

**MELROSE CITY COUNCIL
REGULAR MEETING
THURSDAY, DECEMBER 14, 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, December 14, 2023 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, Joelene Wieling, Mayor Joe Finken, City Administrator Colleen Winter, and City Clerk Patti Haase. Also in attendance was James Pachan Vice President of Engineering and Operations for Stearns Electric Association and Glenn Blommel Operations Manager for Stearns Electric. 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. Justin Frieler and unanimously carried to approve the agenda as amended.

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 Councils November 16 Regular Meeting
- b. List of bills in the amount of \$787,479.51.
- c. List of investments for the month of November.
- d. The Council to give consideration to approval of the following tobacco licenses:
 - 1) Coborn's Inc. – Coborn's Store
 - 2) Melrose 1 Stop
 - 3) Casey's General Store #2650
 - 4) SPIRITZ Liquor, Inc.
 - 5) Coborn's Inc. – Coborn's Liquor
 - 6) Dollar General

Minnesota law requires cities to obtain proof that all license holders provide workers' comp insurance for their employees. Also, the city must obtain licensees' social security numbers, and Minnesota and federal tax identification numbers for the Department of Revenue's use. The licenses are effective January 1, 2024.

- e. City Administrator Winter is requesting that the Council consider renewing the contract with Tri-Cap bus service. The City of Melrose purchases 20 hours of bus service a week from Tri-Cap at a monthly cost. Tri-CAP is not increasing rates for 2023.
- f. Donation Resolutions
Resolution No. 2023-67 donation in the amount of \$1,500 from the Melrose

- Lions to the Melrose Area Chamber of Commerce.
- g. Part-Time Streets/Parks Maintenance Worker, Fran Hinnenkamp completed 1040 hours with the city. Streets/Parks Supervisor Gary Middendorf has conducted Mr. Hinnenkamp's review, and it is favorable; therefore, recommends he receive a step increase from Step 1 to Step 2 on the wage scale.
 - h. Staff presented the annual contract with MMUA. City Administrator Winter has had discussions with MMUA related to their rate schedule and how much we pay every year. They are open to discussing this in 2024 and looking at adjusting the rates, in particular for the smaller utilities. MMUA is the only option that we have for much of our programming and therefore City Administrator Winter recommends that the contract be approved as presented.

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

A.I. #5 PUBLIC HEARING

- a. The Council held a public hearing on the 2024 Budget and Tax Levy. The public hearing is to allow public comment and questions. 2024 Budget and Levy/Resolution No. 2023-68, Resolution Adopting the Tax Levy and 2024 Budget/ 2024-2028 Five Year Capital Improvement Plan Finance Director Meyer to provide Truth in Taxation presentation.

At the September 21st meeting, the Council first reviewed the proposed 2024 Budget. The preliminary property tax levied to the County at that time was:

	Initial	
General property tax		\$1,550,000
Debt Levy:		
2008 Fire and Ambulance Station Lease Revenue Bonds		<u>90,000</u>
TOTAL LEVY		\$1,640,000

Since that time, the Council and staff have reviewed the budget to determine adjustments needed to arrive at a more detailed budget, as well as plan for upcoming capital needs, and consciously spending down accumulated fund reserves. Based on those meetings, the general levy is proposed to be \$1,400,000. This is an increase of \$50,000 from the 2023 levy. It was expected that year 2024 and beyond would have increases in the levy due to the planned draw down of fund balance in 2023 and the structuring to restore back to a balanced budget in 2028. The debt levy is proposed to remain at \$90,000, for a total levy of \$1,490,000. According to the information received from the County, the proposed tax capacity for the City is estimated at \$3,112,896. This will result in an estimated tax rate of 47.87%, which is a 0.22% increase over 2023's rate of 47.65%.

Proposed Resolution No. 2023-68, Resolution Adopting the Tax Levy and 2024 Budget. According to law, the City now must certify the levy as set in September

or it may reduce the levy. It cannot set a levy higher than the proposed levy, which was certified with the County Auditor in September. The proposed general levy of \$1,400,000 plus debt levy of \$90,000 results in a total levy of \$1,490,000.

Final

General property tax	\$1,400,000
Debt Levy:	
2008 Fire and Ambulance Station Lease Revenue Bonds	<u>90,000</u>
TOTAL LEVY	\$1,490,000

The budget and levy to be adopted at the hearing to meet the State law requirements. After the final levies are adopted, they must be certified with the County Auditor prior to December 31.

Council Member Justin Frieler introduced Resolution No. 2023-68 Tax Levy, Collectible in 2024 and 2024 Budget the motion was seconded by Mr. Klasen with a roll call vote recorded as follows:

FOR: Council Members Justin Frieler, Wieling, Klasen, and Mayor Finken

AGAINST: None

ABSENT: Council Member Travis Frieler

A motion was then made by Mr. Klasen seconded by Ms. Wieling and unanimously carried adopting the 2024-2028 Five Year Capital Improvement Plan.

The Public Hearing was closed at 6:15 p.m.

- b. The Melrose City Council next held a public hearing on Thursday, December 14, 2023, at 6:00 o'clock p.m. at the Melrose City Center, 225 1st Street NE, Melrose, MN, to consider a request by Stearns Electric Association to vacate a utility easement that is no longer needed on PID # 66.36401.0000, 900 Kraft Drive SE, legally described as set forth in the Notice of Public Hearing. The Melrose Public Utilities Commission at its November 13, 2023, meeting reviewed the request and is recommending the Council approve the vacation of the utility easement.

Community Development Director Hellermann presented the Affidavit of Publication of the hearing notice which was published in the Star Post on November 22 and November 29, 2023. She also presented the Affidavit of Mailing and Posting of Notice of Hearing, which was posted and mailed on November 17, 2023 to all property owners within 350 feet of the easement area. This easement runs through the middle of the parcel. Maps are included. It is an abandoned water main, which is no longer used. The property owner is planning a construction project for 2024.

Ms. Hellermann provided a summary of the utility easement vacation request. There was no public comment.

The public hearing was closed at 6:16 p.m.

A.I. #6 REPORTS

- a. Police Chief Craig Maus presented the Police Department's November 2023 report. He noted there were 256 calls for service during that month, compared to 251 for November 2022. A total of 31 citations were written for the month of November. There were 69 verbal warnings and 6 written warnings. The year-to-date number of calls is 2,676 compared to 3,201 in 2022. For the month of November 2023, the Department received 22 agency assist calls. Chief Maus stated the Police Officer Dave Bonfield has resigned from the Melrose Police Department. Applications for the position closes Friday, December 15. Interviews will be conducted on Wednesday, December 20.
- b. During the period from November 8 2023, through December 7, 2023, City Attorney Scott Dymoke has given significant attention to the following projects on behalf of the City of Melrose:
 - **Community Development** – Worked with city staff on preparing a Letter of Intent for use with a potential development project.
 - **Industrial Park** – Worked with city staff on preparing a purchase agreement for use with a potential development project in the Industrial Park
 - **Ambulance Service** – Received and reviewed proposed Medical Director Services Agreement for the Ambulance Service. Revised proposal to conform to existing service agreement.
- c. Community Development Director Sheila Hellermann provided an update.

On Thursday, December 7th both applications for the Local Road Improvement Program funds were submitted - ours for Main Street and the joint application with Melrose Township for Railroad Avenue and the Sauk River Bypass. Now we wait. Decisions are expected by the end of March.

Ms. Hellermann is working with the Arts Council on one for the Edwin Clark historical sign. Looking at another for a redevelopment project, and watching for word on one expected to assist with residential lot development/infrastructure costs that was passed by the Minnesota legislation, but no information has been released on it yet. At this time the state is hiring to put the structures in place to administer all the money and programs passed during the recent session.

We are planning a community meeting for our Hispanic residents to assist with the comprehensive planning. It will be in February 10. We are planning one larger meeting and some small group sessions.

The MADA board, at its meeting on December 7th, discussed the need for enforcement of nuisance commercial properties.

Community Development Director Hellermann is working on easements we need for electric work done, and for projects which are planned. I have been working closely with Steve and Gary on those. It is the time of year we are catching up on these for work completed, and looking forward to spring projects that will need them.

The new playground for the park near the remodeled restroom has been delivered. It was tucked away by Street/Park Supervisor Middendorf and his crew until spring when it will be installed by the Lions as a community project.

Community Development Director Hellermann has been added to the advisory board for CentraCare-Melrose.

d. City Engineer Dave Blommel provided an update.

2024 Street Projects

Staff held a kickoff meeting for the 2024 projects. All departments were present and provided excellent input on what works on Main Street and what can be improved. We discussed a future open house to give residents a chance to come to an informal meeting and talk about their concerns for their home. A quick summary of the primary concerns:

- Electric:
 - o Significant in place facilities that need to be protected when digging for sewer and water replacement. Minor conduits possibly added for secondary feeds.
- Sanitary Sewer:
 - o Sewer gets very shallow on the west end, and we need to gain depth if at all possible. Watch for flat service laterals. Nelson Sanitation completed the video inspection. The sewer, as expected, is in poor condition and needs replacement. There are several locations where the camera could not get passed obstructions in the pipe.
- Water Main:
 - o Only replace the services that have not been completed by the homeowner.
- Streets:
 - o Try and get the curb stops out of the sidewalk if possible. Be mindful of the equipment used to remove snow from the streets and sidewalks.

1st Street SE

- Met with Public Works and walked the curb to determine removals for the project. In addition to the curb near the bowling alley, there was about 300 feet of additional curb identified as needing replacement. The 500' included in the preliminary estimate is pretty close to the needs identified in the walkthrough. Looking at ADA access to the sidewalk along 6th will require a few changes to the existing sidewalk to make the area compliant. We will add new ramps at the NE and NW quadrants of the intersection to allow for access to existing sidewalk / parking lots.

- e. City Administrator Winter provided the following update:

Updates

Ben Murphy met with the Electric Department on Monday, Dec. 4th and other staff on Dec. 5th. We also met with Roger Avelsgard of MMUA on Tuesday afternoon. An offer was made to Mr. Murphy, who has decided not to accept the position.

Staff has begun advertising for a full time police officer. Those applications are due on December 15th.

Main Street Open House – City staff met to plan the 2024 street projects and are recommending that an Open House be held sometime in January for the Main Street project. This project will last about 4 months and traffic will be closed from Coborn's out to the bridge on the west side.

A.I. #7 ACTION ITEMS

- a. Staff has updated the 2023 Fee Schedule as per Council direction at its November 30 Budget Meeting. The fee schedule will be effective as of January 1, 2024.

Council Member Klasen introduced Ordinance No. 12-14-2023, An Ordinance Summarizing and Reaffirming Fees for City Licenses, Permits and Services, Establishing a Schedule of Fines, and Providing for Subsequent Review, Modification and Amendment. The motion was seconded by Ms. Wieling with a roll call vote recorded as follows:

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

AGAINST: None

ABSENT: Council Member Travis Frieler

- b. Earlier this evening the Council held a public hearing to consider vacating a utility easement on parcel #66.36401.0000, owned by Stearns Electric Association, located at 900 Kraft Drive SE, Melrose, MN 56352, and legally described on the Notice of Hearing. Pursuant to Minnesota Statute §412.851, the City Council is being asked to vacate a utility easement running through the parcel. Notice was published in the Star Post on November 22 and November 29, 2023. Notice of the hearing was posted and mailed to property owners within 350 feet on November 17, 2023. A proposed resolution is attached, vacating the easement and, if approved, staff will record necessary documentation with the Stearns County Recorder.

A motion was made by Mr. Justin Frieler, seconded by Ms. Wieling and unanimously carried adopting Resolution No. 2023-69 Resolution Vacating an Easement.

- c. The Council, at its September 21, 2023, meeting, awarded the sidewalk bid for the County Road 168/5th Street NE project. The Grant Agreement and a Resolution Approving Active Transportation Program Grant Agreement and Grant Terms and Conditions must be submitted to the MnDOT. Finance Director

Meyer has reviewed the Grant Agreement and has no concerns.

A motion was made by Ms. Wieling, seconded by Mr. Justin Frieler and unanimously carried adopting Resolution No. 2023-70 Resolution Approving Active Transportation Program Grant Agreement and Grant Terms and Conditions authorizing staff to enter into the agreement with MNDOT

- d. Administrative staff have revised and updated the City of Melrose Sick Leave Policy as well as the Drug, Alcohol and Cannabis Testing Policy for Non-DOT Employees. This was done using the League of Minnesota Cities template as a guide and was then reviewed and commented on by the City's employment legal counsel, Flaherty & Hood. The new policies are compliant with the new Minnesota Earned Sick and Safe Time requirements and the new Minnesota Cannabis legislation.

A motion was made by Ms. Wieling, seconded by Mr. Klasen and unanimously carried concurring with the Melrose Public Utilities Commission adopting the City of Melrose Sick Leave Policy and City of Melrose Non-DOT Drug, Alcohol and Cannabis Testing Policy, which would become effective on January 1, 2024.

- e. The December 31, 2022, audit resulted in a Single Audit finding for internal controls over allowable costs, time and effort requirements, cash management, and conflict of interest specific to Federal Awards. Uniform Guidance requires that these policies be in writing and specific to Federal Awards. The new policy meets the requirements of the Uniform Guidance.

A motion was made by Mr. Klasen, seconded by Mr. Justin Frieler and unanimously carried concurring with the Melrose Public Utilities Commission adopting the City of Melrose Uniform Grant Guidance Policy Regarding Federal Revenue Sources.

- f. The Ambulance Department has reviewed and updated the Volunteer Ambulance Department Policies and Procedures. It has been reviewed by staff and is recommended for approval.

A motion was made by Ms. Wieling, seconded by Mr. Klasen and unanimously carried approving the revisions to the Volunteer Ambulance Department Policies and Procedures.

- g. Finance Director Meyer is requesting fund transfers to close out the 5th Avenue Bridge Improvement Fund and the Fire Remediation Fund due to both projects being completed in 2023, and transferring the remaining balances from the Capital Improvement and General Funds, as well as transferring a balance from the Ambulance Fund unreserved fund balance and designating for equipment set-asides, as reflected in Resolution No. 2023-71

Council Member Wieling introduced Resolution No. 2023-71 Authorizing the Transfer of Funds and Committing Fund Balances for Specific Purposes. The motion was seconded by Mr. Klasen with a roll call vote recorded as follows:

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

AGAINST: None

ABSENT: Commission Member Travis Frieler

- h. Police Chief Craig Maus has obtained quotes for a quantity of (5) night vision cameras. This would be paid for with the State of Minnesota Public Safety Funds.

A motion was made by Ms. Wieling, seconded by Mr. Justin Frieler and unanimously carried authorizing the purchase of the night vision camera from Kerif in the amount of \$14,000.

- i. Ambulance Coordinator Gina Eggert is requesting approval be given to appoint Adam Fettig at step one as Paramedic to the Ambulance Department, contingent upon successful background check, pre-employment physical and drug test.

A motion was made by Mr. Justin Frieler seconded by Mr. Klasen and unanimously carried approving the hire of Mr. Fettig as Paramedic to the Melrose Ambulance Department at step 1.

- j. City Administrator Colleen Winter is requesting approval be given to appoint Gina Eggert at step one as Transport Nurse to the Ambulance Department. Ms. Eggert is a current EMT for the Ambulance Department which will eliminate the need for a background check, pre-employment, and drug test.

A motion was made by Mr. Justin Frieler, seconded by Ms. Wieling and unanimously carried approving the hire of Ms. Eggert as Transport Nurse to the Melrose Ambulance Department at step 1.

- k. The Council was presented with a signed copy of C & L Excavating Inc. Pay Application No. 1 and Change Order No. 1 for the 2023 Railroad Avenue NW Street & Utility Improvements. SEH has reviewed this application and recommends payment of \$816,198.79 for the work completed through December 1, 2023.

The project will be split between the City and PUC. As bid the total project cost is approximately \$890,000 for the City and \$383,500 for the PUC. Those costs do not include the change order for the encountered granite.

Totals for payment #1 are

PUC: \$397,905.43

City : \$418,293.36

A motion was made by Mr. Justin Frieler, seconded by Ms. Wieling and unanimously carried concurring with the Melrose Public Utilities Commission authorizing payment of Pay #1 in the amount of \$816,198.79 and approval of Change Order #1.

- I. On Tuesday, December 5th Julie Baum notified staff of her need to leave as a member of the MADA board. The 6 am start time for meetings is challenging with her work schedule. According to the MADA bylaws, "vacancies shall be filled by the Mayor with Council approval upon recommendation of MADA." MADA discussed this at its meeting on Thursday, December 7th. The term will be for the 2 years remaining in her term, ending December 31, 2025. Mayor Finken is recommending the appointment of Jose Morelos.

Mayor Finken appointed Mr. Morelos to MADA for a two-year term to fill the remaining term of Ms. Julie Baum who resigned her position from the Board. A motion was made by Ms. Wieling, seconded by Mr. Frieler and unanimously carried appointing Mr. Morelos to MADA to fill the remaining term of Ms. Baum.

- m. Since 2022, the City of Melrose has been using Laserfiche for document storage and would like this to be the permanent archives for city documents. As part of that process, staff is requesting that the Council pass a resolution regarding records retention and the use of Laserfiche.

A motion was made by Ms. Wieling, seconded by Mr. Klasen and unanimously carried adopting Resolution No 2023-72 Resolution Adopting the Minnesota General Records Retention Schedule And Adopt Electronic Files as Permanent Retention Method/and approving the Records Retention Policy

- n. Three applications were received for the Streets/Parks Supervisor position. Interviews were conducted on Thursday, December 7. An offer was made to Mr. Andrew Rousslange at Step 1 on the wage scale with three weeks of vacation of which 40 hours to be preloaded for 2024. At six months of employment and a favorable job evaluation Mr. Rousslange would be moved to Step 2, with further steps to be made annually. Mr. Rousslange has accepted the position.

A motion was made by Ms. Wieling, seconded by Mr. Justin Frieler and unanimously carried approving the hire of Mr. Rousslange at Step 1 on the wage scale with three weeks of vacation of which 40 hours of preloaded vacation for 2024. At six months of employment and a favorable job evaluation Mr. Rousslange would be moved to Step 2

A.I. #8 OLD BUSINESS

None

A.I. #10 INFORMATIONAL ITEMS

The following informational items were then reviewed:

- a. Utilities Commission's November 13 Regular Meeting minutes

A.I.#9 NEW BUSINESS

- a. According to the Fire Department Policies, Officers' terms expire every two years. The terms will expire on January 1, 2024; therefore, applications for 1st Assistant Chief, 2nd Assistant Chief, and Training Officer were accepted through October 15.

No new applications were received therefore Chief Budde is recommending the following appointments:

Joe Woeste be appointed as 1st Assistant Chief
Carl Worms as 2nd Assistant Chief
Corey Bueckers as Training Officer.

A motion was made by Ms. Wieling, seconded by Mr. Justin Frieler and unanimously carried appointing Mr. Woeste as 1st Assistant Chief, Carl Worms as 2nd Assistant Chief, and Corey Bueckers as Training Officer.

- b. Under separate cover, City Administrator Winter provided the Council members with a memo to discuss a pay for performance agreement with Chief Craig Maus in closed session.

Performance evaluations Minn. Stat. § 13D.05, subd. 3(a). A public body may close a meeting to evaluate the performance of an individual who is subject to its authority. Minn. Stat. § 13D.05, subd. 3(a). Minn. Stat. § 13D.01, subd. 3. The following procedure must be used to close a meeting under this exception: DPO 05-013 (advising that a government entity could close a meeting under this exception to discuss its contract with an independent contractor when that contractor is an individual human being). DPO 14-007, DPO 15-002, and DPO 16-002 (discussing what type of summary is sufficient). • The public body must identify the individual to be evaluated prior to closing the meeting. • The meeting must be open at the request of the individual who is the subject of the meeting; so some advance notice to the individual is needed to allow the individual to make a decision. • 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. • The meeting must be electronically recorded, and the recording must be preserved for at least three years after the meeting. • At the next open meeting, the public body must summarize its conclusions regarding the evaluation. The council should be careful not to release private or confidential data in its summary.

A motion was made by Ms. Wieling, seconded by Mr. Justin Frieler and unanimously carried to close the meeting at 6:42 p.m.

The Council then discussed staffing shortages in the police department. During this time Police Chief Craig Maus worked to fill the vacant shifts.

A motion was made by Ms. Wieling, seconded by Mr. Justin Frieler and unanimously carried to open the meeting at 7:10 p.m.

A motion was made by Ms. Wieling, seconded by Mr. Klasen and unanimously carried that Chief Maus be paid for unused vacation in an amount not to exceed \$8,903.23. In addition Chief Maus would have 40 hours of vacation frontloaded beginning January 1, 2024, for a total of 240 hours in 2024.

A motion was then made by Ms. Wieling, seconded by Mr. Klasen and unanimously

carried adopting the Pay Performance Agreement as outlined by City Administrator Winter and included as an attachment.

A.I. #11 ADJOURNMENT

A motion was made by Mr. Klasen, seconded by Mr. Justin Frieler and unanimously carried to adjourn the meeting at 7:14 p.m.

PATRICIA HAASE – CITY CLERK