

**MELROSE CITY COUNCIL
REGULAR MEETING
THURSDAY, MARCH 21, 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, March 21, 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, and 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. Justin Frieler seconded by Ms. Wieling 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 APPROVAL OF CONSENT AGENDA

The following items were considered for approval under the Consent Agenda

- a. The minutes from the February 6 Work Session, February 15 Special Meeting, the February 15 Regular Meeting, and the February 15 Special Joint Meeting with Area Cities and Townships
- b. List of bills in the amount of \$926,265.70
- c. List of investments for the month of February
- d. Utility Billing Clerk, Lisa Braun will complete one year of service with the on April 11, 2024. Supervisor Ryan Meyer has conducted Ms. Braun's review, and it is favorable; therefore, recommends she receive a step City increase from Step 1 to Step 2 on the wage schedule.

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

A.I. #5 YEAR IN REVIEW PRESENTATION

City Administrator Winter presented the 2023 Year in Review.

A.I. #6 REPORTS

- a. Police Chief Craig Maus presented the Police Department's February 2024 report. He noted there were 285 calls for service during that month, compared to 253 for February 2023. A total of 12 citations were written for the month of February. There were 39 verbal warnings and 3 written warnings. The year-to-date number of calls is 613 compared to 506 in 2023. For the month of February 2024, the Department received 25 agency assist calls. The new squad has

arrived and will be in service in a month or two. Ms. Kaelin Rainer started on March 18.

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

- Community Development - Reviewed and recommended revisions to proposed confidentiality agreement for use with Community Development projects.
- Community Development - Worked with city staff on preparing a Letter of Intent for use with a potential development project.
- Melrose HRA – Reviewed applicable states, court decisions, and ordinances regarding HRA Commissioner compensation. Prepared and forwarded opinion to City Administrator regarding payment of compensation to Commissioners.
- Ambulance Service – Conference with City Administrator and Finance Director regarding settlement of outstanding accounts under previous billing contractor. Prepared and forward letter to contractor seeking additional information to resolve accounts.

c. Community Development Director Sheila Hellermann provided an update.

We received a grant from the MN Department of Health to assist with the location of lead lines in the city. We are waiting to hear on the Local Road Improvement Program funding for Main Street. An AARP grant was submitted for benches and tables. It has been great to see, with the nice weather, people enjoying the benches which have already been added around the city.

Some additional signage will be added at Kwik Trip. Just as a reminder, the entrance off County Road 13 is just that – an entrance only. Customers cannot exit onto 13. We are working with them on that and their installation of a sidewalk off the corner, leading to the store to get walking traffic on a path and off Kraft Drive.

For parks and trails, the sidewalk on County Road 168 should begin as soon as road restrictions are off. We are working with the Melrose Lions on the installation dates for the playground near the campground. A kayak launch has been ordered and will be installed. Two shore fishing platforms have been ordered and are coming from the DNR. You will also see trees being planted throughout the park.

We continue to research and participate in discussions about municipal owned cannabis businesses. We are now part of a working group of cities thinking about it, following the formation of the state office, talking about zoning and finances.

There continues to be interest around opening businesses and expanding or upgrading facilities. We want to encourage people to keep reaching out and having these conversations with us. We are looking forward to partnering on these plans. MADA is continuing to offer the Commercial Rehabilitation Deferred Loan program for investments in businesses in C-1 and C-2 zoning districts.

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

Main Street Design

The primary focus for SEH in the past month has been the completion of the Main Street Design. Plans and specifications are currently being advertised for bids. Tentative plans are to open bids on Thursday, March 21st. State aid and County review may require that date to be pushed back into the following week. The final design estimate came in closer to \$3,000,000 as compared to \$3,200,000 during the preliminary estimates. I will provide a verbal update at the meeting and share preliminary bid numbers if they are available.

1st St SE and 6th Ave SE

The plans and specifications for this project are also complete and being advertised as a single bid package with Main Street. The project is being bid as a single project to take advantage of the interest in the Main Street project. Each area has its own schedule in the documents, so we will be able to track the cost of each separately, despite being a single contract.

Lead Service Lines

The Environmental Protection Agency has established a rule requiring all public water supply systems to document the pipe materials that are included in their system, with a special focus on service laterals.

The primary focus is the determination of the number of lead services that are present in the system. The City of Melrose applied for a grant through the Minnesota Department of Health (MDH) to have engineering assistance for this effort. MDH finally sent the engagement letter for the City of Melrose this past week. This letter allows SEH to help the PUC and City with the determination of the existence lead services in the city without a direct cost to the City. MDH pays the SEH directly with our efforts benefiting the City of Melrose. It is a unique program that will help the city fulfil a federal mandate with significant assistance in payment.

The MDH funded investigation will include continuation of records review that was started by Tim and his team, as well as physical inspections, and a self-serve evaluation tool as well. The project must be completed by July 15th to satisfy the MDH rules and timeline. This deadline has been moved up from Mid-October after the interpretation of the EPA rule change. Look for more information on this project in the next couple of months including significant public outreach to help with the inventory process.

- e. Streets/Parks Supervisor Andrew Rousslange reported on the Streets/Parks Department projects.
- Tree Trimming has been completed.
 - Road salt order has been submitted.
 - Street sweeping has begun.
 - Trees for the park and campground have been ordered.
 - Kayak launch has been ordered, just need to pick it up.
 - Working on paint stripper replacement.

A.I. #7 ACTION ITEMS

- a. The Council gave consideration approving the quote received from the League of Minnesota Cities Insurance Trust (LMCIT) for worker's compensation insurance for the period of March 7, 2024, through March 7, 2025. The net premium costs for the upcoming period are \$113,139. The quote in 2023 was \$121,528, which is a decrease of 6.9%. Due to claim history, the experience modification changed to a 1.08% debit (\$9,423) for the 2024-25 coverage period, up from a 0.98% credit for the 2023-24 coverage period. Overall workers' compensation rates for 2024 have decreased for the first time in three years.

It is recommended that the City again approve the regular premium option.

The General Fund share of the premium is \$88,132 and the Utilities' share is \$26,816 (compared to \$94,055 and \$27,473, respectively for the past year).

A motion was made by Mr. Travis Frieler, seconded by Ms. Wieling and unanimously carried concurring with the Melrose Public Utilities Commission approving the LMCIT workers comp insurance at the regular premium option.

- b. The 2011 New Holland Boomer is up for replacement on the 2024 capital improvement schedule. Two quotes were obtained. The quotes were slightly higher than the budgeted cost due to inflation. The quote from Midwest Machinery is for a John Deere 3046R which is equipped with a factory hard mounted cab, with heat and A/C, and air ride seat. The quote from Melrose Implement is for New Holland Boomer 50 however this is not available with a hard cab. This comes with a removable soft cab with heat. Due to safety factors as well as reliability and overall maintenance Streets/Parks Supervisor Andrew Rousslange is recommending the city move forward with the purchase of the John Deere 3046 R tractor and attachments.

A motion was made by Ms. Wieling, seconded by Mr. Klasen and unanimously carried authorizing the purchase of the John Deere 3046R and attachments from Midwest Machinery Co. in the amount of \$46,625.00.

- c. Stearns County has contacted staff regarding voting administration for the upcoming 2024 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. Travis Frieler, seconded by Mr. Justin Frieler and unanimously carried approving the Early Voting Agreement with Stearns County.

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

History and background:

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

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

Atty Dymoke response

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

Council Member Klasen had questions regarding the establishment of the HRA and questions as to the councils' oversight of the HRA. Attorney Dymoke stated that with the exception of making board appointments the Council has minimal oversight of the HRA. Mr. Klasen does not dispute that the board members receiving compensation, however to determine its capacity to pay the stipend

within its budget Klasen would like to see the HRA financials.

A motion was made by Mr. Klasen, seconded by Mr. Justin Frieler and unanimously carried requesting this item be tabled and request a member of the HRA to make a presentation to the Council at its April meeting.

- e. Ambulance Coordinator Gina Eggert is requesting approval to purchase a new ambulance rig with 4-wheel drive. The rig is due for replacement in 2027 and is in the budget for then as well. The department wants to get it ordered due to the extended lead times and would like additional approval for the 4-wheel drive since we are only budgeted for a standard vehicle. Quotes have been obtained for both a 4-wheel drive vehicle and the standard vehicle.

A motion was made by Mr. Justin Frieler, seconded by Mr. Travis Frieler and unanimously carried authorizing the purchase of the PSV 4-wheel drive with shorter wheelbase ambulance rig.

- f. At the Planning and Zoning Commission meeting held on February 26, 2024, the Commission held a public hearing on the request of Franklin Outdoor Advertising. Applicant wants to install a stacked sign with four advertisers (two boards on each side). Billboards are permitted by conditional use permit under Section 231.04 (7) of the zoning ordinance. Mike Youso owns the parcel on which the billboard is proposed to be constructed. The Planning Commission recommends to the Council that the Conditional Use Permit be approved. The planning report, as approved by the Commission, is attached. Since the P & Z meeting, the permit from MnDOT has been obtained by Franklin Outdoor Advertising.

A motion was made by Mr. Klasen, seconded by Mr. Justin Frieler and unanimously carried adopting. Resolution No 2024-15 Resolution Approving Conditional Use Permit Request of Franklin Outdoor Advertising for Billboard

- g. The Melrose Area Public School had been approached by Chief Craig Maus to consider adding equipment to the building, which would improve the signal for the portable radios used by emergency personnel in the building. Since the change to the 800-megahertz radio system in the early 2000s the radios have not worked well or in some areas of the building not at all. Police Officers rely on school staff or their cell phones to relay information out and into the building, when radio usage is much more appropriate and efficient for, fights in school, medical situations, active threats, etc. Emergency Departments have 'lived with' these limitations since switching to this radio system in approximately 2008.

Early on there was potential to add 'a tower' to the building to improve the system and reception. Early numbers were approximately \$70,000.

Chief Maus approached the school again as Centracare added a system to their campus, which has improved/fixed the same radio issues emergency departments had in their buildings. We are aware of these same issues in other large buildings in town or buildings with concrete and steel exteriors but have

fewer interactions or occurrences at these other locations.

The Melrose Area Public Schools has had vendors explore the option of adding equipment to improve/fix the radio issues in the school. They have an estimated cost of \$65,000 for the equipment and installation.

The school is looking at a cost-sharing option, as there is a benefit to our emergency departments. The school is proposing cost sharing of 50% by the school, 25% by our department and 25% by the Sheriff's Department. Our possible cost would be approximately \$16,250, this is an estimated number at this time.

It is the recommendation to use the public safety money for our portion of the expenses, if the school moves forward with the project.

A motion was made by Ms. Wieling, seconded by Mr. Justin Frieler and unanimously carried approving a 25% cost share with the Melrose Area School on the antenna project and to use the public safety money for the city portion of the project.

- h. The Bureau of Criminal Apprehension performed an audit on fingerprint-based background checks and CHRI policies for the Fire Department. It was determined that the Fire Department Policy needs to include policy on fingerprint-based criminal history record information (CHRI) checks made for non-criminal justice purposes.

A motion was made by Mr. Travis Frieler, seconded by Mr. Justin and unanimously carried approving the revised Fire Department Policy

A.I. #8 OLD BUSINESS

None

A.I.#9 NEW BUSINESS

None

A.I. #10 INFORMATIONAL ITEMS

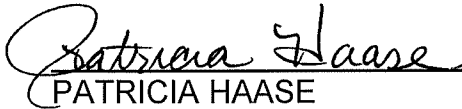
The following informational items were then reviewed:

- a. Utilities Commission's February 12, 2024, Regular Meeting minutes, and February 21, 2024 Special Meeting minutes.
- b. The following is a list of schools and/or conferences where registrations were made:
 - 1. Pavement Rehabilitation March 26 Attending: Streets/Parks Supervisor Andrew Rousslange
 - 2. LMC Safety & Loss Training. March 27 in Alexandria Attending: Streets/Parks Supervisor Andrew Rousslange HR Generalist/Payroll Clerk Doris Rieland, Accounting Clerk Office Coordinator Stacy Funk. April 23 in St. Cloud City Administrator Colleen Winter, Police Chief Craig Maus and Finance Director Ryan Meyer.
 - 3. Defense Tactics/Chemical Irritant/Baton & Weapon Course on-line in April and May. Attending: Police Officer Aaron Schmidt

4. New OSHA Emergence Response Rules on-line Attending: City Administrator Colleen Winter
- c. The Certificate of Achievement for Excellence in Financial Reporting has been awarded to the City of Melrose by the Government Finance Officers Association of the United States and Canada for its Annual Comprehensive Financial Report for fiscal year 2022. The Certificate of Achievement is the highest form of recognition in the area of governmental accounting and financial reporting, and attainment represents a significant accomplishment by a government and its management. This is the 8th year that the City has received this award. It is anticipated that the City will again receive this certificate for its fiscal year 2023 report.

A.I. #10 ADJOURNMENT

A motion was made by Mr. Travis Frieler, seconded by Mr. Klasen and unanimously carried to adjourn the meeting at 7:05 p.m.


PATRICIA HAASE