

**MELROSE CITY COUNCIL
REGULAR MEETING
THURSDAY, JUNE 15, 2023– 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. Donation Resolutions
 - 1) Resolution No. 2023-34 Donation from CAP Enterprises
 - 2) Resolution No. 2023-35 Donation from the Melrose Lions
 - 3) Resolution No. 2023-36 Donation from the Melrose Lions
 - e. Pay App #1 Molitor Excavating
 - f. Finance Director Step Increase
5. Reports
 - a. Police Department Monthly
 - b. City Attorney Report
 - c. Community Development Director Report
 - d. City Engineer Report
 - e. City Administrator Report
6. Action Items
 - a. Ordinance 06-15-2023, An Ordinance Amending Chapter 93 of the Melrose City Code, Assessable Services; Nuisances
 - b. Call for Public Hearing on Interim Ordinance Regarding Cannabis Businesses
 - c. Amendment to the Escrow Agreement
 - d. Quote for Police Department Vehicle
 - e. City Center HVAC
 - f. Juneteenth LELS MOU
 - g. CentraCare ALS Support
 - h. Railroad West Street Improvements
 - i. Ultra Thin Bonded Wearing Course/Micro Mill Street Project
7. Old Business
 - a. RDB Project Update
 - b. Comprehensive Plan RFP

8. New Business
 - a. Schedule Budget Workshop
 - * b. I-94 Industrial Park Land Sale
9. Informational Items
 - a. Utilities Commission Meeting Minutes
10. Adjournment
- * Amendment

**MELROSE CITY COUNCIL
REGULAR MEETING
THURSDAY, JUNE 15, 2023 – 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, June 15, 2023 at 6:00 p.m. at the Melrose City Center pursuant to due notice being given thereof. Present were Council Members Tony Klasen, Travis Frieler, Joeline Wieling, and Mayor Joe Finken, City Administrator Colleen Winter, and City Clerk Patti Haase. Council Member Justin Frieler was absent. Mayor Finken called the meeting to order.

The Council then recited the Pledge of Allegiance.

A.I. #2 APPROVAL OF AGENDA

A motion was made by Ms. Wieling seconded by Mr. Travis Frieler and unanimously carried to approve the agenda amended.

A.I. #3 OPEN FORUM

Mayor Finken then opened the floor to public comment. Council Member Joeline Wieling stated that volunteers are still needed for the Riverfest celebration. Also the Melrose Area Community Youth Center is looking for students to join them. Students going into grade 5 through 12 are welcome to join.

A.I. #4 CONSENT AGENDA

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

- a. The minutes from the May 8 Special Meeting May 8 Special Joint Meeting with MADA, and the Melrose Planning & Zoning Commission and the May 18 Regular Meeting
- b. List of bills in the amount of \$375,364.11
- c. List of investments for the month of May
- d. Donation Resolutions
 - 1) Resolution No. 2023-34 Donation from CAP Enterprises of fabricated steps to inside of grain wall to use during grain bin rescues, to the Melrose Fire Department
 - 2) Resolution No. 2023-35, Donation in the amount of \$5,000 from the Melrose Lions to the Melrose Ambulance Department
 - 3) Resolution No. 2023-36 Donation in the amount of \$500 from the Melrose Lions to the Great River Regional Library – Melrose Branch.
- e. Molitor Excavating has submitted Pay App #1 for the 2023 Street and Utility Improvement Project in the amount of \$142,508.12. Of this amount, \$115,138.62 is utility and \$ 27,369.50 is the general fund portion of the invoice. SEH has reviewed the payment request and is recommending payment as outlined in the invoice.
- f. Finance Director, Ryan Meyer will complete 6 months with the city on July 3, 2023. City Administrator Colleen Winter has conducted Mr. Meyer's review, and it is favorable; therefore, recommends he receive a step increase from Step 2 to Step 3 on the wage scale.

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

A.I. #5 REPORTS

- a. Police Chief Craig Maus presented the Police Department's May 2023 report. He noted there were 382 calls for service during that month, compared to 373 for May 2022. A total of 25 citations were written for the month of May. There were 72 verbal warnings and 0 written warning. The year-to-date number of calls is 1,378 compared to 1,421 in 2022. For the month of May 2023, the Department received 22 agency assist calls.

- b. City Attorney Scott Dymoke reported on projects he has been working on for the city:

- ❖ **Riverside Development** – Completed settlement arrangements on sale to Riverside Development Group, LLC.
- ❖ **MADA** – Completed acquisition of Daylight Court 2 property from Morningview Properties, LLC.
- ❖ **Granite City Development** – Prepared amendments to escrow agreement providing for increase of escrowed funds to \$50,000.00.
- ❖ **Cannabis Act** – Conducted initial review of new state Cannabis Act and advised City staff of effect of new law.
- ❖ **Auditor's Opinion Letter** – prepared opinion letter in support of annual audit of City finances.

- c. City Planner Sheila Hellermann provided the following update:

The purchase of the lots in Daylight Court Plat 2 by MADA is complete.

The Sauk River restroom project is planned for a start date of July 10th. The campsite and road work by the campground is complete and grass is planted. The campground will not be opened until grass is established. Stearns County Environment Improvements completed the campground inspection and it passed the inspection.

Kwik Trip is doing extensive soil work. Store construction is scheduled to begin July 3rd. We will have a pre-construction meeting with contractors and staff during the last week of July.

Riverside Development Group will begin work on the former Kraft lot any day now. Their construction fence is up, and fishermen will learn new routes to the dam.

Projects underway or soon to be underway (in addition to those already mentioned) include the St. Mary's Church rectory, a new building by Interstate Service, a golf cart shed at the course, some re-siding of one of public works buildings, and sheds, decks, siding, and re-shingling by residents.

We have been meeting with businesses interested in making improvements and doing expansions. MADA, at its meeting on June 8th, discussed its revolving loan fund and a previously funded commercial rehab deferred loan program to possibly encourage and assist existing businesses with these plans.

- d. City Engineer Dave Blommel provided the following update.

The 2023 Street project has continued to make progress on 4th St South. The sanitary sewer is nearing completion. Once the sewer is complete, the dewatering will be reduced or eliminated. We anticipate that taking place the week of June 12th. During construction on the 4th Street project there have been some challenges that have arisen. The biggest being a settlement of an addition at True North Café. A portion of concrete slab that houses the restaurant refrigeration system has settled causing it to lean towards the street. This settlement is not new, it has been happening for a long time. Something has seemed to accelerate it in the past week. Staff is investigating if the street and utility construction had any impact on the settlement. The building official has reviewed the construction.

Railroad West

Plans have come together sooner than we expected. As of the time of this memorandum we are at about 90% complete with plans to be at 100% prior to the council meeting. Rather than waiting for a month, we are requesting Council authorization to advertise for bids. The actual bidding process likely will not be complete before the July Meeting, but we intend to be at least advertising at that time. Key portions of the plans have been included with this memorandum for your review.

Soil boring results have been received in the form of draft boring logs. Soils are as good as we had hoped, and we are proceeding with infiltration stormwater ponds as anticipated. We expect to have a final report with recommendations on street section in time to finalize the plans.

Ultrathin Bonded Wear Course

Bids are being opened in the afternoon of the city council meeting. We will provide a bid summary and recommendation for award at the meeting. There has been interest from several contractors so we are hopeful that they follow through with a bid.

- e. City Administrator Winter reported on the following:

Legislative Update – There was so much that happened at the legislature this year that it will take some time to sort it all out. A few highlights to be aware of are:

LGA – We should receive an increase in LGA resulting in an additional \$208,000.00

Cannabis Note that on and off sale liquor license holders are now allowed to sell THC edibles and liquor infused products.

FMLA – Very significant changes to Family Medical Leave. We have some time to deal with this issue as it will not be enacted until 2026. However, payroll tax deductions will begin in the latter part of 2024.

Juneteenth – Is an official Holiday and no public business can be conducted during that time. More on this later on the agenda.

Other items that will be discussed in the future include public safety money,

housing, economic development and infrastructure.

A.I. #6 ACTION ITEMS

- a. City Attorney Scott Dymoke has provided us guidance in the updating of the city's nuisance ordinance. We have discussed this at previous meetings. We have also consulted Chief Maus and the Planning & Zoning Commission about these proposed changes. All feedback we received from them concerning these changes was favorable. Public posting of the Council's consideration of this ordinance tonight was completed.

Council Member Wieling introduced Ordinance No. 06-15-2023 - An Ordinance Amending Chapter 93 of the Melrose City Code – Assessable Services; Nuisances. The motion was seconded by Mr. Travis Frieler with a roll call vote recorded as follows:

FOR: Council Member Joeline Wieling, Travis Frieler, Tony Klasen, and Mayor Finken

AGAINST: None

ABSENT: Council Member Justin Frieler

- b. The Minnesota legislature has enacted a new law concerning cannabis sales. It is long and detailed. The state needs to establish an Office of Cannabis Management to handle the licensing and regulation. The City is allowed, under the statute, to adopt zoning to regulate where these businesses can be established. To give us, and the state, time to put guidelines into place, we are asking the Council to schedule a public hearing at its July 20th meeting to receive public input about a moratorium on cannabis businesses. We could adopt ordinances prior to the expiration of the moratorium. An additional note is this does not affect our off-sale liquor establishments who are now authorized under the new statute to sell low-dose edible THC products, which includes beverages. This was authorized in the statute and at least one local business did begin these sales upon the signature of Governor Walz. That is allowed and this action by the Council will not affect the sale of those products. Mayor Finken recommended that staff research the potential revenue and insurance liabilities of municipal distribution of cannabis.

A motion was made by Mr. Klasen, seconded by Ms. Wieling and unanimously carried calling for a public hearing at the July 20th meeting to consider an interim ordinance prohibiting the operation of cannabis businesses in Melrose until January 1, 2025.

- c. Granite City Real Estate LLC, who is interested in constructing the multi-family development on Railroad West have asked for additional time to sign the purchase agreement. In consideration they are willing to add additional funds to the escrow agreement with the city. They have favorable terms from a lender, but need to wait for plans and specs and bidding to secure a sworn construction statement. Their tentative plan now is to execute the purchase agreement by mid to late July, close in late August, and begin construction immediately. We have a new layout for their building. They have retained an architect, have a general contractor, and are expending money to get the necessary things done on their

end. MADA owns this property and at its June 8, 2023 meeting, approved this Amendment.

A motion was made by Mr. Travis Frieler, seconded by Ms. Wieling and unanimously carried authorizing execution of the Amendment to Escrow Agreement with Granite City Real Estate LLC providing an additional \$20,000 in escrow, for a total of \$50,000.

- d. Police Chief Maus is requesting the Council's authorization to obtain quotes for a police department vehicle.

A motion was made by Mr. Travis Frieler, seconded by Mr. Klasen and unanimously carried authorizing Chief Maus to obtain quotes.

- e. A sub-committee of city staff has been meeting with several HVAC control companies and walking them through the City Center building. 2 years ago the HVAC units were replaced at City Center. However, the control system was not replaced. The current system is original to the building and is not effective in properly heating and cooling the building, and simply does not work in some parts of the building. This is very inefficient and not utilizing the new HVAC system optimally. There were four quotes provided to staff and those are attached for your review. The lowest quote was from Climate Air who is our current controls provider and who we have a HVAC maintenance contract with at this time. The overall cost for HVAC Control replacement from Climate Air is \$77,831.18 which includes a 5-year warranty. The service contract that is currently in place with Climate Air will not change. The overall budget for this project was 75,000.00. So the cost is \$2,831.18 over budget. The cost would be split 50/50 between the PUC and City.

A motion was made by Ms. Wieling, seconded by Mr. Klasen and unanimously carried approving the contract with Climate Air for a new HVAC control system.

- f. The legislature in its 2023 session designated Juneteenth as a state holiday beginning in 2023. No public business can be transacted on any holiday, except in case of necessity, including the new Juneteenth holiday which will be celebrated this year on Monday, June 19th, 2023. A Memo of Understanding has been drafted to reflect this change to the LELS Contract.

A motion was made by Mr. Klasen, seconded by Ms. Wieling and unanimously carried approving the MOU with LELS for 2023.

- g. For several months now the City has been in discussions with CentraCare about providing ALS transport services. We have met several times and also had a workshop with the Council where we discussed this matter and our Ambulance department pursuing part-time ALS.

The application for the Melrose Area Ambulance Department was submitted to the State on Friday, June 9th. It will take anywhere from 6 weeks to 5 months for the Ambulance Department to obtain their license for ALS transports. Sauk Centre Ambulance applied at the same time and our hope is that between the two departments, the majority of the ALS transports can be covered.

However we still need to have a MOU with CentraCare for those times that we

are not able to provide ALS transports and in the interim until we get our licensure.

A motion was made by Ms. Wieling, seconded by Mr. Travis Frieler and unanimously carried approving the MOU and letter from CentraCare.

- h. Plans have come together sooner than we expected on Railroad West. As of the time of this memorandum SEH is at about 90% complete with plans to be at 100% prior to the council meeting. Rather than waiting for a month, we are requesting Council authorization to advertise for bids. The actual bidding process likely will not be complete before the July Meeting, but we intend to be at least advertising at that time.

A motion was made by Mr. Travis Frieler, seconded by Mr. Klasen and unanimously carried authorizing to advertise for bids for the Railroad West Improvements.

- i. Bid Opening for the Ultra-Thin Bonded Wearing Course/Micro Mill Street Project was held on Thursday, June 15 at 4:00 p.m. One bid was received from Astech Corporation in the amount of \$268,585.

A motion was made by Ms. Wieling, seconded by Mr. Klasen and unanimously carried awarding the bid to Astech Corporation in the amount of \$268,585.

A.I. #7 OLD BUSINESS

- a. The punchlist for the RDB project has been mostly completed. We are still waiting on confirmation on the dam leaks, and also on when the bridge will have a complete finish. There was an issue with some sidewalk undermining over by Midwest Automatic, however that is something that is outside of the scope of the project and something we as a city will need to look at repairing. The other outstanding item was the additional paving that was done north of Sauk River Park. Neither Landwehr or WSB has taken any responsibility and will not be paying for the overage. We have a very good working relationship with the County and in conversations with Jodi Teich they are willing to write off 50% of that cost. This is a very generous offer on the County's part. That would mean that the City would need to pay the County \$5,532.00 towards the overage. This still puts us under budget on this project by \$23,000.00.

A motion was made by Mr. Travis Frieler, seconded by Ms. Wieling and unanimously carried approving the \$5,532.00 payment to the County for the RDB project.

- b. The Council at its February 16th meeting authorized an RFP for an update of the comprehensive plan. The Requests for Proposals for the updating of the city's comprehensive plan were due on March 27, 2023. We received one proposal from Community Design Group. The budgeted amount for this work was \$40,000. The proposal has a three-phase fee schedule totaling \$67,700 (page 35). The Planning & Zoning Commission reviewed this proposal at its April 24th meeting and recommended proceeding with Community Design Group. Initiative Foundation has awarded us a grant of \$5,000 to defray a portion of these costs.

This leaves a balance of \$22,700. Since this will be a multi-year process, we are asking the Council to consider proceeding with this work, budgeting the remainder of \$22,700 in 2024 since the work will continue well into 2024.

A motion was made by Ms. Wieling, seconded by Mr. Klasen and unanimously carried approving the proposal of Community Design Group and proceeding with the updating of the comprehensive plan.

A.I.#8 NEW BUSINESS

- a. Staff is looking to schedule a budget workshop for Thursday, August 24 at 5:30 p.m. or 6:00 p.m. The Council by consensus scheduled the budget workshop for Thursday, August 24, 2023, at 5:30 p.m.
- b. Purchase or sale of real or personal property Minn. Stat. § 13D.05, subd. 3 (c). A public body may close a meeting to determine the asking price for real or personal property to be sold by the public body. • Review confidential or protected nonpublic appraisal data. • Develop or consider offers or counteroffers for the purchase or sale of real or personal property. Before holding a closed meeting under this exception, the public body must identify on the record the particular real or personal property that is the subject of the closed session. The closed meeting must be recorded. The recording must be preserved for eight years and must be made available to the public only after all real or personal property discussed at the meeting has been purchased or sold, or after the public body has abandoned the purchase or sale. The real or personal property that is being discussed must be identified on the recording. A list of 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 real or personal property must be approved at an open meeting, and the purchase or sale price is public data.

A motion was made by Mr. Travis Frieler, seconded by Ms. Wieling, and unanimously carried to close the meeting at 7:11 p.m. The discussion was in regard to Lot 1, Block 1 of Melrose I-94 Industrial Park (66.37010.0280), which is the northwest corner of Phase II of the park. In attendance were Council Members Tony Klasen, Travis Frieler, Joeline Wieling, and Mayor Joe Finken, City Administrator Colleen Winter, Finance Director Ryan Meyer, Community Development Director Sheila Hellermann, and City Clerk Patti Haase.

Staff has been in discussions with a business owner regarding a purchase of Lot 1, Block 1 of Melrose I-94 Industrial Park (66.37010.0280), which is the northwest corner of Phase II of the park. The road, infrastructure, etc. has not been extended to that area yet and Mr. Wieling is fine with that. He was looking to build in phases, starting with a large shed this fall and eventually moving this entire business over a period of years.

Mr. Wieling is looking at four other options, including land in Melrose Township and in Sauk Centre. He made two offers, which the land acquisition/disposition committee of MADA did not feel were acceptable. We have done additional research, including a possible TIF option.

A motion was made by Mr. Klasen, seconded by Mr. Travis Frieler and unanimously carried to open the meeting at 8:03 p.m.

A motion was made by Mr. Travis Frieler to offer the following terms: Sale of parcel (66.37010.0280), in the amount of \$36,000 plus future assessments of sewer, water, curb & gutter, pavement, first phase to be completed in 2023, total construction of service building and office space in five years, screening along interstate property line, road maintenance until city paves road. The motion was seconded by Ms. Wieling with a roll a call vote recorded as follows:

FOR: Council Member Travis Frieler, Joeline Wieling, and Mayor Finken
AGAINST: Council Member Tony Klasen
ABSENT: Council Member Justin Frieler

A.I. #9 INFORMATIONAL ITEMS

The following informational items were then reviewed:

- a. Utilities Commission's May 8, 2023, Regular Meeting minutes and May 23, 2023, Special Meeting minutes.

A.I. #10 ADJOURNMENT

A motion was made by Mr. Klasen, seconded by Ms. Wieling and unanimously carried to adjourn the meeting at 8:05 p.m.

PATRICIA HAASE – CITY CLERK