

**MELROSE CITY COUNCIL
REGULAR MEETING
THURSDAY, APRIL 21, 2022 – 6:00 P.M.**

AGENDA

1. Call to Order/Roll Call/Pledge of Allegiance
2. Approval of Agenda
3. Open Forum
4. Consent Agenda
 - a. Approval of Minutes
 - b. Approval of Bills/Purchase Orders
 - c. Approval of Investments
 - d. Fire Department Account Bad Debt
 - e. Ambulance Department Account Bad Debt
 - f. Donation Resolutions:
 - 1) Resolution No. 2022-22, Melrose Lions
 - 2) Resolution No. 2022-23, Roving Hillbillies Snowmobile Club
 - 3) Resolution No. 2022-26, Melrose Lions
 - 4) Resolution No. 2022-27, Melrose VFW Post 7050
 - 5) Resolution No. 2022-28, Melrose American Legion Post #101
 - g. Gambling Resolutions
 - 1) Resolution No. 2022-24, Melrose Area Chamber of Commerce
 - 2) Resolution No. 2022-25, Melrose Area Chamber of Commerce
 - h. EMT Hire
 - i. Community Festival License – Chamber of Commerce
 - j. RDB Project Invoices from Stearns County
5. Reports
 - a. Inspectron Inc
 - b. Police Department Monthly
 - c. Finance Director Report
 - d. City Attorney Report
 - e. City Engineer Report
 - f. City Administrator Report
6. Action Items
 - a. Hire of Streets/Parks Temporary/Seasonal Worker
 - b. Hire of Streets/Parks Part-Time Maintenance Worker
 - c. Fire Department Purchase of Turn Out Gear
 - d. ARPA Project Allocation:

7. Old Business
 - a. Inspectron Contract Revision
8. New Business
9. Informational Items
 - a. Utilities Commission Meeting Minutes
 - b. Schools and Conferences
 - c. 1st Quarter Ambulance Report
10. Adjournment

**MELROSE CITY COUNCIL
REGULAR MEETING
THURSDAY, APRIL 21, 2022 – 6:00 P.M.**

A.I. #1 CALL TO ORDER/ROLL CALL/PLEDGE OF ALLEGIANCE

The Melrose City Council met in a Regular Meeting on Thursday, April 21, 2022 at 6:00 p.m. at the Melrose City Center pursuant to due notice being given thereof. Present were Council Members Justin Frieler, Travis Frieler, Mark “Bunker” Hill, and Mayor Joe Finken, City Administrator Colleen Winter, and City Clerk Patti Haase. Also in attendance were Roger and Jean Paschke, Mary Loecken and Chris Barron. Council Member Tony Klasen arrived at 7:10 p.m. Mayor Finken presided thereat.

The Council then recited the Pledge of Allegiance.

A.I. #2 APPROVAL OF AGENDA

A motion was made by Mr. Hill, seconded by Mr. Justin Frieler and unanimously carried to approve the agenda as submitted.

A.I. #3 OPEN FORUM

Mayor Finken then opened the floor to public comment. Jean Paschke with the Melrose Historical Society addressed the Council requesting their support for naming the new bridge after Edwin Clark. Mr. Clark was the founding father of Melrose. Ms. Paschke provided a brief biography of Mr. Clark. Stearns County has been contacted and are requiring that the Mayor and Council support the naming. Would there be a plaque or a sign and if so what are the costs. The County is requesting that this be brought before the County Board at its May 10 meeting. The Council supported the naming of the bridge.

A.I. #4 CONSENT AGENDA

The following items were considered for approval under the Consent Agenda:

- a. The minutes from the March 17 Regular Meeting
- b. List of bills in the amount of \$636,422.70 (See attached list)
- c. List of investments for the month of March (See attached list)
- d. Fire Department uncollectible accounts in the amount of \$825 have been submitted to Revenue Recapture, collections, or written off. A complete list of accounts is on file at the City Office. There was also a total of \$700 collected from account holders during the first quarter.
- e. Ambulance Department uncollectible accounts in the amount of \$2,331.92 have been submitted to Revenue Recapture, collections, or written off. A complete list of accounts is on file at the City Office. There was also a total of \$7,859.30 collected from account holders during the first quarter.
- f.
 - 1) Resolution No. 2022-22 Donation in the amount of \$500 from the Melrose Lions which is the fourth and final payment of their 2018 commitment of \$2,000 to the water tower lights.
 - 2) Resolution No. 2022-23, Donation in the amount of \$500 from the Roving Hillbillies Snowmobile Club towards the Melrose Fire Department.
 - 3) Resolution No. 2022-26, Donation in the amount of \$2,000 from the Melrose Lions to the Melrose Area Chamber of Commerce towards the Riverfest Celebration.

- 4) Resolution No. 2022-27, Donation in the amount of \$2,000 from the Melrose VFW Post 7050 to the Melrose Area Chamber of Commerce towards the Riverfest Celebration.
 - 5) Resolution No. 2022-28, Donation in the amount of \$1,000 from the Melrose American Legion Post 101 towards the Riverfest Celebration.
- g. 1) Gambling Resolution No. 2022-24 Resolution Approving Gambling License to the Melrose Area Chamber of Commerce for an exemption from lawful gambling license to conduct a bingo, and hold a raffle on May 7, 2022, at the American Legion located at 265 County Road 173 SE.
2) Gambling Resolution No. 2022-25, Resolution Approving Gambling License to the Melrose Area Chamber of Commerce for an exemption from lawful gambling license to hold a raffle and sell pull-tabs on June 25, 2022, at the St. Mary's School located at 320 5th Avenue SE.
 - h. Ambulance Coordinator Jenn Tschida is requesting approval be given to the appointment of Cheryl Doll-Bueckers to the Ambulance Department, contingent upon the successful completion of her EMT class, as well as passing the pre-employment physical and drug test. The anticipated start date of July 1.
 - i. The Council to give consideration to approval of a Community Festival License – Public Property to the Melrose Area Chamber of Commerce. Approval is contingent upon state approval, and necessary liquor liability insurance documentation.
 - j. The city has received invoices from Stearns County for expenses for the RDB Project.
The break down will be:
- | | | | |
|-----------|---------------|--------------|--------------|
| #114-2022 | 432-0930-4530 | \$13,639.15 | Channel |
| #128-2022 | 432-0930-4530 | \$1,282.49 | City Roadway |
| | 432-0930-4530 | \$12,099.17 | Dam |
| | 432-0930-4530 | \$317,537.51 | Channel |
| | | \$111,628.80 | Utilities |

A motion was made by Mr. Hill, seconded by Mr. Travis Frieler and unanimously carried to approve the Consent Agenda items.

A.I. #5 REPORTS

- a. Mark Luostari and Mike Wallen with Inspectron Inc. provided an overview of the company and the services they provide.
- b. Police Chief Craig Maus presented the Police Department's March 2022 report. He noted there were 268 calls for service during that month, compared to 376 for March 2021. A total of 21 citations were written for the month of March. There were 50 verbal warnings and 3 written warning. The year-to-date number of calls is 786 compared to 1,009 in 2021. For the month of March 2022, the Department received 27 agency assist calls. Mayor Finken inquired about enforcement of the nuisance order. Chief Maus stated that the department will begin inspection in early May, however the inspections do not include shingle or siding replacement. In the past this has not resulted in abatement as it was the philosophy of the council that the city did not wish to hire contractors to make the improvements and assess to the property owner.
- c. Finance Director Tessa Beuning provided the following update:

PROPOSED LOCAL GOVERNMENT AID (LGA) REVISIONS

The Coalition of Greater MN Cities, in partnership with the League of MN Cities, Metro Cities, and the Association of Small Cities have been evaluating the performance of the current Local Government Aid (LGA) formula and to determine what (if any) changes might be desirable.

The formula for LGA is typically reviewed every ten years. The last time the formula was updated was 2013. With the census in 2020, it was a good time for this formula to be reviewed again. LGA hasn't kept pace with inflation and city expenditures, and at the same time the share of the state general fund spent on LGA has decreased. This legislative session, they are asking lawmakers to pass a \$90 million increase in LGA to further strengthen this important program. They are also requesting a revision to the formula used to determine the amount of aid to cities. For medium sized cities (2,500-9,999 population) the new formula would include a need factor that shows the percentage of commercial and industrial utility property market value, which would better reflect the impact of these large industrial businesses on a community. The new proposed formula would be more accurate of cities' needs over time. Under the current law, Melrose would be proposed to have an increase to our LGA of \$15,132 (2%). The House Taxes committee omnibus bill includes the LGA formula proposal with an additional \$34 million, which would result in an estimated increase of \$66,206 (7%) in 2023.

With the 2023 House Tax Bill and the requested \$90 million additional appropriation, Melrose would see an estimated increase of \$173,387 (18%). The city's needs are calculated using the LGA formulas, and then it is reduced by calculating what the city can afford to levy through their tax base. This gap is considered the Unmet Needs. Under the current formula, the unmet needs for Melrose for 2023 is \$1,333,279, which would be the maximum we could receive if this program was fully funded. We are anticipated to receive 72% of this. To illustrate the impact of the new formula proposed to calculate Melrose's unmet needs, the maximum amount of LGA Melrose could receive would amount to \$2,271,492, which is an increase of \$938,213. Again, that'd be the maximum amount if the program were to be fully funded.

The proposed formula revision is currently in the house tax bill. After the legislative break it will go to the ways and means committee and then to the house floor. They are not anticipating the Senate will have LGA policy or funding in their tax bill. Tax bill #1 has come out but they did state there would be a tax bill #2 that would deal with items that are currently being discussed. Those two bills would be consolidated and would then go to the conference committee. At the point is when the discussion will really come into play for LGA. The legislative session adjourns on May 23rd. As it is not a budget year, they would not be required to take action. CGMC has requested to monitor for action alerts, and if they send one out they are requesting that city councils will act on this to show their support for the requested revisions.

VOLUNTARY SUPPLEMENTAL AMBULANCE PAYMENTS

We received word from the MN Department of Health that ambulance service providers that are owned and operated by their local government can opt in to receive supplemental payment on services provided to medical assistance enrollees. This payment supplements that amount the ambulance received for providing services on a fee-for-service basis for Medical Assistance enrollees. The supplemental payment equals the difference between the Medicaid payment amount and the average payment rate of the provider's top three commercial payers. Each of the commercial payers used to compute the average rate must account for at least 2% of the total rides delivered by the ambulance provider.

This supplemental payment is computed on an annual basis and paid in one lump sum for the year. I have sent in paperwork and notice that Melrose Area Ambulance will be opting in for this payment and will work in conjunction with Ambulance Coordinator Jenn Tschida and Expert Billing, our ambulance billing provider to obtain the information necessary to determine our payment.

MN DEPARTMENT OF REVENUE, REVENUE RECAPTURE AUDIT

I received notice in February that Melrose was randomly selected for an audit for our revenue recapture program. Currently, we have the ability to submit uncollectible accounts for medical services and unpaid utility services to the MN Dept of Revenue. These funds are then withheld from the claimant's tax refunds and sent to the City. They reviewed the City's processes, notification letters and a sample of claim transactions. We have been in the process of enhancing our tracking and reconciling of all collection balances, both with Revenue Recapture as well as our contracted collection agencies. We have not yet received the results of the report back yet from the state.

LASERFICHE DOCUMENT MANAGEMENT SYSTEM

Starting in 2021, we initiated a new document management system, Laserfiche. This will help us to move to a more paperless environment, have been searching capabilities, and assist in records retention standards. Within this scope we had five different projects that have been built:

1. The first repository built was City Clerk, which basically entailed our organization documents. This includes financial reports and documents, meeting agendas and meetings, resolutions and ordinances, improvement projects and grants, miscellaneous required reporting, policies, utility billing, etc.
2. Next completed was accounts payable. Checks are now printed with a barcode so they can be scanned with the corresponding invoices and matched by vendor name and information to our accounting system.
3. The address files repository allows us to store information related to properties such as permits, CUPs, easements, variances, etc. which are filed by address. This will greatly assist in finding all information on a property and ensuring vital documents are stored with that property.
4. We then built the contract module to store all contracts held by the City, and a workflow that will alert staff on renewals coming due.
5. We are currently underway on our final project, HR. This will tie directly to our payroll system and maintain all employee documents from the personnel files into an employee file. These employee files will update when a name change happens or when an employee terminates employment with the City. Additionally, any payroll/human resources reporting and information will be able to be stored and viewable according to restricted security rights.

- d. City Attorney Scott Dymoke reported on projects he has been working on for the city:
 - Bonner Nuisance – Preparation for trial on nuisance abatement order.
- e. City Engineer Dave Blommel presented the engineering report.
We continue to work with Traci Ryan consulting and MADA on the housing needs within the city. Refined estimates have been prepared for additional options at Daylight Court. Additional locations around the City are being further explored and will be evaluated by the team with and presented to the council as an update at a future meeting.

f. City Administrator Winter provided an update:

RDB - CA Winter is working through some of the additional costs with WSB for engineering and payments to adjacent property owners and will keep the Council apprised of those costs as they come in.

Sauk River Park planning – A grant to the MNDNR outdoor recreation program was submitted and the City of Melrose is currently included under LCCMR's bill that is in both the House and Senate. The Park Board is meeting again this month and will continue to look for ways to fund the improvements at the Park. A complete plan and cost breakdown will be presented to the Council at the May meeting.

Housing – Traci Ryan has developed a housing survey that has been given to Jennie-O, CentraCare and the School District. The survey will be sent out to the employees and will be asking them about housing needs. Traci is also working on soliciting RFP's from builders for both multifamily and single family building. We continue to work on the requirements of the optioned properties. We have also been in conversations with a developer for the Kraft Lot. We are moving forward on potentially two different sites as the Belgrade Coop site is no longer available. The Belgrade Coop Board is not interested in selling at this time.

West Central Sanitation – We have received complaints regarding trash pick up and we are working through those complaints. There are 94 residents that have not had their garbage picked up due to nonpayment of their accounts. West Central has been in communication directly with those individuals. We are also looking to schedule both a Spring and Fall leaf pickup. Kraemer Lumber carries the compostable leaf bags and when we know the date, we will be informing the public as to when that will occur. This is in addition to the yard waste bins that folks have as part of the normal garbage pickup.

Legislature – There have been bills introduced in the House and Senate that discuss the Local Government Aid formula. As I indicated earlier, we are still in the proposed LCCMR funding proposal.

A.I. #6 ACTION ITEMS

- a. The Council at its February 17, 2022, meeting approved filling the position of the seasonal part-time worker to assist with the summer workload. Three applications were received. Interviews were held on Tuesday, April 5. Staff is recommending the hiring of Isaac Schmiesing at step 1 for the seasonal part-time worker.

A motion was made by Mr. Travis Frieler, seconded by Mr. Hill and unanimously carried approving the hiring of Mr. Schmiesing at step 1 for the seasonal part-time worker.

- b. Streets and Parks maintenance worker Bob Boeckermann has submitted his resignation, effective June 3, 2022. The Council at its February 17, 2022, approved backfilling this position. Three applications were received Staff conducted interviews on Tuesday, April 5. Staff is recommending the hiring of Fran Hinnenkamp at step 1 for the part-time streets/park maintenance worker

position at step 1. After 1,040 hours he would be eligible to go to Step 2 upon receiving a favorable review.

A motion was made by Mr. Hill, seconded by Mr. Travis Frieler and unanimously carried approving the hiring of Mr. Hinnenkamp for the part-time streets and parks maintenance worker position.

- c. The Fire Department budgeted \$75,000 in 2022 in our Capital Improvement Plan for new turnout gear for the firefighters. Fire Chief Budde received two quotes for the gear. Great Plains Fire came in with the low quote at \$67,800. Fire Chief Budde is looking for approval of this quote and to proceed with ordering the gear.

A motion was made by Mr. Hill, seconded by Mr. Justin Frieler and unanimously carried to approve the purchase of turn out gear from Great Plains Fire in the amount of \$67,800.

- d. The City will receive \$399,535.86 from the Department of Treasury, through the State of MN for American Rescue Plan Act funds. At its February 17th meeting, the City Council took action to declare the ARPA funds received as replacing public sector revenue loss. Finance Director Beuning has completed the required project and expenditure report for the City of Melrose to identify the funds as such. These funds will need to be used for a service that is traditionally provided by a government, such as road building and maintenance, infrastructure needs, or public safety services, for example. A couple areas that this could be used is for potential infrastructure related to housing initiatives or infrastructure needs in conjunction with the RDB project. Any eligible costs must be incurred between March 3, 2021, and December 31, 2024. The funds can be obligated by December 31, 2024, and then must be expended by December 31, 2026. Reporting on these funds will need to be done annually until the project has been completed.

The Council by consensus directed staff to obtain cost estimates for housing development, infrastructure, sidewalks, street projects, or other eligible projects and make a recommendation to the council for allocation of the funds.

A.I. #7 OLD BUSINESS

- a. There has been a change to the Inspectron Inc. contract revising the plan review fee. Inspectron is proposing to charge 50% of the permit fee for the plan review to keep it consistent with the neighboring communities. This change applies to new residential construction.

Mr. Klasen arrived at 7:10 p.m.

A motion was made by Mr. Travis Frieler to approve the revised Inspectron contract.

Further discussion ensued regarding the building permit fee schedule. The Council is requesting that staff research building permit fees of the surrounding communities and to provide a scenario of what the cost impact would be with the revised plan review fee for residential construction. Mr. Travis Frieler rescinded his motion. This will be brought back to the council at its next regular meeting.

A.I.#8 NEW BUSINESS

None

A.I. #9 INFORMATIONAL ITEMS

The following informational items were then reviewed:

- a. Utilities Commission's March 14, 2022, Regular Meeting minutes.
- b. The following is a list of schools and/or conferences where registrations were made:
 - 1) Safety & Loss Control Workshop April 19. Attending: Streets/Parks Supervisor Gary Middendorf
- c. 1st Quarter Ambulance Report

A.I. #10 ADJOURNMENT

A motion was made by Mr. Justin Frieler, seconded by Mr. Klasen and unanimously carried to adjourn the meeting at 7:20 p.m.

PATRICIA HAASE – CITY CLERK