

MILACA CITY COUNCIL AGENDA  
JUNE 14, 2012

6:30

Call meeting to order  
Roll Call

Consent Agenda

Minutes of May 17 regular meeting and June 6 special meeting  
Bills for payment  
Move regular September meeting to Sept. 13  
Resolution No. 12 – 23 Assessing mowing charges  
City Treasurer's report

Citizens Forum

Public Hearing

Requests and Communications

Brian Swanson - Land Lease LLC

Ordinances and Resolutions

Ordinance No. 393 – Park rules (second reading)

Reports of Boards and Commissions

Planning commission  
Economic Development commission  
Airport commission  
Parks commission  
Downtown Initiative

Unfinished Business

Dam removal and Pedestrian walking bridge

New Business

Street bids  
Revolving loan fund  
Fire Hall architect agreement

Council Comments

Adjourn

**This agenda and attachments are available on the city's website, [www.cityofmilaca.org](http://www.cityofmilaca.org)**

MILACA CITY COUNCIL MINUTES  
MAY 17, 2012 MEETING

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: Dave Dillan, Ken Muller, and Wayne Bekius. Council member Norris Johnson was absent.

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

Others present: John Savage, Luther Dorr, Jennifer Jordan, Michael Dahlheim and one other individual.

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

1. Minutes of the April 19, 2012 meeting.
2. General bills, 812085E-812091E, #38457-38459, #38520-38572, #38531-38587, totaling \$108,315.50; Liquor bills, 912014E-912018E, #22144-22159, #22175-22209, totaling \$264,960.88.
3. Approve city treasurer's report.

All present voted in favor.

Mayor Pedersen opened citizen's forum and invited anyone to speak to an item not on the agenda. Jennifer Jordan introduced herself and Michael Dahlheim, and said they are interested in starting a fitness/wellness center in Milaca. She said they are very early in the process and have been looking at different parcels. Jordan said she is looking at starting it up with grant funds and operating it as a non-profit. Council member Bekius said they should work on their business plan and approach a bank as a first step in the process to starting up.

Council member Johnson arrived at 6:35.

John Savage requested the city council consider amending its zoning ordinance to allow for the keeping of one or two chickens. He said that chickens are not like other farm animals, and said it was important for his kids go learn about farm animals. There was a discussion about the merits and drawbacks of the request. Lerud said that chickens, along with other farm animals, are permitted on residential lots larger than 10 acres, and where the pen or cage is 300 feet from an adjoining property. Dillan said he was concerned that this opened the door for other farm animals to be permitted.

City Attorney Schieffer suggested that if the Council wanted to consider a change that using the interim use permit provisions would be the best way to proceed. He said the zoning code would have to be changed to allow for the keeping of the chickens, and then the council could issue interim use permits on an annual basis. Mayor Pedersen suggested referring the matter to the planning commission, and have the city attorney draft some proposed ordinance language.

Motion by Johnson, second by Bekius to refer the matter to the planning commission, unanimous consent.

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

Council member Dillan offered Resolution No. 12 – 19 and moved for its adoption, second by Johnson

RESOLUTION NO. 12 – 19

A RESOLUTION AUTHORIZING ADMINISTRATIVE CITATIONS FOR CERTAIN TRAFFIC OFFENSES PURSUANT TO MINN. STAT. 169.999

(entire text appears in Resolution book)

City attorney Schieffer presented a revised Resolution. He recommended removing the "neutral third party" language in the Resolution that was sent out, and replace it with a judicial officer. He said that way, if there is an appeal, the matter would go before a judge, and the city would not have the expense of hiring an arbitrator to decide appeals. Schieffer said that if there was an appeal, the city would dismiss the administrative ticket and issue a State of MN citation. There was a discussion about additional offenses that could be charged administratively.

Upon voting, all voted in favor.

Council member Johnson offered Resolution No. 12 – 20 and moved for its adoption, second by Dillan

RESOLUTION NO. 12 – 20

RESOLUTION CALLING A PUBLIC HEARING ON THE PROPOSAL TO ADOPT A STREET RECONSTRUCTION PLAN AND THE INTENT TO ISSE GENERAL OBLIGATION STREET RECONSTRUCTION BONDS

(entire text appears in Resolution book)

Lerud said this is the same Resolution that the council passed at the April meeting, but he said he failed to advertise the notice, and therefore a new Resolution needs to be passed. After a discussion the council amended the Resolution calling for a special meeting on June 6 at 6:30 p.m. Upon voting, all voted in favor.

Council member Bekius said there was no planning commission meeting.

Lerud said the minutes of last month's economic development commission were included in the packet, and the commission meets tomorrow morning.

Council member Muller said the minutes of the last airport commission meeting were at the table. He said the commission also reviewed the MN notice of cutting trees on the north end of the runway. He said the signage on the AD building was updated, and flyers for the Fly-In on August 5 were being prepared.

Mayor Pedersen said the parks commission is working on Rec Fest. He said that Roxanne Gerads and Sherie Billings met with the city engineer to have drawings made of the band shell in preparation of raising funds for renovation. Council member Dillan said all the disc golf pin bases are installed, and leveling the tee pads is next. He said they hope to pour concrete in a week or so, and the signage for the holes is being sold.

Council member Dillan said a visual is being prepared for the planned benches, flower pots, and pocket park downtown. He said they are in search of someone to lead the effort for a pocket park at the site of the old Baptist Church.

A letter from the engineer summarizing the bid results for the dam removal/pedestrian walking bridge was reviewed. The bids were significantly higher than estimated. Lerud suggested the council take no action tonight, and allow staff to work with the DNR on the scope of the project and see if additional funds are available. Motion by Johnson, second by Muller to table action on the bids until June 14, unanimous consent.

Council member Muller said he went to the Milaca Town board meeting earlier this week about paving 110<sup>th</sup> Avenue. He said that the changes made to the agreement since the last meeting were acceptable to the Township, but he wasn't sure if Borgholm Township was prepared to participate. Lerud said the term was changed to 15 years, and if the city annexed in that time, both Townships would be reimbursed on a declining pro-rated scale. He said he was less concerned about maintenance because they were planning on three inches of bituminous, rather than two.

Motion by Bekius, second by Muller to approve the revised agreement as submitted, unanimous consent.

Lerud said the city received an estimate of \$13,703.00 to repair the worst portion of SW River Drive north of Highway 23. He said they would remove the existing pavement, reshape and put in two new lifts, and that should make the road much improved. He said the funds would have to come from the street maintenance and repair budget, and would mean that less would be transferred for a seal coat project next year. Motion by Dillan, second by Bekius to authorize the work as detailed in the quotation, unanimous consent.

Lerud said that the plans and specifications for the work in Fieldstone Green and Boulder Ridge were done in anticipation of the reconstruction plan being adopted tonight. Even though the public hearing was not held, he asked the council to approve the plans and specifications for the work. He said it is a little out of order, but the council always retains the right to not proceed with the project. By approving it tonight, however, the deadlines for the meeting could still be met.

Motion by Johnson, second by Muller to approve the street project plans as presented, unanimous consent.

With no other business a motion to adjourn was made by Bekius, second by Johnson, all voted in favor and the meeting adjourned at 7:25 p.m.

---

Mayor Harold Pedersen

ATTEST

---

Greg Lerud, City Manager

MILACA CITY COUNCIL MINUTES  
JUNE 6, 2012 SPECIAL MEETING

The special 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: Johnson, Muller, Dillan, and Bekius.

Staff present: Lerud

Others present: Steve Mattson

Mayor Pedersen opened the public hearing for the city's five-year street reconstruction plan. There were no comments. Mayor Pedersen closed citizen's forum.

Council member Johnson asked if this plan could be amended to do other streets in the future. Lerud said if the council wanted to make modifications to this plan, then it would just need to hold a public hearing at that time. But the authority to issue debt is approved based on this public hearing. There was no other discussion.

Council member Johnson offered Resolution No. 12 – 21 and moved for its adoption, second by Muller

RESOLUTION NO. 12 – 21  
RESOLUTION ADOPTING A STREET RECONSTRUCTION PLAN AND APPROVING THE  
ISSUANCE OF GENERAL OBLIGATION STREET RECONSTRUCTION BONDS  
(entire text appears in Resolution book)

Unanimous consent.

Steve Mattson from Northland Securities said that earlier this year the city passed a trigger Resolution to refund a street improvement bond. Before those bonds were sold, he said Lerud contacted him regarding the street work needed in the two developments and if there was a way to issue bonds at the same time as the refunding in order to save money. Mattson said that delay has resulted in a little greater savings than was estimated earlier this year. He said if the council passes the Resolution tonight, he hoped to have the sale closed within a month.

Council member Bekius offered Resolution No. 12 – 22 and moved for its adoption, second by Dillan

RESOLUTION NO. 12 – 22  
RESOLUTION APPROVING THE ISSUANCE OF GENERAL OBLIGATION BONDS, SERIES  
2012A  
(entire text appears in Resolution book.)

Unanimous consent.

Mayor Pedersen asked where the bridge and dam project stood. Lerud said he believed they have the dam project worked out. Several of the large cost items were dropped from the project and the state has increased their contribution. Lerud said it meant that the riffles and boulders in the river will not be done. Mayor Pedersen said one of the reasons he supported removal of the dam is that the rocks would go into the river. The council expresses disappointment and directed Lerud to contact the DNR to see if additional funds could be available.

Council member Muller said the golf course board discussed hosting a beer garden during Rec Fest, and they decided to do it, but it was not an unanimous decision. There was a discussion about how the beer sales would be done. Lerud reminded them that they would need to apply for a temporary on sale liquor license for the event.

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

---

Mayor Harold Pedersen

ATTEST

---

Greg Lerud, City Manager

RESOLUTION NO. 12 – 23

RESOLUTION ASSESSING MOWING COSTS

BE IT RESOLVED by the Milaca City Council that the council hereby assess the following cost of a nuisance abatement for a period of 1 (one) year at the rate of 7 (seven) percent payable for 2013 taxes:

PID #	OWNER	ADDRESS	DATE OF MOWING	ASSESSED
21-036-2700	Schmit, Joshua	555 3 <sup>rd</sup> Ave SE	06/01/12	\$75.00
21-036-2800	Noack, Kenneth & Kristine	600 4 <sup>th</sup> Ave SE	06/01/12	\$75.00
21-042-0130	Bahr, Brent & Cindy	420 Central Ave N	05/23/12	\$75.00

Adopted this 14th day of June, 2012.

\_\_\_\_\_  
Mayor Harold Pedersen

ATTEST

\_\_\_\_\_  
Greg Lerud, City Manager

**OPTION AGREEMENT**  
**North Tract**

This Agreement is made this 14th day of June, 2012, by and between City of Milaca ("Seller") and Land & Lease Development L.L.C., a Minnesota limited liability company, or its nominee ("Land & Lease").

WHEREAS, Seller is the fee owner of land, and any improvements thereon, located at Hwy 23 (North) in the town/city of Milaca, county of Mille Lacs, State of Minnesota, legally described as shown on Exhibit A, attached hereto and incorporated herein (the land and any improvements and personal property thereon are collectively referred to herein as the "Property"); and

WHEREAS, Seller wishes to grant to Land & Lease, and Land & Lease wishes to acquire from Seller, on the terms herein, an option for the purchase of the Property;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which the parties hereby acknowledge, the parties agree as follows:

1. **Grant of Option.** Seller hereby grants to Land & Lease the exclusive right and option (the "Option") to purchase the Property. Seller shall neither sell nor attempt to sell the Property to any third party during the Option Term, which shall be the period of time beginning with the signed acceptance date of this Agreement and terminating 12 months from such date. In the event a signed lease with McDonalds Corp. is not finalized by that date, seller agrees to extend this option a like amount of time as required to finalize the lease, not to exceed 6 months from the original termination date unless otherwise agreed by the parties.

2. **Option Payment.** Seller hereby acknowledges receipt of the sum of \$1000.00 (the "Option Payment") as payment for the Option. The Option Payment shall be refundable except as otherwise provided herein.

3. **Purchase Price.** If the Option is exercised, Land & Lease shall purchase the Property by making a payment to Seller in the amount of \$ 50,000 (the "Purchase Price"). The Purchase Price shall be paid on the Closing Date (as defined below).

4. **Exercise of Option.** Land & Lease may exercise the Option by giving notice to Seller, during the Option Term, of Land & Lease's intention to purchase the Property (the "Option Notice"). The Option Notice shall be accompanied by a check in the amount of \$2,500 (the "Earnest Money"), which shall be nonrefundable (except in the event of breach by Seller under this Agreement or Seller's inability to provide marketable title to the Property, as provided in Section 7 herein) and shall be applied toward the Purchase Price on the Closing Date. The Earnest Money shall be deposited by Seller in an interest-bearing account; all accrued interest shall be deemed part of the Earnest Money, as that term is used herein. The Option Notice shall specify as the date of purchase a date not more than 90 days after delivery of the Option Notice (the "Closing Date").

5. **Property.** The Property shall include all real and personal property located at or on, or used in conjunction with, the land described in Exhibit A, including without limitation land, improvements, fixtures, equipment, furniture, files, and permits. Notwithstanding the preceding sentence, Land & Lease shall be entitled to identify personal property which it does not wish to purchase and which shall not be a part of the Property and shall be removed from the land by Seller prior to the Closing Date. This option shall be contingent upon successful plat approval of a minimum of 3 tracts, Land and Lease Development shall at its expense extend existing sewer and water under hwy 23 to the subject property and will not request TIF.

6. **Delivery of Information.** Seller acknowledges that Land & Lease, in determining whether to exercise the Option, will be examining the structural, physical, environmental, and financial condition of the Property. To facilitate this examination, Seller shall deliver to Land & Lease, as soon after execution of this Agreement as is practicable, copies of all leases, permits, utility and service contracts, warranties, plans, surveys, reports, environmental reports or assessments, and financial information with respect to the Property and in Seller's possession or control. Seller shall further provide to Land & Lease any additional information reasonably requested by Land & Lease. Seller shall permit Land & Lease or its agents to physically enter and inspect the Property at all reasonable times, upon reasonable notice.

7. **Title.** Seller shall deliver to Land & Lease, as soon as is practicable after delivery of the Option Notice, a title insurance commitment (the "Title Commitment") to the Property. Seller shall bear the cost of the Title Commitment. Land & Lease shall have 20 business days after receipt of the Title Commitment to make written objections to any title matters which would interfere with Land & Lease's intended use of the Property, which objections shall be waived if not so made. Land & Lease shall not be entitled to object to any rights of tenants terminable on or prior to the Closing Date. Seller's cure of title objections shall be reasonable, diligent, and prompt. The Closing Date shall be postponed pending cure of title objections, except that liens or encumbrances for liquidated amounts which can be released by payment or escrowed from proceeds of closing shall not delay the Closing Date. Until such time as Seller cures the title objections, Land & Lease shall be entitled to waive its objections and proceed to close; or, at its election, terminate this Agreement, in which event the Option Payment and Earnest Money shall be reimbursed to Land & Lease and the parties shall have no further obligations hereunder.

8. **Environmental Investigation.** Seller hereby grants Land & Lease, from and after the date hereof, access to the Property so that Land & Lease or its agents may conduct such tests as Land & Lease deems prudent to determine the environmental condition of the Property. Such testing shall be done at the expense of Land & Lease. In conducting such tests, Land & Lease shall use reasonable efforts to avoid disrupting the business of Seller or any tenants then occupying the Property.

- (a) Land & Lease shall provide prior notice to Seller and, if different, the occupant of the Property of the dates and times on which Land & Lease or its environmental consultants will be conducting inspections, audits, and tests of the Property; and will permit representatives of Seller and of the Property's occupant to be present for such inspections, audits, and tests.

- (b) Land & Lease shall restore any damage caused to the Property as a result of its testing procedures.

9. **Closing.** The closing shall occur on the Closing Date, at such time and place as the parties shall mutually agree. At closing, Land & Lease shall deliver the Purchase Price (less the Earnest Money and Option Payment previously paid) to Seller, and Seller shall deliver to Land & Lease:

- (a) A warranty deed to the Property, subject to all matters not timely objected to by Land & Lease.
- (b) A bill of sale to the Property.
- (c) An assignment of leases, permits, contracts, and warranties with respect to the Property.
- (d) Such title affidavits as shall be required for issuance of an owner's title insurance policy from the Title Commitment.
- (e) Originals of all leases, permits, contracts, warranties, plans, surveys, reports, and environmental assessments and reports with respect to the Property and in Seller's possession or control.
- (f) Such other documents as shall be reasonably requested by Land & Lease to facilitate the closing and transfer of title of the Property.

10. **Closing Prorations.** All expenses and income with respect to the Property (including, without limitation, rents, utilities, real estate taxes, and special assessments) shall be prorated as of the Closing Date, with Seller to pay (or be credited with) those items attributable to the period of time prior to the Closing Date, and with Land & Lease to pay (or be credited with) those items attributable to the period of time on or subsequent to the Closing Date. Seller shall pay any required state deed tax and the cost of filing all documents necessary to make title to the property marketable. Land & Lease shall pay the cost of filing the deed from Seller and the premium on any title insurance policy resulting from the Title Commitment. All other closing costs shall be paid in a manner consistent with local practice. Any and all real estate commissions due and owing in conjunction with the option or sale hereunder shall be paid by Seller.

11. **Possessory Rights.** Land & Lease shall be entitled to full and complete possession of the Property (free of any and all rights of tenants or subtenants) immediately following the closing. Seller covenants to give any and all tenants and subtenants, in a timely manner, such notices as may be required to terminate their tenancies prior to or as of the Closing Date. Seller shall have the right and obligation to remove from the Property, on or before the Closing Date, all personal property and debris designated by Land & Lease, in its sole and absolute discretion, as not being part of the Property.

12. **Property is "As Is."** The Property is not new, and is being purchased "as is." Land & Lease shall have the right and duty to inspect the Property or to have it inspected by a

person of Land & Lease's choice, at Land & Lease's expense, and shall also have the right to make a preclosing inspection of the Property to determine that the Property is in the same condition as of the date of this Agreement. Seller agrees to provide reasonable access to the Property to Land & Lease and inspectors representing Land & Lease.

13. **Notice.** Each notice given pursuant to this Agreement shall be in writing and shall be addressed as follows:

(a) If to Seller:

City of Milaca  
Attn: Greg Lerud, City Manager  
255 First Street East  
Milaca MN 56353

(b) If to Land & Lease:

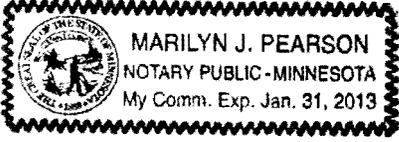
Land & Lease Development L.L.C.  
Attn: Brian Weidendorf  
24226 Lone Pine Road  
Hinckley, Minnesota 55037

(c) Notice shall be deemed delivered on the date it is personally delivered, faxed, or emailed; or two business days after the date it is deposited in the United States mail. Any party may change its address for the delivery of notice by giving notice of such change to the other party, in any manner specified above, no fewer than five business days prior to the effective date of such change.

14. **Loss.** In the event Land & Lease's intended use of the Property is materially and adversely affected by fire or other casualty to the Property, or by the institution of condemnation proceedings, Land & Lease may elect, prior to the Closing Date, to give notice of termination of this Agreement, in which event Seller shall reimburse any paid Option Payment and Earnest Money to Land & Lease and the parties shall have no further obligations hereunder. In the event Land & Lease does not elect to terminate this Agreement, Seller shall be entitled to receive all insurance or condemnation proceeds, but Land & Lease shall be credited with such amounts at closing, and shall further be credited with any applicable deductibles.

15. **Default Remedies.** In the event of breach of this Agreement, the non-breaching party shall, if the breach is not cured within five business days following notice to the breaching party, be entitled to all remedies provided at law or in equity, including specific performance. A party who fails to cure its breach within five business days following notice shall pay the reasonable attorney fees and court costs incurred by the non-breaching party in pursuing its remedies hereunder. Nothing in this section shall preclude a party from immediately seeking injunctive relief to prevent irreparable harm.

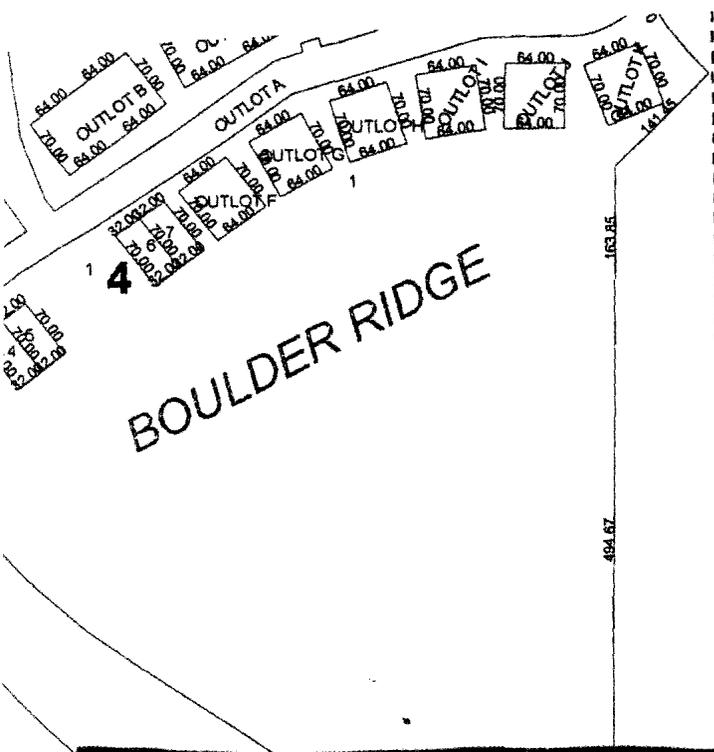




*Marilyn Pearson*  
\_\_\_\_\_  
Notary Public

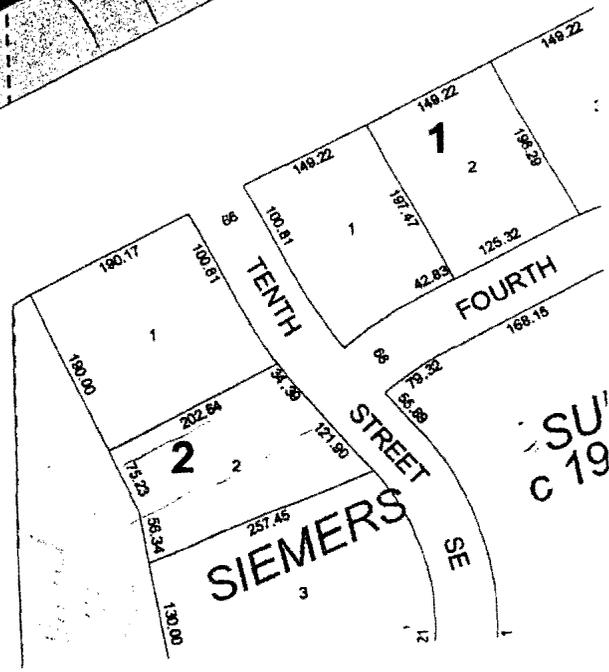
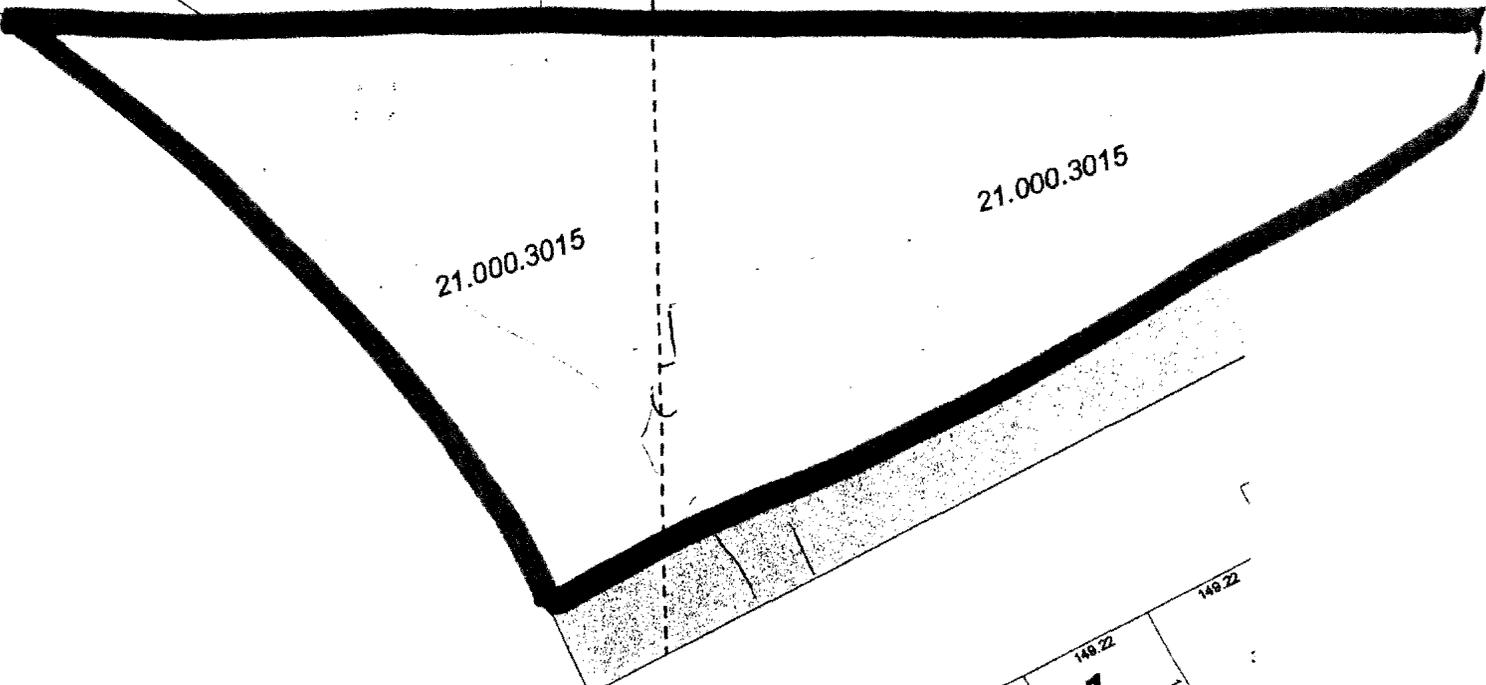
M:\DOCS\180621000000\AGM\QM4430.DOC

Exhibit A



BOULDER RIDGE

OUTLOT L



SU  
C 19

CITY OF MILACA ORDINANCE NO. 393

AN ORDINANCE REGULATING USE OF PUBLIC PARKS

THE CITY COUNCIL OF THE CITY OF MILACA, MINNESOTA DOES ORDAIN AS FOLLOWS:

SECTION 1: The Ordinance Code of the City of Milaca, Minnesota is amended by the addition of the following:

SECTION 2. Purpose. This section is enacted to govern the conduct of members of the public during their use and enjoyment of the City park system so as to further the safety, health, enjoyment, and welfare of all persons in the use of those facilities and to protect public property and resources for posterity.

SECTION 3. Hours and Access.

Subd. 1. The park system shall be open to the public between the hours of 6:00 a.m. and 10:00 p.m. No person shall remain, stop, use, or be present within the confines of any park between the hours of 10:00 p.m. and 6:00 a.m. Exceptions may be made at the discretion of the city council in the case of emergency, when contained in Park Permits which have been issued, or for other reasons the city council may determine necessary or desirable. Except as outlined in a Park Permit, parks are subject to any other curfew hours in force in the city.

Subd. 2. Any section or part of any park may be declared closed to the public by the city council at any time or for any interval of time, either temporarily or at regular and stated intervals, and either entirely or for certain uses as the council shall find necessary or desirable.

SECTION 4. Permits.

Subd. 1. Permits are required for the exclusive use of all or portions of specific areas, buildings, and other park facilities; and for conducting special events such as those of an athletic, cultural, educational, political, religious or recreational nature; and for specific exemption from any provision of this ordinance. Any person, group, or association of persons wishing to obtain a permit must file an application for a permit with the city manager.

Subd. 2. In addition to any permit terms, the grantee of a permit is bound by this section and any other applicable regulations.

Subd. 3. The grantee of a permit is liable for any loss, damage, or injury sustained by the park or by any person whatever, by reason of the negligence of the person or persons to whom such permits are issued.

Subd. 4. The grantee of a permit may not transfer or relinquish the permit to another person or group of persons without the written permission of the city manager.

Subd. 5. The city manager may revoke a permit upon evidence of good cause.

Subd. 6. No person may disturb, harass, or interfere with the grantee of a valid permit, nor with any of the grantee's guests, property or equipment.

Subd.7. Permits may be issued to adults only and an adult must be on the permitted premises at all times for the duration of the permit.

Subd. 8. No person or group may place or hold for sale any goods, wares, merchandise, or other articles on park property, by permit or otherwise.

Subd. 9. Only Park Permit Grantees and their invited guests may use park facilities reserved by Park Permit such as shelters, picnic areas, ball fields, tennis courts or volleyball courts or conduct picnic activity at reserved picnic sites.

Subd. 10. No person may establish or maintain any camp or other temporary lodging or sleeping place in any park, by Park Permit or otherwise.

#### SECTION 5. General Conduct.

Subd. 1. Defacement, destruction of property and resources prohibited.

- (a) No person may tamper with, climb on, injure, deface, destroy, disturb, damage, move, or remove any part of any park building, portable bathrooms, structure, sign, light pole, drinking fountain, hydrant, picnic table, grill, trash receptacle, equipment, statue or other property found in the park. This does not prohibit appropriate use of play equipment.
- (b) No person may deface, disturb, or remove in any manner any soil, plant, artifact, fossil, rock, or other natural resource.
- (c) No person may excavate any ditch, trench, tunnel, or hole in any park.

Subd. 2. Preservation of Vegetation.

- (a) No person may injure, cut, destroy, mutilate, uproot, disturb, or remove any flower, tree, shrub, or any plant whether wild or cultivated, or any part thereof.
- (b) No person may make any unauthorized use of any park which is detrimental to the turf and soil conditions.

- (c) No person may remove any device, apparatus or material installed for the protection, support, or preservation of any tree, shrub, or plant.

Subd. 3. Animals, whether wild, pet or domestic.

- (a) No person owning, being in custody, or having custody or control of an animal, may cause or allow the animal to roam or be at large in any park.
- (b) No person having custody or control of any animal may allow the animal to disturb, harass, or interfere with other park users or their property.
- (c) Any unattended animal found roaming or at large within any park may be impounded.
- (d) All state and local ordinances relating to the licensing and muzzling of animals apply to any park.
- (e) It is unlawful for any person who owns, harbors, or has custody or control of an animal to permit such animal to defecate on any public property unless such person immediately removes the excrement and properly disposes of it.

Subd 4. Fires.

- (a) No person may start or maintain a fire in any park except small recreational fires in fireplaces, fire rings, and grills provided for that purpose in areas specifically designed for such use. Private grills may be used in designated areas provided that all ashes and residue are disposed of in containers provided for such disposal.
- (b) Any person who starts or maintains a fire in an authorized area must exercise continuous supervision from the time the fire is kindled until it is extinguished. No fire may cause damage or constitute a threat to site vegetation and resources, nor may it cause discomfort to other park users.
- (c) The council may, at its discretion, prohibit fires for limited periods at any location for any purpose when it is necessary for the continued protection of park property and resources.

Subd. 5. Waste and Litter.

- (a) No person may throw, cast, drop, pour, spill or discharge, or permit to escape in or upon any land, pond, river, creek, stream, ditch, storm sewer, or drain flowing into or through any park, any substance, matter or thing whether solid, liquid, or gas, which may result in the pollution of such

waters, interfere with the conservation management of the water resource, or endanger the health of the public.

- (b) No person may deposit in public trash receptacles any household refuse, tree or lawn clippings, leaves, weeds, waste resulting from building construction, remodeling or demolition; and other waste products, unless such refuse is the result of authorized activities in the park in which such public receptacles are located.
- (c) No person may drop, throw or otherwise leave unattended in any park lighted matches, burning cigars, cigarettes, tobacco, paper, or other combustible material.

Subd.6. Firearms, Weapons, Fireworks.

- (a) No person may possess, fire, discharge, or set off any firearm, missile, fireworks, or explosives in any park
- (b) No person, except a peace officer, shall possess or carry a firearm of any description in any park. No person may possess or carry in any park any air gun, bow and arrow, knife with a blade greater than three inches, paint ball gun, slingshot, dart, or projectile thrower, or any other dangerous or illegal weapon.
- (c) Any unauthorized or illegal weapon within any park is subject to seizure by a peace officer.

Subd. 7. Disturbing the Peace - Conduct.

- (a) No person, or group of persons, may disturb the peace and good order in any park by either word or act.
- (b) No person, or group of persons, may use threatening, abusive, insulting, obscene, or indecent language or commit, perform or engage in any lewd, lascivious, obscene or indecent act.
- (c) No person, or group of persons, may engage in fighting, quarreling, wrangling, riotous clamor, or tumult.
- (d) No person, or group of persons, may disturb, harass, or interfere with any park user or the user's property.
- (e) No person may solicit or ask anyone to commit, perform or engage in any lewd, lascivious, obscene, or indecent act or behavior.

- (f) No person may enter or occupy any park or park property while under the influence of alcohol to the extent his or her blood alcohol content meets or exceeds the level of .10 per cent alcohol per milliliter of blood and any person who a peace officer has probable cause to believe is under the influence of alcohol as described is subject to chemical testing by portable breath test and any such person who refuses to properly perform a portable breath test when offered by a peace officer is subject to immediate removal from park property and may be banned from city parks for a period of 3 years by action of the city council.
- (g) Any person who a peace officer has probable cause to believe has engaged in conduct prohibited by this ordinance the city council.

Subd. 8. Audio Devices. No person may operate or play any musical instrument, radio, television, record or tape players, loudspeaker, public address system or sound amplifying equipment of any kind in any park in such a manner that the sound emanating therefrom is audible beyond the immediate vicinity of the set or instrument, and subsequently interferes with the use of the park by other users or disturbs the residents of adjacent property.

Subd. 9. Alcoholic and Intoxicating Beverages. No person may possess, have within their immediate control, display, consume or use intoxicating liquor or 3.2 percent malt liquor in any park, provided however, that the City Manager may issue Park Permits authorizing the possession, immediate control, display, consumption and use of wine and beer at the location and in conjunction with the Park Permit and subject to the limitations contained in the permit.

Subd. 10. Games. No person may engage in any potentially dangerous games involving thrown or propelled objects, such as horseshoes, golf balls, darts, paint balls, or similar objects except in appropriate areas specifically designated for such usage.

Subd. 11. Skateboards.

- (a) No person shall operate a skateboard carelessly or heedlessly in disregard of the rights of others, in a manner that endangers or is likely to endanger persons, property or the operator of the skateboard, or in a place where the surface or traffic conditions render the place unsafe for skateboarding.
- (b) An operator of a skateboard must yield the right-of-way to any other type of vehicle or a pedestrian while the operator is entering or traveling upon a street, alley, sidewalk, bicycle path, or other paved surface.

Subd. 12. Unlawful Sales.

- (a) No person may sell, offer for sale, hawk, peddle or lease any object, merchandise or service or carry on any manner of business or commercial enterprise except those concessions authorized or operated by the city.
- (b) No person may park or occupy a vehicle, stand or booth to sell any farm produce, flowers, merchandise or any other product or for conduct any business or the selling of services unless authorized by Park Permit.

Subd. 13. Peace Officers and Employees.

- (a) No person may willfully resist, refuse or fail to comply with any order, direction or request lawfully given by any peace officer, or city employee acting under the authority of the city council or city manager and in accordance with this section.
- (b) No person may interfere with, or in any manner hinder any city employee, city contractor, or peace officer during the performance of their assigned duties.

Subd. 14. Posted Regulations, Directional Signs and Graphics. No person may disregard or fail to comply with any posted regulations, directional signs and graphics, barriers or other control devices located within any park or on any parkway.

SECTION 6. Traffic Rules.

Subd. 1. No person may drive or operate a motorized vehicle within any park except upon roadways, parking areas, parkways or other areas designated for such use.

Subd. 2. No person may operate a motorized vehicle within any park or on any parkway, in violation of posted regulations and directional signs, state law, county or municipal traffic ordinances, or orders or direction of peace officers or city employees.

Subd. 3. No person may drive or operate a motorized vehicle on or along any roads, drives or parking lots which have been restricted, closed, or posted with appropriate signs or barricades. The council will have the authority to order roads, drives, or parking lots within any park or any roadway closed during the process of construction, reconstruction, or repair or when in its opinion, weather conditions render travel unsafe or unduly destructive.

Subd. 4. No person may operate a motorized vehicle in a careless or reckless manner or without due regard for the safety and rights of pedestrians and drivers and occupants of all other vehicles, so as to endanger the life, limb, or property of any other person.

Subd. 5. No person may operate a motorized vehicle in any park or on any parkway at a speed in excess of 15 miles per hour or in excess of otherwise posted speed limits.

Subd. 6. No person may operate a motorized vehicle in any park which emits excessive or irritating noise, noxious fumes, dense smoke or other pollutants.

Subd. 7. Motorized vehicles illegally parked, disabled or abandoned may be towed away and impounded at the owner's expense.

Subd. 8. Motorized vehicles must yield the right-of-way at all times to pedestrians.

Subd. 9. No person may participate in a drag race or test of unreasonable acceleration in any park or on any parkway.

SECTION 7. Penalties for Violation.

Subd. 1. Violation of any of the provisions of this ordinance shall be a misdemeanor.

Subd. 2. Any person violating any section of this ordinance may be expelled, ejected, or ousted from a park at the discretion of a peace officer.

SECTION 8. Effective Date.

The ordinance shall become effective upon passage and publication.

Adopted by the City Council of the City of Milaca this \_\_\_\_\_ day of \_\_\_\_\_, 2012.

\_\_\_\_\_  
Harold Pedersen, Mayor

ATTEST:

\_\_\_\_\_  
Greg Lerud, City Manager

MILACA ECONOMIC DEVELOPMENT COMMISSION  
MAY 18, 2012 MEETING

The meeting of the Milaca Economic Development Commission was called to order at 7:35 a.m. by Chairman Joe Cronin. The following commission members were present: Ken Muller, Jeff Brown, Mark Herzing, Pete Thomes, and Steve Kosbab.

The secretary's report was approved as read.

Cronin gave an update on the County's comprehensive plan update process. He said there are four committees working and they will be taking feedback from community members, and they will work to help create the draft plan. He said there are four more community meetings planned, and all the information is on the county's website.

Lerud passed out some demographic and economic profile information for Mille Lacs County. Lerud said he attended a work force center meeting, and this information was available, and he thought it would interest the commission.

The commission discussed drafting a letter to the economic development subcommittee working on the comp plan and urging them to consider hiring a person at the county level to lead economic development efforts. The group thought that a coordinated effort by the county would assist all cities and areas of the county. Lerud said that each city could also contribute to the cost of an employee, but that the position would probably pay for itself through additional economic improvements in the county. The consensus of the group was to have Lerud write a letter to the county and have it at the June meeting. Once reviewed, all members would sign. There was discussion about involving the other cities in the county in supporting this idea, and the group decided that it would be best to wait until our draft was complete.

Brown said that they are working with their first potential renter for their place on 1<sup>st</sup> Street.

With no other business the meeting adjourned at 8:50 a.m.

Respectfully submitted,

Greg Lerud, Secretary  
Milaca Economic Development Commission



**Stantec**

Stantec Consulting Services Inc.  
2335 Highway 36 West  
St. Paul MN 55113  
Tel: (651) 636-4600  
Fax: (651) 636-1311

June 6, 2012

Mr. Greg Lerud, Manager  
City of Milaca  
255 First Street E  
Milaca, MN 56353-1609

Re: Rum River Dam Removal and Pedestrian Bridge Project  
Project No. 193800517  
**Award of Construction Contract and approval of Construction Contract Change Order #1**

Dear Greg:

Bids were for the Dam Removal and Pedestrian Bridge Project were opened on May 11, 2012 and the City Council reviewed the bid results on May 17, 2012. The low Bidder on the Project was Rachel Contracting with a Total Base Bid Amount of \$371,415.50 (\$222,297.50 for the dam portion and \$149,118.00 for the bridge portion). The Engineer's Estimate was \$271,247 (\$176,025 for the dam portion and \$95,222 for the bridge portion).

Since the bids were opened, we have been working with your office, the DNR, and the Contractor to explore ideas for reducing the project costs. The consensus of the people involved was to remove the river bed augmentation work (riffles) from the scope of the project. You have also stated that you would like to delete the common borrow and aggregate base that was included in the project to provide access ramps to the bridge. By elimination these items the construction amount under this contract can be reduced to \$300,990.50 (\$151,872.50 dam and \$149,118 bridge).

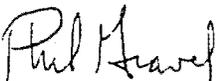
We have discussed the proposed project modifications with the Contractor and they are agreeable to the changes. We have prepared a forma Construction Contract Change Order to document the changes.

If the City Council wishes to award the Project, then **Rachel Contracting, Inc.** should be awarded the Project on the **Total Base Bid Amount of \$371,415.50 and Construction Contract Change Order #1 for (\$70,425.00). The net revised Contract amount is \$300,990.50.**

Upon award of the project, construction Contracts will be processes and a Preconstruction Conference will be held. Construction could begin yet this month with a break for Rec Fest. It is more likely that construction will not begin until after Rec Fest.

Should you have any questions, please feel free to contact me at 651-604-4885.

Sincerely,  
**STANTEC**

  
Phil Gravel, City Engineer

Enclosure



Owner: City of Milaca, 255 - 1st St. E., Milaca, MN 56353	Date	June 5, 2012
Contractor: Rachel Contracting, Inc., 4125 Napier Ct. NE, St. Michael, MN 55376		
Bond Company:	Bond No:	

**CONSTRUCTION CHANGE ORDER NO. 1**  
**RUM RIVER DAM REMOVAL AND PEDESTRIAN BRIDGE**  
**STANTEC PROJECT NO. 193800517**

**Description of Work**

This Construction Contract Change Order reflects a change in the work scope to remove some of the river channel enhancement features of the project and to remove the common borrow element of the project. Specifically, this Construction Contract Change Order removes most of item 5 from the original bid and all of bid items 6, 16, and 17.

It is understood that the construction quantities for bid items 7 and 8 will also be reduced and the final payment will be based on actual quantities used. It is also understood that there may be suitable excess material from the project that may be used as common borrow as originally specified. It is also understood that common borrow may be required for some of the project work remaining after this Contract Change Order. Payment for common borrow as described herein will be made under that bid item at the bid unit price included in the original bid.

DNR permits have been received for the dam removal and the pedestrian bridge. The Contractor shall comply with the conditions of DNR permits 2011-0470 and 2012-1027.

This Construction Contract Change Order changes the contract completion date to November 16, 2012 with no other additional compensation is provided for this change in date.

No.	Item	Unit	Contract Quantity	Unit Price	Total Amount
<b>CHANGE ORDER NO. 1</b>					
1	ITEM NO. 5 - COMMON BORROW (CV) (P)	CY	2900	(\$9.00)	(\$26,100.00)
2	ITEM NO. 6 - AGGREGATE BASE CLASS 5	TN	150	(\$18.00)	(\$2,700.00)
3	ITEM NO. 16 - BOULDER, OFF-SITE	EA	75	(\$275.00)	(\$20,625.00)
4	ITEM NO. 17 - RIFFLE, CLASS 3 FIELDSTONE	CY	350	(\$60.00)	(\$21,000.00)
<b>TOTAL CHANGE ORDER NO. 1:</b>					<b>(\$70,425.00)</b>

Original Contract Amount	\$371,415.50
Previous Change Orders	\$0.00
This Change Order	<u>(\$70,425.00)</u>
Revised Contract Amount (including this change order)	\$300,990.50

**CHANGE IN CONTRACT TIMES**

Original Contract Times:

- Substantial Completion (days or date):
- Ready for final Payment (days or date):

Increase of this Change Order:

- Substantial Completion (days or date): November 16, 2012
- Ready for final Payment (days or date): November 21, 2012

Contract Time with all approved Change Orders:

- Substantial Completion (days or date):
- Ready for final Payment (days or date):

Recommended for Approval by:

**STANTEC**

Date:

---



---

Approved by Contractor:  
**RACHEL CONTRACTING, INC.**

Approved by Owner:  
**CITY OF MILACA**

---



---

Date

Date

- cc: Owner
- Contractor
- Bonding Company
- Stantec

STAFF REPORT  
PEDESTRIAN WALKING BRIDGE

Here is a breakdown of revenues and expenses for the remaining work on the pedestrian walking bridge:

Expenses:

1. Coating	\$ 30,000
2. Decking	\$ 3,500
3. Install decking	\$ 1,500
4. Common borrow	\$ 10,000
5. Paving path	\$ 7,500
6. Cemetery path	\$ 5,000
7. Class 5 under path	\$ 3,000
8. Top soil and seed	\$ 22,000
9. Bid amount	\$149,118
TOTAL	\$231,618

Revenues:

1. State bond (remaining)	\$ 76,219
2. Reineke Trust Fund	\$ 25,000
TOTAL	\$101,219

DIFFERENCE \$130,399

In 2010, when the city was working with Rep. Kulick to secure state bond funding for the project, the city committed to spending \$96,763 toward the project cost. The city could finance the difference by using the Micro Loan program through David Drown and MN Rural Water Association. It is the same funding source that was used to purchase the airport fuel system. Financing is over a maximum of seven years. The estimated annual debt service levy during that time is approximately \$21,000.

## Greg Lerud

---

**From:** Scott Martin <[smartin@northlandinst.org](mailto:smartin@northlandinst.org)>  
**Sent:** Friday, May 25, 2012 3:29 PM  
**To:** Greg Lerud  
**Cc:** [bpalmquist@mncommunitycapitalfund.org](mailto:bpalmquist@mncommunitycapitalfund.org)  
**Subject:** MCCF Membership

Hi Greg,

The process for withdrawing *all or part* of the city's MCCF deposit is very simple. You just need to send me a letter requesting the amount of your withdrawal. If the city council decides to continue as a MCCF member, the minimum deposit amount is still only \$25,000--so one option would be to request the return of just \$25,000 for capitalization of your local revolving loan fund.

Once I receive your letter requesting the return of your deposit, I will notify our Bremer Bank escrow agent to send you a check. Bremer is obligated to process the check within ten business days.

Should the city decide to withdraw from the Fund entirely, local businesses will still be eligible for MCCF financing if either East Central Energy or Great River Energy agree to sponsor individual loan applications.

Please don't hesitate to call me should you have any questions.

Thank you for your MCCF Membership during the past nine years!

*Scott*

Scott A. Martin  
President  
Minnesota Community Capital Fund  
13911 Ridgedale Drive  
Suite 260  
Minnetonka, MN 55305

(952) 546-9049  
(800) 860-6223  
[smartin@mncommunitycapitalfund.org](mailto:smartin@mncommunitycapitalfund.org)

---

**From:** Greg Lerud [<mailto:glerud@milacacity.com>]  
**Sent:** Friday, May 25, 2012 1:25 PM  
**To:** Scott Martin ([smartin@northlandinst.org](mailto:smartin@northlandinst.org))  
**Subject:** MCCF

Scott,

The Milaca city council is considering reestablishing our local revolving loan fund, and asked what the process is to request the return of the \$50,000 the city has deposited initially with MCCF. We haven't had a loan generated from Milaca, and with both East Central Energy and Great River Energy as members, we would still be able to initiate loans with MCCF. Please let me know the process at your convenience.

Thank you,  
Greg



**Stantec**

**Stantec Consulting Services Inc.**  
2335 Highway 36 West  
St. Paul MN 55113  
Tel: (651) 636-4600  
Fax: (651) 636-1311

---

May 15, 2012

Mr. Greg Lerud, City Manager  
City of Milaca  
255 First Street East  
Milaca, MN 56353-1609

Reference: City of Milaca  
Ambulance Garage Addition  
Architectural and Engineering Design Services Proposal  
Project No

Dear Greg:

Thank you for opportunity to submit this proposal for architectural and engineering design services for the Ambulance Garage Addition to the Milaca Fire Station.

We are proposing the following work scope:

1. One site visit to field verify existing building services capacities and their proximity to the Ambulance Garage Addition.
2. Prepare drawings and specifications to include civil, architectural, structural, mechanical, plumbing, and electrical for the new Ambulance Garage Addition to the Milaca Fire Station. Some of the specific systems to be provided in this new building include:
  - In-floor heating in garage
  - A/C and heating in living areas via electric fan coil unit
  - CO sensors and smoke detectors
  - Trilogy door locks
  - Conduit layouts for coaxial cable, cat 5 cable, phone lines, and speaker system
  - Hot and cold water service in garage area
3. Schedule and facilitate a meeting with yourself and North Memorial Ambulance personnel to review the drawings and specifications.
4. Update drawings and specifications to reflect discussions and decisions from the review meeting.
5. Schedule and facilitate a pre-bid meeting.
6. Attend the bid opening and review all bids received for compliance with contract documents.
7. Prepare a letter of recommendation for contract award and deliver it to the City Council to consider and take action.

**Stantec**

May 15, 2012  
Mr. Greg Lerud  
Page 2 of 2

Reference: Architectural and Engineering Design Services Proposal

Items 1 through 7 above will be performed for a lump sum fee of \$18,640.00. Reimbursable expenses will include mileage and printing/reproduction costs and are estimated to be no more than \$1,500.00.

We propose to complete the Construction Phase efforts on an hourly basis. We believe the construction phase of this project will be approximately 12 weeks. We propose an hourly Not-to-Exceed amount of \$21,600 for contract administration, construction engineering and weekly construction observation, plus Reimbursable Expenses. Reimbursable expenses are estimated at no more than \$2,000 for the entire construction phase. We understand that the value of this Not-to-Exceed amount, totaling \$23,600, cannot increase without further authorization from the City of Milaca.

Reimbursable expenses include such items as mileage, postage, and printing / reproduction.

Should you wish to discuss any of the information above in further detail, please do not hesitate to call me at 651-604-4849. If this proposal is acceptable, please let us know so we can prepare the appropriate contract.

Sincerely,

STANTEC CONSULTING SERVICES, INC.



Bruce P. Paulson, A.I.A.

cc: SLA, DCL, ARM, PJC