

**MELROSE CITY COUNCIL
REGULAR MEETING
THURSDAY, DECEMBER 19, 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, December 19, 2024 at 6:00 p.m. at the Melrose City Center pursuant to due notice being given thereof. Present were Council Members Tony Klasen, Justin Frieler, Travis Frieler, Joelene Wieling, Mayor Joe Finken, City Administrator Colleen Winter, and City Clerk Patti Haase. Mayor Finken presided thereat.

The Council then recited the Pledge of Allegiance.

A.I. #2 APPROVAL OF AGENDA

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

A.I. #3 OPEN FORUM

Mayor Finken then opened the floor to public comment. Craig Schiffler 537 Main Street Northeast addressed the Council regarding the curb that was installed at the bowling alley parking lot as part of the 2024 street improvement project. The curb is way too steep on the south side and encouraged the Council to revisit this spring. He also expressed concerns about soil removal prior to paving and sewer connection to his property. Mr. Schiffler also stated that as a member of the Parks and Recreation Board he would like to see Justin Frieler remain on the Parks and Recreation Board. Currently Mr. Frieler serves as the Council Representative, however Mr. Frieler did not seek reelection.

A.I. #4 CONSENT AGENDA

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

- a. The minutes from the Councils November 21 Budget Meeting and the November 21 Regular
- b. List of bills in the amount of \$819,441.33
- c. List of investments for the month of November.
- d. The Council to give consideration to approval of the following tobacco licenses:
 - 1) Coborn's Inc. – Coborn's Store
 - 2) Melrose 1 Stop
 - 3) Casey's General Store #2650
 - 4) SPIRITZ Liquor, Inc.
 - 5) Coborn's Inc. – Coborn's Liquor
 - 6) Dollar General
 - 7) Kwik Trip

Minnesota law requires cities to obtain proof that all license holders provide workers' comp 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 licenses are effective January 1, 2025.

e. Donation Resolutions

Resolution No. 2024-51 donation in the amount of \$500 from the Melrose American Legion Post 101 towards the Melrose Area Chamber of Commerce towards the Holiday Kick-Off celebration.

Resolution No. 2024-52 donation in the amount of \$500 from the Melrose American Legion Post 101 towards the Melrose parks

Resolution No. 2024-53 donation in the amount of \$100 from the Oscar Jacobson American Legion Post 417 towards the Melrose Veterans Park

Resolution No. 2024-54 donation in the amount of \$96.96 from Lindsey Chmielewski to the City of Melrose Parks and Recreation Department for trees.

Resolution No. 2024-56 donation in the amount of \$3,194 from the Melrose Fire Relief Association on behalf of the Big Birch Lake Area Charities to the City of Melrose towards a rescue boat.

- f. 1. Resolution No. 2024-55 Resolution Approving Gambling License to Midwest Outdoors Unlimited Wobegon Partners for an exemption from lawful gambling license to hold a raffle on March 22, 2025 at the Melrose American Legion Club, 265 County Road 173 SE.
2. Resolution No. 2024-58 Resolution Approving Gambling License to the Melrose Lions for an exemption from lawful gambling license to hold a raffle on Sunday, January 19, 2025 at the Melrose American Legion Club, 265 County Road 173 SE
- g. Northern Line Contracting has submitted Pay App #3 for the Highlands Boulevard Extension Project for the work completed through 11/27/2024. The pay application is in the amount of \$38,564.90 which is the general fund portion. SEH has reviewed the payment request and is recommending payment as outlined in the invoice.
- h. Pay Application No. 2 and Change Order No. 1 for the 2023 Alternative Transportation Sidewalk. SEH has reviewed this application and recommends payment of \$23,721.58 for the work completed through May 31, 2024. The final project cost is \$364,991.50 as compared to the original bid of \$378,095.00. The compensating change order reduces the total contract by \$13,103.50. Upon approval, the City will submit a reimbursement request to withdrawn the remaining Active Transportation funds. A total of \$351,725.00 will be reimbursed by the grant. Total local construction cost will be \$13,266.20.

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

A.I. #5 PUBLIC HEARING

- a. The Council held a public hearing on the 2025 Budget and Tax Levy. The public hearing is to allow public comment and questions. Finance Director Jackie Niehaus provided the Truth in Taxation presentation.

At the September 19th meeting, the Council first reviewed the proposed 2025 Budget. The preliminary property tax levied to the County at that time was:

	Initial	
General property tax		\$1,550,000
Debt Levy:		
2008 Fire and Ambulance Station Lease Revenue Bonds		<u>80,000</u>
TOTAL LEVY		\$1,630,000

Since that time, the Council and staff have reviewed the budget to determine adjustments needed to arrive at a more detailed budget, as well as plan for upcoming capital needs, and consciously spending down accumulated fund reserves. Based on those meetings, the general levy is proposed to be \$1,450,000. This is an increase of \$50,000 from the 2024 levy. The debt levy is proposed to remain at \$80,000, for a total levy of \$1,530,000. According to the information received from the County, the proposed tax capacity for the City is estimated at \$3,419,691. This will result in an estimated tax rate of 47.74%, which is a 0.14% decrease over 2024's rate of 44.88%.

According to law, the City now must certify the levy as set in September or it may reduce the levy. It cannot set a levy higher than the proposed levy, which was certified with the County Auditor in September. The proposed general levy of \$1,450,000 plus debt levy of \$80,000 results in a total levy of \$1,530,000.

	Final	
General property tax		\$1,450,000
Debt Levy:		
2008 Fire and Ambulance Station Lease Revenue Bonds		<u>80,000</u>
TOTAL LEVY		\$1,530,000

The budget and levy to be adopted at the hearing to meet the State law requirements. After the final levies are adopted, they must be certified with the County Auditor prior to December 31.

Council Member Wieling introduced Resolution No. 2024-57 Tax Levy, Collectible in 2025 and 2025 Budget the motion was seconded by Mr. Justin Frieler with a roll call vote recorded as follows:

FOR: Council Members Wieling, Justin Frieler, Klasen, Travis Frieler, and Mayor Finken
AGAINST: None

A motion was then made by Mr. Klasen seconded by Mr. Travis Frieler and unanimously carried adopting the 2025-2029 Five Year Capital Improvement Plan.

The Public Hearing was closed at 6:21 p.m.

A.I. #6 REPORTS

- a. Police Chief Craig Maus presented the Police Department's November 2024 report. He noted there were 265 calls for service during that month, compared to 256 for November 2023. A total of 17 citations were written for the month of November 2024. There were 76 verbal warnings and 23 written warnings. The year-to-date number of calls is 4,186 compared to 2,676 in 2023. The year-to-date number stated for 2024 is due to a new reporting system. For the month of November 2024, the Department received 9 agency assist calls.
- b. During the period from November 14, 2024 through December 11, 2024, we have given significant attention to the following projects on behalf of the City of Melrose:
 - Cannabis Zoning Ordinance – Updated proposed amendments to zoning ordinance regulating location of cannabis businesses to incorporate additions and changes recommended by Planning & Zoning.
 - Sign Regulations – Prepared initial draft of amendments to sign regulations to accommodate e-billboards in the billboard overly district.
 - Railroad West – Reviewed closing package for sale of Railroad West lots.
 - Wellhead Property – Reviewed title information and proposed release of right of way by MN/DOT.
- c. Community Development Director Sheila Hellermann provided an update.

The closing with Roach Development occurred on December 2, 2024 so they now own the 25 lots in Railroad West. We will continue to work with them as we move to a construction start in 2026 for their 34-unit townhome project.

Both new plats are recorded for the Highlands area, and lots are being marketed and sold by the developers.

Construction work continues around the city at Stearns Electric, Carstens Industries, Blue Door Storage, and MKI Enterprises.

Staff attended a meeting at Melrose Area Public Schools on the parking lot project. We discussed with them the infrastructure we have in place along 5th Avenue in the northwest area of their property. We also discussed our concerns about a buffer to the residential area, and the need for ponding with the increase in impervious surface. More to come on that.

Xcel Energy will be working in parts of the city, near the southern edges, on the Big Oaks transmission project. This is for the line from Alexandria to Becker. It is a new circuit on existing transmission line structures set for next spring.

The final certificate of occupancy was issued for Wobegon Crossings. This project is almost complete and should be coming to you at the January council meeting to wrap up the final paperwork.

We are nearing the end of 2024 we have reached almost \$30 million in building permits for 2024, and a three-year total of over \$75 million. The city has not seen this level of projects consistent in back-to-back-to-back years. Ms. Hellermann stated she liked to focus on this number because it represents private investment in the city on the part of residents and businesses. This is

their money they are spending because they want to expand business or improve their homes. When combined with the major public infrastructure investments that the city and public utility commission have been making, it is pretty impressive.

- d. City Engineer Dave Blommel provided an update.

Highlands

Work is complete (except wear course) and the final 2024 payment has been presented. The project is tracking on budget and hasn't had any major surprises. Some additional erosion control was installed at the request of the watershed district, but nothing outside of the normal project costs.

1st Street SE

As requested, I reviewed both the design and installation of the curb along the south line of the bowling alley. The drive over style curb does meet the requirements of the MnDOT style that was intended.

Unfortunately, to tie into the parking lot with the narrow road right of way, we had to use more of a curb height than you would see in a drive over style curb. Most "D Style" curbs are generally 4" and to tie in, we needed closer to 6" at the pedestrian ramp transitioning down as you move east along the roadway. The extra height makes the transition appear sharper and requires a slower speed to negotiate than a driveway entrance might.

The curb could be removed at the direction of the Council in the spring, but would require additional pavement tie in well beyond the road right of way.

AT Sidewalk

The final application for payment has been approved by the contractor and is ready for final payment. The project came in at \$364,991.50 as compared to the original bid of \$378,095.00. The final compensating change order and application for payment have been provided for your review and approval. The state reimbursement for the project will total \$351,725.00.

- e. City Administrator Winter provided the following update:

Update:

We are currently hiring for the following positions:

Police Officer

Utility side – Electric Line Supervisor

A.I. #7 ACTION ITEMS

- a. Staff has updated the 2025 Fee Schedule as per Council direction at its November 21 Budget Meeting.

Council Member Travis Frieler introduced Ordinance No. 12-19-2024-1, 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. Justin Frieler with a roll call vote recorded as follows:

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

AGAINST: None

- b. Community Development Director Hellermann stated that at the Council's October 23rd work session, we talked through the vacant building ordinance. The extension was made to allow buildings to be vacant for 18 months before registration is required, except in the case of health and safety concerns which we have more clearly defined. In the case of a fire, the owner of a property has 90 days to have a plan.

Council Member Klasen stated that he believes that sections of the ordinance infringe on the rights of the property owner.

After further discussion Council Member Justin Frieler introduced Ordinance No.12-19-2024-2 An Ordinance Adopting Chapter 154 of the Melrose City Code Vacant Building Registration. The motion was seconded by Ms. Wieling with a roll call vote recorded as follows:

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

As approval was given to Ordinance No. 12-19-2024-2, the Council to consider taking action approving the Official Title and Summary for this Ordinance.

A motion was made by Ms. Wieling, approving the Official Title and Summary for Ordinance No 12-19-2024-2, An Ordinance Adopting Chapter 154 of the Melrose City Code Vacant Building Registration. The motion was seconded by Mr. Travis Frieler with a roll call vote recorded as follows:

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

This Official Title and Summary will then be published in the Star Post on December 25, 2024, in lieu of the entire Ordinance containing the amendments. Ordinance No. 12-19-2024-2 will be available at the Melrose City Center and at the Great River Regional Library – Melrose Branch.

- c. At the Council's October 23rd work session, we discussed the city's need for cannabis ordinances with our current moratorium expiring December 31, 2024. The first of two ordinances addresses licensing and registration. The second ordinance addresses zoning. It was determined to pattern our ordinances after the one being adopted by Stearns County. It limits retail licenses to one but does allow for the municipal business option if the city decides to explore that in the future. The fees proposed in the ordinance are:
For registration and licensing, the Initial registration fee includes the first annual renewal fee of \$500 or half the amount of the applicable initial license fee under Minnesota Statute Section 342.11, whichever is less.
Annual registration fee thereafter, starting with the second annual renewal, \$500 or half the amount of the applicable renewal license fee under Minnesota Statute Section 342.11, whichever is less.
Civil Penalties for cannabis businesses (pursuant to Chapter 118 of the civil

code):

For a first violation within a 48 month time period, a \$250.00 civil penalty.
For a second violation within a 48 month time period, a \$500.00 civil penalty and a two day license suspension.

For a third violation within a 48 month time period, a \$750.00 civil penalty and a four day license suspension.

For a fourth violation within a 48 month time period, a \$1,000.00 civil penalty and a 30 day license suspension and referral to the OCM.

Upon a finding of aggravating, mitigating or extenuating circumstances, a penalty of up to a \$2,000 fine, a license suspension for up to 30 days may be imposed, or some combination thereof.

Fine for No Valid Registration. \$500 civil penalty

Council Member Klasen introduced Ordinance No. 12-19-2024-3, An Ordinance Adopting Chapter 118 of the Melrose City Code - Cannabis Events, Retail Business Registration and Compliance. The motion was seconded by Mr. Justin Frieler with a roll call vote recorded as follows:

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

AGAINST: None

As approval was given to Ordinance No. 12-19-2024-3, the Council to consider taking action approving the Official Title and Summary for this Ordinance.

A motion was made by Ms. Wieling, seconded by Mr. Klasen and unanimously carried approving the Official Title and Summary for Ordinance No 12-19-2024-3, An Ordinance Adopting Chapter 118 of the Melrose City Code - Cannabis Events, Retail Business Registration and Compliance

This Official Title and Summary will then be published in the Star Post on December 25, 2024, in lieu of the entire Ordinance containing the amendments. Ordinance No. 12-19-2024-3 will be available at the Melrose City Center and at the Great River Regional Library – Melrose Branch.

- d. The Planning & Zoning Commission at its November 25, 2024, meeting held at a public hearing to discuss amending the city's zoning ordinance to establish regulations for cannabis businesses. They recommend adoption of Ordinance No. 12-19-2024-4 An Ordinance Amending Zoning Ordinance No. 1989-1-A As Amended, Adopted by Reference as Chapter 153 of the Melrose City Code to Adopt Cannabis Business Requirements. The ordinance is also patterned off Stearns County, with one specific change. Planning & Zoning is recommending that a conditional use permit be required of all cannabis businesses, with no automatically permitted uses. This would then require all businesses go through a public hearing process, with a discussion by the Commission and Council about conditions. Retail businesses would be allowed in C-1 and C-2, subject to the restrictions about distances around schools, parks and daycares.

Council Member Wieling introduced Ordinance No. 12-19-2024-4 An Ordinance Amending Zoning Ordinance No. 1989-1-A As Amended, Adopted by Reference

as Chapter 153 of the Melrose City Code to Adopt Cannabis Business Requirements. The motion was seconded by Mr. Travis Frieler with a roll call vote recorded as follows:

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

AGAINST: None

As approval was given to Ordinance No. 12-19-2024-4, the Council to consider taking action approving the Official Title and Summary for this Ordinance.

A motion was made by Mr. Klasen, seconded by Mr. Justin Frieler and unanimously carried approving the Official Title and Summary Ordinance No. 12-19-2024-4, An Ordinance Amending Zoning Ordinance No. 1989-1-A As Amended, Adopted by Reference as Chapter 153 of the Melrose City Code to Adopt Cannabis Business Requirements.

This Official Title and Summary will then be published in the Star Post on December 25, 2024, in lieu of the entire Ordinance containing the amendments. Ordinance # 12-19-2024-4 will be available at the Melrose City Center and at the Great River Regional Library – Melrose Branch.

- e. The PUC and other Board and Commission members are appointed by the Council and have not had any wage increases since 2018. Staff is recommending the following wage increases for the Boards and Commissions beginning January 1, 2025

Public Utilities Commission

<u>Title</u>	<u>Current Wage</u>	<u>Proposed Wage</u>
Chair	\$ 2,100	\$ 2,310
Vice Chair	2,100	2,310
Secretary	2,100	2,310

Other Boards (Per meeting)

<u>Title</u>	<u>Current Wage</u>	<u>Proposed Wage</u>
Chair	\$ 40	\$ 55
Member	35	50

These dollar amounts were considered as part of the 2025 budget.

A motion was made by Ms. Wieling, seconded by Mr. Justin Frieler and unanimously carried approving the wage increases for the Boards and Commissions as stated above beginning January 1, 2025.

A.I. #8 OLD BUSINESS

None

A.I.#9 NEW BUSINESS

- a. Quotes were received regarding the purchase of a multifunction snow pusher. Recommendation is to purchase the AMI 4 in 1 Blade system from Nuss Truck and Equipment. Ordering before year end secures the quoted price that was submitted, this is a 2025 budget item.

A motion was made by Mr. Travis Frieler, seconded by Mr. Klasen and unanimously carried authorizing the purchase of the AMI 4 in 1 Blade system snow pusher from Nuss Truck and Equipment in the amount of \$30,200.

- b. Mayor Finken stated that the City of Melrose negotiated in good faith the Local Enforcement Labor Services, Inc. Local No 320. and settled the contract language and changes on 10-15-24.

A motion was made by Ms. Wieling, seconded by Mr. Klasen and unanimously carried approving the Contract between the City of Melrose and LELS – Local No. 320 as presented, including Appendix A Wage Schedule.

- c. The City of Melrose and Melrose Public Utilities has been meeting to discuss the labor market, employee retention and recruitment since February 2024. On 12-17-24, a joint meeting was held between the City Council and the Utility Commission and final wages and COLA increases were discussed for all non-union employees.

A motion was made by Ms. Wieling, seconded by Mr. Justin Frieler and unanimously carried approving the wages and 2025 COLA increases of non-union employees as shown in the wage schedules presented.

- d. Chief Maus and the City of Melrose signed a Notice of Additional Compensation under FLSA arrangement that will expire on Dec. 31, 2024. We do not have a fully staffed police department and have not had a fully staffed department since 7-11-23, therefore the conditions of the MOU would still apply.

A motion was made by Ms. Wieling seconded by Mr. Klasen and unanimously carried approving the extension of the Memorandum of Understanding between Chief Craig Maus and the City of Melrose.

A.I. #10 INFORMATIONAL ITEMS

The following informational items were then reviewed:

- a. Utilities Commission's November 12 Regular Meeting minutes

A.I. #11 ADJOURNMENT

A motion was made by Mr. Justin Freiler, seconded by Ms. Wieling and unanimously carried to adjourn the meeting at 7:11 p.m.


PATRICIA HAASE – CITY CLERK