

**CITY OF MILACA
COUNCIL MINUTES
December 18, 2025**

Call to Order Roll Call

Mayor Dillan called the meeting of the Milaca City Council to order at 6:00 p.m.

Pledge of Allegiance

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

Staff present: City Manager Tammy Pfaff, Communications Specialist Mary Mickelson, Police Chief Rasmussen, Public Works Superintendent Gary Kirkeby, Fire Chief Jesse Gerads and City Attorney Damien.

Others present: Roxanne Gerads

Approval of Agenda

Mayor Dillan called for a motion to approve the agenda. Larsen made a motion for approval, seconded by Johnson. Mayor Dillan stated some changes to the agenda: Under Consent Agenda item f.. Resolution #25-43 Approving Final 2026 Budget and Tax Levy move to i. Ordinances & Resolutions, under Ordinance #552 and #553 we need to add First Reading, under #10 Report of Departments, Boards and Commissions add handout of calls for Police report, after Public Hearing for Wellhead Protection Plan we need to add a motion to approve Submittal to MN Department of Health for review and approval and one more thing under #13 New Business add item d. Discussion on Cannabis Licensing Issue-Mellow Fellow. With no additions or 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.

- a. Approval of Minutes-November 19, 2025
- b. Approval of December 10, 2025 Special Meeting
- c. Approval of Bills
- d. Resolution #25-41 Accepting Donations
- e. Resolution #25-42 Write Off Invoice Amounts
- f. Resolution #25-43 Approving Final 2026 Budget and Tax Levy – moved to #9 i.
- g. Resolution #25-44 Approving 2026 Liquor and Tobacco Licenses
- h. Resolution #25-45 Approving Gambling Premises Permit Application for Milaca Firefighters Relief Association

Mayor Dillan called for a motion to approve the consent agenda. Poorker made a motion for approval, seconded by Muller. No further discussion. All others in favor of approving 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 Hearing:

a. Truth and Taxation-Mayor Dillan called for a motion to open public hearing. Motion by Johnson, seconded by Larsen. Time PH Opened 6:04 p.m. No one came forward. Mayor Dillan called for a motion to close public hearing. Motion by Muller, seconded by Johnson. All in favor. Public Hearing Closed 6:05 p.m.

b. Public Hearing on Wellhead Protection Plan Draft- Mayor Dillan called for a motion to open public hearing. Motion by Johnson, seconded by Larsen. All in favor. Public Hearing opened at 6:05 p.m. Public Works Superintendent Kirkeby briefed the council on the purpose of the Wellhead Protection Plan. Poorker asked Kirkeby about the possibility of exploring more sites for a third city well and asked when that would be? Kirkeby responded that it would depend on the population growth or water usage increase. No one came forward. Mayor Dillan called for a motion to close public hearing. Motion by Muller, seconded by Johnson. Public Hearing closed at 6:08 p.m.

Mayor Dillan called for a motion to approve submittal to Minnesota Department of Health for their review and approval. Motion by Lasen, seconded by Poorker. No further discussion. All in favor of submittal to MN Dept of Health for review and approval. Motion passes.

Requests and Communications

a. Request from Pastor Trent Bergeron to Extend Curfew Hours for New Years Eve Event in Gorecki Center- Mayor Dillan called for a motion to approve. Motion by Johnson, seconded by Muller. No further discussion. All in favor of extending curfew hours for New Year's Eve event in Gorecki Center.. Motion passes.

Ordinances and Resolutions

a. *Ordinance #549: Fee Increases-Second Reading:* Mayor Dillan called for a motion to approve. Motion by Johnson, seconded by Larsen. No further discussion. All in favor of Ordinance #549: Fee Increases-Second Reading. Motion passes.

b. *Ordinance #550: Amending Title V Chapter 51.24 Subdivision C Water Pipes Installation-Second Reading:* Mayor Dillan called for a motion to approve. Motion by Johnson, seconded by Muller. No further discussion. All in favor of Ordinance #550: Amending Title V Chapter 51.24 Subdivision C Water Pipes Installation-Second Reading. Motion passes.

c. *Ordinance #551: Amending Title IX Chapter 95 Section 95.11 Dangerous Dogs- Second Reading:* Mayor Dillan called for a motion to approve. Motion by Larsen, seconded by Poorker. No further discussion. All in favor of Ordinance #551: Amending Title IX Chapter 95 Section 95.11 Dangerous Dogs- Second Reading. Motion passes.

d. *Ordinance #552 Amending Title v Chapter 50.07 Garbage Licensed Collector; Duties and Obligations First Reading.* Mayor Dillan called for a motion to waive a second reading. Motion by Johnson, seconded by Muller. All in favor. Motion passes. Mayor Dillan called for a motion to approve. Motion by Johnson, seconded by Larsen. No further discussion. All in favor of Ordinance #552 Amending Title V Chapter 50.07 Garbage Licensed Collector; Duties and Obligations. Motion passes.

e. *Ordinance #553 Amending Title IX Chapter 90.02 Hours and Access-First Reading:* Mayor Dillan called for a motion to approve. Motion by Johnson, seconded by Poorker. Mayor Dillan stated there was just the one change – After the third day camper must vacate the campground for a minimum of five days before returning. No further discussion. All in favor of Ordinance #553 Amending Title IX Chapter 90.02 Hours and Access-First Reading. Motion passes.

f. *Resolution #25-46 Summarizing Ordinance #549 for Publication Purposes-* Mayor Dillan called for a motion to approve. Motion by Johnson, seconded by Muller. No further discussion. All in favor of Resolution #25-46 Summarizing Ordinance #549 for Publication Purposes. Motion passes.

g. *Resolution #25-47 Summarizing Ordinance #551 for Publication Purposes-* Mayor Dillan called for a motion to approve. Motion by Muller, seconded by Poorker. No further discussion. All in favor of Resolution #25-47 Summarizing Ordinance #551 for Publication Purposes. Motion passes.

h. *Resolution #25-48 Approving State Airport Fund Grant Agreement with the MN DOT Contract #1061954-* Mayor Dillan called for a motion to approve. Motion by Poorker, seconded by Larsen. No further discussion. All in favor of Resolution #25-48 Approving State Airport Fund Grant Agreement with the MN DOT Contract #1061954. Motion passes.

i. *Resolution #25-43 Approving Final 2026 Budget and Tax Levy:* Mayor Dillan called for a motion to approve. Motion by Johnson, seconded by Muller. Poorker stated he felt they did a good job on the budget going from an initial levy of 6.59 down to 5% down to 4.97%. No further discussion. All in favor of Resolution #25-43 Approving Final 2026 Budget and Tax Levy. Motion passes.

Reports of Departments, Boards and Commissions

City Manager – Starting audit.

Police – Incident report handout. Chief Rasmussen commented

Parks –

Public Works – Final Contractors Payment Request for Northern Lines Contracting in the amount of \$92,726.81: Mayor Dillan called for a motion to approve. Motion by Johnson, seconded by Muller. City Manager Pfaff stated this is the final payment for the airport road. No further discussion. All in favor of Final Contractors Payment Request for Northern Lines Contracting in the amount of \$92,726.81. Motion passes.

Public Works - Request for Authorization to Proceed with Plans and Specifications for Rum River Special Education Coop Utilities Project - Mayor Dillan called for a motion to approve. Motion by Poorker, seconded by Johnson. City Manager Pfaff stated they still need to finalize the easement with Terry Bemis. No further discussion. All in favor of Request for Authorization to Proceed with Plans and Specifications for Rum River Special Education Coop Utilities Project. Motion passes.

Liquor Store –

Fire Department – Fire Chief Gerads stated they had a fire call last night with fireworks shooting off.

Planning & Zoning -Resolution #25-49 Denying Milaca Park Variance - Mayor Dillan called for a motion to approve. Motion by Larsen, seconded by Muller. Roxanne Gerads stated that she was in favor of the denial. Johnson asked her when the building was built seven years ago or so, how come they didn't

oppose the building back then? Roxanne Gerads stated that at that time they did not have a survey done and now the survey shows the discrepancy. Gerads further explained when the building permit was taken out, that the building was not built according to the permit. The permit indicates dimension of 50x80, he built it 50x96 and bumped it out 4 feet onto their property. Johnson questioned again why they didn't oppose at the time it was being built. Ms. Gerads again stated they did not know exactly where the property line was. She continued to say they knew it had to be close because years ago when Paul built a building, it was on Russ' property and Paul had to buy 20 feet from Russ. No further discussion. All in favor of Resolution #25-49 Denying Milaca Park Variance. Motion passes.

Planning and Zoning - Resolution #25-50 Denying Milaca Park Minor Lot Split - Mayor Dillan called for a motion to approve. Motion by Muller, seconded by Poorker. No further discussion. All in favor of Resolution #25-50 Denying Milaca Park Minor Lot Split. Motion passes.

Airport-

Committees

Budget:

EDC:

Unfinished Business

New Business

a. Tri-Cap Contract- Mayor Dillan called for a motion to approve. Motion by Muller, seconded by Johnson. No further discussion. All in favor of Tri-Cap contract. Motion passes.

b. Mid-MN Inspections Contract -Mayor Dillan called for a motion to approve. Motion by Johnson, seconded by Larsen. No further discussion. All in favor of Mid-MN Inspections contract. Motion passes.

c. City Manager Contract- Mayor Dillan called for a motion to approve. Motion by Muller, seconded by Johnson. No further discussion. All in favor of City Manager Contract. Motion passes.

d. Discussion – Cannabis-Mellow Fellow – Mayor Dillan stated Joe Opager, owner of Mellow Fellow, has received an opportunity to get a cannabis license and it is important to have a good, solid, person operating the business. City Attorney Damien stated the statutes keep changing. One of the changes is setbacks and the interaction with our Ordinance. The state did not make a specific definition of setbacks. As the particular statute reads now in regard to setbacks and parks, it talks about attractions within a park where minor children are present, including playgrounds and ballfields. As a city, we can be more restrictive than that and currently our Ordinance in regard to setbacks is more restrictive as we measure to the property lines of the parks. There is some conflict between a business owner and my interpretation based on the laws. I think it is important that the city try and be as clear in what we mean in our Ordinance and try to define our Ordinances. In an effort to solve not just this problem that exists with this one particular business as it could be the same issue down the road. We don't want to spot zone, we don't want to run into an issue addressing setbacks because we want to benefit one business. So, the city needs to do is to define the word "attraction" for the city and for its individual parks so it is defined as in this particular park what attractions are, such as, park, this bathroom, this playground, this ballfield, this splash pad, whatever, these attractions are within all four parks. So, the thought is, if the council can't

take action, the first thing to happen would be to amend the zoning ordinance by holding a public hearing before the Planning Commission, which could be January 12. This would give the city time to publish the public hearing, I would amend the Ordinance, then it would go before the Planning Commission and then go to city council for first reading at your January meeting and then a second reading for your February meeting.

Johnson asked what the distance is now and City Attorney Damien replied 500 feet is the setback and the way the Ordinance reads is from the property line of the park to the nearest access point of the business and this particular business is I think about 470 something. But again, this should not be fixed for one business but rather for the city.

Johnson stated that he agrees with Mayor Dillan in that the city has a relationship with this particular business and business owner and that could be helpful to have a good working relationship and a responsible owner. Larsen asked City Attorney Damien if he could draft something up for the city to review, to which he agreed he would do. Damien further stated the first thing to do would be for Tammy to publish the public hearing, he would draft up an amendment to the Ordinance defining setbacks or adding attractions to the Ordinance. City Manager Pfaff stated that for the future, each park would have their own definition of attractions like swing set, playground, bandshell, Gorecki Center, etc. City Attorney Damien stated by the meeting date of the Planning Commission, there will be definitions of each park's attractions with language that if something is built in the future, that it would be designed to include that. Muller asked if we were to amend the setbacks and City Attorney stated no, we are not amending the setback numbers at all. We are not changing the portion of the setback nor are we changing the language that says for the purpose of setbacks we measure to the property lines. But, we are adding clarifying language in that section to make sure we are consistent with state statute.

Larsen questioned that in this particular business the distance is 470 feet away but if you add attraction in there, and a swing set is 600 feet away, you can never move that swing set? City Attorney stated we move nothing in the parks. Larsen asked what if we had to? City Attorney Damien stated then we do it. He further stated nothing in the way that we do this, in any shape, form or fashion, restricts the city's ability to do whatever we want to do, within the scope of the law, within any of the parks. So, if you want to build something, if you want to move something, we can. If the new distance creates a violation of setbacks because of what we've done, it makes that business a lawful, non-conforming use, which would put some restrictions on their building or expansion. Larsen stated so they are grand-fathered in and Mayor Dillan stated that was an easier way to look at it.

Mayor Dillan asked if the consensus was to move forward and council stated yes.

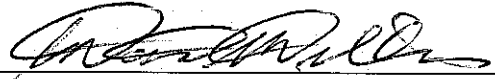
Miscellaneous

Council Comments

Poorker was wondering if Chief Rasmussen if he offers rental registration classes often.

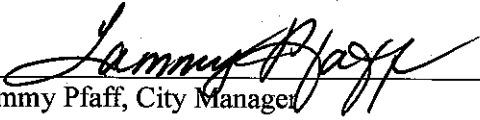
Adjourn:

Mayor Dillan called for a motion to adjourn. Motion made by Muller, seconded by Larsen to adjourn. No further discussion. All in favor, motion to adjourn passes. Meeting adjourned at 6:47 p.m.



Mayor Dave Dillan

Attest:



Tammy Pfaff, City Manager