

**CITY OF MILACA
COUNCIL MINUTES
January 17, 2024**

Pledge of Allegiance

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: Ken Muller, Norris Johnson, Lindsee Larsen, Laurie Gahm.

Staff present: City Manager Tammy Pfaff, Communications Specialist Mary Mickelson, Assistant City Clerk Deloris Katke,

Others present: Karen Dalbey, Sue & Steve Hage of Dusty's Car & Pet Wash

Approval of the Agenda

Mayor Dillan called for a motion to approve the agenda. Larsen made a motion for approval, seconded by Johnson. Mayor Dillan stated there was one addition to the agenda: 13(c) EV Charging Station at Liquor Store. Mayor Dillan called for a motion to approve the agenda with this addition. Motion by Muller, seconded by Gahm. With no further discussion, all in favor of the approval of the 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 – December 13, 2023 Special Meeting and December 21, 2023
- b. Approval of Bills

Muller made a motion for approval of Consent Agenda, seconded by Gahm. 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. Steve & Sue Hage spoke. They own Dusty's Car & Pet Wash at 850 10th Ave NE. Steve stated it is time for them to replace the automatic equipment at the car wash and as they start looking at that investment, they want to make sure they are making a wise decision. They are looking at all the impacts and it has come to their attention that the State of MN has a plan to reconstruct Hwy 23 through town and past 10th Ave, 110th Ave intersection going out to a proposed traffic circle out on Co Rd 2 and 105th. Part of that plan includes closing the left turn lanes at Hwy 23 at 10th and 110th so you won't be able to make a left turn from east bound 23 to go north up to the car was. You will have to go up to the traffic circle and go round and then make a right turn up. Same will be coming west bound on Hwy 23. There will be no left turns into the Holiday, Dairy Queen or anything of that, the liquor store. Further complicating the traffic movement there, southbound 169 as you exit you will not be able to make a left turn. You will have to go down to Hardees to the traffic circle, go around the traffic circle, travel east on Hwy 23 all the way out to 105th, another traffic circle, back and then a right turn up to the car wash. If you are northbound 169, it's still out to 105th traffic circle and come back. Steve stated they have had some early correspondence back in October with the state engineer and he don't quite understand all the reasoning that he's presenting and

what they are trying to accomplish in this portion of the road improvement. We are the only intersection in Milaca that's being closed in all of the traffic so we would like to better understand why and what are the benefits. We certainly don't want to put people's lives at risk. But we also as we look at a similar interchange at 169 and Hwy 95 in Princeton with higher traffic counts in all directions, they put in one traffic circle out at the Walmart. We just want to make sure they are applying a similar criteria. The traffic counts in Princeton might be anywhere from 15 to 30% higher than we are experiencing here in Milaca.

We are asking tonight – the county has approved the plan or is in support of the plan apparently, we are just asking the city would come alongside us as we would ask for maybe some reconsideration on the state and the highway department and step back and pause and take a look at what the impacts might be with this plan and what are the real benefits. For us, for the community, our business is about 60/40 self-serve. Because of the high bays, we get a lot of ice castle traffic, motor homes, RV's, boats, larger recreational stuff. 60% of our business comes from that side of the building and the other 40% comes from the automatic wash, the automobiles, pickup trucks. With this proposed traffic pattern, we suspect we will lose 60% of our automatic – we won't lose the self-serve because of the 13 foot – two - it's a destination. People will go there because people – you got to go to Burnsville to wash box trucks but we are projecting we will lose 60% of the traffic on the automatic side just from the industry standard of how you acquire a car wash with people driving by and convenience. Most of it is a spur of the moment transaction type. Our estimate is we would lose 60% which would make it very difficult to pay for another automatic piece of equipment. We think the city deserves it, needs it and people use it. We've worked hard to get it reliable and working. We just can't overcome the computer issues that the company no longer supports. We know there is no decisions made here but Tammy has been very helpful in facilitating conversation with the state and engineer. When it's appropriate, we would just ask that the city come alongside us and other businesses in the community and out in that area and have a discussion with the state to have a better understanding of what's going on and what's the benefits. Sue Hage stated that with high bays, a lot of them are RV's, ice castle or even semi's and if they're trying to come off – going south bound, have to go west into town, try to go around the roundabout, and then go another round about – that's going to be very challenging. Plus, you're going to now have RV's and ice castles trying to go around roundabouts. Steve stated the equipment is about \$200,000 investment and has about a 10-year cycle.

Mayor Dillan stated this was a tough issue and is ongoing discussions with the state and the county. City Manager Pfaff stated there should be some consideration as to where that round-about should be. City Manager Pfaff stated we should really bring them back to the table and really plan this out and maybe another zoom meeting and zero in on that area. Councilmember Johnson stated he saw the proposed plans and they seem odd. Mayor Dillan stated they are all safety based and expansion based by eliminating all left turns which is the big safety issue and it also looks for development to the east otherwise you are ignoring County Road 2 and that's the next stage of development, if it naturally grows that way. Councilmember Larsen stated she could see increased traffic on the gravel road behind her house. Councilmember Johnson stated he could kind of visualize a round about where the on and off ramps on the east side of 169 and then incorporate 110, 10th Ave, into that so it would be like a 5 way - spoke round about.

Public Hearings:

Requests and Communications: Attorney Recognition tabled

Ordinances and Resolutions

Resolution #24-01 Annual Appointments: Mayor Dillan called for a motion to approve Resolution #24-01. Motion made by Johnson, seconded by Gahm. Mayor Dillan stated they needed to decide on Parks,

Planning and then 2 on budget tonight. Norris was Planning last year. Mayor Dillan asked if Johnson wanted to be on there again and Johnson stated he would. Mayor Dillan then asked for Parks. Gahm stated she would be on Parks. Mayor Dillan stated last time for budget it was Johnson and Larsen. Johnson stated he was OK with being on there. Muller stated he could be on there as well. With no further discussion, all in favor. Resolution #24-01 Annual Appointments passes.

Reports of Departments, Boards and Commissions

City Manager – City Manager Pfaff stated the city has an intern coming from the high school – Maggie Westling. She will be starting on Monday and be here through May 15. She will be going around to different departments around the city. We are looking into seeing if she can help with the elections to get involved with that process.

City Manager Pfaff stated she had a meeting today with Darrin Felner from the Federal EDA. It's for an EDA Grant for Industrial Businesses. It's a 50% city match but we can get grants from the state such as DEED to help with our match or we could bond for a portion of it. This would be basically for expansion for an industrial park. We are look at the Pearson property for a potential. There are some drawbacks: it has to create jobs, benefits, you have to procure an RFP for an engineer before you even start anything. Its eligible projects are for water/sewer, street infrastructure, those types of things. You can purchase land but they don't like to do land as they would rather have the city own the property. If the city owns the property, some of the requirements are that when you go to sell that lots if you split them, you have to make sure you have a market value assessment and appraisal for each lot. And we also have to have businesses sign a form that they are committed to moving into the park. If we decide to move ahead, we will take this to the EDA to see where we want to go in the future. If we do go forward, in February we would have a resolution, maybe an RFP for council to see if we want to move forward with this. We just need to figure out how we are going to get the property, that would mean we would have to go in a closed session to see where we want to go from there. With this information, I just wanted to get the council's comments and your feeling on how we should proceed moving forward to develop vital property out by 169 or any property we would like to develop. Mayor Dillan stated we were in contact with MN DEED and Jordan Zeller from ECRDC has been very helpful.

Mayor Dillan stated he put in an application to University of MN called Empowering Small Cities. This is similar to when we did Healthy Communities Project. Mayor Dillan explained we would give the U of MN our plan in two phases – phase one would be industrial park development and phase 2 how we could grow with this Hwy 23 project. If we are accepted, they take what we need done and then the find the organization at the U of MN and then they form a group to work with us to try and make this happen. No cost to the city. They basically help you find the resources to make your projects work. We are hoping with them and DEED and Federal EDA, there might a way to make this work. February 13 or 14th was the deadline and is only for small towns under 13,000 with priority to 5,000. By March they pick you out and by April you get things going. Hopefully this will work out for us. City Manager Pfaff stated she has had some businesses reach out to her.

Airport: Muller questioned that with the 4 remaining properties that have not signed the easement, were they in objection? City Manager Pfaff stated she just has not heard from them. Three notices have gone out to have them stop in and sign. City Manager Pfaff stated the Environmental Review came in last Friday so that has been approved.

New Business-

Approve Plans and Specification and Authorize Advertisement for Bids for the 2024 Street Improvements Project: Mayor Dillan called for a motion to approve. Motion made by Johnson, seconded by Muller.

With no further discussion, all in favor. Motion to Approve Plans and Specification and Authorize Advertisement for Bids for the 2024 Street Improvements Project passes.

Police Union Contract: : Mayor Dillan called for a motion to approve. Motion made by Johnson, seconded by Gahm. No further discussion, all in favor. Union contract passes.

EV Charging Station at Liquor Store: City Manager Pfaff stated Mayor Dillan and herself met with Erik Lindell. He is looking to place two stations at the back part of the liquor store lot– a level 2 and level 3. This would benefit all the businesses out there. He has a place in Brainerd but nothing from here to Brainerd. We would have to make sure the power lines would not interfere. He was informed that we do a lot lease agreement of \$675. No cost to the city. Johnson questioned if he would lease a space? City Manager Pfaff stated just like Tri-Cap that leases our land for \$675 a year so he would follow that type of lease agreement. He would put up signage and it would be on app's as well. Johnson questioned if it was just 2 parking stalls? City Manager stated it would be about 4 spaces. Two chargers – Level 2 and Level 3. Johnson asked if the city would have any maintenance responsibility and Mayor Dillan stated we would not. He has his own liability and staff to maintain the stations. Council was in agreement for him to move forward.

Council Comments

Johnson expressed his sympathy to Councilmember Gahm on the passing of her mom.

Gahm commented that the half a chair downtown was gone. City Manager Pfaff stated the guys removed it.

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 carried. Meeting adjourned at 7:04 p.m.



Mayor Dave Dillan

Attest:



City Manager Tammy Pfaff