

**MELROSE CITY COUNCIL
REGULAR MEETING
THURSDAY, MAY 18, 2023 – 6:00 P.M.**

AGENDA

1. Call to Order/Roll Call/Pledge of Allegiance
2. Approval of Agenda
3. Open Forum
4. Consent Agenda
 - a. Approval of Minutes
 - b. Approval of Bills/Purchase Orders
 - c. Approval of Investments
 - d. Donation Resolution
 - 1) Resolution No. 2023-26, Donation from the Albany Lions
 - 2) Resolution No. 2023-27, Donation from the American Legion Post #101
 - 3) Resolution No. 2023-28 Donation from the Melrose Lions
 - 4) Resolution No. 2023-31 Donation from the Grey Eagle/Burtrum Lions Club
 - 5) Resolution No. 2023-32 Donation from Melrose 1 Stop
 - 6) Resolution No. 2023-33 Donation from Rahn's Oil and Propane
 - e. Gambling Resolution No 2023-30 Gambling Resolution St. Mary's Church
5. Presentation to Knowledge Bowl Team and Speech State Champions
6. Reports
 - a. Police Department Report
 - b. City Attorney Report
 - ~~c. General Fund First Quarter Financial~~
 - d. City Planner Report
 - e. City Engineer Report
 - f. City Administrator Report
7. Action Items
 - a. Ordinance 05-18-2023 An Ordinance Amending Chapter 153 of the Melrose City Zoning Code
 - b. 2023-2024 LMCIT Property/Liability Insurance Quote
 - c. City Center Doors/Security
 - d. Community Development Director Job Description/Wage Scale
 - e. Accounting Clerk/Office Coordinator Job Description/Wage Scale
 - f. City Clerk/Licensing Coordinator Job Description
 - g. Boiler Repair
 - h. Ultra Thin Bonded Wearing Course/Micro Mill Street Project
 - i. Railroad West Soil Boring Quote
 - j. Amendment to Development Agreement with Riverside Development Group, LLC

- 8. Old Business
 - * a. Discussion of RDB Project Payment
- 9. New Business
- 10. Informational Items
 - a. Utilities Commission Meeting Minutes
 - b. Schools and Conferences
- 11. Adjournment
 - * Amendment
 - ** Deleted

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THURSDAY, MAY 18, 2023 – 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, May 18, 2023 at 6:00 p.m. at the Melrose City Center pursuant to due notice being given thereof. Present were Council Members Justin Frieler, Travis Frieler, and Joelene Wieling. City Administrator Colleen Winter, and City Clerk Patti Haase. Council Member Tony Klasen, and Mayor Joe Finken were absent. City Clerk Haase called the meeting to order.

The Council then recited the Pledge of Allegiance.

A motion was made by Ms. Wieling, seconded by Mr. Travis Frieler and unanimously carried to appoint Council Member Justin Frieler as chair of the May 18, 2023 meeting.

A.I. #2 APPROVAL OF AGENDA

A motion was made by Mr. Travis Frieler, seconded by Ms. Wieling and unanimously carried to approve the agenda amended.

A.I. #3 OPEN FORUM

Chair Justin Frieler 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 Council's April 6, 2023 Workshop the April 20 Local Board of Appeal and Equalization Meeting, and the April 20 Regular Meeting Minutes
- b. List of bills in the amount of \$518,040.04
- c. List of investments for the month of April
- d. Donation Resolutions
 - 1) Resolution No. 2023-26 donation in the amount \$10,000 from the Albany Lions towards the Melrose Ambulance Department cardiac monitors
 - 2) Resolution No. 2023-27, donation in the amount of \$1,000 from American Legion Post #101 to the Melrose Area Chamber of Commerce towards the Riverfest celebration
 - 3) Resolution No. 2023-28, donation in the amount of \$500 from the Melrose Lions towards the Melrose Police Department Reserves.
 - 4) Resolution No. 2023-31, donation in the amount \$5,000 from the Grey Eagle/Burtrum Lions Club towards the Melrose Ambulance Department.
 - 5) Resolution No. 2023-32, donation in the amount of \$500 from Melrose 1 Stop towards the Melrose Ambulance Department
 - 6) Resolution No. 2023-33, donation in the amount of \$1,000 from Rahn's Oil and Propane towards the Melrose Ambulance Department.
- e. Gambling Resolution
 - 1) Gambling Resolution No. 2023-30 Resolution Approving Gambling License to the Church of St. Mary for an exemption from lawful gambling license to conduct a bingo on October 29, 2023, at the Church of St. Mary located at 755 Kraft Drive SE.

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

A.I. #5 PRESENTATION

- a. City Administrator Winter and the Council presented certificates to the 2023 Minnesota State High School State Team and Individual Knowledge Bowl and Speech Champions.

A.I. #6 REPORTS

- a. Police Chief Craig Maus presented the Police Department's April 2023 report. He noted there were 244 calls for service during that month, compared to 262 for April 2022. A total of 19 citations were written for the month of April. There were 50 verbal warnings and 1 written warning. The year-to-date number of calls is 995 compared to 1,048 in 2022. For the month of April 2023, the Department received 22 agency assist calls. Chief Maus noted that the Melrose High School Senior's parade will take place on Friday, May 26.
- b. City Attorney Scott Dymoke reported on projects he has been working on for the city:
 - **Riverside Development** – Prepared closing documents and coordinating settlement arrangements on sale to Riverside Development Group, LLC.
 - **MADA** – Prepared purchase agreement for acquisition of Daylight Court 2 property from Morningview Properties, LLC.
 - **Rose Park** – Received service of summons and complaint by Melrose Community, LLC challenging sanitary sewer charges. Forwarded documents to city staff for referral from League of Minnesota Cities.
- c. Removed
- d. City Planner Sheila Hellermann provided the following update:

In October 1994 the City of Melrose purchased the former Kraft lot. If things proceed according to plan, on Monday, May 15, 2023, this lot will be sold to Riverside Development Group, LLC. We are waiting for the building permit application.

Plans are inching forward with Railroad West. The joint meeting of the Council, MADA, Park Board and Planning & Zoning generated good discussion and a plan for moving forward with the re-platting of the area and opening of residential lots. In talking with GC Real Estate Partners, we are anticipating a signed purchase agreement and development agreement the last week of May for the multi-family development.

We had planned to discuss the comprehensive plan proposal at this meeting, but we are going to wait until the June meeting for a discussion by the full Council.

We are also waiting a month for the ordinance changes regarding nuisances, vacant buildings and building permit penalties, but watch for them in June.

The Welcome to Melrose sign is happening. You can watch the progress by the Melrose Lions on this community project.

The Park Board will be mapping out the area for the basketball court at its meeting on May 31st. St. Rosa Lumber will be starting on the restroom shortly.

Building permits are coming in at an impressive pace. There are left over re-shingle projects from last spring's storm, but we are also seeing remodeled kitchens and bathrooms, new windows, and sheds. We have issued over 100 building permits already for 2023. We have exceeded the total number of permits issued in all of 2021 and in 2020. The permits are both commercial and residential and it is exciting to drive or walk around and see the projects.

- e. Dave Blommel provided the following update.

2023 Street Project

The 2023 Street Project will be underway by the time the council meeting occurs. Pavement on 4th St SE will be removed starting on Monday, May 15th.

Active Transportation Sidewalk

City Staff met on site with representatives from the school to layout the best location for the sidewalk along the school property. District staff has been an excellent member of the team and has been very accommodating. With their cooperation, the alignment has improved from the original application and should be a great finished product. Surveying is complete for the project and design will begin soon.

- f. City Administrator Winter provided an update on the Kraft Lot development and the history of the property. She appreciated the support of Council, MADA, staff and all who worked so diligently to move this development forward. Ms. Winter also provided an update on the legislative activity.

A.I. #7 ACTION ITEMS

- a. At the March 27, 2023, Planning & Zoning Commission meeting a public hearing was held regarding changes to Section 211.06 (1.3) of the zoning ordinance concerning the use of metal roofing in residential areas. Action was then taken at the Planning & Zoning Commission meeting on April 24, 2023, recommending that the Council consider adopting the revisions.

A motion was made by Mr Travis Frieler, seconded by Ms. Wieling and unanimously carried adopting Ordinance 05-18-2023 An Ordinance Amending Chapter 153 of the Melrose City Zoning Code

- b. The City/Commission received their annual quote for general liability, errors and omissions, auto, equipment, and property insurance through the League of Minnesota Cities Insurance Trust (LMCIT) for the period of May 15, 2023 - May 15, 2024. The total quote is \$145,403, up from \$125,215 for the 2022-2023 coverage. The cost for the premium is shared between the General at 36% and

Utility Funds at 64%.

The overall premium is up 16.40% from the prior year. According to the League underwriters, this is due to:

- A. Property coverage increased 18.53% due to the following:
 - a. Inflation
 - b. Rate changes: I have reviewed the League's memo regarding rate changes. On average property rates will increase 5%, however Melrose saw an increase in this premium of 18.53%. The building types with the largest rate increases include general civic buildings like city halls, fire stations, community centers, police stations, and water, sewer and electric property.
- B. The mobile property premium is up 18.49% as this is tied to the manual premium for property.
- C. Municipal liability premium is up 12.96% due to an increase in exposures (expenditures, households, sewer connections).
- D. Auto liability is up 14.95% and auto physical damage is up 17.58% due to:
 - a. Additions of property.
 - b. Rate changes that apply to certain types of auto classifications.
- E. Our liability experience mod had an increase of 0.33% from last year.
- F. The auto experience mod had a 5% increase from last year.

The City's insurance coverage has a \$5,000 deductible, \$15,000 aggregate. The City needs to decide whether or not to waive the statutory tort liability limits. The decision to waive or not to waive the statutory limits has the following effects:

1. If the City does not waive the statutory limits, an individual claimant would be able to recover no more than \$500,000 on any claim to which the statutory limits apply. The total which all claimants would be able to recover for a single occurrence to which the statutory tort limits apply would be limited to \$1,500,000. These statutory tort limits would apply regardless of whether or not the City purchases the optional excess liability coverage.
2. If the City waives the statutory tort limits and does not purchase excess liability coverage, a single claimant could potentially recover up to \$2,000,000 on a single occurrence. The total which all claimants would be able to recover for a single occurrence to which the statutory tort limits apply would also be limited to \$2,000,000 regardless of the number of claimants.
3. If the City waives the statutory tort limits and purchases excess liability coverage (\$1 million for \$14,525), a single claimant could potentially recover an amount up to the limit of the coverage purchased. The total which all claimants would be able to recover for a single occurrence to which the statutory tort limits apply would also be limited to the amount of coverage purchased, regardless of the number of claimants. In the past the City has not purchased the excess liability coverage.

In the past, the city has chosen Option 2.

Also included with this year's quote was optional coverage for equipment breakdown. Equipment breakdown coverage would apply in the event that equipment of the city has a malfunction and needs repair. This coverage includes the actual cost of repairing or replacing the equipment as quickly as possible, which is subject to a limit equal to 150% of the scheduled value of the property and \$5 million per occurrence. This premium for this additional coverage would be \$14,525. In the past, the city has not carried this coverage.

A motion was made by Mr. Travis Frieler, seconded by Ms. Wieling and unanimously carried concurring with the Melrose Public Utilities Commission approving the insurance quote of \$145,403 to waive the monetary limits on municipal tort liability, to keep the deductible at \$5,000/\$15,000, and not purchase excess liability or equipment breakdown coverage.

- c. Over the past 6 months, a sub-committee of city staff has been meeting to determine the security plan needs for all municipal buildings including City Center, Fire/Ambulance, Public Works, WWTF and substations. There are several components involved in the comprehensive security plan. As part of that plan, last month the Council and PUC approved camera additions and upgrades for municipal buildings. The second and third part of the overall security plan is to install key fobs and other security upgrades (panic buttons, new front doors). This also had a substantial price tag and so staff is recommending that the keyfobs be phased in over a couple of years. We are requesting approval of security/keyfobs for the City Center only at this time. The system at the City Center includes the replacement of the front doors, panic buttons in the library, reception for lock down purposes, and key fobs for several doors. After analyzing different proposals, the staff subcommittee is recommending that we approve a contract with Arvig for the system at City Center. Arvig is also the vendor for our camera system. The overall project cost is \$59,152.81 for City Center, which is \$9,152.00 over budget. The cost would be split 50/50 between the PUC and City. Staff is recommending that if the PUC and Council approve Arvig as the vendor, then CA Winter will negotiate a new service contract, which could result in overall savings. PUC would be paying for ½ the system at a cost of \$29,576.41 See sheet.

A motion was made by Ms. Wieling, seconded by Mr. Travis Frieler and unanimously carried concurring with the Melrose Public Utilities Commission approving the contract for upgraded security and keyfobs for the city center from three vendors for a total cost of \$45,422.81.

- d. At the request of MADA, the City Planner position has changed to Community Development Director. The job description has been created for this position. City Administrator Winter, HR Generalist/Payroll Clerk, and Finance Director Ryan Meyer reviewed the job descriptions and completed the Safe Evaluation. The wage scale is based on the point evaluation. AdHOC met and reviewed the job description for this position.

A motion was made by Ms. Wieling, seconded by Mr. Travis Frieler and unanimously carried approving the Community Development Director job description and wage scale.

A motion was made by Ms. Travis Frieler, seconded by Ms. Wieling and unanimously carried approving Ms. Hellermann to Step 1 on the wage scale with a review in six months.

- e. The Accounting Clerk position job duties have changed significantly around IT, and marketing duties and will be taking on additional duties related to coordination. City Administrator Winter, HR Generalist/Payroll Clerk, and Finance Director Ryan Meyer reviewed the job descriptions and completed the Safe Evaluation. The wage scale is based on the point evaluation. AdHOC met and reviewed the job description for this position.

A motion was made by Mr. Travis Frieler, seconded by Ms. Wieling and unanimously carried approving the job description and wage scale.

- f. The City Clerk/Licensing Coordinator position needed clarification and general cleanup of the job description. City Administrator Winter, HR Generalist/Payroll Clerk, and Finance Director Ryan Meyer reviewed the job descriptions and completed the Safe Evaluation. There was no change in the wage scale. AdHOC met and reviewed the job description for this position.

A motion was made by Mr. Travis Frieler, seconded by Ms. Wieling and unanimously carried approving the job description.

- g. Streets/Parks Supervisor Middendorf has obtained quotes for the boiler repair.

A motion was made by Ms. Wieling, seconded by Mr. Travis Frieler and unanimously carried approving the quote from Burnn Boiler and Mechanical Inc. for the boiler repair.

- h. As we discussed at the April meeting, staff is recommending the City invest in an ultra thin bonded wearing course paired with a micro mill on the following streets:

- ❖ 12th Ave from Main Street to Kraft Drive
- ❖ 8th Ave NW from Main Street to Railroad Ave
- ❖ Railroad Ave from 3rd Ave to 8th Ave
- ❖ 3rd Ave NW from Railroad Ave to 1st St NW

These roadways all are in the most critical range (1998-2004) where we are seeing the delamination of the wearing course causing shallow potholes. Most of these potholes are not related to subgrade failure and are best repaired by milling the problematic pavement and installing the ultra thin wear course.

A motion was made by Mr. Travis Frieler, seconded by Ms. Wieling and unanimously carried authorizing staff to advertise for bids (10 days).

- i. Surveying is underway for the Railroad West project. Once completed, we will move straight into design. A quote has been received from ITT in the amount of \$6,900. They estimate it will be 3 weeks from approval before borings can be completed. SEH coordinated the proposal, but the city will have the contract with ITT directly.

A motion was made by Ms. Wieling, seconded by Mr. Travis Frieler and

unanimously carried approving the soil boring quote from ITT in the amount of \$6,900.

- j. The closing with Riverside Development Group, LLC is scheduled for Monday, May 15, 2023. We extended the purchase agreement in March until May 15th as the project has worked its way through the Environmental Assessment Worksheet process, engineering, bidding, etc. Parties have been aware of the need for this additional time to bring the project to fruition. The original Development Agreement contained a project start date of November 1, 2022 and a substantial completion date of December 31, 2023. The Development Agreement needs to be amended to reflect the current plan for construction, which is a start date of May 22, 2023 and a substantial completion date of July 31, 2024.

A motion was made by Ms. Wieling, seconded by Mr. Travis Frieler and unanimously carried authorizing the execution of the Amendment to Development Agreement by and between the City of Melrose and Riverside Development Group, LLC.

A.I. #8 OLD BUSINESS

- a. On Tuesday, May 16 staff meet with WSB, Landwehr, and Stearns County to review the punch list items on the RDB project. Erosion has occurred on the north corner in the Midwest Automatic Products parking lot. A couple of options were presented. One was for an extension of the concrete wall of another section, or steel pylons with sheeting, which would be less expensive, not as aesthetically pleasing, however it would get the job done. Also discussed was the 11K remaining on the additional paved area that was done outside the project scope.

The Council by consensus tabled this matter until the next regular meeting.

A.I.#9 NEW BUSINESS

None

A.I. #10 INFORMATIONAL ITEMS

The following informational items were then reviewed:

- a. The minutes from the Public Utility Commission's April 10 Regular Meeting and April 25 Special Meeting
- b. The following is a list of schools and/or conferences where registrations were made:
 - 1) LMC Annual Conference June 21-23 Attending: City Administrator Colleen Winter, and Community Development Director Sheila Hellermann.

A.I. #11 ADJOURNMENT

A motion was made by Mr. Travis Frieler, seconded by Ms. Wieling and unanimously carried to adjourn the meeting at 7:00 p.m.

PATRICIA HAASE – CITY CLERK