

**MELROSE CITY COUNCIL
REGULAR MEETING
THURSDAY, JULY 20, 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. 2023-37 Donation from Holdingford Firemen Relief
 - 2) Resolution No. 2023-38 Donation from Melrose Electric
 - 3) Resolution No. 2023-39 Donation from Kraemer Lumber Co.
 - 4) Resolution No. 2023-40 Donation from Albany Chrysler Center Inc.
 - e. Pay App #2 Molitor Excavating
 - f. Allied Inc – Pay App 1 (Final) 2023 Street Seal Coat Project

Presentation
CGMC

5. Public Hearings
 - a. Public Hearing on Interim Ordinance Prohibiting the Operation of Cannabis Businesses in Melrose
6. Reports
 - a. Police Department Monthly
 - b. City Attorney Report
 - c. Finance Director Report
 - d. Community Development Director Report
 - e. City Engineer Report
 - f. City Administrator Report
7. Action Items
 - a. Ordinance No. 07-20-2023-1, An Ordinance Declaring a Moratorium on the Establishment or Operation of Cannabis Businesses in the City of Melrose, Minnesota
 - b. Ordinance No. 07-20-2023-2, An Ordinance Adopting Chapter 154 of the Melrose City Code: Vacant Building Registration/Official Title and Summary
 - c. Ordinance No. 07-20-2023-3, An Ordinance Amending Chapter 153 of the Melrose City Code Zoning Regulations. /Official Title and Summary
 - d. 2023 Active Transportation Sidewalk
 - e. Basketball Court/North of Firehall Concrete Work Bid

- f. Volunteer Fire Department Policy
 - g. HRA Executive Director
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 - 8. New Business
 - a. Fire Remediation Funds
 - b. Budget Meeting
 - c. Kraft Drive Intersection
 - 9. Unfinished Business
 - a. Assignment - Granite City Real Estate LLC to GCRE-Melrose, LLC
 - b. Purchase/Development Agreement
 - 10. Informational Items
 - a. Utilities Commission Meeting Minutes
 - b. Streets/Parks Supervisor Recognition
 - c. Schools and Conferences
 - 11. Adjournment

*Amendment

**MELROSE CITY COUNCIL
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THURSDAY, JULY 20, 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, July 20, 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, Travis Frieler, Joeline Wieling, and Mayor Joe Finken, City Administrator Colleen Winter, and City Clerk Patti Haase. Mayor Finken presided thereat.

The Council then recited the Pledge of Allegiance.

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 as amended.

A.I. #3 OPEN FORUM

Council Member Klasen noted his recommendation of the movie “Sound of Freedom” and is encouraging others to see the film. Mayor Finken concurred.

A.I. #4 CONSENT AGENDA

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

- a. The minutes from the June 15 Special Joint Meeting, and the June 15 Regular Meeting.
- b. List of bills in the amount of \$870,432.21.
- c. List of investments for the month of June
- d.
 - 1) Resolution No. 2023-37 Donation in the amount of \$500 from the Holdingford Firemen Relief Association to the Melrose Ambulance Department.
 - 2) Resolution No. 2023-38, Donation in the amount of \$250 from Melrose Electric to the Melrose Ambulance Department.
 - 3) Resolution No. 2023-39, Donation in the amount of \$250 from Kraemer Lumber Company to the Melrose Ambulance Department.
 - 4) Resolution No. 2023-40, Donation in the amount of \$500 from Albany Chrysler Center to the Melrose Ambulance Department.
- e. Molitor Excavating has submitted Pay App #2 for the 2023 Street and Utility Improvement Project in the amount of \$213,694.22. Of this amount, \$125,227.80 is utility and \$ 88,466.42 is the general fund portion of the invoice. SEH has reviewed the payment request and is recommending payment as outlined in the invoice.
- f. Allied Inc. has submitted Pay App 1 (Final) for the 2023 Street Seal Coat project for \$70,560.

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

PRESENTATION

Erik Simonson with CGMC provided the Council with a legislative session overview.

A.I. #5 PUBLIC HEARING

- a. The Melrose City Council held a Public Hearing on Thursday, July 20, 2023 at 6:00 p.m., at the Melrose City Center, 225 1st Street NE, Melrose MN for the purpose of giving consideration to an Interim Ordinance, pursuant to Minn. Stat. 342.13, prohibiting the operation of a cannabis business within the City of Melrose until January 1, 2025.

The public hearing was open at 6:25 p.m.

City Attorney Dymoke provided an overview of the cannabis moratorium.

There being no other comments, the public hearing was closed 6:30 p.m.

A.I. #6 REPORTS

- a. Police Chief Craig Maus presented the Police Department's June 2023 report. He noted there were 232 calls for service during that month, compared to 301 for June 2022. A total of 9 citations were written for the month of June. There were 20 verbal warnings and 2 written warnings. The year-to-date number of calls is 1,610 compared to 1,722 in 2022. For the month of June 2023, the Department received 27 agency assist calls. The 2022 squad car still has not been built. They will not be providing quotes on the 2024 vehicles until October. National Night Out will be held again this year at the Farmers Market on Wednesday, August 2 from 3:00 p.m. to 6:00 p.m. Mayor Finken stated that Police Officer Matt McDonald has left the Melrose Police Department to pursue other interests. Mayor Finken thanked Mr. McDonald for his years of service to the community.
- b. City Attorney Scott Dymoke reported on projects he has been working on for the city:
- ❖ **Vacant Building Ordinance** – Prepared final draft of ordinance and summary of ordinance for presentation to Council.
 - ❖ **Moving Regulation Ordinance** – Prepared final draft of ordinance and summary of ordinance for presentation to Council.
 - ❖ **Cannabis Interim Ordinance** – Prepared final draft of ordinance for presentation to Council.
 - ❖ **I-94 Industrial Park** – Prepared draft of purchase and development agreement for sale of Lot in the Industrial Park.
 - ❖ **Granite City Project** – Prepared assignments of purchase agreement and development agreement for use at closing on sale of the project property.
- c. Finance Director Ryan Meyer presented the General Fund Financial First Quarter Report. The financial position for the first quarter is comparable with the prior year. 2022 was the first year that capital set aside transfers were done on a quarterly basis, vs semi-annually in prior years.
- d. City Planner Sheila Hellermann provided the following update:

Sauk River Park restroom re-model is underway. It is a five-week project and should be done in late July. The campground opened Friday, July 14th at noon.

We are ready to seek bids on the sidewalk project along County Road 168/5th Street NE for which we received the MnDOT Active Transportation Grant funding.

We have an action item at the meeting related to Granite City's development in Railroad West. We have set a tentative closing on their purchase for Monday, August 28th. Planning & Zoning will be holding the public hearing on the preliminary and final plat and re-zoning of Railroad West on Monday, July 24th.

Kwik Trip is moving alot of dirt right now. They are dealing with challenging soil conditions which is slowing the start of the physical store construction. Their goal is to open in December.

We have an action item related to Riverside Flats next to city center. This project is a 12 month build with an opening next summer. We have been passing along the names and phone numbers of people who are expressing interest in living there. Mr. Gohman will be putting up a sign with leasing information, but for now people can feel free to contact me and I will pass the information along.

The Public Utility Commission and the Melrose Area Development Authority have teamed up to bring back the rehab grant program. This will provide the opportunity for businesses in our C-1 and C-2 zoning districts to improve their exteriors with a cost-sharing grant from the city. This was a successful program some time ago and we are excited to bring it back.

Regarding the comprehensive plan update, we are moving forward and working on putting together a strong steering committee to help drive this process. There is a brief initial survey available, as well as a wiki map which lets people put indicators of what they like, add suggestions or ideas, and mark areas they feel are concerns. We are working on getting the information out to people as we want to have as much participation as possible. We really want to hear people's thoughts.

We have past the mid-point of the year and we have issued 164 building permits totaling a little over \$12.6 million.

Something to plan ahead for - the city staff will be hosting the Melrose Farmer's Market on Wednesday August 2nd. This will also be our National Night Out celebration and the fire, police, and ambulance departments will be there as well. It is also National Farmers Market week. So a really great event for Melrose and a chance to talk about the comprehensive plan and projects. We invite everyone to come to the farmers market every Wednesday afternoon, but Wednesday, August 2nd in particular.

d. City Engineer Dave Blommel provided the following update.

Completed Work:

- ❖ Sanitary Sewer
- ❖ Water Service Relocation
- ❖ Storm Sewer
- ❖ Subgrade work (sand and geotextile fabric)

Upcoming work

- ❖ Mayers to finish aggregate base week of July 10th
- ❖ Replace concrete curb and gutter – July 24 & 25

- ❖ Remover pavement on 7th and Mustang Lane – July 25th
- ❖ Paving first week of August

The project is tracking close to budget. A small amount of additional sand was used to backfill additional peat material found in the roadway, but the overall project is on track.

The settlement at True North appears to have stopped and insurance companies for the contractor, subcontractor, and True north are working through the details of the claims. I will provide an update at the meeting should it be available.

2023 Active Transportation Sidewalk

The plans will be submitted to MnDOT State Aid (Administrator for the funding) by the time the council meeting is held. Reviews are generally relatively quick and once complete the city can advertise for bids. We anticipate opening bids in August in time for Council review. Construction is slated for September assuming reasonable bids. We are asking the council to consider authorizing advertisement for bids contingent on MnDOT State Aid approval.

Railroad West

Platting is well underway and we anticipate being ready for approval at the August meeting of the City Council. Road plans are out for bids currently with a bid opening in the first week of August. At that time final assessments will be calculated and closing can be completed on the Multi-family lot. The plan is to build the utilities and roadway base this fall, with concrete curb and gutter and paving in the spring.

2024 budgets

SEH has been assisting staff in budgeting for 2024 projects. Preliminary estimates included Main Street West, Industrial Park, and Railroad west residential.

- e. City Administrator Winter reported on the following:

Electric Supervisor Update – We conducted interviews for the Electric Supervisor position on Thursday, July 13th. We interviewed three people and AdHoc will be meeting again on July 19th.

Police Officer job opening – We received 2 applications for the Police officer position. At this time there has not been any additional action taken.

Staff Budget Retreat – Staff will be meeting on July 20th for a budget retreat. We did this last year and it was very effective. This year we also asked staff to complete a SWOT – I have talked about this in a Friday update. The results will be shared with the Council before the Budget meeting in August.

LCCMR grant funding monitoring – An annual audit was conducted on our LCCMR grant and there were no findings.

A.I. #7 ACTION ITEMS

- a. Mayor Finken noted that earlier this evening the Council held a public hearing to consider an interim ordinance prohibiting the operation of cannabis businesses in Melrose until January 1, 2025. The city can decide to adopt an ordinance prior to January 1, 2025. This action will allow city staff and attorney to study possible

zoning restrictions. It also gives the State of Minnesota time to get its office and staffing in place to license these businesses.

Council Member Wieling introduced Ordinance No. 07-20-2023-1 Prohibiting the Operation of Cannabis Businesses in Melrose until January 1, 2025. The motion was seconded by Mr. Travis Frieler with a roll call vote recorded as follows:

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

AGAINST: None

- b. A topic of discussion at Council, Planning & Zoning, and Melrose Area Development Authority meetings are vacant buildings in the city and their maintenance. In researching this, staff found that many cities adopt a vacant building registration process so owners of these buildings need to register them with the city, and provide a plan for the property – whether it is actively for sale, being re-developed, demolished, or whatever the intent is. This requires owners of properties to be actively doing something with buildings, so they do not become in a state of disrepair. It also provides for an ability for city staff to access and inspect the properties. The intent here is not the collection of fees, but really to keep the city looking good. Also, right now, there is considerable interest in properties, so we want to encourage the development of these opportunities.

Council Member Klasen did express some concerns regarding the Ordinance as written. One recommendation was to extend the timeline. Mayor Finken brought up the need of registration of vacant building for the safety of firefighters or others who may need to enter the building, or the potential of squatters. Mr. Klasen did acknowledge that there are problematic properties in the community, however he would like this ordinance to be revised to work on fine tuning what properties this is applied to.

After further discussion the Council by consensus tabled Ordinance No. 07-20-2023-2 for further review.

Council Member Klasen left the meeting at 7:00 p.m.

- c. Mayor Finken stated that at its June 26, 2023 meeting the Melrose Planning and Zoning Commission held a public hearing for the purpose of giving consideration to changing the zoning ordinance in section 1300 regarding Regulations of Building Moves. The existing Zoning Ordinance No. 1989-1-A as adopted with amendments in the Melrose Code of Ordinances in section 1300 contains unclear language. Attorney Scott Dymoke recommended these changes to provide clarification of process and required inspections and permits prior to both traditional homes and manufactured homes being moved into the city. The Planning & Zoning Commission voted to unanimously recommend to the council that it adopt these changes.

Council Member Wieling introduced Ordinance No. 07-20-2023-3 Regulations of Building Moves. The motion was seconded by Mr. Justin Frieler with a roll call vote recorded as follows:

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

AGAINST: None
ABSENT: Council Member Klasen

If approval is given to Ordinance No. 7-20-2023-3, the Council to consider taking action approving the Official Title and Summary for this Ordinance. This Official Title and Summary will then be published in the Melrose Beacon on July 26, 2023, in lieu of the entire Ordinance containing the amendments. Ordinance No. 7-20-2023-3 will be available at the Melrose City Center and at the Great River Regional Library – Melrose Branch. State Statute requires that approval of the Official Title and Summary by the Council must be by a 4/5 vote.

A motion was made by Mr. Travis Frieler, seconded by Ms. Wieling and unanimously carried approving the Official Title and Summary for Ordinance No. 7-20-2023-3 Ordinance Title and Summary.

- d. Mayor Finken stated that the plans for the sidewalk connecting Daylight Court to 5th Avenue will be submitted to MnDOT State Aid (who is the administrator for the Active Transportation Grant we received) by the time the council meeting is held. Reviews are generally relatively quick and once complete the city can advertise for bids. We anticipate opening bids in August in time for Council review at its August meeting. Construction is slated for September assuming reasonable bids.

A motion was made by Ms. Wieling, seconded by Mr. Justin Frieler and unanimously authorizing advertisement for bids for the County Road 168/5th Street NE sidewalk contingent on MnDOT State Aid approval.

- e. Mayor Finken noted that the staff has obtained two quotes for the concrete work for the basketball court and small area north of the fire station. A portion of the basketball court in Sauk River Park is being funded by the Bernick's grant which the city was awarded.

A motion was made by Mr. Travis Frieler, seconded by Mr. Justin Frieler and unanimously carried authorizing the construction and awarding the contract for the basketball court in Sauk River Park and the repair of the sidewalk area north of the fire station to Beuning Masonry.

- f. The Fire Department has reviewed and updated the Volunteer Fire Department Policy. It has been reviewed by legal counsel and staff and is recommended for approval.

A motion was made by Mr. Justin Frieler, seconded by Mr. Travis Frieler and unanimously carried approving the revisions to the Volunteer Fire Department Policy.

- g. Upon the pending retirement of HRA Executive Director Ernie Kociemba the Melrose HRA has conducted interviews for a new Executive Director. The Commissioners for the Housing and Redevelopment Authority of Melrose are recommending the hiring of Mr. Barry Hegg at Step 4.

A motion was made by Ms. Wieling, seconded by Mr. Travis Frieler and unanimously carried approving the hiring of Mr. Hegg as the Executive Director of the Melrose Housing and Redevelopment Authority at Step 4.

A.I. #8 NEW BUSINESS

- a. At the 2021 First Special Session of the Minnesota Legislature, it appropriated \$643,729 in fire remediation funds to the City of Melrose for redevelopment after the September 8, 2016 fire. As part of the agreements with Riverside Development Group, LLC, the City agreed to provide these fire remediation funds for its development of the former Kraft lot. Riverside Development Group, LLC has provided Finance Director Meyer sufficient documentation that it has expended more than this on its project.

A motion was made by Ms. Wieling, seconded by Mr. Justin Frieler and unanimously carried authorizing city staff to remit to Riverside Development Group, LLC the \$643,000 in fire remediation funds appropriated to the city for redevelopment.

- b. Staff is working on the budget and as a reminder the first budget workshop for the Council will be August 24 at 5:30 p.m.
- c. Mayor Finken noted that staff has been reviewing the Kwik Trip plans and observing the construction and traffic patterns on the Kraft Drive Intersection. We have received an estimate from SEH for re-designing that intersection to cut the corner similar to what we did by Jim Illies' building during the bridge project. The estimate is \$60,600. We are asking Council to consider this to be included as part of the street projects for 2023. The crews are working on 4th and next week starting in Highlands. We are hopeful it could be included for work this summer.

A motion was made by Mr. Justin Frieler, seconded by Ms. Wieling and unanimously carried approving the re-design and reconstruction of the Kraft Drive Intersection.

A.I.#9 UNFINISHED BUSINESS

- a. Mayor Finken stated that MADA and City have negotiated agreements with Granite City Real Estate, LLC on the sale of a parcel in Railroad West for the 73-unit multi-family development. Granite City has now created a new legal entity specific to this project called GCRE-Melrose, LLC. They are requesting an assignment of the purchase agreement and development agreement to this entity. This needs both Council and MADA approval because MADA owns the property, but the city is a party in the development agreement and TIF financing. MADA approved the assignment of the agreements at its July 13, 2023, meeting.

A motion was made by Mr. Travis Frieler, seconded by Mr. Justin Frieler and unanimously carried authorizing the execution of a Consent to Assignment of Development Agreement by Granite City Real Estate, LLC to GCRE-Melrose, LLC.

- b. Attorney Scott Dymoke has drafted a Purchase and Development Agreement for Lot 1, Block 1 of Melrose I-94 Industrial Park. We have provided a copy to the interested business. We will discuss with the Council any feedback, questions, or concerns we receive from the business between the preparation of the agenda packet and the meeting. If the terms are acceptable to both parties, we will ask

Council for its approval of the document.

Purchase or sale of real or personal property Minn. Stat. § 13D.05, subd. 3 (c). A public body may close a meeting to determine the asking price for real or personal property to be sold by the public body. • Review confidential or protected nonpublic appraisal data. • Develop or consider offers or counteroffers for the purchase or sale of real or personal property. Before holding a closed meeting under this exception, the public body must identify on the record the particular real or personal property that is the subject of the closed session. The closed meeting must be recorded. The recording must be preserved for eight years and must be made available to the public only after all real or personal property discussed at the meeting has been purchased or sold, or after the public body has abandoned the purchase or sale. The real or personal property that is being discussed must be identified on the recording. A list of members and all other persons present at the closed meeting must be made available to the public after the closed meeting. The actual purchase or sale of the real or personal property must be approved at an open meeting, and the purchase or sale price is public data.

A motion was made by Mr. Justin Frieler, seconded by Mr. Travis Frieler and unanimously carried to close the meeting at 7:20 p.m.

Present were Council Members Justin Frieler, Travis Frieler, Joelene Wieling, Mayor Finken, City Administrator Colleen Winter, Community Development Director Sheila Hellermann, Finance Director Ryan Meyer, City Attorney Scott Dymoke, City Clerk Patti Haase Community Development Director Hellermann identified the parcel as Lot 1, Block 1 of Melrose Industrial Park (PID) 66.37010.0280. There is a business owner looking to purchase this lot to locate his business.

City Attorney Scott Dymoke has drafted a Purchase and Development Agreement for Lot 1, Block 1 of Melrose Industrial Park. Staff has met with Mr. Wieling and he has requested that paragraph 14 and 15 be removed, and to have a straight warranty deed not a limited warranty deed otherwise he will not move forward. Attorney Dymoke is recommending not removing paragraph 14 and 15. Mr. Dymoke stated this is a standard agreement used in other developments.

A motion was made by Mr. Travis Frieler, seconded by Ms. Wieling and unanimously carried to open the meeting at 8:11 p.m.

A motion was made by Mr. Justin Frieler, seconded by Mr. Travis Frieler and unanimously carried to offer Mr. Wieling a purchase price of 90,000 with \$36,000 down and forgiving the balance of \$54,000 if he fulfills his obligations as outlined in paragraph 14 and 15 without the reversion, within seven years rather than five, or the drafted purchase and development agreement as presented.

A.I. #10 INFORMATIONAL ITEMS

The following informational items were then reviewed:

- a. Utilities Commission's June 12, 2023, Regular Meeting minutes.
- b. On July 18, 2023, Streets/Park Supervisor Gary Middendorf completed 40 years of service. He has received his 40-year recognition award of \$250 as outlined in

the City Personnel Policy – Employee Recognition Program. Mr. Middendorf is to be commended for his 40 years of service.

- c. The following is a list of schools and/or conferences where registrations were made:

- 1) MCFOA Conference on July 25, 2023, in Alexandria. Attending; City Clerk Patti Haase.

A.I. #11 ADJOURNMENT

A motion was made by Mr. Travis Frieler, seconded by Mr. Justin Frieler and unanimously carried to adjourn the meeting at 8:15 p.m.

PATRICIA HAASE – CITY CLERK