

**MELROSE CITY COUNCIL
REGULAR MEETING
THURSDAY, APRIL 18, 2024 – 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 18, 2024, 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, and Mayor Joe Finken, City Administrator Colleen Winter, and City Clerk Patti Haase. Council Members Tony Klasen, and Joeline Wieling 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 Mr. Travis Frieler seconded by Mr. Justin Frieler and unanimously carried to approve the agenda as amended.

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. Minutes from the March 21, 2024, Regular Meeting
- b. List of bills in the amount to \$401,037.27
- c. List of investments for the month of March
- d. 1) Resolution No. 2024-16, Donation in the amount of \$1,000 from Kwik Trip toward the Melrose Fire Department ladder truck
2) Resolution No. 2024-17, Donation in the amount of \$500 from the Roving Hillbillies Snowmobile Club towards the Melrose Fire Department.
- e. Pay Application #2/Final Asphalt Surface Technology Corporation in the amount of \$13,085.74 for the 2023 Ultra-Thin Bonded Wear Course which included 12 Avenue from Main Street to Kraft Drive, 8th Avenue NW from Mian Street to Railroad Avenue, Railroad Avenue from 3rd Avenue to 8th Avenue and 3rd Avenue NW from railroad Avenue to 8th Avenue. SEH reviewed the payment request and is recommending payment as outlined in the invoice.
- f. Gambling Resolution No. 2024-18 –, Resolution Approving Gambling License to the Church of St. Mary's for an exemption from lawful gambling license to hold a raffle on June 29, 2024, at Sauk River Park located at 206 5th Avenue NE

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

A.I. #5 REPORTS

- a. Barry Hegg Melrose HRA Director accompanied by Board Member Nancy Roering provided an overview of the HRA operation. Mr. Hegg provided information specific to ongoing improvements occurring at Roseview Manor. As

requested by the Council he gave a history of the funding of the HRA and spoke about how Federal law prohibits paying board members using HRA funds.

b. Police Chief Craig Maus presented the Police Department's March 2024 report. He noted there were 245 calls for service during that month, compared to 245 for March 2023. A total of 15 citations were written for the month of March. There were 53 verbal warnings and 0 written warnings. The year-to-date number of calls is 858 compared to 751 in 2023. For the month of March 2024, the Department received 19 agency assist calls. Chief Maus stated that Police Officer Matt Moorman has resigned. Staff will be conducting interviews to fill the position and hope to have a candidate for hire at the May meeting.

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

- Auditor's Opinion Letter - prepared opinion letter in support of annual audit of City finances.
- Community Development – Attended meeting with Council, MADA, and city staff to review and discuss status of potential development projects.
- Ambulance Service – Sent demand for records and demand that previous billing contractor stop issuing invoices for Melrose.

d. Community Development Director Sheila Hellermann provide the following update.

With the 1st quarter of 2024 complete, we had 40 building permits with a total value of \$1,795,885.

Kwik Trip is installing additional signage about the access off County Road 13 being an entrance only.

Riverside Flats had an open house on Sunday, April 7th. They are starting work on the retaining walls.

Wobegon Crossings would like to open in August. The final one-third of the building is being framed while electric and plumbing contractors are working on the first two-thirds.

The Stearns Electric Board of Directors officially approved their new headquarters last week. We are expecting their building permits and plans soon.

We received this week permit applications from the Church of St. Mary's for a storage shed, Blue Door Storage for an expansion, and MKI Enterprises is starting its storage sheds.

Staff have completed a preconstruction meeting for the sidewalk on County Road 168. The project is expected to take three weeks, weather permitting.

We did not receive the Local Road Improvement Program funding. Only one small city in all of MnDOT District 3 received funding. We scored well though. On the bright side, we will not have to wait for additional review of plans, conduct

extra testing, or require our contractors to follow the elevated requirements for the funding. Had we received the funding, we would have likely faced delays in getting started. I am going to work with other members of the staff to identify projects further out in our capital plan and write grant applications for those projects. Ms. Hellermann stated we had a good application – there was not enough money to go around and because of timing, we cannot reapply. We will be re-applying with Melrose Township on the Railroad Ave/Sauk River Bypass project.

Last week Ms. Hellermann was appointed by the Stearns County Commissioners to be on the Stearns County Housing Trust Fund Board of Directors. The Housing Trust Fund Board will provide loans and grants to property owners, homeowners, local units of government, for-profit housing developers, and non-profit housing developers to provide affordable and workforce housing, both rental and owner-occupied. The Board will decide funding priorities.

- e. City Engineer Dave Blommel provided the following update:

The past month has been spent preparing for the 2024 construction season. There are 4 separate street and utility projects scheduled for 2024 and they are detailed below.

Main Street

Bids were opened for the Main Street project and are included in the agenda for award. The low bid was submitted by Molitor Excavating, Inc. of Waite Park, Minnesota in the amount of \$2,936,481.63. The bids compared favorably to the Engineer's estimate for the combined project which was \$3,325,456.50.

The preconstruction conference is scheduled for the week of April 22, 2024, with hopes of starting work on May 6, 2024.

1st Street SE and 6th Avenue SE

This work was bid in conjunction with the Main Street project hoping to take advantage of the interest generated by the larger project. In general, this approach was successful as the bids were very closely grouped for both portions of the project. The portion of the above referenced bid dedicated to 1st Street and 6th Avenue is \$257,612.55. This work is included in the City's capital improvement plan and is 100% City responsibility.

AT Sidewalk

Work on the sidewalk is expected to begin any day. The work is projected to take approximately 3 weeks from start to finish. J.R. Ferch from Rice, MN is the contractor on the project.

Railroad West

Work is expected to resume on this project in early May. We anticipate about 6 weeks of work with completion sometime in June.

- f. City Administrator Colleen Winter provide a legislative update.

Several bills that we continue to watch this session include:

SF 4899/HF 4872 would distribute 25 million to communities under 5000

population for street maintenance, repairs and reconstruction. If enacted this funding would be distributed to small cities on a formula basis by July 1st 2024. It has been held over to be included in the omnibus bill.

SF 5157 which would impose prevailing wages on house tax increment financing projects that receive over \$100,000 in TIF assistance. Concern with this bill is the impact on local contractors.

EMS legislation falls short of the request by CGMC to secure funding for EMS services. The Governor's budget is proposing funding at 16 million, whereas CGMC is asking for 120 million.

HF 4010 Provides requirements and limitations for cities related to multifamily residential developments. MF housing can be located in any zoning district, with limited Conditional Use permit requirements, parking, height restrictions.

HF 4757 would make changes to laws regulating cannibis and related products. The changes are designed to clarify the role of the Office of Cannibis management, and what local controls can be imposed.

A.I. #6 OLD BUSINESS

- a. Per diem request HRA – This is an item that was tabled at the last meeting. Barry Hegg, HRA Executive Director early this evening presented a report on HRA activities and budget. Below is the information from last month's agenda related to this matter.

Finance Director Meyer and Administrator Winter met with Nancy Roering, Karen Thostenson and Barry Hegg (New Executive Director) of the HRA. They are requesting that the City consider providing per diem for the Board members, similar to what other volunteer boards are given. The thought is that the HRA has a City Council representative on the HRA board. In Sauk Centre the City pays HRA board members \$300 annually.

History and background:

The City's HRA was formed in 1971 for the sole purpose of building a multi family low-income apartment building – Roseview Manor. The City actually owned Roseview Manor from 1971 to 2011. After 40 years it was turned over exclusively to the HRA. Roseview Manor meets the criteria for low income housing and also the maximum for the number of buildings that are allowed in the City of Melrose. So while we may have individuals who qualify for low income housing, we will not have anymore low income exclusive housing (the old Section 8) in the city. Roseview Manor is funded exclusively through HUD (federal). Any improvements that are made are through various HUD programs. We do have a City Council member that sits on the HRA board. So in Sauk Centre where they have the exact same scenario – the building is just a little bit bigger – they provide a \$300/yr stipend to the Board members. The justification is that they have a City Council representative on the board.

Administrator Winter consulted with Attorney Scott Dymoke and his opinion is below via an email received by Administrator Winter

Atty Dymoke response

MN St. 469.011, subd. 4 authorizes an HRA to pay its Commissioners a per diem of up to \$75.00 per meeting attended. If the HRA elects to pay its Commissioners a per diem, it has the authority to do so out of the HRA's operating revenue. The HRA does not need City Council approval to make these payments. The per diem to the Commissioners would be another item in the HRA's budget. I am assuming that the HRA, (1) wishes to pay the Commissioners a per diem, (2) does not wish to pay the cost of the per diem out of its operating revenues, and (3) wants the City of Melrose to cover the cost of the per diem out of its revenues. MN St. 469.041 lists the actions the City of Melrose may take in support of the HRA. MN St. 469.041 is internally inconsistent. At MN St. 469.041(1), there is a prohibition on city contributions to an HRA project, unless the project is a low rent housing project receiving federal assistance and the terms of the federal assistance requires the city to make a contribution. However, MN ST. 469.041(6) states that a city may "do any and all things necessary or convenient to aid and cooperate in the planning, undertaking, construction, or operation of the projects." Attached is a copy of MN St. 469.041 for reference. There have been no court decisions interpreting or attempting to reconcile the language in MN ST 469.041. The safest approach for Melrose is to continue its current practice of not providing direct funding to the HRA. If the Council elects to provide direct funding to the HRA for Commissioner per diems, we can assert that the action is permitted as "necessary or convenient." However, if the HRA funding is ever challenged, we will need to argue why MN St. 469.041(1) does not apply and MN ST. 469.041(6) does. If the Council elects to fund HRA per diem payments, my recommendation is that the funds allocated be made in a single payment to the HRA. The HRA to issue the per diem checks to the Commissioners on its account. I do not recommend that Melrose issue individual checks to each HRA Commissioner. – sed

A motion was made by Mr. Justin Frieler, seconded by Mr. Travis Frieler and unanimously carried approving the payment of \$1,5000 annually to the Melrose HRA to pay per diems to Board Members.

A.I. #7 ACTION ITEMS

- a. Staff received 2 quotes to replace the flooring at the City Office, the areas would be carpet tiles in the back office area, reception area and vinyl flooring in the copy room. The 2024 budget amount was \$20,000 (\$10,000 from General Acct & \$10,000 from Utility Acct). The quotes came in under budget: Hennen's Flooring quote came in at \$15,182.22 and Carpet One-Alexandria came in at \$17,452 & \$20,798.00 (2 different options). We are requesting to go with low bidder Hennen Flooring in Freeport. The Public Utilities Commission at its April 8 meeting approved the quote from Hennen Flooring

A motion was made by Mr. Travis Frieler, seconded by Mr. Justin Frieler and unanimously carried concurring with the Public Utilities Commission approving the quote from Hennen Flooring

- b. The Commission at its February 12, 2024, and the Council at its February 15, 2024, meeting authorized the hiring of a Seasonal/Temporary Streets/Parks Worker. Three applications were received. Staff interviewed candidates on

Thursday, April 11. Staff is recommending hiring Nathan Welle for the Seasonal/Temporary Streets/ Parks Worker position at Step 1 on the wage schedule.

A motion was made by Mr. Travis Frieler, seconded by Mr. Justin Frieler and unanimously carried approving the hiring of Mr. Welle at Step 1 on the wage scale.

- c. The 1998 Graco 3500 Line Lazer paint stripper is due for replacement on 2024 capital improvement plan. Streets/Parks Supervisor Andrew Rousslange received a quote from Diamond Vogel on two different models that would fit our replacement needs. Supervisor Rousslange chose to go with the Graco Line Lazer V3900 HP Auto 2 Guns (1 Auto 1 Manual) with laser guide. The quote came in under what was budgeted for replacement, and Mr. Rousslange received authorization to order. This was done to secure our replacement and to guarantee delivery prior to scheduled painting.

A motion was made by Mr. Justin Frieler, seconded by Mr. Travis Frieler and unanimously carried concurring with the purchase of the paint sprayer from Diamond Vogel.

- d Bids were opened via QuestCDN at 1:00 p.m. on March 28, 2024, for the combined project of 1st Street South / 6th Avenue and Main Street. A total of 9 bids were received ranging from \$2,936,481.63 to \$3,993,126.51. The low bid was submitted by Molitor Excavating, Inc. of Waite Park, Minnesota in the amount of \$2,936,481.63. The Engineer's estimate for the combined project was \$3,325,456.50.

The Bid for Main Street was for \$2,678,869.08. The bid for 1st / 6th was \$257,612.55.

The project costs will be shared between the City of Melrose, Melrose Public Utilities Commission, and Stearns County. SEH is recommending awarding the bid to Molitor Excavation, Inc.

A motion was made by Mr. Travis Frieler, seconded by Mr. Justin Frieler and unanimously carried awarding the bid to Molitor Excavating, Inc. in the amount of \$2,936,481.63.

- e. There is a developer interested in the lots in the Railroad West. To facilitate the development agreement, the Melrose Area Development Authority (MADA) needs to transfer the 25 lots to the City of Melrose. A purchase agreement and development agreement are being put together and will be presented at a Council meeting soon. For now, we are asking Council to accept the transfer of the 25 lots from MADA to the City.

A motion was made by Mr. Travis Frieler, seconded by Mr. Justin Frieler and unanimously carried accepting the transfer of Lots 1 through 25, Block 2 of Railroad West from Melrose Area Development Authority by Quit Claim Deed.

- f. VADA Contracting – Administrator Winter is requesting that the City Council approve the quote from VADA contracting for a new retaining wall on the east side of city hall down to police garages and next to Riverside Flats. This is a capital item that was approved in the budget for 2024, and the quote is \$137,000.00 which is \$3,000 less than the approved budget of \$140,000.00. This would be a split between the General Fund and Utility fund.

A motion was made by Mr. Travis Frieler, seconded by Mr. Justin Frieler and unanimously carried concurring with the Public Utilities Commission approving the quote of \$137,000 from VADA contracting for replacement of the City Center retaining wall, with the cost being split 50/50 between the General fund and the Utility fund.

- g. Police Officer Matt Moorman has submitted his letter of resignation. Chief Maus is requesting to backfill this position.

A motion was made by Mr. Justin Frieler, seconded by Mr. Travis Frieler and unanimously carried concurring with staff to post and advertise for a full-time police officer.

- h. Council and MADA have been working with Carstens Industries on a development project in the I-94 Industrial Park. It includes part of Lot 4, Block 1 and Lot 1, Block 4 and part of Lot 3, Block 1 and requires a replat and re-aligning of Industry Parkway NW. At its January 18, 2024 meeting the Council authorized the re-platting subject to a signed purchase agreement. The project would be a phased move by Carstens Industries into the park starting with its shipping and receiving department this summer. Jake Altendorf, President of Carstens Industries, has executed a Purchase and Development Agreement.

A motion was made by Mr. Travis Frieler, seconded by Mr. Justin Frieler and unanimously carried authorizing Mayor Finken and City Clerk Haase to execute the Purchase and Development Agreement with Carstens Industries.

A.I. #8 NEW BUSINESS

- a. The City's Auditor, Justin Nilson from Abdo, Eick & Meyers, the 2023 Audit Report.

A motion was made by Mr. Justin Frieler, seconded by Mr. Travis Frieler and unanimously carried accepting the 2023 Audit Report as presented.

A.I. #9 INFORMATIONAL ITEMS

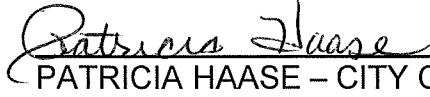
The following informational items were then reviewed:

- a. Utilities Commission's March 11, 2024, Regular Meeting minutes.
- b. Melrose Ambulance Department Report Summary
- c. The following is a list of schools and/or conferences where registrations were made:
 - 1) Stepping into Leadership – MMUA 56 Hours April to May. Attending: Streets/Parks Supervisor Andrew Rousslange
 - 2) Transitioning Into Leadership April 11 Attending: Streets/Parks Supervisor

Andrew Rousslange

A.I. #10 ADJOURNMENT

A motion was made by Mr. Travis Frieler, seconded by Mr. Justin Frieler, and unanimously carried to adjourn the meeting at 7:02 p.m.


PATRICIA HAASE – CITY CLERK