

**MELROSE CITY COUNCIL
REGULAR MEETING
THURSDAY, MAY 21, 2020 – 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 Resolutions:
 - 1) Resolution No. 2020-25 Donation from Melrose Lions
5. Public Hearing
 - a. VAC-4-2020-701 – Rahn’s Oil & Propane Utility Easement Vacation
6. Reports
 - a. Police Department Report
 - b. City Attorney Report
 - c. General Fund First Quarter Financial
 - d. Community Development Director Report
 - e. City Administrator Report
7. Action Items
 - a. VAR-3-2020-101 Hennen/Thom Variance Requests/Resolution No. 2020-26, Resolution Approving Case No. Var-3-2020-101 Application for a Variance from the Minimum Lot Width and Minimum Lot Area Per Dwelling Unit in the R-3 Multi-Family Residential Zoning District
 - b. VAR-4-2020-102 Rahn’s Oil & Propane Variance/ Resolution No. 2020-27, Resolution Approving Case No. Var-4-2020-102 Application for a Variance from the Minimum Rear Setback and Maximum Lot Coverage Requirements in the I-2 Light Industrial Zoning District
 - c. VAC-4-2020-701 Rahn’s Oil & Propane Utility Easement Vacation/ Resolution No. 2020-28 A Resolution Vacating a General Utility Easement Upon a Petition by The Landowners
 - d. Ordinance 05-21-2020, An Ordinance Amending Section 500, Parking, Loading and Storage Regulations, of Zoning Ordinance No. 1989-1-A as Amended, Adopted by Reference as Chapter 153 of the Melrose City Code

- e. LMCIT Insurance Quote
 - f. Part -Time Seasonal Temporary Streets/Parks Worker
 - g. Potential Land Sale
-
- 8. Old Business
 - a. Resolution No. 2020-21 Resolution Declaring a Local Emergency
 - b. Multi-Family Housing
-
- 9. New Business
-
- 10. Informational Items
 - a. Utilities Commission Meeting Minutes
-
- 11. Adjournment

**MELROSE CITY COUNCIL
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THURSDAY, MAY 21, 2020 – 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, May 21, 2020 at 6:00 p.m. via global/GoToMeeting pursuant to due notice being given thereof. Present were Council Members Tony Klasen, Justin Frieler, Mark Hill, and Mayor Joe Finken, City Administrator Colleen Winter, and City Clerk Patti Haase. Council Member Travis Frieler was absent. Mayor Finken presided thereat.

The Council then recited the Pledge of Allegiance.

A.I. #2 APPROVAL OF AGENDA

A motion was made by Mr. Hill to approve the agenda as submitted. The motion was seconded by Justin Frieler with a roll call vote recorded as follows:

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

AGAINST: None

ABSENT: Council Member Travis Frieler

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 April 2 Special Joint Meeting with MADA the April 16 Local Board of Appeal and Equalization Meeting, the April 16 Special Joint Meeting with the Public Utilities Commission – Audit Review and the April 16 Regular Meeting Minutes
- b. List of bills in the amount of \$311,150.93 (See attached list)
- c. List of investments for the month of April (See attached list)
- d. Donation Resolutions
 - 1) Resolution No. 2020-25, donation in the amount \$500 from the Melrose Lions 2018 pledge towards the water tower lights

A motion was made by Mr. Justin Frieler, to approve the Consent Agenda items. The motion was seconded by Mr. Hill with a roll call vote recorded as follows:

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

AGAINST: None

ABSENT: Council Member Travis Frieler

A.I. #5 PUBLIC HEARING

- a. The Melrose City Council held a Public Hearing to consider a request to vacate utility easements to allow construction on the Rahn's Oil and Propane site at 1220 East Main St., Melrose. The public hearing relates to existing utility easements on real property in the City of Melrose, legally described as follows: Lots 3 and 4, Block 1 East Acres, according to the plat and survey on file and of record in the office of the County Recorder, in and for Stearns County.

City Administrator Winter presented the Affidavit of Publication of the hearing notice which was published in the Melrose Beacon on April 29, 2020.

The Public Hearing was opened at 6:02 p.m.

Community Development Director Atkinson provided an overview of the requested easement vacation.

There being no further comment the Public Hearing was closed at 6:04 p.m.

A.I. #6 REPORTS

- a. Police Chief Maus presented the Police Department's April 2020 report. He noted there were 227 calls for service during that month, compared to 384 calls for April 2019. A total of 14 citations were written for the month of April. There were 22 verbal warnings and three written warning. The year-to-date number of calls is 1122 compared to 1535 in 2019. For the month of April 2020, the Department received 26 agency assist calls. The Police Department has begun the annual Spring Nuisance Code Inspection. He reported that nuisance citations this year are at 77 compared to 44 last year. Chief Maus noted a number of the violations related to expired license tabs which may be attributed to the DMV being closed or slowly re-opening. Chief Maus noted that the graduation ceremony for the class of 2020 will take place on Friday, May 29 starting at 7:00 p.m.
- b. City Attorney Scott Dymoke reported on projects he has been working on for the City:
 - Multi-Family Development: Assisted staff with preparing for hearing before Planning & Zoning on proposed multi-family housing development.
 - Revolving Loan Fund: Assisted staff with review and processing of loan applications.
- c. Finance Director Tessa Beuning presented the General Fund Financial First Quarter Report. Director Beuning noted that the General Fund revenue is at 6% and the expenditures are at 16%. Revenues are low because the property tax revenue and local government aid are received in June/July and December. Property Tax and LGA make up 75% of the revenue budget. Charges for administrative services are not recorded until year end. The revenue for the MADA fund is low due to the transfers from the General Fund and TIF Funds have not yet been made. The Ambulance Revenue is at 27% and the

Expenditures are at 26%. The Revenue for the Fire Department is at 21%. Although 90% of the budgeted revenue comes from Fire Contract charges from the townships and the City's contribution, and is not collected until December. The Fire Department has adequate reserve funds to meet operation costs until contract revenue is received. Special Revenue Funds include the Business Improvement Loan Fund, Senior Activity Center, Tri-Cap Bus and Yellow Bike Program. The revenues include interest earned, bus service revenues, and miscellaneous contributions.

- d. Community Development Director Lisa Atkinson provided an update on the year to date building permits. Ms. Atkinson reported that Emergency Revolving Loan Funds have been issued for 3 businesses (\$30,000) to help mitigate COVID-19 impacts. Ms. Atkinson stated that the tax forfeiture land by interstate/Rose Park is for sale again. MADA re-evaluated and is not recommending the City consider purchasing it at this time.
- e. City Administrator Winter provided an update on activities related to COVID-19. Ms. Winter also stated that the legislative session ended on May 18 without passing a bonding bill or tax bill. We will wait and see what happens in special session. Ms. Winter also noted that the Street Department received authorization to purchase a plow truck in 2020. The plow truck has been ordered however it will not be available until 2021 or 2022. The question was asked if the Street Department could then purchase a Grader for 2020 as the funding for the plow truck will not be needed until 2021 or 2022. The Grader was scheduled to be replaced in 2021. The Grader would be at a cost of \$175,000 - \$180,000, which is \$30,000 less than the plow truck.

A.I. #7 ACTION ITEMS

- a. Mayor Finken stated that the Planning and Zoning Commission held a Public Hearing on Monday, April 13 to consider a request for six variances submitted by Joe Hennen/Blue Can Properties and Travis Thom. The request pertains to a vacant parcel proposed to have an 8-unit multi-family apartment complex. The request relates to real property in the City of Melrose, legally described as follows: Lot 2, Block 1 Fifth Avenue Addition. It is located immediately east of 120 5th Ave. NW on the south side of 2nd St. NW. The Planning Commission only recommended approval for the first two variance requests, from the minimum lot width and the minimum lot area per dwelling unit (density). The remaining variance requests have been withdrawn by the applicant. The only action before the Council is consideration of two variances. As a point of clarification, use of the alley is no longer being proposed. Shared parking is proposed internal to the site and extending onto the existing apartment lot is allowed by a permanent easement/shared parking agreement.

A motion was made by Mr. Justin Frieler adopting Resolution No. 2020-26, Resolution Approving Case No. Var-3-2020-101 Application for a Variance from the Minimum Lot Width and Minimum Lot Area Per Dwelling Unit in the R-3 Multi-Family Residential Zoning District. The motion was seconded by Mr. Klasen with a roll call vote recorded as follows:

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

AGAINST: None

ABSENT: Council Member Travis Frieler

- b. Mayor Finken stated that the Planning and Zoning Commission held a Public hearing to consider a request for two variances for the project and property described as Lots 3 and 4, Block 1 East Acres with the address 1220 East Main St. parcel numbers 66.36700.0010 and 66.36700.0015, where Rahn's Oil and Propane is currently located, where a new building addition is proposed to extend as close as 10 feet +/- to the rear/south property line abutting the trail. The applicants also propose to allow lot coverage to be increased by 0.34% to allow 89.89% lot coverage instead of the maximum 70% coverage for buildings and drive areas combined. The Planning and Zoning Commission is recommending the Council approve the requested variances.

A motion was made by Mr. Justin Frieler adopting Resolution No. 2020-27, Resolution Approving Case No. VAR-4-2020-102 Application for a Variance from the Minimum Rear Setback and Maximum Lot Coverage Requirements in the I-2 Light Industrial Zoning District. The motion was seconded by Mr. Klasen with a roll call vote recorded as follows:

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

AGAINST: None

ABSENT: Council Member Travis Frieler

- c. Mayor Finken noted that Rahn's Oil and Propane located on land owned by Dave and Lisa Rahn, real property in the City of Melrose, Stearns County, Minnesota, legally described Lots 3 and 4, Block 1, East Acres, parcel numbers 66.36700.0010 and 66.36700.0015 located at 1220 Main St. East, Melrose, MN 56352 has submitted a petition requesting that, pursuant to Minnesota Statute §412.851, the City Council vacate all but the south 10 feet of the dedicated 7.5 foot utility easements along each side of the shared lot line between Lots 3 and 4, Block 1, East Acres. The application was received by the City Clerk on April 27, 2020 and published in the Melrose Beacon on April 29, 2020.

There are no existing utilities within the easement area that is proposed to be vacated. It was a standard easement between two abutting lots that are now owned by the same landowner. It is anticipated that the two lots will be combined into one lot.

A motion was made by Mr. Hill adopting Resolution No. 2020-28 A Resolution Vacating a General Utility Easement Upon a Petition by The Landowners. The motion was seconded by Mr. Justin Frieler with a roll call vote recorded as follows:

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

AGAINST: None

ABSENT: Council Member Travis Frieler

- d. Mayor Finken noted that a resident contacted staff requesting to have crushed granite beneath the parking area for their camper trailer. This is not permitted under current codes as parking areas have to be durably surfaced. The City

Council reviewed this at their last meeting and authorized the City move forward with a public hearing to consider an ordinance change. Staff drafted an amendment to Zoning Ordinance Section 503.02, Vehicle and Exterior Storage Requirements – Major Recreational Equipment Storage. The Planning and Zoning Commission at its May 11, 2020 meeting held a Public Hearing on the proposed ordinance amendment and is recommending the Council adopt the ordinance as prepared.

A motion was made by Mr. Klasen adopting Ordinance 05-21-2020, An Ordinance Amending Section 500, Parking, Loading and Storage Regulations, of 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. Justin Frieler with a roll call vote recorded as follows:

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

AGAINST: None

ABSENT: Council Member Travis Frieler

- e. Mayor Finken stated that the City received their annual quote for general liability, errors and omissions, auto, equipment, and property insurance through the League of Minnesota Cities Insurance Trust (LMCIT) for the period of May 15, 2020 - May 15, 2021. The total quote is \$90,049 from \$81,408 for the 2019-2020 coverage. The cost for the premium is shared between the General at 39% and Utility Funds at 61%.

The City's insurance coverage has a \$5,000 deductible, \$15,000 aggregate. The City needs to decide whether or not to waive the statutory tort liability limits. The decision to waive or not to waive the statutory limits has the following effects:

1. If the City does not waive the statutory limits, an individual claimant would be able to recover no more than \$500,000 on any claim to which the statutory limits apply. The total which all claimants would be able to recover for a single occurrence to which the statutory tort limits apply would be limited to \$1,500,000. These statutory tort limits would apply regardless of whether or not the City purchases the optional excess liability coverage.
2. If the City waives the statutory tort limits and does not purchase excess liability coverage, a single claimant could potentially recover up to \$1,500,000 on a single occurrence. The total which all claimants would be able to recover for a single occurrence to which the statutory tort limits apply would also be limited to \$1,500,000 regardless of the number of claimants.
3. If the City waives the statutory tort limits and purchases excess liability coverage (\$1 million for \$10,293), a single claimant could potentially recover an amount up to the limit of the coverage purchased. The total which all claimants would be able to recover for a single occurrence to which the statutory tort limits apply would also be limited to the amount of coverage purchased, regardless of the number of claimants. In the past the City has not purchased the excess liability coverage.

In the past, the City has chosen Option 2.

The Commission at its May 11, 2020 meeting approved the insurance quote of \$90,049 to waive the monetary limits on municipal tort liability, to keep the deductible at \$5,000/\$15,000, and not purchase excess liability coverage.

A motion was made by Mr. Justin Frieler concurring with the Public Utilities Commission approving the insurance quote of \$90,049 to waive the monetary limits on municipal tort liability, to keep the deductible at \$5,000/\$15,000, and not purchase excess liability coverage. The motion was seconded by Mr. Hill with a roll call vote recorded as follows:

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

AGAINST: None

ABSENT: Council Member Travis Frieler

- f. Mayor Finken stated that the City Council authorized staff to begin the hiring process for the part-time seasonal Street/Parks Worker. Three applications were received. Staff conducted interviews on Thursday, May 14. Staff is recommending the hire of Sam Rieland at the start step of the wage scale.

A motion was made by Mr. Justin Frieler approving the hiring of Mr. Rieland as the Part-Time Seasonal/Temporary Streets/Parks Maintenance Worker at the start step. The motion was seconded by Mr. Klasen with a roll call vote recorded as follows:

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

AGAINST: None

ABSENT: Council Member Travis Frieler

- g. Mayor Finken noted that the City acquired some of the former Burlington Northern land when the railroad was abandoned and the trail constructed. Portions of this land have been sold to abutting properties when they expressed interest. One parcel (66.37010.0745) abuts land owned by Scott and Rachel Dymoke (300 Riverside Ave. NW). The property ownership is changing, and the new owner has expressed interest in purchasing from the City. The land abutting the trail in other parts of Melrose have been turned over to abutting properties. The new property owner would like the opportunity to similarly purchase the land abutting their property.

According to documents filed with the County other properties along the Railroad corridor were purchased at a cost of \$1 per parcel. One parcel was purchased at a cost less than \$500. The valuation for the property in question is \$5,300

A motion was made by Mr. Justin Frieler authorizing the parcel of property of the former Burlington Northern land be sold to in the amount of \$1.00. and to approve the land transfer subject to it being attached to the adjacent parcel and recorded when appropriate related to the abutting land purchase instead of being recorded immediately. The motion was seconded by Mr. Hill with a roll call vote recorded as follows:

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

AGAINST: None

ABSENT: Council Member Travis Frieler

A.I. #8 OLD BUSINESS

- a. The Council at its March 19, 2020 Adopted Resolution No. 2020-21 Resolution Declaring a Local Emergency . Does the Council want to continue to work under the Emergency Declaration?

City Administrator Winter provided an update on COVID-19 related items. Ms. Winter provided information on how cities are able to work with small businesses to help them re-open. Ms. Winter noted that cities are subdivisions of the state and have no authority to change a state law or be less restrictive or resist state laws and may have legal consequences for failing to enforce the order.

Ms. Winter has spoken with Senator Westrom and Representative Anderson. Both are working legislatively to get small businesses re-opened.

City Administrator Winter is recommending that the Council keep the Local Emergency Declaration in place.

Council Member Justin Frieler questioned if the order is a recommendation or the law. City Attorney Scott Dymoke stated that the order is in fact law.

City Administrator Winter stated that staff has scheduled a meeting with bar and restaurant owners on Friday, May 22 from 2-4 p.m. to work with them in any capacity to allow expanding their outdoor seating area. Ms. Winter is asking the Council to give approval for staff to meet with business owners and get input as to their plan to expansion. The Council directed staff to meet with the owners and bring their requests to the Council at a Special Meeting on Tuesday, May 27.

The Council by consensus elected to allow Resolution No. 2020-21, Declaring a Local Emergency to remain in effect and to be bought back for review at the June meeting.

- b. The City has identified a need for housing, in particular apartment and slab on grade housing. The Council at its March 19, 2020 meeting directed staff to contact the developer to see their level of interest and begin discussions with the landowner.

The Council may wish to consider closing the meeting as it discusses the consideration of offers for the purchase of real property. According to State Statutes, there are certain exceptions to the Open Meeting Law, which allow to close meetings. The Council may, by majority vote in a public meeting, decide to hold a closed meeting to determine the asking price for real property to be sold by the public body, review confidential or nonpublic appraisal data; develop or consider offers or counteroffers for the purchase or sale of real or personal property. Prior to closing a meeting under any of the following exceptions, the public body must state on the record, the specific grounds that permit the meeting to be closed and describe the subject to be discussed, and identify the

particular property that is the subject of the meeting. The meeting must be tape-recorded, and the property must be identified on the tape. The recording must be preserved for eight years and must be available to the public after all property discussed at the meeting has been purchased or sold or after the public body has abandoned the purchase or sale. A list of Council Members and all other person present at the closed meeting must be made available to the public after the closed meeting. The actual purchase or sale of the property must be approved at an open meeting, and the purchase or sale price is public data. Parcel number 66.36467.0000

City Administrator is requesting direction from the Council on how to proceed with the multi-family development. Ms. Winter stated that the first step should be to have a discussion with the property owner to see if they are still interested in selling the property.

The Council by consensus approved staff to start discussions with the property owner to gauge their interest in selling the property.

A.I.#9 NEW BUSINESS

None

A.I. #10 INFORMATIONAL ITEMS

- a. The minutes from the Public Utility Commission's April 13 Regular Meeting and the April 29 Special Meeting.

A.I. #11 ADJOURNMENT

A motion was made by Justin Frieler to adjourn the meeting at 7:05 p.m. The motion was seconded by Mr. Klasen with a roll call vote recorded as follows:

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

AGAINST: None

ABSENT: Council Member Travis Frieler

PATRICIA HAASE – CITY CLERK