

**CITY OF MILACA
COUNCIL MINUTES**

March 24, 2026

Call to Order

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

Pledge of Allegiance

Roll Call

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

Staff present: City Manager Tammy Pfaff, Communications Specialist Mary Mickelson, Police Chief Quinn Rasmussen, Fire Chief Jesse Gerads, and City Attorney Damien Toven.

Others present: Heidi Peper, Roger Clarin, Nick Grahek, Deb O'Connell, Pauline Mollet, Evan Monson, and Chloe Smith

Approval of Agenda

Mayor Dillan called for a motion to approve the agenda. Larsen made a motion for approval, seconded by Poorker. Mayor Dillan changed Heidi Peper's presentation to fall within the Public Hearing, removing it from Requests and Communications. With no other additions or discussion, all in favor of the approval of the agenda. Motion passes.

Approval of Consent Agenda

1. Approval of Minutes – February 19, 2026
2. Approval of Minutes – Special Council Meeting February 24, 2026
3. Approval of Bills
4. Approve Citizen Participation Plan

Mayor Dillan called for a motion to approve the consent agenda. Johnson made a motion for approval, seconded by Larsen. No further discussion. All in favor of approving consent agenda. Motion passes.

Citizen Open Forum

1. Deb Schoening – Milaca Area Tourism Board Update/RecFest Update
As the Executive Director of the RecFest and Activities Board, Deb updated the council regarding the new governance structure being implemented, as well as several grants that they are awaiting award news in April and May. RecFest has expanded their marketing efforts to include the metro area and are also working closely with Explore MN. RecFest will run from July 23 – July 26 and will have 10 bands.
Councilmember Poorker asked Deb to list the members of the Milaca Area Tourism Bureau, which are Deb O'Connell, Lainy Hoskins, Alesha Olsen, Kayla Moeller, and Dillan Hayes. Poorker also asked if there are any events other than RecFest being promoted; Deb responded that the Milaca Trails and the Rum River Corridor are being highlighted.
Mayor Dillan asked Pauline Mollet, who's been on the RecFest Committee for 14 years, for her feedback on the RecFest governance restructure. She responded that it's exciting to have new people with new ideas on the committee, and that applying for grants makes sense so that local donations are not "tapped dry." She also mentioned that RecFest volunteers would receive free admission. Mayor Dillan also extended accolades to the Tourism Bureau for their efforts with marketing Milaca.
2. Mayor Dillan asked if anyone else present wanted to address anything not on the agenda. No one came forward.

Public Hearing:

Mayor Dillan called for a motion to open the Public Hearing. Johnson made a motion for approval, seconded by Larsen. All in favor of opening the Public Hearing. Motion passes. Public Hearing opened at 6:08 p.m.

Small Cities Development Program (SCDP) Grants Citizen Participation — Heidi Peper to Present SCDP Application Process

The SCDP helps cities, townships, and counties with funding for housing, public infrastructure, and commercial rehabilitation projects, and the project must either be a benefit to low-income persons, eliminates slum and blight, or responds to an urgent community development need, e.g. disasters. Milaca's SCDP application requested \$600,000 in the public facility category for a water tower rehab to benefit low- to moderate-income (LMI) persons. Awards will be announced in May/June 2026. The grant award follows a specific timeline that includes plans/specs due in June 2026, project bidding in February 2027, and construction end in November 2027. The total anticipated cost for this project is \$1,300,000,000, with \$600,000 coming from SCDP. Among the requirements of SCDP funding are environmental review, approved accounting procedures, midpoint public hearing, and quarterly, annual, and final reporting.

Councilmember Poorker inquired as to Milaca's chances for being awarded this grant. Heidi said that the fact that the Small Cities group encouraged the City to apply was a good sign.

Mayor Dillan called for a motion to close the Public Hearing. Johnson made a motion for approval, seconded by Larsen. All in favor of closing the Public Hearing. Motion passes. Public Hearing closed at 6:19 p.m.

Ordinances and Resolutions

1. Resolution #26-06 to Summarize Ordinance #554

Mayor Dillan called for a motion to approve. Motion by Larsen, seconded by Johnson. No further discussion. All in favor of Resolution #26-06. Motion passes.

2. Resolution #26-07 Resolution to Approve Small Cities Development Program Application

Mayor Dillan called for a motion to approve. Motion by Johnson, seconded by Larson. No further discussion. All in favor of Resolution #26-07. Motion passes.

Reports of Departments, Boards and Commissions

City Manager — Update on Clean Water/Drinking Water Community Project. City Manager Pfaff is working with Heidi Peper on the SCDP grant, and also on the Pete Stauber FY27 Interior EPA-STAG Clean Water/Drinking Water Community Project grant. She's received 13 letters of support for these projects.

Police — Incident Report handout and Take-Home Vehicle Policy. Mayor Dillan commented on the thoroughness of the policy, to which Police Chief Rasmussen replied that the community of law enforcement officers were able to provide input on what works best. Councilmember Poorker asked Chief Rasmussen the length of the probationary period, which is one year, and suggested that a two-year probationary period might encourage longevity. Chief Rasmussen expressed concern that a two-year probationary period would be a deterrent to any applicants to the City of Milaca Police Department. Poorker also asked for the definition of "being in good standing." Chief Rasmussen responded that it would include not having any disciplinary actions against them, or that they weren't on any type of leave. Mayor Dillan called for a motion to approve. Motion by Poorker, seconded by Johnson. No further discussion. All in favor of Take-Home Vehicle Policy. Motion passes.

Parks — Mayor Dillan noted that the nets were up on the new pickleball courts in Rec Park.

Public Works —

1. Engineer's Report from Stantec: Handout

2. Rum River Special Education Co-op Design Plans: Phil Gravel of Stantec was unavailable for the meeting, but the design plan was quite thorough with no changes. Mayor Dillan called for a motion to approve. Motion by Johnson, seconded by Poorker. No further discussion. All in favor of Rum River Special Education Co-op Design Plans. Motion passes.
3. Manhole Repair Plans: Mayor Dillan called for a motion to approve. Motion by Larsen, seconded by Johnson. City Manager Pfaff stated that Phil Gravel had been working closely with Public Works Supervisor Gary Kirkeby. No further discussion. All in favor of Manhole Repair Plans. Motion passes.
4. Milaca Junction Addition Grading Plans: Mayor Dillan called for a motion to approve. Motion by Johnson, seconded by Larsen. Mayor Dillan said that the “moving some dirt around” might generate interest for the sale of these lots. All in favor of Milaca Junction Addition Grading Plans. Motion passes.

Fire Department — Fire Chief Jesse Gerads said that the Fire Department would be doing a training burn south of Bock in a few weeks.

Airport —

1. Bid Results: Nick Grahek of Bolton & Menk reviewed the bid process. Bids were sent out on March 12, 2026, and eight bids were received. The low bid was from Clark Companies in the amount of \$169,922.50. Mayor Dillan called for a motion to approve the bid of \$169,922.50 from Clark Companies. Motion by Johnson, seconded by Larsen. Mayor Dillan asked if eight bids was normal, to which Nick replied that it was more than usual. Councilmember commented that the bids were very widespread, and City Manager Pfaff that this bid would save the City \$9,200. All in favor of the Clark Companies bid of \$169,922.50. Motion passes.
2. Approval For Grant Application for Taxilane Reconstruction: Nick Grahek of Bolton & Menk said that with the winning bid, the construction, engineering, and administration cost will result in the grant request be amended to \$216,560.25, the City share to \$24,062.25, for a project total of \$240,622.50. Mayor Dillan called for a motion to approve the grant application for Milaca Airport Taxilane Reconstruction. Motion by Johnson, seconded by Larsen. All in favor of the grant application for Milaca Airport Taxilane Reconstruction. Motion passes.

New Business

1. Resolution #26-08 Minor Lot Split RTC Enterprise, LLC: Evan Monson of Stantec spoke regarding the location and zoning of the lot located at 520 8th Street NE, saying it is in the I-1, or light industrial. The planned division would create parcel sizes greater than the zoning code minimum of 20,000 square feet but will need new easements prepared and will need to verify if there is any public infrastructure within the easement running through the existing building. He also said the smaller of the two lots might be leased to a cell tower. Councilmember Poorker asked if this Minor Lot Split application had gone before the Planning Commission; City Manager Pfaff stated that Minor Lot Splits can go directly to Council. Mayor Dillan called for a motion to approve Resolution #26-08 Minor Lot Split RTC Enterprise, LLC. Motion by Larsen, seconded by Poorker. All in favor of Resolution #26-08 Minor Lot Split RTC Enterprise, LLC. Motion passes.
2. Special Event Application for 3rd Lair: Mayor Dillan called for a motion to approve. Motion made by Larsen, seconded by Johnson. No further discussion. All in favor of Special Event Application for 3rd Lair. Motion Passes.
3. Special Event Application for Music in the Park: Mayor Dillan called for a motion to approve. Motion made by Poorker, seconded by Larsen. Mayor Dillan mentioned that the Arts Council is selling Music in the Park Tshirts. All in favor of Special Event Application for Music in the Park. Motion Passes.
4. Special Event Application for Movies in the Park: Mayor Dillan called for a motion to approve. Motion made by Johnson, seconded by Larsen. Mayor Dillan said it was nice to see these events

taking place in the park. All in favor of Special Event Application for Movies in the Park. Motion Passes.

5. Special Event Application for Milaca Liquor Store 80 Year Celebration: Mayor Dillan called for a motion to approve. Motion made by Poorker, seconded by Larsen. Mayor Dillan asked if it was still in the planning stages; City Manager Pfaff responded that it was being planned to coincide with Milaca Meats' 1st Anniversary Celebration, and that Vicki and Sam were working together on the event. Councilmember Poorker asked for specifics of the event; City Manager Pfaff mentioned the rib cookoff and band at Milaca Meats, as well as liquor vendor giveaways and indoor samples. A big draw will be the unique bourbon in limited quantities on sale. All in favor of Special Event Application for Milaca Liquor Store 80 Year Celebration. Motion Passes.
6. Approval for Deputy Registrar 6 Month \$50,000 CD at First National Bank: Mayor Dillan called for a motion to approve. Motion made by Johnson, seconded by Larsen. Mayor Dillan asked if it was a standard CD; City Manager Pfaff explained that Deputy Registrar needs to have a balance less than the \$250,000 FDIC amount, so moving \$50,000 to a CD makes sense. All in favor of Deputy Registrar 6 Month \$50,000 CD at First National Bank. Motion Passes.

Council Comments

Councilmember Poorker was approached by a summer baseball group regarding possible scheduling conflicts this summer at the Rec Park fields. Mayor Dillan stated that they should contact Bob Sumner to work out scheduling logistics. Poorker also asked if the Union-Times was the City's official paper. City Manager Pfaff said that it was, and that the City publishes their official notices in the paper, per state law. Poorker went on to say that he feels that the Union-Times does not provide enough coverage of Milaca, especially the Milaca High School sports teams. Poorker also asked if all the action items from the February 24, 2026 Council Special Meeting regarding Police Department hiring issues have been completed. City Manager Pfaff replied affirmatively. Poorker also asked that any new Police Department hires be brought to the council meetings for introductions. City Manager Pfaff replied that introductions usually wait until they complete their field training.

Adjourn

Mayor Dillan called for a motion to adjourn. Motion made by Poorker seconded by Larsen to adjourn. No further discussion. All in favor, motion to adjourn passes. Meeting adjourned at 6:45 p.m.



Mayor Dave Dillan

Attest:



Tammy Pfaff, City Manager