

**MELROSE CITY COUNCIL
REGULAR MEETING
THURSDAY, JANUARY 21, 2010 – 6:30 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. Gambling Resolutions:
 - 1) Resolution No. 10-06 – St. Mary’s Church
 - * 2) Resolution No. 10-08 – St. Mary's Church
4. Reports
 - a. Police Department Monthly
 - b. City Attorney Report
 - c. Planning and Zoning Commission
 - d. Wellhead Protection Program Annual Report
5. Action Items
 - a. Police Vehicle Quotes
 - b. Method of Calculating Electric Utility Franchise Fee
 - c. Liquor License Applications:
 - 1) Intoxicating Liquor – On-Sale, Off-Sale and Sunday On-Sale (Renewal)
 - 2) Club and Sunday On-Sale (Renewal)
 - 3) Wine License (Renewal)
 - 4) 3.2 % Malt Liquor Off Sale (Renewal)
 - d. St. Cloud Technical College Customized Training Contract
 - e. Proclamation – Bühl Week
 - f. Ordinance No. 1-21-2010, An Ordinance Amending Melrose Zoning Ordinance No. 1989-1-A, As Amended, Adopted by Reference as Chapter 153 of the Melrose City Code
 - g. Ordinance No. 1-21-2010, Official Title and Summary
 - h. Resolution No. 10-07, A Resolution of the Melrose City Council Approving the Decertification of Tax Increment Financing District No. 5.1, An Economic Development District TIF Project #94, Carstens Industries, Inc.
6. Old Business

7. New Business
 - a. MMUA/City of Melrose Public Utilities Commission Scholarship
 - b. MRES Scholarship
 - c. Local Board of Review
 - d. 2011 Proposed Fire and Ambulance Budgets
 - e. Volunteer Policies
 - f. Ambulance Department Policies
 - g. Fire Department Policies and By-Laws

8. Informational Items
 - a. Dues
 - b. Schools and Conferences
 - c. Park Rental Application and Agreement
 - d. Fourth Quarter/2009 Year End Building Permit Summary Log
 - e. 2009 Building/Construction and Zoning Permit Summary
 - f. Planning and Zoning and Mayor and Council Planning Workshop
 - g. Engineering Rates

9. Adjournment

* Amendment

**MELROSE CITY COUNCIL
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THURSDAY, JANUARY 21, 2010 – 6:30 P.M.**

A.I. #1 CALL TO ORDER/ROLL CALL/PLEDGE OF ALLEGIANCE

The Melrose City Council met in a Regular Meeting on Thursday, January 21, 2010 at 6:30 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, Assistant City Administrator/Treasurer Karen Thostenson, and City Clerk Patti Haase. Mayor Seanger presided thereat.

Also in attendance were students of Adam Rushmeyer's American Government class.

The Council then recited the Pledge of Allegiance.

A.I. #2 APPROVAL OF AGENDA

A motion was made by Ms. Mayers, seconded by Mr. Budde and unanimously carried that the agenda be approved as amended.

A.I. #3 CONSENT AGENDA

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

- a. the minutes from the Council's January 7 Regular Meeting.
- b. list of bills in the amount of \$770,525.72. (See attached list of bills)
- c.
 - 1) Resolution No. 10-06, Resolution Approving Gambling License to St. Mary's Church for an exemption from lawful gambling license to hold bingo on March 21, 2010 at St. Mary's Church. (See attached resolution)
 - 2) Resolution No. 10-08, Resolution Approving Gambling License to St. Mary's Church for an exemption from lawful gambling license to hold a raffle on March 6, 2010 at the Melrose American Legion. (See attached resolution)

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

A.I. #4 REPORTS

- a. Police Chief John Jensen presented the Police Department's December report. He stated there were 176 requests for services during that month, compared to 197 received in 2008. A total of 15 citations were written for the month of December. The year-to-date total is 2,581 compared to 2,339 in 2008 an increase of 242 from 2008. Chief Jensen noted that there were 134 more traffic stops compared to 2008. Also, 19 more DWI citations were issued in comparison to the previous year.

- b. City Attorney Scott Dymoke of Dymoke Law Office PA reported that he had worked on the following project during the period from December 5, 2009 through January 14, 2010:
 - 1) Zoning Regulations: Reviewed drafts of proposed amendments to City zoning regulations prepared by City staff prior to submission to the Planning and Zoning Commission and the City Council.
- c. Commission Member Klasen reported on the Planning and Zoning Commission's January 14 meeting. The purpose of this meeting was to hold a public hearing on various amendments to the Zoning Ordinance, including the three new areas of wind energy conversion systems, solar energy systems, and interim use permits. Also discussed was limiting the maximum total area of all accessory buildings for a residence. He noted that the Council will be giving consideration to each of these items later in the meeting.
- d. Mayor Seanger reported that Water/Wastewater Supervisor Scott Gilbertson has completed the Annual Wellhead Protection Program Evaluation and has submitted the report to the Department of Health. Some of the 2009 activities were: nitrate sampling, training session for area farmers regarding "Putting an Economic Value on Manure," Sauk River Water Festival, meeting with MRWA, USDA/FSA and staff from Washington, D.C. regarding CRP funding in DWSMA area, hazardous waste pick-up, etc. The report is on file at the City Center.

A.I. #5 ACTION ITEMS

- a. Mayor Seanger reported that the Melrose Police Department has solicited bids for a 2010 Ford Crown Victoria Police vehicle. One bid was received from John Wiese Ford in the amount of \$22,733, not including trade-in of \$750 for the 2003 Ford Crown Victoria Police Interceptor, tax and applicable fees. This price was comparable to the state contract price of \$21,557 which does not include the two-tone paint, trade-in, tax and applicable fees. Chief Jensen requested authorization to advertise for sale the 2003 Ford in an effort to receive a higher sales price. If the vehicle would not be sold prior to the 2010 vehicle arriving, the City could still take advantage of the trade-in offered by John Wiese Ford.

A motion was made by Mr. Finken, seconded by Ms. Mayers and unanimously carried approving the purchase of the 2010 Ford Crown Victoria Police vehicle from John Weise Ford and approving staff to solicit bids on the 2003 Ford Crown Victoria Interceptor.
- b. Mayor Seanger stated that when the Electric Rate Study was completed, it was suggested in the study that the Melrose Public Utilities Commission consider calculating the franchise fee based on energy (kWhs) and demand (KW) sold instead of a percentage of revenue. This recommendation stems from the increasing power costs due to the conservation program, renewal energy mandates, drought conditions, etc and the cap and trade mandates forthcoming. The franchise fee transfer in 2004 was 208,500 and is now at \$350,000 or an increase of 68%. Energy sales have only increased by 1%.

The City Code allows for three methods of computing the franchise fee and, by agreement, it is currently calculated by revenue. In February 2002, the City and Utilities entered into an Electric Franchise Agreement, and in Section 10.1, a 5% of gross revenue fee was agreed to and, in Section 10.2, it states the fee may not be changed more often than annually. As one method of tying the franchise fee to actual increases in energy usage, stabilizing the actual franchise fee transfer amount, minimizing future rate increases to utilities customers, the Commission, at their January 11, 2010 meeting, took action requesting the Council give consideration to amending the 2002 Electric Franchise Agreement. Section 10.1 would be amended accordingly. If the Council concurs with the Commission's request, the Electric Franchise Agreement will be amended and presented to the Council for adoption at a future meeting. This change would become effective on January 1, 2011.

Mayor Seanger requested this item be tabled until the February 18 meeting as he has several questions he would like addressed prior to taking action. Public Works Director John Harren will provide this information prior to the February 18 meeting. Council members should contact Mr. Harren if they have any questions or require additional information.

- c. Consideration was next given to the following renewal liquor license applications:
- 1) Intoxicating Liquor:
 - a. License #1 – Scott Wiehoff DBA Scooter's Tavern – On and Off Sale, License #5 – Sunday On Sale
 - b. License #2 – Melrose Place Pub, Inc. DBA Melrose Place Pub – On and Off Sale
 - c. License #3 – Melrose Bowl Inc. DBA Melrose Bowl – On Sale, and License #3 – Sunday On Sale
 - d. License #4 – The Dam, Inc. DBA The Dam – On Sale, License #3 – Off Sale, License # 4 – Sunday On Sale
 - e. License #5 – Earl Wiehoff DBA Earl's Bar – On Sale, License #4 – Off Sale
 - f. License #5 – LQR, Inc. DBA SPIRITZ Off Sale Liquor – Off Sale
 - g. License #6 – Meadowlark Country Club – On Sale, and License #2 – Sunday On Sale
 - h. License #7 – El Portal – On Sale, License #6 – Sunday On Sale
 - 2) Club and Sunday On Sale:
 - a. License #1 – American Legion Post #101 – Club On Sale License, and License #1 – Sunday On Sale
 - 3) Wine License:
 - a. License #1 – John Dough's Pizza – Wine License
 - 4) 3.2% Off Sale Malt Liquor License
 - a. License #1 – Martinez Meat & Grocery 3.2% Off Sale Malt Liquor

All applications must be executed, fees paid, and certificates of insurance as to liquor liability coverage obtained prior to Council approval.

Minnesota law requires cities to obtain proof that all licensees provide workers' compensation insurance for their employees. The City must also obtain licensees' social security numbers, and Minnesota and federal tax identification numbers for the Department of Revenue's use.

All of the Off Sale Intoxicating Liquor License applications must be signed by the Police Chief. Also, there are no delinquent taxes on any of the properties as verified on the Minnesota alcohol licensing website.

The licenses to be effective March 1, 2010 to February 28, 2011.

Due to the revised Council meeting schedule and the insurance renewal process, all necessary documentation was not available at the time of the meeting.

A motion was made by Ms. Mayers, seconded by Mr. Budde and unanimously carried to approve the liquor licenses contingent upon receipt of all necessary documentation and payment of all necessary fees.

- d. Consideration was next given to authorizing the City Clerk to enter into a contract with the St. Cloud Technical College for Fire – HAZMAT Operations Training. The training will be taken by members of the Melrose Fire Department. The cost of the course is paid by the HSEM Grant.

A motion was made by Mr. Budde, seconded by Mr. Klasen and unanimously carried to authorize the City Clerk to enter into a contract with the St. Cloud Technical College for Fire – HAZMAT Operations Training.

- e. The GAPP German Students will be arriving in Melrose on February 3 and will be attending the Council's February 18 meeting. Thirty-six students and two teachers will be hosted by teachers and families of students attending the Melrose Area Public Schools. Students will be integrated into classrooms, participate in community activities, and partake in field trips in Central Minnesota and the Twin Cities.

A motion was made by Mr. Finken, seconded by Ms. Mayers and unanimously carried to proclaim February 14-20 as Bühl Week. (See attached proclamation)

- f. Community Planning/Economic Development Director Gary Walz reported that the Planning and Zoning Commission, at their January 14 Meeting, held a public hearing to address various amendments to the City's Zoning Ordinance. These proposed amendments are intended to bring this Ordinance into compliance with State Statutes regarding manufactured/mobile home housing; to modify the building moving sections by allowing increased staff discretion and responsibility in the issuance of moving permits for structures being moved out of the City, new manufactured/mobile homes being moved into the City, and new or previously-occupied manufactured/mobile homes being moved into a mobile home park; and to establish dwelling unit guidelines for the R-1 and R-2 Residential Districts.

In addition, the amendments propose to reduce the possible excessive setback requirements for properties within the City from county and state highways including I-94 to the allowed existing City setbacks, to increase the maximum height limitation from 30 feet to 40 feet in all districts except the mobile home park district where it is proposed to be increased from 16 feet to 20 feet, to impose a 70% impervious lot coverage maximum in the Industrial Districts, and to allow a limited expansion of non-conforming residential dwellings. The proposed amendments would continue to limit the number of accessory buildings in the R-1 and R-2 Residential Districts to a maximum of two and would limit the combined maximum total area of all accessory buildings for a residence with an attached garage to a maximum of 900 square feet. A residence without an attached garage would be allowed a maximum total combined accessory building area of 1,800 square feet.

The proposed amendments also address several new matters including interim use permits, wind energy conversion systems, and solar energy systems. Director Walz reported that the Commission took action making recommendation to the Council to approve Ordinance No. 1-21-2010, An Ordinance Amending Melrose Zoning Ordinance No. 1989-1-A, As Amended, Adopted by Reference as Chapter 153 of the Melrose City Code.

Mr. Finken stated that he was opposed to limiting the maximum total area of all accessory buildings to 900 square feet for a residence with an attached garage and 1,800 square feet for one without an attached garage. He also stated that the current 40% structure lot coverage restriction was adequate and that the City needs to exhibit caution when restricting a property owner's use of his property. Mr. Klasen felt that by imposing these necessary building size restrictions, residents may not have adequate storage space for recreational items which could lead to cluttered yards. Mr. Klasen also noted that many families have numerous recreational vehicles which need to be properly stored and by restricting the size of accessory buildings the City may dissuade people from moving to Melrose. Mayor Seanger felt that most communities have some guidelines in place to perpetuate continuity in rural development. Mr. Budde was also in agreement with Mr. Seanger noting that the proposed allowable area should provide more than ample storage space for residents. Mayor Seanger and Mr. Budde also felt that current regulations do not limit storage, and there are still residents with multiple recreational vehicles parked outside. Mr. Budde felt it important to retain the integrity of a neighborhood by not allowing huge storage buildings to be built in residential areas.

After further discussion, Mr. Budde then introduced Ordinance No. 1-21-2010, An Ordinance Amending Melrose Zoning Ordinance No. 1989-1-A, As Amended, Adopted by Reference as Chapter 153 of the Melrose City Code. The motion was seconded by Mr. Seanger with a roll call vote recorded as follows:

FOR: Council Members Budde and Mayor Seanger
AGAINST: Council Member Finken, Klasen, and Mayers

Motion failed.

A motion was then made by Mr. Klasen to adopt an amended version of Ordinance No. 1-21-2010, An Ordinance Amending Melrose Zoning Ordinance No. 1989-1-A, As Amended, Adopted by Reference as Chapter 153 of the Melrose City Code, by removing the following proposed amendment from Section 211.03: "The maximum total area of all accessory buildings for a residence with an attached garage shall not exceed 900 square feet. A residence without an attached garage shall be allowed a maximum of two accessory buildings containing a maximum total area of 1,800 square feet." (See attached Ordinance) The motion was seconded by Mr. Finken with a roll call vote recorded as follows:

FOR: Council Members Klasen, Finken, and Mayers
AGAINST: Council Member Budde and Mayor Seanger

Motion passed.

- g. Mr. Klasen then introduced Official Title and Summary, Ordinance No. 1-21-2010, An Ordinance Amending Melrose Zoning Ordinance No. 1989-1-A, As Amended, Adopted by Reference as Chapter 153 of the Melrose City Code (See attached Official Title and Summary) The motion was seconded by Ms. Mayers with a roll call vote recorded as follows:

FOR: Council Members Klasen, Mayers, Finken, and Mayor Seanger
AGAINST: Council Member Budde

- h. Consideration was next given to proposed Resolution No. 10-07, A Resolution of the Melrose City Council Approving the Decertification of Tax Increment Financing District No. 5.1, An Economic Development District TIF Project #94, Carstens Industries, Inc. In December 2009, the City received the final tax increment payment payable to TIF District No. 5.1 which is the Carstens Industries, Inc. project. Stearns County has been notified to discontinue, beginning in 2010, forwarding tax increment payments for this District. The Pay-As-You-Go Tax Increment Revenue Note of August 6, 2001 in the amount of \$44,340, which covered development costs of the project not including the interest due and payable on the Note at the simple rate of 5.5%, has been paid in full, plus interest due and payable on the Note in the amount of \$12,687.88 has also been paid. The final tax increment received from Stearns County in the amount of \$4,132.50 included \$320.04 which has been determined to be excess increment. This excess increment of \$320.04 is being returned to Stearns County.

Ms. Mayers introduced Resolution No. 10-07, A Resolution of the Melrose City Council Approving the Decertification of Tax Increment Financing District No. 5.1, An Economic Development District TIF Project #94, Carstens Industries, Inc. (See attached resolution). The motion was seconded by Mr. Budde with a roll call vote recorded as follows:

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

A.I. #6 OLD BUSINESS

None

A.I. #7 NEW BUSINESS

- a. Mayor Seanger stated that through the Minnesota Municipal Utilities Association (MMUA), Melrose utility customers are eligible for the Tom Bovitz Memorial Scholarship Award Program. High school seniors who are, or whose legal guardian is, a customer of an MMUA-member municipal electric or gas utility may submit their application and essay for consideration. The scholarship fund is split into \$2,000, \$1,500, \$1,000 and \$500 scholarships, and awarded to essay contest winners who plan on attending a post-secondary educational institution. Entries must be submitted to the governing body of the municipal utility, and the local governing body picks a local winner. This entry is then forwarded to MMUA prior to the April 23, 2010 deadline. The MMUA Communications/Member Services Committee selects the winners, with an announcement in May 2010. In conjunction with the MMUA scholarship, the City of Melrose Public Utilities is offering a \$1,000 scholarship, which is due to be submitted by no later than 4:30 p.m. on Thursday, April 1, 2010. For details and information, please contact staff at the Melrose Area Public School or City staff.
- b. Mayor Seanger also noted that another scholarship available to high school seniors who are Melrose Utility customers is the MRES Scholarship. Ten scholarships will be awarded. Awards are renewable for up to three additional years for students who meet academic performance requirements. The MRES application **must** be mailed to Missouri River Energy Services Scholarship Program and must be postmarked by March 15, 2010. For more information and scholarship application visit the MRES website at www.mrenergy.com and click on MRES Scholarship program information or contact staff at the Melrose Area Public School or City staff.
- c. Next reviewed was the memo from Stearns County Assessor Gary Grossinger regarding the option of the governing body of any city to transfer its powers and duties to the county board and choosing not to perform the function of a local board of review. The transfer may be permanent or for a specified number of years; however, the transfer cannot be for less than three years. The rule is that each local board of review must have a board member that has taken the training. If there is not a trained member on the board, the county assumes the responsibility and the district loses the right to hold the meeting. Currently, Council Members Tom Budde and Joe Finken are certified until November 14, 2011 and Council Members Tony Klasen and Jenny Mayers until November 30, 2012.

It was the consensus of the Council to continue to act as the Board of Review.

- d. Ambulance Coordinator Jenn Tschida presented the Ambulance Department Semi-Annual/Yearend Report and proposed 2011 Budget. She stated there were 578 runs in 2009, compared with 533 runs in 2008, and 535 in 2007. At year-end 2009, there was a net income of \$5,422.79, accounts receivables of \$76,530.56, and total cash and investments of \$537,694.13. She stated the ever-increasing write-offs due to Medicare and Medicaid assignment have greatly reduced the net income over the past several years. The Ambulance Department has no major purchases planned for 2010. This information will be provided to the Area Township and City Officials at the joint meeting scheduled for February 18.

Fire Chief Jeremy Kraemer next presented the Fire Department Semi-Annual/Yearend Report and proposed 2011 Budget. He stated there were 86 calls in 2009 compared to 68 fire calls in 2008, and with 76 in 2007. Chief Kraemer next presented the 2009 revenues and expenses. He noted that \$5,000 of the excess revenue from fire calls is recommended to be placed on setaside for future equipment needs. There is an amount remaining of \$6,928.45 available as reserve funds which is recommended to be applied against the 2011 contract area. Vehicle replacement setaside totaled \$249,790.56 at yearend 2009, and equipment setaside funds totaled \$9,860.70.

This information will be presented to the area townships and cities at a special meeting on February 18.

- e. Mayor Seanger reported that the 2010 Volunteer Policies have been updated. The policies have been reviewed by Human Resources Technician Diane Gruber and Ambulance Coordinator Jenn Tschida.

A motion was made by Mr. Budde, seconded by Mr. Finken and unanimously carried adopting the revised 2010 Volunteer Department Policies.

- f. Next Mayor Seanger reported that Ambulance Coordinator Tschida and Human Resources Technician Gruber have reviewed and updated the 2010 Volunteer Ambulance Department Policies.

A motion was made by Mr. Klasen, seconded by Ms. Mayers and unanimously carried adopting the revised 2010 Volunteer Ambulance Department Policies.

- g. Mayor Seanger stated that the Fire Department is in the process of reviewing the Fire Department Policies and Procedures as well as the Fire Relief Bylaws. According to Fire Chief Kraemer, the State has made changes to the pension program that affects the payout. A committee of fire members are reviewing and amending the policies to address the changes made by the State. They expect their review to be complete around June and will seek council approval at that time.

A.I. #8 INFORMATIONAL ITEMS

The following informational items were then discussed:

- a. The following are the dues paid to various organizations:
 1. Lake Region Fire Fighters Association – Fire Department - \$40
 2. Minnesota State Fire Chief Association – Fire Department – Chief - \$65, First Assistant Chief - \$40, Second Assistant Chief - \$40, Training Officer - \$40
 3. Minnesota Ambulance Association – Ambulance Department - \$275
 4. National Association of Town Watch – Police Department - \$25
 5. Minnesota Crime Prevention Association – Police Department - \$45
 6. Economic Development Authority of Minnesota – General Fund - \$220
- b. The following is a list of schools and/or conferences where registrations have been made:
 1. Regional Management Workshop – January 26 in Alexandria. Registration fee: \$175 per person. Attending: Streets/Parks Worker Gary Middendorf.
 2. Stearns County Shoreland, Erosion Control, and Stormwater Training – January 21, 2010 in St. Joseph. Registration fee: \$30 per person. Attending Street/Parks Supervisor Maus and Streets/Parks Worker Gary Middendorf.
- c. Minor changes were made to the Park Rental Application and Agreement.
- d. The Building Permit Summary Log for Fourth Quarter 2009. The total number/value of building permits issued in the fourth quarter for the past three years were:

<u>2009</u> *	<u>2008</u>	<u>2007</u>
25 permits/ \$481,136	24/ \$780,887	40/ \$918,000

The total number/value of building permits issued for each of the past three years was:

<u>2009</u> *	<u>2008</u>	<u>2007</u>
135/ \$10,688,848	148/ \$11,314,433	136/ \$2,391,084

- e. 2009 Building/Construction and Zoning Permit Summary.
- f. Planning Workshop agenda for the presentation scheduled for Monday, January 25 at 6:00 p.m. at the Melrose City Center. Tina Goodroad, a former City Planner and current Planning Consultant with City Engineer Bonestroo, will present a planning workshop focusing on the role and function of the City's Planning and Zoning Commission and the Mayor and Council regarding planning and related issues. The cities of Albany and Sauk Centre, which also utilize the services of Bonestroo as their City Engineer, will also be in attendance at this workshop. Bonestroo is presenting the workshop at no charge. Anyone interested was asked to contact Carla at the City Center by January 22.
- g. Correspondence received from Bonestroo, WSB & Associates and DGR stating their 2010 rates.

A.I. #9 ADJOURNMENT

A motion was made by Mr. Finken, seconded by Ms. Mayers and unanimously carried that the meeting be adjourned at 7:25 p.m.

PATRICIA HAASE – CITY CLERK