

**MELROSE AREA DEVELOPMENT AUTHORITY/
COMMUNITY OPPORTUNITIES COMMITTEE
REGULAR MEETING
THURSDAY, AUGUST 14, 2025 – 6:00 A.M.**

A.I. #1 CALL TO ORDER/ROLL CALL

The Melrose Area Development Authority/Community Opportunities Committee (MADA/COC) met in a Regular Meeting on Thursday, August 14, 2025, at 6:00 a.m. at the Melrose City Center pursuant to due notice being given thereof. Present were MADA Members Bob Mayers, Jerome Duevel, Dave Rahn, Jose Morelos, Joe Woeste, Travis Frieler, City Administrator Colleen Winter, and Community Development Director Sheila Hellermann. MADA Member Joe Finken was absent. There are no active COC members. President Bob Mayers called the meeting to order.

A.I. #2 APPROVAL OF AGENDA

A motion was made by Mr. Rahn seconded by Mr. Frieler and unanimously carried to approve the agenda as submitted.

A.I. #3 APPROVAL OF MINUTES

A motion was made by Mr. Rahn seconded by Mr. Woeste and unanimously carried to approve the minutes from July 10, 2025, Regular Meeting and the July 21, 2025, Special Meeting

A.I. #4 REPORTS

- a. Community Development Director Sheila Hellermann reported that Pete Rothfork with Melrose Feed Mill will be awarded the Rural Business Award from the St. Cloud Diocese. Funding was obtained from the MPCA to help out the owner of the former Bohlig's Cleaner building to determine soil content of the property. Ms. Hellermann has received requests for smoke shops and cannabis shops and she has been reviewing the ordinance and required distances from parks and schools. We are having discussions about food trucks and our current ordinance which does not charge if the truck is on private property vs. public. With the changing world regarding food trucks, we may need to look at the ordinance and define private party vs. public sales or something different. The MADA Facebook page was launched on Friday, August 8. MADA by consensus directed staff to shutoff the comment section on Facebook. There are three new homes under construction in Melrose.
- b. City Administrator Winter provided the following update.
Workforce – As of today I am happy to report that all City and Utility Departments are operating at or near full staff. Some of the new hires include:
Justin Henrichs – Electric Supervisor
Seth Ryan – Line Worker
Matt Host – Police Officer

A new AFSCME union has formed – Street Dept and some Admin staff and we will be meeting with them to begin negotiations at the end of August.

Budgets – We are working on the budgets for 2026. As part of that discussion we also look at rates, fee schedules, wages, health insurance and capital improvements over 5 years. We will be hosting a workshop with the City Council on August 21, 2025 at 4:30 to discuss General fund budgets which include the following:

- Streets/Parks Departments
- Police Department
- Administration
- Special Revenue Funds

We will be meeting with the Public Utilities Commission in September and those budgets include:

- Electric
- Water
- Wastewater

Anticipated Rate Changes – User rates include water, sewer and electric

We are projecting an increase of 4% in electric rates

We are projecting an increase of 5% in wastewater rates

We are projecting no increase in water rates

Tentatively we have also scheduled a meeting to go over all of our TIF projects with Consultant Jason Murray of David Drown and Associates. MADA is welcome to attend that meeting. We will get back to you on the date and time.

A.I. #5 ACTION ITEMS

None

A.I. #6 UNFINISHED BUSINESS

- a. Community Development Director Sheila Hellermann provided an update on 406 2nd Avenue SE. There has been no new development.
- b. MADA is invited to tour Woods and Irons immediately following the meeting.

A.I. #7 NEW BUSINESS

- a. On Thursday, August 21st, the City Council will be reviewing the preliminary budget and discussing the levy. As a city we have multiple projects (or potential projects), including three (3) developers interested in housing. Staff has also met with an interested developer of the Blenker property and sketches have been reviewed. The infrastructure estimate from the city engineer for the Blenker property is approximately \$1.9 million for 20 lots. The Massmann land is being surveyed and there may be movement there. At the July meeting we looked at the cost of

infrastructure. Developers are going to need city support due to the high cost of infrastructure. We also have the possible downtown redevelopment project this fall. MADA discussed costs and priorities and gave recommendations to the city council about budgeting for these projects.

Highlands The cost to construct all of 9th is approximately 1.6 million dollars without 1st Street NW being extended.

Blenker's property is for sale

Massman's property is being surveyed for potential development

Indieke's are looking at residential development (Belgrade Coop)

Downtown Redevelopment

MADA by consensus prioritized downtown development for 2026.

MADA recommended the Council and Public Utilities Commission look at purchasing the Blenker property for further water/wastewater expansion.

- b. On Thursday, July 31st, city staff met with representatives from the school district, health care industries, Montessori school, and major employers, to discuss the challenges in daycare. Participants leaned more toward supporting in-home providers, rather than developing a new daycare center. Is the Commercial Rehabilitation Deferred Loan Program through MADA something MADA would consider offering as an option for current and/or new in-home daycare providers? Does MADA have other ideas on how to support these businesses?
- c. City staff received a call from a realtor who will be listing the former Stearns Electric Association headquarters. The question from the realtor was asked – what will the city do to support a new tenant there? This will be a lease situation – not a sale. The city would be willing to look at rezoning for a lease situation. Additional support would be reviewed after a specific lessee brings forward a plan.

A.I. #8 INFORMATIONAL ITEMS

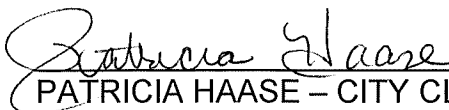
- a. MADA's next meeting is scheduled for Thursday, September 11, 2025, at 6:00 a.m.

A.I. #9 ISSUES of MADA/COC MEMBERS AND STAFF

None

A.I. #10 ADJOURNMENT

A motion was made by Mr. Rahn seconded by Mr. Woeste and unanimously carried to adjourn the meeting at 7:15 a.m. Members then went to Woods & Irons for a tour and breakfast.


PATRICIA HAASE – CITY CLERK