

**MELROSE CITY COUNCIL
REGULAR MEETING
THURSDAY, JUNE 20, 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, June 20, 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, and 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 Ms. Wieling, seconded by Mr. Travis Frieler and unanimously carried to approve the agenda 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 May 15 Special Joint Meeting with the Melrose Public Utilities Commission, May 16 Regular Meeting, and the May 29 Special Joint Meeting with the Melrose Public Utilities Commission
- b. List of bills in the amount of \$435,014.56
- c. List of investments for the month of May
- d. Donation Resolution
 - 1) Resolution No. 2024-23 Donation from Gilleland Chevrolet in the amount of \$250 to the Melrose Police Department
- e. Gambling Resolutions
 - 1) Revision to Resolution No.2024-18 Resolution Approving Gambling License to the Church of St. Mary's requesting a date change from June 29, 2024, to June 28, 2025.
 - 2) Resolution No. 2024-25 Resolution Approving Gambling License to the Church of St. Mary's for an exemption from lawful gambling license to conduct a raffle and a bingo on October 27, 224 at the Church of St. Mary's located at 755 Kraft Drive SE in Melrose, MN.
 - 3 Resolution No. 2024-26, 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, 2024, at the Church of St. Mayr's located at 755 Kraft Drive SE in Melrose, MN.
- f. Resolution No. 2024-27, Resolution Appointing Election Judges. The election judge appointments are for the Primary Election that will be held on Tuesday, August 13, 2024.
- g Finance Director, Ryan Meyer will complete one and half years of service with the City on July 3, 2024. City Administrator Colleen Winter has conducted Mr. Meyers's review, and it is favorable; therefore, recommends he receive a step

- increase from Step 3 to Step 4 on the wage schedule.
- h. Streets/Parks Supervisor, Andrew Rousslange will complete six months of service with the City on July 3, 2024. City Administrator Colleen Winter has conducted Mr. Rousslange's review, and it is favorable; therefore, recommends he receive a step increase from Step 1 to Step 2 on the wage schedule.
 - i. Ambulance Department uncollectible accounts in the amount of \$23,476 have been submitted to Revenue Recapture, collections, or written off during the first quarter of 2024. A complete list of accounts is on file at the City Office.
 - j. Molitor Excavating has submitted Pay App #6/Final and Change Order 2 for the 2023 Street & Utility Improvements in the amount of \$18,595.27. Of this amount \$6,036.58 is utility and \$12,558.69 is the general fund portion of the project. This payment is the final payment on the project. SEH has reviewed and is recommending payment in the amount of \$18,595.27. Also attached is Change Order #2. This change order is a compensating change order adjusting the bidding quantities to the as built quantities.
 - k. C & L Excavating has submitted Pay App #2 for the 2023 Railroad Avenue NW Street and Utility Improvements in the \$152,380.95. Of this amount, \$3,772.55 is utility and \$148,608.41 is the general fund portion of the invoice. SEH has reviewed the payment request and is recommending payment as outlined in the invoice.
 - l. Molitor Excavating has submitted Pay App# 1 for the 2024 Main Street Improvements for work completed through 5/31/2024. The pay application is in the amount \$485,647.69. Of this amount, \$322,058.85 is utility, and \$163,588.74 is the general fund portion. SEH has reviewed the payment request and is recommending payment as outlined in the invoice.
 - m. J.R. Ferche has submitted Pay App #1 for the 2023 Alternative Transportation Sidewalk. SEH has reviewed the application and recommends payment of \$341,269.92 for the work completed through May 31, 2024

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

A.I. #5 REPORTS

- a. Police Chief Craig Maus presented the Police Department's May 2024 report. He noted there were 335 calls for service during that month, compared to 382 for May 2023. A total of 18 citations were written for the month of May. There were 72 verbal warnings and 0 written warnings. The year-to-date number of calls is 1409 compared to 1378 in 2023. For the month of May 2024, the Department received 15 agency assist calls.
- b. City Attorney Scott Dymoke reported on projects he has been working on for the city:
 - ❖ Compensation Study – Reviewed contractor's compensation study and attended joint meeting of Council and Utilities Commission to review findings and recommendations.
 - ❖ Community Development/Residential – Discussed terms of development agreement for proposed residential project with city staff. Prepared draft of agreement for consideration by developer and Melrose governing authorities.

- ❖ Cannabis – Reviewed state statutes and regulation concerning low dose hemp product sales and 3.2 beer licensing. Advised staff that 3.2 beer licenses are permitted to sell low dose hemp products.

c. Community Development Director provided the following update.

The Planning & Zoning Commission at its meeting on June 24th will be looking at the Preliminary Plat for Melrose Highlands North from Bob and Theresa Mueller for six (6) residential lots. A preliminary plat from KL Properties for eight (8) lots is expected at the July Planning & Zoning Meeting. Both will be coming to the City Council soon.

The Planning & Zoning Commission at its meeting will also be looking at the preliminary and final plat for the Melrose I-94 Industrial Park Second Addition. The City Council will hold a special meeting on June 26th at 7 a.m. to act on the recommendation of the Commission and hold a public hearing on the vacation of the streets and easements in this area. We are hoping to have mylars early in July, at which time a closing with Carstens Industries will take place. We are starting to review the Carstens Industries building and site plans.

Congratulations to the Melrose Area Arts Council. Together with the Melrose Area Historical Society and city staff, a grant was approved for a historical marker honoring Edwin Clark. This is a Minnesota Historical & Cultural Heritage Grant awarded by the Minnesota Historical Society. It will be located near the Edwin Clark bridge.

Thank you to the Melrose Lions and our streets/parks department for all their work on the new playground near the campground. It is a really nice addition. The sidewalk on County Road 168 looks great. The kayak launch was installed, and new trees have been planted throughout the city also by the streets/parks department. The Park Board continues to discuss what is next – what we need and where - to keep improving the parks and trails in the city.

Riverside Flats had a busy open house Sunday, June 9th. Wobegon Crossings is seeing strong interest and they are happy to have the paving on Railroad nearly complete so their marketing efforts can increase now with travel to the building being easier and clearer. Also we want to thank Melrose Township for working closely with us on the challenges that come with construction – especially on the west end of Railroad Ave and the Sauk River Bypass. We have more housing items on the agenda.

We are looking for another member for the Planning & Zoning Commission. We have an opening. With everything we have going on, it is an interesting (and fun) committee. We want to encourage people to reach out if they have an interest.

d. City Engineer Dave Blommel provided the following update:

Railroad Avenue

The base course of pavement has been placed and the turf restoration completed as of Thursday the 13th. We expect the final layer of pavement to

be placed within about 2 weeks after the manholes and gate valves are raised.

Main Street

Utility mains have been completed from 2nd Ave East to about 3rd Street West. The contractor is working on service connections for sanitary sewer and water to the homes in the area. The next pavement removal is expected to be completed on June 25th and will go from 3rd Street to the I-94 bridge.

The intersection of 2nd Avenue and Mainstreet is paved and back open to business. No additional closures of this intersection are expected until spring of 2025. The contractor is looking to advance the curb on the eastern 3 blocks in hopes of phasing the opening of Mainstreet. Contractor and weather will all factor into the exact timing of any future opening.

Active Transportation Sidewalk

The project is primarily complete. We will monitor the turf establishment and do a warranty walkthrough next spring for any concrete concerns that may develop.

- e. City Administrator Colleen Winter provided the following update:

Workforce hiring is the top priority at this time. We are currently advertising for the Police department and a vacancy exists in our Street Department for a Part time position. The PUC will be holding a special meeting on June 18th to determine how to proceed with hiring a Director/Supervisor.

Staff had our initial Budget retreat on June 11th. Public works, City Administrator Winter, Finance Director Meyer, Community Development Director Hellermann and Dave Blommel met in the morning and Administration staff met in the afternoon. EMS staff will be meeting separately with Winter and Meyer. We have done these retreats for the last 3 years and they are very effective in getting everyone involved and looking at projects on a city wide level. As part of the budgeting process, we are going to be evaluating all of our buildings to determine what capital needs exist over the next 5 years and beyond. Right now there is a roof at the WWTF that will need to be replaced immediately and roofs are some of the bigger ticket items. We also worked with MRES to complete a lighting audit and when that report is complete, we will bring that forth to PUC and Council to determine next steps.

June 28th is Tim Vogel's last day in the office. We are having a retirement celebration for Tim on Friday, June 21st at 8:30 am and you are all invited to attend.

A.I. #6 ACTION ITEMS

- a. At the Planning and Zoning Commission meeting held on May 20, 2024, the Commission held a public hearing on the request of Gerber Collision Midwest, Inc. The Conditional Use Permit would allow vehicle services including body work on parcel 66.36667.0010 in the C-2 Commercial Highway zoning district, in accordance with Section 222.04 (9) of the Zoning Ordinance. The Planning Commission recommends to the Council that the Conditional Use Permit be approved. The planning report, as approved by the Commission, is attached. Gerber Collision had no comments prior to the P & Z meeting, but since the P &

Z meeting, they have requested a language change to #5 adding specificity regarding the limits. The request is:

Any use cannot cause noise or the emission of odor, toxic or noxious fumes, smoke, dust or particulate matter in excess of EPA's and/or MPCA's outdoor exposure limits given its location adjacent to a residential area.

Council Member Wieling introduced Resolution No. 2024-28 the Resolution issuing the Conditional Use Permit and authorizing the mayor and city clerk to execute and have recorded the conditional use permit on Lot 1, Block 2 of Darmac Acres. The motion was seconded by Mr. Travis Frieler with a roll call vote recorded as follows:

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

AGAINST: None

ABSTAIN: None

- b. Roach Development, LLC is interested in constructing and operating a 34-unit, 17 building, townhome housing project in Railroad West. Recently the Council and MADA agreed to transfer the 25 lots from MADA to the city to facilitate a development agreement. Roach Development will purchase the land before December 1, 2024. Construction will not commence until late 2026 or early 2027. Roach Development has a strong history of projects in Melrose, having constructed Village Townhomes and East Village Townhomes. This new project is in the same area. Roach is requesting TIF for the project. It has paid the application fee and provided staff with the TIF escrow funds and its application details. The development agreement terms will be finalized prior to the real estate closing and executed at that time.

A motion was made by Mr. Klasen, seconded by Ms. Wieling and unanimously carried approving to entering into a Purchase Agreement with Roach Development, LLC for the lots in Railroad West.

- c. Mayor Finken noted that the City and KL Properties LLC have entered into a Residential Development Agreement for the development of eight (8) residential lots in the Highlands area. Platting work has begun, and a preliminary plat is expected at the July Planning & Zoning Commission meeting. As part of the project, Highlands Boulevard will need to be extended to the west, and 1st Avenue NE extended north. SEH has completed a feasibility study (attached). The next step in the process is a public hearing on the proposed improvements, which is proposed to be held at the July 18th city council meeting.

Council Member Travis Frieler introduced Resolution 2024-29 Resolution Receiving Feasibility Report and Calling Hearing on Improvement to be held at the July 18, 2024 city council meeting. 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, Mayor Finken

AGAINST: None

ABSTAIN: None

A.I. #7 NEW BUSINESS

- a. Staff is looking to schedule a budget workshop for Thursday, August 15 at 5:00 p.m.
- b. At the end of 2023, the City adopted a new Sick Leave policy that complied with the requirements of the State of Minnesota's Earned Sick and Safe Time (ESST) law as it was written at that time. Under this policy and law, every employee of the City earns one hour of sick leave for every thirty (30) hours worked. This included the City's volunteer Firefighters, EMTs, and Elected Officials. While implementing the 2023 policy, concerns were raised by both departments about how the time would be used. Would our volunteers be able to use ESST if they were unable to respond to a call? With very little guidance, we were waiting for clarification from the State in 2024. During the 2024 legislative session the ESST law was amended to exclude volunteer Firefighters, EMTs, and Elected Officials from the definition of employee. Election judges remain eligible for ESST if they work 80 hours in a year.

A motion was made by Mr. Klasen, seconded by Ms. Wieling and unanimously carried authorizing staff working with our Attorney to amend our Sick Leave policy to reflect the changes to the ESST law noted above.

A.I. #8 OLD BUSINESS

- a. Council to discuss next steps with a redevelopment project and possible land acquisition as a letter of intent is nearing expiration.

Purchase or sale of real or personal property Minn. Stat. § 13D.05, subd. 3 (c). A public body may close a meeting to determine the asking price for real or personal property to be sold by the public body. • Review confidential or protected nonpublic appraisal data. • Develop or consider offers or counteroffers for the purchase or sale of real or personal property. Before holding a closed meeting under this exception, the public body must identify on the record the particular real or personal property that is the subject of the closed session. The closed meeting must be recorded. The recording must be preserved for eight years and must be made available to the public only after all real or personal property discussed at the meeting has been purchased or sold, or after the public body has abandoned the purchase or sale. The real or personal property that is being discussed must be identified on the recording. A list of members and all other persons present at the closed meeting must be made available to the public after the closed meeting. The actual purchase or sale of the real or personal property must be approved at an open meeting, and the purchase or sale price is public data.

The following parcels will be discussed for the purpose of redevelopment:

66.37010.0770
66.37177.0000
66.37174.0000
66.37210.0000
66.37209.0000

A motion was made by Mr. Travis Frieler, seconded by Mr. Justin Frieler and unanimously carried to close the meeting at 6:15 p.m.

Present were Council Member Tony Klasen, Justin Frieler, Travis Frieler, Joelene Wieling, Mayor Joe Finken, City Administrator Colleen Winter, Community Development Director Sheila Hellermann. Finance Director Ryan Meyer, City Attorney Scott Dymoke, and City Clerk Patti Haase.

Community Development Director Sheila Hellerman stated that Jennie-O has now changed the price. Jennie-O is recommending that we just let the Letter of Intent expire. They will continue to work with the City, however a two-month extension will not likely lead to an agreement. There is a grant available for demolition that the city can apply for by August 1. After further discussion the Council directed staff to continue let the Letter of Intent expire, however staff to continue to have discussion with JOTS to look at further avenues to move forward

- b. At the last joint meeting of the PUC and Council, the request was made to reach out to the Unions and set up meetings. Our first meeting has been scheduled for June 24th with ADHOC and the LELS union. AFSCME is meeting on June 18th and we hope to set up a meeting with them shortly after that time. The other request that was made was to have the respective Boards discuss positions separately.

According to State Statutes, there are certain exceptions to the Open Meeting Law, which allow councils to close meetings.

Labor negotiations under PELRA Minn. Stat. § 13D.03. A meeting to consider strategies for labor negotiations, including negotiation strategies or development or discussion of labor-negotiation proposals, may be closed. However, the actual negotiations must be done at an open meeting if a quorum of the council is present.

The following procedure must be used to close a meeting under this exception:

- The council must decide to close the meeting by a majority vote at a public meeting and must announce the time and place of the closed meeting.
- Before closing the meeting, the council must state on the record the specific grounds permitting the meeting to be closed and describe the subject to be discussed.
- A written record of all people present at the closed meeting must be available to the public after the closed meeting.
- The meeting must be recorded.
- The recording must be kept for two years after the contract is signed.
- The recording becomes public after all labor agreements are signed by the city council for the current budget period.

If an action claiming that other public business was transacted at the closed meeting is brought during the time the tape is not public, the court will review the recording privately. If the court finds no violation of the open meeting law the

action will be dismissed and the recording will be preserved in court records until it becomes available to the public. If the court determines there may have been a violation, the entire recording may be introduced at the trial. However, the court may issue appropriate protective orders requested by either party.

The Council further reviewed the class and compensation information along with information gathered by staff. The Council provided staff with direction for wage negotiations.

Mayor Finken left the meeting at 7:00 p.m.

A motion was made by Ms. Wieling, seconded by Mr. Travis Frieler and unanimously carried to open the meeting at 7:34 p.m.

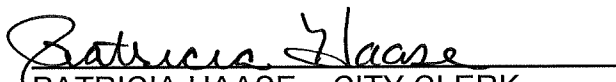
A.I. #9 INFORMATIONAL ITEMS

The following informational items were then reviewed:

- a. Utilities Commission's May 13, 2024, Regular Meeting minutes.
- b. Cash Forecast Analysis
- c. GFOA Certificate of Achievement

A.I. #10 ADJOURNMENT

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


PATRICIA HAASE – CITY CLERK