

**MELROSE CITY COUNCIL
REGULAR MEETING
THURSDAY, MAY 19, 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. Donation Resolution
 - 1) Resolution No. 2022-29, Donation from Proliant Diary
 - 2) Resolution No. 2022-30, Donation from the Greenwald Lions
 - 3) Resolution No. 2022-31, Donation from the New Munich Jaycees
 - e. Final Pay Voucher for 2020 Street Improvement Project
 - f. Police Officer Step Increase
 - g. RDB Project Invoices from Stearns County
 - h. Stearns County Annual Assessment Billing
 - i. GIS Receiver
5. Presentation – To Individual and Team Class A Speech Champions
6. Public Hearing
 - a. Utility Easement Vacation Lots 1 and 2 Block 2, Daylight Court
 - b. Request to Transfer On Sale, Sunday On Sale, and Off Sale Intoxicating Liquor License from The Dam Bar Inc DBA The Dam Bar to Whiskey Street LLC, DBA Whiskey Street
7. Reports
 - a. Police Department Report
 - b. City Attorney Report
 - c. General Fund First Quarter Financial
 - d. City Engineer Report
 - e. City Administrator Report
8. Action Items
 - a. Resolution No. 2022-32 A Resolution Vacating a General Utility Easement Upon a Petition by the Landowners
 - b. On & Off Sale and Sunday On Sale Intoxicating Liquor License Transfer Request/Whiskey Street LLC
 - c. Inspectron Inc. Contract

- d. Ordinance No. 5-19-2022, An Ordinance Summarizing and Reaffirming Fees for City Licenses, Permits and Services, Establishing a Schedule of Fines, and Providing for Subsequent Review, Modification and Amendment
 - e. Hot Box Purchase
 - f. Agreement Between Stearns County and City of Melrose For Providing Early Voting to the Residents of Stearns County
 - g. 2022-2023 LMCIT Property/Liability Insurance Quote
 - h. Resolution No. 2022-33 Resolution in Support of ISD 740 Bond Referendum
 - i. Mutual Aid Agreement/Resolution No. 2022-34 Melrose Ambulance Mutual Aid Agreement
9. Old Business
- a. Resolution No. 2022-35 Resolution on LGA Formula Update and \$90M Appropriation Increase
 - b. 2022 MN Pay Equity Reporting
10. New Business
- a. Tree Disposal
 - b. Minnesota Frontline Worker Pay
 - c. Potential Land Acquisition
11. Informational Items
- a. Utilities Commission Meeting Minutes
 - b. Schools and Conferences
12. Adjournment

**MELROSE CITY COUNCIL
REGULAR MEETING
THURSDAY, MAY 19, 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, May 19, 2022 at 6:00 p.m. at the Melrose City Center pursuant to due notice being given thereof. Present were Council Members Justin Frieler, Mark Hill, Travis Frieler, and Mayor Joe Finken, City Administrator Colleen Winter, and City Clerk Patti Haase. Council Member Tony Klasen was 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 submitted.

A.I. #3 OPEN FORUM

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

A.I. #4 CONSENT AGENDA

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

- a. The minutes from the Council's April 20 Special Joint Meeting with the Melrose School Board, the April 21 Local Board of Appeal and Equalization Meeting, the April 21 Special Joint Meeting with the Public Utilities Commission – Audit Review, the April 21 Regular Meeting Minutes
- b. List of bills in the amount of \$ 747,130.87 (See attached list)
- c. List of investments for the month of April (See attached list)
- d. Donation Resolutions
 - 1) Resolution No. 2022-29 donation in the amount \$100 from Proliant Dairy towards the Tri-Cap Bus Service.
 - 2) Resolution No. 2022-30, donation in the amount of \$500 from the Greenwald Lions to the Melrose Ambulance Department
 - 3) Resolution No. 2022-31, donation in the amount of \$300 from the New Munich Jaycees towards the Melrose Area Chamber of Commerce Riverfest Celebration
- e. Pay Voucher # 4 Final Pay Voucher from Mark Lee Excavating for the 2020 Street Improvement Project.
- f. Police Officer David Bonfield will complete six months of service with the City on June 1, 2022. Police Chief Maus has conducted Mr. Bonfield's review, and it is favorable; therefore, recommends he receive a step increase from Step 3 to Step 4.
- g. The city has received invoices from Stearns County for expenses for the RDB Project.
- h. The invoice and invoice summary for property assessment services rendered by the Stearns County Assessors office during the past year. The rates used to calculate the invoice are based upon a fee schedule approved by the County Board of Commissioners.

- i. Electrical Supervisor Avelsgard has obtained a quote to replace the GIS receiver in the amount of \$13,552.86. The cost will be shared between the general fund, electric, and water and wastewater fund.

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

A.I. #5 PRESENTATION

- a. Mayor Finken presented certificates to the 2022 Minnesota State High School State Team and Individual Speech Champions.

A.I. #6 PUBLIC HEARING

- a. The Melrose City Council held a public hearing on Thursday, May 19, 2022, at 6:00 p.m. at the Melrose City Center, 225 1st Street NE, Melrose, MN, to consider a request to vacate portions of existing drainage and utility easements that are no longer needed on land legally described as Lots 1 and 2, Block 2, Daylight Court according to the plat and survey on file at the Stearns County Recorder's Office. The Melrose Public Utilities Commission at its May reviewed the request and is recommending the Council approve the drainage and utility easement.

City Administrator Winter presented the Affidavit of Publication of the hearing notice which was published in the Star Post on May 4, and May 11, 2022

A motion was made by Mr. Travis Frieler seconded by Mr. Hill and unanimously carried to open the public hearing at 6:14 p.m.

Earl Nevala residing at 558 11th Avenue NE requested an explanation of the drainage and utility easement and wanted to know where the water would drain if a home were built on the property. City Administrator Winter explained that the utility easement request is for the middle of the property and the utility easements on the perimeter of the lot will remain. The utility easement will not affect the drainage on the property.

A motion was made by Mr. Hill, seconded by Mr. Travis Frieler to close the public hearing at 6:17 p.m.

- b. The Council held a public hearing to consider the request for a transfer of the On Sale, Sunday On Sale and Off Sale Intoxicating Liquor Licenses from The Dam LLC to Bernard and Kari Otte, Whiskey Street LLC, DBA Whiskey Street. 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.

City Administrator Winter presented the Affidavit of Publication of the hearing notice which was published in the Star Post on May 4, 2022

Kari Otte was on hand to answer any questions the Council may have.

A motion was made by Mr. Travis Frieler, seconded by Mr. Justin Frieler and

unanimously carried to open the public hearing at 6:17 p.m.

Mayor Finken asked for public comment. There being no further comment, a motion was made by Mr. Travis Frieler, seconded by Mr. Hill and unanimously carried to close the public hearing at 6:17 p.m.

A.I. #7 REPORTS

- a. Police Chief Craig Maus presented the Police Department's April 2022 report. He noted there were 262 calls for service during that month, compared to 258 for April 2021. A total of 14 citations were written for the month of April. There were 26 verbal warnings and 1 written warning. The year-to-date number of calls is 1,048 compared to 1,267 in 2021. For the month of April 2022, the Department received 28 agency assist calls. Ordinance checks have been completed We have 65 violations. The senior class of 2022 has requested to have a parade following commencement on Friday, May 27. Chief Maus stated that a community notification meeting will be held on Thursday, May 26 at 6:30 p.m. at the Melrose City Center. The notification meeting is in regard to a level 3 sex offender moving into the community. The police department has been monitoring bow fishing. They have not received any recent complaints.
- b. City Attorney Scott Dymoke report was presented as follows:
 - Bridge Project – Reviewed title evidence to determine and locate Melrose's ownership and easement interests in property adjacent to the Wing Dam and in First Street NE adjacent to the 400 Block. Determined that the scope of project improvements will require additional easements from the adjacent property owners.
 - West Central – Received notice of a request for pricing information contained in the solid waste collection agreement with West Central. The information request was made by a competing enterprise. Reviewed Data Practices Act, court decisions, and administrative opinions on question of what constitutes protected trade secret information. Advised staff to request written opinion from both West Central and the competitor on the trade secret question.
- c. Finance Director Tessa Beuning presented the General Fund Financial First Quarter Report

General Fund Significant Revenue Variances:

- ❖ Property tax revenue and intergovernmental aid are received in June and December. T h e s e funds make up roughly 2/3 of this fund's budget.
- ❖ Liquor licenses are renewed at the beginning of the year so 100% of the budgeted amounts have already been collected. Building permit revenue is low at this point in the year due to most projects start in the second quarter.
- ❖ The most significant portion of Charges for Services relates to administrative charges. These are fees charged to the Fire

Department, Ambulance Department and TIF funds. These payments are made at year end.

- ❖ Interest income is reflected as a negative during the first quarter due to changes in market value adjustments. Finance Director Beuning is continuing to work with our investment advisors to monitor the City's investment portfolios to structure our funds to balance investment yield, security, and planning for adequate cash flow.

Significant Expenditure Variances:

- ❖ The capital set-aside transfers have been modified to be made on a quarterly basis, as compared to twice a year previously. This will reflect the annual expenditures more comparable to the budget, however it slightly skews the comparison to the prior year amounts.
- ❖ The first half payment to Stearns County for prosecuting fees was paid in April of 2022, in comparison to March of the prior year.
- ❖ Snow and Ice show significant expenditures and a budget overage. This is a result of the large amount of plowing during the first quarter of the year. In addition, salaries from other departments, such as Electric, are coded here for their assistance with plowing, which was not budgeted for. When reviewing these departments, it's helpful to look at overall public works as a whole, as the weather and nature of work can reflect where actual hours are spent working, and in turn coded to.
- ❖ The City has not filled the position for the City Planner, which brings the Industrial/Commercial Dev. Function below budget. The contracting work with Ryan Development for Economic Development projects is paid out of the MADA funds.
- ❖ First quarter building inspection fees are not paid until April.
- ❖ Professional services fees have not yet been at quarter end to Stearns County for assessment services or prosecuting services. Additionally, there is \$20,000 budgeted in the parks department for consultant fees. There have been about \$2,000 in engineering fees relating to the Sauk River Park campground that were coded to the park improvement capital outlay in the Capital Improvement Fund (Fund 203).
- ❖ Maintenance costs have been running lower for the first quarter of the year. This is primarily attributed to this work typically being done in the 2nd and 3rd quarters of the year. However, the maintenance of grounds equipment expense is over budget due to the 2nd payment of the City's share of the new holiday décor for the light poles.

MADA Significant Expenditure Variances:

- ❖ The General Fund has budgeted an annual transfer of \$57,000 to help fund MADA activities, of which a quarter was transferred.
- ❖ Due to the investment market value adjustments, interest income is a negative.
- ❖ MADA had budgeted for contracting with Ryan Development in the amount of \$45,000. There have been costs associated with property appraisals and engineering work related to proposed housing

developments during the first quarter that have exceeded the remaining budget by approximately \$11,200.

- ❖ Starting in 2016, MADA authorized up to \$5,000 in seven year deferred loans to Main Street businesses to be used for store front improvements. If the business remained during this loan period, these loans would be amortized down by 1/3 in year 5, 6, and 7. There were three new loans that started the amortizing, along with one loan issued in 2018 from a TIF payout, which resulted in expenses in 2022 of \$11,148 to date. It is expected to have another \$9,833 amortized by the end of the year.
- ❖ All wages are paid at year end for board members.

- d. City Engineer Dave Blommel presented the engineering report.:

Over the past month SEH participated in the capital improvement planning process to determine the best use of project funds for the next five years. Staff plans to meet again in June to compile our findings and finalize our staff recommendations before presenting at a future council meeting.

SEH continues to work with staff on the Sauk River Park and various housing opportunities. Our primary focus in the last month has been single family residential in NE Melrose with some of the previously discussed options still being considered.

- e. City Administrator Winter provided an update:

RDB – Administrator Winter provided an update on the RDB project. In the next month, the City will be sending a letter to the homeowners that reside on Melrose Lake giving them the timeline of the dam drawdown. The City has been working with Scott Dymoke to try and resolve outstanding issues related to ownership in the area of the Melrose Dam wing wall and along 1st St NE. The City will secure easements from those property owners for the work that needs to be completed for the RDB project.

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 did not meet in May, but rather will be meeting in June. We are still finalizing costs for this project. CA Winter wants to obtain a general consensus from the Council to keep moving forward with this project with the anticipation of grading for the campsites in 2022. The council by consensus approved moving forward with the grading of the campsites at Sauk River Park.

Housing – At the May 12 MADA meeting MADA discussed several items related to housing:

- Development of the Kraft Lot. MADA is working with Gohman Construction on a potential project and have given them a deadline to prepare a preliminary site plan by the end of May.
- Traci Ryan has been preparing an RFP that will go out to developers/interested parties for the Thieler property and Morningview (daylight court). The idea is to really understand the interest that exists out there for

housing and to see what types of incentives/programs may be needed to underwrite the costs to attract developers. A Housing survey was also completed that will be part of the RFP. We will also be discussing a land purchase in closed session later on the agenda.

Maintenance Costs - Maintenance costs for all of the public buildings are coming in higher than expected and there have been some nonbudgeted costs that have come up that will need to be addressed. We will need to replace one of the pumps at City Center that is located downstairs in the boiler room due to it leaking. Staff does not have a cost for that yet. We also need to do some work on the elevator and on the fire alarm system, as well as replacing one of our servers and rewiring for upgraded telecommunications.

Department Head Retreat – On Tuesday, May 10th from 8 am until noon we had a Strategic Planning retreat where all the `Dept Heads, the Fire Chief, Ambulance Director, and Engineering consultant were all present. The purpose of this retreat was to really understand the connections that all of the departments have to one another and see where commonalities exist in terms of needs, budgets, and goals for the community. This is the first time that we did this type of session and the focus areas centered around the following:

- Safety
- Building improvements
- Technology
- Workforce development

We will be meeting again in June to refine what we learned and make priorities for budgeting purposes.

Bowfishing on the River – Several Council members and myself had received complaints from residents regarding bowfishing on Melrose Lake/Sauk River. The complaints were primarily related to the brightness of the lights, hours that bowfishing happens (after dark), and loudness of some boat motors. The Police Dept and the DNR have also been informed about this situation. Bowfishing is a regulated sport and has to follow MNDNR rules including:

- From sunset to sunrise you cannot discharge a bow within 150 feet of an occupied structure
- You cannot make more than 65 decibels of noise on the “A” scale measured at a distance of 50 feet from the boat

We have not received any complaints recently as the weather has not been conducive to fishing. CA Winter is looking for guidance from the Council as to next steps as to how to address the complaints, while still allowing the lake/river to be used for bowfishing.

A.I. #8 ACTION ITEMS

- a. Matthew and Heather Hendrickson own two abutting lots in Daylight Court and are combining the two lots. This property is located in the City of Melrose, Stearns County, Minnesota, legally described Lots 1 and 2, Block 2, Daylight Court. The new parcel number is 66.36668.0033 located at 585 11th Ave. NE, Melrose, MN 56352. Matthew and Heather Hendrickson submitted a petition

requesting that, pursuant to Minnesota Statute §412.851, the City Council vacate the dedicated utility easements along each side of the shared lot line between Lots 1 and 2, Block 2, Daylight Court, except as necessary to retain the existing easements around the perimeter of the lot. The application was received by the City Clerk on April 27, 2022. The Public Hearing Notice was published in the *Star Post* on May 4 and May 11, 2022.

There are no existing utilities within the easement area that is proposed to be vacated. It was a standard easement between two abutting lots that have been are owned by the same landowner and have been combined into one lot.

A motion was made by Mr. Travis Frieler , seconded by Mr. Hill and unanimously carried adopting Resolution No. 2022-32 A Resolution Vacating a General Utility Easement Upon a Petition by the Landowners.

- b. The Council next gave consideration to a request that the Intoxicating Liquor License (License #4 – On Sale, #4Sunday On Sale, and #2 Off Sale) issued to The Dam Inc. DBA The Dam be transferred from the current owner, Allen Vogel, to Whiskey Street LLC (Bernard and Kari Otte). DBA Whiskey Street effective May 26, 2022. A background investigation on Bernard and Kari Otte has been completed by the Police Department and nothing was found that would prohibit transferring the license.

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.

Approval of the license should be contingent upon receipt of the necessary certificates of insurance as to dram shop and general liability.

A motion was made by Mr. Hill seconded by Mr. Justin Frieler and unanimously carried approving the transfer of the intoxicating liquor licenses contingent upon receipt of the necessary documentation and insurance

- c. At the last regular meeting, the contract for Inspectron was tabled until such time that the Fee Schedule was clearly defined. Staff has met with Inspectron and clarified the charges for services. All communities that utilize Inspectron in our area including Albany, Avon and St. Augusta will be providing this information to their Councils for approval. City Administrator Winter has spoken to Tom Schneider from Albany and Bill McCabe from St. Augusta and they both are supportive of the fee schedule as proposed. Here are the changes as noted:

1. The Largest change has been the plan check fee. Inspectron charges 50% of the bldg. permit fee for plan check. This is much higher than the flat rate of \$100. 00. However it is the industry standard for plan check fees.
2. We have simplified the fee schedule by charging flat rates for certain types of projects – in most cases this will result in a cost savings to the consumer
3. Our demo permit was under zoning when it should have been under

building permit fees. There are inspections required in demo projects and so it should be charged a fee as noted.

A motion was made by Mr. Justin Frieler, seconded by Mr. Travis Frieler and unanimously carried approving the revised Inspectron Contract

- d. Staff has updated the 2022 Fee Schedule to reflect the revised building permit and inspection fees as well as the ambulance and fire department fees. Currently, the Melrose Fire Department assists the Melrose Ambulance on many medical calls outside of the city. On these calls, a patient receives a bill from the Fire Department and a bill from the Ambulance, which tends to lead to confusion. A meeting was held between Fire Chief Tom Budde, Ambulance Coordinator Jenn Tschida, Finance Director Tessa Beuning, and Accounting Clerk Stacy Funk, who prepares the invoices, to discuss this process. It is being proposed that the Ambulance will invoice at a higher rate to cover the Fire Department's assistance. The Fire Dept will then be reimbursed directly from the Ambulance for their rates, and the patient would now only receive one invoice from the City of Melrose for these medical calls. In addition, this would then allow the entire portion to be submitted to their medical insurance, if applicable. The Ambulance would assume all responsibility for insurance discounts and account write offs. Due to that, their fee would be \$25 higher per call than what the Fire Department would be reimbursed.

Council Member Hill introduced Ordinance No. 5-19-2022, An Ordinance Summarizing and Reaffirming Fees for City Licenses, Permits and Services, Establishing a Schedule of Fines, and Providing for Subsequent Review, Modification and Amendment. The motion was seconded by Mr. Travis Frieler with a roll call vote recorded as follows:

FOR: Council Member Hill, Travis Frieler, Justin Frieler, Mayor Finken

AGAINST: None

ABSENT: Council Member Klasen

- e. The Streets and Parks Department had \$38,000 in the 2022 budget for a new pick-up truck. However, the department sees a greater need for a hot box. Supervisor Middendorf is requesting to push out the purchase of the pick-up truck and purchase the hot box.

A motion was made by Mr. Hill, seconded by Mr. Justin Frieler and unanimously carried approving the purchase of the hot box.

- f. Stearns County has contacted staff regarding voting administration for the upcoming 2022 elections. The County is requesting the City of Melrose to provide early voting to the residents of Stearns County beginning the Tuesday prior to all statewide elections.

A motion was made by Mr. Hill, seconded by Mr. Travis Frieler and unanimously carried approving the Early Voting Agreement with Stearns County

- g. 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, 2022 - May 15, 2023. The total quote is \$125,215 from \$98,823 for the 2021-2023 coverage. The cost for the premium is shared between the General at 35% and Utility Funds at 65%.

The overall premium is up 26.71% from the prior year. According to the League underwriters, this is due to:

- A. Property coverage increased 50.07% due to the following:
 - a. Inflation
 - b. Rate changes: I have reviewed the League's memo regarding rate changes, and for 2022, the LMC has restructured the property rates for specify building types to align with the risk that certain building types present. On average property rates will decrease 7%, however Melrose saw an increase in this premium of 50%. The building types with the largest rate increases include general civic buildings like city halls, fire stations, community centers, police stations, and water, sewer and electric property. Our policy's properties are primarily considered these types of buildings resulting in the very significant increase.
 - c. A transition factor was applied to this premium which limited the property premium increase to 99.7% of what the actual charge would have been due to the rate changes. This 0.997 transition factor only applies to this renewal to help soften the blow of the increase.
- B. The mobile property premium is up 36.74% as this is tied to the manual premium for property.
- C. Auto liability is up 8.77% and auto physical damage is up 11.20% due to:
 - a. Additions of property.
 - b. Rate changes that apply to certain types of auto classifications.
- D. Our liability experience mod had an increase of 0.33% from last year.
- E. The auto experience mod had a 5% increase 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 \$11,599), 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.

A motion was made by Mr. Travis Frieler, seconded by Mr. Justin Frieler and unanimously carried concurring with the Public Utilities Commission approving the insurance quote of \$125,215 to waive the monetary limits on municipal tort liability, to keep the deductible at \$5,000/\$15,000, and not purchase excess liability coverage.

- h. On April 20, 2022, the City and School Board held a joint meeting where the School Superintendent, Mr. Greg Winter provided an update on the bond referendum that will come before the Melrose Area School District voters on August 9th. The School District is requesting financial assistance from the City and directed staff to draft a proposed Joint Powers agreement. In reviewing where the School District is at and steps that need to be completed in the bond referendum process it is too early to enter into a Joint Powers Agreement. However, City Administrator Winter is advising that the Council consider adoption of a resolution that would specify the city's commitment and specify details as to what should be included in the Joint Powers Agreement

A motion was made by Mr. Hill, seconded by Mr. Justin Frieler and unanimously carried adopting Resolution No. 2022-33 Resolution in Support of ISD 740 Bond Referendum committing \$1,000,000 to the School District for the bond referendum, and authorize Mayor Finken, and Council Member Justin Frieler to meet with the respective ISD 740 representatives to negotiate a Recreational Facilities Program Agreement that will be brought back to the City Council at a future City Council meeting for final approval.

- i. Sauk Centre Ambulance is requesting to update the mutual aid agreement with the Melrose Ambulance. Sauk Centre is starting the process to apply for part time ALS and would like all mutual aid agreements current. The last agreement was signed by Ambulance Coordinator Tschida on 2/7/2020.

A motion was made by Mr. Hill, seconded by Mr. Travis Frieler and unanimously carried adopting Resolution No, 2022-34 Approving the Mutual Aid Agreement between Sauk Centre and Melrose Ambulances

A.I. #9 OLD BUSINESS

- a. At last month's meeting a summary report was given to address the proposed changes being discussed in relation to the Local Government Aid formulas and funding. On May 4, 2022, the House Omnibus Tax bill was heard on the House floor. That bill included a \$34 million increase to the LGA appropriation, and the Coalition of Greater MN Cities (CGMC) supported the revisions to the LGA formula to better address cities' needs. That bill passed 69-62. The Senate omnibus bill was heard on the Senate floor on May 12th, and passed with a vote

of 42-22. Unfortunately, that bill did not include the CGMC-supported LGA formula proposal or any new money for the program. CGMC is optimistic that both have a chance of being negotiated into a final tax bill during conference committee since the House omnibus bill includes the proposed formula and added funding to the appropriation. They are requesting cities to pass a resolution on the LGA formula proposal with the inclusion of a \$90 million increase to the appropriation

A motion was made by Mr. Travis Frieler seconded by Mr. Justin Frieler and unanimously carried adopting Resolution No. 2022-35 to show the City of Melrose's support of the proposed LGA formula update and appropriation increase and transmit to the appropriate parties.

- b. Mayor Finken noted that the City/Utility was notified of their non-compliance for the 2022 Pay Equity Report, relating to the exceptional service pay test. This is consistent with our 2019 reporting as well. This test relates to the longevity pay that Melrose offers to full-time employees who have completed 15 and 20 years of service. There are significantly more males than females receiving this pay. Finance Director Beuning will again send a letter, as well as a copy of our Personnel Policies, to the MN Management and Budget Office, to show that this pay is offered to all full-time employees, and the reason for non-compliance is a result of long-term female employee retirements and the replacement employees not having reached the years of service requirement.

A.I.#10 NEW BUSINESS

- a. During last year's storm the city opened up the Industrial Park to residents to allow them to bring their tree debris, stumps. That pile from last year was recently burned. We have received inquiries this year from residents as to whether or not we will be opening the Industrial Park back up. There are several concerns related to providing a year-round area where folks could bring their tree stumps, branches, etc. First of all, we do not have the ability to staff the area and more importantly we have no way to monitor who is coming and going. There could be folks that live outside the city limits that utilize it or people bringing in large trailers full of debris. Many communities are no longer providing a compost or tree area due to these reasons. Sauk Center no longer allows their residents to drop off anything over 6 inches. While there is maybe not any ideal solutions a couple of options would be:
 - 1. Open up the Industrial Park one to two times a year and staff it. Folks would have to show their ID's to prove they are Melrose residents, limit the amount they can bring in and charge them a fee for dumping. The problem with this is that even when we put up barriers that state no dumping if folks see a pile of debris they just drive around the barriers and dump garbage, stumps, etc. We cannot guarantee that we will always be able to burn out at the Industrial Park. The other option would be to designate an area and fence it in. That would be quite expensive to do.
 - 2. WCS could provide dumpsters one to two times a year on the west side of the City Center for tree stumps, etc. However this would be at a cost to the City and it should be staffed. If this is provided it should be a fee to the residents.

3. Do not offer an extra service. Please keep in mind that folks do have their tree debris containers that they received from WCS that can be used for branches, etc. provided they fit inside the containers.

The Council further discussed the options for branch and tree debris. It was the opinion of the Council that the Industrial Park would not be opened unless there was serious storm damage. City staff was directed to post a sign siting MN State Statute for illegal dumping.

- b. To thank the Minnesotans who worked on the frontlines during the COVID-19 peacetime emergency, Gov. Walz signed a law on April 29, 2022, enabling those workers to apply for Frontline Worker Pay. There are initially two parts to who is eligible to apply: the work requirements and the job sector. For the City of Melrose, the Ambulance EMTs, Police Officers, and Firefighters would all meet the job sector requirement. Another requirement is that the employee must have been employed at least 120 hours between March 15, 2020, and June 30, 2021.

The application period for this has not opened yet, and the MN Department of Labor is estimating this to open in mid-June. At this point, applicants would have 45 days to apply for this pay.

Finance Director Beuning completed a review of all employees in those departments during the specified time period and is providing information regarding this application and if the employee met the hour requirement while employed by the City of Melrose.

- c. City Administrator Winter will provide information on potential land acquisition for development for PID # 22.12555.0000 and PID # 21.12556.0000.

The Council may wish to consider closing the meeting as it discusses the consideration of offers for the purchase of real property. According to State Statutes, there are certain exceptions to the Open Meeting Law, which allow councils to close meetings. The 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 person 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.**

A motion was made by Mr. Travis Frieler, seconded by Mr. Hill and unanimously carried to close the meeting at 7:22 p.m.

Attending the closed session were the following: Council Members Justin Frieler, Mark Hill, Travis Frieler, Mayor Joe Finken, City Administrator Colleen Winter, City Clerk Patti Haase, and Finance Director Tessa Beuning. Council Member Tony Klasen was absent.

City Administrator Winter presented the proposed terms of the property owner. City Administrator Winter noted that MADA met on May 12 and is recommending the Council approve the purchase of PID 22.12555.0000 and PID # 21.12556.0000, at the property owner's terms. At this time it is proposed that the source of funding will be funds reallocated from the revolving loan fund.

A motion was made by Mr. Travis Frieler, seconded by Mr. Justin Frieler and unanimously carried to open the meeting at 7:30 p.m.

A motion was made by Mr. Travis Frieler, seconded by Mr. Justin Frieler and unanimously carried approving the purchase of PID # 22.12555.0000 and PID # 21.12556.0000 from Gary and Eileen Middendorf as per the following terms and authorized staff to negotiate a Development Agreement with Gary and Eileen Middendorf.

1. \$180,000 for both parcels
2. Property purchased in 'as is' condition
3. Seller will have 6 months to remove anything on the property, after that, all that remains is owned by the buyer
4. Seller shall have the right to hay the property for the remaining calendar year
5. Closing to occur on or about June 1, 2022.
6. Payment terms - half of the proceeds to be paid in calendar year 2022 and the remaining balance in calendar year 2023.

A.I. #11 INFORMATIONAL ITEMS

The following informational items were then reviewed:

- a. The minutes from the Public Utilities Commission's April 11 Regular Meeting and April 26 Special Meeting
- b. The following is a list of schools and/or conferences where registrations were made:
 - 1) LMC Annual Conference June 22-24 Attending: City Administrator Colleen Winter

A.I. #12 ADJOURNMENT

A motion was made by Mr. Hill, seconded by Mr. Travis Frieler and unanimously carried to adjourn the meeting at 7:35 p.m.

PATRICIA HAASE – CITY CLERK