

**MELROSE CITY COUNCIL
REGULAR MEETING
THURSDAY, OCTOBER 23, 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, October 23, 2025 at 6:00 p.m. at the Melrose City Center pursuant to due notice being given thereof. Present were Council Members Tony Klasen, Joelene Wieling, Mark Niehoff, and Mayor Joe Finken, City Administrator Colleen Winter, and City Clerk Patti Haase. Council Member Travis Frieler 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 Ms. Wieling, 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. Jenn Tschida President of CentraCare Melrose and Paynesville provided an update. Over the last two months CentraCare has seen a workforce reduction mostly in administration, lead and support roles. Over 72 percent of CentraCare Melrose patients are either Medicare, or Medicaid. The CentraCare clinic in Melrose has hired a nurse practitioner. The clinic has received a grant for safe room project in the emergency room from the MN Dept of Health grant. The clinic is also installing self-check-in kiosks. The clinic has also Installed a blessings box which is a 24-hour access for nonperishable food and toiletries and other essentials. Its take as you need and donate what you can. This is meant to benefit the community..

A.I. #4 CONSENT AGENDA

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

- a. The minutes from the Council's, the September 18 Budget Meeting, and the September 18 Regular Meeting
- b. List of bills in the amount of \$697,607 .59
- c. List of investments for the month of September
 - 1) Resolution No. 2025-44 Donation in the amount of \$50,670.16 from Freeport State Bank for the scoreboards, pitching mounds, and groomer for the Sauk River Park.
 - 2) Resolution No. 2025-45 Donation in the amount of \$500 from an anonymous donor to the Melrose Fire Department
 - 3) Resolution No. 2025-46, Donation in the maund of \$775.50 from Coborn's to the Melrose Fire Department Grainger hazmat test kit.
 - 4) Resolution No. 2025-47 Donation in the amount of \$500 from the St. Rosa Jaycees towards the Melrose Ambulance Department new equipment.
- e. Pay Application No. 9 (Final) for the 2024 Main Improvements. SEH has reviewed this application and recommends final payment of \$35,819.32 for the work completed through August 15, 2025.

Also enclosed is the final compensating change order (Change Order No. 2) which represents a reduction in the contract price of \$104,021.33 for your review and

approval.

Payment 9 splits are as noted below. This payment represents all quantities for the project and the complete payment of retainage.

PUC	\$ 13,119.29
City	\$ 12,993.29
City Storm Sewer	\$ 1,156.26
Stearns County	\$ 6,816.08
Stearns County Storm Sewer	\$ 1,734.40

The City will pay \$35,819.32 and be reimbursed \$8,550.47 by Stearns County.

Total project cost summary:

PUC – Water	\$ 473,025.35
PUC – Sanitary Sewer	\$ 686,350.50
City – Storm Sewer	\$ 105,214.15
City – Streets	\$ 941,235.16
County – Storm Sewer	\$ 157,520.55
County – Streets	\$ 484,625.19
Total Project Cos.....t	\$ 2,847,970.89

- f. Pay Application No. 4 (Final) for the Highlands Boulevard Extension project. SEH has reviewed this application and recommends payment of \$57,729.68 for the work completed through October 7, 2025.

Also enclosed is the final compensating change order (Change Order No. 1) which represents an increase in the contract price of \$2,612.16 for your review and approval. The change order is less than 1% over the original contract price of \$371,273.70 and stems primarily from additional erosion control installed to satisfy the MPCA.

The final project payment should be split as follows:

City of Melrose	\$ 50,598.92
Melrose Public Utilities Commission	\$ 7,130.75

- g,. Fire Chief Tom Budde is requesting Council approval to hire Mr. Brent Harren, Mr. Emmett Massmann and Mr. Justin Conerton. The interviews and physical fitness tests have been completed. The hiring of Mr. Harren, Mr. Massmann and Mr. Conerton is contingent upon a successful background investigation and pre-employment physical with drug screen.

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

A.I. #5 PRESENTATION

- a. Mayor Joe Finken administered the Oath of Office to Police Officer Matthew Host.

A.I #6 PUBLIC HEARING

- a. The Melrose City Council met at 6:00 p.m. on the 23rd day of October 2025, at the City Center, 225 First Street NE, in the City of Melrose, to consider the adoption of an ordinance amending Section 712 of the Melrose City Code Seasonal Parking

City Administrator Winter to present the Affidavit of Publication of the hearing notice, which was published in the October 8, 2025, edition of the Star Post.

The city is considering the implementation of an odd/even street parking policy within city limits during the winter months. The city has experienced recurring challenges related to on-street parking congestion, snow removal inefficiencies, and emergency vehicle access during winter months. An odd/even parking system—where vehicles may only park on the odd-numbered side of the street on odd-numbered calendar days, and the even-numbered side on even-numbered calendar days—is under consideration.

Council Member Klasen requested clarification of parking on when to park on the even side of the street. He believes it is a little difficult to interpret. Council Member Niehoff questioned if it was necessary to implement an ordinance or if residents could just be informed to move vehicles during snow events.. Mayor Finken would prefer educating the residents to not park on the streets when it snows so the street department can clean the streets and keep the emergency routes open.

Mayor Finken asked for public comments. There being none the Public Hearing was closed at 6:30 p.m.

A.I. #7 REPORTS

- a. Police Chief Craig Maus presented the Police Department's September 2025 report. He noted there were 361 calls for service during that month, compared to 317 for August 2024. A total of 37 citations were written for the month of September. There were 118 verbal warnings and 1 written warning. The year-to-date number of calls is 2,626 compared to 2,532 in 2024. For the month of September 2025, the Department received 12 agency assist calls. The Melrose Police Department has undergone an audit on the Body Cam system. We have not received the audit results. The department is now fully staffed.
- b. Community Development Director Sheila Hellermann provided the following update.

On Monday, October 27th the Planning & Zoning Commission will have a public hearing for a conditional use permit request from a resident wanting to use solar roofing materials. A CUP is required for anyone looking to install a solar energy system in the city.

At the Stearns County Commissioners meeting on October 7th, interesting information was shared about the impact of the loss of the veterans service office in Melrose. The director of the VSO stated their office found a 7.4% decrease in interactions in western Stearns County ZIP codes since 2019. Sauk Centre (56378), in particular, showed a 51% decrease. The goal for 2026 is the establishment of a permanent office in Melrose. We welcome that. We, as staff, have been working towards that since their office in the former K-7 building was closed. We have been tenacious on this one. Currently this is included in the budget for Stearns County for 2026. We hope it remains in the Stearns County budget as they move toward final adoption.

The Sauk River Park campground was closed on October 1st. Final results for the

summer showed revenue of \$30, 945.93 after reservation system fees and card fees. Previously, our highest summers were 2021 -\$14,592.69 and 2024 - \$21,763.50.

On October 14th we received word from the Minnesota Pollution Control Agency, Brownfields Section, that our application on behalf of the former Bohlig Cleaners site was formerly approved. We are acting as conduit here – connecting the owner with resources to help determine the extent of any environmental concerns on the property.

As we start to move to the end of the year, we also move toward the end of terms on our boards and commissions. Shortly residents will see opportunities to serve – including on the Park Board, Melrose Area Development Authority, and Planning & Zoning Commission. We want to welcome people to reach out with questions about these opportunities to see if they might be a good fit. These are people planning what is next in the park system, reviewing our economic development goals and business expansion plans, and reviewing requests for permits. It is important work. We are fortunate to have dedicated individuals who serve and lend their thoughts.

- c. The City Engineer report was presented
- In the past month SEH has been primarily focused on closing out 2024 and 2025 projects. Both the 2024 Main Street project and the Highland Blvd extension are included in the council packet. These projects came in very close to budget.
- Main Street (Molitor Excavating) – All paperwork is completed, permits closed.
 - Highlands Boulevard Extensions (Northern Lines Contracting) – Final paperwork is pending. Final payment will be held until the paperwork is completed in a satisfactory manner. Erosion Control permit being transferred to builder on site from Northern Lines.

A.I. # 8 ACTION ITEMS

- a. Earlier this evening the council held a public hearing on the implementation of an odd/even street parking policy. At the public hearing, the Notice of Public Hearing and Affidavit of Publication was presented, as well as the proposed Ordinance. Council to give consideration to an odd/even parking system and how it would function, impact on snow removal and emergency services, public communication and signage requirements, enforcement mechanisms and penalties for violations, and feedback from the residents.

Council Member Klasen stated he would support the ordinance if it was revised clarifying the parking on odd/even days.

Mayor Finken would like to table to see if we can address the issue through education.

The Council by consensus tabled action and directed staff to send out flyers in the utility bill, and place on the city website and facebook.

- b. West Central Sanitation letters have been sent out to property owners who are delinquent on their West Central solid waste bills. Pursuant to MN Statute 443.015, property owners have been notified that they can appear before the

Council to dispute their charges. Don Williamson from West Central Sanitation will be present to address any concerns from the residents.

A motion was made by Mr. Niehoff, seconded by Mr. Klasen and unanimously carried authorizing staff to certify assessments to the County on or before Nov. 15th 2025, in the amount of \$923.23

- c. The Melrose Planning and Zoning Commission acting as the Board of Adjustments and Appeals held a Public Hearing at 6:00 p.m. on Monday, September 29, 2025, for the purpose of giving consideration to changing the zoning ordinance in Section 401 regarding setbacks in the R-2 zoning district. The Affidavit of Publication of the Public Hearing Notice, which was published in the Star Post on Wednesday, September 17, 2025, along with the Affidavit of Posting of Notice of Hearing was provided..

The recommendation of the Planning & Zoning Commission is

- the public street side yard setback be changed to 25 feet,
- the side corner sides combined setback be changed to 31 feet, and
- the accessory building side corner setback be changed to 25 feet.

These would then match the requirements of the R-1 district for public street side yard, side corner sides combined, and accessory building side corner. All front and rear setbacks would remain.

Council Member Wieling introduced Ordinance 10-23-2025-2 Amending Section 400 District Lot Regulations. The motion was seconded by Mr. Klasen with a roll call vote recorded as follows:

FOR: Council Member Wieling, Klasen, Niehoff, and Mayor Finken.

AGAINST: None

ABSENT: Council Member Frieler

- d. Staff received information about the MnDOT LRIP program which just opened. It is administered like the Active Transportation grant we received for the sidewalk on County Road 168. We are looking to apply for LRIP funds for the build out of 9th Street NE, which is being included in the capital improvement plan for 2027. Stearns County passed a resolution supporting the project at its October 7th County commissioners' meeting. It is attached.

LRIP funds are for regional routes, farm to market routes, and to address safety concerns. I will be making those arguments, including the safety argument because 9th Street would likely reduce the congestion at the intersection of 5th and 5th before and after school and large events at the school. We cannot apply for funds for the cost of engineering or utilities so the application will be for \$755,002.

The odds are long - when we applied for Main Street there was over \$100 million being awarded. This time there is only \$47 million. We will be reaching out for letters of support in the community, including local farmers and the school district.

Council Member Klasen introduced Resolution No. 2025-48 Supporting the Local Road Improvement Program Application for 9th Street NE Completion. The motion was seconded by Ms. Wieling with a roll call vote recorded as follows:

FOR: Council Member Klasen, Wieling, Niehoff, and Mayor Finken

AGAINST: None

ABSENT: Council Member Frieler

- e. Staff recently met with Jason Murray, our TIF consultant. He advised that pursuant to Minnesota Statutes we need to amend the boundaries of TIF District 12-1. This is the TIF district which includes Riverside Flats. At the time the TIF District was created other parcels were included within the district. The parcel numbers are set forth in the proposed resolution (attached). They include properties owned by Elferings (Unique Boutique), Illies (rental building), M & M Holdings (parking lot), Post Office, Advantage Insurance, city of Melrose (parking lot and small area by the dam) and Stearns County (corner by Illies Body Shop with the electrical infrastructure). If the parcels are not developed using TIF within five years of certification, the parcels need to be removed from the TIF district.

Council Member Niehoff introduced Resolution 2025-49 Amending the Boundaries of Tax Increment Financing District No. 12-1. The motion was seconded by Mr. Klasen with a roll call vote recorded as follows:

FOR: Council Member Niehoff, Klasen, Wieling, and Mayor Finken

AGAINST: None

ABSENT: Council Member Frieler

- f. The next resolution relates to a Contamination Investigation and RAP Development Grant application which staff is putting together for the possible Downtown Redevelopment Project. The grant is through Department of Employment and Economic Development (DEED) and is due by November 1, 2025. Staff has been told by DEED staff that this investigation is important and a first-step before they would consider any future grant applications for redevelopment funding. The resolution approves the application, assures DEED we have not violated laws, have no conflicts of interest, and commits local funds. By legislation, DEED is allowed to award grants for up to \$50,000, or 75% of the total investigation costs, whichever is less.

Council Member Wieling introduced Resolution 2025-50 Resolution Approving Contamination Investigation and RAP Development Grant Application, Committing Local Match and Authorizing Contract Signatures. The motion was seconded by Mr. Niehoff with a roll call vote recorded as follows:

FOR: Council Member Wieling, Niehoff, Klasen, and Mayor Finken

AGAINST: None

ABSENT: Council Member Frieler

- g. Police Chief Craig Maus has obtained quotes for a Dodge Durango and a Ford Explorer. The local car dealership's pricing came in a little over state contract pricing. Chief Maus is recommending the purchase of the Dodge Durango from Albany Chrysler Center in the amount of \$40,866

A motion was made by Mr. Niehoff, seconded by Mr. Klasen and unanimously carried approving the purchase of the Durango from Albany Chrysler Center in the amount of \$40,866.

- h. Street /Parks Supervisor Andrew Rousslange is requesting authorization to sell the 2003 Chevrolet Three Quarter Ton Pick-Up. The vehicle will be placed on the MN

Bid website.

A motion was made by Mr. Niehoff, seconded by Ms. Wieling and unanimously carried authorizing the sale of the 2003 Chevrolet Three Quarter Ton Pick-Up.

- i. City Clerk Patti Haase has submitted her notification of retirement as of 11.28.2025. The Council gave consideration to advertising for the city clerk position.

A motion was made by Ms. Wieling, seconded by Mr. Niehoff and unanimously carried authorizing staff to advertise for the city clerk's position.

A.I. #9 OLD BUSINESS

None

A.I.#10 NEW BUSINESS

- a. At the Council's first meeting in January 2026 consideration will be given to making appointments to the various boards and commissions. A notice regarding same will be published in the Star Post on October 22 and November 5 informing residents that those interested in seeking appointment should submit their application to the City Clerk by no later than Friday, November 14, 2025 Applications are available at the Melrose City Center. Terms are expiring on the following boards and commissions:
 - Planning and Zoning Commission – Two members (four-year term)
Term expiring:
 - Melrose Housing and Redevelopment Authority: One member (five-year term)
 - Public Utilities Commission – One member (three-year term)
 - Melrose Ared Development Authority One member (six year term)
 - Park and Recreation Board – Two members (three-year term)
- b. The Council next reviewed the Verizon Wireless's Lease Optimization Program. Verizon Wireless is interested in making modifications to the cell site lease. Verizon is requesting the following

Verizon Wireless would like to include this site in its long-term portfolio under the following terms:

- **New Rent Amount:** \$30,000.00 per year, commencing on (1/1/2026)
- **New Rent Escalator:** Three Percent (3%) every year (next increase on 1/1/2027)
- **Additional Renewal Terms:** Six (6) additional five (5) year renewal terms
- **Lump Sum Payment Option:** Provide a one-time lump sum payment of **\$600,000.00.**

In return, you will grant a ninety-nine (99) year easement on your property. The foregoing proposal does not constitute a binding offer to amend the lease. No legal obligation

City Administrator Winter presented the option and the revenue impact.

The Council directed staff to contact T-Mobile to see what their intent is over the next several years. The Council by consensus authorized City Administrator Winter and City Attorney Joe Krueger to negotiate with Verizon.

c. The Council to further discuss the AFSCME Union Negotiations

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.

A motion was made by Ms. Wieling, seconded by Mr. Niehoff and unanimously carried to close the meeting at 7:24 p.m. for the purpose of labor negotiations.

Present were Council Members Tony Klasen, Joeline Wieling, Mark Niehoff, and Mayor Joe Finken, City Administrator Colleen Winter, Finance Director Jackie Niehaus, and City Clerk Patti Haase.

The Council reviewed the proposed contract from October 20, 2025 Special Joint Meeting and resumed labor negotiations.

A motion was made by Mr. Niehoff seconded by Ms. Wieling and unanimously carried to open the meeting at 7:48 p.m.

A.I. #11 INFORMATIONAL ITEMS

The following informational items were then reviewed:

- a. Utilities Commission's September 8, 2025, Regular Meeting and September 23 Special Meeting
- b. The following is a list of schools and/or conferences where registrations were made:
 - 1) Minnesota Fall Maintenance Expo. October 1, 2025, Attending: Street Department

A.I. #12 ADJOURNMENT

A motion was made by Mr. Klasen, seconded by Ms. Wieling and unanimously carried to adjourn the meeting at 7:48 p.m.


PATRICIA HAASE - CITY CLERK