

**MELROSE CITY COUNCIL
REGULAR MEETING
WEDNESDAY, MAY 14, 2025 – 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 Wednesday, May 14, 2025, at 6:00 p.m. at the Melrose City Center pursuant to due notice being given thereof. Present were Council Members, Joeline Wieling, Mark Niehoff, and Mayor Joe Finken, City Administrator Colleen Winter, and City Clerk Patti Haase. Council Member Travis Frieler, and Tony Klasen were absent. Mayor Finken presided thereat.

The Council then recited the Pledge of Allegiance.

A.I. 2 APPROVAL OF AGENDA

A motion was made by Ms. Wieling seconded by Mr. Niehoff and unanimously carried to approve the agenda as submitted.

A.I. 3 OPEN FORUM

Mayor Finken then opened the floor to public comment. There were no comments.

A.I. 4 APPROVAL OF CONSENT AGENDA

The following items were considered for approval under the Consent Agenda

- a. The minutes from the April 16 Local Board of Appeal and Equalization Meeting and the April 16 Regular Meeting Minutes.
- b. List of bills in the amount of \$395,195.24
- c. List of investments for the month of April
- d. Gambling Resolution
 - 1) Resolution No. 2025-21 Resolution Approving Gambling License to the Church of St. Mary's for an exemption from lawful gambling license to hold a raffle on December 31, 2025 at the Church of St. Mary's located at 755 Kraft Drive SE in Melrose, MN.
- e. Donation Resolutions
 - 1) Resolution No. 2025-22 donation in the amount \$1,000 from Land O' Lakes Foundation towards the Melrose Fire Department
 - 2) Resolution No. 2025-23, donation in the amount of \$1,000 from American Legion Post #101 to the Melrose Area Chamber of Commerce towards the Riverfest celebration
 - 3) Resolution No. 2025-24, donation in the amount of \$150 from Lindsey Chmielewski to flowers/trees for the parks, and cornhole bags and container at the Sauk River Park.
 - 4) Resolution No. 2025-25 donation in the amount of \$1,000 from Jaquelline and Herman Massmann towards the Melrose Fire Department.
 - 5) Resolution No. 2025-26, donation in the amount of \$2,000 from the Melrose Lions to the Melrose Area Chamber of Commerce towards the Riverfest celebration.

A motion was made by Mr. Niehoff, seconded by Mr. Finken with a roll call vote

recorded as follows:

FOR: Council Member Niehoff, and Mayor Finken

AGAINST: None

ABSENT: Council Member Klasen, and Frieler

ABSTAIN: Council Member Wieling due to a conflict of interest on the donation to the Melrose Area Chamber

A.I. #5 PRESENTATION

- a. The Council recognized the Minnesota High School State Champions
 - Logan Schadt: Speech - Creative Expression
 - Esther Kapsner Speech -Extemporaneous Reading
 - Monika Frericks FFA Dairy Judging

A.I. #6 PUBLIC HEARING

- a. The Council held a public hearing to consider the request for an On-Sale Intoxicating Liquor License and Sunday On Sale Liquor License to Some Like It Hot LLC DBA Some Like It Hot. 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.

The City Administrator presented the Affidavit of Publication of the hearing notice which was published in the Star Post on April 30, 2025.

Ms. Shannan Post, owner of Some Like It Hot gave an overview of the business operations.

Mayor Finken asked for public comment. There being none the Public Hearing was closed at 6:14 p.m.

A.I. #7 NEW BUSINESS

- a. Sara Carlson with the Great Melrose Community Foundation stated their mission is to Engage People, Connect Resources and Build Community. It was established in 2024 to serve the people and communities of ISD 740. The organization has raised \$70,000 + by December 31, 2024. It has granted \$6,000 back in the community in 2025 (Special Olympics, Food Shelf, Jingle Jar, Food for Thought, St. Mary's School/St. Andrew's School).
- b. **Summer Hours request.** – The Streets/Parks Supervisor and City Administrator met with ADHOC to discuss summer hours for the Streets/Parks Department. The dept is proposing Summer hours of Monday – Thursday – 9-hour workdays
Friday – ½ day 4 hours.
While ADHOC was supportive of summer hours, it would still need to be presented to both the PUC and Council for approval.
Enclosed you will find the policy that regulates Work Hours/Core Hours and a summary of other communities.
The following schedules are what is currently the practice to give everyone some

flexibility while still meeting the needs of the City. Here are the current schedules:

Water/WW, Line Dept and Streets – Work 7 am to 3:30 pm Monday through Friday. I leave it up to the Supervisors how they schedule their crews, however I have made it very clear that every outside dept. has to have staff available until 3:30 pm.

Under AFSCME - Water/WW and Line Depts are governed by the following language:

ARTICLE 8 - WORK SCHEDULES

The sole authority in work schedules is the EMPLOYER. The normal work week for employees shall be consecutive days Monday through Friday, forty (40) hours per week, except for the week for an employee who is scheduled for on-call duty. The EMPLOYER shall determine the on-call schedule.

The EMPLOYER will give as much advance notice as is practicable to the employees affected by the establishment of scheduled shifts different from the employees' normal scheduled shift.

In the event that work is required because of unusual circumstances such as (but not limited to) fire, flood, snow, sleet, or breakdown of municipal equipment or facilities, no advance notice need be given.

The Friday, Saturday, and Sunday night wastewater treatment facility check, when scheduled and not cancelled by the EMPLOYER, will be paid for one hour of pay at a rate of one and one half (1 ½) times the employee's base pay rate. This facility check(s) when scheduled and not otherwise cancelled by the EMPLOYER, shall not be considered a call back as defined in this labor agreement.

Employees are entitled to a lunch break up to one (1) hour in length (unpaid), and one (1) fifteen (15) minute break (paid) for each four (4) hours worked.

Administration Staff – 4 people work a regular 8 – 4:30 shift 5 days a week and then the following week work 4 – 9 hour days, 7 – 4:30 pm (1/2 hr lunch) and 8 am to Noon on Fridays. This alternates among the admin staff so we always have staff here during regular office hours.

Police Dept – follows a rotating schedule of 8 to 12 hr days and nights. Established by LELS contract.

Administration supports Summer hours for the Streets/Parks Dept. from Memorial Day to Labor Day.

Administration supports Summer hours for the Administration staff as follows: 7 am – 4:30 pm Monday through Thursday and 8 am – Noon on Friday. If this schedule were to be implemented then City Hall hours would change accordingly.

A motion was made by Ms. Wieling, seconded by Mr. Niehoff and unanimously carried concurring with the Melrose Public Utilities Commission approving summer hours for the Streets/Parks Department.

A.I. #8 REPORTS

- a. Police Chief Craig Maus presented the Police Department's April 2025 report. He noted there were 350 calls for service during that month, compared to 236 for April 2024. A total of 21 citations were written for the month of April. There were 82 verbal warnings and 2 written warnings. The year-to-date number of calls is 1122 compared to 1094 in 2024. For the month of April 2025, the Department received 15 agency assist calls. Chief Maus has issued 13 citations for nuisance ordinance violations.
- b. During the period from April 10, 2025, through May 8, 2025, City Attorney Dymoke has not given significant attention to any projects on behalf of the City of Melrose: City Attorney Dymoke announced his retirement effective June 30, 2025. The Mayor and Council thanked him for his service to the community.
- c. Community Development Director Sheila Hellermann provided the following update.

We have an action item tonight, following the April 28th Planning & Zoning meeting. We hope to move the comprehensive plan forward with a public hearing before Planning & Zoning at their June meeting, coming to the Council in July. We invite everyone to check out the new improvements in the Sauk River Park. There are two new fishing areas, the pickleball court has been poured, and the floor in the kitchen and bathrooms of the pavilion are epoxied. Waterfest was held on May 8th and it was a great day in the park. We are ready for graduation parties and family reunions this summer.

MADA is having good conversations about future projects and supporting existing businesses.

Community Development Director Hellermann attended a Brownfields conference in St. Cloud on April 24th and brought back really good information about redevelopment. It was acknowledged that redeveloping existing sites is much more challenging than building new on bare land, but we are digging in and tackling some of those challenges.

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

In the past month we have began preparations for the completion of the completion of the Main Street project. SEH and City staff have made multiple visits with the contractor and Main Street residents to discuss the turf restoration. The contractor used salvaged topsoil material from the site in 2024 placement and since has hauled in screened borrow for placement on turf areas of the project. Seeding and hydro mulching were completed on May 6th.

Final paving has not yet been scheduled, but I hope to provide an update at your meeting.

1st Avenue SE

Staff and the contractor met over at the bowling alley. We have developed a plan that will improve the slope of the entrance to the bowling alley parking lot. I hope to meet with the owner in advance of the council meeting to provide an update on the proposed work.

2025 Street Project

Staff are working to schedule a preconstruction meeting the week of May 19th. I will provide an update verbally with the time and date selected and with the contractor's work schedule. Work will likely begin with pavement removal and concrete replacement on 5th Avenue. The work on 8th street will likely be completed following the completion of concrete on 5th Avenue with hopes of paving both projects on the same day.

Railroad Avenue project

The pond work is completed on Railroad Avenue and with that, the last of the punchlist as of May 6th. The dry spring really helped make that work manageable. Final payment will be presented to both the PUC and the City Council at your meetings in June. We can expect the project to come in about \$14,000 under budget based on my final calculations that are under review by the contractor.

- e. Finance Director Jackie Niehaus presented the 1st Quarter Financial Report. The financial position for the first quarter is comparable with the prior year. Net income will increase in the second quarter as property tax and local government aid flow into the city.

General Fund

Significant Revenue Variances

- Property tax revenue is distributed in June, July, December, and a final payment in January. Local government aid is distributed in July and December. Together, these funds make up roughly 2/3 of the general fund budget.
- Interest income was strong in the 1st quarter. Finance Director Niehaus continues to work with our investment advisor to monitor the City's investment portfolios to structure our funds to balance investment yield, security, and planning adequate cash flow.

MADA Funds

- Investment activity was strong in the first quarter, accounting for 46% of the annual budgeted amount

Special Revenue Funds

- Overall operations in the Special Revenue Funds have remained consistent with the prior year

Ms. Niehaus provided a summary of the Special Revenue Funds, Capital Project Funds and the Fire and Ambulance Fund.

- f. City Administrator Colleen Winter provided the following update.

State Legislature:

With the clock ticking, it appears that the DFL Senate, divided House, and Governor Walz are not yet close to finalizing a budget agreement for this session.

Housing proposals: The House bill (HF 2437) was taken up and passed out of the House Tax Committee. It includes changes to TIF for Greater Minnesota that would help with housing and redevelopment.

Budget Reductions: The Senate tax bill includes a permanent \$20 million cut to LGA. If passed that would mean a loss of \$36,543 or 3.1% LGA for Melrose. We will continue to monitor this closely.

MRES and other utility lobbyists continue to work on pulling the MPCA air dispersion modeling language out of bills. Meanwhile, municipal and cooperative utilities are working to protect customers' interests as a potential data center bill is being negotiated.

A.I. #9 ACTION ITEMS

- a. The Council gave consideration to a request from Some Like It Hot LLC DBA Some Like It Hot for an On-Sale Intoxicating Liquor License and Sunday On-Sale Intoxicating Liquor License. A background investigation by the Melrose Police Department has been completed and no records have been found.

Minnesota law requires cities to obtain proof that all licensees provide workers' compensation insurance for their employees. Also, the City must obtain licensees' social security numbers and Minnesota and federal tax identification numbers for the Department of Revenue's use. The documents have been received.

The City Clerk has received all the required documentation.

A motion was made by Ms. Wieling, seconded by Mr. Niehoff and unanimously carried approving the On Sale and Sunday On Sale liquor license as requested from Some Like It Hot LLC. DBA Some Like It Hot.

- b. The Melrose Planning and Zoning Commission acting as the Board of Adjustments and Appeals held a Public Hearing on April 28, 2025, for the purpose of giving consideration to the request of Lamar Advertising for a Conditional Use Permit on Parcel No. 66.36436.0005. The Conditional Use Permit would allow construction of a digital billboard, in accordance with Sections 711 and 712 of Zoning Ordinance No. 1989-1-A as adopted with amendments by the Melrose Code of Ordinances. Applicant is requesting to replace an existing billboard with a board which would be digital facing east and remain static facing west.

The planning memo and supporting documents for the public hearing which were reviewed by the Planning & Zoning Commission are attached. The Planning & Zoning Commission is recommending to the Council that the Conditional Use Permit be granted. Conditions are included in their recommendation which will be ongoing during the operation of the board.

A motion was made by Mr. Niehoff, seconded by Ms. Wieling and unanimously carried approving the Conditional Use Permit for Lamar Advertising for a digital/electronic billboard on Parcel No. 66.36436.0005.

- c. The City received their annual quote for general liability, errors and omissions,

auto, equipment, and property insurance through the League of Minnesota Cities Insurance Trust (LMCIT) for the period of May 15, 2025 - May 15, 2026. The total quote is \$158,624, down from \$162,318 for the 2024-2025 coverage. The cost for the premium is shared between the General at 37% and Utility Funds at 63%.

The overall premium decreased 2.29% from the prior year. According to the League underwriters, this is due to:

- A. Property coverage increased 2.14% due to an increase in the building limit at location #1.
- B. The mobile property premium is down 9.06% as this is tied to the manual premium for property.
- C. First Party Cyber and Municipal liability premium are down due to an 8% rate decrease.
- D. Auto liability is down 11.40% and Auto Physical Damage is down 11.43% due to a change in the deductible credit and a decrease in experience mod.
- E. Our liability experience mod had an increase of 1.09% from last year.
- F. The auto experience mod had a 4.35% decrease from last year.

The City's insurance coverage has a \$5,000 deductible, \$15,000 aggregate. The City needs to decide whether or not to waive the statutory tort liability limits. The decision to waive or not to waive the statutory limits has the following effects:

1. If the City does not waive the statutory limits, an individual claimant would be able to recover no more than \$500,000 on any claim to which the statutory limits apply. The total which all claimants would be able to recover for a single occurrence to which the statutory tort limits apply would be limited to \$1,500,000. These statutory tort limits would apply regardless of whether or not the City purchases the optional excess liability coverage.
2. If the City waives the statutory tort limits and does not purchase excess liability coverage, a single claimant could potentially recover up to \$2,000,000 on a single occurrence. The total which all claimants would be able to recover for a single occurrence to which the statutory tort limits apply would also be limited to \$2,000,000 regardless of the number of claimants.
3. If the City waives the statutory tort limits and purchases excess liability coverage (\$1 million for \$14,628), a single claimant could potentially recover an amount up to the limit of the coverage purchased. The total which all claimants would be able to recover for a single occurrence to which the statutory tort limits apply would also be limited to the amount of coverage purchased, regardless of the number of claimants. In the past the City has not purchased the excess liability coverage.

In the past, the city has chosen Option 2.

Also included with this year's quote was optional coverage for equipment breakdown. Equipment breakdown coverage would apply in the event that equipment of the city has a malfunction and needs repair. This coverage includes

the actual cost of repairing or replacing the equipment as quickly as possible, which is subject to a limit equal to 150% of the scheduled value of the property and \$5 million per occurrence. This premium for this additional coverage would be \$5,459. In the past, the city has not carried this coverage.

A motion was made by Ms. Wieling, seconded by Mr. Niehoff and unanimously carried concurring with the Melrose Public Utilities Commission approving the insurance quote of \$158,624 to waive the monetary limits on municipal tort liability, to keep the deductible at \$5,000/\$15,000, and not purchase excess liability or equipment breakdown coverage

A.I. #10 OLD BUSINESS

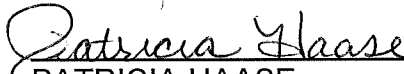
None

A.I. #11 INFORMATION ITEMS

- a. The minutes from the Public Utilities Commission's April 4, 2025, Special Meeting, and April 14, 2025, Regular Meeting

A.I. #12 ADJOURNMENT

A motion was made by Ms., Wieling, seconded by Mr. Klasen and unanimously carried to adjourn the meeting at 7:01 p.m.


PATRICIA HAASE