

**CITY OF MILACA
COUNCIL MINUTES
May 16, 2024**

Pledge of Allegiance

Call to Order Roll Call

Mayor Dillan called the meeting of the Milaca City Council to order at 6:32 p.m.

Upon roll call, the following council members were present: Mayor Dave Dillan, Councilors: Norris Johnson, Lindsee Larsen. Councilors Laurie Gahm and Ken Muller, absent.

Staff present: City Manager Tammy Pfaff, Communications Specialist Mary Mickelson, Assistant City Clerk Deloris Katke, Police Chief Quinn Rasmussen, Fire Chief Jesse Gerads, City Attorney Damien Toven

Others present: Chris Carlson of Borgholm Township and George Eilertson of Northland Securities.

Approval of Agenda

Mayor Dillan called for a motion to approve the agenda. Johnson made a motion for approval, seconded by Larsen. With no further discussion, all in favor of the approval of the agenda; motion passes.

Approval of Consent Agenda

Mayor Dillan called for a motion to approve the Consent Agenda of the following items:

- a. Approval of the Minutes – April 18, 2024
- b. Approval of Bills and Quarterly Reports
- c. Resolution #24-11 Accepting Donations

Larsen made a motion for approval of Consent Agenda, seconded by Johnson. No further discussion. All in favor of the Consent Agenda; motion passes.

Citizen Open Forum

Mayor Dillan asked if anybody present wanted to address anything not on the agenda. No one came forward.

Public Hearings: Public Hearing on Proposed Property Tax Abatements-Milaca Junction Property - Public Hearing opened at 6:34 p.m. George Eilertson of Northland Securities present. He stated this project is related to 13.52 acres for commercial development, including retail and industrial. The city has made application to East Central Energy for a low interest loan that will fund approximately half of the loan which total is \$275,000. ECE, if awarded would finance \$137,500 for 10 years at 1 percent interest. The reason for tax abatement is ECE is asking for a pledge and the city can do a General Obligation pledge to ECE as their security for the loan. The city has the authority to do that general obligation pledge by going through the tax abatement process. This is the final step in the process. Parcels were identified that would have their city share of value equal to or exceed the value of the loan with ECE. Tax abatement not to exceed \$344,000, which is more than we need.

Mayor Dillan called for a motion to approve **Resolution #24-12 Approving Tax Abatements**. Motion made by Johnson, seconded by Larsen. No further discussion. All in favor, motion to approve Resolution #24-12 Approving Tax Abatements.

Public Hearing closed at 6:37 p.m.

Requests and Communications:

Ordinances and Resolutions

Resolution #24-13 Resolution Providing for the Issuance and Sale of \$600,000 General Obligation Street Reconstruction Bonds, Series 2024A and Levying a Tax for the Payment Thereof – George Eilertson explained that this Resolution is relating to the street projects. This is to finance 3rd Ave and SW River Drive. We have a 15-year finance structure for \$600,000. There is \$5,000 that the city needs to contribute to the project. Approval of this Resolution locks in the interest rate and as with previous bonds, it is a fixed rate financing with what you have a call date, which is the date you can refinance or prepay, that's out is 2032 with a final maturity of 2039. We have worked with Standard and Poors, the firm that provides a bond rating to the city. It's a smaller bond and the bond rating agency approached us and stated they would lower their fee of about \$1,500 to help with this bond. They have rated the city in the past with an AA-. Being in this category is very strong. You have very strong credit and you are in good annual operating results as well as your very strong reserves. This rating helps to drive the interest rate down. The interest rate for this bond is 3.88 percent.

Mayor Dillan called for a motion to approve Resolution #24-13. Motion by Larsen, seconded by Johnson. No further discussion. All in favor of Resolution #24-13 Resolution Providing for the Issuance and Sale of \$600,000 General Obligation Street Reconstruction Bonds, Series 2024A and Levying a Tax for the Payment Thereof. Resolution #24-13 passes.

Ordinance #522 Ordinance Enacting and Adopting a Supplement to the Code of Ordinances – First Reading - Mayor Dillan called for a motion to approve Ordinance #522. Motion by Larsen, seconded by Johnson. No further discussion. All in favor, Ordinance #522 passes.

Mayor Dillan called for a motion to waive the second reading of Ordinance #522. Motion made by Larsen, seconded by Johnson. No further discussion. All in favor, Ordinance #522 second reading passes.

Reports of Departments, Boards and Commissions

City Manager – City Manager Pfaff just stated city will be closing on the Pearson property on Friday at 9:30. She met with one of the businesses today and they are really anxious to get out there. She is working on the easement for the meat market for the sewer line. Circle K not being very cooperative but worse case scenario we have a 6-foot easement. Starting to work on the budget. The audit is nearing completion and they will be presenting on June 24.

Mayor Dillan stated that he wanted to thank Tammy and the staff for helping with the intern, Maggie Westling, from the school these past few months.

Police - Police Incident Summary Report – nothing more

Police – Trespass Notice – council has a redacted report as a handout. On April 29 an officer got a call to the trail head area for a report of a porta potty being tipped over. The caller then saw the same two juveniles out appearing to be hitting a bench on the trails with a stick. They did admit to tipping over the porta potty. The juveniles were very respectful toward the officer. On the 30th a notice was provided to both families that they were being trespassed from city property and that they could attend the council meeting and address council if they chose. At this point it would be up to council to decide a period of time, if any, to be trespassed from city property and trails.

Mayor Dillan stated that was our discussion. Johnson stated that they were very limited with information and feels the officer could make that recommendation or determination. With very few details, it would be hard for the council to make that decision. Chief Rasmussen's opinion was that the juveniles were very respectful to the officer and his interaction. Officer did advise the juveniles to leave the park for the day and they did that. I don't believe we had any previous issues with these juveniles. They have been put on notice so if anything continues, there is a potential that they won't be able to utilize the city parks. I would forgo a trespass and with the conversation with the families that if anything happens, it is very likely that they will be trespassed at that point. City Manager Pfaff stated that typically we do a year trespass. Johnson asked if there was any damage done. Fire Chief Gerads stated that time there was no damage done but the time before the porta potty was graffitied. Chief Rasmussen stated there was no damage to the bench.

Mayor Dillan stated that if something was to be done, I think just being arrested would be enough but what if we did a month.

Larsen asked if they had been in trouble before as that could help in the decision. Chief Rasmussen stated that he didn't believe they had issues with these juveniles. A month would put it to the 30th of this month as the notice was given on April 30th. Johnson then suggested two months to go to the end of June.

Everyone agreed to June 30th. Chief Rasmussen stated he would advise the families as to the decision.

Mayor Dilan called for a motion to approve 60 days trespass. Motion by Johnson, seconded by Larsen. All in favor, motion to trespass two juveniles for 60 days.

Parks –

Public Works - Quotes on Council Room Carpet – Mayor Dillan called for a motion to approve carpet in the council room. Johnson made a motion to approve MTM quote in the amount of \$5,932.00, seconded by Larsen. This would be this year project plus painting in the council room. No further discussion. All in favor, motion to approve MTM quote of \$5,935 passes.

Liquor Store –

Fire Department – Fire Chief Jesse Gerads stated that their fire engine may not get delivered now until the middle of 2025 due to miscommunication.

Planning and Zoning – Next meeting June 3

Airport-

New Business-

Call for a Special Meeting – June 4, 2024 at 6:30 p.m. for:

1. Approve Federal Grant Project Number B-23-CP-MN-0884 Airport Road Bid
2. Preliminary Plat Approval-Worth Custom Homes
3. Discuss Property Development

Mayor Dillan called for a motion to approve. Motion by Johnson, seconded by Larsen. No further discussion. All in favor, motion to approve Special Meeting June 4 passes.

Special Event Application for Milaca Early Childhood Kiddie Parade – Mayor Dillan called for a motion to approve Special Event Application for Early Childhood Kiddie Parade. Motion by Johnson, seconded by Larsen. No further discussion. Special Event Application for Early Childhood Kiddie Parade passes.

Miscellaneous


Council Comments

Dillan stated he had one thing. The Mille Lacs County is updating their land use comprehensive plan and they have a survey online so you can give your input on land use for the county. I believe there will be some public hearings.


Chris Carlson from Borgholm Township stated that one thing he forgot to mention at the meeting was that he hopes that these Krypto currency mining computer deals – we have to get something in there for that. Out in Georgia they are like massive bee hives and the noise is just horrendous. If in sheds, not too bad but out in the open the noise is horrendous.

Adjourn:

Mayor Dillan called for a motion to adjourn. Motion made by Johnson, seconded by Larsen to adjourn. No further discussion. All in favor, motion to adjourn passes. Meeting adjourned at 6:56 p.m.


Mayor Dave Dillan

Attest:


Tammy Pfaff, City Manager