

**MELROSE CITY COUNCIL  
REGULAR MEETING  
THURSDAY, JULY 16, 2026 – 6:00 P.M.**

**1. CALL TO ORDER/ROLL CALL/PLEDGE OF ALLEGIANCE**

The Melrose City Council met in a Regular Meeting on Thursday, July 16, 2026, at 6:01 P.M. at the Melrose City Center pursuant to due notice being given thereof. Present were Council Members Travis Frieler, Joelene Wieling, Mark Niehoff, Tony Klasen, Mayor Joe Finken, Police Chief and City Point of Contact Craig Maus, Community Development Director Sheila Hellermann, Finance Director Jackie Niehaus, and Fire Chief and incoming City Administrator Tom Budde. Mayor Finken presided thereat.

The Council then recited the Pledge of Allegiance.

**2. APPROVAL OF AGENDA**

A motion was made by Council Member Wieling, seconded by Council Member Niehoff, and unanimously carried to approve the agenda. Mayor Finken stated that 8a. on the agenda would be moved to the end of the meeting as it involves a closed session.

**3. OPEN FORUM**

Mayor Finken then opened the floor to public comment. There were no members of the public who wished to comment.

**4. CONSENT AGENDA**

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

- a. The minutes from the Council's June 17, 2026 Regular Meeting
- b. List of bills for the month of June
- c. List of investments for the month of June
- d. Donation Resolution No. 2026-31 from Janice Meyer Estate for \$1,000.00 for the Melrose Fire Department
- e. Donation Resolution 2026-32 from One Closet 2 Another Thrift for \$66.96 for the Melrose Fire Department
- f. Donation Resolution 2026-33 from Greenwald Lions for \$2,500.00 for the Melrose Fire Department for new pagers

A motion was made by Council Member Frieler, seconded by Council Member Wieling, and unanimously carried to approve the Consent Agenda.

## **5. PUBLIC HEARING**

### **5a. BZ Mart Midwest Inc. MN CSTORE INC. DBA MN CStore Off Sale 3.2% Malt Liquor License Application**

The Melrose City Council held a public hearing to consider the request for an Off Sale 3.2% Liquor License made by BZ Mart Midwest Inc. MN CSTORE INC. DBA MN CStore at 406 2nd Ave SE. A public hearing is required because of City Code Chapter 113 Liquor Regulations. The regulations require a public hearing before granting a new license or transfer of a license.

Police Chief and City Point of Contact Maus presented the Affidavit of Publication of the hearing notice which was published in the Star Post on July 1, 2026.

The public hearing was opened at 6:03 P.M. There were no members of the public who wished to comment, and no one was in attendance. The public hearing was then closed at 6:04 P.M.

## **6. REPORTS**

### **6a. Police Department Report**

Police Chief and City Point of Contact Maus gave the following update. For June of 2026, the Melrose Police Department issued 36 citations, 78 verbal warnings, and one written warning. There were 320 calls or requests for service. Last year there were 242. Overall, the Police Department is 191 calls ahead of where they were at this time last year. There were 24 agency assists, that is slightly higher than usual. They have been helping out the sheriff's office with the I-94 construction zone as there have been some issues with accidents and slowdowns. The area public Night to Unite will be Wednesday, August 5. This will be held in conjunction with the Farmer's Market and public safety vehicles will be out on display. Two officers are still in training but it is expected they will be ready to patrol independently in August or September, things are going very well.

Council Member Niehoff asked which ordinances the Police Department was enforcing, as there were a lot of ordinance citations this month. Maus stated that those citations were related to vehicles with expired tabs and/or no plates, and citations for debris in yards. There have been 45 to 50 of these citations so far this year, and 13 were issued in June. He said that the response to the citations has been good and that people contacted the Police Department seeking to get them resolved.

### **6b. Community Development Director Report**

Community Development Director Hellermann provided the following update. She stated that she has been working on grant reporting. There have been 14 successful grant applications by the city this year totaling \$1.374 million across different segments including sidewalks, the Sauk River Park basketball court, the Jennie-O downtown

redevelopment, and the DEED childcare grant which was just released. The Small Cities Development Program has not made a decision yet on the final grant awards. She is also writing a second redevelopment application for the Jennie-O downtown parking lot. There is an agenda item tonight from the Planning and Zoning Commission. At the midpoint of 2026, the city has issued 115 building permits with a valuation of over \$9.6 million. A large portion of that is the new Roach development on Railroad Avenue West. 51 permits are for that project alone. In regard to Parks and Recreation, the Streets/Parks Department worked this week on the new playground and park over by Railroad Avenue West. Riverfest was also really fun this past month because all the fields and facilities at Sauk River Park were in use during the event. Melrose now officially owns the former Jennie-O downtown building and land after the donation from Jennie-O. Work continues on that redevelopment, including the demolition bid process and starting to get agreements in place. At the first budget retreat, staff discussed the streets and infrastructure project surrounding that site. There should be several agenda items at meetings in the next few months as those projects progress. As Police Chief Maus mentioned Night to Unite, Hellermann stated that she also wanted to promote the Fire Department and the Parks and Recreation Board's work on the pop-up splash pads this summer. Those have been very successful and fun.

Mayor Finken asked where the funds came from for the new park on Railroad Avenue West. Hellermann stated that the funds were in the budget for 2026.

#### 6c. City Engineer Report

Police Chief and City Point of Contact Maus presented in place of City Engineer Blommel, who was not able to attend. He stated that from Blommel's report submitted to the Council, paving is pretty much done for projects in the city this year. Sealcoating was happening this week, the crews should be back later in the week or next week to do sweeping and cleanup. The sidewalk project bid opening was last week, and that will be on the agenda tonight for Council consideration.

#### 6d. City Point of Contact Report

Police Chief and City Point of Contact Maus provided the following update. On the utilities side, the Electric Department did generation testing on June 30. It went very well. They also had some generation work they did yesterday, Journey Lineworker Ryan will be working on fixing that issue. The Water/Wastewater Department continues to work on the blower building and pump project with the engineers. There should be some updates or plans submitted for the PUC to review in August. Maus talked with the PUC at their meeting on July 13 about when they wanted to have their budget meeting. They were thinking on August 10 after their regular meeting. The PUC received the same market study information that the Council did, and the PUC decided they wanted that information to be looked at by the Ad Hoc Personnel and Labor Committee before they did anything with it. There is an item on the agenda for slip lining for a sewer line. This has been a yearly thing for quite some time. There will also be work done on the roof of the office building at the Water/Wastewater Treatment Facility. The Electric Department had a bunch of electric poles that failed or were deficient so they will order more of those. On

the city side, the new Receptionist/Building Permit Tech Becky Schwieters started this week. Tom Budde will be starting as the new City Administrator on Monday. Staff had a meeting regarding the budget on July 1 and were asked to brainstorm their department priorities. Maus asked the Council when they would want to have their budget meeting? Mayor Finken asked the Council members about which times would work best for them. Council Member Niehoff stated he would prefer the budget meeting to start at 5:00 P.M. rather than 4:30 P.M. Council Member Klasen stated that if the budget meeting started at 5:00 P.M. and the Council meeting was still scheduled for 6:00 P.M., if the budget meeting ran long the Council meeting would still be able to start later. Maus noted that the Council agreed to have the budget meeting at 5:00 P.M. on August 20, before the Council meeting that night. The Council Members also agreed to have the wage study go to Ad Hoc.

Maus stated that candidate filing for open positions in the November general election is now open as of July 14 and will be open until July 28. Filings will be accepted from 8 A.M. to 5 P.M. and it is a \$2 fee to the city to file. The mayor position and two city council positions will be open. Maus asked the Council if they wanted to have an end date in place for the memorandum of understanding Maus has for the City Point of Contact role, since Tom Budde will be starting as City Administrator on July 20. Council Member Niehoff said he would be comfortable having more time on the memorandum so that Budde can get set up in the City Administrator role. Mayor Finken suggested that it could go until the next Council meeting on August 20 and reevaluate from there. Maus brought up the memorandum of understanding with Doris Rieland for temporary City Administrator and City Clerk duties as well. The Council stated that memorandum could conclude on July 24.

## **7. ACTION ITEMS**

7a. BZ Mart Midwest Inc. MN CSTORE INC. DBA MN CStore Off Sale 3.2% Malt Liquor License Application

Earlier this evening, the Council held a public hearing regarding the application by BZ Mart Midwest Inc. MN CSTORE INC. DBA MN CStore for an Off Sale 3.2% liquor license in the city. A background investigation by the Melrose Police Department has been completed and no records have been found. The City Clerk has received all of the required documentation for this application.

A motion was made by Council Member Klasen, seconded by Council Member Niehoff, and unanimously carried to to approve the liquor license as requested by BZ Mart Midwest Inc. MN CSTORE INC. DBA MN CStore.

7b. BZ Mart Midwest Inc. MN CSTORE INC. DBA MN CStore Tobacco License Application

The Council considered an application by BZ Mart Midwest Inc. MN CSTORE INC. DBA MN CStore for a tobacco license in the City. A background investigation by the Melrose Police Department has been completed and no records have been found. The City Clerk has received all of the required documentation for this application.

A motion was made by Council Member Wieling, seconded by Council Member Niehoff, and unanimously carried to approve the tobacco license as requested by BZ Mart Midwest Inc. MN CSTORE INC. DBA MN CStore.

7c. Resolution Appointing Election Judges No. 2026-34

As part of preparations for this year's primary and general elections, the city is required to pass a resolution formally appointing the election judges who will be administering the primary and accompanying early voting days. The attached Resolution 2026-34 lists the election judges who shall be appointed for this task and have been found qualified by the City Clerk.

A motion was made by Council Member Frieler, seconded by Council Member Wieling, and unanimously carried to approve Resolution 2026-34 Resolution Appointing Election Judges – Primary.

7d. REZ 06-2026-301 Rezone Parcel #66.36401.0000  
CUP 06-2026-402 Conditional Use Permit – Stearns Electric

Community Development Director Hellermann presented. The Melrose Planning and Zoning Commission acting as the Board of Adjustments and Appeals held a Public Hearing at 6 P.M. on Monday, June 29, 2026, to give consideration to a re-zoning request for parcel #66.36401.0000. This property is currently zoned as I-Industry. The request is to re-zone the property as C-2 Commercial Highway. Most of the businesses on that road are zoned as C-2. The Property is located between I-94 and Kraft Drive SE.

The Conditional Use Permit would allow the operation of a childcare center in the building at 900 Kraft Drive SE in accordance with the Zoning Ordinance No. 1989-1-A as adopted with amendments by the Melrose Code of Ordinances. There are two buildings on the one parcel, and so each building has been given its own address. This is mainly to make sure emergency responders go to the correct spot.

The Affidavit of Publication of the Public Hearing Notice, which was published in the Star Post on June 10, 2026, along with the Affidavit of Mailing and Posting of Notice of Hearing were presented at the hearing and were attached as supporting documentation.

The planning report as accepted by the Planning and Zoning Commission suggested placing a number of conditions on the conditional use permit for the property. One is that if Stearns Electric finds someone to rent out the second building which is more of a trucking type building, that a separate driveway will be built for each building if the business renting is not conducive to sharing a driveway with a childcare center. Right now it is a ring road that both buildings share. At all times the childcare center would have to be licensed. Enrollment would be limited by building size and site capacity. Screening and fencing would be required as well if required by the licensing process. Loading and unloading zones for children would also be required. Lighting will also need to be installed to make sure the area is well-lit at all hours of operation. Parking must be separate from

where the outdoor play area will be. Many of these conditions are already in the city ordinance for childcare centers. So these conditions were not made up just for this, they were taken from the childcare ordinance and put into this different zoning district. The conditions of this conditional use permit would also be enforceable to any childcare center that might occupy this building now or in the future. The Council tonight will need to determine whether to approve the re-zoning request and whether to approve the conditional use permit as recommended by the Planning and Zoning Commission.

A motion was made by Council Member Wieling, seconded by Council Member Niehoff, and unanimously carried to concur with the recommendation of the Planning and Zoning Commission and approve the re-zoning request for parcel #66.36401.0000.

A motion was made by Council Member Frieler, seconded by Council Member Wieling, and unanimously carried to concur with the recommendation of the Planning and Zoning Commission and approve the Conditional Use Permit for the operation of a childcare center in the building at 900 Kraft Drive SE.

7e. Resolution Approving Redevelopment Grant Application, Committing Local Match Funds and Authorizing Contract Signature No. 2026-35

Community Development Director Hellermann presented. City staff are working on a redevelopment grant application with the Minnesota Department of Employment and Economic Development which is due early August. This grant would provide funding for the redevelopment of the former Jennie-O parking lot on the east side of 5th Avenue SE. When the city applied for the redevelopment grant in January, DEED awarded \$669,700 in funding for the west side of the 5th Avenue and invited a second application for the east side. To apply for these funds, the city council needs to pass a resolution supporting this new application.

A motion was made by Council Member Wieling, seconded by Council Member Klasen, and unanimously carried to approve Resolution 2026-35 Resolution Approving Redevelopment Grant Application, Committing Local Match Funds and Authorizing Contract Signature.

7f. 2026 Street Improvements – Pay Application No. 1

Police Chief and City Point of Contact Maus presented. The city has received Pay Application No. 1 from SEH for contractor Joe Riley Construction Inc. for the completion of the 2026 Street Improvements project. The Pay Application recommends the payment of \$205,917.74 to Joe Riley Construction Inc. for work completed up to July 2, 2026.

A motion was made by Council Member Niehoff, seconded by Council Member Frieler, and unanimously carried to approve Pay Application No. 1 from SEH for Joe Riley Construction Inc. for work completed on the 2026 Street Improvements in the amount of \$205,917.74.

7g. Main Street Sidewalk Project

Police Chief and City Point of Contact Maus presented. Bids were opened via QuestCDN at 2:00 p.m. on July 8, 2026, for the Mainstreet Sidewalk Project. Four bids were received, ranging from \$333,777.00 to \$648,971.00. The apparent low bidder was Capital Paving of Clearwater, Minnesota, with a bid of \$333,777.00. City Engineer Dave Blommel with SEH has reviewed the bids and has three options for the Council to consider.

1. Award the project to Capital Paving in the amount of \$333,777.00 and utilize reserve funds or another available funding source to cover the budget shortfall. The 2026 street improvement project is currently anticipated to finish approximately \$100,000 under budget; however, those available funds would not fully offset the funding gap.
2. Reject all bids and rebid the project for 2027 construction as a standalone project, allowing sufficient funds to be budgeted during the 2027 budgeting process.
3. Reject all bids and incorporate the sidewalk improvements into the planned 2027 street improvement project, with the necessary budget amendments and financing adjustments.

Council Member Klasen read additional information from City Engineer Blommel that was included in the documents with this item. Blommel stated that next year bid prices could increase even more so that is a consideration the Council should keep in mind. Klasen stated that he believes trying to re-bid the project this late in the season could result in even higher bids. He stated that he would re-bid the project earlier in the season next year and hopefully that would get better bids. Mayor Finken asked Community Development Director Hellermann for her opinion as she is on that street a lot. Hellermann stated that the Streets/Parks Department went out and filled the holes in the Main Street sidewalks that were really critical last year. They might have to do that again to get us through another winter. She believes that the engineer's estimate of the cost was exceeded because there are ADA compliance concerns on some of the corners. Mayor Finken agreed that was a factor. Council Member Niehoff stated that he would support moving forward with the project to get it finished. However he was concerned at the wide range of bids, several were hundreds of thousands of dollars apart. Council Member Klasen was concerned since bids were asked for in June that contributed to the inconsistent and high bid costs. Council Member Niehoff asked whether the bids would be lower if the project was advertised in the winter? Council Member Klasen stated that it is everyone's busy season right now, and he thinks asking for bids in the winter at a less busy time could help. Council Member Wieling and Mayor Finken agreed. Maus stated that he will let Blommel know that all bids will be rejected, and that we will delay this until next year. The minimum bid from this process will also be included in the budget meeting discussions so that enough money is allocated for next year to get this project done.

## **8. NEW BUSINESS**

### **8b. Resignation of Joeline Wieling**

Mayor Finken stated that he has appreciated Council Member Wieling's service on the

City Council over the past four years. She has brought a lot of good ideas, and he also recognized her work at the Melrose Chamber of Commerce. She will definitely be missed.

Police Chief and City Point of Contact Maus presented. He stated that the Melrose City Council has received a letter of resignation from Council Member Joelene Wieling, effective July 16, 2026. In order to accept the resignation, the Council must pass a resolution. This was provided as Resolution 2026-36 Resolution Accepting Resignation and Declaring a Vacancy.

Once the resignation is accepted, as Council Member Wieling's term expires in less than two years, on December 31, 2026, a special election does not need to be held for the seat per Minnesota Statute § 412.02, subd. 2a. The Council has the options of:

1. Leaving the seat vacant until the November 3 election and a new member will take office the first Monday in January.
2. The council can appoint any individual who is eligible for election to that office. Generally, to be eligible a person must be a U.S. citizen, a resident of the city, entitled to vote at any election, and at least 21 years old. The appointed person can serve out the remainder of the unexpired term.

A resigning council member cannot vote on the appointment of the successor to that vacancy.

Mayor Finken stated that he would prefer if the position was filled as it would be good to not have the possibility of a tie during budget discussions and voting. Council Member Klasen stated that the Council could see who files to run for City Council during the current filing period and if just two people file to run for the two open City Council positions, one person could be appointed early essentially ahead of being elected in November. Maus stated that some cities will have an application process where interested people will apply and the City Council will choose which person to appoint from those applicants. The Council agreed that an application process would be the best route to go with. The Council will review the candidates who file for election to a full term at the next meeting to see if one of those candidates would be a good fit to appoint at the next Council meeting.

A motion was made by Council Member Frieler, seconded by Council Member Niheoff, to approve Resolution 2026-36 Resolution Accepting Resignation and Declaring a Vacancy for Council Member Joelene Wieling. Mayor Finken, Council Member Frieler, Council Member Klasen, and Council Member Niehoff voted in favor. Council Member Wieling abstained. The motion was carried.

## **9. INFORMATIONAL ITEMS**

- 9a. The next City Council meeting will be held on Thursday, August 20, 2026, at 6:00 P.M.
- 9b. Stephanie Robak submitted her letter of resignation and her last day of employment with the city was June 22, 2026.

## **8. NEW BUSINESS**

### **8a. Interest in Melrose I-94 Industrial Park Lot**

According to State Statutes, there are certain exceptions to the Open Meeting Law, which allow councils to close meetings. The City Council may, by majority vote in a public meeting, decide to hold a closed meeting to determine the asking price for real property to be sold by the public body, review confidential or nonpublic appraisal data; develop or consider offers or counteroffers for the purchase or sale of real or personal property. Prior to closing a meeting under any of the following exceptions, the public body must state on the record, the specific grounds that permit the meeting to be closed and describe the subject to be discussed and identify the particular property that is the subject of the meeting. The meeting must be tape-recorded and the property must be identified on the tape. The recording must be preserved for eight years and must be available to the public after all property discussed at the meeting has been purchased or sold or after the public body has abandoned the purchase or sale. A list of Council members and all other persons present at the closed meeting must be made available to the public after the closed meeting. The actual purchase or sale of the property must be approved at an open meeting, and the purchase or sale price is public data.

Staff will present under separate cover recent discussions with a business interested in a lot in the Melrose I-94 Industrial Park. The MADA land acquisition/disposition committee has met with the business, and the entire MADA board has been consulted. Mayor Joe Finken and Council Member Travis Frieler are on both boards and can also speak to recent discussions.

Parcel number 66.37010.0289 & 66.37010.0285

A motion was made by Council Member Wieling, seconded by Council Member Niehoff, and unanimously carried to close the meeting at 6:36 P.M.

Staff presented recent discussions with a business interested in a lot in the Melrose I-94 Industrial Park. The MADA land acquisition/disposition committee has met with the business, and the entire MADA board has been consulted. Mayor Joe Finken and Council Member Travis Frieler are on both boards and can also speak to recent discussions.

A motion was made by Council Member Wieling, seconded by Council Member Frieler, and unanimously carried to open the meeting at 7:27 P.M.

A motion was made by Council Member Wieling, seconded by Council Member Frieler, and unanimously carried to present the offer discussed in the closed session.

## **10. ADJOURNMENT**

A motion was made by Council Member Wieling, seconded by Council Member Niehoff, and unanimously carried to adjourn the meeting at 7:27 P.M.

A handwritten signature in black ink, appearing to read "Connor Kockler", written in a cursive style.

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CONNOR KOCKLER – CITY CLERK