

**MELROSE CITY COUNCIL  
REGULAR MEETING  
THURSDAY, NOVEMBER 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. Police Officer Step Increase
  - e. Pay Voucher No. 3 – 2019 Street Improvements – Final
  - f. Pay Voucher No. 3 – County Road 65 Sidewalk Improvements
  - g. Gambling Resolution:
    - 1) Resolution No. 2019-53, Midwest Outdoors Unlimited Wobegon Partners
5. Presentation
  - a. Induction of Police Officer – Allyssa Engfer
6. Reports
  - a. General Fund Quarterly
  - b. Police Department Monthly
  - c. City Attorney Report
  - d. Community Development Director Report
  - e. City Administrator Report
7. Action Items
  - a. Resolution No. 2019-54, A Resolution Postponing Decision of Declaration of Need for Environmental Impact Statement (EIS)
  - b. Resolution No. 2019-55, Resolution Approving Case Numbers PP-9-2019-205 and FP-9-2019-206 Preliminary and Final Plat of Jeni Acres Requested by Michael and Jennifer McCann
  - c. Fire Chief Appointment
8. Old Business

9. New Business
  - a. Agreement Between Stearns County and City of Melrose For Providing Early Voting to the Residents of Stearns County
  - b. Elevator Inspection / Maintenance Quote
  - c. Proposed 2020 Meeting Schedule
  
10. Informational Items
  - a. Schools and Conferences
  - b. Utilities Commission Meeting Minutes
  - c. Pay Equity Compliance
  
11. Adjournment

**MELROSE CITY COUNCIL  
REGULAR MEETING  
THURSDAY, NOVEMBER 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, November 21, 2019 at 5:30 p.m. at the Melrose City Center pursuant to due notice being given thereof. Present were Council Members Tony Klasen, Justin Frieler, Travis Frieler, Mark Hill, and Mayor Joe Finken, City Administrator Colleen Winter, and City Clerk Patti Haase. Mayor Finken presided thereat.

The Council then recited the Pledge of Allegiance.

**A.I. #2 APPROVAL OF AGENDA**

A motion was made by Mr. Klasen, seconded by Mr. Justin Frieler and unanimously carried to approve the agenda as amended moving #5a prior to the Open Forum.

**A.I. #3 OPEN FORUM**

Mayor Finken stated that the City received a request from the Church of St Mary's to demolish the existing church located at 203 Fifth Avenue SE which sustained an arson fire in March 2016. The church was required to complete a mandatory Environmental Assessment Worksheet, known as an EAW, per MN Administrative Rules 4410.4300, Subpart 31, Historical places because it is on the National Historic Register.

The EAW is a brief document designed to lay out the basic facts of a project necessary to determine if an Environmental Impact Statement is required. In addition to the legal purpose of the EAW in determining the need for an EIS, the EAW also provides permit information, informs the public about the project, and helps identify ways to protect the environment. The EAW is not meant to approve or deny a project, but instead act as a source of information to guide other approvals and permitting decisions. The courts have ruled that the City has no say in the use or demolition of the church structure. Tonight's meeting is not a public hearing, but an opportunity for the Council to discuss the EAW and make a recommendation as to next steps in the process.

Mayor Finken stated that those who wish to speak regarding the EAW are asked to be respectful and keep the comments to three minutes.

Jesse Lovelace stated that attorney Eric Hanson has noted that buildings on the national register of historic places enjoy special protection under Minnesota law. So the question to the Council is not whether the historic church may be demolished, but whether the EIS is required. It seems that Mr. Hanson believes all the issues have not been adequately addressed. Mr. Lovelace stated that the City may be making a legal mistake. Mr. Lovelace stated that a majority of the people in the community are descendants of those who built the church and if the church is demolished, there is no symbol left as a monument to their memory.

Santina Lovelace commented that the church is a very important building to the culture of the community. There are grants available to restore and ways to utilize the building. Ms. Santana does not believe that due diligence has been done on the environmental impact. It is not just the materials that affect the environment, but they are tearing down a culture, a history. She said this is a life-changing decision that affects the future of this community.

Alan Schulzetenberg stated that the community does not need another gravel lot. Mr. Schulzetenberg stated that there should be a willingness to look at the options as to what can be done with the building. This is an opportunity to involve the community. It would be a good way to bring people together. Mr. Schulzetenberg would like to make the building something better rather than tear it down.

Gerry Osendorf stated that he has been a member of the community for a long time and some of his ancestors helped build the church. Mr. Osendorf stated that the purpose of the Friends to Restore is to preserve the building. They have spent many hours traveling to and talking about things that could happen in that building if it is not torn down. Mr. Osendorf did get a reconstruction specialist to exam the building. Doug Henning from Henning Restoration said the church is restorable. Braun Intertec certified the building as being structurally sound. Heritage is important. Mr. Osendorf recommends preserving the old building and repurpose it. There are grants available and people who are willing to work to help secure those grants.

Vern Hollermann stated that the community's ancestors built the church. He is asking that it be preserved, as in his opinion, it is the last historical building in Melrose.

Bridgett Salzman commented that churches are often both the oldest and most beautiful buildings in our communities; therefore, they are the rock that continues to sustain us as we bring people together in service and worship. There are organizations that are willing to help restore the building. One such organization is Partners for Sacred Places. It is the only nonsectarian, nonprofit organization dedicated to sound stewardship and active community use of older sacred places across America. There are opportunities to get assistance to help preserve the old church.

#### **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 October 17 Regular Meeting.
- b. List of bills in the amount of \$404,120.44. (See attached list)
- c. List of investments for the month of October. (See attached list)
- d. Police Officer Matt Moorman will complete three years of full-time service with the City on November 23. Chief Maus conducted a review and it is favorable, therefore, recommends approval of a step increase from Step 2 to Step 3.
- e. The Council to give consideration to Pay Voucher No. 3 from Riley Brothers Construction. The total of Pay Voucher No. 3 is \$41,993.43 and is the final pay voucher as the project is completed. Pay Voucher No. 3 has been reviewed by WSB Engineering and is hereby recommending approval.

- f. The Council to give consideration to Pay Voucher No. 3 from Worms Lumber & Ready Mix for the 2019 County Road 65 Sidewalk Improvements. The total on Pay Voucher No. 3 is \$17,556.00. Pay Voucher No. 3 has been reviewed by WSB Engineering and is hereby recommending approval.
- g. Resolution No. 2019-53, Resolution Approving Gambling License to Midwest Outdoors Unlimited Wobegon Partners for an exemption from lawful gambling license to hold a raffle on January 18, 2020 at the Melrose Legion Club, 265 County Road 173 SE.

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

#### **A.I. #5 PRESENTATION**

- a. Police Chief Craig Maus administered the Oath of Office to Police Officer Allyssa Engfer.

#### **A.I. #6 REPORTS**

- a. Finance Director Tessa Beuning presented the General Fund Financial Third Quarter Report.

The General Fund Revenue is at 57% and the Expenditures are at 62%. Revenues are low because only half of the property tax and local government aid are not received until December. Property Tax and LGA make up 67% of the revenue budget.

MADA: A petrofund fuel reimbursement from the State of Minnesota was made in 2019 that had not been budgeted for. The transfers from the General Fund and TIF funds have not yet been made. There have been minimal expenditures as the end of the third quarter.

Ambulance Revenue is at 90% and the Expenditures are at 72%. Administrative fee transfers to the General Fund are done at year end. The Ambulance Department cost-shared painting at the Fire and Ambulance Station which increased the maintenance expense.

The Revenue for the Fire Department is only at 6%. This is because 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 operational costs until contract revenue is received. The expenditures are at 33% of the budget, due to salaries and building rent not being paid until year end.

- b. Police Chief Craig Maus presented the Police Department's October report. He noted there were 313 calls for service during the month, compared to 441 for October 2018. A total of 19 citations were written for the month of October. The year-to-date number of calls is 3,667 compared to 4,429 in 2018. For the month of October 2019, the Department received 24 agency assist calls. Chief Maus noted that the number of school patrol flag violations and school bus arm violations have decreased. Chief Maus also informed residents that the Holiday Kick-Off is on Friday, November 29. Main Street will be closed at 6:00 p.m. until sometime later that evening.

- c. City Attorney Scott Dymoke reported on projects he has been working on for the City:
- Sprint Lease: Prepared draft of updated lease agreement between Melrose and Sprint for antenna space on the south water tower.
  - St. Mary's EAW: Reviewed EAW, applicable statutes, rules and court decisions concerning EAW declarations. Met with City staff and contract advisors to review EAW and prepare recommendations to the Council.
- d. Planning and Development Director Atkinson provided an update on the various current and upcoming projects. Ms. Atkinson noted that staff has been working on trying to locate market rate multi-family housing in Melrose. Staff has also been working on signage for the food shelf and Meadowlark Park. Ms. Atkinson noted that Shaggy's Towing has installed a metal frame with a canvas type of roof attached to two cargo containers. Previously, they had a sheet/panel of metal sitting on top of and extending between the two cargo containers which the City informed them was not a permitted structure and a safety concern. As a result, they removed the metal sheet/panel moved the cargo containers further apart and added a larger metal roof frame. The metal frame was covered with canvas and vehicles are being stored under the roofed area. The issues are as follows:
1. The structure was constructed without a building permit.
  2. The structure does not meet the exterior building material requirements for industrial buildings.
  3. Cargo containers are not building walls and allowing them to be building walls sets bad precedence.
  4. The City does not allow canvas roofs on any structures. When canvas-roofed storage structures were installed without a permit on residential property, the City has required the structure to be removed.

The City submitted a letter to the property owners informing them that the structure violated City Codes and was constructed without a permit. The property owners were given until November 13, 2019 to remove the structure. The Building Official visited the site and spoke with the business on November 4, 2019. The business stated they are not willing to comply.

The City has a policy of not allowing permits to be issued when the site has a non-conforming issue. A new septic system has been designed for the property and a permit will likely be requested soon assuming the ground isn't too frozen already.

Staff requested direction on how the Council would like this to proceed related to the violation, correcting the violation and the timing of the permit.

Mayor Finken stated that staff needs to enforce City Code.

- e. City Administrator Winter provided an update on the following:

Community Development

Working with CD director on several economic development projects, including housing, commercial development and broadband

#### Administration/Finance

Working with Finance Director on refining job descriptions and addressing the long term needs of City Center staffing. Budgeting.

#### WWTF

Working with consultants and staff on predesign of WWTF improvements. Developing funding strategies and renegotiating SIU agreements.

#### Organization Planning

Working with Monday.com to develop a Project Planning and Implementation platform for staff. Currently being tested by myself and Community Development Director.

#### Buildings needs

Continue to address mechanical systems at City Center and plan for future upgrades; developing building maintenance logs on all City-owned buildings.

#### Streets/Parks

Working with Streets/Parks Supervisor on several miscellaneous projects and future planning for streets, sidewalks and parks.

#### RDB/Engineering

WSB has had some staffing changes and we will not present costs and timelines related to RDB until the December 12 meeting. Also working on communication, expectations and project timelines in general.

#### Cell Tower Leases

Continue to work through these projects with the City Attorney.

### **A.I. #7 ACTION ITEMS**

- a. Mayor Finken stated that an EAW was conducted by the Church of St. Mary for the demolition of the church that was damaged by fire. The Council is the Responsible Government Unit (RGU) charged with reviewing the EAW. The purpose of an EAW is to determine the potential for environmental impacts, determine the need for an Environmental Impact Statement (EIS), and inform permitting decisions. The EAW comment period ended on October 30, 2019. There were several letters provided as part of the EAW process, including one from the Department of Administration State Historic Preservation Office. The State Historic Preservation Office (SHPO) has requested a Level 1 MHRP document be created (\$10,000-12,000) to mitigate the loss of the Church of St. Boniface (Church of St. Mary). The request is a recommendation and is not a mandatory requirement as this is not a federal project.

When staff reviewed the EAW comment letter from the SHPO office, staff contacted the letter writer, Sarah Beimers, to get further clarification on the level 1 MHRP document request. An email was sent to Ms. Beimers, and her response is stated below:

*“Our recommendation for a Level 1 MHPR documentation a mitigation for the loss of the Church of St. Boniface (Church of St. Mary) is based upon the fact that this National Register of Historic Places-listed property is one of the most architecturally significant historic church buildings in the central region of our state, especially significant in its embodiment of the history and influence of the German Catholic immigrant story of the Melrose community and Stearns County. The NRHP Nomination Form describes this significance in detail. It is a church which is prominently featured in the book Minnesota’s Treasures: Stories Behind the State’s Historic Places which cites the church as being the largest in size in the Diocese of St. Cloud. Also, noted in the book is the fact that the German-born George Bergmann of St. Cloud was chosen as the architect for this church was because he specialized in creating building designs for German communities. It is for these reasons that we are surprised to hear that the city questions our recommendation to undertake and prepare the highest level of photographic and narrative documentation for this church.” (11-8-19 Email)*

Upon a follow up phone call with Ms. Beimers, City Administrator Winter asked what existing historic information does the SHPO office have and if it qualifies as meeting the requirement of a Level 1 MHPR. The response from Ms. Beimers was simply send in what you have. SHPO has two different documents regarding historic properties and to date staff has not gotten a clear response from SHPO as to what they would like to see.

City Attorney Scott Dymoke, after reviewing the letters submitted for the EAW, expressed his concern that Item 19, Cumulative Potential Effects, was responded to as “Not Applicable” for parts A to C. This item is located on page 24 of 28 of the Environmental Assessment Worksheet, the first part of the EAW document.

City Administrator Winter and Director Atkinson met with the Church, including Father Enneking, Gary Walz and attorney Adam Ripple (all representing “The Church”) on November 13, 2019 to discuss the SHPO letter along with other details.

- The Church indicated their willingness to provide additional narrative as to why they felt the Cumulative Potential Effects was not applicable or how it is dealt with in other parts of the EAW.
- The Church stated they were unwilling to capture any large format historical photos or invest any funds of significance in historical photos or documentation. They feel that the need for memorializing the church with a Level 1 MHPR document is unnecessary and arbitrary. They felt that SHPO was a recommending body to the City and the City could determine that the historic documents, publications and many photographs that already exist clearly outlines the history of the church and meets the needs of preservation.
- As a follow-up, City staff asked them to prepare a letter stating how they intend to document, show and or have available the history of the church.

Staff is requesting that the Council, through resolution, require additional time of up to 30 days to make a final determination on the environmental process.

Council Member Justin Frieler stated that he had spoken with City Attorney Dymoke and he is of the opinion that the church should address the request from SHPO.

Mr. Hill stated that as the responsible government unit, a decision needs to be made regarding the EIS; however, the structure belongs to the diocese and they have made the decision as what to do with the building. Mr. Hill is of the understating that the diocese is the one who determines what to do with the building.

Mr. Travis Frieler stated that he also agrees that the church should respond to the request of SHPO.

Council Member Klasen stated that he does not have a problem asking for another 30 days to make the determination. Mr. Klasen did ask that on a personal note, that both sides try and come to a compromise that would satisfy both parties. This would go a long way in healing the division.

Mayor Finken stated that he has some of the same concerns as Council Member Hill and Klasen. Mr. Finken stated that the community needs to find a way to become a community again, to overcome our differences and stand by one another.

Council Member Hill introduced Resolution No. 2019-54, A Resolution Postponing Decision of Declaration of Need for Environmental Impact Statement (EIS). The motion was seconded by Mr. Justin Frieler with a roll call vote recorded as follows:

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

AGAINST: None

- b. Mayor Finken stated that Michael and Jennifer McCann, 615 1<sup>st</sup> Ave SW, are proposing a Preliminary and Final Plat to split their 5.76+/- acre homestead into two lots, each of which is under five acres in size. The applicants purchased a single 5.76 +/- acre parcel with an existing house and outbuildings. They would like to split off the western portion of the land which would allow a single-family home to be constructed on that lot. Because both of the resulting lots are under five acres and have never been platted previously, a Preliminary and Final Plat is required instead of a simple lot split.

The Planning and Zoning Commission, at its September 30 meeting, recommended the Council approve the Preliminary and Final Plat for Jeni Acres (Michael and Jennifer McCann) with the conditions as stated in the resolution.

Council Member Justin Frieler introduced Resolution No. 2019-55, Resolution Approving Case No. PP-9-2019-205 and FP-9-2019-206 Preliminary and Final Plat Requested by Michael and Jennifer McCann. The motion was seconded by Mr. Travis Frieler with a roll call vote recorded as follows:

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

AGAINST: None

- c. Mayor Finken noted that according to the Fire Department Policies, Officers' terms expire every two years. The terms will expire on January 1, 2020; therefore, applications for Chief, 1<sup>st</sup> Assistant Chief, 2<sup>nd</sup> Assistant Chief, and Training Officer were accepted through October 15.

Fire Chief Tom Budde was the only applicant for the Fire Chief position; therefore, interviews were not conducted. Administrator Winter is recommending Chief Budde be reappointed as Fire Chief for appointments for 2020 and 2021.

A motion was made by Mr. Justin Frieler, seconded by Mr. Klasen and unanimously carried appointing Mr. Budde as the Melrose Fire Chief for 2020-2021.

### **A.I. #8 OLD BUSINESS**

None

### **A.I. #9 NEW BUSINESS**

- a. Mayor Finken stated that Stearns County Auditor Treasurer Randy Schreifels contacted staff regarding voting administration for the upcoming 2020 elections. The County is requesting the City of Melrose provide early voting to the residents of Stearns County beginning the Tuesday prior to all state-wide elections.

A motion was made by Mr. Justin Frieler, seconded by Mr. Klasen and unanimously carried approving the Agreement Between Stearns County and the City of Melrose for Providing Early Voting to the Residents of Stearns County.

- b. Mayor Finken noted that the City has terminated the elevator maintenance and service contract with their current vendor, which will end on December 31, 2019. Staff have obtained quotes from two vendors to perform inspection and maintenance services. Quotes were received from All City Elevator and Larson Elevator. Both quotes came in at \$108 per month, or \$1,296.00 annually. All other terms appeared consistent between the two. Due to the work already performed on City elevators by All City Elevator, Inc., it is staff recommendation to go into contract with them. Each quote was for a one-year contract, that would renew annually but can be terminated with 30-day notice.

A motion was made by Mr. Travis Frieler, seconded by Mr. Justin Frieler and unanimously carried awarding the service agreements for elevator inspection and maintenance to All City Elevator.

- c. The Council next reviewed the 2020 Meeting Schedule for any possible changes. Please note that January will have two meetings instead of the usual one meeting per month.

The Council, by consensus, approved the 2020 meeting schedule.

## **A.I. #10 INFORMATIONAL ITEMS**

The following informational items were reviewed:

- a. The following is a list of schools and/or conferences where registrations were made:
  - 1) Excel Training – October 24, 2019. Attending: Office Assistant II Sharon Blaskowski
  - 2) MCFOA Region III Training – Election Law Updates – November 20, 2019 in Waite Park. Attending: City Clerk Patti Haase
- b. Utilities Commission's October 14 Regular Meeting minutes.
- c. In July, the City was notified that they were not in compliance with Minnesota Pay Equity. A letter was written to the State Pay Equity Coordinator for reconsideration. The City was notified in October that they have reviewed our letter and justifications as to why we are in compliance, and our request has been approved. The City has been awarded compliance for the 2019 Pay Equity Report, and we will be required to report again in three years.

## **A.I. #11 ADJOURNMENT**

A motion was made by Mr. Travis Frieler, seconded by Mr. Justin Frieler and unanimously carried that the meeting be adjourned at 6:30 p.m.

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PATRICIA HAASE – CITY CLERK