

**MELROSE CITY COUNCIL
REGULAR MEETING
THURSDAY, MARCH 18, 2010 – 6:00 P.M.**

AGENDA

1. Call to Order/Roll Call/Pledge of Allegiance
2. Approval of Agenda
3. Consent Agenda
 - a. Approval of Minutes
 - b. Approval of Bills/Purchase Orders
 - c. Approval of Investments
 - d. Ambulance Bad Debt Accounts
 - e. Gambling Resolutions:
 - 1) Resolution No. 10-13 – Melrose Area Chamber of Commerce
4. Reports
 - a. Police Department Monthly
 - b. City Attorney Report
 - c. Department Head Performance Evaluations
 - d. Fiber to Home Project
5. Action Items
 - a. Melrose/Paynesville Crack Sealant Rental Program
 - b. ACS Contract
 - c. Police Officer Step Increase
 - d. Chamber of Commerce Donation Request
 - e. Resolution No.10-14, Resolution on the Governor's Supplemental Budget Cuts to LGA Payment
 - f. Ordinance No. 3-18-2010, An Ordinance Enacting and Adopting a Supplement to the Code of Ordinances for the City of Melrose
 - g. Police Department Equipment Purchase
 - h. Pay Request #2 (Final) – Larson Excavating Contractors – 2009 Railroad Avenue Utility Extension
6. Old Business
 - a. Bueckers City Sanitation Solid Waste Collection
 - b. Staffing Study Quotes
 - c. Storage Building Quotes
 - d. 2010 Pay Equity Report

7. New Business
 - a. Schedule Special Meeting
 - b. Comprehensive Economic Development Strategy Meeting
 - c. Platting of Lions – Jaycee Park

8. Informational Items
 - a. 2010 Tax Capacity Rate Information
 - b. Utilities Commission Meeting Minutes
 - c. Comprehensive Plan/Zoning Ordinance Update Quotes
 - d. Planning and Zoning Commission Meeting Minutes
 - e. MADA/COC Meeting Minutes
 - f. Schools and Conferences
 - g. Purchases

9. Adjournment

**MELROSE CITY COUNCIL
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THURSDAY, MARCH 18, 2010 – 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, March 18, 2010 at 6:00 p.m. at the Melrose City Center pursuant to due notice being given thereof. Present were Council Members Tom Budde, Joe Finken, Jenny Mayers, Tony Klasen, Mayor Eric Seanger and Assistant City Administrator/Treasurer Karen Thostenson. Mayor Seanger presided thereat.

The Council then recited the Pledge of Allegiance.

Also in attendance were some American Government students from the Melrose Area High School.

A.I. #2 APPROVAL OF AGENDA

A motion was made by Mr. Budde, seconded by Mr. Klasen and unanimously carried that the agenda be approved as submitted.

A.I. #3 APPROVAL OF CONSENT AGENDA

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

- a. the minutes from the February 18 Regular Meeting, February 18 Special Joint Meeting with Area Township and City Officials, and March 11 Special Joint Meeting with the Utilities Commission.
- b. list of bills in the amount of \$690,350.35. (See attached list of bills) Consideration was also given to the following purchase order:
 1. Emergency Apparatus Maintenance – Fire Department – on January 7, the Council approved the labor cost for repairs to the base swivel on the ladder truck at an estimated cost of \$2,500-\$3,000. However the actual cost was \$4,915.43.
- c. list of investments for the month of February. (See attached investments)
- d. The following ambulance account has been submitted to Revenue Recapture and is recommended to be charged off:
 1. Michelle Dwaillibee - \$1,610
- e. Resolution No. 10-13, Resolution Approving Gambling License to the Melrose Area Chamber of Commerce for an exemption from lawful gambling license to sell pull tabs and conduct bingo on August 21 at the 200 Block on Main Street in Melrose. (See attached resolution)

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

A.I. #4 REPORTS

- a. Police Chief John Jensen presented the Police Department's February monthly report. He stated there were 157 requests for service during February, compared to 177 in February 2009. The 2010 year-to-date number of calls totals 418 compared to 446 in 2009.
- b. City Attorney Scott Dymoke presented his report on the following projects he has been working on for the City:
 1. Manufactured homes – Reviewed City Code in response to report from City staff that unlicensed manufactured homes were being leased in Rose Park. Prepared and forwarded recommendations for enforcing rental license requirements.
 2. City Code – Reviewed applicable State Statutes regarding actions taken by the Council at its initial January meeting. Prepared recommendations for possible revisions to City Code to accommodate monthly meeting schedule.
- c. Mayor Seanger reported on the Special Joint Meeting with the Utilities Commission on March 11 for the purpose of conducting the annual performance evaluations of Department Heads Karen Thostenson, John Harren, John Jensen, and Gary Walz. All evaluations were deemed as meeting expectations.
- d. Mayor Seanger reported that diversiCOM has notified City staff that, as the weather permits, they will be completing the final phase of the Fiber to Home Project. The section that remains to be updated with the fiber optics is the southeastern corner at Main Street East and South Second Avenue East, which will complete the project.

A.I. #5 ACTION ITEMS

- a. Mayor Seanger noted that, as in past years, Melrose, Paynesville and Paynesville Township will jointly purchase materials and share equipment rental costs for street sealcoating. The following quotes were obtained for material and equipment and reflect the Melrose share of the costs:
 1. Brock White Company - \$2,171.00
 2. Bargen Incorporated/Midstates Equipment - \$3,390.00
 3. Midstates Equipment and Supply - \$2,813.55

A motion was made by Ms. Mayers, seconded by Mr. Budde and unanimously carried to approve the low quote of Brock White Company in the amount of \$2,171.
- b. Mayor Seanger reported that a quote was received from ACS, the City's computer programs provider, for support of the financial, payroll and utility billings programs for the period of February 1, 2010 through January 31, 2011, in the total amount of \$12,717.42, which is a 3% increase over the prior year. The cost will be shared as follows:

General - \$4,451.10
Water - \$1,271.74
Wastewater - \$1,271.74
Electric - \$5,722.81

The Utilities Commission, at its March 11 meeting, took action approving the quote.

A motion was made by Mr. Klasen, seconded by Mr. Finken and unanimously carried to concur with the Utilities Commission and approve the City Clerk to enter into the support contract with ACS.

- c. On April 10, Police Officer Shawn Swanson will complete three years of service with the City. A performance evaluation was performed and was favorable. Police Chief Jensen recommended that Officer Swanson receive a step increase from Step 2 to Step 3 on the wage scale, which is an increase of \$.90 per hour.

A motion was made by Mr. Finken, seconded by Ms. Mayers and unanimously carried to approve the step increase for Officer Swanson.

- d. Mayor Seanger reported that correspondence was received from the Chamber of Commerce requesting the City again contribute \$2,000 to be used for advertising costs incurred to promote the City for the Melrose Riverfest Celebration scheduled for August 21. It was noted that, in the past, this donation was used towards the cost of fireworks; however, this year's event has been scaled back and will not have fireworks. Some discussion was held as to whether, with the LGA cuts being proposed by the legislature, this donation should be reduced or eliminated. However, the Council felt that the annual celebration sponsored by the Chamber of Commerce is very important to the City. Ms. Mayers stated that the Chamber is always looking for new ideas to incorporate into the annual celebration and encouraged residents to contact the Chamber with any ideas they may have for making the event better.

A motion was made by Mr. Budde, seconded by Mr. Finken and unanimously carried to approve the donation of \$2,000 to the Melrose Chamber of Commerce to be used for advertising purposes for the August 21 Riverfest Celebration.

- e. It was reported that, in early February, the Governor had announced his supplemental budget proposal which cuts LGA in 2010 by an additional \$118 million as well as \$7 million in market value homestead credit for a total of \$125 million on top of the \$102 million already unallotted for 2010. If these proposed cuts are passed in the legislature, the total LGA reduction in 2010 would be in excess of 40%. The CGMC Board of Directors has recommended cities give consideration to passing Resolution No. 10-14, Resolution on the Governor's Supplemental Budget Cuts to LGA Payment.

Mr. Klasen introduced Resolution No. 10-14, Resolution on the Governor's Supplemental Budget Cuts to LGA Payment. (See attached resolution.) The motion was seconded by Ms. Mayers with a roll call vote recorded as follows:

FOR: Council Members Klasen, Mayers, Finken, Budde and Mayor Seanger
AGAINST: None

- f. Mayor Seanger reported that Administration staff has completed the 2009 Supplement to the Code of Ordinances, which is annually updated to incorporate any new or amended ordinances.

Mr. Budde introduced Ordinance No. 3-18-2010, An Ordinance Enacting and Adopting a Supplement to the Code of Ordinances for the City of Melrose. (See attached ordinance.) The motion was seconded by Mr. Finken with a roll call vote recorded as follows:

FOR: Council Members Budde, Finken, Mayers, Klasen and Mayor Seanger
AGAINST: None

- g. Consideration was then given to Police Chief Jensen's request to replace one of the laptop computers for a squad car. The quote received by Chief Jensen from Minco, which is the state contract bid, was in the amount of \$4,490 plus tax for a total of about \$4,820 for the purchase of a ruggedized laptop. Mr. Klasen stated he had discussed with Chief Jensen whether a "less ruggedized" laptop would be feasible, as this would result in a lower cost. Chief Jensen to further research this option and discuss same with Mr. Klasen.

A motion was then made by Mr. Budde, seconded by Mr. Finken and unanimously carried to approve the purchase of a ruggedized computer at a cost not to exceed \$4,820, and the actual purchase to be made based on Chief Jensen's further research and recommendation to Mr. Klasen.

- h. Consideration was given to approval of Pay Request #2 (Final) from Larson Excavating Contractors, Inc. for the 2009 Railroad Avenue Utility Extension. The pay request is for \$5,738.63 and will complete the project.

A motion was made by Mr. Klasen, seconded by Mr. Budde and unanimously carried to approve Pay Request #2 (Final) in the amount of \$5,738.63 to Larson Excavating Contractors, Inc. and to accept the 2009 Railroad Avenue Utility Extension Project as complete.

A.I. #6 UNFINISHED BUSINESS

- a. Mayor Seanger reported that in October 2009, Ervin Bueckers had informed the Council that Gene Bueckers, owner of Bueckers City Sanitation, was in the process of selling the business to Ervin and other family members. At that time, Ervin Bueckers stated that as a condition of the lending facility, he was requesting the City of Melrose approve a five-year extension to the current agreement. The City had entered into the original exclusive agreement with Bueckers Sanitary Services in 1997, and had approved the transfer to Bueckers City Sanitation in May 2005, at which time the contract was extended through April 30, 2011. This exclusive agreement only applies to residential customers.

Mr. Bueckers had reported that he was proposing to partner with Danny's Disposal & Recycling and Tom's Refuse to form a new company, Bueckers Environmental Service and Transfer (BEST) to purchase Bueckers City Sanitation, and the requested that the City approve the transfer of the exclusive contract and extend the contract (which will expire on April 30, 2011) for an additional five years. On October 15, 2009, the Council had taken action approving the transfer of the contract and the five-year extension, with the revised contract to be submitted for final approval at a future meeting. However, this revised contract was not submitted for consideration or action.

Janine Kutter, representative of Bueckers City Sanitation, was present to report that the proposed sale to BEST is no longer being considered, and that the family of Gene Bueckers will continue to operate Bueckers City Sanitation. However, they requested that Council consideration be given to extending the contract with Bueckers City Sanitation for a five-year period. Therefore, to avoid any confusion, it was suggested that the Council rescind the motion approving the transfer of the contract and the five-year extension. The original motion was made by Ms. Mayers, seconded by Mr. Finken and unanimously carried.

A motion was made by Ms. Mayers, seconded by Mr. Budde and unanimously carried to rescind the motion of the October 15, 2009 meeting that had approved the transfer of the exclusive contract to BEST and had granted a five-year extension.

The Council was also in agreement to take no action at this time on the Bueckers City Sanitation request for a five-year extension to the current contract. This issue to be placed on the Council's April 15 agenda for further consideration.

- b. As per Council directive on February 18, proposals for an organizational/staffing/efficiency study were requested from the following firms: Springsted, Inc., Hometown Connections, RSM McGladrey, and MDA Leadership Consulting. The proposals were requested to be prepared outlining costs for the Utilities departments only, as well as if the Utilities and City departments participated. The Council had wanted to obtain proposals prior to determining whether to proceed with the study. The Utilities Commission, at its March 11 meeting, had taken action requesting that the City consider participating in the study, and that the proposal be awarded to Springsted, Inc. The Springsted proposal included a cost of \$9,750 to complete the organizational/staffing/efficiency study, as well as an estimated cost of \$3,000-\$3,500 to complete the market and equity study.

After some discussion, a motion was made by Mr. Budde, seconded by Mr. Finken and unanimously carried to concur with the Utilities Commission and participate in the study, and to award the proposal to Springsted in the amount of \$9,750, with the costs to be shared between the General and Utilities funds.

- c. In February 2009, when the Melrose Public Utilities entered into a lease agreement with Charter for utilizing space in the water tower base, the Street Department had to find a new place for all the items that were stored in the base of the tower. In summer 2009, the Council had expressed interest in building the storage shed for housing this Street Department equipment in summer 2010. At that time, the Commission had also committed the first year's lease agreement revenue in the amount of \$9,000 towards this new storage building. Director Harren noted that this project is in the Five Year Capital Improvement Plan for 2010 and there is \$26,000 allocated. He stated that staff obtained two quotes for the project and recommends that the project be awarded to the low quote from Hennen Lumber Co. in the amount of \$37,238.96. The Utilities Commission, on March 11, reconfirmed their commitment to this project. Any excess cost will be taken from street improvements setasides.

A motion was made by Mr. Budde, seconded by Mr. Klasen and unanimously carried to approve proceeding with the construction of the storage shed, and to award the quote to Hennen Lumber Co. in an amount not to exceed \$37,238.96.

- d. The Council then gave consideration to adopting the 2010 Pay Equity Report, which was submitted to them for review after the February 18 meeting.

A motion was made by Mr. Budde, seconded by Ms. Mayers and unanimously carried to adopt the 2010 Pay Equity Report.

A.I. #7 NEW BUSINESS

- a. Consideration was then given to scheduling the following meetings:
1. A motion was made by Mr. Klasen, seconded by Ms. Mayers and unanimously carried to schedule a special joint meeting with the Utilities Commission for the purpose of reviewing the 2009 Audit for Thursday, April 15 at 5:00 p.m., directly prior to the regular Council meeting at 6:00 p.m.
 2. It was agreed to schedule a special meeting to discuss budget issues resulting from proposed and adopted LGA and MVHA cuts when the legislative session ends in May. Mr. Budde expressed concern over having so much of the year gone prior to trying to meet any large LGA cuts. This issue to be monitored.
- b. Community Development Director Gary Walz reported that the St. Cloud Area Economic Development Partnership is leading a project to develop a Community Economic Development Strategy, which would serve a four-county area, and would provide access to various federal funding programs, including stimulus dollars. The plan will identify opportunities for business development, job creation, and prioritized community development initiatives for Stearns, Benton, Sherburne, and Wright counties. Also, as part of Phase Two of the process, the Partnership is seeking input from the residents in the four counties. Three meetings are scheduled to be held in each county, with the Melrose meeting scheduled for Tuesday, April 13, from 6:00 – 8:00 p.m. Director Walz encouraged elected and appointed officials and residents to attend one of the meetings.

- c. Director Walz reported that since the beginning of the 2009 CentraCare Health System-Melrose project, staff has been working with CentraCare and its consultants/contractors to abandon unneeded utilities easements, and to acquire the required new ones. He stated that staff has been contacted by the CentraCare attorney and surveyor noting that it might be in the best interests of both CentraCare and the City if the entire health care campus is replatted, and the required easements included. He stated that staff was in agreement with this suggestion, and felt that prior to any further expansion construction by CentraCare, the health care campus should be replatted. The CentraCare attorney felt that it would be best to do it at the conclusion of the project to address any issues that may delay future construction projects.

Director Walz noted that CentraCare was aware of the financial challenges facing the City and understands the costs to survey and replat the health care campus would be CentraCare's responsibility. However, Mr. Walz stated that if CentraCare proceeds with its replatting of the health care campus, it might be an opportune time for the City to inquire as to the costs to join in the replatting of the adjacent Melrose Area Community Lions-Jaycee Park and any other property owned by the City in that area.

A motion was made by Mr. Budde, seconded by Mr. Finken and unanimously carried to direct staff to work with CentraCare to obtain costs for the City's participation in the replatting of property in the area of the health care campus.

A.I. #8 INFORMATIONAL ITEMS

The following informational items were then discussed:

- a. Information regarding the City's actual tax capacity rate as received from Stearns County for the year of 2010. The City's total net tax capacity was \$2,165,656 less tax increment and JOBZ was \$2,100,043. Final tax capacity rate for the City was 61.403%, which is less than the final 2009 payable tax capacity rate of 61.900%.
- b. The minutes of the Utilities Commission's February 8 Regular Meeting.
- c. Requests for Proposals for the completion of the City's Comprehensive Plan Update were sent on March 3 to planning consultants: Short Elliott Hendrickson (SEH), Municipal Development Group, Bonestroo, and CR Planning. The RFP sets a submittal deadline of March 24, with anticipated Planning and Zoning Commission action by April 8 and Council action on April 15.
- d. The minutes of the Planning and Zoning Commission's February 17 Regular Meeting.
- e. The minutes of the MADA/COC February 22 Regular Meeting.
- f. The following is a list of upcoming schools and conferences:
 - 1. Minnesota Spring Maintenance Training Expo 2010 – April 20 in St. Cloud. Registration fee: \$45 per person. Attending: Streets/Parks Supervisor Mark Maus.
 - 2. In Service Taser Training – February 10-11 through the Stearns County Chiefs of Police Association. Registration fee: \$100 per person. Attending: Police Officers Chris Swanson, Shawn Swanson, and Pat Nechanicky.

3. League of Minnesota Cities: PATROL Training (Police Accredited Training) – Online in-house. Registration fee: \$80 per person. Participants in the online training: Police Chief Jensen, Sergeant Maus, Officers Swanson, Nechanicky, Swanson, and Jungles.
- g The following purchase is being presented as an informational item:
1. emachinetool.com – Baileigh Drill Press - \$2,073.30. Costs to be shared equally between the Street and Electric Departments.

A.I. #9 ADJOURNMENT

A motion was made by Mr. Finken, seconded by Mr. Klasen and unanimously carried that the meeting be adjourned at 6:45 p.m.

PATRICIA HAASE – CITY CLERK