

MILACA CITY COUNCIL AGENDA
SEPTEMBER 10, 2009

7:00

Call meeting to order
Roll Call

Consent Agenda

Minutes of August 20 regular meeting
Bills for payment
Resolution No. 09 - 45 Assessing unpaid water and sewer bills
Resolution No. 09 - 46 Assessing unpaid fire service charge
Temporary raffle license for Zion Lutheran
City Treasurer's report

Citizens Forum

Public Hearing

Tax Increment District 4-10

Requests and Communications

Letter from Saddle Club

Ordinances and Resolutions

Resolution No. 09 - 47 Removing Parcels from TIF District 4-7
Resolution No. 09 - 48 Approving TIF District 4-10
Resolution No. 09 - 49 Approving inter fund loan
Resolution No. 09 - 50 Adopting preliminary budget and levy

Reports of Boards and Commissions

Planning commission
Economic Development commission
Airport commission
Parks commission
Downtown Initiative

Unfinished Business

New Business

Council Comments

Adjourn

**This agenda and attachments are available on the city's website,
www.cityofmilaca.org**

MILACA CITY COUNCIL MINUTES
AUGUST 20, 2009

The regular meeting of the Milaca City Council was called to order at 6:30 p.m. by Mayor Harold Pedersen. Upon roll call the following Council members were present: Totzke, Muller, Dillan, and Bekius.

Staff present: Lerud, Gann, Schieffer, and Toven.

Others present: Chris Carlson, Bob Rowland, Dennis Johnson, Gerald Herges, Ed Palmquist, Luther Dorr, and Dean Peterson.

Motion by Dillan, second by Bekius to approve the consent agenda:

1. Minutes of the July 16 regular meeting and the August 10 special meeting.
2. General bills, 809138E-809144E, #36136-36139, #36199-36208, #36218-36265, totaling \$126,593.67; Liquor bills, 909027E-909030E, #21048-21062, #21075, #21091-21108, totaling \$134,858.82.
3. RESOLUTION NO. 09 – 39 RESOLUTION ASSESSING MOWING COSTS (Entire text appears in Resolution book.)
4. RESOLUTION NO. 09 – 40 RESOLUTION ASSESSING UNPAID WATER/SEWER BILL (entire text appears in Resolution book.)
5. RESOLUTION NO. 09 – 41 RESOLUTION ASSESSING UNPAID FIRE DEPARTMENT CHARGES FOR SERVICE (Entire text appears in Resolution book.)
6. Change September meeting date to September 10 at 7:00 p.m.
7. Assignment of Tapestry Square developer's agreements

Mayor Pedersen asked the city attorney about the assignment document. Attorney Schieffer said that the partnership is refinancing the project and the lender is requiring that the assignment.

Upon voting all voted in favor.

Mayor Pedersen opened citizen's forum and invited anyone to speak to an item not on the agenda. He said that there were representatives from Milaca and Borgholm present to discuss 110th Avenue as it goes to the airport. Gerald Herges said he is a Milaca Town Board member, and their Town board has been discussing what to do with maintenance on 110th Avenue. He said the county counted cars one day a few weeks ago and there were 242 cars going north on 110th Avenue at 10th Street NE, and two miles north there were 43. He said that indicated there was quite a bit of use of the airport.

Council member Muller said that there is only one city resident who owns a hanger – the rest are residents of the townships or out of the area. Muller said the new skydiving business has increased traffic on the road.

Herges said there are a couple of options, with one option having the city annex the property on the west side of the road up to the airport entrance, 155th Street. Chris Carlson, said as a Borgholm Town board member he would not oppose annexation of the property in Borgholm Township. Herges said a second option would be to pave 110th Avenue from 10th Street NE to 155th Street. He said a 24 foot wide road with two lifts would cost \$70,000 up to the airport road. Herges said cost sharing has not been discussed with Borgholm Township, but he said Milaca Township would only be interested in participating if all three parties would be involved.

Mayor Pedersen said that because the road is not in city limits, the city is not going to participate in road work. He said if the townships wanted to follow through on their annexation idea, they should visit with the property owners affected by annexation. If they agreed to be annexed, and the properties were annexed, the city would then be responsible to maintain the road. The board members said they would contact the property owners and come back to a future council meeting to discuss.

Carlson asked if the city would support the township's efforts to get federal funding for the road. He said they are trying to have the road designated as a "road of rural significance." Carlson said there were no funds currently available, but there may be in the future. Mayor Pedersen said the city would support their efforts to obtain funding.

Mayor Pedersen thanked the board members for coming.

No one else came forward. Mayor Pedersen closed citizen's forum.

Motion by Totzke, second by Dillan to take Resolution No. 09 – 38 off the table, unanimous consent.

Council member Dillan offered Resolution No. 09 – 38 and moved for its adoption, second by Bekius

RESOLUTION NO. 09 – 38
A RESOLUTION DENYING A VARIANCE TO EXCEED THE FOUR FOOT
MAXIMUM HEIGHT FOR A FENCE IN THE FRONT YARD
(Entire text appears in Resolution book)

Unanimous consent.

Council member Bekius offered Resolution No. 09 – 42 and moved for its adoption, second by Dillan

RESOLUTION NO. 09 – 42
A RESOLUTION APPROVING A CONDITIONAL USE PERMIT FOR THE CITY OF
MILACA TO INSTALL ABOVE-GROUND FUEL TANKS AT THE MILACA
AIRPORT
(Entire text appears in Resolution book)

Unanimous consent.

Council member Bekius offered Resolution No. 09 – 43 and moved for its adoption,
second by Totzke,

RESOLUTION NO. 09 – 43
AUTHORIZATION TO EXECUTE MINNESOTA DEPARTMENT OF
TRANSPORTATION GRANT AGREEMENT FOR AIRPORT IMPROVEMENT
EXCLUDING LAND ACQUISITION
(Entire text appears in Resolution book)

Unanimous consent.

RESOLUTION NO. 09 – 44
RESOLUTION PROVIDING FOR THE ISSUANCE, SALE AND DELIVERY OF A
\$30,100 GENERAL OBLIGATION EQUIPMENT CERTIFICATE, SERIES 2009A;
ESTABLISHING THE TERMS AND FORM THEREOF; CREATING A DEBT
SERVICE FUND THEREFOR; AND AWARDING THE SALE THEREOF
(Entire text appears in Resolution book)

Unanimous consent.

Council member Bekius said the planning commission considered the conditional use
permit for the airport fuel system, and they approved the proposed tax increment plan.

The economic development commission meeting minutes were presented.

Muller said the fly in was successful this year, even though the weather did not cooperate
on Saturday.

Mayor Pedersen said that he and Bekius attended the parks commission meeting, and
they looked at Bekius' idea on bringing in private enterprise to operate facilities on city
owned land. He said the Parks commission will meet on September 8 and discuss what
amenities they want to provide and how that idea can be presented to potential investors.

Mayor Pedersen asked if the city has received a bid on the band shell. Lerud said he has
not, but would contact the contractor.

Council member Dillan said the large Healthy Community Partnership meeting will be held on October 5. He said the purpose of the meeting is to look back at the accomplishments, goal set for the future, and look at bringing new members on board. Dillan said a couple of ideas for future goals are establishing a community fund, and perhaps using HCP funds to assist with Council member Bekius' parks plan.

Lerud said there is no longer truth-in-taxation meeting requirements. In lieu of that, the city is now required to give notice of the meetings the budget will be discussed, and when the public can have input. Lerud said the preliminary budget will be approved at the September 10 meeting. He said the council will also meet on October 15, November 19, and adopt the final budget at the December 17 meeting. The public is invited to speak at the September, October, and November meetings under citizen's forum, and there will be a designated time for public comment during the December meeting before the final budget is adopted. Lerud said residents are invited to call or stop in at any time with budget questions.

Mayor Pedersen called for Council comments. Council member Totzke asked where funds would come from to pave 110th Avenue if the adjoining properties were annexed. Lerud said paving is separate from annexing. He said that the road would more than likely be maintained as gravel – but better maintained.

Council member Dillan said the Milaca Mega meet is September 26.

With no other business a motion to adjourn was made by Dillan, second by Bekius, all voted in favor and the meeting adjourned at 7:05 p.m.

Mayor Harold Pedersen

ATTEST

Greg Lerud, City Manager

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AUGUST 2009

Check Amt Invoice Comment

10100 General Bank

Paid Chk#	809172E	8/20/2009	CENTERPOINT ENERGY MINNEGASCO		
E 208-49010-381	Utilities	\$18.94	5813915	NATURAL GAS-SR CENTER	
E 101-45600-381	Utilities	\$20.11	5817670	NATURAL GAS-HISTORICAL SOCIETY	
E 101-43000-381	Utilities	\$48.59	5826633	NATURAL GAS-PW	
E 101-41940-381	Utilities	\$20.69	5831068	NATURAL GAS-CITY HALL	
E 101-42280-381	Utilities	\$13.16	6122593	NATURAL GAS-FIRE	
E 602-49400-381	Utilities	\$56.13	6672186	NATURAL GAS-WATER TRMT	
E 101-45500-381	Utilities	\$44.05	7142283	NATURAL GAS-LIBRARY	
Total CENTERPOINT ENERGY MINNEGASCO		\$221.67			

Paid Chk#	809173E	8/7/2009	EAST CENTRAL ENERGY		
E 603-49450-381	Utilities	\$35.00	201875902	ELECTRIC	
E 603-49450-381	Utilities	\$69.00	203981301	ELECTRIC	
E 101-43000-380	Street Lights	\$2,707.54	204619700	ELECTRIC	
E 101-45200-381	Utilities	\$45.76	205400900	ELECTRIC	
E 602-49400-381	Utilities	\$1,477.12	206041500	ELECTRIC	
E 101-45500-381	Utilities	\$1,147.51	206085200	ELECTRIC	
E 602-49400-381	Utilities	\$697.31	206734200	ELECTRIC	
E 101-45200-381	Utilities	\$31.52	5379600	ELECTRIC	
E 101-49810-381	Utilities	\$198.89	5448100	ELECTRIC	
E 101-42110-437	Other Miscellaneous	\$59.28	6302100	ELECTRIC	
E 603-49450-381	Utilities	\$84.00	6678100	ELECTRIC	
E 101-42280-381	Utilities	\$194.94	6751501	ELECTRIC	
E 101-42280-381	Utilities	\$395.07	7546001	ELECTRIC	
E 101-41940-381	Utilities	\$815.05	8145502	ELECTRIC	
E 101-49810-381	Utilities	\$63.31	830700	ELECTRIC	
E 101-49810-381	Utilities	\$62.16	831000	ELECTRIC	
E 101-43000-380	Street Lights	\$275.18	831300	ELECTRIC	
E 101-43000-381	Utilities	\$587.68	831500	ELECTRIC	
E 603-49450-381	Utilities	\$587.99	832000	ELECTRIC	
E 602-49400-381	Utilities	\$97.95	832100	ELECTRIC	
E 101-45600-381	Utilities	\$116.89	832400	ELECTRIC	
E 603-49450-381	Utilities	\$81.35	832500	ELECTRIC	
E 603-49450-381	Utilities	\$107.33	832600	ELECTRIC	
E 602-49400-381	Utilities	\$100.36	833100	ELECTRIC	
E 602-49400-381	Utilities	\$59.38	833300	ELECTRIC	
E 101-45200-381	Utilities	\$27.98	833400	ELECTRIC	
E 101-45200-381	Utilities	\$234.06	833600	ELECTRIC	
E 208-49010-381	Utilities	\$195.80	9084202	ELECTRIC	
E 602-49400-381	Utilities	\$128.17	970110800	ELECTRIC	
E 101-42110-437	Other Miscellaneous	\$29.60	97017300	ELECTRIC	
Total EAST CENTRAL ENERGY		\$10,713.18			

Paid Chk#	809174E	8/15/2009	MILACA LOCAL LINK		
E 619-49900-321	Telephone	\$97.25	320-982-1099	PHONE SERVICE-DEP REG	
E 101-45500-321	Telephone	\$39.06	320-982-1549	ALARM LINE - LIBRARY	
E 101-42280-321	Telephone	\$87.58	320-982-3465	PHONE SERVICE-FIRE	
Total MILACA LOCAL LINK		\$223.89			

Paid Chk#	809175E	8/7/2009	UNION SECURITY INSURANCE CO.		
G 101-21707	Disability	\$278.84	4022335-0-1	LTD - AUGUST	
Total UNION SECURITY INSURANCE CO.		\$278.84			

Paid Chk#	809176E	8/31/2009	UNITED CARRIER NETWORKS		
E 101-42280-321	Telephone	\$8.76	4020342	LONG DISTANCE SERVICE-FIRE	
E 101-41940-321	Telephone	\$37.53	4020370	LONG DISTANCE SERVICE-CITY HALL	
E 101-43000-321	Telephone	\$11.48	4020375	LONG DISTANCE SERVICE-PW	

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AUGUST 2009

	Check Amt	Invoice	Comment
E 101-42110-321 Telephone	\$67.94	4021370	LONG DISTANCE SERVICE-PD
E 619-49900-321 Telephone	\$3.80	4021396	LONG DISTANCE SERVICE-DEP REG
E 101-41940-321 Telephone	\$14.06	4021397	LONG DISTANCE SERVICE-LIQUOR
E 602-49400-321 Telephone	\$0.56	4021432	LONG DISTANCE SERVICE-WATER
E 101-45200-321 Telephone	\$7.80	4580547	LONG DISTANCE SERVICE-PARKS
Total UNITED CARRIER NETWORKS	\$151.93		
10100 General Bank	\$11,589.51		

Fund Summary

	10100 General Bank
101 GENERAL FUND	\$7,692.07
208 CHARITABLE GAMBLING FUND	\$214.74
602 WATER FUND	\$2,616.98
603 SEWER FUND	\$964.67
619 DEPUTY REGISTRAR FUND	\$101.05
	\$11,589.51

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SEPTEMBER 2009

Check Amt Invoice Comment

10100 General Bank

Paid Chk#		Date	Vendor		Check Amt	Invoice	Comment
036274		9/8/2009	MILACA BLDG CENTER				
E 603-49450-217	Other Operating Supplies		\$13.45	3141			SUPPLIES-SEWER
E 101-41940-217	Other Operating Supplies		\$15.38	3141			SUPPLIES-CITY
E 602-49400-217	Other Operating Supplies		\$672.52	3141			SHOP SIGN SUPPLIES-WATER
E 101-43000-215	Shop Supplies		\$29.39	3141			SHOP SUPPLIES-PW
E 101-45200-401	Repairs/Maint Buildings		\$29.80	3141			PICNIC TABLE REPAIRS
E 101-45200-215	Shop Supplies		\$33.29	3141			SHOP SUPPLIES-PARKS
E 101-45200-437	Other Miscellaneous		\$598.99	3141			RIVERVIEW SIGN-PARKS
E 101-45200-437	Other Miscellaneous		\$150.33	3141			STONE FOR WALKWAY
E 101-43000-217	Other Operating Supplies		\$118.32	3141			SUPPLIES-PW
E 101-42110-437	Other Miscellaneous		\$34.54	3141			SUPPLIES-POLICE
E 101-49810-217	Other Operating Supplies		\$59.08	3141			SUPPLIES-AIRPORT
Total MILACA BLDG CENTER			\$1,755.09				
036275		9/10/2009	AMERIPRIDE				
E 101-45500-310	Other Professional Services		\$24.70	S660258			RUGS-LIBRARY
E 619-49900-310	Other Professional Services		\$15.58	S660259			RUGS-DEP REG
E 101-41940-310	Other Professional Services		\$6.75	S660259			RUGS-CITY
Total AMERIPRIDE			\$47.03				
036276		9/10/2009	BARNUM GATE SERVICES, INC				
E 602-49400-240	Small Tools and Minor Equip		\$277.07	10967			KEYPAD
Total BARNUM GATE SERVICES, INC			\$277.07				
036277		9/10/2009	BEAUDRY OIL				
E 101-49810-270	Fuel for Resale		\$194.88	746996			AIRPORT FUEL - 59 GAL
Total BEAUDRY OIL			\$194.88				
036278		9/10/2009	BILLINGS SERVICE				
E 101-45200-212	Auto Expense (Fuel/Repair)		\$156.81				GAS-PARKS
E 101-42280-212	Auto Expense (Fuel/Repair)		\$40.89				GAS-FIRE
E 101-43000-212	Auto Expense (Fuel/Repair)		\$108.56				GAS-PW
E 101-49810-212	Auto Expense (Fuel/Repair)		\$135.37				GAS-AIRPORT
E 101-45200-212	Auto Expense (Fuel/Repair)		\$22.81				TIRE REPAIR-PARKS
Total BILLINGS SERVICE			\$464.44				
036279		9/10/2009	C. BANKS TREE SERVICE				
E 101-49810-310	Other Professional Services		\$375.00				TREE REMOVAL
Total C. BANKS TREE SERVICE			\$375.00				
036280		9/10/2009	CORNER MART				
E 700-50000-212	Auto Expense (Fuel/Repair)		\$94.00				GAS-JP
E 101-49810-212	Auto Expense (Fuel/Repair)		\$49.04				GAS-AIRPORT
E 101-43000-212	Auto Expense (Fuel/Repair)		\$357.43				GAS-PW
E 101-42110-212	Auto Expense (Fuel/Repair)		\$612.55				GAS-POLICE
E 602-49400-212	Auto Expense (Fuel/Repair)		\$116.60				GAS-WATER
E 603-49450-212	Auto Expense (Fuel/Repair)		\$39.01				GAS-SEWER
E 101-45200-212	Auto Expense (Fuel/Repair)		\$266.65				GAS-PARKS
Total CORNER MART			\$1,535.28				
036281		9/10/2009	CORROW'S CARPET				
E 101-42280-401	Repairs/Maint Buildings		\$893.75	14943			VINYL FLOOR INSTALLATION
Total CORROW'S CARPET			\$893.75				
036282		9/10/2009	CRESCENT ELECTRIC SUPPLY CO.				
E 101-42280-240	Small Tools and Minor Equip		\$82.06	055-301465-00			ELECTRICAL PARTS

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SEPTEMBER 2009

			Check Amt	Invoice	Comment
Total CRESCENT ELECTRIC SUPPLY CO.			\$82.06		
Paid Chk# 036283	9/10/2009	D & M OIL			
E 101-43000-212	Auto Expense (Fuel/Repair)		\$42.48	338297	GAS-PW
Total D & M OIL			\$42.48		
Paid Chk# 036284	9/10/2009	DOVE FRET LAND & VAN VALKENBURG			
E 101-41610-304	Legal Fees		\$875.00	53697	CIVIL RETAINER-AUGUST
E 101-41610-304	Legal Fees		\$3,139.78	53698	CRIMINAL RETAINER-AUGUST
Total DOVE FRET LAND & VAN VALKENBURG			\$4,014.78		
Paid Chk# 036285	9/10/2009	E.C.M. PUBLISHERS, INC.			
E 211-49000-343	Other Advertising		\$15.50	197609	FARMERS MKT AD-HCP
E 211-49000-343	Other Advertising		\$15.50	197610	FARMERS MKT AD-HCP
E 211-49000-343	Other Advertising		\$15.50	198016	FARMERS MKT AD-HCP
E 211-49000-343	Other Advertising		\$15.50	198216	FARMERS MKT AD-HCP
E 211-49000-343	Other Advertising		\$15.50	198477	FARMERS MKT AD-HCP
E 211-49000-343	Other Advertising		\$15.50	198478	FARMERS MKT AD-HCP
E 404-49100-351	Legal Notices Publishing		\$127.40	88668	DISTRICT MODIFICATION AD
Total E.C.M. PUBLISHERS, INC.			\$220.40		
Paid Chk# 036286	9/10/2009	FEMA			
E 101-42280-437	Other Miscellaneous		\$1,562.77	EMW2007FO0	EXCESS FUNDS RETURNED
Total FEMA			\$1,562.77		
Paid Chk# 036287	9/10/2009	FIRE EQUIPMENT SPECIALTIES INC			
E 101-42280-434	Uniforms		\$48.05	6281	HELMET CRESCENTS
Total FIRE EQUIPMENT SPECIALTIES INC			\$48.05		
Paid Chk# 036288	9/10/2009	FIRE INSTRUCTION & RESCUE ED.			
E 101-42280-208	Training and Travel		\$540.00	07936	HAZ MAT OPS REFRESHER
Total FIRE INSTRUCTION & RESCUE ED.			\$540.00		
Paid Chk# 036289	9/10/2009	FRONTIER			
E 619-49900-217	Other Operating Supplies		\$111.79	711-0022	BATTERIES-DEP REG
E 602-49400-321	Telephone		\$1.92	983-0121	PHONE SVC-WATER
E 101-49810-321	Telephone		\$49.17	983-2648	PHONE SVC-AIRPORT
E 101-45500-321	Telephone		\$16.20	983-3141	PHONE SVC-LIBRARY
E 101-41940-321	Telephone		\$186.09	983-3141	PHONE SVC-CITY HALL
E 619-49900-321	Telephone		\$89.36	983-3143	PHONE SVC-DEP REG
E 101-41940-321	Telephone		\$47.64	983-3412	PHONE SVC-CITY HALL
E 101-42280-321	Telephone		\$47.89	983-3465	PHONE SVC-FIRE
E 101-45200-321	Telephone		\$44.28	983-5729	PHONE SVC-PARKS
E 602-49400-321	Telephone		\$143.24	983-6134	PHONE SVC-WATER
E 101-42110-321	Telephone		\$93.77	983-6166	PHONE SVC-POLICE
E 101-43000-321	Telephone		\$100.99	983-6547	PHONE SVC-PW
Total FRONTIER			\$932.34		
Paid Chk# 036290	9/10/2009	GOPHER STATE ONE CALL			
E 602-49400-310	Other Professional Services		\$59.45	9081376	AUGUST LOCATES
Total GOPHER STATE ONE CALL			\$59.45		
Paid Chk# 036291	9/10/2009	HAWKINS, INC.			
E 602-49400-216	Chemicals and Chem Products		\$2,835.24	3050470	CHEMICALS
Total HAWKINS, INC.			\$2,835.24		
Paid Chk# 036292	9/10/2009	HEARTLAND GLASS CO., INC.			
E 101-45500-310	Other Professional Services		\$227.00	51839	AUTOMATIC DOOR REPAIR

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SEPTEMBER 2009

			Check Amt	Invoice	Comment
Total HEARTLAND GLASS CO., INC.			\$227.00		
Paid Chk#	036293	9/10/2009 HJORT EXCAVATING			
E 603-49450-310	Other Professional Services		\$865.00	2009.176	STORM SEWER REPAIR
E 101-49810-310	Other Professional Services		\$600.00	2009.252	SEED DITCH-AIRPORT
Total HJORT EXCAVATING			\$1,465.00		
Paid Chk#	036294	9/10/2009 JENSEN BACKHOE, LLC			
E 603-49450-310	Other Professional Services		\$5,664.01		INSTALL MANHOLE
E 603-49450-310	Other Professional Services		\$5,287.56		SEWER LINE REPAIR
Total JENSEN BACKHOE, LLC			\$10,951.57		
Paid Chk#	036295	9/10/2009 JIM'S MILLE LACS DISPOSAL			
E 101-42280-384	Refuse/Garbage Disposal		\$25.00	211948	GARBAGE-FIRE
E 101-45200-384	Refuse/Garbage Disposal		\$87.49	211948	GARBAGE-PARKS
E 101-43000-384	Refuse/Garbage Disposal		\$155.55	211948	GARBAGE-CITY
E 101-43000-312	Compost		\$300.00	211948	COMPOST
Total JIM'S MILLE LACS DISPOSAL			\$568.04		
Paid Chk#	036296	9/10/2009 JOHNSON JET-LINE INC			
E 603-49450-310	Other Professional Services		\$15,036.36	173	SEWER CLEANING/TELEVISIN
Total JOHNSON JET-LINE INC			\$15,036.36		
Paid Chk#	036297	9/10/2009 JOHNSON OIL CO.			
E 101-42110-212	Auto Expense (Fuel/Repair)		\$447.57	489	03 SQUAD REPAIRS
Total JOHNSON OIL CO.			\$447.57		
Paid Chk#	036298	9/10/2009 K.E.E.P.R.S.			
E 101-42110-434	Uniforms		\$12.78	124382	BELT KEEPER-SHAW
E 101-42110-434	Uniforms		\$32.05	124612	STINGER BATTERY-SHAW
Total K.E.E.P.R.S.			\$44.83		
Paid Chk#	036299	9/10/2009 KNIFE RIVER CORP. - NORTH CENT			
E 101-43000-403	Repairs/Maint Streets		\$26.03	147400	CLASS 5 AGGREGATE
E 101-43000-403	Repairs/Maint Streets		\$365.55	148142	CLASS 5 AGGREGATE
Total KNIFE RIVER CORP. - NORTH CENT			\$391.58		
Paid Chk#	036300	9/10/2009 KOCH'S HARDWARE HANK			
E 101-45200-240	Small Tools and Minor Equip		\$137.87		STEPLADDER-PARKS
E 101-42110-437	Other Miscellaneous		\$5.12		BATTERIES-POLICE
E 101-45500-217	Other Operating Supplies		\$10.71		SUPPLIES-LIBRARY
E 101-43000-215	Shop Supplies		\$21.55		SUPPLIES-PW
E 101-41940-217	Other Operating Supplies		\$24.78		SUPPLIES-CITY
E 101-49810-217	Other Operating Supplies		\$109.78		SUPPLIES-AIRPORT
E 101-42280-217	Other Operating Supplies		\$147.64		SUPPLIES-FIRE
E 101-45200-437	Other Miscellaneous		\$414.32		SUPPLIES-PARKS
E 208-49020-406	Trail Maintenance		\$31.47		SUPPLIES-TRAILS
E 602-49400-217	Other Operating Supplies		\$26.64		SUPPLIES-AIRPORT
E 101-45600-437	Other Miscellaneous		\$59.56		FLORESCENT BULBS - HIST SOC
Total KOCH'S HARDWARE HANK			\$989.44		
Paid Chk#	036301	9/10/2009 LEAGUE OF MINNESOTA CITIES			
E 101-41110-433	Dues and Subscriptions		\$2,538.00	133581	ANNUAL DUES
Total LEAGUE OF MINNESOTA CITIES			\$2,538.00		
Paid Chk#	036302	9/10/2009 LEAGUE OF MN CITIES INSUR TRST			
E 101-41940-151	Worker's Comp Insurance Prem		\$546.00	16416	WORK COMP AUDIT
Total LEAGUE OF MN CITIES INSUR TRST			\$546.00		

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Paid Chk# 036303 9/10/2009 MARC					
E 101-45200-216	Chemicals and Chem Products	\$316.23	0397145		CLEANING CHEMICALS
Total MARC		\$316.23			
Paid Chk# 036304 9/10/2009 MILACA AUTO VALUE					
E 101-43000-221	Equipment Parts/Repairs	\$9.71	1302823		HEADLIGHT-PW
E 101-43000-215	Shop Supplies	\$40.01	1302823		SHOP SUPPLIES-PW
E 101-42280-221	Equipment Parts/Repairs	\$188.50	1302823		ENGINE 1 PARTS-FIRE
E 602-49400-217	Other Operating Supplies	\$1.49	1302823		SUPPLIES-WATER
Total MILACA AUTO VALUE		\$239.71			
Paid Chk# 036305 9/10/2009 MILACA, CITY OF					
E 500-49810-530	Improv Other Than Bldgs	\$457.25	09-091		BLDG PERMIT-FUEL SYSTEM
Total MILACA, CITY OF		\$457.25			
Paid Chk# 036306 9/10/2009 MILLE LACS COUNTY TIMES					
E 101-41940-433	Dues and Subscriptions	\$26.00			SUBSCRIPTION RENEWAL-PD
Total MILLE LACS COUNTY TIMES		\$26.00			
Paid Chk# 036307 9/10/2009 MIRACLE RECREATION EQUIPMENT					
E 101-45200-437	Other Miscellaneous	\$1,592.67	689980		SWING SET-REINEKE PARK
Total MIRACLE RECREATION EQUIPMENT		\$1,592.67			
Paid Chk# 036308 9/10/2009 MN COUNTY ATTORNEY'S ASSOC.					
E 101-42110-437	Other Miscellaneous	\$3.96	6557730		CODE BOOKS
Total MN COUNTY ATTORNEY'S ASSOC.		\$3.96			
Paid Chk# 036309 9/10/2009 MN DEPT OF HEALTH					
G 602-20810	Water Test Fee Payable	\$1,590.00	1480002 MILA		3RD QTR WATER TEST
Total MN DEPT OF HEALTH		\$1,590.00			
Paid Chk# 036310 9/10/2009 MN STATE FIRE CHIEFS ASSOC.					
E 101-42280-208	Training and Travel	\$160.00			ANNUAL CONFERENCE-C BILLINGS
Total MN STATE FIRE CHIEFS ASSOC.		\$160.00			
Paid Chk# 036311 9/10/2009 MOYER, MIKE					
E 101-45200-240	Small Tools and Minor Equip	\$300.00			GENERATOR
Total MOYER, MIKE		\$300.00			
Paid Chk# 036312 9/10/2009 NORTHEAST TECHNICAL SERVICES					
E 603-49450-310	Other Professional Services	\$63.66	09-04555		TESTING
E 603-49450-310	Other Professional Services	\$998.00	09-04693		TESTING
Total NORTHEAST TECHNICAL SERVICES		\$1,061.66			
Paid Chk# 036313 9/10/2009 NORTHERN SAFETY CO.					
E 101-43000-230	Safety	\$108.53	P25062320001		SAFETY SUPPLIES-PW
Total NORTHERN SAFETY CO.		\$108.53			
Paid Chk# 036314 9/10/2009 QUILL CORPORATION					
E 101-42110-201	Accessories (paper, pens, etc)	\$147.56	8582363		SUPPLIES-POLICE
E 603-49450-201	Accessories (paper, pens, etc)	\$71.65	8698597		PRINTER TONER-SEWER
E 602-49400-201	Accessories (paper, pens, etc)	\$71.66	8698597		PRINTER TONER
E 101-41940-201	Accessories (paper, pens, etc)	\$12.80	8698597		LEGAL PAPER-CITY
E 602-49400-201	Accessories (paper, pens, etc)	\$24.49	8913797		SUPPLIES-WATER
E 101-41510-201	Accessories (paper, pens, etc)	\$2.39	8913797		PENCIL LEAD-TREASURER
Total QUILL CORPORATION		\$330.55			
Paid Chk# 036315 9/10/2009 ROHMAN LAWN CARE					
E 101-49200-450	Unallocated	\$440.00	16006		MOWING

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Total ROHMAN LAWN CARE		\$440.00		
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Paid Chk#	036316	9/10/2009	RON WILKEN CONSTRUCTION	
E	101-42280-401	Repairs/Maint Buildings	\$6,909.13	FRONT ENTRY CONST-FIRE HALL
Total RON WILKEN CONSTRUCTION		\$6,909.13		
<hr/>				
Paid Chk#	036317	9/10/2009	SANDERSON, ALYCE	
E	101-45500-217	Other Operating Supplies	\$13.94	KLEENEX-LIBRARY
E	101-43000-217	Other Operating Supplies	\$15.27	PAPER TOWELS-PW
Total SANDERSON, ALYCE		\$29.21		
<hr/>				
Paid Chk#	036318	9/10/2009	SHIPMAN, MARK	
E	101-45200-437	Other Miscellaneous	\$2,910.00	WALKWAY INSTALL
Total SHIPMAN, MARK		\$2,910.00		
<hr/>				
Paid Chk#	036319	9/10/2009	SPRINT PCS	
E	101-45200-321	Telephone	\$30.37	613620816 SEPT CELL SERVICE
E	101-43000-321	Telephone	\$30.37	613620816 SEPT CELL SERVICE
E	101-42280-321	Telephone	\$30.37	613620816 SEPT CELL SERVICE
Total SPRINT PCS		\$91.11		
<hr/>				
Paid Chk#	036320	9/10/2009	STARRY ELECTRIC, INC	
E	101-42280-401	Repairs/Maint Buildings	\$675.00	1950 ELECTRIC WORK-FRONT ENTRY-FIRE HALL
Total STARRY ELECTRIC, INC		\$675.00		
<hr/>				
Paid Chk#	036321	9/10/2009	TEALS MARKET	
E	101-41940-217	Other Operating Supplies	\$3.20	003000300958 SUPPLIES-CITY
E	101-49810-217	Other Operating Supplies	\$2.21	003000300958 SUPPLIES-AIRPORT
Total TEALS MARKET		\$5.41		
<hr/>				
Paid Chk#	036322	9/10/2009	U.S. BANK TRUST NAT'L ASSOC.	
E	302-47000-620	Fiscal Agent's Fees	\$1,150.00	2460259 2002 CITY HALL BOND
Total U.S. BANK TRUST NAT'L ASSOC.		\$1,150.00		
10100 General Bank		\$67,481.92		

Fund Summary

	10100 General Bank
101 GENERAL FUND	\$31,453.05
208 CHARITABLE GAMBLING FUND	\$31.47
211 INITIATIVE FOUNDATION	\$93.00
302 2002 CITY HALL REVENUE BOND	\$1,150.00
404 TIF# 1-10 DOWNTOWN	\$127.40
500 CAPITAL PROJECT FUND	\$457.25
602 WATER FUND	\$5,820.32
603 SEWER FUND	\$28,038.70
619 DEPUTY REGISTRAR FUND	\$216.73
700 BRAHAM-MILACA JOINT POWERS	\$94.00
	<hr/>
	\$67,481.92

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10100 General Bank

Paid Chk#	Date	Vendor	Check Amt	Invoice	Comment
10100 General Bank					
Paid Chk# 036209	8/5/2009	GLOCK, INC.			
E 101-42110-221		Equipment Parts/Repairs	\$90.84		PARTS FOR SERVICE WEAPONS
		Total GLOCK, INC.	\$90.84		
Paid Chk# 036210 8/5/2009 HUSOM ELECTRIC SERVICE					
E 101-45200-310		Other Professional Services	\$960.00	236	REPAIR DAMAGE TO BAND SHELL
E 101-42280-401		Repairs/Maint Buildings	\$585.00	243	FRONT ENTRANCE
		Total HUSOM ELECTRIC SERVICE	\$1,545.00		
Paid Chk# 036211 8/5/2009 JIM'S MILLE LACS DISPOSAL					
E 101-42280-384		Refuse/Garbage Disposal	\$25.00	211948	GARBAGE-FIRE
E 101-45200-384		Refuse/Garbage Disposal	\$119.29	211948	GARBAGE-PARKS
E 101-43000-384		Refuse/Garbage Disposal	\$176.51	211948	GARBAGE-CITY
E 101-43000-312		Compost	\$300.00	211948	COMPOST
		Total JIM'S MILLE LACS DISPOSAL	\$620.80		
Paid Chk# 036212 8/5/2009 MILACA BLDG CENTER					
E 101-41940-217		Other Operating Supplies	\$12.78		SUPPLIES-CITY
E 101-45200-401		Repairs/Maint Buildings	\$159.64		PICNIC TABLE REPAIRS
E 101-45200-401		Repairs/Maint Buildings	\$151.97		BALLFIELD REPAIRS-PARKS
E 101-45200-215		Shop Supplies	\$125.37		SUPPLIES-PARKS
E 101-45200-240		Small Tools and Minor Equip	\$114.46		BATTERY-PARKS
E 101-41940-217		Other Operating Supplies	\$112.82		WELCOME SIGN-CITY
E 101-45200-401		Repairs/Maint Buildings	\$798.56		HOCKEY RINK REPAIRS-PARKS
E 101-43000-217		Other Operating Supplies	\$13.87		SUPPLIES-PW
E 101-45200-401		Repairs/Maint Buildings	\$841.30		BATHROOM ROOF REPAIRS-REC PARK
E 101-49810-217		Other Operating Supplies	\$10.85		SUPPLIES-AIRPORT
E 101-49810-217		Other Operating Supplies	\$101.34		PAINT SUPPLIES-AIRPORT
E 101-45200-401		Repairs/Maint Buildings	\$590.62		TRIMBLE PARK-TIMBERS-PARKS
		Total MILACA BLDG CENTER	\$3,033.58		
Paid Chk# 036213 8/5/2009 MN PUBLIC FACILITIES AUTHORITY					
E 602-49400-601		Debt Srv Bond Principal	\$144,000.00	050055RFY07	WATER TMT FACILITY LOAN
E 602-49400-611		Bond Interest	\$15,231.45	050055RFY07	WATER TMT FACILITY LOAN
		Total MN PUBLIC FACILITIES AUTHORITY	\$159,231.45		
Paid Chk# 036214 8/5/2009 WEARGUARD					
E 101-45200-434		Uniforms	\$243.48	12593636	PARKS UNIFORMS
		Total WEARGUARD	\$243.48		
Paid Chk# 036215 8/5/2009 ARAMARK					
E 101-45200-434		Uniforms	\$243.48	12593636	PARKS UNIFORMS
		Total ARAMARK	\$243.48		
Paid Chk# 036216 8/12/2009 DEPUTY REGISTRAR #093					
E 101-42110-437		Other Miscellaneous	\$86.00		TITLE TRANSFER FEES-POLICE
		Total DEPUTY REGISTRAR #093	\$86.00		
Paid Chk# 036217 8/14/2009 GLOCK, INC.					
E 101-42110-221		Equipment Parts/Repairs	\$33.14		PARTS FOR SERVICE WEAPONS
		Total GLOCK, INC.	\$33.14		
Paid Chk# 036266 8/26/2009 BEAUDRY OIL					
E 500-49810-530		Improv Other Than Bldgs	\$6,038.44	746644	FUEL SYSTEM-FUEL TANK
E 500-49810-530		Improv Other Than Bldgs	\$3,526.88	746645	FUEL SYSTEM-CONCRETE PIKE
		Total BEAUDRY OIL	\$9,565.32		

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Paid Chk# 036267 8/26/2009 BLUE CROSS BLUE SHIELD OF MINN			
G 101-21706 Medical Insur.	\$10,637.00	7S034-M0 4	MEDICAL INSUR-SEPT
Total BLUE CROSS BLUE SHIELD OF MINN	\$10,637.00		
Paid Chk# 036268 8/26/2009 KLM ENGINEERING, INC.			
E 602-49400-310 Other Professional Services	\$100.00	3773	WATER TOWER BANNER REMOVAL
Total KLM ENGINEERING, INC.	\$100.00		
Paid Chk# 036269 8/26/2009 L.E.L.S.			
G 101-21710 Union Dues	\$168.00	LOCAL #238	POLICE UNION DUES-SEPT
Total L.E.L.S.	\$168.00		
Paid Chk# 036270 8/26/2009 M.D.R.A.			
E 619-49900-208 Training and Travel	\$20.00		P HARTMAN-2009 ANNUAL MTG
Total M.D.R.A.	\$20.00		
Paid Chk# 036271 8/26/2009 MN BENEFITS			
G 101-21712 Dental	\$448.88		LIFE/DENTAL-SEPT
G 101-21709 Life Insur.	\$179.19		LIFE/DENTAL-SEPT
Total MN BENEFITS	\$628.07		
Paid Chk# 036272 8/26/2009 USABLE LIFE			
G 101-21707 Disability	\$203.80	101408001G	DISABILITY/LIFE-SEPT
Total USABLE LIFE	\$203.80		
Paid Chk# 036273 8/28/2009 U.S. POSTMASTER			
E 602-49400-322 Postage	\$104.04		AUG BILLINGS
E 603-49450-322 Postage	\$104.04		AUG BILLINGS
Total U.S. POSTMASTER	\$208.08		
10100 General Bank	\$186,658.04		

Fund Summary

	10100 General Bank
101 GENERAL FUND	\$17,533.19
500 CAPITAL PROJECT FUND	\$9,565.32
602 WATER FUND	\$159,435.49
603 SEWER FUND	\$104.04
619 DEPUTY REGISTRAR FUND	\$20.00
	\$186,658.04

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10900 Liquor Bank

Paid Chk#	Date	Vendor	Check Amt	Invoice	Comment
AMERIPRIDE					
E 609-49750-217	9/10/2009	Other Operating Supplies	\$46.98	1033813	LATEX GLOVES
E 609-49750-434	9/10/2009	Uniforms	\$416.48	1034164	UNIFORMS
E 609-49750-217	9/10/2009	Other Operating Supplies	\$56.56	S655099	TOILET PAPER
E 609-49750-310	9/10/2009	Other Professional Services	\$29.90	S655099	RUGS
E 609-49750-310	9/10/2009	Other Professional Services	\$65.26	S657642	RUGS
E 609-49750-310	9/10/2009	Other Professional Services	\$29.90	S660264	RUGS
E 609-49750-310	9/10/2009	Other Professional Services	\$65.26	S662874	RUGS
Total AMERIPRIDE			\$710.34		
BELLBOY CORP.					
E 609-49750-259	9/10/2009	Other For Resale	\$38.40	5848100	MISC
E 609-49750-259	9/10/2009	Other For Resale	\$226.30	82609100	MISC
Total BELLBOY CORP.			\$264.70		
CRYSTAL SPRINGS ICE					
E 609-49750-259	9/10/2009	Other For Resale	\$225.60	300005077	ICE
E 609-49750-259	9/10/2009	Other For Resale	\$231.20	300005171	ICE
E 609-49750-259	9/10/2009	Other For Resale	\$159.20	300005242	ICE
E 609-49750-259	9/10/2009	Other For Resale	\$175.70	300005311	ICE
E 609-49750-259	9/10/2009	Other For Resale	(\$34.00)	50355c	ICE
Total CRYSTAL SPRINGS ICE			\$757.70		
DANIMAL DISTRIBUTING INC					
E 609-49750-254	9/10/2009	Mix/Non Alcoholic	\$96.00	120319	NA
E 609-49750-254	9/10/2009	Mix/Non Alcoholic	\$32.00	120430	NA
Total DANIMAL DISTRIBUTING INC			\$128.00		
DR PEPPER SNAPPLE GROUP					
E 609-49750-254	9/10/2009	Mix/Non Alcoholic	\$110.10	1382600345	NA
E 609-49750-254	9/10/2009	Mix/Non Alcoholic	\$169.80	1382600442	NA
Total DR PEPPER SNAPPLE GROUP			\$279.90		
EXTREME BEVERAGES, LLC					
E 609-49750-251	9/10/2009	Liquor For Resale	\$201.00	800306	NA
Total EXTREME BEVERAGES, LLC			\$201.00		
FRONTIER					
E 609-49750-321	9/10/2009	Telephone	\$103.52	983-6255	SEPT PHONE SVC
Total FRONTIER			\$103.52		
GRANITE CITY JOBBING					
E 609-49750-217	9/10/2009	Other Operating Supplies	\$8.05	614688	KIDDIE KANDY
E 609-49750-256	9/10/2009	Tobacco Products For Resale	\$481.32	614688	TOBACCO
E 609-49750-254	9/10/2009	Mix/Non Alcoholic	\$17.33	614688	NA
E 609-49750-333	9/10/2009	Freight and Express	\$4.25	614688	DELIVERY
E 609-49750-259	9/10/2009	Other For Resale	\$101.40	615391	MISC
E 609-49750-256	9/10/2009	Tobacco Products For Resale	\$471.98	615391	TOBACCO
E 609-49750-333	9/10/2009	Freight and Express	\$4.25	615391	DELIVERY
E 609-49750-256	9/10/2009	Tobacco Products For Resale	\$464.20	616173	TOBACCO
E 609-49750-333	9/10/2009	Freight and Express	\$4.25	616173	DELIVERY
E 609-49750-217	9/10/2009	Other Operating Supplies	\$20.05	616177	KIDDIE KANDY
E 609-49750-254	9/10/2009	Mix/Non Alcoholic	\$30.77	616177	NA
E 609-49750-256	9/10/2009	Tobacco Products For Resale	\$536.76	616177	TOBACCO
Total GRANITE CITY JOBBING			\$2,144.61		
JIM'S MILLE LACS DISPOSAL					
E 609-49750-254	9/10/2009	Mix/Non Alcoholic	\$30.77	616177	NA

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E 609-49750-384	Refuse/Garbage Disposal		\$95.94	219225	REFUSE COLLECTION
Total JIM'S MILLE LACS DISPOSAL			\$95.94		
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Paid Chk# 021132	9/10/2009	LEAGUE OF MN CITIES INSUR TRST			
E 609-49750-151	Worker's Comp Insurance Prem		\$278.00	16416	WORK COMP AUDIT
Total LEAGUE OF MN CITIES INSUR TRST			\$278.00		
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Paid Chk# 021133	9/10/2009	M. AMUNDSON LLP			
E 609-49750-217	Other Operating Supplies		\$68.90	68659	GIFT BAGS/BOWS
E 609-49750-256	Tobacco Products For Resale		\$540.10	68659	TOBACCO
E 609-49750-259	Other For Resale		\$168.62	68659	MISC
E 609-49750-256	Tobacco Products For Resale		\$396.36	68895	TOBACCO
Total M. AMUNDSON LLP			\$1,173.98		
<hr/>					
Paid Chk# 021134	9/10/2009	QUILL CORPORATION			
E 609-49750-201	Accessories (paper, pens, etc)		(\$69.22)	779966	CREDIT
E 609-49750-201	Accessories (paper, pens, etc)		\$69.22	8698597	LAMINATING SHEETS
E 609-49750-201	Accessories (paper, pens, etc)		\$20.51	8808563	LASER CARDS
E 609-49750-201	Accessories (paper, pens, etc)		\$41.02	8808853	LASER CARDS
Total QUILL CORPORATION			\$61.53		
<hr/>					
Paid Chk# 021135	9/10/2009	ST. CLOUD REFRIGERATION			
E 609-49750-310	Other Professional Services		\$501.14	204530	COOLER REPAIR
Total ST. CLOUD REFRIGERATION			\$501.14		
<hr/>					
Paid Chk# 021136	9/10/2009	VIKING BOTTLING CO.			
E 609-49750-254	Mix/Non Alcoholic		(\$27.30)	25303351	CREDIT-OVERCHARGED
E 609-49750-254	Mix/Non Alcoholic		\$246.25	25303351	NA
E 609-49750-254	Mix/Non Alcoholic		\$554.00	25303541	NA
Total VIKING BOTTLING CO.			\$772.95		
10900 Liquor Bank			\$7,473.31		
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Fund Summary					
609 MUNICIPAL LIQUOR FUND		10900 Liquor Bank	\$7,473.31		
			\$7,473.31		

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10900 Liquor Bank

Paid Chk#	8/4/2009	BELLBOY CORP.			
E 609-49750-251	Liquor For Resale	\$1,990.90	49597200	LIQUOR	
E 609-49750-253	Wine For Resale	\$1,992.00	49597200	WINE	
E 609-49750-253	Wine For Resale	(\$162.00)	49655300	CREDIT	
Total BELLBOY CORP.		\$3,820.90			

Paid Chk#	8/4/2009	BERNICKS			
E 609-49750-254	Mix/Non Alcoholic	\$78.30	17170	NA	
E 609-49750-252	Beer For Resale	\$1,532.10	17171	BEER	
E 609-49750-254	Mix/Non Alcoholic	\$21.90	20402	NA	
E 609-49750-252	Beer For Resale	\$515.00	20403	BEER	
E 609-49750-254	Mix/Non Alcoholic	\$34.50	22917	NA	
E 609-49750-252	Beer For Resale	\$234.75	22918	BEER	
E 609-49750-252	Beer For Resale	\$1,172.75	25666	BEER	
E 609-49750-254	Mix/Non Alcoholic	\$117.55	28607	NA	
E 609-49750-252	Beer For Resale	\$1,504.50	28608	BEER	
Total BERNICKS		\$5,211.35			

Paid Chk#	8/4/2009	C & L DISTRIBUTING CO.			
E 609-49750-252	Beer For Resale	\$12,041.00	203202	BEER	
E 609-49750-254	Mix/Non Alcoholic	\$149.30	203202	NA	
E 609-49750-252	Beer For Resale	\$229.15	203593	BEER	
E 609-49750-254	Mix/Non Alcoholic	\$111.35	204167	NA	
E 609-49750-252	Beer For Resale	\$9,646.35	204167	BEER	
E 609-49750-260	Deposits	(\$90.00)	204167	DEPOSITS	
E 609-49750-252	Beer For Resale	\$6,707.90	205205	BEER	
E 609-49750-254	Mix/Non Alcoholic	\$71.00	205205	NA	
E 609-49750-260	Deposits	(\$90.00)	205205	DEPOSITS	
E 609-49750-252	Beer For Resale	\$6,746.40	206059	BEER	
E 609-49750-254	Mix/Non Alcoholic	\$141.80	206059	NA	
E 609-49750-252	Beer For Resale	\$155.00	206388	BEER	
E 609-49750-260	Deposits	\$30.00	206388	DEPOSITS	
E 609-49750-252	Beer For Resale	\$3,647.85	206665	BEER	
E 609-49750-260	Deposits	(\$120.00)	206665	DEPOSITS	
E 609-49750-260	Deposits	\$150.00	207009	DEPOSITS	
E 609-49750-217	Other Operating Supplies	\$120.00	207009	KEG TAPPERS	
E 609-49750-252	Beer For Resale	\$7,101.55	207009	BEER	
E 609-49750-254	Mix/Non Alcoholic	\$62.00	207009	NA	
Total C & L DISTRIBUTING CO.		\$46,810.65			

Paid Chk#	8/4/2009	D&D BEER CO			
E 609-49750-252	Beer For Resale	\$940.85	370421	BEER	
E 609-49750-254	Mix/Non Alcoholic	\$202.50	370421	NA	
E 609-49750-254	Mix/Non Alcoholic	\$54.52	370707	NA	
E 609-49750-252	Beer For Resale	\$409.60	370707	BEER	
Total D&D BEER CO		\$1,607.47			

Paid Chk#	8/4/2009	DAHLHEIMER DISTRIBUTING CO.			
E 609-49750-260	Deposits	\$30.00	43171	DEPOSITS	
E 609-49750-252	Beer For Resale	\$77.00	43171	BEER	
E 609-49750-252	Beer For Resale	\$11,029.85	43727	BEER	
E 609-49750-252	Beer For Resale	\$154.00	44242	BEER	
E 609-49750-260	Deposits	\$60.00	44242	DEPOSITS	
E 609-49750-260	Deposits	(\$30.00)	44592	DEPOSITS	
E 609-49750-254	Mix/Non Alcoholic	\$151.20	44592	NA	
E 609-49750-252	Beer For Resale	\$2,624.94	44592	BEER	
E 609-49750-252	Beer For Resale	\$4,858.70	45252	BEER	

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E 609-49750-252	Beer For Resale		\$3,959.77	45417	BEER
E 609-49750-260	Deposits		\$30.00	45417	DEPOSITS
E 609-49750-254	Mix/Non Alcoholic		\$15.20	45417	NA
E 609-49750-254	Mix/Non Alcoholic		\$220.20	46252	NA
E 609-49750-252	Beer For Resale		\$42.00	46786	BEER
E 609-49750-260	Deposits		\$30.00	46786	DEPOSITS
Total DAHLHEIMER DISTRIBUTING CO.			\$23,252.86		
<hr/>					
Paid Chk#	021081	8/4/2009	DANIMAL DISTRIBUTING INC		
E 609-49750-254	Mix/Non Alcoholic		\$62.67	119416	NA
E 609-49750-254	Mix/Non Alcoholic		\$32.00	119783	NA
E 609-49750-254	Mix/Non Alcoholic		\$80.00	119829	NA
Total DANIMAL DISTRIBUTING INC			\$174.67		
<hr/>					
Paid Chk#	021082	8/4/2009	FIELDSTONE VINEYARDS		
E 609-49750-253	Wine For Resale		\$140.40	2009358	WINE
Total FIELDSTONE VINEYARDS			\$140.40		
<hr/>					
Paid Chk#	021083	8/4/2009	J.J. TAYLOR DIST OF MN		
E 609-49750-333	Freight and Express		\$3.00	952901	DELIVERY
E 609-49750-252	Beer For Resale		\$240.30	952901	BEER
Total J.J. TAYLOR DIST OF MN			\$243.30		
<hr/>					
Paid Chk#	021084	8/4/2009	JIM'S MILLE LACS DISPOSAL		
E 609-49750-384	Refuse/Garbage Disposal		\$81.90	219225	REFUSE COLLECTION
Total JIM'S MILLE LACS DISPOSAL			\$81.90		
<hr/>					
Paid Chk#	021085	8/4/2009	JOHNSON BROTHERS LIQUOR CO.		
E 609-49750-251	Liquor For Resale		\$88.75	1657559	LIQUOR
E 609-49750-253	Wine For Resale		\$536.65	1657559	WINE
E 609-49750-333	Freight and Express		\$23.55	1657559	DELIVERY
E 609-49750-254	Mix/Non Alcoholic		\$30.00	1661203	NA
E 609-49750-333	Freight and Express		\$81.63	1661203	DELIVERY
E 609-49750-251	Liquor For Resale		\$950.93	1661203	LIQUOR
E 609-49750-253	Wine For Resale		\$930.62	1661203	WINE
E 609-49750-251	Liquor For Resale		\$3,238.53	1665138	LIQUOR
E 609-49750-254	Mix/Non Alcoholic		\$43.49	1665138	NA
E 609-49750-253	Wine For Resale		\$365.20	1665138	WINE
E 609-49750-333	Freight and Express		\$70.66	1665138	DELIVERY
E 609-49750-253	Wine For Resale		\$930.05	1668871	WINE
E 609-49750-254	Mix/Non Alcoholic		\$90.09	1668871	NA
E 609-49750-333	Freight and Express		\$47.10	1668871	DELIVERY
E 609-49750-251	Liquor For Resale		\$40.00	1668871	LIQUOR
E 609-49750-253	Wine For Resale		\$421.85	1672807	WINE
E 609-49750-251	Liquor For Resale		\$538.48	1672807	LIQUOR
E 609-49750-333	Freight and Express		\$26.69	1672807	DELIVERY
Total JOHNSON BROTHERS LIQUOR CO.			\$8,454.27		
<hr/>					
Paid Chk#	021086	8/4/2009	PHILLIPS WINE AND SPIRITS		
E 609-49750-333	Freight and Express		\$12.56	2775273	DELIVERY
E 609-49750-251	Liquor For Resale		\$987.20	2775273	LIQUOR
E 609-49750-253	Wine For Resale		\$41.40	2775273	WINE
E 609-49750-251	Liquor For Resale		\$1,724.30	2778149	LIQUOR
E 609-49750-253	Wine For Resale		\$92.15	2778149	WINE
E 609-49750-254	Mix/Non Alcoholic		\$37.25	2778149	NA
E 609-49750-333	Freight and Express		\$50.24	2778149	DELIVERY
E 609-49750-253	Wine For Resale		\$567.71	2781299	WINE
E 609-49750-251	Liquor For Resale		\$3,628.88	2781299	LIQUOR

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AUGUST 2009

			Check Amt	Invoice	Comment
E 609-49750-333	Freight and Express		\$61.05	2781299	DELIVERY
E 609-49750-253	Wine For Resale		\$152.00	2784285	WINE
E 609-49750-251	Liquor For Resale		\$893.70	2784285	LIQUOR
E 609-49750-333	Freight and Express		\$21.98	2784285	DELIVERY
E 609-49750-253	Wine For Resale		\$210.40	2787312	WINE
E 609-49750-254	Mix/Non Alcoholic		\$221.75	2787312	NA
E 609-49750-251	Liquor For Resale		\$539.75	2787312	LIQUOR
E 609-49750-333	Freight and Express		\$21.98	2787312	DELIVERY
E 609-49750-254	Mix/Non Alcoholic		(\$2.75)	3415554	CREDIT
E 609-49750-251	Liquor For Resale		(\$12.33)	3415555	CREDIT
Total PHILLIPS WINE AND SPIRITS			\$9,249.22		
<hr/>					
Paid Chk# 021087	8/4/2009	QUALITY WINE & SPIRITS			
E 609-49750-253	Wine For Resale		\$28.00	176122	WINE
E 609-49750-251	Liquor For Resale		\$1,771.63	176122	LIQUOR
Total QUALITY WINE & SPIRITS			\$1,799.63		
<hr/>					
Paid Chk# 021088	8/4/2009	VINOCOPIA			
E 609-49750-253	Wine For Resale		\$160.00	16988	WINE
E 609-49750-333	Freight and Express		\$3.50	16988	DELIVERY
Total VINOCOPIA			\$163.50		
<hr/>					
Paid Chk# 021089	8/4/2009	WINE MERCHANTS			
E 609-49750-333	Freight and Express		\$1.57	281379	FREIGHT
E 609-49750-253	Wine For Resale		\$104.00	281379	WINE
Total WINE MERCHANTS			\$105.57		
<hr/>					
Paid Chk# 021090	8/4/2009	WIRTZ BEVERAGE MN WINE & SPRTS			
E 609-49750-254	Mix/Non Alcoholic		\$49.70	251919	NA
E 609-49750-251	Liquor For Resale		\$1,997.17	251919	LIQUOR
E 609-49750-253	Wine For Resale		(\$60.00)	251919	WINE
E 609-49750-333	Freight and Express		\$28.50	251919	DELIVERY
E 609-49750-253	Wine For Resale		\$834.60	251920	WINE
E 609-49750-333	Freight and Express		\$22.50	251920	DELIVERY
E 609-49750-333	Freight and Express		\$3.00	255297	DELIVERY
E 609-49750-253	Wine For Resale		\$75.80	255297	WINE
E 609-49750-251	Liquor For Resale		\$856.74	255298	LIQUOR
E 609-49750-333	Freight and Express		\$10.50	255298	DELIVERY
E 609-49750-251	Liquor For Resale		\$3,915.54	258755	LIQUOR
E 609-49750-333	Freight and Express		\$75.00	258755	DELIVERY
E 609-49750-254	Mix/Non Alcoholic		\$52.34	258755	NA
E 609-49750-253	Wine For Resale		(\$10.00)	258755	WINE
E 609-49750-253	Wine For Resale		\$255.80	258756	WINE
E 609-49750-333	Freight and Express		\$3.00	258756	DELIVERY
E 609-49750-333	Freight and Express		\$3.00	265348	DELIVERY
E 609-49750-333	Freight and Express		\$37.50	265698	DELIVERY
E 609-49750-254	Mix/Non Alcoholic		\$24.73	265698	NA
E 609-49750-251	Liquor For Resale		\$4,060.56	265698	LIQUOR
E 609-49750-251	Liquor For Resale		(\$152.78)	781043	CREDIT
E 609-49750-333	Freight and Express		(\$1.50)	781043	CREDIT
otal WIRTZ BEVERAGE MN WINE & SPRTS			\$12,081.70		
10900 Liquor Bank			\$113,197.39		

***Check Detail Register©**

AUGUST 2009

Check Amt Invoice Comment

Fund Summary

609 MUNICIPAL LIQUOR FUND

10900 Liquor Bank
\$113,197.39

\$113,197.39

***Check Detail Register©**

AUGUST 2009

Check Amt Invoice Comment

10900 Liquor Bank

Paid Chk# 909031E 8/15/2009 MILACA, CITY OF (WATER/SEWER)					
E 609-49750-381	Utilities	\$25.23	01-00015990	WATER/SEWER	
Total MILACA, CITY OF (WATER/SEWER)		\$25.23			
Paid Chk# 909032E 8/7/2009 EAST CENTRAL ENERGY					
E 609-49750-381	Utilities	\$1,881.41	7115200	ELECTRIC	
Total EAST CENTRAL ENERGY		\$1,881.41			
Paid Chk# 909033E 8/12/2009 CENTERPOINT ENERGY MINNEGASCO					
E 609-49750-381	Utilities	\$23.72	128-000-782-1	NATURAL GAS	
Total CENTERPOINT ENERGY MINNEGASCO		\$23.72			
Paid Chk# 909034E 8/20/2009 MN DEPT OF REVENUE					
G 609-20800	Sales Tax Payable	\$14,596.00	9576201	LIQUOR SALES TAX	
Total MN DEPT OF REVENUE		\$14,596.00			
10900 Liquor Bank		\$16,526.36			

Fund Summary

609 MUNICIPAL LIQUOR FUND	10900 Liquor Bank	\$16,526.36
		\$16,526.36

RESOLUTION #09 – 45

RESOLUTION ASSESSING UNPAID WATER/SEWER BILL

BE IT RESOLVED that the following unpaid water and sewer bills be levied against the described property for 2010 property taxes, for 1 year, at a rate of 7 percent per annum:

PID #	OWNER	ADDRESS	ASSESSED
21-042-0390	HSBC Bank USA	355 Central Ave N	\$110.30
21-043-1740	HSBC Bank USA	105 5 th Ave SE	\$58.99
21-046-0320	Mutchler, Gary & Rebecca Toth	440 2 nd Ave SE	\$75.02
21-355-0080	Keller, Jock	319 12 th St NE	\$43.06

Adopted this 10th day of September, 2009.

Mayor Harold Pedersen

ATTEST

Greg Lerud, City Manager

RESOLUTION NO. 09 – 46

A RESOLUTION ASSESSING UNPAID FIRE DEPARTMENT CHARGES FOR
SERVICE

BE IT RESOLVED BY THE MILACA CITY COUNCIL, that the City Council,
pursuant to Ordinance No. 368, hereby assesses the following fire department charges for
service against the benefited properties for property taxes payable 2010 with a payment
period of one year and an interest rate of seven percent.

\$430.00
Roger & Carol Freyholtz &
Daniel Freyholtz
13436 140th Street
Milaca, MN 56353
PID # 11-027-0900

Adopted this 10th day of September, 2009.

Mayor Harold Pedersen

ATTEST

Greg Lerud, City Manager



LICENSE EXEMPT GAMBLING APPLICATION FOR RAFFLE/BINGO

City of Milaca
255 1st St E
Milaca MN 56353
(320) 983-3141

Date 9-1-09

Name of Organization Zion Lutheran Church

I, Mary Anderson, hereby submit this application for a license to conduct gambling in accordance with the provisions of the City of Milaca, Ordinance #116.25 – 116.34.

Member of Church Board.
Authorized Officer of Organization

Mary Anderson
Designated Gambling Manager of Organization

The following to be completed by the duly authorized officer of the organization:

True Name: Anderson Mary J.
Last First Middle

Address: 232 150 Av Foreston

Date of Birth: _____ Place of Birth: Algona Iowa
Month Day Year City State

Home Telephone: _____ Other Contact Number: 983-3368
Church " 983-3368

PLEASE ANSWER THE FOLLOWING QUESTIONS:	YES	NO
Is your organization a fraternal, religious, veteran or other non-profit organization?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Does your organization have at least 15 active members residing either in the city and/or following townships: Bogus Brook, Borgholm, Dailey, Hayland, Milaca, Milo, Mudgett, or Page?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Has your organization been in existence for at least 1 year?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Have you ever been convicted of any crime other than a traffic offense? If yes, please explain:	<input type="checkbox"/>	<input type="checkbox"/>

PLEASE COMPLETE BACK PAGE

RAFFLE INFORMATION

What is purpose of raffle/Bingo? To raffle Quilt + tablecloth

Place where raffle/Bingo will be held: Zion Lutheran Church

Date(s) for sale of raffle: 9-~~21~~-09 to 9-23-09

Date(s) of Bingo being held: 9-23-09 to 9-23-09

Hours of raffle/Bingo: From _____ am/pm to 7pm am/pm

.....
TO BE COMPLETED BY CITY OFFICIAL

Criminal History Requested By:	Date Criminal History Conducted:
Date of Request:	Criminal History Cleared: YES NO
Reason for Request:	Law Enforcement Signature:

City Manager Signature

Approved Denied

Date

Date Designated Gambling Manager Notified: _____

August 23, 2009

Dear Members of the Milaca City Council:

We the undersigned members of the Mille Lacs Posse Saddle Club would like to request that you reconsider allowing equine use of the Milaca Trail System now utilized only by cyclist and pedestrians.

We began utilizing this lovely local trail system two seasons ago with great enthusiasm, only to be quickly banned from its use without notice or explanation.

To our knowledge, none of our riders has ever had incident within the trail system to cause us to be banished from its use this way, and no city official or law enforcement officer has ever indicated that we have.

We, therefore, request that the signs prohibiting horses be removed from this local trail system and that horse riders may again have access to it.

Respectfully Submitted,

A handwritten signature in cursive script that reads "Julie Langner".

Julie Langner, President
& Membership of the
Mille Lacs Posse Horse Club

We the undersigned hereby
request the City Council consider
allowing our horse riders back
onto the Melara trails.

Julie A. Kasper

Rachel Taylor

Vivian M. Pedersen

Dail Martinson

Krissy Schefers

Tamara Taylor

Brian Brown

Julie Brown

Karen Brown

Tracy

Genell Haem

Phil

Deborah L. Krist

Lyndi Ford

Spencer D. Gault

Jack

RESOLUTION NO. 09 – 47

RESOLUTION AMENDING THE BOUNDARIES OF TAX INCREMENT
FINANCING DISTRICT NO. 4-7

Whereas:

- A. In April of 1999, the City of Milaca, Minnesota (the “City”) created Tax Increment Financing District No. 4-7 to redevelop the armory and encourage new housing and commercial development; and,
- B. The City now proposes to remove a portion of the property included in TIF District No. 4-7 and to include the property in TIF District No. 4-10; and,
- C. Minnesota Statutes Chapter 469.175 subdivision 4(a) permits removal of parcels to occur without notification or a public hearing if the current net tax capacity of the parcels to be removed equals or exceeds the original net tax capacity of the parcels, or the authority agrees that the original net tax capacity of the TIF District will be reduced by no more than the current net tax capacity of the parcels removed.

NOW THEREFORE, BE IT RESOLVED, by the City Council of the City of Milaca:

- 1. Removal of parcels from TIF District No. 4-7. The City hereby removes the following parcels from TIF District No. 4-7:

21.040.0370
21.040.0380
21.040.0390
21.040.0395
21.040.0400
21.040.0401
21.040.0420
21.040.0430
21.040.0440
21.040.0445
21.040.0450
21.040.0460
21.040.0470
21.040.0480

2. Agreement to limit tax capacity removed. The City agrees that the original net tax capacity of the TIF District will be reduced by no more than the current net tax capacity of the parcels removed.
3. Filing. The City Manager is authorized and directed to file a copy of this resolution with the County Auditor.

Adopted this 10th day of September, 2009

Mayor Harold Pedersen

ATTEST

Greg Lerud, City Manager

RESOLUTION # 09 - 48
APPROVING THE MODIFICATION OF MUNICIPAL DEVELOPMENT DISTRICT
NO. 4, THE ADOPTION OF A MODIFIED DEVELOPMENT PLAN THERETO,
THE ESTABLISHMENT OF TAX INCREMENT FINANCING DISTRICT NO. 4-10
AND ADOPTION OF THE TAX INCREMENT FINANCING PLAN RELATING
THERETO

WHEREAS:

A It has been proposed that the City of Milaca, Minnesota (the "City"), modify Municipal Development District No. 4 and a Development Program relating thereto and create Tax Increment Financing District No. 4-10 and adopt a Tax Increment Financing Plan with respect thereto, under the provisions of Minnesota Statutes, Sections 469.124 to 469.134 and 469.174 to 469.1799 (collectively, the "Act"); and

B. The City of Milaca has investigated the facts and has caused to be prepared the tax increment financing plan for Tax Increment Financing District No. 4-10; and

C. The City has performed all actions required by law to be performed prior to the creation of Tax Increment Financing District No. 4-10 and the adoption of the Tax Increment Financing Plan relating thereto, including, but not limited to, notification of Mille Lacs County and Milaca School District having taxing jurisdiction over the property to be included in Tax Increment Financing District No. 4-10, and the holding of a public hearing upon published and required notice as required by law.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Milaca as follows:

1. Development District No. 4 and Tax Increment Financing District No. 4-10. The City hereby approves the modification of Development District No. 4 and of the Development Plan relating thereto, and the establishment of Tax Increment Financing District No. 4-10, the boundaries of which are fixed and determined as described in the Tax Increment Financing Plan.
2. Tax Increment Financing Plan. The Tax Increment Financing Plan is adopted as the tax increment financing plan for Tax Increment Financing District No. 4-10, and the City Council makes the following findings:
 - (a) Tax Increment Financing District No. 4-10 is a redevelopment district as defined in Minnesota Statutes, Section 469.174, Subd. 12.

The reasons and facts supporting this finding are that over 70% of the parcels included in the TIF District are improved parcels, and over 50% of the buildings in the TIF District have been inspected and found to be substandard.

- (b) The proposed development in the opinion of the City Council, would not occur solely through private investment within the reasonably foreseeable future and that the increased market value of the site that could reasonably be expected to occur without the use of tax increment financing would be less than the increase in the market value estimated to result from the proposed development after subtracting the present value of the projected tax increments for the maximum duration of Tax Increment Financing District No. 4-10 permitted by the Tax Increment Financing Plan.

The reasons and facts supporting this finding are based upon written and verbal representations from the buyers of the Supervalu store, stating that without TIF assistance to pay for a portion of the extra costs of land acquisition and demolition expenses for their project, maintaining a facility in downtown Milaca would not be financially viable.

A comparative analysis of estimated market values both with and without establishment of the TIF District and the use of tax increments has been performed. Such analysis is included in the Plan, and indicates that the increase in estimated market value of the proposed development (less the indicated subtractions) exceeds the estimated market value of the site absent the establishment of the TIF District and the use of tax increments.

- (c) The Tax Increment Financing Plan for Tax Increment Financing District No. 4-10 conforms to the general plan for development or redevelopment of the City of Milaca as a whole.

The reasons and facts supporting this finding are that proposed (re)developments in the TIF District are anticipated to be commercial, which is consistent with existing zoning and land use.

- (d) The Tax Increment Financing Plan will afford maximum opportunity, consistent with the sound needs of the City of Milaca as a whole, for the development or redevelopment of Tax Increment Financing District No. 4-10 by private enterprise.

The reasons and facts supporting this finding are that the development activities are necessary so that development and redevelopment by private enterprise can occur within the Development District.

3. Public Purpose. The adoption of the Tax Increment Financing Plan conform in all respects to the requirements of the Act and will help fulfill a need to develop an area of the City which is already built up to provide employment opportunities to improve the tax base, and to improve the general economy of the State and thereby serves a public purpose.
4. Authorization of Interfund Loan. The City intends to finance up to \$10,000 of eligible development activities and administrative expenses associated with the redevelopment project utilizing internal funds of the City. This funding shall be repaid by tax increment revenues generated within Tax Increment Financing District No. 4-10, as expanded, over a term not exceeding the statutory life of the TIF District. Interest on the internal funding will accrue a rate of 3.25%.

5. Certification. The Auditor of Mille Lacs County is requested to certify the original net tax capacity of Tax Increment Financing District No. 4-10 as described in the Tax Increment Financing Plan, and to certify in each year thereafter the amount by which the original net tax capacity has increased or decreased in accordance with the Act; and the City Manager is authorized and directed to forthwith transmit this request to the County Auditor in such form and content as the Auditor may specify, together with a list of all properties within Tax Increment District No. 4-10 for which building permits have been issued during the 18 months immediately preceding the adoption of this Resolution.
6. Filing. The City Manager is further authorized and directed to file a copy of the Tax Increment Financing Plan with the Commissioner of Revenue and Office of the State Auditor.

Adopted this 10th day of September, 2009.

Mayor Harold Pedersen

ATTEST

Greg Lerud, City Manager

City of Milaca, Minnesota

**Modification of the Development Program for
Municipal Development District No. 4**

&

**Modification of Tax Increment Financing Plan for
Tax Increment Financing District No. 4-7**

&

**Tax Increment Financing Plan for
Tax Increment Financing District No. 4-10
(Downtown Projects)**

Adopted: September 17, 2009



Minneapolis Office:
5122 Irving Avenue South
Minneapolis, MN 55419-1126
612-920-3320 (phone); 612-605-2375 (fax)
www.daviddrown.com

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Modification of the Development Program for Municipal Development District No. 4

Introduction

On April 15, 1999, the City Council of the City of Milaca adopted the Development Program for Municipal Development District No. 4 in conjunction with the creation Tax Increment Financing District No. 4-7. The boundaries of the Development District were co-terminus with the boundaries of the TIF District 4-7 and are generally located at the western edge of downtown Milaca.

The City now proposes to expand the boundaries of Municipal Development District No. 4 to encompass additional property in the downtown area, a portion of which will be included in a new TIF District No. 4-10. Only those sections of the original Development Program which are affected by this modification are shown below.

Subsection 1-15 Description of Boundaries of Municipal Development District No. 4

September 10, 2009 Amendment

Development District No. 4 shall be expanded to include the additional property described below. A map showing the expanded boundaries is found as Exhibit 1. The intention is for the boundaries shown on the map to govern.

Lots 1 and 14, Block 6, First Addition to Milaca

Lots 1 and 12, Block 14, Second Addition to Milaca

Unplatted land immediately north of Block 5 Centennial Addition to Milaca Zoned "Business"

Blocks 3, 4 and 5 Centennial Addition to Milaca

Lots 1 through 6, Block 3, Milaca Original

Block 7, First Addition to Milaca

Block 39 located immediately east of Block 7, First Addition to Milaca

Block 15, 16 and lots 1 through 6, block 17, Second Addition to Milaca

Modification of the Financing Plan for Tax Increment Financing District No. 7

Introduction

On April 15, 1999, the City Council of the City of Milaca adopted the financing plan for Tax Increment Financing District No. 7. The City proposes to remove several parcels from this TIF District No. 7 and include them in a new TIF District to be identified as TIF District No. 4-10.

Only those sections of the original Tax Increment Plan which are affected by this modification are shown below.

Subsection 1-5 Legal Description of Property in TIF District No. 7

September 10, 2009 Amendment

The following parcels are removed from TIF District No. 7:

Parcel Number

21.040.0370
21.040.0380
21.040.0390
21.040.0395
21.040.0400
21.040.0401

21.040.0420
21.040.0430
21.040.0440
21.040.0445
21.040.0450
21.040.0460
21.040.0470
21.040.0480

Tax Increment Financing Plan for Tax Increment Financing District No. 4-10

Introductory Statement

The primary purposes of this TIF District are to assist in the expansion of the Supervalu grocery store, to promote the redevelopment of the former creamery site, and to promote additional redevelopment within Milaca's downtown commercial district.

Section 1 Definitions

The terms defined in this section have the meanings given herein, unless the context in which they are used indicates a different meaning:

"Authority" means the City Council of the City of Milaca, Minnesota.

"City" means the City of Milaca, Minnesota.

"City Council" means the City Council of the City of Milaca, Minnesota.

"County" means Mille Lacs County, Minnesota.

"County Board" means the County Board of Mille Lacs County.

"Developer" means any person undertaking construction or renovation in the Project Area, including the owners of Supervalu.

"Development District" means Municipal Development District No. 4 in the City.

"Development Program" means the Development Program for the Development District.

"Project Area" means the geographic area of the Development District.

"School District" means the Milaca School District.

"State" means the State of Minnesota.

"TIF Act" means Minnesota Statutes, Sections 469.174 through 469.1799, inclusive.

"TIF District" means Tax Increment Financing District No. 36.

"TIF Plan" means the tax increment financing plan for the TIF District (this document).

Section 2 Statement of Need and Public Purpose

See Section 1-3 of the Development Program for Municipal Development District No. 4.

Section 3 Statutory Authorization

The Authority is empowered under the provisions of the TIF Act to establish a tax increment financing district.

Section 4 Statement of Objectives

The objectives of this tax increment financing plan are consistent with the objectives outlined in the subsection 1.4 of the Development Program.

Section 5 Specific Development Expected to Occur in the TIF District

The owners of the Supervalu grocery store propose to acquire five (5) adjacent parcels, demolish the buildings and construct a 10,200 square foot expansion of their store. The project will also include expansion of parking and a complete remodeling of the existing building. Construction is scheduled to start in 2009. The City plans to provide TIF assistance for land acquisition and demolition expenses.

The City acquired the former creamery property and former drying plant, and demolished all buildings in 2008. The City will actively promote the (re)development of this and other properties in the downtown area and additional development and redevelopment projects are expected.

Section 6 Property to be Included in the TIF District

The TIF District includes seventy (70) separate tax parcels, including fourteen (14) parcels formerly included within TIF District No. 4-7. A map showing the location of the TIF District is shown in Exhibit 1. A complete listing of parcels, together with valuation and other statistics, is included in Exhibit 2. The area encompassed by the TIF District includes all street rights-of-way and utility or drainage easements located upon or adjacent to the property described above.

Section 7 Estimated Sources and Uses of Funds (Public Costs)

The estimated costs of the proposed development in the TIF District which are eligible for funding or reimbursement with tax increments of the TIF District and the projected sources of revenue available to fund these costs are summarized below.

Uses of Funds (Public Costs)

<u>Capital Costs:</u>	
Land and building acquisition	250,000
Demolition & rehab	\$150,000
Site Improvements	200,000
Public Improvements	<u>250,000</u>
	\$850,000
 <u>Finance Costs:</u>	
Bond & Note Principal Payments	\$900,000
Bond & Note Interest Payments	<u>880,000</u>
Subtotal Finance Costs	\$1,780,000
 <u>Administrative Costs</u>	
Administration funded with TIF	\$189,369
Administration funded with other	<u>0</u>
	\$189,368
 Total Uses of Funds	 \$2,819,369

Sources of Funds

Tax Increments*	\$1,893,695
Investment Interest	25,674
Bond and Note Proceeds	<u>900,000</u>
 Total Sources of Funds	 \$2,819,369

*Amount of TIF shown represents collections over the full 26 year life of the district, less county retainage.

The Authority reserves the right to adjust the amount of any of the line items listed above or to incorporate additional eligible items so long as the total estimated public cost is not increased. The Authority also reserves the right to fund the full amount of public costs with tax increment revenues.

Section 8 Estimated Impact on Other Taxing Jurisdictions

Exhibit 4 shows the estimated impact on other taxing jurisdictions if the projected Retained Captured Net Tax Capacity of the TIF District were hypothetically available to the other jurisdictions. The Authority believes that there will be no adverse impact on other taxing jurisdictions during the life of the TIF District, since the proposed development would not have occurred without the establishment of the TIF District and the provision of public assistance. A positive impact on other taxing jurisdictions will occur when the TIF District is decertified and the

development therein becomes part of the general tax base.

Section 9 Fiscal and economic implications

M.S. Section 469.175 Subdivision (2) requires a specific description of the fiscal and economic implications of the proposed TIF District. Please refer to the description of these impacts located on Exhibit 4 of this Plan.

Section 10 Property to be acquired in the TIF District

The Authority may acquire, sell or reimburse an owner or developer for the costs of any or all of the property located within the TIF District—specifically, any or all of the parcels 70 parcels listed on Exhibit 2 of this plan.

Section 11 Estimated Amount of Bonded Indebtedness

The Authority reserves the right to fund all public costs using internal funding, general obligation bonds, or any other financing mechanism authorized by law. The amount of general obligation bonds funded by tax increments shall not exceed \$900,000.

The Authority may incur "internal debt", including a negative balance in the TIF fund and other internal loans or transfers of funds. All such forms of internal debt are hereby explicitly authorized by this TIF Plan, may include interest at a rate not to exceed the prime rate (currently 3.25%), may be fully repaid with tax increment revenues or proceeds of tax increment bonds payable from tax increment revenues over the life of the TIF District, and shall be in addition to and not be counted against the debt limit created by this section.

Section 12 Designation of TIF District as a Redevelopment District

The Tax Increment District qualifies as a redevelopment district. M.S. 469.174, Subd. 10 defines a redevelopment district as an area where the following conditions are reasonably distributed throughout the district:

- a. Parcels consisting of 70 percent of the area of the district are occupied by buildings, streets, utilities, or other improvements and more than 50 percent of the buildings, not including outbuildings, are structurally substandard to a degree requiring substantial renovation or clearance; or
- b. The property consists of vacant, unused, underused, inappropriately used, or infrequently used rail yards, rail storage facilities or excessive or vacated railroad rights-of-way.

For purposes of this section, "structurally substandard" means containing defects in structural elements, essential utilities, light and ventilation, fire protection, interior layout and condition or similar factors of significant total significance to justify substantial renovation or clearance. A building is not substandard if it could be modified to satisfy the building code at a cost of less than 15 percent of the cost of constructing a new structure of the same square footage and type on the site. A parcel cannot be considered "occupied by buildings, streets, utilities or other improvements" unless 15 percent of the area of the parcel contains improvements.

As summarized on Exhibit 2, improved parcels constitute over ninety-nine percent (99.35%) of the area of the TIF District. Of the fifty three (53) parcels with buildings, forty-eight (48) or ninety percent (90.57%) have been inspected and found to be structurally substandard. Inspection records are on file in the office of the City Manager. Accordingly, the TIF satisfies the standards for a redevelopment district.

Section 13 Original Net Tax Capacity

Estimated Market Value of the property in the TIF District as of January 1, 2008, for taxes payable in 2009 is \$5,147,200. At this value, the original net tax capacity of the TIF District will be approximately **\$79,930**. Since the original net tax capacity will be based upon values for payable 2010, this number may be higher or lower.

The County Auditor will certify the Original Net Tax Capacity of the TIF District. In each subsequent year the County Auditor will certify the amount that the Original Net Tax Capacity has increased or decreased as a result of:

1. changes in the tax-exempt status of property;
2. reductions or enlargements of the geographic area of the TIF District;
3. changes due to stipulation agreements or abatements; or
4. changes in classification rates.

Section 14 Original Local Tax Rate

The County Auditor shall also certify the Original Local Tax Rate of the TIF District. This rate shall be the sum of all local tax rates that apply to property in the TIF District. This rate shall be for the same taxes payable year as the Original Net Tax Capacity.

In future years, the amount of tax increment generated by the TIF District will be calculated using the lesser of (a) the sum of the current local tax rates at that time or (b) the Original Local Tax Rate of the TIF District.

At the time this TIF Plan was prepared, the sum of all local tax rates that apply to property in the TIF District for taxes levied in 2008 and payable in 2009 was **128.376%**. The final Original Local Tax Rate may be higher or lower than this value, using payable 2010 rates.

<u>Taxing Jurisdiction</u>	<u>Est. 2008/2009 Local Tax Rate</u>
City of Milaca	45.381%
Mille Lacs County	63.762%
Milaca School District	19.083%
Other	<u>0.150%</u>
Total	128.376%

The projected original local tax rate does not include the State of Minnesota property tax rate on commercial, industrial and seasonal recreation property, which is estimated to be about 45% for 2009. The state property tax is *not* captured as tax increment.

Section 15 Projected Retained Captured Net Tax Capacity and Tax Increment

Each year the County Auditor will determine the current net tax capacity of all property in the TIF District. To the extent that this total exceeds the Original Net Tax Capacity, the difference shall be known as the Captured Net Tax Capacity of the TIF District. It is the Authority's intention to retain 100% of the Captured Net Tax Capacity of the TIF District.

Exhibit 3 estimates the total amount of retained net captured tax capacity, gross tax increments, adjustments, and the net tax increment revenues which will be available annually and cumulatively over the life of the TIF District.

Section 16 Statutory Duration of the TIF District

Redevelopment districts may remain in existence for 25 years from receipt of the first tax increment. This results in 26 collections of tax increments. Assuming the first tax increment is collected in 2011, District will terminate at year-end 2036. Modifications of this plan (see Section 28) may not extend these duration limits.

Section 17 Use of Tax Increments – Redevelopment Districts

Ninety percent (90%) of the tax increments generated from the TIF District must be used to finance the cost of correcting conditions that allow designation as a redevelopment district. These costs include acquiring properties containing substandard buildings or improvements, acquiring adjacent parcels necessary to provide a site of sufficient size to permit development, demolition of structures, clearing of the land, and installation of utilities, roads, sidewalks and parking facilities for the site. The allocated administrative expenses of the City may be included in the qualifying costs.

Section 18 Use of Tax Increments -- General

Each year the County Treasurer must deduct an estimated 0.33% of the annual tax increment generated by the TIF District and pay such amount to the state general fund. Such amounts will be appropriated to the state auditor for the cost of financial reporting and auditing of tax increment financing information throughout the state. Exhibit 3 shows the projected deduction for this purpose over the anticipated life of the TIF District.

The Authority has determined that it will use 100% of the remaining tax increment generated by the TIF District for any of the following purposes:

1. Pay for the estimated public costs of the TIF District (including administrative expenses, see Section 7) and City administrative costs associated with the TIF District (see Section 29);
2. pay principal and interest on tax increment bonds, notes or other financial obligations issued to finance the public costs of the TIF District;
3. accumulate a reserve securing the payment of tax increment bonds or other bonds issued to finance the public costs of the TIF District;
4. pay all or a portion of the County road costs as may be required by the County Board under M.S. Section 469.175, Subdivision 1a; or
5. return excess tax increments to the County Auditor for redistribution to the City, County and School District in proportion to their local tax capacity rates.

Tax increments from property located in one County must be expended for the direct and primary benefit of a project located within that County, unless both County boards involved waive this requirement. Tax increments shall not be used to circumvent levy limitations.

Tax increment shall not be used to finance the acquisition, construction, renovation, operation, or maintenance of a building to be used primarily and regularly for conducting the business of a municipality, County, school district, or any other local unit of government or the State or federal government, including social, recreational or conference facilities or a public park used as a commons area. Tax increments may be used to finance public parking facilities.

Tax increment may not be spent outside the TIF District on improvements, equipment, or other items whose primary purpose is decorative or aesthetic or if the materials used or design cost twice that of more commonly used equipment or improvements. This prohibition does not apply to improvements related to rehabilitating historic structures on national register or in a historic district listed on the national register.

If there exists any type of agreement or arrangement providing for the developer, or other beneficiary of assistance, to repay all or a portion of the assistance that was paid or financed with tax increments, such payments shall be subject to all of the restrictions imposed on the use of tax increments. Assistance includes sales of property at less than the cost of acquisition or fair market value, grants, ground or other leases at less than fair market rent, interest rate subsidies, utility service connections, roads, or other similar assistance that would otherwise be paid for by the developer or beneficiary.

Section 19 "Green Acres"

The TIF District may not include parcels that qualified as "green acres" in any of the five (5) years preceding the request for certification, unless 85% of development in the district is restricted to qualified manufacturing or distribution facilities directly related to production of tangible personal property and paying at least 90% of its employees wages equal to or greater than 160% of the federal minimum wage; or the development in the district is a housing project.

Section 20 4-Year Knock-Down Rule

If after four years from certification of the TIF District no demolition, rehabilitation, renovation, or qualified

improvement of an adjacent street has commenced on a parcel located within the TIF District, then that parcel shall be excluded from the TIF District and the Original Net Tax Capacity shall be adjusted accordingly. Qualified improvements of a street are limited to construction or opening of a new street, relocation of a street, or substantial reconstruction or rebuilding of an existing street. The Authority must submit to the County Auditor, by February 1 of the fifth year, evidence that the required activity has taken place for each parcel in the TIF District.

If a parcel is excluded from the TIF District and the Authority or owner of the parcel subsequently commences any of the above activities, the Authority may certify to the County Auditor that such activity has commenced and the parcel must once again be included in the TIF District. The County Auditor will certify the net tax capacity of the parcel, as most recently certified by the Commissioner of Revenue, and add such amount to the Original Net Tax Capacity of the TIF District.

Section 21 Tax Increment Pooling – 5-year Rule

At least 75% of the tax increments from the TIF District must be expended on activities within the district or to pay for bonds used to finance the estimated public costs of the TIF District. No more than 25% of the tax increments may be spent on costs outside of the TIF District, but within the boundaries of the Project Area. All administrative expenses are considered to have been spent outside of the TIF District. Tax increments are considered to have been spent within the TIF District if such amounts are:

1. actually paid to a third party for activities performed within the TIF District within five years after certification of the district;
2. used to make payments or reimbursements to a third party under binding contracts for activities performed within the TIF District, which were entered into within five years after certification of the district; or
3. used to pay bonds that were issued and sold to a third party, the proceeds of which are reasonably expected on the date of issuance to be spent within the later of the five-year period or a reasonable temporary period or are deposited in a reasonably required reserve or replacement fund.

Beginning with the sixth year following certification of the TIF District, at least 75% of the tax increments must be used to pay outstanding bonds or make contractual payments obligated within the first five years. When outstanding bonds have been defeased and sufficient money has been set aside to pay for such contractual obligations, the TIF District must be decertified.

The Authority anticipates pooling of increments with other TIF Districts within the Project Area, specifically but not limited to cases where development projects cross TIF District boundaries.

Section 22 Excess Tax Increment

On December 31st of each year, the Authority must determine the amount of excess increments for the TIF District. Excess increments may only be used to:

1. prepay any outstanding tax increment Bonds;
2. discharge the pledge of tax increments on any outstanding Bonds.
3. pay amounts into an escrow account dedicated to the payment of any outstanding Bonds; or
4. return excess tax increments to the County Auditor for redistribution to the City, County and School District in proportion to their local tax capacity rates. The County Auditor must report to the Commissioner of Education the amount of any excess tax increment redistributed to the School District within 30 days of such redistribution.

Section 23 Limitation on Administrative Expenses

Administrative expenses are defined as all costs of the Authority other than:

1. amounts paid for the purchase of land;
2. amounts paid for materials and services, including architectural and engineering services directly connected with the proposed development within the TIF District;
3. relocation benefits paid to, or services provided for, persons or businesses located within the TIF District; or
4. amounts used to pay interest on, fund a reserve for, or sell at a discount, tax increment bonds.

Administrative expenses include amounts paid for services provided by bond counsel, fiscal consultants, planning or economic development consultants, and actual costs incurred by the City in administering the TIF District. Tax increments may be used to pay administrative expenses of the TIF District up to the lesser of (a) 10% of the total estimated public costs authorized by the TIF Plan or (b) 10% of the total tax increment expenditures of the project.

Section 24 Prior Planned Improvements

The City shall accompany its request for certification to the County Auditor with a listing of all properties within the TIF District for which building permits have been issued during the 18 months immediately preceding approval of the TIF Plan. The County Auditor shall increase the Original Net Tax Capacity of the TIF District by the net tax capacity of each improvement for which a building permit was issued.

The City will include a complete listing of all building permits issued in the last 18 months in conjunction with all properties within the TIF District.

Section 25 Development Agreements

If more than 25% of the acreage of a project (which contains a redevelopment district) is to be acquired by the Authority with proceeds from tax increment bonds then, prior to such acquisition, the Authority must enter into an agreement for the development of the property. Such agreement must provide recourse for the Authority should the development not be completed.

Section 26 Business Subsidy Laws

Minnesota Statutes 116J.991 requires a City or Authority providing a business with a subsidy worth \$25,000 to complete a subsidy approval process as described below. Housing projects and certain redevelopment projects are exempt from the requirements.

Before granting a business subsidy, the Authority must complete the following:

1. Adopt criteria for awarding business subsidies following a public hearing.
2. Enter into a subsidy agreement which must include the following information and requirements:
 - a. A description of the subsidy.
 - b. A statement of the public purpose and goals of the subsidy.
 - c. Wage and job creation goals (or job retention goals, if job loss is imminent and demonstrable) to be achieved within 2 years of receiving the subsidy;
 - d. A description of the recipient's financial obligation if the goals are not met. The recipient must pay back the assistance with interest if goals are not met, although pro-ratio to reflect partial fulfillment of goals is permitted.

- e. A statement of why the subsidy is needed.
 - f. A commitment from the recipient to continue operations at the site for at least 5 years;
 - g. The name and address of the parent company of the recipient; and
 - h. A list of all other financial assistance to the project;
 - i. A requirement for the recipient to provide the Authority and the Department of Employment and Economic Development with annual information regarding goals for two years after receiving the subsidy or until the goals are achieved. The reports must be filed by March 1 for the prior year.
3. If the business subsidy exceeds \$100,000, the Authority must conduct a public hearing on the subsidy, after providing at least 10 days published notice in the local newspaper.

Section 27 Assessment Agreements

The City may, upon entering into a development agreement, also enter into an assessment agreement with the developer, which establishes a minimum market value of the land and improvements for each year during the life of the TIF District.

The assessment agreement shall be presented to the County or City Assessor who shall review the plans and specifications for the improvements to be constructed, review the market value previously assigned to the land, and so long as the minimum market value contained in the assessment agreement appears to be a reasonable estimate, shall certify the assessment agreement as reasonable. The assessment agreement shall be filed for record in the office of the County Recorder of each county where the property is located. Any modification or premature termination of this agreement must first be approved by the City, and if the project is valued below the minimum market value, also approved by the County and School District.

Section 28 Modifications of the Tax Increment Financing Plan

Any reduction or enlargement in the geographic area of the Project Area or the TIF District; increase in the amount of bonded indebtedness to be incurred; increase in the amount of capitalized interest; increase in that portion of the Captured Net Tax Capacity to be retained by the Authority; increase in the total estimated public costs; or designation of additional property to be acquired by the Authority shall be approved only after satisfying all the necessary requirements for approval of the original TIF Plan. This paragraph does not apply if:

- 1. the only modification is elimination of parcels from the Project Area or the TIF District; and
- 2. the current net tax capacity of the parcels eliminated equals or exceeds the net tax capacity of those parcels in the TIF District's Original Net Tax Capacity, or the Authority agrees that the TIF District's Original Net Tax Capacity will be reduced by no more than the current net tax capacity of the parcels eliminated.

The Authority must notify the County Auditor of any modification that reduces or enlarges the geographic area of the Project Area or the TIF District. The geographic area of the TIF District may be reduced but not enlarged after five years following the date of certification.

Section 29 Administration of the Tax Increment Financing Plan

Upon adoption of the TIF Plan, the Authority must submit a copy of such plan to the State Auditor's Office and the Department of Revenue. The Authority must also request that the County Auditor certify the Original Net Tax Capacity and Net Tax Capacity Rate of the TIF District. To assist the County Auditor in this process, the Authority must submit copies of the TIF Plan, the resolution establishing the TIF District and adopting the TIF Plan, and a listing of any prior planned improvements. The Authority must also send the County Assessor any assessment agreement establishing the minimum market value of land and improvements in the TIF District, and shall request that the County Assessor review and certify this assessment agreement as reasonable.

The County will distribute to the Authority the amount of tax increment as it becomes available. The amount of tax increment in any year represents the applicable property taxes generated by the Retained Captured Net Tax

Capacity of the TIF District. The amount of tax increment may change due to development anticipated by the TIF Plan, other development, inflation of property values, or changes in property classification rates or formulas. In administering and implementing the TIF Plan, the following actions should occur on an annual basis:

1. Prior to July 1, the Authority shall notify the County Assessor of any new development that has occurred in the TIF District during the past year to insure that the new value will be recorded in a timely manner.
2. If the County Auditor receives the request for certification of a new TIF District, or for modification of an existing TIF District, before July 1, the request shall be recognized in determining local tax rates for the current and subsequent levy years. Requests received on or after July 1 shall be used to determine local tax rates in subsequent years.
3. Each year the County Auditor shall certify the amount of the Original Net Tax Capacity of the TIF District. The amount certified shall reflect any changes that occur as a result of the following:
 - a. the value of property that changes from tax-exempt to taxable shall be added to the Original Net Tax Capacity of the TIF District. The reverse shall also apply;
 - b. the Original Net Tax Capacity may be modified by any approved enlargement or reduction of the TIF District;
 - c. if laws governing the classification of real property cause changes to the percentage of Estimated Market Value to be applied for property tax purposes, then the resulting increase or decrease in net tax capacity shall be applied proportionately to the Original Net Tax Capacity and the Retained Captured Net Tax Capacity of the TIF District.

The County Auditor shall notify the Authority of all changes made to the Original Net Tax Capacity of the TIF District.

Section 30 Financial Reporting and Disclosure Requirements

The Authority is responsible for information and financial reporting on the activities of the TIF District. These responsibilities include:

1. Prepare and Publish an Annual Statement. No later than August 1 of each year, the Authority must prepare and publish an annual statement which includes at least the following information:
 - (a) tax increment received and expended in that year
 - (b) Original Net Tax Capacity
 - (c) captured Net Tax Capacity
 - (d) amount of outstanding bonded indebtedness
 - (e) increments paid to other government bodies
 - (f) administrative costs
 - (g) increments paid directly or indirectly outside of the district
 - (h) if a fiscal disparities contribution is computed under section 469.177, Subd. 3(a), the increase in property tax imposed on other properties in the municipality as a result of the fiscal disparities contribution in the manner prescribed by the commissioner of revenue.

A copy of the annual statement must also be provided to the State Auditor, county board and county auditor, school board, and the municipality.

2. Prepare an Annual Report. (469.175 Subds. 5 and 6) The State Auditor enforces the provisions of the TIF Act and has full responsibility for financial and compliance auditing of the Authority's use of tax increment financing. The State Auditor's office provides detailed tax increment reporting forms for use in complying with annual reporting requirements. On or before August 1 of each year, the Authority and/or the City must prepare a status and financial report for the TIF District and submit it to the state auditor, the county board, the county auditor, the school board, and the governing body of the municipality, if the municipality is not also the authority.
3. Prepare a Minnesota Business Assistance Form. (116J.991) For development projects which are considered to be a business subsidy, by April 1 of each year the Authority must submit a report to the Department of Employment and Economic Development on wage and job goals and progress made in achieving them. A reporting form is provided by the Department, and must be submitted for each business which has received TIF assistance.

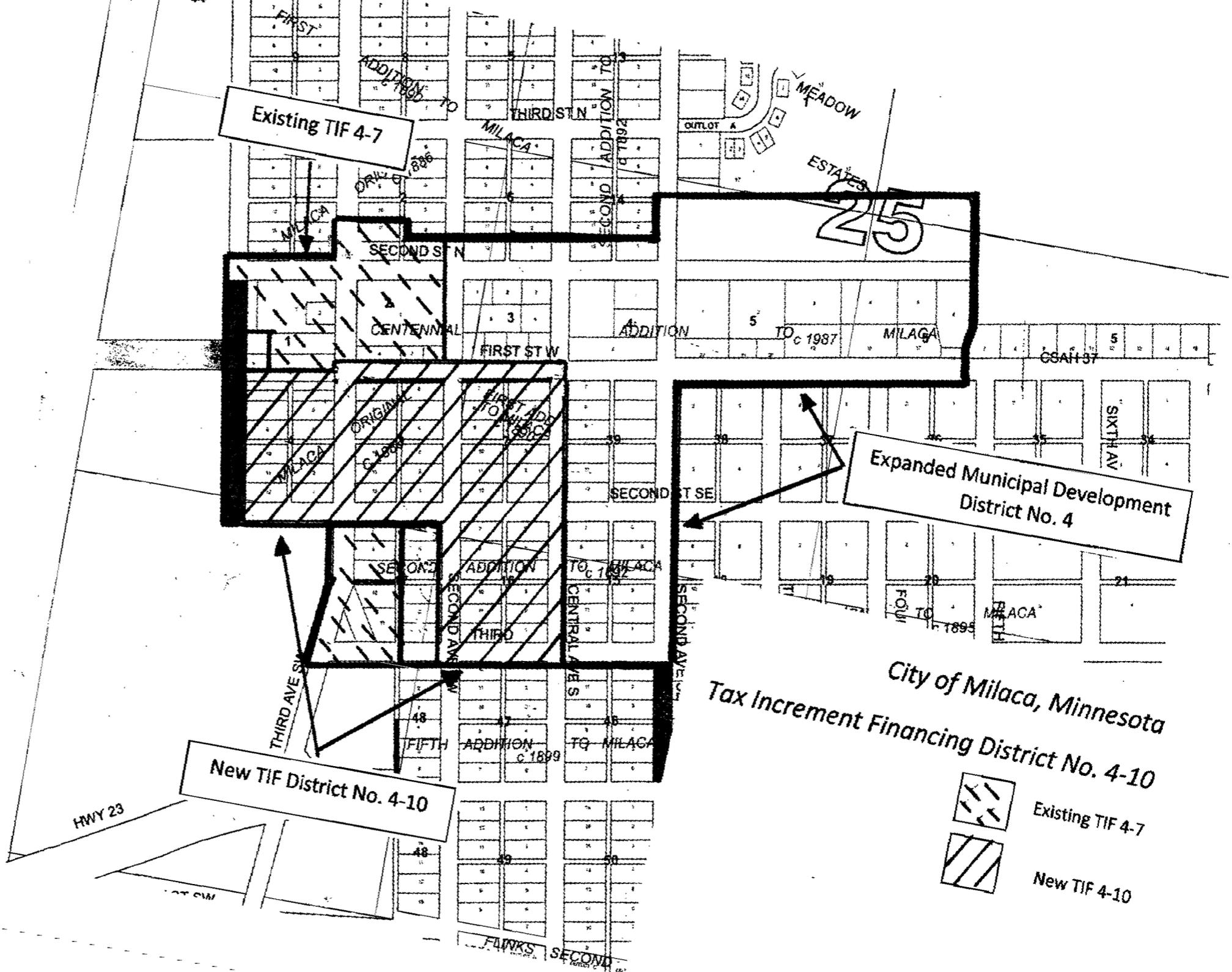
Section 31 Findings and Need for Tax Increment Financing

In establishing the TIF District, the City makes the following findings:

1. The TIF District qualifies as a redevelopment district;
See Section 12 of this document for the reasons and facts supporting this finding.
2. The proposed development, in the opinion of the City, would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future, and the increased market value of the site that could reasonably be expected to occur without the use of tax increment would be less than the increase in market value estimated to result from the proposed development after subtracting the present value of the projected tax increments for the maximum duration of the TIF District permitted by the TIF Plan;
The reasons and facts supporting this finding are based upon written and verbal representations from the buyers of the Supervalu store, stating that without TIF assistance to pay for a portion of the extra costs of land acquisition and demolition expenses for their project, maintaining a facility in downtown Milaca would not be financially viable.
A comparative analysis of estimated market values both with and without establishment of the TIF District and the use of tax increments has been performed. Such analysis is included as Exhibit 5 of this Plan.
3. The TIF Plan conforms to the general plan for development or redevelopment of the City as a whole.
The reasons and facts supporting this finding are that proposed (re)developments in the TIF District are anticipated to be commercial, which is consistent with existing zoning and land use .
4. The TIF Plan will afford maximum opportunity, consistent with the sound needs of the City as a whole, for the development of the Project Area by private enterprise.
The reasons and facts supporting this finding are that the development activities are necessary so that development and redevelopment by private enterprise can occur within the Development District.

Exhibits

Map of Financing District and Project Area..... Exhibit 1
Parcels and Valuations..... Exhibit 2
Tax Increment Projections Exhibit 3
Statement of Fiscal and Economic Impacts..... Exhibit 4
Market Value Analysis..... Exhibit 5



Existing TIF 4-7

Expanded Municipal Development District No. 4

New TIF District No. 4-10

City of Milaca, Minnesota
Tax Increment Financing District No. 4-10

-  Existing TIF 4-7
-  New TIF 4-10

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Existing TIF 4-7

Expanded Municipal Development District No. 4

New TIF District No. 4-10

City of Milaca, Minnesota
Tax Increment Financing District No. 4-10

-  Existing TIF 4-7
-  New TIF 4-10

**City of Milaca, Minnesota
Tax Increment District No. 4-10**

PARCEL INFORMATION

#	PIN #	legal	address	Owner	2008/09 Valuations				Lot Area	Lot improved?	building?	Found to be Substandard?	
					Land	Building	Total M.V.	Taxable MV					Tax Cap.
Block 3, Milaca Original													
1	21.040.0260	Lot 1, Bk 3 ex N 2.5ft	192 2nd Ave SW	First National Bank Milaca			460,000	460,000	8,450	9,430	yes	yes	no
2	21.040.0270	N 2.5 Lot 1 & S024'9" Lot 2		First National Bank Milaca (Safeguard Insurance)			97,300	97,300	1,946	4,034	yes	yes	no
3	21.040.0280	So 20'10" of N41' Lot 2	176 2nd Ave SW	First National Bank Milaca (Cuts on Central)			93,300	93,300	1,400	3,094	yes	yes	yes
4	21.040.0290	N 20'6" Lot 2	170 2nd Ave SW	City of Milaca (senior Center)			40,500	-	-	3,044	yes	yes	yes
5	21.040.0300	Lot 3	160 2nd Ave SW	Wagner, Roger & Nancy (Circle 6 Appraisal)			112,900	112,900	1,694	9,801	yes	yes	yes
6	21.040.0310	Lot 4 ex N 33'		Wagner, Roger & Nancy			12,300	12,300	185	4,901	yes	-	-
7	21.040.0315	N 33' Lot 4		Bye, Doug & Lynn			12,300	12,300	185	4,901	yes	no	n.a.
8	21.040.0320	N 33' Lot 5	130 2nd Ave SW	Peterson, S.G. (Dentist office)			87,400	87,400	1,311	4,901	yes	yes	yes
9	21.040.0330	S 33' Lot 5	132 2nd Ave SW	Bye, Doug & Lynn (Dr. Bye Office)			136,800	136,800	2,052	4,901	yes	yes	no
10	21.040.0340	~ N 23.3' Lot 6	110 2nd Ave SW	American Mediation and Dispute			59,400	59,400	891	3,460	yes	yes	yes
11	21.040.0350	Ex N 23 and Ex S 24' Lot 6	116 2nd Ave SW	Currott, Richard & Lori			52,600	52,600	789				
12	21.040.0360	S24' Lot 6	120 2nd Ave SW	Milaca Area Pantry			37,400	37,400	-	3,564	yes	yes	yes
21	21.040.0370	E 92' Lot 7 & N 12.5'E92' Lot 8	235 1st St SW	Aubum, David (Trio Automatic)			65,800	65,800	987	7,222	yes	yes	yes
22	21.040.0380	W 56.5' Lot 7 & N 25' Lot 8 Ex above	255 1st St. SW	Chapman's Auto Repair, LLC			86,100	86,100	1,292	6,292	yes	yes	yes
23	21.040.0390	Lot 8 ex N 215', Lot 9, Vac Alley	155 3rd Ave SW	City of Milaca (former Superior Feed)			46,800	-	-	18,340	yes	no	n.a.
24	21.040.0395	~ 3' vacated street adj lots 8-11		not designated			-	-	-	792	yes	no	n.a.
25	21.040.0400	Lot 10 plus N half Lot 11 plus par vac street		City of Milaca (former Creamery Site)			54,700	-	-	4,901	yes	no	n.a.
26	21.040.0401	Lot 12 plus N half Lot 11		First National Bank Milaca			36,800	36,800	736	4,901	yes	no	n.a.
Vacated Block 4, Milaca Original													
27	21.040.0420	S118.5 of N 152.5 Bk 4		Foley Fuel and Lumber			39,600	39,600	792	37,150	yes	yes	yes
28	21.040.0430	S66 of N 280.5		Foley Fuel and Lumber			23,800	23,800	476	20,691	yes	yes	yes
29	21.040.0440	S45.5 of N 198		James R. Hill			30,900	30,900	464	14,264	yes	yes	yes
30	21.040.0445	S 16.5 of N 214.5		City of Milaca			-	-	-	5,173	yes	no	n.a.
31	21.040.0450	N 31 of S 132		Foley Fuel and Lumber			7,300	7,300	146	9,719	yes	yes	yes
32	21.040.0460	N48 of S 101		First National Bank Milaca			24,900	24,900	498	15,048	yes	yes	yes
33	21.040.0470	S53 Ex N35 of E 50 plus vac Street		Thomas & Lynda Tacheny			5,300	5,300	795	35,557	yes	yes	yes
34	21.040.0480	No 35 of S 53 of E 50		Thomas & Lynda Tacheny			2,800	2,800	42		yes	yes	yes
Block 7, First Addition to Milaca													
35	21.041.0240	w 38' Lot 1		Bremer Bank			7,300	7,300	146	2,508	yes	no	n.a.
36	21.041.0250	Lot 1 ex w 38" & S 26' Lot 2	190 Central Ave S	Bremer Bank			475,300	475,300	8,756	11,174	yes	yes	no
37	21.041.0260	Lot 2 ex S26' & S 22' Lot 3	170 Central	Broschofsky, Eugene & Lillian (Milaca Lawn and Garden)			56,000	56,000	840	9,207	yes	yes	yes
38	21.041.0270	Lot 3 ex S 22'	160 Central Ave S	Timbercreek Holdings, Inc. (Theater)			120,700	120,700	1,811	6,534	yes	yes	yes
39	21.041.0280	Lot 4		City of Milaca			42,900	42,900	-	9,801	yes	yes	yes
40	21.041.0290	E 25' Lot 6 & N 11of E 25Lot 5	105 1st St. W	Bronniche, Daryl & Monica (Hobnetti's)			178,300	178,300	2,436	1,925	yes	yes	yes
41	21.041.0300	~ W25 of E 50 Lot 6 and same for N	115 1st St. W	Bronniche, Daryl & Monica (Law Office)			67,800	67,800	924	1,925	yes	yes	yes
42	21.041.0310	So 32.81' Lot 5 plus E47' of S21' of N33' Lot 5		BS, Inc. (Jiggers)			89,600	89,600	1,257	4,398	yes	yes	yes
43	21.041.0330	W38' of E83'ofN33 Lot 5	125 1st St. W	Bronniche, Daryl & Monica (Old National Bushing)			59,200	59,200	888	1,254	yes	yes	yes
44	21.041.0340	W25'of N33' of Lot 5 & W 25' of Lot 6	145 1st St. W	Bronniche, Daryl & Monica (Old Dep Reg Building)			42,600	42,600	639	2,475	yes	yes	yes
45	21.041.0350	E40.5 of W 65.5 of N 33 Lot 5 & E20 of W 65 Lot 6		Bronniche, Daryl & Monica			43,900	43,900	659	2,657	yes	yes	yes
46	21.041.0360	E20.5 of W 45.5 Lot 6	137 1st St. W	Moody, Carl & Darlene (Ultimate Tans)			33,300	33,300	500	1,353	yes	yes	yes
47	21.041.0370	E38' Lot 7	155 1st St SW	Fairview Health Services			6,300	6,300	95	2,508	yes	no	n.a.
48	21.041.0380	S26 of N54 of W1/2 Lot 7 & W36' of 1	115 2nd Ave SW	Fairview Health Services (Fairview Pharmacy)			82,900	82,900	1,244	4,307	yes	yes	yes
49	21.041.0390	N 28'ofW74 Lot 7	105 2nd Ave SW	Rittenour, Eleanor (Copy Fast)			68,300	68,300	974	2,072	yes	yes	yes
50	21.041.0400	S12 of W74Lot 7 & N 16 Lot 8	121 2nd Ave SW	Rum River Life Choices			46,100	18,700	234	4,448	yes	yes	yes
51	21.041.0410	S50' Lot 8	125 2nd Ave SW	Meyer Auto Supply, Inc.			85,800	85,800	1,287	7,425	yes	yes	yes
52	21.041.0430	Lot 9	127 2nd Ave SW	Hobert Princeton, LLC (White Pharmacy)			100,700	100,700	1,511	9,801	yes	yes	yes
53	21.041.0440	Lot 10	155 2nd Ave SW	NAF Properties (Old Ace Hardware)			253,100	253,100	3,590	9,801	yes	yes	yes
54	21.041.0460	N 20 Lot 11		Horizon Bank			7,400	7,400	111	2,970	no	no	n.a.
55	21.041.0470	N 20 of S 48 Lot 11	171 2nd Ave SW	Horizon Bank (Northland Floors)			46,800	46,800	647	2,970	yes	yes	yes
56	21.041.0480	Lot 12 & S 13 of E74.5 of 11	195 2nd Ave SW	First National Bank Milaca (Olson Dept Store)			143,500	143,500	2,153	10,770	yes	No	n.a.
57	21.041.0490	S28 of E74 Lot 11	2nd Ave SW	Weikert, Joshua & William (Judeth Klein Realty)			56,900	56,900	854	1,924	yes	yes	yes

Block 16, Second Addition to Milaca

58	21.042.0650	Lot 1	260 Central Ave S	Wiemers, Wesley & Susan (Funeral Home)	157,600	157,600	2,252	9,801	yes	yes	yes
59	21.042.0660	Lot 2	250 Central Ave S	Wiemers, Wesley & Susan	19,800	19,800	248	9,801	yes	no	n.a.
60	21.042.0670	Lot 3	240 Central Ave S	Gorecki, Benedict & Dorothy	24,900	24,900	396	9,801	yes	no	n.a.
61	21.042.0680	Lot 4	230 Central Ave S	Teal, Roger & Cheryl (green Building)	41,200	41,200	824	9,801	yes	yes	yes
62	21.042.0690	~ N 27 Lot 5 & W 63 Lot 6	210 Central Ave S	Gorecki, Benedict & Dorothy (Old Bakery)	24,900	24,900	374	9,653	yes	yes	yes
63	21.042.0695			Gorecki, Benedict & Dorothy	61,600	61,600	924	4,158	yes	yes	yes
64	21.042.0700	S 39' Lot 5	220 Central Ave S	City of Milaca (Lines Law Office)	79,400	79,400	1,191	188	yes	yes	yes
65	21.042.0710	Lot 7		Teal, Roger & Cheryl	26,600	26,600	532	9,801	yes	no	n.a.
66	21.042.0720	Lot 8 ex S 44		Teal, Roger & Cheryl	8,700	8,700	174	3,267	yes	no	n.a.
67	21.042.0730	S44 Lot 8		Teal, Roger & Cheryl	17,400	14,700	348	6,534	yes	no	n.a.
68	21.042.0740	Lot 9 and vac alley behind 9 & 10	235 2nd Ave SW	Teal, Roger & Cheryl	658,600	658,600	12,422	12,251	yes	yes	NO
69	21.042.0750	Lot 11		Teal, Roger & Cheryl	26,600	26,600	399	9,801	yes	no	n.a.
70	21.042.0760	Lot 12	255 2nd Ave SW	Brouwer, Paul & Ellner (Old Baptist Church)	174,300	174,300	2,159	9,801	yes	yes	yes
					5,063,300	4,891,200	78,930	454,939			

Total Area of parcels in TIF District	454,939	
Total area of improved parcels	451,969	
% of total area	99.35%	>70% OK
# parcels	70	
# parcels with buildings	53	
# primary buildings substandard	48	
% buildings substandard	90.57%	> 50% OK

**City of Milaca, Minnesota
Tax Increment District No. 4-10**

STATEMENT OF FISCAL AND ECONOMIC IMPACTS

Taxing Jurisdiction	Without TIF District		With TIF District					
	2008/09 Taxable Net Tax Capacity ⁽¹⁾	Original Local TIF Tax Rate	2008/09 Taxable Net Tax Capacity ⁽¹⁾	Projected Captured Net Tax Capacity	Hypothetical Tax Generated By TIF	New Taxable Net Tax Capacity	Hypothetical Adjusted Local Tax Rate	Hypothetical Decrease in Tax Rate
City of Milaca	1,709,556	45.381%	1,709,556	60,000	27,229	1,769,556	43.842%	1.539%
Milacs County	23,371,490	63.762%	23,371,490	60,000	38,257	23,431,490	63.599%	0.163%
Milaca School District	1,709,556	19.083%	1,709,556	60,000	11,450	1,769,556	18.436%	0.647%
Other ⁽²⁾	--	0.150%	--	60,000	90	--	0.150%	--
Totals		<u>128.376%</u>			<u>77,026</u>		<u>126.027%</u>	<u>2.349%</u>

Statement #1: If all of the projected captured net tax capacity of the project were hypothetically available to each taxing jurisdiction if TIF were not used, the tax capacities of each jurisdiction would be increased by the amounts shown above, and the local tax rates of each jurisdiction would be decreased by the amounts shown.

Statement #2: Since none of the projected captured tax capacity of the project would be available without the use of TIF, the tax capacities and tax rates of each jurisdiction will be unaffected.

Attribution of Increment:

The amount of tax increment generated over the life of the TIF District is estimated to total	\$1,899,965
At current rates, the portion of the tax increment attributed to the County levy is estimated to total	\$943,678
At current rates, the portion of the tax increment attributed to the School levy is estimated to total	\$282,428
At current rates, the portion of the tax increment attributed to the City levy is estimated to total	\$671,639

Impact on Services: A description of the probable impact of the TIF district and/or any G.O. TIF Bonds proposed on services or costs is as follows:

The impact of the project on City services and costs will be negligible. The property within the District is currently fully developed and served with streets and utilities. Although the redevelopment of the property may increase traffic in the downtown area, no infrastructure additions will be needed. The replacement and consolidation of existing substandard structures into larger facilities is not expected to increase police service requirements and should have a positive impact on fire service costs. Utility use may increase slightly, but utilities are billed on a usage basis. While the City may issue G.O. bonds in support of redevelopment, the bonds will be self-supporting and will not adversely impact the City's credit rating or increase costs of future borrowing.

⁽¹⁾ Taxable net tax capacity = total net tax capacity less value captured in TIF Districts and powerline value.

⁽²⁾ The impacts upon other taxing jurisdictions not included since they represent a small percentage of the total tax rate.

City of Milaca, Minnesota

Tax Increment District No. 4-10

MARKET VALUE ANALYSIS

Increased Market Value of Site	3,000,000
Less Present Value of TIF Revenues	<u>963,596</u>
	2,036,404
Reasonably expected increase w/out TIF	<u>100,000</u>
Net Value Increase	1,936,404

Present Value Calculation

Calculation Date	12/15/2007
Present Value Factor	5.00%

#	Year	Gross Tax Increment	Present Value
0	2009	-	-
1	2010	-	-
2	2011	25,675	23,288
3	2012	25,675	22,179
4	2013	77,026	63,369
5	2014	77,026	60,352
6	2015	77,026	57,478
7	2016	77,026	54,741
8	2017	77,026	52,134
9	2018	77,026	49,651
10	2019	77,026	47,287
11	2020	77,026	45,035
12	2021	77,026	42,891
13	2022	77,026	40,848
14	2023	77,026	38,903
15	2024	77,026	37,051
16	2025	77,026	35,286
17	2026	77,026	33,606
18	2027	77,026	32,006
19	2028	77,026	30,482
20	2029	77,026	29,030
21	2030	77,026	27,648
22	2031	77,026	26,331
23	2032	77,026	25,077
24	2033	77,026	23,883
25	2034	77,026	22,746
26	2035	77,026	21,663
27	2036	77,026	20,631
		<u>1,899,965</u>	<u>963,596</u>

RESOLUTION NO. 09 – 49

APPROVING THE TERMS OF AN INTERNAL LOAN IN CONNECTION WITH TIF DISTRICT NO. 4-10

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MILACA, MINNESOTA (“CITY”) AS FOLLOWS:

Section 1. Background.

1.01. On July 10, 2008, the City Council passed Resolution No. 08-33, providing for an interfund loan up to \$500,000 with Tax Increment District (“TIF District”) 10-1, which, at the time, was anticipated to be the name of the new TIF District. The City subsequently established TIF District No. 4-10 on September 10, 2009. TIF District 4-10 covers the same area.

1.02. The City has determined to pay for certain costs identified in the TIF Plan consisting of property acquisition, demolition, site improvements, public improvements, and administrative expenses (collectively, the “Qualified Costs”), which will be financed on a temporary basis from the general fund, or any other fund the City Council determines has monies legally available for such purposes.

1.03. Under Minnesota Statutes, Section 469.178, Subdivision 7, the City is authorized to advance or loan money from the City’s general fund or any other fund from which such advances may be legally made, in order to finance the Qualified Costs.

1.04. The City intends to reimburse itself for the Qualified Costs from tax increments derived from the TIF District 4-10 in accordance with the terms of this resolution (which terms are referred to collectively as the “TIF Loan”).

Section 2. Terms of TIF Loan.

2.01. The City shall repay, to the City funds from which the Qualified Costs are initially paid or advanced, or already charged to TIF District 10-1, the principal amount of funds advanced not to exceed \$1,500,000, together with interest on the principal amount advanced, accruing from the date of each initial expenditure or advance, at the greatest of (a) the rate specified under Minnesota Statutes, Section 270C.40 or (b) the rate specified under Minnesota Statutes, Section 549.09. The interest rate for each calendar year during the term of the TIF Loan will, without further action by the Council, be determined as of each January 1, using the maximum rate under clauses (a) or (b) in effect as of that date.

2.02. Principal and interest (“Payments”) shall be paid semi-annually on each August 1 and February 1 (“Payment Dates”), commencing on the first Payment Date after receipt of the first tax increment from the TIF District and continuing through the earlier of (a) the date of the principal and accrued interest of the TIF Loan is paid in full, or (b) the date of last receipt of tax increment from the TIF District. Payments will be made in the amount and only to the extent of Available Tax Increment as hereinafter defined. Payments shall be first applied to accrued interest and then to unpaid principal. Interest accruing from the date of each expenditure to the

first Payment Date shall be compounded semiannually on February 1 and August 1 of each year and added to principal, unless otherwise specified by the City of Milaca.

2.03. Payments on this TIF Loan are payable from the proceeds of the sale of city-owned property within the district, or from "Available Tax Increment," which shall mean, on each Payment Date, all of the tax increment generated in the preceding six (6) months with respect to the property within the TIF District and remitted to the City by Mille Lacs County, all in accordance with Minnesota Statutes, Sections 469.174 to 469.179. Payments on this TIF Loan are subordinate to any outstanding or future bonds, notes or contracts secured in whole or in part with Available Tax Increment, and are on parity with any other outstanding or future interfund loans secured in whole or in part with Available Tax Increment.

2.04. The principal sum and all accrued interest payable under this TIF Loan are prepayable in whole or in part at any time by the City without premium or penalty. No partial prepayment shall affect the amount or timing of any other regular payment otherwise required to be made under this TIF Loan.

2.05. This TIF Loan is evidence of an internal borrowing by the City in accordance with Minnesota Statutes, Section 469.178, subdivision 7, and in a limited obligation payable solely from Available Tax Increment pledged to the payment hereof under this resolution. This TIF Loan and the interest hereon shall not be deemed to constitute a general obligation of the State of Minnesota or any political subdivision thereof, including, without limitation, the City. Neither the State of Minnesota, nor any political subdivision thereof shall be obligated to pay the principal of or interest on this TIF Loan or other costs incident hereto except from the proceeds from the sale of city-owned property within the TIF District, or out of Available Tax Increment, and neither the full faith and credit nor the taxing power of the State of Minnesota or any political subdivision thereof is pledged to the payment of the principal of or interest on this TIF Loan or other costs incident hereto. The City shall have no obligation to pay any principal amount of the TIF Loan or accrued interest thereon, which may remain unpaid after the final Payment Date.

2.06. The City may amend the terms of this TIF Loan at any time by resolution of the City Council, including a determination to forgive the outstanding principal amount and accrued interest to the extent permissible under law.

Section 3. Effective Date. This Resolution is effective upon the date of its approval.

Adopted this 10th day of September 10, 2009.

Mayor Harold Pedersen

ATTEST

Greg Lerud, City Manager

RESOLUTION #09 - 50
 RESOLUTION APPROVING THE PRELIMINARY 2010 BUDGET AND PROPOSED
 2010 TAX LEVY

BE IT RESOLVED by the City Council for the City of Milaca, County of Mille Lacs, Minnesota, that the proposed 2010 City of Milaca Annual Budget and Program of Municipal Services be hereby adopted and that the following sums of money be levied for 2010 upon the taxable property in the said City of Milaca for the following purposes:

2010 Total Expenditures	\$5,189,715
2010 Total Revenues	\$4,883,788
General Fund	\$382,227
Capital Equipment	PW
	\$ 5,000
	Fire
	\$ 25,000
	Parks
	\$ 5,000
	Police
	\$ 5,000
2008 LGA Unallotment	\$ 55,803
2009 LGA Unallotment	\$ 46,562
Debt Service	
2001 Street Improvement	\$ 60,200
2005 Street Improvement	\$ 53,800
2009 GO Refunding	\$ 65,200
Library	\$ 70,000
City Hall	\$ 75,000
TOTAL LEVY	\$848,792

The City Manager is hereby instructed to:

1. Transmit a certified copy of this Resolution to the County Auditor of Mille Lacs County, Minnesota.
2. To certify to the Mille Lacs County Auditor that there are sufficient monies in the funds, together with the above schedule of amounts levied to pay the principal and interest due in 2010.
3. On January 2 of the budget year, the City Treasurer shall transfer \$25,000 from the Fire Department Relief Reserve to the Fire Department Equipment Reserve.

Adopted by the City Council this 10th day of September, 2009.

ATTEST

Harold Pedersen, Mayor

Greg Lerud, City Manager

I hereby certify that the foregoing Resolution is a true and correct copy of the Resolution presented to and adopted by the City Council of Milaca at a meeting thereof held in the City of Milaca, Minnesota on the 10th day of September, 2009, as disclosed by the records of said City in my possession.

Greg Lerud, City Manager

MILACA PLANNING COMMISSION

A MEETING OF THE PLANNING COMMISSION OF THE CITY OF MILACA WAS DULY HELD ON THE 10th DAY OF AUGUST, 2009, AT 255 1st ST. E. FOR THE PURPOSE OF PUBLIC HEARING AND REGULAR MEETINGS.

UPON ROLL CALL, THE FOLLOWING MEMBERS WERE PRESENT:

Warren Peterson X	Scott Harlicker X	Mike Cassens X	Norris Johnson X
Luke Kotsmith	Gary Nelson X	Arla Johnson X	

EX-OFFICIO MEMBERS:

Marshall Lind, Building Official/ Zoning X

Wayne Bekius, Liaison X

Others Present:

Ken Muller

Public Hearing – Conditional Use Request – City of Milaca

Commissioner Harlicker opened the public hearing for the conditional use request by the City of Milaca.

Marshall Lind, Building/Zoning Official, gave a summary of what the conditional use request entailed. He explained that the conditional use request was for a 2,000 gallon self-serve, above-ground fuel system at the Milaca Airport.

Chairman Harlicker questioned whether the existing tank at the airport was owned by the City and Lind stated it was not. Commissioner Harlicker questioned whether that tank would be eliminated. Ken Muller answered that the tank would be eliminated along with the pump. He went on to say that the replacement would meet fire code.

There was a question by the commission whether there would be some type of fence around the tank for protection. Lind stated that there would be no fence because there has to be accessibility for airplanes to get up to the fuel tank. He went on to say that the tank would have something similar to a concrete bathtub around it. There will be cement pylons around the pumps so no one can run into the pumps.

Commissioner Peterson asked whether the self-serve meant the use of a credit card and Lind said it would require the use of a credit card. Muller stated that the same company that handles the liquor store credit card transactions that would take care of credit card transactions at the airport for this fueling system.

Commissioner Harlicker asked if there were any more questions or comments about the conditional use request and hearing none, closed the public hearing portion of the meeting.

The regular Planning Commission meeting was called to order and roll call taken.

Commissioner Mike Cassens made motion to approve the July 13, 2009 minutes with Commissioner Arla Johnson seconding the motion. Motion **passed** unanimously.

New Business:

Approve Modification of the Tax Increment Financing (TIF) Plan for # TIF 4-7

Commissioner Harlicker asked for the comments regarding this item. Lind explained that basically what this does is expand the current TIF district downtown. He referred to drawing Exhibit 1 in which a few more blocks are included for the expansion to help businesses in that area such as Teals' Super Valu and the lumber yard. Commissioner Harlicker confirmed with Lind that the dashed lines with the breaks represented the existing district and the expanded district was represented by the hatched lines within the solid lines. The new TIF District would be 4-10 once it is created.

Commissioner Harlicker directed the Planning Commission to look at a resolution included in their packets in which the Commission is being asked to recommend whether this program and plan were consistent with the City's Comprehensive Plan. Commissioner Harlicker asked if there was a motion to approve Resolution. Commissioner Norris Johnson made motion to approve and Commissioner Peterson seconded. Motion **passed** unanimously to adopt this Resolution.

Conditional Use Request – City of Milaca for Self-Serve Above-Ground Fuel System

Commissioner Harlicker asked the commissioners if they had any other questions or comments regarding this agenda item. Commissioner Peterson asked if there has been any interest from private vendors to provide services there. Muller stated that with the way economics are right now, no one has expressed an interest. He went on to say that the State of Minnesota will give a grant for 50% of the cost and a private enterprise couldn't compete with that. Muller went on to state that the return revenue on the sale of the gas will more than pay for financing the system. The existing tank will be removed and the new tank will be put into its place on the grass. He did say that some time in the future there may have asphalt put in and that the new tank will be city-owned.

Commissioner Harlicker pointed out that in Lind's staff report there were three conditions to be applied to this conditional use and they are as follows:

1. The tanks comply with all MN State Pollution Control Agency regulations
2. The tanks comply with MN State Fire Code
3. The tanks are fenced in to control vandalism and any non-approved pedestrian traffic

Lind stated that after some discussion with Mr. Burklund and a few others about airplane accessibility to the tank, it has been determined that fencing around the tank would not be a viable option. In view of that, Lind recommended deleting the third condition regarding the fencing.

Commissioner Harlicker asked for a motion regarding this item. Commissioner Peterson made a motion that this item be approved with the two conditions as follows:

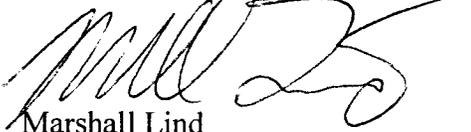
1. The tanks comply with all MN State Pollution Control Agency regulations
2. The tanks comply with MN State Fire Code

Commissioner Norris Johnson seconded. Motion **passed** unanimously. Recommendation is to approve with conditions 1 and 2 as listed above.

Commissioner Harlicker asked if there were any miscellaneous items to be discussed. There being none, Commissioner Harlicker asked for motion to adjourn. Commissioner Arla Johnson made motion to adjourn. Commissioner Norris Johnson seconded motion. Motion **passed** unanimously.

Taped recording of these proceedings is on file at City Hall.

Minutes respectfully submitted by,

A handwritten signature in black ink, appearing to read 'ML', is written over the printed name 'Marshall Lind'.

Marshall Lind
Zoning Administrator