

**MELROSE CITY COUNCIL
REGULAR MEETING
THURSDAY, DECEMBER 15, 2022 – 6:00 P.M.**

AGENDA

1. Call to Order/Roll Call/Pledge of Allegiance
2. Oath of Office
3. Approval of Agenda
4. Open Forum
5. Consent Agenda
 - a. Approval of Minutes
 - b. Approval of Bills/Purchase Orders
 - c. Approval of Investments
 - d. Tobacco Licenses
 - e. Tri-Cap Bus Service Agreement
 - f. Gambling Resolution :
 - 1) Resolution No. 2022-73 – Church of St. Mary's
 - 2) Resolution No. 2022-74 – Church of St. Mary's
 - 3) Resolution No. 2022-75 – Church of St. Mary's
 - 4) Resolution No. 2022-79 - Melrose Lions
 - g. Donation Resolution No. 2022-76 – Donation from "Bunker" Hill
 - h. City Planner Step Increase
 - i. Water/Wastewater Operator Step Increase
 - j. Stearns County RDB Project Construction and Engineering Invoices
6. Presentation Minnesota State High School Class A 100 Yard Breaststroke Champion – Hallie Drossel
7. Reports
 - a. Police Department Report
 - b. City Attorney Report
 - c. City Planner Report
 - d. City Engineer Report
 - e. City Administrator Report
8. Public Hearings
 - a. 2023 Budget and Levy / Resolution No. 2022-77, Resolution Adopting the Tax Levy and 2023 Budget / 2023-2027 Five Year Capital Improvement Plan (Truth in Taxation Presentation)
9. Action Items
 - a. Ordinance No. 12-15-2022, 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
 - b. Ambulance Coordinator
 - c. Finance Director Hire
 - d. Resolution No. 2022-78 Transfer of Funds and Committing Fund Balances for Specific Purposes
- 10. Old Business
- 11. New Business
 - a. Meadowlark Park Trail
- 12. Informational Items
 - a. Schools and Conferences
 - b. Utilities Commission Meeting Minutes
- 13. Adjournment

**MELROSE CITY COUNCIL
REGULAR MEETING
THURSDAY, DECEMBER 15, 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, December 15, 2022, at 6:00 p.m. pursuant to due notice being given thereof. Present were Council Members Tony Klasen, Justin Frieler, Travis Frieler, Joelene Wieling, Mayor Joe Finken, and City Administrator Colleen Winter. City Clerk Patti Haase attended the meeting remotely via GoToMeeting. Mayor Finken presided thereat.

The Council then recited the Pledge of Allegiance.

A.I. #2 OATH OF OFFICE

The Melrose City Council declared a vacancy on the Melrose City Council after the resignation of Mark “Bunker” Hill. The Council at their November 17, 2022, Council appointed Joelene Wieling to the City Council. City Administrator Winter Administered the Oath of Office to Ms. Wieling.

A.I. #3 APPROVAL OF AGENDA

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

A.I. #4 OPEN FORUM

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

A.I. #5 APPROVAL OF CONSENT AGENDA

The following items were considered for approval under the Consent Agenda

- a. The minutes from the Councils October 3 Special Meeting the October 14 SJM with the Melrose Public Utilities, The October 25 SJM with the Public Utilities Commission, the November 2 SJM with the Melrose Public Utilities Commission the November 17 Regular Meeting, and the November 30 Special (Budget) Meeting
- b. List of bills in the amount of \$469,844.39 (See attached list)
- c. List of investments for the month of November. (See attached list)
- 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) Kings Mart #58

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, 2023.

- e. City Administrator Winter is requesting that the Council consider renewing the contract with Tri-Cap bus service. The City of Melrose purchases 20 hours of bus service a week from Tri-Cap at a monthly cost. Tri-CAP is not increasing rates for 2023. The City of Melrose annually contributes \$2,500 to this fund to support this transportation option for our residents. City Staff have included donation requests in last month's utility bills and are going to be meeting with the programs largest drop off business locations to donate and cost share this program.
- f. Gambling Resolutions
 - 1) Resolution No. 2022-73 Resolution Approving Gambling License to the Church of St. Mary's for an exemption from lawful gambling license to hold a bingo and a raffle on March 26, 2023, at St. Mary's School located at 755 Kraft Drive SE in Melrose, MN.
 - 2) Resolution No. 2022-74 Resolution Approving Gambling License to the Church of St. Mary's for an exemption from lawful gambling license to conduct a raffle on June 24, 2023 at the Sauk River Park located at 206 5th Avenue N in Melrose, MN.
 - 3) Resolution No. 2022-75, Resolution Approving Gambling License to the Church of St. Mary's for an exemption from lawful gambling license to hold a raffle on December 31, 2023, at Church of St. Mary located at 755 Kraft Drive SE in Melrose, MN.
- g. Donation Resolutions
 - Resolution No. 2022-76, donation in the amount of \$319.76 from "Bunker" Hill to the City of Melrose.
- h. City Planner, Sheila Hellermann will complete 6 months of service with the city on January 7, 2023. Supervisor Colleen Winter has conducted Ms. Hellermann's review, and it is favorable; therefore, recommends she receive a step increase from Step 1 to Step 2.
- i. Water/Wastewater Operator, Even Gregory will complete one year of service with the city on January 01, 2023. Supervisor Tim Vogel has conducted Mr. Gregory's review, and it is favorable; therefore, recommends he receive a step increase from Step 1 to Step 2.
- j. The City received Invoice #243-2022 in the amount of \$411,792.02 for our portion of the construction fees. The breakout of the invoice is \$325,537.96 General Fund and \$86,254.06 Utility.
The City received Invoice #241-2022 in the amount of \$31,629.24 for our portion of the engineering fees. The breakout of the invoice is \$28,482.02 General Fund and \$3,147.21 Utility.

A motion was made by Mr. Justin Frieler, seconded by Ms. Wieling and unanimously carried approving the consent agenda items.

A.I. #6 PRESENTATION

- a. Mayor Finken presented a Certificate to Melrose Swimmer Hallie Drossel - 2022 Minnesota State High School Class A 100 Yard Breaststroke Champion.

A.I. #7 REPORTS

- a. Police Chief Craig Maus presented the Police Department's November 2022

report. He noted there were 251 calls for service during that month, compared to 202 for November of 2021. A total of 26 citations were written for the month of November. There were 31 verbal warnings and 21 written warning. The year-to-date number of calls is 3,201 compared to 3,378 in 2021. For the month of November 2022, the Department received 32 agency assist calls.

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

- **THC Ordinance** – Reviewed current ordinances and statutes regulating sale of alcohol and tobacco, as well as proposed ordinances from other communities regulating sale of THC products.
- **I-94 Industrial Park** – Received and reviewed proposed option agreement for potential expansion of I-94 Industrial Park. Conducted initial review of title records and property owner history. Prepared and submitted finding of review to City Administrator. Began revising terms proposed option agreement.
- Judge Hennesy has denied the City's request regarding Rose Park. City Attorney will further review Judge Hennessey's opinion and will work with city staff on the next step.

c. City Planner Sheila Hellermann provided the following update:

- Ms. Hellermann is working on grant applications with Roger Avelsgard, our electrical supervisor to fund large capital investments in our infrastructure – the dedicated tie line between SW Substation and the East Substation and getting the overhead circuit underground in the original part of the City. We are working with DGR Engineering, and these are projects identified on the system study. There are significant funds available from the federal government, specifically in this case from the Department of Energy, but getting the funds is a process. Our first concept paper which is due is for the Grid Resilience and Innovation Partnership (GRIP) Program. This GRIP funding is coming from the Infrastructure Investment and Jobs Act (IIJA).
- The Park & Rec Board is making some revisions to the restroom/shower facility in the Sauk River Park, before it goes out for bids. We are planning on early spring for this construction.
- There is an upcoming fundraiser at Melrose Bowl for the parks in the City on Saturday, January 7th. We are looking for people interesting in forming a team or being on a team. We are also looking for business sponsors of the event, and for donating/sponsoring the fire rings in the expanded campground. (Attach picture)
- I had a planning session with the Melrose Arts Council, listening to their ideas. We discussed a mural ordinance, and placement of a possible historical sign regarding Edwin Clark. They are continuing to work hard to fundraise for their projects.
- Regarding the development projects, we are waiting for the EAW comment period on the Riverside Flats project from Riverside Development Group. That comment period closes December 22nd so it will be on the next Council agenda for your determination regarding an Environmental Impact Statement.
- Regarding the multifamily housing proposed by GC Real Estate Partners, we

are looking at right of way for the Railroad West road. I am planning to bring to the Planning & Zoning Commission in January the re-zoning of the area to R-3, allowing for different types of residential construction - multifamily as well as single family. In consultation with the Commission, we are also amending the R-3 district to allow for a playground/park if we, at some point, determine to put one out there. Once we work out right of way, we will be looking to start the re-platting of the area.

- Regarding Kwik Trip, they are working through final stages with Stearns County Environmental Services on the wetlands. Ms. Hellermann has been in contact with their architect, and I am looking for their building permit application soon. The traffic study was completed by the Stearns County Highway Department on the Kraft Drive/County Road 13 intersection. We are waiting for the numbers from their office.
- Ms. Hellermann also attended an information session - Central Minnesota Regional Housing Forum. she made some connections and had follow-up meetings with contacts who work on manufactured housing programs in Minnesota. I have gotten some ideas and possible direction regarding Rose Park. Ms. Hellermann will be meeting with representatives from the Hispanic community to get input on these programs to see if they are interesting and viable from their perspective.

d. City Engineer Dave Blommel provided the following update:

In the past month we have focused on moving 2023 projects forward, provided staff support for grant applications, and participated in general discussion about future commercial / industrial development.

Mr. Blommel reminded the residents of the 2023 street project. Once design progresses further we will be able to provide more information on the impacts to the residents.

- Mustang Lane from 200' east of 1st Avenue to 200' south of Highlands Boulevard.
 - o Remove and replace bituminous pavement.
- 7th Street NE from 3rd Avenue NE to end of cul-de-sac.
 - o Remove and replace bituminous pavement with selective full depth reconstruction.
- 3rd Ave NE
 - o Pavement patch in northbound lane adjacent to the curb.
- 4th Street SE from 2nd Avenue to 5th Avenue
 - o Sanitary Sewer Replacement
 - o Storm Sewer Replacement
 - o Drainage Improvements
 - o Full street reconstruction
- 4th Avenue SE from 4th Street SE to 3rd Street SE
 - o Bituminous pavement replacement

e. City Administrator Winter presented her report.

- **Sauk River Park** – The electric and water is in at all of the campsites in Sauk River park, and the campsites and road have been constructed.
- **Granite City Housing TIF** – Public Work Force Housing TIF

A.I. #8 PUBLIC HEARING

- a. The Council held a public hearing on the on the 2023 Budget and Tax Levy. The public hearing is to allow public comment and questions. 2023 Budget and Levy/Resolution No. 2022-77, Resolution Adopting the Tax Levy and 2023 Budget/ 2023-2027 Five Year Capital Improvement Plan Finance Director Beuning to provide Truth in Taxation presentation.

At the September 15th meeting, the Council first reviewed the proposed 2023 Budget. The preliminary property tax levied to the County at that time was:

	Initial
General property tax	\$1,500,000
Debt Levy:	
2008 Fire and Ambulance Station Lease Revenue Bonds	<u>90,000</u>
TOTAL LEVY	\$1,590,000

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 \$1,350,000. This is an increase of \$125,000 from the 2022 levy. It was expected that year 2023 and beyond would have increases in the levy due to the planned draw down of fund balance in 2022 and the structuring to restore back to a balanced budget in 2028. The debt levy is proposed to remain at \$90,000, for a total levy of \$1,440,000. According to the information received from the County, the proposed tax capacity for the City is estimated at \$3,025,828. This will result in an estimated tax rate of 47.59%, which is a 1.96% decrease over 2022's rate of 49.55%.

Resolution No. 2022-77, Resolution Adopting the Tax Levy and 2023 Budget. 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 \$1,350,000 plus debt levy of \$90,000 results in a total levy of \$1,440,000.

	Final
General property tax	\$1,350,000
Debt Levy:	
2008 Fire and Ambulance Station Lease Revenue Bonds	<u>90,000</u>
TOTAL LEVY	\$1,440,000

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 Justin Frieler introduced Resolution No. 2022-77, Resolution Adopting the Tax Levy Approving 2022 Tax Levy, Collectible in 2023 and 2023 Budget. The motion was seconded by Ms. Wieling with a roll call vote recorded as follows:

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

AGAINST: None

A motion was then made by Mr. Travis Frieler, seconded by Mr. Justin Frieler and unanimously carried to adopt the 2023-2027 Five Year Capital Improvement Plan.

The public hearing was closed at 6:38 p.m.

A.I. #9 ACTION ITEMS

- a. Staff has updated the 2023 Fee Schedule as per Council direction at its November 30 Budget Meeting.

A motion was made by Mr. Klasen, seconded by Justin Frieler and unanimously carried adopting Ordinance No. 12-15-2022, 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.

- b. Mayor Finken noted that staff interviewed for the Ambulance Coordinator position. There were two people that applied Santina Lovelace and Gina Eggert. The interview committee was Tony Klasen, Julie Ulbricht, Tom Budde, Colleen Winter and Doris Rieland. The interview committee is recommending that Gina Eggert be hired as the ambulance coordinator effective Feb. 1, 2023.

A motion was made by Mr. Klasen, seconded by Mr. Travis Frieler and unanimously carried approving the hiring of Ms. Eggert as the Ambulance Coordinator effective February 1, 2023.

- c. Mayor Finken stated that on Friday, Dec. 9th interviews were conducted for the Finance Director position. Originally, we had three applicants that we were going to interview, but 2 dropped out. We interviewed Mr. Ryan Meyer. Mr. Meyer had received the greatest number of points on the Training and Education (T&E) system. This is the system that HR uses to ensure that applicants meet the minimum qualifications. Mr. Meyer exceeded the minimum qualifications and scored 106 out of 120 points. Another part of the interview process was an Excel Accounting exercise that had to be turned in ahead of the interview. Mr. Meyer clearly understood the assignment and did an excellent job. The interview committee included – Jeremy Kraemer, Joe Finken, Doris Rieland, Colleen Winter and Stacy Funk. It was a unanimous decision to offer the position to Mr. Meyer at Step 2 with an increase to Step 3 in 6 months subject to a successful probationary period.

A motion was made by Justin Frieler, seconded by Mr. Klasen and unanimously carried approving the hire of Mr. Meyer at Step 2 with an increase to step 3 in 6

months contingent on a favorable review.

- d. Finance Director Beuning is requesting fund transfers to close out the North Melrose Housing TIF Fund and the Yellow Bike Program Fund due to both being inactive and transferring the balances to the Capital Improvement Fund and respective setasides, as well as transferring a balance from the Ambulance Fund unreserved fund balance and designating for vehicle and equipment setasides, as reflected in Resolution No. 2022-78.

A motion was made by Mr. Klasen, seconded by Mr. Justin Frieler and unanimously carried adopting Resolution No. 2022-78 authorizing the Transfer of Funds and Committing Fund Balances for Specific Purposes.

A.I. #10 OLD BUSINESS

None

A.I.#11 NEW BUSINESS

- a. Since the first snow fall, we have received a request from the residents near Meadowlark Park for additional snowplowing. The Parks and Rec Board at its December 7 Special meeting discussed the request and is recommending that the city does not provide snow removal service on the Meadowlark Park trail at this time.

The Council by consensus determined to table action at this time.

A.I. #12 INFORMATIONAL ITEMS

The following informational items were then reviewed:

- a. The following is a list of schools and/or conferences where registrations were made:
 - 1) Elected Leaders Institute March 3-4. Attending: Council Member Joelene Wieling.
- b. Utilities Commission's November 14 Regular Meeting minutes

A.I. #13 ADJOURNMENT

A motion was made by Mr. Travis Frieler, seconded by Ms. Wieling, and unanimously carried to adjourn the meeting at 6:55 p.m.

PATRICIA HAASE – CITY CLERK

