

**MELROSE CITY COUNCIL
REGULAR MEETING
THURSDAY, JULY 17, 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 Thursday, July 17, 2025 at 6:00 p.m. at the Melrose City Center pursuant to due notice being given thereof. Present were Council Members Travis Frieler, Joeline Wieling, Mark Niehoff, 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. Frieler, seconded by Mr. Niehoff 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 CONSENT AGENDA

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

- a. the minutes from the Council's June 18, 2025, Audit Review Meeting, and June 18, 2025, Regular Meeting
- b. List of bills in the amount of \$522,855.83
- c. List of investments for the month of June
- d. Donation Resolution No. 2025-33 final installment from Melrose Lions on the 2023 Pledge for the playground equipment at the Sauk River Park
- e. Pay App #8 for the 2024 Main Street Improvements. SEH has reviewed the application and recommends payment in the amount of \$152, 271.97 for the work completed through July 3, 2025. Of this amount, \$46,313.40 is utility, \$46, 499.63 is general fund, \$4,196.26 is city storm sewer, \$48,968.29 is Stearns County and \$6,294.39 Stearns County Storm Sewer.
- f. 1) Resolution No. 2025-34 Resolution Approving Gambling License to the Green Grove Rod and for an exemption from lawful gambling license to hold a raffle and conduct a bingo on January 10, 2026, at the Melrose American Legion located at 265 County Road 173 SE Melrose MN.
- * 2) Resolution No. 2025-35 Resolution Approving Gambling License to the Melrose Fire Relief Association to hold a raffle on December 22, 2025, at the Melrose Fire Station located at 405 2nd Avenue SE, Melrose MN

A motion was made by Ms. Weiling, seconded by Mr. Niehoff and unanimously carried to approve the Consent Agenda items.

A.I. 5 REPORTS

- a. City Administer Winter presented the Police Department's June 2025 report. She noted there were 242 calls for service during that month, compared to 296 for

June 2024. A total of 13 citations were written for the month of June. There were 42 verbal warnings and 4 written warnings. The year-to-date number of calls is 1,644 compared to 1,706 in 2024. For the month of June 2025, the Department received 15 agency assist calls.

- b. Community Development Director Sheila Hellermann provided the following update:

The Planning & Zoning Commission will be holding four public hearings at their meeting on Monday, July 28th. Their recommendations will come to you at your August meeting. These hearing include a preliminary plat for the Church of St. Mary's for residential lots for housing, two conditional use permits – one for a billboard and one for a parcel which has multiple tenants, and a variance for a house planned in Highlands on one of the new lots. We are anticipating 3 homes to be under construction soon.

Work continues on the comprehensive plan. The steering committee has met and reviewed chapters, as well as the Planning & Zoning Commission. On Thursday, July 10th, MADA reviewed the future land use map and talked through our potential growth areas.

- Work continues on 406 Main Street East. It is really good to see this building saved. Woods and Irons is installing golf simulators and plans to open soon.
- The employees and members of Stearns Electric will begin utilizing their new headquarters in mid-August with a public open house planned for early October.
- The bakery is finalizing its license with the state. We are excited for people to see the tremendous amount of work which has taken place there.

Ms. Hellermann recently worked with a resident on a grant application for the MPCA Targeted Brownfield Assessment (TBA) Program. The application has moved forward to fall funding consideration by the MPCA. 15 residents reached out about the Stearns County Housing Trust Fund. 4 completed applications which were submitted in round one. 3 were approved by the Stearns County Housing Trust Board. We will continue working with residents for applications to round two. This continues our goals in 2025 – rehab of properties. It is not visible like large new construction, but it makes a big difference to the individuals. It is partnering with the city one conversation and application at a time.

We want to extend an invitation to the city's Night to Unite on Wednesday, August 6th. It is a regular weekly Farmers Market, plus more. It is a night to celebrate neighbors, community, and features our first responders – Fire, Police and Ambulance. There will be live German music and then a performance by a Mexican dance group from the Twin Cities. They joined us last year. There will be free desserts -- German chocolate cake and tres leches cake to end the evening. The city is hosting the farmer's market for the evening.

- c. City Administrator Winter provided an update on city projects
Main Street

The striping has been completed and is included in the pay application on your agenda. Stearns County elected to pay for a parking line to be installed from 2nd

Ave East to 8th Avenue west as a result of the large number of residents that utilize the roadway for parking. This cost was entirely born by Stearns County.

The project is tracking about 3% under the bid cost at this time. I expect that to be very close to the final cost. We are hopeful that final payment will be ready by the August meeting, but closeout paperwork is always a bit of a challenge with subcontractors.

Highland Blvd

The final wear course was completed late in the afternoon of July 10th. With the wear course, the project is very close to completion. We will be going over the punch list and confirming it is complete prior to issuing final payment. Some additional erosion control was placed in advance of a MPCA stormwater audit. The audit was scheduled for the same day as the wear course paving, but MPCA did not show up as planned. The site was reviewed by both SEH and contractor's staff for compliance with the permit and we are confident the MPCA staff will be satisfied when they do review the site.

2025 project

The 2025 project has gotten off to a slow start due to contractor delays. Work is expected to begin in earnest the week of July 14th, but we can expect some removals to be completed prior. Upon review this spring, staff did find a few segments of curb on 8th Street that heaved with the heavy frost this past winter. Minor deficiencies noted in the fall got significantly worse. We have added those segments to the project.

The contractor is still anticipating approximately 4 weeks of construction for project completion.

- d. City Administrator Colleen Winter provided the following update;
Some Like It Hot has opened its doors in the Riverview Flats complex. There has been a significant amount of truck traffic on 11th Avenue SE. Staff is addressing the issue by installing no outlet signage and working with industry in the area to help alleviate the issue. Staff is working on the 2026 preliminary budget. TIF reporting has been completed for the year.

A.I. 6 ACTION ITEMS

- a. On April 15, 2024, the City and Carstens entered into a development agreement. In the agreement, paragraph 16K (pg. 8) states that Melrose agrees to subordinate its interest to the lender providing construction financing, on the condition that the lender agrees to assume completion of the improvements following a foreclosure. The SBA has provided the attached subordination for execution. Attorney Scott Dymoke reviewed the agreement. He stated "the subordination agreement does not include an agreement to complete the improvements in the event of a foreclosure - it's just a blanket waiver of Melrose's priority and rights in favor of the SBA." Phase I of the Carstens Industries project is complete and the Developer is moving from construction loan to long-term financing.

A motion was made by Mr. Frieler seconded by Ms. Wieling and unanimously

carried approving the Mortgage Subordination Agreement and authorizing the Mayor and City Clerk to execute the agreement.

- e. On August 3, 2024 when the tornado touched down in Melrose, causing a significant amount of tree damage, staff had to work quickly that Sunday morning to find a place for residents to dispose of branches. The city property on Riverview Road was used, but because of the Xcel power line, it could not be burned and had to be chipped and hauled. Further, with the recent sale to Carstens Industries in the Industrial Park, city staff have limited access to the north side of the industrial park for disposing of the city's maintenance debris – sweepings, etc. Discussions have taken place with the Fire Chief, Mayers Excavating, and city staff about putting an agreement in place to allow access to a Mayers pit for city's public works department ongoing maintenance debris, as well as a contingency plan that kicks in when a major storm hits and the city emergency planning staff determines a brush area for residents is needed. Attached is an agreement which has been drafted by Attorney Scott Dymoke. There is an annual lease payment for the city's ongoing access, as well as a per day charge when a significant storm necessitates resident access.

A motion was made by Mr. Niehoff, seconded by Ms. Wieling and unanimously carried approving the License Agreement with Mayers Excavating for the use of its pit.

- c. Ambulance Coordinator Gina Eggert will be conducting interviews for the Ambulance Training Officer position. The interview committee consisting of Gina Eggert, Nick Guzek, Gwen Shaw and Doris Rieland interviewed 3 candidates for the Ambulance Training Officer. After careful consideration, Gina Eggert is recommending Melissa Welle as the Training Officer for a 4-year term effective 07/27/2025.

A motion was made by Mr. Frieler, seconded by Mr. Niehoff and unanimously carried approving the hiring of Melissa Welle as the Melrose Ambulance Department Training Officer effective as of 07/27/2025.

- f. GCRE-Melrose, LLC has completed the construction of Wobegon Crossings. They are now shifting from a construction loan to long-term financing. The attorney representing their lender has provided documents for execution by the City to finalize their financing package, including assignment of the TIF. City Attorney Joe Krueger of Quinlivan & Hughes has reviewed the documents and found them to be satisfactory. Assignment of the TIF agreement is allowed in the development agreement and TIF note, which was finalized at last month's Council meeting.

A motion was made by Ms. Wieling seconded by Mr. Niehoff and unanimously carried approving the Assignment, Consent to Assignment and Estoppel Certificate and authorizing the Mayor and City Clerk to execute the agreements.

A.I. #7 OLD BUSINESS

None

A.I.#8 NEW BUSINESS

None

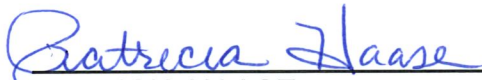
A.I. #9 NFORMATIONAL ITEMS

The following informational items were then reviewed:

- a. Utilities Commission's June 9, Regular Meeting minutes., and the June 20 Special Meeting
- b. The following is a list of schools and/or conferences where registrations were made:
 - 1) 2025 Clerks Academy September 4-5 in Staples MN. Attending: Receptionist Alexandra Evanson
- c. On August 10, 2025, Streets & Parks Worker Keith Dobmeier will complete 10 years of service. He will receive a 10-year recognition award of \$25 as outlined in the City Personnel Policy Employee Recognition Program. Mr. Dobmeier is to be commended for his 10 years of service.
- d. On August 18, 2025, City Clerk/Licensing Coordinator Patti Haase will complete 20 years of service. She will receive a 20-year recognition award of \$75 as outlined in the City Personnel Policy Employee Recognition Program. Ms. Haase is to be commended for her 20 years of service.

A.I. #10 ADJOURNMENT

A motion was made by Mr. Frieler, seconded by Ms. Wieling and unanimously carried to adjourn the meeting at 6:22 p.m.



PATRICIA HAASE