -                 | -         | -          |
| CD First Financial Bank             | 32021S-KB-1 |       | 4.700  | 385                     | 2/7/2024      | 2/7/2023   | 100,000.00                  | -          | -          | -            | -             | -                   | 100,000.00        | -   | 104,637.26 | -            | -             | 4,637.26            | -                 | -         | -          |
| CD First Liberty Bank               | 32069P-AZ-8 |       | 4.650  | 385                     | 2/2/2024      | 2/3/2023   | 100,000.00                  | -          | -          | -            | -             | -                   | -                 | -   | -          | -            | -             | -                   | -                 | -         | -          |
| Future purchases                    |             |       |        |                         |               |            | 1,434,686.14                | -          | -          | -            | -             | 895.38              | 1,435,581.52      | 500,000.00                                    | 322,393.69 | 322,393.69   | 500,000.00    | 22,861.90           | 1,458,443.42      | -         | 101,947.39 |
| Portfolio Value                     |             |       |        |                         |               |            |                             |            |            |              |               |                     |                   |   |            |              |               |                     |                   |           |            |
| RBC                                 |             |       |        |                         |               |            |                             |            |            |              |               |                     |                   |   |            |              |               |                     |                   |           |            |
| Money Market                        |             |       |        |                         |               |            |                             |            |            |              |               |                     |                   |   |            |              |               |                     |                   |           |            |
| CD Northeast Bank                   | 8640SSET3   |       | 3.900  |                         | 9/23/2027     | 9/23/2024  | -                           | -          | -          | -            | -             | -                   | -                 | -   | -          | -            | -             | -                   | -                 | -         | -          |
| CD Gate City Bank Fargo             | 36733QAE0   |       | 4.050  |                         | 1/19/2027     | 1/17/2024  | -                           | -          | -          | -            | -             | -                   | -                 | -   | -          | -            | -             | -                   | -                 | -         | -          |
| CD Blue Ridge Bank                  | 09582YBL5   |       | 3.850  |                         | 1/19/2027     | 9/17/2024  | -                           | 100,000.00 | -          | -            | -             | -                   | 100,000.00        | -   | -          | -            | -             | -                   | 100,000.00        | -         | -          |
| CD JP Morgan Chase                  | 46657VLE8   |       | 4.257  |                         | 10/7/2026     | 12/5/2024  | -                           | -          | -          | -            | -             | -                   | -                 | -   | -          | -            | -             | -                   | -                 | -         | -          |
| CD First National Bank Sioux Falls  | 32111LDE9   |       | 4.000  |                         | 9/21/2026     | 9/19/2024  | -                           | -          | -          | -            | -             | -                   | -                 | -   | -          | -            | -             | -                   | -                 | -         | -          |
| CD American Express                 | 02589AFA5   |       | 3.950  |                         | 9/11/2026     | 9/11/2024  | -                           | -          | -          | -            | -             | -                   | -                 | -   | -          | -            | -             | -                   | -                 | -         | -          |
| CD Texas Exchange Bank              | 88241TJB7   |       | 4.231  |                         | 7/17/2026     | 12/5/2024  | -                           | -          | -          | -            | -             | -                   | -                 | -   | -          | -            | -             | -                   | -                 | -         | -          |
| CD Washington Fed Bank              | 938628FL9   |       | 4.400  |                         | 6/11/2026     | 12/11/2024 | -                           | -          | -          | -            | -             | -                   | -                 | -   | -          | -            | -             | -                   | -                 | -         | -          |
| CD Israel Disc Bank                 | 465076UW5   |       | 4.150  |                         | 3/13/2026     | 9/13/2024  | -                           | 100,000.00 | -          | -            | -             | -                   | 100,000.00        | -   | -          | -            | -             | -                   | 100,000.00        | -         | -          |
| CD Flagstar Bank                    | 33847GBZ4   |       | 4.400  |                         | 12/10/2025    | 1/10/2024  | 100,000.00                  | -          | 458.63     | -            | -             | 458.63              | 100,000.00        | -   | 100,458.63 | -            | -             | 458.63              | 100,000.00        | -         | -          |
| CD Incredible Bank                  | 453381BM7   |       | 5.400  |                         | 8/8/2025      | 8/10/2023  | 100,000.00                  | -          | -          | -            | -             | 2,722.19            | 100,000.00        | -   | 2,722.19   | -            | -             | 2,722.19            | 100,000.00        | -         | -          |
| CD US Bank Nat'l                    | 90355UAK1   |       | 5.400  |                         | 8/8/2025      | 8/8/2023   | 100,000.00                  | -          | -          | -            | -             | 382.19              | 100,000.00        | -   | 382.19     | -            | -             | 382.19              | 100,000.00        | -         | -          |
| CD Sandy Springs, MD                | 800364ES6   |       | 4.500  | 1097                    | 2/3/2025      | 2/1/2023   | 100,000.00                  | -          | -          | -            | -             | -                   | 100,000.00        | -   | -          | -            | -             | -                   | 100,000.00        | -         | -          |
| CD Wells Fargo Bank Nat'l           | 949763SU6   |       | 4.500  | 1096                    | 2/3/2025      | 2/2/2023   | 100,000.00                  | -          | -          | -            | -             | -                   | 100,000.00        | -   | 2,268.49   | -            | -             | 2,268.49            | 100,000.00        | -         | -          |
| CD Western Alliance                 | 85765PRP8   |       | 4.800  |                         | 1/16/2025     | 1/16/2024  | -                           | 100,000.00 | -          | -            | -             | -                   | 100,000.00        | -   | 382.19     | -            | -             | -                   | 100,000.00        | -         | -          |
| CD Medallion Bank                   | 58404DLW1   |       | 0.500  | 1095                    | 8/27/2024     | 8/27/2021  | 100,000.00                  | -          | 42.47      | -            | -             | 42.47               | 100,000.00        | -   | 42.47      | -            | -             | 42.47               | 100,000.00        | -         | 39.73      |
| CD Bank OZK                         | 06417NA78   |       | 0.300  | 1095                    | 8/27/2024     | 8/27/2021  | 100,000.00                  | -          | 25.48      | -            | -             | 25.48               | 100,000.00        | -   | 25.48      | -            | -             | 25.48               | 100,000.00        | -         | 23.84      |
| FA Federal Home Loan Bank           | 3130AL7K4   |       | 0.300  | 1278                    | 8/26/2024     | 2/26/2021  | 100,000.00                  | -          | -          | -            | -             | -                   | 100,000.00        | -   | 150.00     | -            | -             | 150.00              | 100,000.00        | -         | -          |
| CD Merrick Bank                     | 59013KQX7   |       | 0.700  | 913                     | 6/17/2024     | 12/17/2021 | 100,000.00                  | -          | 59.45      | -            | -             | 59.45               | 100,000.00        | -   | 59.45      | -            | -             | 59.45               | 100,000.00        | -         | 55.82      |
| Future purchases                    |             |       |        |                         |               |            | -                           | -          | -          | -            | -             | -                   | -                 | -   | -          | -            | -             | -                   | -                 | -         | -          |
| Portfolio Value                     |             |       |        |                         |               |            |                             |            |            |              |               |                     |                   |   |            |              |               |                     |                   |           |            |
| 4M Funds                            |             |       |        |                         |               |            | 800,000.00                  | 300,000.00 | 968.22     | -            | -             | 968.22              | 1,100,000.00      | -   | -          | 106,108.90   | 106,108.90    | 6,108.90            | 1,000,000.00      | -         | 476.72     |
| Invest Fund                         |             |       |        |                         |               |            | 1,288,994.37                | -          | 500,000.00 | 968.22       | -             | 4,670.37            | 794,632.96        | -   | -          | -            | 100,000.00    | 3,575.08            | 804,316.94        | -         | -          |
| Plus Fund                           |             |       |        |                         |               |            | 534,394.65                  | -          | -          | -            | -             | 2,404.18            | 536,798.83        | -   | -          | -            | -             | 2,256.48            | 539,055.31        | -         | -          |
| 4M Short Term Series                |             |       |        |                         |               |            | -                           | -          | -          | -            | -             | -                   | -                 | -   | -          | -            | -             | -                   | -                 | -         | -          |
| Future purchases                    |             |       |        |                         |               |            | -                           | -          | -          | -            | -             | -                   | -                 | -   | -          | -            | -             | -                   | -                 | -         | -          |
| Total Account                       |             |       |        |                         |               |            | 1,823,389.02                | -          | 500,000.00 | 968.22       | -             | 7,074.55            | 1,331,431.79      | -   | -          | 106,108.90   | 100,000.00    | 5,831.56            | 1,343,372.25      | -         | -          |
| TOTAL INVESTMENTS AND CDs.          |             |       |        |                         |               |            |                             |            |            |              |               |                     |                   |   |            |              |               |                     |                   |           |            |
|                                     |             |       |        |                         |               |            | 4,058,075.16                | 300,000.00 | 500,968.22 | 968.22       | -             | 8,538.15            | 3,867,013.31      | 500,000.00                                    | 428,502.59 | 534,611.49   | 706,108.90    | 34,802.36           | 3,801,815.67      | -         | 102,424.11 |
|                                     |             |       |        |                         |               |            | From "Cash Balances" Report |            |            |              |               |                     |                   | From "Cash Bal Investments Fund '101' Balance |            |              |               |                     |                   |           |            |
|                                     |             |       |        |                         |               |            | 3,858,175.16                |            |            |              |               |                     |                   | 3,767,113.31                                  |            |              |               |                     |                   |           |            |
|                                     |             |       |        |                         |               |            | 2,816,514.95                |            |            |              |               |                     |                   | 2,865,240.06                                  |            |              |               |                     |                   |           |            |
|                                     |             |       |        |                         |               |            | 1,041,660.21                |            |            |              |               |                     |                   | 901,873.25                                    |            |              |               |                     |                   |           |            |
|                                     |             |       |        |                         |               |            | 3,858,175.16                |            |            |              |               |                     |                   | 3,767,113.31                                  |            |              |               |                     |                   |           |            |
|                                     |             |       |        |                         |               |            | 8,938.15                    |            |            |              |               |                     |                   | 34,802.36                                     |            |              |               |                     |                   |           |            |
|                                     |             |       |        |                         |               |            | 3,867,013.31                |            |            |              |               |                     |                   | 3,801,815.67                                  |            |              |               |                     |                   |           |            |
|                                     |             |       |        |                         |               |            | Investments Interest        |            |            |              |               |                     |                   | Investments Interest                          |            |              |               |                     |                   |           |            |
|                                     |             |       |        |                         |               |            | New Balance                 |            |            |              |               |                     |                   | New Balance                                   |            |              |               |                     |                   |           |            |





|  | Interest/<br>Dividends | Balance<br>10/31/2024 | Purchases | Sales      | Transfers<br>in | Transfers<br>out | Interest/<br>Dividends | Balance<br>11/30/2024 | Purchases  | Sales      | Transfers<br>in | Transfers<br>out | Interest/<br>Dividends | Balance<br>12/31/2024 |
|--|------------------------|-----------------------|-----------|------------|-----------------|------------------|------------------------|-----------------------|------------|------------|-----------------|------------------|------------------------|-----------------------|
|  | 318.91                 | 94,479.05             | -         | -          | 205,241.51      | -                | 683.56                 | 300,404.12            | -          | 300,000.00 | 102,986.84      | -                | 477.38                 | 103,868.34            |
|  | -                      | -                     | -         | -          | -               | -                | -                      | -                     | 100,000.00 | -          | -               | -                | -                      | 100,000.00            |
|  | 341.10                 | 100,000.00            | -         | 352.47     | -               | -                | 352.47                 | 100,000.00            | -          | 341.10     | -               | -                | 341.10                 | 100,000.00            |
|  | 349.32                 | 100,000.00            | -         | 360.96     | -               | -                | 360.96                 | 100,000.00            | -          | 349.32     | -               | -                | 349.32                 | 100,000.00            |
|  | 216.99                 | 100,000.00            | -         | 373.70     | -               | -                | 373.70                 | 100,000.00            | -          | 361.64     | -               | -                | 361.64                 | 100,000.00            |
|  | 361.64                 | 100,000.00            | -         | 373.70     | -               | -                | 373.70                 | 100,000.00            | -          | 361.64     | -               | -                | 361.64                 | 100,000.00            |
|  | -                      | -                     | -         | -          | -               | -                | -                      | -                     | 100,000.00 | -          | -               | -                | -                      | 100,000.00            |
|  | 369.86                 | 100,000.00            | -         | 382.19     | -               | -                | 382.19                 | 100,000.00            | -          | 369.86     | -               | -                | 369.86                 | 100,000.00            |
|  | 243.84                 | 100,000.00            | -         | 377.95     | -               | -                | 377.95                 | 100,000.00            | -          | 365.75     | -               | -                | 365.75                 | 100,000.00            |
|  | -                      | 100,000.00            | -         | -          | -               | -                | -                      | 100,000.00            | -          | -          | -               | -                | -                      | 100,000.00            |
|  | -                      | 100,000.00            | -         | -          | -               | -                | -                      | 100,000.00            | -          | -          | -               | -                | -                      | 100,000.00            |
|  | -                      | 100,000.00            | -         | 101,310.68 | -               | -                | 1,310.68               | 0.00                  | -          | -          | -               | -                | -                      | 0.00                  |
|  | -                      | 100,000.00            | -         | 101,310.68 | -               | -                | 1,310.68               | 0.00                  | -          | -          | -               | -                | -                      | 0.00                  |
|  | -                      | 100,000.00            | -         | -          | -               | -                | -                      | 100,000.00            | -          | -          | -               | -                | -                      | 100,000.00            |
|  | -                      | 100,000.00            | -         | -          | -               | -                | -                      | 100,000.00            | -          | -          | -               | -                | -                      | 100,000.00            |
|  | 366.30                 | 100,000.00            | -         | 399.18     | -               | -                | 399.18                 | 100,000.00            | -          | 366.30     | -               | -                | 366.30                 | 100,000.00            |
|  | -                      | (0.00)                | -         | -          | -               | -                | -                      | 100,000.00            | -          | 100,451.23 | -               | -                | 451.23                 | 0.00                  |
|  | -                      | 0.00                  | -         | -          | -               | -                | -                      | (0.00)                | -          | 0.00       | -               | -                | -                      | 0.00                  |
|  | -                      | (0.00)                | -         | -          | -               | -                | -                      | (0.00)                | -          | -          | -               | -                | -                      | (0.00)                |
|  | -                      | -                     | -         | -          | -               | -                | -                      | -                     | -          | -          | -               | -                | -                      | -                     |
|  | -                      | -                     | -         | -          | -               | -                | -                      | -                     | -          | -          | -               | -                | -                      | -                     |
|  | -                      | -                     | -         | -          | -               | -                | -                      | -                     | -          | -          | -               | -                | -                      | -                     |
|  | 2,587.96               | 1,494,479.05          | -         | 205,241.51 | 205,241.51      | -                | 5,925.07               | 1,500,404.12          | 300,000.00 | 402,986.84 | 102,986.84      | -                | 3,464.22               | 1,503,868.34          |
|  | -                      | -                     | -         | -          | -               | -                | -                      | -                     | -          | -          | -               | -                | -                      | -                     |
|  | -                      | 100,000.00            | -         | -          | -               | -                | -                      | 100,000.00            | -          | -          | -               | -                | -                      | 100,000.00            |
|  | -                      | 100,000.00            | -         | -          | -               | -                | -                      | 100,000.00            | -          | -          | -               | -                | -                      | 100,000.00            |
|  | -                      | 100,000.00            | -         | -          | -               | -                | -                      | -                     | 100,651.99 | -          | -               | -                | (651.99)               | 100,000.00            |
|  | -                      | -                     | -         | -          | -               | -                | -                      | -                     | -          | -          | -               | -                | -                      | 100,000.00            |
|  | -                      | 100,000.00            | -         | -          | -               | -                | -                      | 100,000.00            | -          | -          | -               | -                | -                      | 100,000.00            |
|  | -                      | 100,000.00            | -         | -          | -               | -                | -                      | 100,000.00            | -          | -          | -               | -                | -                      | 100,000.00            |
|  | -                      | -                     | -         | -          | -               | -                | -                      | -                     | 94,936.85  | 78.08      | -               | -                | 78.08                  | 94,936.85             |
|  | -                      | -                     | -         | -          | -               | -                | -                      | -                     | 100,000.00 | -          | -               | -                | -                      | 100,000.00            |
|  | 100,000.00             | -                     | -         | -          | -               | -                | -                      | 100,000.00            | -          | -          | -               | -                | -                      | 100,000.00            |
|  | 100,000.00             | (0.00)                | -         | -          | -               | -                | -                      | (0.00)                | -          | -          | -               | -                | -                      | (0.00)                |
|  | -                      | (0.00)                | -         | -          | -               | -                | -                      | (0.00)                | -          | -          | -               | -                | -                      | (0.00)                |
|  | -                      | 0.00                  | -         | -          | -               | -                | -                      | 0.00                  | -          | -          | -               | -                | -                      | 0.00                  |
|  | -                      | 0.00                  | -         | -          | -               | -                | -                      | -                     | -          | -          | -               | -                | -                      | -                     |
|  | -                      | -                     | -         | -          | -               | -                | -                      | -                     | -          | -          | -               | -                | -                      | -                     |
|  | 369.86                 | 1,000,000.00          | -         | 382.19     | -               | -                | 382.19                 | 1,000,000.00          | 295,588.84 | 447.94     | -               | -                | (204.05)               | 1,294,936.85          |
|  | -                      | -                     | -         | -          | -               | -                | -                      | -                     | -          | -          | -               | -                | -                      | -                     |
|  | 2,183.26               | 489,133.99            | -         | -          | 382.19          | 100,000.00       | 1,579.38               | 391,089.56            | -          | -          | 450,447.94      | 295,588.84       | 1,733.74               | 547,682.40            |
|  | 2,287.35               | 586,102.94            | -         | -          | -               | -                | 2,146.57               | 560,251.31            | -          | -          | -               | -                | 2,146.36               | 562,399.87            |
|  | -                      | -                     | -         | -          | -               | -                | -                      | -                     | -          | -          | -               | -                | -                      | -                     |
|  | -                      | -                     | -         | -          | -               | -                | -                      | -                     | -          | -          | -               | -                | -                      | -                     |
|  | 4,270.61               | 1,047,236.93          | -         | -          | 382.19          | 100,000.00       | 3,721.75               | 951,340.87            | -          | -          | 450,447.94      | 295,588.84       | 3,882.10               | 1,110,082.07          |
|  | -                      | -                     | -         | -          | -               | -                | -                      | -                     | -          | -          | -               | -                | -                      | -                     |
|  | 7,428.43               | 3,541,715.98          | -         | 205,623.70 | 205,623.70      | 100,000.00       | 10,029.01              | 3,451,744.99          | 595,588.84 | 403,434.78 | 563,434.78      | 295,588.84       | 7,142.27               | 3,908,887.26          |
|  | -                      | -                     | -         | -          | -               | -                | -                      | -                     | -          | -          | -               | -                | -                      | -                     |
|  | -                      | -                     | -         | -          | -               | -                | -                      | -                     | -          | -          | -               | -                | -                      | -                     |
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|  | -                      | -                     | -         | -          | -               | -                | -                      | -                     | -          | -          | -               | -                | -                      | -                     |
|  | -                      | -                     | -         | -          | -               | -                | -                      | -                     | -          | -          | -               | -                | -                      | -                     |
|  | -                      | -                     | -         | -          | -               | -                | -                      | -                     | -          | -          | -               | -                | -                      | -                     |
|  | -                      | -                     | -         | -          | -               | -                | -                      | -                     | -          | -          | -               | -                | -                      | -                     |
|  | -                      | -                     | -         | -          | -               | -                | -                      | -                     | -          | -          | -               | -                | -                      | -                     |
|  | -                      | -                     | -         | -          | -               | -                | -                      | -                     | -          | -          | -               | -                | -                      | -                     |
|  | -                      | -                     | -         | -          | -               | -                | -                      | -                     | -          | -          | -               | -                | -                      | -                     |
|  | -                      | -                     | -         | -          | -               | -                | -                      | -                     | -          | -          | -               | -                | -                      | -                     |
|  | -                      | -                     | -         | -          | -               | -                | -                      | -                     | -          | -          | -               | -                | -                      | -                     |
|  | -                      | -                     | -         | -          | -               | -                | -                      | -                     | -          | -          | -               | -                | -                      | -                     |
|  | -                      | -                     | -         | -          | -               | -                | -                      | -                     | -          | -          | -               | -                | -                      | -                     |
|  | -                      | -                     | -         | -          | -               | -                | -                      | -                     | -          | -          | -               | -                | -                      | -                     |
|  | -                      | -                     | -         | -          | -               | -                | -                      | -                     | -          | -          | -               | -                | -                      | -                     |
|  | -                      | -                     | -         | -          | -               | -                | -                      | -                     | -          | -          | -               | -                | -                      | -                     |
|  | -                      | -                     | -         | -          | -               | -                | -                      | -                     | -          | -          | -               | -                | -                      | -                     |
|  | -                      | -                     | -         | -          | -               | -                | -                      | -                     | -          | -          | -               | -                | -                      | -                     |
|  | -                      | -                     | -         | -          | -               | -                | -                      | -                     | -          | -          | -               | -                | -                      | -                     |
|  | -                      | -                     | -         | -          | -               | -                | -                      | -                     | -          | -          | -               | -                | -                      | -                     |
|  | -                      | -                     | -         | -          | -               | -                | -                      | -                     | -          | -          | -               | -                | -                      | -                     |
|  | -                      | -                     | -         | -          | -               | -                | -                      | -                     | -          | -          | -               | -                | -                      | -                     |
|  | -                      | -                     | -         | -          | -               | -                | -                      | -                     | -          | -          | -               | -                | -                      | -                     |
|  | -                      | -                     | -         | -          | -               | -                | -                      | -                     | -          | -          | -               | -                | -                      | -                     |
|  | -                      | -                     | -         | -          | -               | -                | -                      | -                     | -          | -          | -               | -                | -                      | -                     |
|  | -                      | -                     | -         | -          | -               | -                | -                      | -                     | -          | -          | -               | -                | -                      | -                     |
|  | -                      | -                     | -         | -          | -               | -                | -                      | -                     | -          | -          | -               | -                | -                      | -                     |
|  | -                      | -                     | -         | -          | -               | -                | -                      | -                     | -          | -          | -               | -                | -                      | -                     |
|  | -                      | -                     | -         | -          | -               | -                | -                      | -                     | -          | -          | -               | -                | -                      | -                     |
|  | -                      | -                     | -         | -          | -               | -                | -                      | -                     | -          | -          | -               | -                | -                      | -                     |
|  | -                      | -                     | -         | -          | -               | -                | -                      | -                     | -          | -          | -               | -                | -                      | -                     |
|  | -                      | -                     | -         | -          | -               | -                | -                      | -                     | -          | -          | -               | -                | -                      | -                     |
|  | -                      | -                     | -         | -          | -               | -                | -                      | -                     | -          | -          | -               | -                | -                      | -                     |
|  | -                      | -                     | -         | -          | -               | -                | -                      | -                     | -          | -          | -               | -                | -                      | -                     |
|  | -                      | -                     | -         | -          | -               | -                | -                      | -                     | -          | -          | -               | -                | -                      | -                     |
|  | -                      |                       |           |            |                 |                  |                        |                       |            |            |                 |                  |                        |                       |



## LAUDERDALE COUNCIL ACTION FORM

|                     |                  |                    |               |
|---------------------|------------------|--------------------|---------------|
| <b>Meeting Date</b> | January 28, 2025 | <b>Agenda Item</b> | Temp Employee |
|---------------------|------------------|--------------------|---------------|

### Action Requested

|         |                                     |                |                          |              |                          |
|---------|-------------------------------------|----------------|--------------------------|--------------|--------------------------|
| Consent | <input checked="" type="checkbox"/> | Public Hearing | <input type="checkbox"/> | Discussion   | <input type="checkbox"/> |
| Action  | <input type="checkbox"/>            | Resolution     | <input type="checkbox"/> | Work Session | <input type="checkbox"/> |

### DESCRIPTION OF ISSUE AND PAST COUNCIL ACTION:

This summer the City shared an intern with the City of Falcon Heights. William Farley studied abroad this fall but is back. The City Council hired him to work on organizing and digitizing city records in January. He completed a lot but there is so much left to do. Staff is asking for the Council to hire William for sixteen hours each month at \$20.00 per hour from February through May. This was the rate he was hired for as an intern.

### STAFF RECOMMENDATION:

By approving the Consent Agenda, the Council hires William Farley for up to 16 hours per month from February through May at a rate of \$20.00 per hour.

## LAUDERDALE COUNCIL ACTION FORM

**Meeting Date** January 28, 2025

**Agenda Item** 2025 Tobacco Licenses

### Action Requested

|         |                                     |                |                                     |              |                          |
|---------|-------------------------------------|----------------|-------------------------------------|--------------|--------------------------|
| Consent | <input checked="" type="checkbox"/> | Public Hearing | <input type="checkbox"/>            | Discussion   | <input type="checkbox"/> |
| Action  | <input type="checkbox"/>            | Resolution     | <input checked="" type="checkbox"/> | Work Session | <input type="checkbox"/> |

### DESCRIPTION OF ISSUE AND PAST COUNCIL ACTION:

The City has received applications for renewal of tobacco licenses. The licenses would be valid January 1, 2025— December 31, 2025.

Larpenteur SuperUSA - 2424 Larpenteur Avenue West

Lauderdale Certified Auto Repair (BP Station) - 2421 Larpenteur Avenue West

### STAFF RECOMMENDATION:

By approving the Consent Agenda, the Council adopts Resolution No. 012825A Approving the 2025 Tobacco Licenses.

**RESOLUTION NO. 012825A**

**CITY OF LAUDERDALE  
COUNTY OF RAMSEY  
STATE OF MINNESOTA**

**APPROVING 2025 TOBACCO LICENSES**

WHEREAS, the following applicants:

|                                  |                          |
|----------------------------------|--------------------------|
| Larpenteur SuperUSA              | 2424 Larpenteur Avenue W |
| Lauderdale Certified Auto Repair | 2421 Larpenteur Avenue W |

have presented to the City of Lauderdale complete applications for renewal of current tobacco licenses; and

WHEREAS, the establishments listed above have provided the proper fee and the Certification of Workers Compensation form and insurance certificate.

NOW, THEREFORE BE IT RESOLVED, that the Lauderdale City Council authorizes that the establishments listed above, be granted tobacco licenses with the City of Lauderdale for the term of January 1, 2024 through December 31, 2025.

Adopted by the City of Lauderdale this 28<sup>th</sup> day of January, 2025.

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Mary Gaasch, Mayor

ATTEST:

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Heather Butkowski, City Administrator

## LAUDERDALE COUNCIL ACTION FORM

**Meeting Date** January 28, 2025

**Agenda Item** 3.2 Off-Sale Malt Liquor License

### Action Requested

|         |                                     |                |                                     |              |                          |
|---------|-------------------------------------|----------------|-------------------------------------|--------------|--------------------------|
| Consent | <input checked="" type="checkbox"/> | Public Hearing | <input type="checkbox"/>            | Discussion   | <input type="checkbox"/> |
| Action  | <input type="checkbox"/>            | Resolution     | <input checked="" type="checkbox"/> | Work Session | <input type="checkbox"/> |

### DESCRIPTION OF ISSUE AND PAST COUNCIL ACTION:

The City has received an application for renewal of a 3.2 off-sale malt liquor license. The license would be valid January 1, 2025 — December 31, 2025.

Larpenteur SuperUSA - 2424 Larpenteur Avenue West

### STAFF RECOMMENDATION:

By approving the Consent Agenda, the Council adopts Resolution No. 012825B Approving the 3.2 Off-Sale Malt Liquor License for 2025.

**RESOLUTION NO. 012825B**

**CITY OF LAUDERDALE  
COUNTY OF RAMSEY  
STATE OF MINNESOTA**

**APPROVING 3.2 OFF SALE MALT LIQUOR LICENSE FOR 2025**

WHEREAS, the following applicant:

Larpenteur SuperUSA          2424 Larpenteur Avenue W

has presented to the City of Lauderdale their complete application for renewal of current 3.2 off sale malt liquor license; and

WHEREAS, the establishment listed above has provided the proper fee and the Certification of Workers Compensation form and insurance certificate.

NOW, THEREFORE BE IT RESOLVED, that the Lauderdale City Council authorizes that the establishment listed above, be granted 3.2 off sale malt liquor license with the City of Lauderdale for the term of January 1, 2025 through December 31, 2025.

Adopted by the City of Lauderdale this 28<sup>th</sup> day of January, 2025.

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Mary Gaasch, Mayor

ATTEST:

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Heather Butkowski, City Administrator

## LAUDERDALE COUNCIL ACTION FORM

|                     |                  |                    |                 |
|---------------------|------------------|--------------------|-----------------|
| <b>Meeting Date</b> | January 28, 2025 | <b>Agenda Item</b> | Cannabis Report |
|---------------------|------------------|--------------------|-----------------|

### Action Requested

|         |                          |                |                          |              |                                     |
|---------|--------------------------|----------------|--------------------------|--------------|-------------------------------------|
| Consent | <input type="checkbox"/> | Public Hearing | <input type="checkbox"/> | Discussion   | <input checked="" type="checkbox"/> |
| Action  | <input type="checkbox"/> | Resolution     | <input type="checkbox"/> | Work Session | <input type="checkbox"/>            |

### DESCRIPTION OF ISSUE AND PAST COUNCIL ACTION:

Point Seven Group completed their analysis and provided the following report. Jennifer Haskamp from Swanson Haskamp Consulting will co-present the findings with the city administrator.

### STAFF RECOMMENDATION:



## **Financial Model Summary Prepared for the City of Lauderdale**

### **Date of Completion: 01/21/2025**

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### **ENGAGEMENT OVERVIEW**

Point Seven LLC (Point7) was engaged by the City of Lauderdale (Client or City) on September 5th, 2024, to develop a 3-year pro forma illustrating the performance of a single dispensary to be tentatively owned by the City. Over the past five months, Point7 and Client worked collaboratively to develop the attached pro forma which includes: revenue assumptions; startup expense assumptions; operational expense assumptions; personnel assumptions; and a projected 3-year monthly income statement, balance sheet, and statement of cash flows. This summary describes the scenarios explored by Point7 and Client and projected performance for each scenario.

Demographic and census information was provided to Point7 by Swanson Haskamp Consulting, including population, 21+ population, median income, and population density data for 1-mile, 3-mile, and 5-mile radii around 2430 Larpenteur Ave W, Lauderdale, MN 55113, as well as figures for the City of Lauderdale.

### **THREE SCENARIO EXPLORATION**

The City of Lauderdale explored three distinct scenarios to evaluate potential dispensary performance. Point7 worked collaboratively with Client to model two scenarios (Scenario 1 and Scenario 2). Point7 and Client agreed that Scenario 3 is not possible to model because the financial outcomes depend heavily on subjective and negotiable factors, such as the profit-sharing agreement terms and the operational dynamics between the City and a private partner. These variables are highly speculative and cannot be accurately quantified without clear partnership details and agreement structures.



The scenarios are as follows:

***Scenario 1: City-Owned and Operated Dispensary***

In scenario 1, the City owns and operates the dispensary directly. The City assumes all responsibility, including staffing, inventory management, compliance, and day-to-day operations. It is assumed that the dispensary, as a municipal entity, would benefit from tax-exempt status, potentially reducing operating costs. All profits after expenses would be retained by the City, allowing for reinvestment into community programs and services. This model provides the City with maximum revenue potential, but also requires the most involvement and operational risk.

***Scenario 2: City-Owned Building Leased to a Private Operator***

In scenario 2, the City constructs and renovates the building, completing basic tenant improvements, and leases the property to a private cannabis operator. The operator assumes responsibility for all staffing, inventory, and operational costs, while the City collects premium rental income typical for cannabis retail spaces. This model eliminates the City's involvement in operations and profit-sharing, focusing instead on achieving a payback period for the investment in the building and generating a stable, predictable revenue stream.

***Scenario 3: Profit-Sharing Partnership***

In scenario 3, the City constructs and owns the building, leasing it to an operations group at a rate designed to recover tenant improvement costs within the lease term. The private operator handles all staffing and management, charging a management/operations fee to cover expenses. After deducting the lease rate and management fees, remaining profits are shared between the City and the operator based on a negotiated split (e.g., 50-50 or 70-30). This hybrid approach balances the City's financial risk with the potential for higher returns through profit-sharing.

**ASSUMPTIONS**

Point7 relied on the following key assumptions to develop the financial pro forma and analyze each scenario. These assumptions establish the framework for a dispensary operating at the proposed location but vary based on the City's role. For Scenario 1, where the City owns and operates the dispensary, startup costs include construction, licensing, staffing, and inventory, reflecting full operational responsibility. In Scenario 2, where the City constructs the building and leases it to a

private operator, assumptions focus solely on building-related expenses, such as construction and renovation, while operational costs are excluded, as they are borne by the operator. This ensures each scenario reflects its unique financial and operational dynamics.

### ***Licensing & Regulatory Assumptions***

- **License Type:** Lauderdale would apply for a cannabis retailer license (versus a microbusiness or mezzobusiness license with a retail dispensary endorsement).
- **Lottery:** Municipalities will not participate in the lottery process. However, they must submit all required application materials.
- **Timeline of Licensing:** While an application window for the SEA applicants and the general population is scheduled to occur between 2/18 and 3/14/2025, it is unclear at this time if municipalities will also have to submit their application materials during that window.

### ***Market Size Assumptions***

- **Population:** Lauderdale's local population of 2,245, with a median age of 34.2, aligns with cannabis consumer demographics, suggesting a younger and price-conscious customer base.
- **Location:** The dispensary's location along Larpenteur Avenue ensures accessibility to commuter traffic and proximity to the University of Minnesota, significantly expanding the customer base.
- **Addressable Market:** A projected total addressable market of 8,816 adults within a 1-mile radius and 140,698 adults within a 3-mile radius, including an additional 10% adjustment for tourism and cross-city traffic.
- **Dispensaries Licensed:** The exact number of potential dispensary licenses is unknown. Prior to July 1, 2026, the OCM will only issue 150 retailer licenses and 100 mezzobusiness licenses. A retailer is allowed up to five locations, and each mezzobusiness is allowed three retail locations, leaving the state with a potential of 1050 dispensaries with those two license types alone. Because microbusiness is an uncapped license type that allows one dispensary, and any municipality interested in opening a dispensary is allowed to do so, it's impossible to estimate the true potential number of future licensed dispensaries.

### ***Market Share Assumptions***

- **Storefront Market Share:** 50% of the addressable legal market within the 1-mile radius, resulting in an estimated 361 monthly storefront customers in Year 1.

- **Delivery Market Share:** 16.7% of the addressable legal market within the 3-mile radius, resulting in an estimated 1,920 monthly delivery customers in Year 1.

### **Revenue Assumptions**

- **Average Monthly Customer Spend:** \$207.50, with customer archetypes ranging from infrequent users (\$50/month) to frequent users (\$400/month).
- **Total Monthly Revenue at Full Capacity (2025):** \$466,000, inclusive of a 15% discount for qualified customers (10% of the customer base).
- **Annual Revenue Growth:** 25% in 2026, 20% in 2027, 15% in 2028, and 10% annually thereafter, driven by increased market penetration and consumer awareness.

### **Expense Assumptions**

- **Startup Costs:** \$985,314, including \$300,000 for construction, \$178,000 for dispensary fixtures and equipment, and a \$89,574 contingency fund.
- **Operational Expenses:** \$128,553 monthly (\$1.6 million annually), with a 5% annual increase.
- **Personnel Costs:** 41% of operational expenses, with 13 employees earning \$17.50–\$21 per hour.
- **Cost of Goods Sold (COGS):** 45% for retail products, increasing to 55% for delivery services due to third-party fees.
- **Tax-Exempt Status:** As a municipal entity, the dispensary's tax-exempt status eliminates standard taxes on gross profits, providing an operational advantage and allowing greater reinvestment into community initiatives.

## **KEY FINDINGS & SCENARIO ANALYSIS**

Point7 evaluated the financial performance of a City-operated dispensary (Scenario 1) and leasing a City-constructed facility to a private operator (Scenario 2). Scenario 3, involving a profit-sharing partnership, was not analyzed due to its reliance on subjective terms, but remains a viable future option for the City.

### **Scenario 1: Municipal-Owned and Operated Dispensary**

- **Revenue Potential:** Generates \$1.86M in Year 2, growing to \$6.62M by Year 5. Total net income by Year 5 is \$2.78M.
- **Startup Costs:** \$924K in Year 2, including construction and setup.
- **Profitability:** Breaks even in Year 3 with \$1.41M in net income.
- **Strengths:** Maximized revenue potential, community reinvestment, and job creation.

- **Challenges:** High operational complexity and financial risk, requiring strategic management.

### ***Scenario 2: City-Owned Facility Leased to a Private Operator***

- **Revenue Potential:** Annual rent starts at \$48K in Year 1, escalating 5% annually, totaling \$603K over a 10-year lease.
- **ROI:** 75.6% ROI with a 7.16-year payback period.
- **Strengths:** Low financial risk and operational simplicity.
- **Challenges:** Limited revenue compared to direct operation.

### ***Scenario 3: Profit-Sharing Partnership***

- This scenario explores a collaborative agreement where the City owns the building, and a private operator manages operations, with profits shared between both parties.
- **Strengths:** Balances financial risk and reward between the City and operator.
  - Provides a potential steady revenue stream without requiring City operational oversight.
  - Allows the City to retain property ownership while leveraging private expertise.
- **Limitations:** Financial outcomes are highly dependent on subjective and negotiable terms, such as the profit-sharing percentage and operational responsibilities.
  - Due to the speculative nature of these variables, this scenario was not analyzed in depth.

### ***Comparison***

- **Revenue:** Scenario 1 provides higher profitability, with \$2.78M by Year 5 versus \$603K over 10 years in Scenario 2.
- **Risk:** Scenario 2 offers lower risk and complexity, while Scenario 1 requires significant investment and management.

## **MODEL OVERVIEW & STRUCTURE**

Client has been provided with an Excel copy of the pro forma described within this summary. The Excel workbook is composed of the following tabs:

- Model Overview
- Market Analysis
- Revenue Inputs
- Expense Inputs
- Real Estate Inputs

- Delivery Inputs
- Personnel Inputs
- Annual Financial Statements
- Monthly Pro Forma
- Monthly Cash Flow
- Monthly Balance Sheet
- Real Estate - Own/Build/Lease

The Excel workbook is organized to provide a structured and user-friendly tool for analyzing the dispensary's financial performance. Key aspects of the model's functionality include:

- **Input Tabs:** Tabs like *Revenue Inputs*, *Expense Inputs*, *Real Estate Inputs*, and *Personnel Inputs* centralize editable assumptions. Adjustments made here automatically flow through the workbook.
- **Market Analysis:** Provides detailed demographic and market data to support revenue assumptions.
- **Financial Statements:** Includes annual summaries (*Annual Financial Statements*) and detailed monthly views (*Monthly Pro Forma*, *Monthly Cash Flow*, and *Monthly Balance Sheet*) for granular insights.
- **Real Estate Analysis:** The *Real Estate - Own/Build/Lease* tab offers a comparative analysis of property scenarios.

#### Formatting Conventions:

- **Black Cells:** Contain hard-coded values that should not be adjusted.
- **Blue Cells:** Represent optional toggles or values that can be overwritten.
- **Toggle Cells:** A value of **1** activates a specific scenario or option (e.g., Partner Delivery Service), while a **0** deactivates



## STAFF REPORT

**To:** Mayor and City Council  
Heather Butkowski, City Administrator

**From:** Jennifer Haskamp, AICP  
Consulting City Planner

**Date:** January 24, 2025

**RE:** Municipal Cannabis Dispensary –  
Scenario 3 Overview

### Introduction and Background

The City engaged Point Seven (Point7) to evaluate up to three financial scenarios for a Municipal Cannabis Dispensary. A financial model was developed for two scenarios which are presented and described in their memo which is provided and attached to this memo. The memo describes Scenario 3 as a hybrid approach where there is a profit-sharing agreement between a third-party Management Operator and the City. As stated within their memo, they were uncomfortable providing an analysis of this scenario since there are several unknowns that would be negotiated as part of any contract.

While there are many terms of a profit-sharing agreement that are unknown, there are several metrics of both Scenario 1 and Scenario 2 that can be used as a basis for the analysis which can be evaluated in conjunction with some general assumptions. As such, SHC and the City Administrator determined that it would be helpful to prepare a conceptual financial model for Scenario 3 using the Point7 model to at least provide a general overview of what cashflows may look like under a hybrid scenario. The annual financial statement for all three scenarios is attached for your review and reference. SHC will present an overview of the full financial model spreadsheet at the City Council meeting.

### Financial Model Overview

SHC used the Point7 financial model to develop Scenario 3. The following summary of data assumptions is provided as a comparison to Scenario 1 and Scenario 2 for reference. In all three scenarios the City of Lauderdale will construct a small retail dispensary on the Larpenteur property. The financial model assumes a 1-year construction period which is why no revenues are shown until year 2. SHC spoke with a few contractor partners, and we believe that the dispensary could be constructed within 2-4 months once all permits have been secured. If the retail dispensary opens within Year 1, then the proforma would shift accordingly with profit anticipated by the second half of Year 2 as opposed to Year 3.

#### Metrics/Inputs Consistent with Scenario 1 & 2:

- Demographic Data
- Building/Construction Costs



- OPEX remained consistent, except those additions noted below. For example, the Personnel Costs will remain the same regardless of who (the City or Management Operator) is responsible since it is an expense, and salary costs will generally be dictated by the market.

Adjusted Metrics/Inputs adjusted from Scenario 1 & 2:

- Added Management Operator fee of \$200,000 per year, with 5% escalator.
- Added lease rate of \$48/SF with annual 5% escalator.

Key Assumptions in Scenario 3:

- No taxes were calculated and are therefore not accounted for within the Management Operator's profit-sharing. Note, that it may be a benefit for the City to take on some of the OPEX expenses because of current federal tax rules regarding cannabis. This should be evaluated as part of any Management Operator agreement.
- The analysis assume a 50-50 net revenue split. Note, further guidance from the state will be necessary to determine how taxes are generated/calculated for the split. It may also be necessary to establish a flat fee for the Management Operator that could be adjusted every couple of years based on actual sales. Given the unknowns with respect to the tax calculation it is omitted from the financial model and a simple 50% calculation is shown.
- Management Operator contract is 3-5 years. The contract estimate is \$200,000 annually, with 5% increase per contract year. Given that this is a new industry, this is a ballpark estimate only that would need to be confirmed with Management Operators providing this type of service.



# Scenario 1: City Operated

| ANNUAL PRO FORMA                       |            |               |             |             |             |
|--|------------|---------------|-------------|-------------|-------------|
| FROM MONTH 1 YEAR 1 TO MONTH 12 YEAR 5 |            |               |             |             |             |
|  | Y1         | Y2            | Y3          | Y4          | Y5          |
| Sales Revenue                          | \$0        | \$1,864,632   | \$6,524,722 | \$6,242,913 | \$6,624,615 |
| Cost of Goods Sold                     | \$0        | \$996,034     | \$3,485,323 | \$3,339,513 | \$3,544,874 |
| Gross Profit                           | \$0        | \$868,598     | \$3,039,398 | \$2,903,400 | \$3,079,741 |
| Startup Expenses                       | \$63,389   | \$924,921     | \$0         | \$0         | \$0         |
| Operating Expenses                     | \$0        | \$1,113,258   | \$1,608,637 | \$1,645,057 | \$1,683,662 |
| Operating Income                       | (\$63,389) | (\$1,169,581) | \$1,430,762 | \$1,258,343 | \$1,396,079 |
| ITDA Expenses                          | \$0        | \$2,033       | \$24,400    | \$24,400    | \$24,400    |
| Net Income                             | (\$63,389) | (\$1,171,614) | \$1,406,362 | \$1,233,943 | \$1,371,679 |
| Accrued Net Income                     | (\$63,389) | (\$1,235,003) | \$171,359   | \$1,405,302 | \$2,776,981 |
| ANALYSIS (%)                           |            |               |             |             |             |
| Sales Revenue                          | #DIV/0!    | 100.00%       | 100.00%     | 100.00%     | 100.00%     |
| Cost of Goods Sold                     | #DIV/0!    | 53.42%        | 53.42%      | 53.49%      | 53.51%      |
| Gross Profit                           | #DIV/0!    | 46.58%        | 46.58%      | 46.51%      | 46.49%      |
| Startup Expenses                       | #DIV/0!    | 49.60%        | 24.65%      | 0.00%       | 0.00%       |
| Operating Expenses                     | #DIV/0!    | 59.70%        | 21.93%      | 26.35%      | 25.42%      |
| Operating Income                       | #DIV/0!    | -62.72%       | 21.93%      | 20.16%      | 21.07%      |
| ITDA Expenses                          | #DIV/0!    | 0.11%         | 0.37%       | 0.39%       | 0.37%       |
| Net Income                             | #DIV/0!    | -62.83%       | 21.55%      | 19.77%      | 20.71%      |

| STATEMENT OF CASH FLOWS                |            |             |             |             |             |
|--|------------|-------------|-------------|-------------|-------------|
| FROM MONTH 1 YEAR 1 TO MONTH 12 YEAR 5 |            |             |             |             |             |
|  | Y1         | Y2          | Y3          | Y4          | Y5          |
| Starting Cash Balance                  | \$0        | (\$63,389)  | (\$581,521) | \$849,240   | \$2,107,584 |
| Cash from Operating Activities         | (\$63,389) | (\$518,132) | \$1,430,762 | \$1,258,343 | \$1,396,079 |
| Cash from Investing Activities         | \$0        | \$0         | \$0         | \$0         | \$0         |
| Cash from Financing Activities         | \$0        | \$0         | \$0         | \$0         | \$0         |
| Total Change in Cash                   | (\$63,389) | (\$518,132) | \$1,430,762 | \$1,258,343 | \$1,396,079 |
| Ending Cash Balance                    | (\$63,389) | (\$581,521) | \$849,240   | \$2,107,584 | \$3,503,663 |

| YEAR-END BALANCE SHEET                 |            |             |           |             |             |
|--|------------|-------------|-----------|-------------|-------------|
| FROM MONTH 1 YEAR 1 TO MONTH 12 YEAR 5 |            |             |           |             |             |
|  | Y1         | Y2          | Y3        | Y4          | Y5          |
| Assets                                 | (\$63,389) | (\$412,755) | \$993,607 | \$2,227,551 | \$3,599,229 |
| Liabilities                            | \$0        | \$0         | \$0       | \$0         | \$0         |
| Owners Equity                          | (\$63,389) | (\$583,555) | \$822,807 | \$2,056,751 | \$3,428,429 |
| Liabilities & Owners Equity            | (\$63,389) | (\$583,555) | \$822,807 | \$2,056,751 | \$3,428,429 |

## Scenario 2: Building/Lease

| REVENUE INPUTS                           |                   |
|--|-------------------|
| <b>Lease Income</b>                      |                   |
| Y1 - 2025                                | \$6,000 per month |
| Y2 - 2026                                | \$6,300 per month |
| Y3 - 2027                                | \$6,615 per month |
| Y4 - 2028                                | \$6,946 per month |
| Rent Escalation Rate (5-yr)              | 5% increase       |
| <b>Shared Resources Income</b>           |                   |
| Equipment Maintenance                    | \$0 per month     |
| Office Supplies                          | \$0 per month     |
| Managed Services Agreement               | \$0 per month     |
| Shared Resource Escalation Rate (Annual) | 0% increase       |

| ROI ANALYSIS                     |           |                                     |
|----------------------------------|-----------|-------------------------------------|
| Category                         | Value     | Notes/Assumptions                   |
| Total Investment                 | \$343,875 | Includes land and renovation costs. |
| Monthly Opex                     | \$0       | Based on Estimated Costs            |
| Annual Opex                      |           |                                     |
| Monthly Rent                     | \$6,000   | Based on cannabis retail premium.   |
| Annual Rent                      | \$72,000  | Monthly rent × 12.                  |
| Payback Period (Years)           | 4.78      | Total Investment ÷ Annual Rent.     |
| Lease Term (Years)               | 10        |                                     |
| Total Revenue over Life of Lease | \$905,608 | (Includes Any Rent Escalation)      |
| ROI                              | 163.35%   | Based on lease duration and rent.   |

| REVENUE ANALYSIS              |        |
|-------------------------------|--------|
| <b>Rental Revenue Metrics</b> |        |
| Annual Rent as % of CAPEX     | 20.94% |
| Annual Rent as % of OPEX      | N/A    |



## Scenario 3: Annual Financial Statement

| ANNUAL PRO FORMA                       |                   |                      |                    |                    |                    |
|--|-------------------|----------------------|--------------------|--------------------|--------------------|
| FROM MONTH 1 YEAR 1 TO MONTH 12 YEAR 5 |                   |                      |                    |                    |                    |
|  | Y1                | Y2                   | Y3                 | Y4                 | Y5                 |
| Sales Revenue                          | \$0               | \$1,868,401          | \$6,537,908        | \$6,245,313        | \$6,624,615        |
| Cost of Goods Sold                     | \$0               | \$998,107            | \$3,492,576        | \$3,340,833        | \$3,544,874        |
| <b>Gross Profit</b>                    | <b>\$0</b>        | <b>\$870,294</b>     | <b>\$3,045,332</b> | <b>\$2,904,480</b> | <b>\$3,079,741</b> |
| Startup Expenses                       | \$63,409          | \$934,434            | \$0                | \$0                | \$0                |
| Operating Expenses                     | \$0               | \$1,313,258          | \$1,880,637        | \$1,930,657        | \$1,983,542        |
| <b>Operating Income</b>                | <b>(\$63,409)</b> | <b>(\$1,377,398)</b> | <b>\$1,164,695</b> | <b>\$973,823</b>   | <b>\$1,096,199</b> |
| ITDA Expenses                          | \$0               | \$2,033              | \$24,400           | \$24,400           | \$24,400           |
| <b>Net Income</b>                      | <b>(\$63,409)</b> | <b>(\$1,379,431)</b> | <b>\$1,140,295</b> | <b>\$949,423</b>   | <b>\$1,071,799</b> |
| <b>Accrued Net Income</b>              | <b>(\$63,409)</b> | <b>(\$1,442,840)</b> | <b>(\$302,545)</b> | <b>\$646,878</b>   | <b>\$1,718,677</b> |
| ANALYSIS (%)                           |                   |                      |                    |                    |                    |
| Sales Revenue                          | #DIV/0!           | 100.00%              | 100.00%            | 100.00%            | 100.00%            |
| Cost of Goods Sold                     | #DIV/0!           | 53.42%               | 53.42%             | 53.49%             | 53.51%             |
| <b>Gross Profit</b>                    | <b>#DIV/0!</b>    | <b>46.58%</b>        | <b>46.58%</b>      | <b>46.51%</b>      | <b>46.49%</b>      |
| Startup Expenses                       | #DIV/0!           | 50.01%               | 28.77%             | 0.00%              | 0.00%              |
| Operating Expenses                     | #DIV/0!           | 70.29%               | 17.81%             | 30.91%             | 29.94%             |
| <b>Operating Income</b>                | <b>#DIV/0!</b>    | <b>-73.72%</b>       | <b>17.81%</b>      | <b>15.59%</b>      | <b>16.55%</b>      |
| ITDA Expenses                          | #DIV/0!           | 0.11%                | 0.37%              | 0.39%              | 0.37%              |
| <b>Net Income</b>                      | <b>#DIV/0!</b>    | <b>-73.83%</b>       | <b>17.44%</b>      | <b>15.20%</b>      | <b>16.18%</b>      |

|                                      |           |           |           |
|--------------------------------------|-----------|-----------|-----------|
| City Net Profit Share                | \$570,148 | \$474,712 | \$535,899 |
| Management Operator Net Profit Share | \$570,148 | \$474,712 | \$535,899 |

| STATEMENT OF CASH FLOWS                |                   |                    |                    |                    |                    |
|--|-------------------|--------------------|--------------------|--------------------|--------------------|
| FROM MONTH 1 YEAR 1 TO MONTH 12 YEAR 5 |                   |                    |                    |                    |                    |
|  | Y1                | Y2                 | Y3                 | Y4                 | Y5                 |
| <b>Starting Cash Balance</b>           | <b>\$0</b>        | <b>(\$63,409)</b>  | <b>(\$814,757)</b> | <b>\$336,339</b>   | <b>\$1,295,882</b> |
| Cash from Operating Activities         | (\$63,409)        | (\$751,347)        | \$1,151,095        | \$959,543          | \$1,081,190        |
| Cash from Investing Activities         | \$0               | \$0                | \$0                | \$0                | \$0                |
| Cash from Financing Activities         | \$0               | \$0                | \$0                | \$0                | \$0                |
| <b>Total Change in Cash</b>            | <b>(\$63,409)</b> | <b>(\$751,347)</b> | <b>\$1,151,095</b> | <b>\$959,543</b>   | <b>\$1,081,190</b> |
| <b>Ending Cash Balance</b>             | <b>(\$63,409)</b> | <b>(\$814,757)</b> | <b>\$336,339</b>   | <b>\$1,295,882</b> | <b>\$2,377,072</b> |

| YEAR-END BALANCE SHEET                 |                   |                    |                  |                    |                    |
|--|-------------------|--------------------|------------------|--------------------|--------------------|
| FROM MONTH 1 YEAR 1 TO MONTH 12 YEAR 5 |                   |                    |                  |                    |                    |
|  | Y1                | Y2                 | Y3               | Y4                 | Y5                 |
| <b>Assets</b>                          | <b>(\$63,409)</b> | <b>(\$645,990)</b> | <b>\$480,706</b> | <b>\$1,415,849</b> | <b>\$2,472,639</b> |
| Liabilities                            | \$0               | \$0                | \$0              | \$0                | \$0                |
| Owners Equity                          | (\$63,409)        | (\$816,790)        | \$309,906        | \$1,245,049        | \$2,301,839        |
| <b>Liabilities &amp; Owners Equity</b> | <b>(\$63,409)</b> | <b>(\$816,790)</b> | <b>\$309,906</b> | <b>\$1,245,049</b> | <b>\$2,301,839</b> |