

**MELROSE CITY COUNCIL
REGULAR MEETING
THURSDAY, FEBRUARY 26, 2026 – 6:00 P.M.**

1. CALL TO ORDER/ROLL CALL/PLEDGE OF ALLEGIANCE

The Melrose City Council met in a Regular Meeting on Thursday, February 26, 2026, at 6:00 P.M. at the Melrose Fire Hall pursuant to due notice being given thereof. Present were Council Members Mark Niehoff, Travis Frieler, Joelene Wieling, Mayor Joe Finken, City Administrator Colleen Winter, Community Development Director Sheila Hellermann, Police Chief Craig Maus, 1st Assistant Fire Chief Joe Woeste, Finance Director Jackie Niehaus, City Engineer Dave Blommel, Streets/Parks Supervisor Andrew Rousslange, and City Clerk Connor Kockler. Council Member Tony Klasen was absent. Mayor Finken presided thereat.

The Council recited the Pledge of Allegiance.

2. APPROVAL OF AGENDA

City Administrator Winter noted that item 7g. Restroom – Railroad West Park should be removed from the agenda. A motion was made by Council Member Niehoff, seconded by Council Member Frieler, and unanimously carried to approve the agenda with this change.

3. OPEN FORUM

Mayor Finken then opened the floor to public comment. There were no members of the public who wished to comment.

Mayor Finken then read a letter from the City of Holdingford thanking neighboring cities for their response to the fire at the Holdingford Mill that past Sunday night. Ten departments from across the local area came together to respond to the fire and protected nearby homes and businesses, preventing further destruction to the community. Mayor Finken and the Council then thanked the Fire Department for their actions.

4. CONSENT AGENDA

4. The following items were considered for approval under the Consent Agenda.
 - a. Approval of Minutes
 - b. Approval of Bills/Purchase Orders
 - c. Approval of Investments
 - d. Donation Resolution No. 2026-13 from Arvig Enterprises
 - e. 25 Years of Service for Craig Maus
 - f. Step Increase for Alexandra Evenson

A motion was made by Council Member Frieler, seconded by Council Member Niehoff,

and unanimously carried to approve the consent agenda.

Mayor Finken then recognized Chief Maus for his 25 years of service to the community and thanked him for everything he has done.

5. REPORTS

5a. Police Department Report

Police Chief Maus provided the following update. In January 2026, the police department issued 15 citations, 81 verbal warnings, and 8 written warnings. There were 272 calls or requests for service, compared to last year having 293. A large amount of the difference was rental property inspections, there were less of those in January this year and more in February. The department was short-staffed at the beginning of the month, and it has been colder weather. There were 7 agency assists in January. The new Dodge Durango squad car is out and about. There is one more squad car waiting on graphics but that will be in service soon. The department received a grant from the University of Minnesota to put an AED in the new squad car. All squad cars used by the department now will have an AED onboard.

5b. Community Development Director Report

Community Development Director Hellerman provided the following update. There are several agenda items tonight including a playground and sports courts. Work continues on grant applications. She submitted an AARP grant application for a walking path at the Railroad West Park. She is also currently working on a Minnesota Department of Employment and Economic Development (DEED) grant for a childcare center in the city. Since the last meeting, the city has been notified that we have advanced in the Small Cities Development Program process and have been invited to complete a full application. Work moves forward on the Jennie-O downtown redevelopment. Last week Tuesday, the city was notified by Jennie-O of the sale of the Jennie-O plant on the east side of the city to Life Sciences Innovations. There will be two public hearings at the March City Council meeting. One will be for the Small Cities Development Program, and another will be for a request for a drainage and utility easement vacation by a property owner to build a house across lot lines in Highlands Boulevard.

5c. City Engineer Report

City Engineer Blommel provided the following update. Soil borings on the 2026 Street Improvements Project should be completed tomorrow or next week. Plans will then be brought for approval by the City Council at the March meeting.

5d. City Administrator Report

City Administrator Winter provided the following update. She stated that this past week she provided her resignation as city administrator effective April 3 and moved to item 6a. in the agenda discussing the transition process.

6. NEW BUSINESS

6a. City Administrator Bridge Plan Discussion

City Administrator Winter presented. On February 24, the City Council and Public Utilities Commission met and discussed next steps for the City Administrator position. They reviewed three proposals from executive search firms to conduct the City Administrator search process, and decided to formally interview David Drown and Associates, in a meeting that will take place March 9. It was also decided that Police Chief Craig Maus will serve as the point of contact for the city until a new City Administrator is hired. Mayor Finken and Public Utilities Commission Vice Chair Seanger conducted an all staff meeting with city employees on February 24 and informed them about the transition. Further updates will be given at the March City Council meeting.

6b. Police Department MOU for Short Staffing

City Administrator Winter presented. A Notice of Additional Compensation under FLSA Arrangement has been drafted for Police Chief Maus if for a period of 45 consecutive calendar days the staffing levels of the police department fall below the requisite staffing amount, then the arrangement described in this Notice will apply, but not generally before such 45-day period. Limited exceptions may apply at the sole discretion of the city. The city has entered into an agreement like this before. The chief would receive additional compensation for taking on additional duties because of short staffing per the agreement.

A motion was made by Council Member Frieler, seconded by Council Member Niehoff, and unanimously carried to approve the Police Department MOU for Short Staffing.

6c. Step Increase for Andrew Rousslange

City Administrator Winter presented. As part of the discussion regarding the bridge plan, she is recommending Streets/Parks Supervisor Andrew Rousslange be moved to Step 4 in his wage scale. He has been taking on additional duties outside of his job description.

A motion was made by Council Member Wieling, seconded by Council Member Niehoff, and unanimously carried to approve the step increase for Andrew Rousslange.

6d. City of Melrose Quarterly Financial Report

Finance Director Jackie Niehaus presented. Overall, the city remains in a stable financial position. Revenues performed well, expenditure was managed carefully, and we maintain strong fund balances. General fund revenues exceeded budget expectations and ended up at 104% of estimates. Year-end net position is lower than last year, mainly due to lower building permit revenue and non-reoccurring grant funds from last year. While some categories of spending were higher or lower, spending remained under the total budgeted amount. Departments carefully managed expenditures throughout the year. Administration, Finance, Public Safety, Public Works, and Planning and Development all ended the year under budget.

The MADA fund remains stable supported by the plan transfer from the general fund, supported by strong investment earnings. In Capital Projects, net income was positively impacted by county reimbursement related to the streets projects. Fire Department revenues were strong and came in at 124% of what was estimated for Quarter 4. Ambulance activity remains strong with run volumes higher than budget, and net income finishing above the prior year. Overall, these funds demonstrate stable operations and positive financial trends heading into 2026.

Looking ahead to 2026, the focus remains on strategic and sustainable financial management. We will continue to align spending with the Council's 2026 priorities. On the investment side, we will work to optimize returns while making sure funds are available for operations and capital projects. We are planning proactively for police and fire equipment replacement needs. Finally, long-term financial sustainability is a key priority.

7. ACTION ITEMS

7a. Liquor License Renewal Applications

The Council gave consideration to the following renewal liquor license applications. All supporting materials were received by the City Clerk:

- 1) Intoxicating Liquor:
 - a. License #3 – Melrose Bowl Inc. DBA Melrose Bowl – On Sale, and License #3 – Sunday On Sale
 - b. License #4 – Whiskey Street LLC DBA Whiskey Street – On Sale, License #2 – Off Sale, License #4 – Sunday On Sale
 - c. License #1 – LQR, Inc. DBA Spritz Liquor – Off Sale
 - d. License #1 – Meadowlark Country Club – On Sale, and License #2 – Sunday On Sale
 - e. License #2 – El Portal Restaurant LLC DBA El Portal – On Sale, License #6 – Sunday On Sale
 - f. License #3 – Coborn's Inc. DBA Coborn's Liquor – Off Sale
 - g. License #5 – JD's Taphouse Inc DBA JD's Taphouse – On Sale and License #5 Sunday On Sale
 - h. License #6 – Some Like It Hot LLC DBA Some Like It Hot – On Sale, and License #7 Sunday On Sale
- 2) Club and Sunday On Sale:
 - a. License #1 – American Legion Post #101 – Club On Sale and License #1 – Sunday On Sale
- 3) 3.2% Off Sale Malt Liquor:
 - a. License #1 – Martinez Meat & Grocery – 3.2% Off Sale Malt Liquor
 - b. License #2 – Coborn's Inc DBA Coborn's #2043 – 3.2% Off Sale Malt Liquor
 - c. License #3 – Kwik Trip Inc. DBA Kwik Trip #1215 – 3.2% Off Sale

Malt Liquor

- 4) Wine & 3.2 % On Sale Malt Liquor:
 - a. License #1 – Martinez Meat & Grocery – Wine and License #1 – 3.2% On Sale Malt Liquor

A motion was made by Council Member Wieling, seconded by Council Member Frieler, and unanimously carried to approve the liquor license renewal applications.

7b. Road Sealcoat Project 2026

Streets/Parks Supervisor Andrew Rousslange presented. He is preparing the plans, specifications and bid package for the 2026 Seal Coat Project. City staff is requesting authorization to advertise for bids.

A motion was made by Council Member Frieler, seconded by Council Member Niehoff, and unanimously carried to approve the plans, specifications, and bid package for the 2026 Seal Coat Project and for the Streets/Parks Department to advertise for bids.

7c. Main Street Sidewalk Project

City Engineer Blommel presented. The Main Street sidewalk replacement is included in the 2026 capital budget. Staff and City Engineer Blommel reviewed the project on-site Wednesday, February 18th. Staff reviewed the sidewalk condition on Main Street between 2nd Avenue and 5th Avenue. The settlements in the decorative (exposed aggregate) areas appear to be accelerating with this year's freeze thaw cycle. Areas repaired by the public works staff appear to be holding, but the settlements outside of those patches are worsening.

The sidewalk replacement was budgeted at \$166,900 based on an estimate from the contractor who completed last year's work. The estimate did not include removal and replacement of curb boxes located in the sidewalk that are failing, replacement of damaged curb and gutter, or tying the new walk to the existing curb with dowel bars to prevent differential settlement. All of those additional costs will force the City to bid the project as the estimated cost now is higher than the \$175,000 threshold for competitive bidding.

With the competitive bidding also comes additional scrutiny on the project plans as related to compliance with Americans with Disabilities Act rules. City Engineer Blommel recommends the city complete a topographic survey of the sidewalk from building to back of curb to make sure sidewalk grades are within tolerance. Total estimated cost for the project is \$260,000 for construction and design engineering (including bidding). Costs would go slightly higher if the city desires full time observation during construction. If we can time it correctly with street project that can be minimized as one staff person can cover both projects.

City Engineer Blommel would like to have a discussion with the council regarding the timing of the sidewalk replacement and the merits of bidding with the 2026 street project or separately.

Council Member Niehoff asked what was driving the increased costs, materials, labor, or both? City Engineer Blommel replied that it was both materials and labor. Discussion continued about whether it made sense to work on this project this year or whether to wait to work on all or part of it until next year.

Council Member Wieling stated that she trusted the engineers to make the decision of what is the best course of action. Council Member Niehoff asked whether the composition of the new sidewalk work would be different. City Engineer Blommel said they would switch back to plain concrete as the decorative sections of the previous work have been deteriorating the most.

Discussion also continued about how concrete prices could rise significantly in a year if the project is delayed, as City Engineer Blommel stated that concrete prices have not been stable and could possibly increase 10-15% in a year. City Administrator Winter stated that there are undesignated fund reserves in the Streets Department so there would be money for this project. This will come back for a vote at the March City Council meeting.

7d. PP 01-2026-201 Preliminary Plat – Centracare/CURA

Community Development Director Hellerman presented. The Melrose Planning and Zoning Commission acting as the Board of Adjustments and Appeals held a Public Hearing at 6 p.m. on Monday, January 26, 2026, for the purpose of giving consideration to a request submitted by Centracare for a preliminary plat separating Medical Services Plat Two. The Affidavit of Publication of the Public Hearing Notice, which was published in the Star Post on January 14, 2026, along with the Affidavit of Posting of Notices of Public Hearing were presented at the hearing and are attached as supporting documentation.

A motion was made by Council Member Frieler, seconded by Council Member Wieling, and unanimously carried to approve the Preliminary Plat for Centracare.

7e. CUP 01-2026-401 Interim Use Permit - Melrose Area Arts Council/Campbell Enterprises Northwest Inc.

Community Development Director Hellerman presented. The Melrose Planning and Zoning Commission acting as the Board of Adjustments and Appeals held a Public Hearing at 6 p.m. on Monday, January 26, 2026, to give consideration to the request of the Melrose Area Arts Council and Campbell Enterprises Northwest Inc. for an Interim Use Permit on Parcel #66.36951.0000. The Interim Use Permit would allow a mural to be installed on the east facing side of the building on the parcel. The Affidavit of Publication of the Public Hearing Notice, which was published in the Star Post on January 14, 2026, along with the Affidavit of Mailing and Posting of Notice of Hearing were presented at the

hearing and are attached as supporting documentation.

This is written as an interim use permit, which means that it has a set time limit. The Planning and Zoning Commission recommended that the permit run for seven years. The permit is also specific to the mural design, so if the design was to be changed, then it would have to go through the approval process again. The property owner also owns the mural, not the artist or the arts council, so if the building were to sell, any new owners could remove the mural. The maintenance is also the responsibility of the property owner.

The mural artist Justine Meyer was present at the meeting and presented a sketch of the mural to the Council members. Mayor Finken asked Meyer how long it would take to finish the mural. Meyer said that it should take about four months. She will complete a painting a third the size of the finished mural, and then photographs of the original painting will be taken, sized up, and placed onto the panels that will make up the finished mural.

A motion was made by Council Member Wieling, seconded by Council Member Niehoff, and unanimously carried to approve the interim use permit for Melrose Area Arts Council/Campbell Enterprises Northwest Inc. on parcel #66.36951.0000.

7f. Pickleball Court – Sauk River Park

Community Development Director Hellerman presented. The Park Board, at its February 4, 2026, reviewed two quotes for a second pickleball court in the Sauk River Park west of the first one. Attached are estimates received for the project from Worms Lumber & Ready Mix and Beuning Masonry. This is a budgeted item for 2026.

A motion was made by Council Member Frieler, seconded by Council Member Wieling, and unanimously carried authorizing the construction of a second pickleball court in Sauk River Park, and awarding the project to Beuning Masonry.

7h. Playground Equipment – Railroad West Park

Community Development Director Hellerman presented. Staff have received two estimates for a playground at the new Railroad West park between the apartment building and the townhome development. The Park Board reviewed the estimates at its February 4 meeting and is recommending the Flagship Recreation/Landscape Structures proposal. The rock-climbing area and zip line were amenities the Park Board liked. The park is targeted for 5- to 12-year-olds.

A motion was made by Council Member Niehoff, seconded by Council Member Frieler, and unanimously carried authorizing the construction of the playground at Railroad West and awarding the project to Flagship Recreation/Landscape Structures.

7i. Fire Hall Workout Room Renovation

City Administrator Winter presented. As part of the ongoing wellness that we are required to have for our emergency personnel, the Fire Department is planning to renovate the

workout room in the Fire Hall. Fire Chief Budde has received two quotes for new exercise equipment. The first is from REP which includes a trainer machine, dumbbell set, weightlifting rack, weight bench, squat bar, racks, and various other equipment for \$13,003.31. The second quote is from Titan Fitness which includes a trainer machine, weightlifting rack, weight bench, dumbbell and weight sets, racks, and additional equipment for \$11,093.28. A quote was also received for new flooring in the weight room from Hennen Floor Covering for \$5,489.49.

Police Chief Maus stated that the original equipment was donated by a firefighter's family, it has definitely done its time and some of it is not safe to use anymore. All three city emergency departments, police, fire, and ambulance will be able to make use of this equipment. Mayor Finken asked if there was a difference between the two equipment quotes. 1st Assistant Fire Chief Woeste stated that Fire Chief Budde had expressed a recommendation to choose the equipment from REP. City Administrator stated that the quotes received came in under budget for what was approved to be spent for this project.

A motion was made by Council Member Niehoff, seconded by Council Member Wieling, and unanimously carried to approve the quotes for purchasing from REP and Hennen Floor Covering for the Fire Hall Workout Room Renovation project.

7j. Fee Schedule Amendment

Finance Director Jackie Niehaus presented. She is requesting amendments to the City Fee Schedule to be approved. The amendments are to delete rows 175-177 under park/street fees, leaving only one rate for the Park Shelter Rental and to add "per truck" under the fire department row 362.

A motion was made by Council Member Frieler, seconded by Council Member Wieling, and unanimously carried to approve the proposed amendments to the City Fee Schedule.

7k. 2026-2027 LMCIT Workers' Compensation Insurance Quote

Finance Director Jackie Niehaus presented. She is requesting that the Council give consideration approving the quote received from the League of Minnesota Cities Insurance Trust (LMCIT) for workers' compensation insurance for the period of March 7, 2026 through March 7, 2027. The net premium costs for the upcoming period are \$72,439. The quote in 2025 was \$55,962, which is an increase of 29%. Due to claims history, the experience modification changed to a 1.03% debit (\$2,316) for the 2026-27 coverage period, up from a 0.73% credit for the 2025-26 coverage period. Overall workers' compensation rates for 2026 have decreased for the third year in a row. It is recommended that the Council again approve the regular premium option. The General Fund share of the premium is \$60,022 and the Utilities' share is \$12,417 (compared to \$42,531 and \$13,431, respectively for the past year.)

A motion was made by Council Member Frieler, seconded by Council Member Wieling, and unanimously carried to approve the LMCIT workers comp insurance at the regular premium option.

7l. Hiring of Police Officer

Police Chief Maus presented. The city received three applications for the police officer position. Staff interviewed two of the candidates since one individual withdrew his application due to accepting a position elsewhere. A contingent offer is being presented to Ms. KyLee Forcier. This offer is contingent upon passing a successful background check, psychological examination, and a pre-employment physical with a drug screen. Staff is recommending the hire of Ms. Forcier at Step 1 on the wage scale. Following six months of full-time employment and upon a favorable evaluation, it is recommended to move to Step 2.

A motion was made by Council Member Frieler, seconded by Council Member Wieling, and unanimously carried to approve the hiring of KyLee Forcier as a Police Officer as presented.

7m. Hiring of Police Reserve Officer

Police Chief Maus presented. The Police Department received an application to the Police Reserve, which has not been active for the past few years. He is requesting approval to be given to the hire of Caden Swanson as a Police Reserve Officer to the Police Department, contingent upon a successful background check and pre-employment physical with a drug screen.

A motion was made by Council Member Frieler, seconded by Council Member Wieling, and unanimously carried to provide consideration to approving the hiring of Caden Swanson as a Police Reserve Officer as presented.

7n. Hiring of Seasonal Streets/Parks Worker

Streets/Parks Supervisor Andrew Rousslange presented. Historically the City has hired a seasonal part-time worker to assist with the summer workload. He is requesting approval to hire a temporary summer/seasonal worker on an as needed basis, to assist with lawn and park maintenance, cleaning, etc. Therefore, staff is requesting Council approval of the hiring of a seasonal/temporary part-time worker.

A motion was made by Council Member Wieling, seconded by Council Member Niehoff, and unanimously carried to approve the hiring of a Seasonal Streets/Parks Worker.

8. OLD BUSINESS

8a. MOU for Minnesota Paid Family Leave

City Administrator Winter presented. At the regular December 18, 2025 meeting of City Council, a discussion took place regarding Minnesota Paid Family and Medical Leave (MN PFML). Some of the questions that were asked were:

1. If someone is out on MN PFML, do they still receive their health insurance? Answer: Yes, they do.
2. While out on MN PFML, does an employee still accrue vacation and sick time? Answer: No, they do not.

Attached in the packet is an updated draft MOU regarding MN PFML. The language has been changed to reflect that the MOU is for a duration of January 1, 2026, through January 1, 2028.

A motion was made by Council Member Frieler, seconded by Council Member Niehoff, and unanimously carried for the Council to concur with language in the MOU.

9. INFORMATIONAL ITEMS

9a. Schools and Training

- Fire Department employees will be attending the following trainings from March 14-15:
 - Rope Systems & Wildland Firefighting – McKahl Long
 - Passenger Elevator & Thermal Imaging Units – Alex Thompson
 - Leading from the Front Line & Fire Investigation Case Studies - Corey Bueckers
- Fire Department Training Officer Joe Matt will be attending Training Officer 101/Fire Service, Response & Scene Mistakes from March 28-29.

9b. Stearns County Commissioners Board Meeting – April 7, 2026 @ 6:00 PM in Melrose

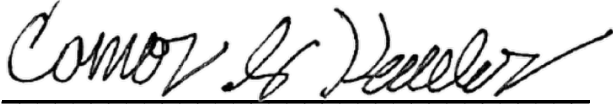
Steve Notch, the Stearns County Commissioner for our area is the new Board chair. Last year the county commissioners decided to hold one board meeting a year outside of St. Cloud, in an evening, to encourage residents to attend. At the invitation of the mayor and staff, the county commissioners will be holding their April meeting in Melrose. The date is Tuesday, April 7th, 2026 @ 6:00 P.M. here in our council chambers. This is an opportunity for Melrose residents and residents throughout the western side of Stearns County to attend a Stearns County Board of Commissioners meeting. There will be a discussion about deer hunting with shotguns or rifles in this area at the meeting. Mayor Finken encouraged residents to attend the meeting.

9c. The next City Council meeting will be held on Thursday, March 19 at 6:00 P.M.

City Administrator Winter added that there would be two additional meetings coming up. There will be a joint City Council and Public Utilities Commission meeting on Monday, March 9 at 5:30 P.M. to interview David Drown and Associates for the City Administrator search. There will also be a closed joint City Council and Public Utilities Commission meeting on Thursday, March 12 at 7:00AM for union negotiations.

10. ADJOURNMENT

A motion was made by Council Member Frieler, seconded by Council Member Wieling, and unanimously carried to adjourn the meeting at 6:38 P.M.

A handwritten signature in black ink, appearing to read "Connor Kockler", written over a horizontal line.

CONNOR KOCKLER – CITY CLERK