

**CITY OF MILACA
COUNCIL MINUTES
May 18, 2023**

Call to Order Roll Call

Mayor Dillan called the meeting of the Milaca City Council to order at 6:30 p.m.

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

Staff present: City Manager Tammy Pfaff, Communications Specialist Mary Mickelson, Police Chief Rasmussen, City Attorney Damien, Fire Chief 1 Jesse Gerads and Fire Chief 2 Chris Ehlen.

Others present: Dan Hollenkamp, Greg Chaffin of Bluewaters Construction, Darryl and Mary Stimmler, Chloe Smith, Phil Carlson, Chris Carlson and Sam and Ali Johnson.

Approval of the Agenda

Mayor Dillan called for a motion to approve the agenda. Johnson made a motion for approval, seconded by Larsen. Mayor Dillan stated there were a couple of additions to the agenda: under New Business add 13e(1) Access Road to Market Property near Liquor Store Order Plans and Specs and then 13j(1) Possibly changing date of June council meeting to June 20th. With no further additions, Mayor Dillan called for a motion to amend the agenda. Muller made a motion for amendment of agenda, seconded by Johnson. With no further discussion, all in favor of the approval of the amended agenda; motion passed.

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 20, 2023
- b. Approval of Bills
- c. **Resolution #23-15 Resolution Approving Donations**

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

Citizen Open Forum

Mayor Dillan asked if anybody present wanted to address anything not on the agenda. Dan Hollenkamp, 605 Central Ave S, Milaca MN commented that he was disappointed in the fact that the city council rejected the proposal/ordinance to allow chickens in the city limits.

Chris Carlson, 6089 156th St, Milaca, representing Borgholm Township. Chris requested that if the city was willing to give the township a copy of the letter that the city was going to send to State of MN to encourage them to hurry along the Hwy 23 project, they would put on the township's letterhead and send in as well.

Public Hearings:

Requests and Communications

Ordinances and Resolutions Ordinance #511 Amending Title XV (Land Usage) Chapter 156 (Zoning) Section 156.038 (B-1, Central Business District) Subdivision (D)(48) (Meat Market And Processing, Not Including Slaughtering) Of The City Of Milaca Code Of Ordinances.

Mayor Dillan called a motion to approve the first reading of Ordinance #511 Amending Title XV (Land Usage) Chapter 156 (Zoning) Section 156.038 (B-1, Central Business District) Subdivision (D)(48) (Meat Market And Processing, Not Including Slaughtering). City Manager Pfaff stated the Planning Commission held a Public Hearing on this on May 15 and they did approve it. Muller made a motion to approve the first reading of Ordinance #511, seconded by Johnson. No further discussion. All in favor; motion carried.

Reports of Departments, Boards and Commissions

City Manager – Gambling Fund Lawful Purpose Expenditures Policy – City Manager Pfaff explained this was to restructure the previous gambling policy that we had. It gives individuals the requirements they need to follow to receive gambling funds. Mayor Dillan called for a motion to approve the Gambling Fund Lawful Purpose Expenditures Policy. Motion by Larsen, seconded by Johnson. No further discussion. All in favor, motion passed.

Police – Dangerous Animal – owners have until May 23 to file for a hearing and the hearing official would be the city manager.

Chief Rasmussen provided a handout of the summary for April. Department is now full staffed and they are able to get out there and go after some issues like DWI's, drugs, etc.

Parks – City Manager Pfaff stated there is an individual contact the city regarding the Hometown Grant that is available for up to \$50,000.00. City Manager Pfaff referred to the boundary map. Kurt Bauerly and Jordan DeBoer worked on laying out the mapping design. This grant is the kind of project they are looking for. So, we really would like to get this grant in by the end of June. City Manager Pfaff spoke with Seth Monroe of Rum River Land Surveyors and he stated there are some issues with some of the boundaries and we need to get those figured out before we build trails. Councilmember Johnson asked if the grant money could be used to cover the cost of the survey and City Manager Pfaff stated we could.

Mayor Dillan called for a motion to approve to have a survey done for the future trail development. Johnson made a motion for approval of the survey, seconded by Larsen. Mayor Dillan asked who was submitting the grant and City Manager Pfaff stated herself and Kurt Bauerly would be submitting on behalf of the city. No further discussion. All in favor; motion carried.

Public Works – Public Information meeting for wellhead protection delineations and vulnerability assessments. City Manager Pfaff stated Public Works Superintendent Gary Kirkeby requested to bypass this on the agenda tonight. No action taken.

Liquor Store – Nothing

Fire Department – Milaca Fire Department Chief 1 Gerads stated their side by side is in and they will be putting that together. They also have the tracks. Pump and tank are in transit and should have that all put together by July.

Golf Tournament is July 8.

Fire Chief 1 Gerads also stated that they are starting to put the specs together for a new pumper truck which will be next year's CIP purchase. They have been trying for years to get this. They feel they are doing well through gambling purchases and hope the townships will work together to help out. City Manager stated there is about \$400,000.00 in the Reserves to spend down and if we had to, we would do a bonding equipment certificate. Mayor Dillan questioned how long this process is and Fire Chief 1 Gerads

stated as long as they have the specs done by end of this year, they should have it before the end of the year in 2024.

City Manager Pfaff stated that FEMA has a grant writer for a rescue truck. Grant is for \$500,000.00 and they are hoping the grant will cover 75% of that or more but that won't be submitted until this fall.

Planning and Zoning – Resolution 23-16 Approving Lot Coverage Variance and a Variance for a 3 Foot Setback from North Property Line. Mayor Dillan called for a motion for approval. Johnson made a motion, seconded by Muller. City Manager Pfaff stated this was approved by the Planning Commission for the Stimmler's to cover more than 60% of their lot coverage and to place a garage within their property lines and that was all approved by the Planning Commission. No further discussion. All in favor, motion passed.

Resolution 23-17 Approving Preliminary Plat for Bluewater-Potato Patch-Milaca MN LLC – Phil Carlson from Stantec was present. He stated the request in front of the council was for a Conditional Use Permit for townhouses on the property known as the Potato Patch on 2nd Ave SW and a Preliminary Plat that would divide this property into 3 lots and an outlot. The Planning Commission reviewed this and there was some question about one part of our recommendation which was the southern part of this property that abuts 5th St SW. There is a piece of another road right of way and it makes an odd intersection and there was a question on the piece we suggested to vacate to clean up the lot lines may be owned by the property owner across the street. City engineer and Tammy and I looked at that today and that is not the case. The memo and graphics that I put together today (handed out at meeting) explains this clearly that what we had recommended is outside that other property and would be appropriate to be vacated to allow the whole site plan to move south. This does a couple of things: it gets it a little farther away from that slope at the north end which could pose some problem for grading and it allows a little more room between that northern building and the driveway as the original proposal shows a building right up against the pavement of that driveway as it curved at the north end. In my memo today, there is only slight revised recommendations and conditions on that. The other thing we looked at were the utilities in that piece we suggested to be vacated. There are no utilities in there but there are utilities along the western part of that property. City Manager Pfaff stated there is a gas line that goes through that property and we also have the water line that goes through here as well and that is along the edge of this bump out and there are bollards that mark the gas that comes out of the ground. So there are some issues within that area. I would suggest that these details be reviewed and pinned down before the final plat. Phil Carlson further stated that Phil Gravel, City Engineer, would suggest a 30-foot drainage utility easement instead of the 10 foot in the western part of the property. That 30 feet would be the open space and should not encroach on the driveway. The other thing we recommend is that the Outlot include the entire driveway so that that northern townhouse lot does not include a piece of driveway and parking lot. With that, I would recommend the approval of that plat modified to verify the location of utilities in that vacated portion before the final plat is approved. City Manager Pfaff asked that if the city were to vacate that portion of the right of way, would he have to change his plat? Phil Carlson stated that vacated means that it would revert back to the private property owner. City Manager Pfaff stated that he shouldn't have to shift anything on his plat. Mayor Dillan stated it would as it slides it south. Phil Carlson stated that moving it south would give it more space between the driveway and the building and then it could affect where the lot lines fall between the buildings. There was also question of the side setbacks interior so that could be accommodated with what was originally proposed. City Manager Pfaff asked Greg Chaffin if he had anything to add. Mr. Chaffin stated it was a good idea and it would help with distance between the building. He stated he was not sure of the utility but they would take care of that. Phil Carlson stated that what was originally proposed, the parking spaces right up against that northern lot line and we can't tell from that grading where that slope starts up to 4th, but it would make sense to pull that from there and then vacating that property to the south gives you a little more breathing room. So, if you need to push it north, it may not be much of a problem with the slope. It could just be graded or you may just need a

small retaining wall or something. Those are minor details in the scheme of this project that could be figured out.

Mayor Dillan called for a motion for approval. Motion by Larsen to approve, seconded by Muller. No further discussion. All in favor, motion passed.

Resolution 23-18 Approving Conditional Use Permit for Bluewater-Potato Patch Milaca MN, LLC -

Mayor Dillan called for a motion to approve. Johnson made a motion for approval, seconded by Muller. Muller asked about the elevation for the driveway. Phil Carlson stated the driveway will be coming off of 5th St SW and go north to a dead end so it's not messing with the slopes. Council member Johnson asked about the elevation of that new driveway corresponds with 5th St SW. It is a little drop so they may have to do some drainage. No further discussion. All in favor, motion passed.

Update on Possible Annexation – City Manager Pfaff stated they met with Borgholm and Milaca Townships, city engineers and Public Works and they brought up the idea that when this 1.5 million dollar road project starts, would the city consider annexing in this property. Part of our next step would be connecting with the townships and individuals that live along that stretch to see if they are interested in this.

City Attorney Damien stated there were three ways to facilitate annexation. One is through an orderly annexation agreement which is something that can be negotiated between the city and the townships. That basically lays out all the criteria for which annexation can occur and all the terms and conditions are pre-agreed upon. It can be a lengthy and difficult process. The second is it is possible for the city on its own action to petition for annexation depending on the circumstances; ownership of the property, touching the property, etc. The third option is for the property owner to petition for that. Allows the same criteria to apply but depending on each individual lot and circumstances of each property would dictate what avenue could be pursued. What I have been given is this map and it outlines the orange area they are talking about. In talking with Tammy, the first step is for each of the townships to reach out to all the property owners that would potentially be affected by this. They need to gage their interest and see if the property owners want to do this. If they do, it makes things easier and much more streamlined to facilitate. If they don't want to, it makes things more contentious and much more difficult to do. We do not have that information and that is why the townships should reach out and have a conversation with the property owners. Generally speaking, that is what the options are but it is hard to specifically say what needs to happen right now as we don't know what the property owners are wanting.

Mayor Dillan stated that the council really has not even had a chance to discuss this annexation. The idea just came out of that meeting with the townships. City Manager Pfaff stated she could help the townships if they needed a letter of intent to just see what the property owners say. Chris Carlson from Borgholm Township stated they were just wondering how much the city intends to do before contact. Pfaff stated they should have another meeting with the townships. Council member Muller stated there will be discussion on water and sewer as well. Mayor Dillan stated lots of discussion yet.

Airport – Nothing

Committees

Budget –

EDC –

Unfinished Business

New Business

Update from Stantec on Federal Grant #B-23-CP-MN-0884 – This is that preliminary work that Stantec has to do to get that process going.

Federal Grant #B-23-CP-MN-0884 Professional Services Agreement-Bogart-Pederson – City Manager Pfaff said Phil stated it would be best to work with the company that has already started the process when the townships were going for the grant a couple years ago. It just seems more feasible to continue with this company. Mayor Dillan called for a motion to approve the Professional Services Agreement with Bogart-Pederson. Motion by Larsen, seconded by Johnson. No further discussion. All in favor, motion passed.

Proposal from American Engineering Testing for Geotechnical Exploration Grant #B-23-CP-MN-0884 – Mayor Dillan called for a motion for approval of the Proposal from American Engineering Testing for Geotechnical Exploration Grant #B-23-CP-MN-0884. Muller made a motion for approval, seconded by Johnson. No further discussion. All in favor, motion passed.

Liability Coverage Waiver Form – City Manager stated this is something we do every year. We check that the member does not waive the tort limits. Mayor Dillan called for a motion for approval to check does not waive the tort limits. Motion by Johnson, seconded by Larsen. No further discussion. All in favor, motion passed.

Purchase Agreement for Purchase of Property – Whitehorse 33 LLC – Mayor Dillan called for a motion to approve the Purchase Agreement for Purchase of Property. Motion by Johnson, seconded by Muller. Mayor Dillan stated that there may be some access issues to discuss. Utilities didn't seem to be an issue. We don't have access to that chunk of land, which is out of our control. Council member Johnson stated that having an additional access, it would be nice to have a through street that could be connected. Mayor Dillan stated that this could be an access the other way for the Pearson property which is now for sale. The business proposal would be a really nice addition to Milaca. Muller stated that a long time ago the council talked about putting a road through the Barbara Jeans but that strip of land in the middle is moving slowly. The buyers want to get going so this is the best solution. No further discussion. All in favor, motion passed.

Sam Johnson stated that he would like to city attorney to continue with the Developers Agreement and to meet as soon as possible to get going on this project.

Access Road to Market Property Near Liquor Store – Plans and Specs - Mayor Dillan stated this would be the first step to get this project going. Mayor Dillan called for a motion to approve the Access Road to Market Property Near Liquor Store. Motion by Johnson, seconded by Muller. No further discussion. All in favor, motion passed.

Boulder Ridge Fourth Addition Plat Correction - Mayor Dillan called for a motion to approve the Boulder Ridge Fourth Addition Plat Correction. Motion by Muller, seconded by Johnson. City Manager Pfaff stated this was a simple two foot correction. No further discussion. All in favor, motion passed.

Special Event Application-Community Grad Party - Mayor Dillan called for a motion to approve the Special Event Application-Community Grad Party. Motion by Johnson, seconded by Larsen. No further discussion. All in favor, motion passed.

Special Event Application-Milaca Kiddie Parade Mayor Dillan called for a motion to approve the Special Event Application- Milaca Kiddie Parade. Motion by Muller, seconded by Larsen. No further discussion. All in favor, motion passed.

Special Event Application-Rhythm on the Rum Parade (Storybook Theme) - Mayor Dillan called for a motion to approve the Special Event Application- Rhythm on the Rum Parade (Storybook Theme). Motion by Johnson, seconded by Muller. Time of parade has been moved up to 5:00 p.m., same route. No further discussion. All in favor, motion passed.

Special Event Application-Movies in the Park (2 dates) - Mayor Dillan called for a motion to approve the Special Event Application- Movies in the Park (2 dates). Motion by Johnson, seconded by Muller. Mayor Dillan asked if any food trucks or ice cream trucks would be here. City Manager stated no. No further discussion. All in favor, motion passed.

Date of Council Meeting for June – Mayor Dillan stated we moved it to Wednesday, June 21 because of the parade the week before. Mayor Dillan stated he is requesting a date change as their family reservations got changed. June 20th will be the June council meeting at 6:30 p.m.

Closed meeting – Letter of Intent to Purchase Property- Mayor Dillan read the following statement:

“This portion of the properly noticed meeting of the Milaca City Council will be closed pursuant to Minnesota Statutes under the closed meeting for real estate sales or purchase exception to the Minnesota Open Meeting Law, pursuant to Minnesota Statute Section 13D.05 Subd. 3(a)(3) which states:

(3) to develop or consider offers or counteroffers for the purchase or sale of real or personal property.

The need for confidentiality outweighs the purposes served by the open-meeting law in this case based on the following:

Confidentiality is necessary to protect the City’s negotiating strength and interest as to real estate negotiations.

The purpose of the closed meeting is not to make a decision behind closed-doors but instead is to determine what actions are appropriate with respect to the real estate negotiations.

The only business to be discussed in this portion of the meeting will be the real estate negotiations and what action, if any, should be taken.”

I will now entertain a motion to close this portion of the meeting. Motion by Johnson to close meeting. Seconded by Muller. All in favor, motion passed.

Meeting closed at 7:17 p.m. May 18, 2023 Milaca City Hall

Present: Mayor Dave Dillan, Councilmembers Norris Johnson, Ken Muller, and Lindsee Larsen. City Manager Tammy Pfaff, City Attorney Damien, and Communications Specialist Mary Mickelson.

MEETING BACK IN SESSION AT 7:30 P.M.

Attorney Damien stated that the purpose of the closed session pertained to a possible land purchase presented to the City Manager. Some discussions were had what, and if anything they should do. Council gave City Manager Pfaff direction to move forward and if there is action that is formally acted upon in the future, it would be done so in open session.

Miscellaneous

Council Comments

Johnson stated it was encouraging to see all the special events this summer.

Mayor Dillan wanted to clarify that the council had a workshop regarding the chicken ordinance from 6-6:25 that day (April 20) and that discussion is in the minutes. He just wanted to clarify that.

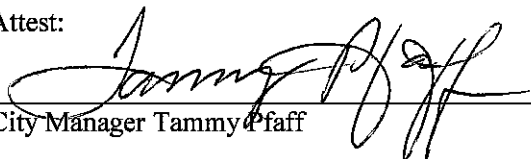
Adjourn:

Mayor Dillan called for a motion to adjourn. Muller made a motion to adjourn. Seconded by Johnson. No further discussion. All in favor; motion carried. Meeting adjourned at 7:36 p.m.



Mayor Dave Dillan

Attest:



City Manager Tammy Pfaff