

**MELROSE CITY COUNCIL
REGULAR MEETING
FIRE AND AMBULANCE STATION
THURSDAY, FEBRUARY 21, 2019 – 5:30 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. Gambling Resolution:
 - 1) Resolution No. 2019-13, Melrose Area Chamber of Commerce
 - * 2) Resolution No. 2019-17, Melrose Area Women of Today
 - * 3) Resolution No. 2019-18, New Munich Jaycees
 - e. Community Development Director Step Increase
 - f. Fire Truck Donation
5. Presentation
 - a. Presentation to Retired Firefighter Rick Berens
6. Reports
 - a. Police Department Monthly
 - b. City Attorney
 - c. Community Development Director
7. Action Items
 - a. **CASE NO. PP-1-2019-201 and FP-1-2019-202** Preliminary / Final Plat Church of St. Mary / Resolution No. 2019-14, Resolution Approving Case No. PP-1-2019-201 And FP-1-2019-202, Preliminary And Final Plat Requested By Church Of St. Mary
 - b. **CASE NO. PP-1-2019-203 and FP-1-2019-204** Preliminary / Final Plat Melrose 1 Stop / Resolution No. 2019-15, Resolution Approving Case No. PP-1-2019-203 And FP-1-2019-204, Preliminary And Final Plat Requested By Rahn Properties, LLC
 - c. 2019-2020 LMCIT Worker's Compensation Insurance Quote
 - d. Downtown Parking Restrictions
 - e. Fire and Ambulance Station Apartment Furniture Replacement
 - f. Ambulance Department Policies
 - g. Summer Intern – Community Development
 - h. Seasonal Help – Public Works – General

8. Old Business
 - a. Environmental Assessment Worksheet (EAW) – Kraft Lot
 - b. City Center HVAC System
 - c. 2019 Street Improvement Projects
 - d. CSAH 13 Bridge and Channel Re-alignment
 - e. 2019 CSAH 65 Sidewalk
 - f. Phase Sauk River / Melrose Lake / Resolution No. 2019-16, Resolution Committing To Phase II Of The Melrose Lake Improvement Project

9. New Business
 - a. 2019 Chip Seal Projects

10. Informational Items
 - a. Arvig Communications Correspondence
 - b. Charter Communications Correspondence
 - c. Initiative Foundation Thank You Letter
 - d. Public Utilities Commission Meeting Minutes
 - e. City Administrator Performance Evaluation
 - f. Schools and Conferences

11. Adjournment

- * Amendments

**MELROSE CITY COUNCIL
REGULAR MEETING
THURSDAY, FEBRUARY 21, 2019 – 5:30 P.M.**

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

The Melrose City Council met in a Regular Meeting on Thursday, February 21, 2019 at 5:52 p.m. at the Melrose Fire and Ambulance Station pursuant to due notice being given thereof. Present were Council Members Tony Klasen, Justin Frieler, Travis Frieler, Mark Hill, Mayor Joe Finken, City Administrator Mike Brethorst 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. Justin Frieler, seconded by Mr. Travis 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 APPROVAL OF CONSENT AGENDA

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

- a. The minutes from the Council's January 14 Special Joint Meeting with the Utilities Commission, the January 17 Regular Meeting, and the February 6 Special Joint Meeting with the Utilities Commission.
- b. List of bills in the amount of \$360,859.18. (See attached list)
- c. list of investments for the month of January. (See attached list)
- d. Gambling Resolutions:
 - 1) Resolution No. 2019-13, Resolution Approving Gambling License to the Melrose Area Chamber of Commerce for an exemption from lawful gambling license to conduct a bingo on May 11, 2019 at the Melrose American Legion located at 265 County Road 173 SE.
 - 2) Resolution No. 2019-17, Resolution Approving Gambling License to the Melrose Area Women of Today to conduct a raffle on April 27, 2019 at the Meadowlark Country Club located at 837 Country Club Drive SW.
 - 3) Resolution No. 2019-18, Resolution Approving Gambling License to the New Munich Jaycees to conduct off-site gambling to hold a raffle on May 3, 2019 at the corner of 2nd Avenue SE and 1st Street SE.
- e. On February 26, 2019, Community Development Director Lisa Atkinson will complete one year of service with the City. She is eligible for a 12 calendar-month step increase. City Administrator Brethorst has conducted a review and it is favorable; therefore, recommends approval of a step increase from Step 2 to Step 3.

- f. Efforts have been made to secure the 1952 Big Chief Fire truck that was original to the Melrose Fire Department. The truck was in operation within the Melrose Fire Department from 1952 to 1993. The City sold the truck in 1993 and replaced it with a Pierce Pumper. The truck was sold to a car dealer in Marshall Minnesota, who specialize in fire trucks for the Knights of Columbus organizations. From there it was sent to Sarasota, Florida. It was bought by Albritton Fruit Company who manage and operates an orange orchard. The truck has been there ever since. It is the intent to return the fire truck back to Melrose and restore it to its past glory. It would not be used as an active fire truck. It would only be used for parades, funerals and community events to display. The current owner of the rig has agreed to donate the rig to the Melrose Fire Department.

As per a vote of the volunteers on the Department, they have agreed to accept the rig and maintain the vehicle. They propose to cover all expenses for the rig through private donations to include the transformation back to operation and shipping of the rig back to Melrose. The only expenses paid for by the Melrose Fire Department would be liability insurance on the rig, fuel and oil when needed plus, it would be stored in the Melrose Fire Department bay. All other maintenance and repairs would be managed by the Department volunteers.

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

A.I. #5 PRESENTATION

- a. Mayor Finken presented a certificate of appreciation to retired Firefighter Rick Berens for his 29 years of service on the Melrose Fire Department.

A.I. #6 REPORTS

- a. Police Chief Maus presented the Police Department's January 2019 report. He noted there were 407 calls for service during that month, compared to 342 for January 2018. A total of 21 citations were written for the month of January. The year-to-date number of calls is 407 compared to 342 in 2018. For the month of January 2019, the Department received 19 agency assist calls. Chief Maus commended the Street Department for doing such a great job in keeping the streets cleared. Chief Maus reminded residents to be cognizant of the snow plows and remember to give them extra space. Mayor Finken thanked the two individuals that volunteered to shovel out some of the fire hydrants Mr. Finken reminded residents to keep the fire hydrants in their area clear of snow.
- b. City Attorney Scott Dymoke reported on projects he has been working on for the City:
- Ritter Nuisance: Received notice from Police Department that nuisance was abated. Notified court of abatement and cancelled scheduled hearing. Filed proposed order with court dismissing petition for order to abate nuisance.

- St. Mary's Church: Reviewed title commitment submitted in support of St. Mary's Church plat. Advised City staff that the title commitment was inadequate, in that it was over one year old and did not describe the property to be platted. Reviewed updated title commitment and advised city staff that it was adequate to support proposed plat.
 - Street Vacation: Reviewed plat and initial title work in support of request for street vacation. Advised City staff that on existing record, could not determine who would own the vacated street upon vacation. Advised staff that additional title work would be required to determine ownership of underlying fee title.
 - Mr. Dymoke gave a brief review of the open meeting law.
- c. Community Development Director Atkinson reported on the Planning and Zoning Commission's January 28, 2019 meeting. Ms. Atkinson also provided an overview of upcoming projects.

A.I. #7 ACTION ITEMS

- a. The Council gave consideration regarding the Preliminary and Final Plat for the Church of St. Mary

The current proposal is a Preliminary and Final Plat to develop a 27.56+/- acre property generally located at along 5th Avenue SE, south of 2nd St SE and north of Kraft Drive.

The applicants would like to create two relatively large parcels:

- Lot 1, Block 1 (1.84+/- acres) includes the land owned by the church on the entire block immediately west of 5th Ave SE (between 2nd and 3rd St SE). This includes the existing rectory, office (house) and the church which has not been used following a March 2016 fire.
- Lot 1, Block 2 (24.77 +/- acres) includes the existing St. Mary's School, parking lot to the north, fenced in play area to the south of the school, playground, cemetery and the new proposed church along Kraft Drive.

Mayor Finken introduced Resolution No. 2019-14, Resolution Approving Case No. PP-1-2019-201 and FP-1-2019-202 Preliminary And Final Plat Requested By Church Of St. Mary. The motion was seconded by Mr. Justin Frieler with a roll call vote recorded as follows:

FOR: Council Members Mayor Finken, Justin Frieler, Travis Frieler, Hill and Klasen

AGAINST: None

A motion was made by Mr. Hill, seconded by Mr. Klasen and unanimously carried approving the Letter of Understanding.

- b. Staff is recommending that due to an incomplete preliminary and final plat, the Council table action on the Preliminary and Final Plat for Melrose 1 Stop.

A motion was made by Mr. Travis Frieler, seconded by Mr. Justin Frieler and unanimously carried to table action on the Preliminary and Final Plat for Melrose 1 Stop.

- c. The Council next gave consideration approving the quote received from the League of Minnesota Cities Insurance Trust (LMCIT) for worker's compensation insurance for the period of March 7, 2019 through March 7, 2020. The net premium costs for the upcoming period are \$75,776. The quote in 2018 was \$105,087, which is a decrease of 28%. The experience modification decreased to 0.93% for the 2018-2019 coverage period, down from 1.26% for the 2018-2019 coverage period. It is recommended that the City again approve the regular premium option.

The General Fund share of the premium is \$53,744 and the Utilities' share is \$22,031 (compared to \$72,656 and \$32,431, respectively for the past year).

The Utilities Commission approved the worker's compensation insurance renewal quote from LMCIT in the amount of \$75,776 at its February 11 meeting.

A motion was made by Mr. Hill, seconded by Mr. Klasen and unanimously carried concurring with the Utilities Commission approving the worker's compensation insurance renewal quote from LMCIT in the amount of \$75,776 of which the General Fund share is \$53,744.

- d. Mayor Finken noted that a citizen who owns a business in the downtown business district raised the question about three-hour parking limitations in the business district.

There are businesses that have asked for strong enforcement of the parking limitation as their business is only accessed from avenue parking stalls. Other businesses asked that the enforcement stop as they use the parking on the avenues for themselves or employees so customers can park on Main Street to patronize their businesses.

Parking is allowed on 1st St NE and Turkey Lane SE for business owners and employees to avoid using the time limited parking areas during a regular business day. There is also City-owned parking lots available.

Currently, the three-hour parking limitation covers Main St E from Coborn's to Martinez Meats, including the avenues of 3rd and 4th, north and south of Main Street. There is signage on light posts and stop sign posts when allowed throughout the district.

The area for discussion is, should the parking limitations on the avenues be lifted and leave Main Street as restricted to three hours parking limits or should the limitations remain in place as the ordinance has been since passed in February 2001.

As is our practice with all parking issues, a written warning is issued first and if needed or for future violations, administrative citations are issued, which could lead to a vehicle being towed.

Council Member Hill stated his initial thought is that the three-hour parking restriction should remain in place on Main Street. He has mixed feeling about the avenues having that same restriction. Perhaps the City could look at relaxing those restriction. (ie, 8:00 a.m. to 6:00 p.m.)

Council Member Justin Frieler stated that if the restriction on the avenues are lifted, there is a potential it may be abused by employees of the businesses.

Council Member Klasen did not believe that change is needed at this time. Businesses should have a strong support for changing the existing parking regulations.

Council directed staff to bring this back at the March regular meeting.

- e. Ambulance Coordinator Jenn Tschida presented a request for the replacement of furniture at the Fire and Ambulance Station apartment. The original furniture was donated by a family in Melrose and during the time has become run down. The beds are used while members are on-call. The Ambulance Department is requesting to purchase two new mattresses, a sofa, two recliners and a lamp. The estimated quote for these items is \$1,820. The funds for this purchase were not originally budgeted in their maintenance accounts and would be a spend-down from the fund balance.

A motion was made by Mr. Klasen, seconded by Mr. Justin Frieler and unanimously carried authorizing the replacement of apartment furniture with a limit not to exceed \$2,500.

- f. Mayor Finken noted that in preparation for the upcoming relicensing for the Ambulance Department, Ambulance Coordinator Tschida updated the Ambulance Department Policies as well as the Volunteer Policies. The attachments included both the copies with the changes made, as well as the final policies, for the Council's consideration.

A motion was made by Mr. Hill, seconded by Mr. Travis Frieler and unanimously carried approving the revised Ambulance and Volunteer Policies.

- g. Mayor Finken stated that the City has budgeted \$2,316 for a 20-hour a week summer intern for 12 weeks at \$9.65 per hour. Staff is proposing the schedule conform to college summer break – approximately June to August. By publishing the position now, chances are increased that the City will get a qualified candidate for the position.

Projects the intern would work on include assisting with GIS data entry and analysis, helping prepare for the update of the Comprehensive Plan including doing background research and GIS mapping and analysis.

The intern would also be able to help with staff reports, ordinance updates, and building permit review and other daily work. The extra set of hands will be especially helpful during the upcoming staffing transitions.

A motion was made by Mr. Justin Frieler, seconded by Mr. Hill and unanimously carried authorizing staff to begin the process of posting, interviewing and hiring an intern for Summer 2019.

- h. Mayor Finken stated that annually the City and Utilities has hired a seasonal employee to help with streets / parks and miscellaneous departments as needed. This temporary seasonal employee works mid-April to mid-September. It is approximately 24 hours per week. It is proposed to seek a direct appointment of Ron Tieman at \$13.67 per hour as he has filled the position in the past two summers.

A motion was made by Mr. Justin Frieler, seconded by Mr. Travis Frieler and unanimously carried to appoint Mr. Tieman to the position.

A.I. #8 OLD BUSINESS

- a. Mayor Finken stated that staff met to kickstart the conversation about the Kraft lot. Previously, the City was going to wait make any sort of real effort on this until the Legislature came into Session; however, it would be nice to keep the project moving forward so it is ready for construction by early next year at the latest.

Part 1: Authorize Staff to Move Forward with Securing a Developer

Staff has a letter from Spider Development outlining the funding gap for Spider. We also have correspondence stating that they are still interested in moving forward with discussions, although they have been somewhat lukewarm on their commitment and are now not responding to requests to contact staff. The City put together a financial incentive package to propose to Spider, that has been conceptually reviewed by MADA and would next have been reviewed by the Council. The financial incentive package would change based on the funding gap of the as of yet unknown developer, so it is not appropriate to bring that forward at this time.

Given Spider Development's lack of commitment, MADA directed staff to begin checking with other developers on their interest in the project. A letter that will be personalized and sent to any interested developer and a document that provides background information on the lot and development has been drafted.

A motion was made by Mr. Travis Frieler, seconded by Mr. Justin Frieler and unanimously carried authorizing staff to move forward with finding a developer that is ready to make a soft commitment to the Riverview redevelopment project (Kraft lot).

The Council directed staff to research listing the property with a commercial realtor. City Attorney Dymoke recommended that if the City goes in this direction, an RFQ be prepared.

Part 2: Environmental Assessment Worksheet (EAW)

Staff previously recommended moving forward with the drafting of the EAW (approximately \$19,722). The project is in a TIF district and we anticipate grant funds so the City should get reimbursed for the costs. Without the EAW completed, it makes it harder for a potential developer to commit to developing the project. An EAW is required because 32 housing units are proposed, exceeding the threshold of 25 for a mandatory EAW in the shoreland district. If the project were reduced to 24 housing units, an EAW would not be necessary.

At its February 7, 2019 meeting, MADA recommended that the EAW be postponed until there is a development ready to move forward for the Riverview lot.

No action at this time.

Part 3: Archeological Study

Staff worked with Blondo and Associates last year to complete the Archeological Study as requested by the State Historical Society as part of the bridge/Sauk River EAW. The City was fairly certain the State Historical Society would have requested an Archeological Study for the Kraft lot EAW. As part of the initial Archeological Study process related to the bridge/river, the City expanded the scope of the Archeological Study to include the Kraft lot which allowed the City to have a significant cost savings instead of doing two separate reports.

The following is a summary of the findings of the report: Blondo Consulting, LLC, in their report, found no historic properties within the study area. Blondo Consulting recommended no additional cultural resource work for the proposed CSAH 13 realignment project and development of the Kraft lot. Should buried artifacts, human remains, cultural sites, or ground features be unexpectedly unearthed during ground disturbing activities, all construction should immediately cease, and the resources be examined by a professional archaeologist. Additionally, appropriate authorities, including the pertinent tribal entities and the State Historic Preservation Office and the Office of the State Archaeologist, should be notified.

A motion was made by Mr. Klasen, seconded by Mr. Travis Frieler and unanimously carried to officially accept and adopt the report, "A Cultural Resource Assessment of the Proposed CSAH 13 Realignment Project and Development of the Kraft Lot, Melrose, Stearns County, Minnesota, Township 126N, Range 33W, Sections 34 & 35" completed by Blondo Consulting.

- b. Mayor Finken stated that the Council and Utilities Commission has contracted with SEH to develop a design for the City Center HVAC system and come up with plans and specifications to address the needs of the system. SEH has presented their draft plan and it is proposed to accept the plans as presented and to formally seek bids based on the draft plans. The Utilities Commission has reviewed the plans and have accepted the plans and recommend the Council approve.

A motion was made by Mr. Hill, seconded by Mr. Travis Frieler and unanimously carried to accept design and direct final plans be completed and bids be sought.

- c. In accordance the 2019 Capital Improvement Plan, the City is to sealcoat several streets in the City. It was also planned to replace a portion of 5th Avenue.

Mike Nielson with WSB provided a summary and short presentation on the project.

A motion was made by Mr. Justin Frieler, seconded by Mr. Hill and unanimously carried approving the plans and specifications and authorizing WSB to advertise for bids.

- d. Mayor Finken stated that the City of Melrose in conjunction with Stearns County intends to construct a bridge to replace the 5th Ave NE Bridge in downtown Melrose. The project began in 2011 and has seen multiple iteration in design and funding. The design proposed is to move the channel north which will allow for a phased approach to address the Melrose dam and possible channel / reservoir modifications. This design also provided for single span bridge and road improvements of 1st St NE.

Mr. Nielson provided a brief summary on what remains to be completed on the bridge design and the possible channel / reservoir modifications.

A motion was made by Mr. Hill, seconded by Mr. Klasen and unanimously carried authorizing entering into the contract with WSB & Associates for engineering services for the bridge design and channel re-alignment for an estimated fee of \$225,000.

- e. Mayor Finken noted that in sequence with the sidewalk pedestrian ramps along County Road 65, WSB has aided City staff in developing draft plans for the new sidewalk. Staff is attempting to meet with two property owners to review their need for driveway replacement, tree removal and retaining wall final designs.

It is proposed to allow staff to finalize the sidewalk plan once these details are finalized. It is also proposed to allow staff to seek bids for the project as the intent is to install the sidewalk as no later than July 1, 2019.

Funding is being sought from the State Farm Community Fund. These funds would be allocated to the project. It is also proposed to use a portion of TIF funds with the Jennie-O Turkey Store (JOTS) boundaries to offset a portion of the cost. Plus, if funds are available, they could be spent outside of the JOTS TIF district to cover other portions of the sidewalk along CSAH 65.

A motion was made by Mr. Klasen, seconded by Mr. Justin Frieler and unanimously carried allowing staff to finalize the bids and specifications and to seek bids once plans are complete.

A motion was made by Mr. Klasen, seconded by Mr. Travis Frieler and unanimously carried allowing a portion of the CSAH 65 sidewalk project to be paid with funds from the JOTS excess TIF proceeds. This shall include sidewalk within the JOTS boundary to be funded 100% with excess TIF funds. Allow funds to be allocated to sidewalk outside JOTS TIF boundary with excess TIF in accordance with State rule and regulation.

If grant proceeds or other funds are received, they could be allocated towards the CSAH 65, reducing the TIF allocation accordingly.

- f. Mayor Finken noted that at the Council's January 3 meeting, they approved Phase I of the Melrose Sauk River Dam / Melrose Bridge Project. Phase I includes a channel realignment of the Sauk River, stream bank restoration, habitat improvement, removal of hazardous structures and adding recreation.

Phase II will allow for the future modification to the Melrose dam and improved habitat, shoreline, fisheries, environmental and recreational amenities in the Sauk River. Phase II may include but not limited to a full stream restoration of Melrose Lake or a modified rock arch rapids or similar concept. This will be determined at a future date, once it is known when the Melrose dam must be removed.

Phase I will allow the City of Melrose to prepare for and cost effectively comply with the Department of Natural Resources requirement to design and build a Class II dam that meets the 1000-year event guidance from the Federal Emergency Management Agency (FEMA) to replace the existing dam. Minnesota rules require that dam projects involving public waters follow prudent, current environmental practices throughout its existence and that that project represents the minimal impact solution to a specific need with respect to all other reasonable alternatives.

Phase I will allow for the design of the 5th Ave NE bridge to be a single span bridge over the Sauk River versus a design that requires a pier to be in the middle of the Sauk River immediately downstream of the Melrose dam spillway. This design will eliminate a potential hazard if the dam were to fail as the embankments, habitat will be designed to support downstream water flow.

Council Member Hill introduced Resolution No. 2019-16, Resolution Committing to Phase II of the Melrose Lake Improvement Project. The motion was seconded by Mr. Travis Frieler with a roll call vote recorded as follows:

FOR: Council Members Hill, Travis Frieler, Justin Frieler, Klasen, and Mayor Finken

AGAINST: None

A.I. #9 NEW BUSINESS

- a. WSB & Associates has submitted a proposal for engineering services for the 2019 Chip Seal projects in the amount of \$6,583.

A motion was made by Mr. Travis Frieler, seconded by Mr. Klasen and unanimously carried to approve the 2019 Chip Seal engineering proposal in the amount of \$6,583.

A.I. #10 INFORMATIONAL ITEMS

The following informational items were then reviewed:

- a. Correspondence from Arvig Communications.
- b. Correspondence from Charter Communications.
- c. Thank You Letter from the Initiative Foundation.
- d. Utilities Commission's January 14, 2019 Regular Meeting minutes.
- e. The 2018 Annual Performance Review of City Administrator Brethorst was completed on January 14, 2019 by the Council and Utilities Commission. His performance meets expectations and has a satisfactory review.
- f. The following are schools and/or conferences where registrations were made:
 - 1) MCFOA Conference – March 19-22, 2019 in St. Cloud. Attending: City Clerk Patti Haase
 - 2) Safety and Loss Control Workshop – March 23, 2019. Attending; Electrical Supervisor Roger Avelsgard and Community Development Director Lisa Atkinson

Mayor Finken thanked the Council for approving the donation to get the fire truck back to Melrose to restore it to its past glory. The current owner of the rig has agreed to donate the rig to the Melrose Fire Department. Tom Finken/Finken Waters has offered to donate \$2,000 to the Melrose Fire Relief Association towards the restoration of the fire truck.

Mayor Finken then presented City Administrator Brethorst with a small gift of appreciation and thanked Mr. Brethorst for making the community a great place. Mr. Finken stated that, not only is Mr. Brethorst a great leader, but also a great friend. He has done so much for the community.

Mr. Brethorst thanked the Mayor, Council and community for letting him serve the community for the past eight years.

A.I. #11 ADJOURNMENT

A motion was made by Mr. Hill, seconded by Mr. Justin Frieler and unanimously carried that the meeting be adjourned at 7:10 p.m.

PATRICIA HAASE – CITY CLERK