

**CITY OF MILACA
COUNCIL MINUTES
September 21, 2023**

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. Absent: Laurie Gahm.

Staff present: City Manager Tammy Pfaff, Communications Specialist Mary Mickelson, City Attorney Damien Toven, Assistant City Clerk Deloris Katke, Fire Chief 1 Jesse Gerads,

Others present: Chloe Smith, Kimberly Hultman, Amber and Joe Opager, and Chris Carlson from Borgholm Twp.

Approval of the Agenda

Mayor Dillan called for a motion to approve the agenda. Johnson made a motion for approval, seconded by Muller. 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 – August 17, 2023
- b. Approval of the Minutes - Special Council Mtg September 6, 2023
- c. Approval of Bills

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. Kimberly Hultman, 640 2nd Ave SW. Ms. Hultman stated she has a very strong feeling about having a smart meter installed in her home and that she is seeking an attorney. Discussion ensued in regard to the safety of the smart meters. Mayor Dillan stated that our Public Works Supervisor was not in attendance tonight and he would have better answers to her questions. Ms. Hultman asked if there could be an opt out of having meters installed. Mayor Dillan advised Ms. Hultman that they would look into this concern.

Public Hearings – Interim Ordinance Authorizing a Study and Imposing a Moratorium on the Operation of Cannabis Businesses: Public Hearing opened at 6:40 p.m. Mayor Dillan asked if anyone was here tonight in regard to the Public Hearing. Joe Opager, 12460 160th St, Milaca, owner of Mellow Fellow, spoke. Mr. Opager stated that him and his wife are the only licensed THC retailer in Mille Lacs County. He stated they are in support of everything except the moratorium on cannabis businesses. He stated that there are four items that the local city government will be able to control with cannabis businesses coming in:

1. Require Local Registration – which he already has through the City of Milaca.

2. Adopting reasonable restrictions on the time, place and manner of the establishment. Currently, there are no restrictions on time. They are open 11 am -8 p.m. five days a week, 11 a.m. to 5 p.m. on Sundays and closed on Mondays. They are fully supportive of any restrictions for other businesses. He further stated that as far as place and manner of his business, he already has that as he is not allowed to have a THC establishment within 500 feet of the school, not allowed to have a moveable establishment, not allowed to go to Rec Park and sell edibles.

3. Limit the number of licenses for Cannabis that the city issues. We currently don't have any restrictions on that but as the sole THC business in Mille Lacs County, we are in support on limiting the number of businesses.

4. Prohibiting the operation of a business within 1,000 feet of a school or 500 feet of a daycare. Currently, the Ordinance does not allow them to operate within 500 feet of a school so this new Ordinance is extending it another 500 feet. So, the current Ordinance is more restrictive than this one.

His argument is, why do we need to place a moratorium to study for hours for limiting the number of businesses allowed in the community. He feels amending the current Ordinance or changing some of the language would be more effective than a 14-month moratorium. He further stated that when the state does open up applications, they will be bombarded state-wide with all the applications. Mr. Opager is requesting the council to reconsider this moratorium and at least consider amending the current Ordinance that is in place.

With no one else coming forward for the Public Hearing, Mayor Dillan closed the public hearing on the Interim Ordinance Authorizing a Study and Imposing a Moratorium on the Operation of Cannabis Businesses at 6:45 p.m.

Requests and Communications

Ordinances and Resolutions

Ordinance #513 Prohibiting Cannabis Use within Public Property and Public Places-Second

Reading: Mayor Dillan called for a motion to approve. Johnson made a motion for approval, seconded by Larsen. Mayor Dillan asked City Attorney Toven how broad this was and City Attorney Toven stated that any public property, any city owned property, public facilities, parks, rights of way. City Attorney Toven asked if the mayor was questioning about possession and use. City Attorney Toven stated that basically there is one change from the first reading in that there was some concern of the issue of the edible and whether or not the first draft would affect the ability to possess and use in public areas. The sense he got from the council was that they did not want that covered so he redacted that and took that out. So right now, it is very much like alcohol and it does not exclude the edibles or the liquids or things like that.

With no further discussion on Ordinance #513, all in favor of Prohibiting Cannabis Use within Public Property and Public Places. Second Reading of Ordinance #513 passes.

Resolution #23-30 Authorization to Summarize Ordinance #513 for Publication: Mayor Dillan called for a motion to approve. Johnson made a motion for approval, seconded by Muller. With no further discussion, Resolution #23-30 Authorization to Summarize Ordinance #513 for Publication passes.

Ordinance #514 Interim Ordinance Authorizing a Study and Imposing a Moratorium on the Operation of Cannabis Businesses-Second Reading: Mayor Dillan called for a motion to approve. Johnson made a motion for approval, no one seconded the motion. Mayor Dillan asked that if there was

no second on this motion, the motion would fail? City Attorney Toven stated procedurally, correct. He did want to state that the ordinance or regulations that he was referring to relate to the edibles and liquids and things of that nature. It does not extend to the extent of THC materials that the new laws are designed to govern. Mayor Dillan stated that his comment would be that this would be in our next plan of attack in the next couple of months. We don't have a lot of tweaking to do but we could tweak those items and we would be in pretty good shape and should the state have more restrictions, we would have to follow that anyhow. City Manager Pfaff stated that the council would have to set zoning districts and where to have growers. With no second on Ordinance #514 Interim Ordinance Authorizing a Study and Imposing a Moratorium on the Operation of Cannabis Businesses, motion failed.

Resolution #23-31 Authorization to Summarize Ordinance #514 for Publication: DID NOT NEED SINCE ORDINANCE #514 FAILED.

Ordinance #515 Amending Section 156 of the Zoning Ordinance by Making Changes to the City of Milaca Zoning Map-Second Reading: Mayor Dillan called for a motion to approve. Johnson made a motion for approval, seconded by Muller. With no further discussion, all in favor. Second reading of Ordinance #515 Amending Section 156 of the Zoning Ordinance by Making Changes to the City of Milaca Zoning Map passes.

Ordinance #516 Amending Land Usage 156.037(B) Regarding Height in R-3 Multiple Family Residential-Second Reading: Mayor Dillan called for a motion to approve. Muller made a motion for approval, seconded by Larsen. With no further discussion, all in favor. Second reading of Ordinance #516 Amending Land Usage 156.037(B) Regarding Height in R-3 Multiple Family Residential (changing height in R-3 Multiple Family Residential from maximum 3 stories or 35 feet; whichever is the lesser to 40 feet) passes.

Reports of Departments, Boards and Commissions

City Manager –Resolution #23-32 Earned Sick Leave and Safe Leave Policy: City Manager stated this was to update our policy based on the new law effective January 1, 2024. Mayor Dillan called for a motion to approve. Muller made a motion for approval, seconded by Johnson. With no further discussion, all in favor. Resolution #23-32 Earned Sick Leave and Safe Leave Policy passes.

Police – Mayor Dillan asked the council if they all got the information on the Attorney General's ruling on school resource officers? They had not yet so Mayor Dillan stated that there was new information that looks like it might help clarify the situation but there is a lot of work to be done on that.

Parks – Nothing.

Public Works – Nothing

Liquor Store – Access Road is going in now.

Fire Department – City Manager Pfaff stated they had the specs from Custom Fire for the new pumper tanker truck. Price effective September 15 is \$864,890.00. This is under the state bid. They would like a progress payment of \$190,039 upon shipment of the chassis to their factory. Fire Chief 1 Gerads stated that wouldn't be until after the first of the year. Delivery then wouldn't be until late second maybe third quarter 2024 so about a year from now. Gerads stated that if this wasn't signed today, like everything else, there would be a new price next month. Mayor Dillan called for a motion to approve. Muller made

a motion for approval, seconded by Johnson. Johnson stated the big question was how do we pay for it? How is the funding? Gerads stated they have a half a million dollars and they just need to come up with \$400,000 and he stated by that time they would have another \$25,000 of what the city and townships contribute and then their gambling would be \$75,000-\$80,000. Larsen asked about grant funds. City Manager Pfaff stated there is no levy contribution in the budget this year. Mayor Dillan stated there might be by the final. It depends on the other truck. Gerads stated the other truck has been applied for by a grant and this is the second time. He stated they only have to come up with the \$25,000 if we get the grant but he doesn't feel we will get it as the only reason they applied for it was because the grant writer just charged them half price for writing the grant a second time. It isn't a great year for trucks. FEMA grants are different. If they get it, then \$25,000 would be a drop in the bucket for what we are getting. Mayor Dillan stated that if they don't get it, then the money would also go towards it. Gerads stated it would just stay in the reserves. Muller asked when would we need the \$190,039 and Mayor Dillan stated early in 2024. The rest would be on delivery. City Manager Pfaff stated that this would give them some time to look at grant options. Johnson asked if the balance would be bonded for and City Manager Pfaff stated yes, it would be a levy and it would increase the levy quite a bit. City Manager stated that Fire Chief 1 Gerads and Chris mentioned the option of going to the townships for a pledge. Gerads stated that the way Craig (former fire chief) explained to him that if they borrowed \$400,000, \$200,000 of that comes from the city and \$200,000 come from the townships. Then we bond it and for 10 years or whatever the bond is, the townships would pay that on top of their regular fire contract. City Manager Pfaff stated that the legal term for that is a general obligation pledge. City Manager Pfaff stated there may be some drawbacks if the general obligation pledge is too much. The townships may have trouble with that. We would have to sit down and figure that out. Mayor Dillan stated that right now it is in the preliminary budget. City Manager Pfaff stated it was but we wouldn't bond for this until 2024 for the 2025 budget. If we do that general obligation pledge to the townships, we need to give them notification so we have about a year to get these numbers in place. Johnson asked what this new truck would be replacing and Gerads stated it would be replacing the 1993 model and the 2007 model would be the backup. Mayor Dillan asked if it would sell for much and Gerads stated maybe \$20,000.

With no further discussion, all in favor. The Custom Fire proposal of \$864,890 passes.

Fire Chief 1 Gerads asked about the hourly pay. City Manager Pfaff stated they were still working on that and that they would need to get together to discuss that.

Planning and Zoning - Nothing

Committees

Budget – Nothing

EDC – Nothing

Unfinished Business

Miscellaneous

New Business

2024 Preliminary Budget: City Manager Pfaff stated the levy for the General Fund would be \$762,177. The debt levy at \$213,002 and then the total levy of \$975,179 which increases over the previous years of 4.43%. Some of the levy increases for other cities are in the double digits. We would do another workshop to discuss the bond schedules and final levy.

Resolution #23-33 Approving the Preliminary Budget and Tax Levy for 2024: Mayor Dillan called for a motion to approve. Muller made a motion for approval, seconded by Larsen. With no further discussion, all in favor. Resolution #23-33 Approving the Preliminary Budget and Tax Levy for 2024 passes.

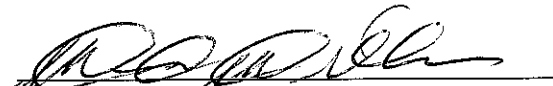
Council to Call a Public Hearing on December 21, 2023 for Truth and Taxation 2024 Tax Levy and Budget: Mayor Dillan called for a motion to approve. Johnson made a motion for approval, seconded by Larsen. With no further discussion, all in favor. Public Hearing on December 21, 2023 for Truth and Taxation 2024 Tax Levy and Budget passes.

Council Comments

Johnson just commented on how busy Rec Park is and how nice it is to see.

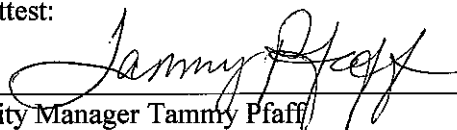
Adjourn:

Mayor Dillan called for a motion to adjourn. Johnson made a motion to adjourn, seconded by Larsen. No further discussion. All in favor; motion carried. Meeting adjourned at 7:08 p.m.



Mayor Dave Dillan

Attest:



City Manager Tammy Pfaff