

**CITY OF MILACA
SPECIAL MEETING
COUNCIL MINUTES
September 7, 2022**

Call to Order Roll Call

Acting Mayor Dillan called the special meeting of the Milaca City Council to order at 5:00 p.m. Upon roll call, the following council members were present: Acting Mayor Dave Dillan Councilors: Ken Muller, Lindsee Larsen and Norris Johnson. Councilors Absent:

Staff Present: City Manager Tammy Pfaff, City Attorney Damien Toven, Assistant City Clerk Deloris Katke, and Administrative Communications Specialist Mary Mickelson, Public Works Supervisor Gary Kirkeby, Liquor Store Manager Vicki Jeys, City Treasurer Jessica Hall, and Police Chief Quinn Rasmussen.

Others Present: Chloe Smith.

Ordinances and Resolutions

Resolution 22-38 Authorizing the Sale of Real Property Owned by the City of Milaca, to Milaca Mini Storage LLC. Acting Mayor Dillan called for a motion to approve. Johnson introduced a motion for approval. Larsen seconded the motion. All in favor, motion carried.

Ordinance No. 497 An Ordinance Amending the City Code Title XI Adding Chapter 120 Tetrahydrocannabinol Products (THC) First Reading. Council elected to include the distance from public schools will be 500 feet. Acting Mayor Dillan called for a motion to approve. Larsen introduced a motion for approval. Muller seconded the motion. All in favor, motion carried.

Ordinance No. 498 An Ordinance Amending the Fee Schedule of the City Code for the addition of Licensing Fees for Tetrahydrocannabinol (THC) in Retail Establishments. First Reading. Council established the licensing fee to be set at \$450.00. Acting Mayor Dillan called for a motion to approve. Johnson introduced a motion for approval. Muller seconded the motion. All in favor, motion carried.

New Business- 2023 Preliminary Budget Review

Revenues: General Fund

Cigarette Licenses — Line item will increase to \$5,000 and the title will include THC Licensing.

Airport Lot Leases — Line item may increase if the lot lease amount is increased. Discussion included to check to see what the lease would be if it were by the square foot. Gary and John will check with other airports to see what they charge per square footage of hangers.

Fire Contracts — The City Manager informed the council the final numbers will be done in November when the tax capacity reports are received from the county.

Park Fees — Increased to \$17,500 due to the registrations through December.

Expenditures: General Fund

Planning Commission — Recommendation to increase the meeting amount to \$50.00 per meeting. This would require an amendment to the ordinance. Council agreed.

Other Professional Services under the Planning Commission — Discussed the contracted city planner and anticipated \$12,000 in expenses.

Health Insurance — We will have the final increase notice in October.

Elections — The \$5,000 can be removed if no special election is held in 2023.

Legal Fees — Council reviewed the letter from Damien and the council approved amending the contract to the \$4,000 per month for criminal retainer.

Sergeant/Investigator position — Council agreed to add this position and would hire from within. The personnel committee will meet to discuss this position in more detail. A job description has been completed by Quinn.

Auto Expense and Fuel — This expense increased 44% in the consumer price index over the last year and impacts all departments.

Police Department Equipment — Discussed the need to purchase radios and 4 more body cameras.

Fire Department Equipment — UTV and Gear will be purchased and \$30,000 is budgeted for the exterior painting of the fire department building.

Building Inspections — Contracted service is budgeted at \$33,000.

Public Works — Equipment to purchase from reserves is a roller, salt spreader, and conditioner for a total amount of \$23,000. Street sealcoating, alley paving, and milling of SW Drive was reduced \$25,000 and the remaining amount for the budget is \$175,000. Other Equipment to be purchased is a Hot Box Patching Trailer for \$12,000.

Parks — Discussion regarding the Trimble Shelter and council was asked to consider using the donated funds from fund 216. This was previously approved by council but was put on hold. Council agreed to have the shelter purchase come from fund 216. Skatepark addition was discussed, and Gary will apply for a 50/50 matching grant, the amount of the city's matching portion is \$25,000. Other Equipment: the purchase of a mower and a tractor.

Library — Replace the mulch with rock for low maintenance and no additional costs in the future. We will reach out to the Friends of the Library for input.

Airport — Discussion to stop plowing the airport in the winter. Council determined it would only be plowed if needed for anyone who needs to fly out. This will help to reduce the wages approximately \$9,000. Phase 3 project for the taxi lanes is budgeted at \$13,700 which is 95% grant and equipment needed is a new fuel card reader and for the equipment purchases will be a blower.

Items removed from the Capital Improvement List — Carpeting for \$30,000, Senior Center improvements reduced to \$5,000 from \$25,000.

Special Revenue Funds

Rec Fest — Discussion regarding the Minnesota State Statue that a city must provide free music. Employees' wages were added to the cost of this event. It was discussed that this should be a private event. Dave and Tammy will meet with the committee with this recommendation.

Events — There will be minimal events next year. Transfers into this fund were reviewed and the events fund receives \$11,500 transferred from fund 217. It was recommended to continue with Movies in the Park as they are well attended. Council agreed to continue the movies. Council reviewed the cash balance of Fund 217 and current balance as of July is \$143,021. After the year 2029, the fund will have an estimated remaining cash balance of \$43,021. Annual interest was not included in the calculation. Fund 216 expense was changed to include the Trimble Park Shelter for \$9,000.

Debt Service Funds

No changes to the budget.

Enterprise Funds

Water Fund — We will see a slight increase in revenue due to 5 new homes being built and the 8-unit apartments expected to be built end of 2022. Depreciation was discussed to state that this does not affect the cash balance. Projects for 2023 include the rehabilitation of Wells #4 and #5.

Sewer Fund — We will see a slight increase in revenue due to the 5 new homes and 8-unit apartment. Jetting and sewer lining will be \$65,000. Equipment purchases we will be a new truck and a mini excavator for a total of \$90,000.

Liquor Fund — Revenues are expected to be over three million. Projects will be the purchase of shelving. The fund will transfer \$200,000 to the General Fund.

Deputy Registrar Fund — We are seeing growth in revenue. Projects for 2023 include office furniture turned away from the customers and a customer ledge built with an estimated cost of \$7,500.

Levy — Council reviewed the levy with a levy increase of 4.15% and no changes were made at this time. Step Schedule was reviewed, and the personnel committee will meet to discuss areas of consideration for wage increases.

The City Manager will change the items in the budget and have it ready for the council meeting.

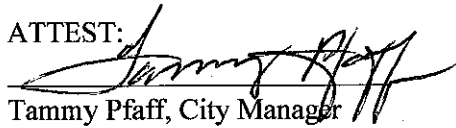
Adjourn

With no other business presented before the council, Acting Mayor Dillan called for a motion to adjourn. Johnson made a motion to adjourn. Muller seconded the motion. Motion carried. Meeting adjourned at 6:24 p.m.



Dave Dillan, Acting Mayor

ATTEST:



Tammy Pfaff, City Manager