

**SANDSTONE CITY COUNCIL**  
**WEDNESDAY – MARCH 7, 2018**  
**6:00 p.m.**  
**AGENDA**

1. Call to Order
2. Roll Call
3. Pledge of Allegiance
4. Additions or Corrections to the Agenda
5. Petitions or Complaints by Residents and/or Council members  
*(Comments from Visitors must be informational in nature and not exceed (5) minutes per person. The City Council generally will not engage in a discussion or debate in those five minutes but will take the information and find answers if that is appropriate. It is unacceptable for any speaker to slander or engage in character assassination at a public City Council meeting.)*
6. Public Hearing: None
7. Special Item of Business: None
8. Consent Agenda:
  - a. Approval of Regular City Council Meeting Minutes: February 21, 2018 (pgs. 3-7)
  - b. Approval of Special City Council Meeting Minutes: February 28, 2018 (pgs. 8-10)
9. Old & Continuing Business:
  - a. River Bluff Street Improvement Project (pgs. 11-12)
  - b. Lundorff Drive – Change Order (pgs. 13-20)
10. New Business
  - a. Rental Inspector – Resignation (pgs. 21-22)
  - b. T-Mobile Lease Renewal (pgs. 23-25)
  - c. Resolution 20180307-01 Supporting Regional Transportation Coordinating Councils (RTCC) Planning (pgs. 26-27)
11. Reports
  - a. Fire Department Report (pgs. 28-31)
    1. 2018 Fire Formula
    2. 2019 Fire Department Budget
    3. 2019 Fire Formula
  - b. EDA Meeting – February 28, 2018 (pgs. 32-35)
    1. Certificates of Completion (pgs. 36-38)
  - c. Library Report – February (pg. 39)
  - d. Building Inspector Report – January 15 – February 15, 2018 (pg. 40)
  - e. Financial Reports
    1. Vendor Approval Summary Report – February 22, 2018 (Paid Claims) (pg. 41)
    2. A/P Clerk Claims – February 22, 2018 – March 7, 2018 (Unpaid Claims) (pgs. 42-45)
12. Written Notices and Communications
  - a. MN Department of Public Safety – Lease Termination Notice (pg. 46)
13. Administrator’s Report
14. Adjourn

## UPCOMING MEETINGS

|             |   |
|-------------|---|
| March 7     | 6:00 p.m. – City Council Meeting                                    |
| March 8     | 10:00 – Regional Transportation Coordination Council (RTCC) Meeting |
| March 9     | 8:00 a.m. – Park & Rec Commission Meeting                           |
| March 12    | 3:00 p.m. – Sandstone History and Art Center (SHAAC) Meeting        |
| March 12-15 | Auditor Here  |
| March 14    | Greater MN Cities Coalition Legislative Day on the Hill             |
| March 14    | 12:00 p.m. – Sandstone Area Chamber of Commerce Lunch               |
| March 14    | 7:00 p.m. – Planning Commission Meeting                             |
| March 16    | 12:00 p.m. – Governor’s Deer Hunting Opener Planning Meeting        |
| March 19    | 10:30 a.m. – NLX Technical Advisory Committee Meeting               |
| March 20    | 7:00 p.m. – East Central Regional Arts Council Grant Review         |
| March 21    | 9:00 a.m. – Old Highway 61 Meeting                                  |
| March 23    | 10:00 a.m. – GPS 45:93 Meeting                                      |
| March 27    | 6:30 p.m. – Hospital District Meeting                               |
| March 28    | 10:00 a.m. – NLX Alliance Meeting                                   |
| March 28    | 6:00 p.m. – EDA Meeting   |
| April 4     | 6:00 p.m. – City Council Meeting                                    |
| April 5     | 7:00 – 9:00 a.m. – EDA Business Breakfast                           |
| April 5     | 9:30 a.m. – Pine Housing Initiative Meeting                         |
| April 5     | 10:30 a.m. – East Central Housing Organization (ECHO) Meeting       |
| April 5     | 11:00 a.m. – Lundorff Drive Ribbon Cutting                          |
| April 6     | 12:00 p.m. – ECRDC Administrator’s Meeting                          |
| April 9     | 3:00 p.m. – Sandstone History and Art Center Meeting                |
| April 11    | 12:00 p.m. – Sandstone Area Chamber of Commerce Lunch               |
| April 11    | 7:00 p.m. – Planning Commission Meeting                             |
| April 13    | 8:00 a.m. – Park & Rec Commission Meeting                           |

**City of Sandstone  
Regular Meeting Minutes  
February 21, 2018**

**CALL TO ORDER:** 6:00 p.m.

**ROLL CALL:** Kester, Spartz, Franklin, Devlin and Palmer

Members absent: None

Staff present: Administrator George and Recording Secretary Nelson

Others present: Fran Levings with OSAC and Nick Eberhart with the Fire Department

**PLEDGE OF ALLEGIANCE:** Council, guest and staff recite pledge of allegiance.

**ADDITIONS OR CORRECTIONS TO THE AGENDA:**

**Motion Franklin, second Devlin to approve the agenda with the addition of Resolution 20180221-01 Supporting Bonding Funds for Parks and Trails, the League of Minnesota Cities Legislative Conference, and the appointment of Amanda Lekson as a firefighter. Motion carried 5-0.**

**PETITIONS OR COMPLAINTS BY RESIDENTS AND/OR COUNCIL MEMBERS:** The council discussed the recent snow event. Is the City plowing in a timely fashion? It seems that the businesses did not get plowed until later in the day. Getting the roads open is the primary objective. The plows can't get to the businesses unless the roads are open. There does seem to be some confusion with some staff as to their responsibilities and the maintenance department is one employee short for the winter. Lion's Hill still does not have an attendant. Staff will make sure there is signage to indicate that.

**PUBLIC HEARING:** None

**SPECIAL ITEM OF BUSINESS:** None

**CONSENT AGENDA:**

**Motion Palmer, second Devlin to approve Special City Council Meeting Minutes for February 7, 2018 and the Regular City Council Meeting Minutes for February 7, 2018. Motion carried 5-0.**

**CONTINUING BUSINESS:**

Sandstone History and Art Center Building Assessment – Write Off

In October, 2016, the City contracted with LHB to conduct an assessment of the building located at 402 Main Street, currently occupied by the Sandstone History Center. The total expense was \$5,400 of which Steve Brown agreed to pay \$2,000. In October 2017, staff asked the City Council to consider discontinuing efforts to collect from Mr. Brown. After a great deal of effort, the staff is still unable to locate him. Should this situation occur again, the money will be requested prior to the work being done.

**Motion Palmer, second Devlin to discontinue efforts to collect \$2,000 from Steve Brown. Motion carried 5-0.**

**NEW BUSINESS:**

### Old School Arts Center – Service Agreement

The City received a proposed Service Agreement from the Old School Arts Center which covers the period January 1, 2018 through December 31, 2018. In consideration for the Agreement, OSAC is asking for \$1,000. The Park & Rec budget does allow for the support.

OSAC President Fran Levings reviewed plans for the next year. They are in their 7<sup>th</sup> year at the current location. A fundraiser will be done this year involving a coloring book and it will feature the City of Sandstone. OSAC is approaching other non-profits and businesses and asking them to contribute \$35.00 a piece to pay for the printing. They will be sold at OSAC, at Cheri's Flower Basket, and other area businesses. The administrator suggested a page having to do with the fire department.

**Motion Devlin, second Palmer to approve the Service Agreement for the amount of \$1,000, plus \$35 to pay for the page in the fundraising coloring book for the OSAC. Motion carried 5-0.**

### Greater Minnesota Parks and Trails Resolution 20180221-01

The Greater Minnesota Parks and Trails organization has requested that municipal governments adopt a resolution that supports their request for bonding money for parks and trails. The Legislative session opened yesterday so they would like to get these out as soon as possible. The Legislative Citizens Commission of Minnesota Resources has recommended \$2,000,000 be allocated to the program. The Greater Minnesota Parks and Trail introduced a bill last year for \$2,500,000 for local trails and outdoor recreation. This would tie in with the City's request for funds to help renovate Robinson Park.

**Motion Palmer, second Franklin to approve Resolution 20180221-01 supporting the Greater Minnesota Parks and Trails requesting bonding money for parks and trails. Motion carried 5-0.**

### League of Minnesota Cities

The LMC is holding a Legislative Conference for cities March 21-22 in St. Paul. It will be a good opportunity to be updated by the LMC on how city priorities are doing during the 2018 legislative session. The administrator will not be going to this one but would be happy to register any of the council members who would like to do so.

**Motion Devlin, second Palmer to approve council members attendance at the LMC Legislative Conference, including a 1-night hotel stay. Motion carried 5-0.**

## **REPORTS:**

### **Fire Department Report**

Firefighter Eberhart reported that there were several calls so far this year. There was a vehicle that ran off Old Wagon Wheel Road and caught fire. There was a bulldozer that had caught fire on top of a large wood chip pile. There was a camper fire that was on the ground by the time the firefighters got there. Two trainings took place since the last report; one on management and the other on gear. This year's training was outlined with the crew. They have been steadily working on keeping the fire hall cleaned up on work nights instead of doing all of the clean up after calls. New equipment purchase requests will be submitted to the council when all the details are worked out. The Mayor was contacted by another individual who may be interested in becoming a firefighter. The administrator asked about online fire reports. The upcoming meeting at the fire hall was discussed. Eberhart outlined what the presentation will entail. The council expressed their appreciation for the report.

**Motion Franklin, second Devlin to appoint Amanda Lexon as a probationary firefighter upon completion of the physical exam and background check. Motion carried 5-0.**

**Park & Rec Commission Meeting – February 9, 2018**

**Special Event Permit Application – Peter Fest**

The City received an application for a Special Event Permit. Ice Climber Peter Lenz is planning his annual Peter Fest event for February 23-25 at Robinson Park. He estimates 50 climbers and 10 campers will attend.

The Park & Rec Commission recommends approval of the request with the following conditions:

Fires are only allowed in fire pits, as follows:

- o 1 existing fire ring across from the bathroom by the picnic pavilion
- o 3 existing fire rings in the camping areas

Cutting of trees for firewood is not allowed;

Designate an area for vehicle parking, with signage;

Portage only to camp sites – no vehicles;

The Sheriff's Department should be made aware of the event.

The administrator has reached out to three different schools who have been using Robinson Park for their climbing programs. They are happy to comply with the requirement to obtain a permit for the Commercial Use of Robinson Park and pay the appropriate fee.

**Motion Franklin, second Devlin to approve the Special Event Permit Application for Peter Fest with the stipulations suggested by the Park & Rec Commission:**

**Fires are only allowed in fire pits, as follows:**

- o 1 existing fire ring across from the bathroom by the picnic pavilion**
- o 3 existing fire rings in the camping areas**

**Cutting of trees for firewood is not allowed**

**Designate an area for vehicle parking, with signage;**

**Portage only to camp sites – no vehicles;**

**The Sheriff's Department should be made aware of the event.**

**Motion carried 5-0.**

The Park Commission also:

- agreed to cover half of the local match (\$2,250) that's needed if the City is successful on the grant application with East Central Regional Arts Council for the Kettle River Watershed Mural project. The City will be looking for others who might be willing to help;
- scheduled Spring Clean Up for April 28;
- discussed Arts in the Parks; perhaps changing the day from Wednesday;
- discussed the Legacy Grant application – there has been a lot of discussion regarding priorities and option 3 has been decided on which is similar to what was applied for last year. The application deadline is in June.
- is working on designating a group camping area due to the number of groups that are applying for camping permits.

## **Planning Commission Meeting – February 14, 2018**

The City is off to a great start in rewriting the zoning ordinance. The administrator went over the displayed maps and lowering of the zoning districts from 14 to 8. This allows the commission to hone in and make decisions on how they want to regulate the land use in each district.

## **PeopleService Report – January 2018**

### **Wellhead Protection Plan**

The City received notification from the MN Department of Health that we need to start working on a Wellhead Protection Plan. The purpose of the plan is to identify and prevent contaminants from entering wells used by public water supply systems. Creation of the plan is broken down into two parts – (1) delineating the drinking water supply management area and assessing well and aquifer vulnerability and (2) creating the plan to manage the drinking water supply management area.

For systems serving 3,300 people or less, the MDH hydrologist will write Part 1 of the plan. This process will take about a year to complete and would ordinarily cost somewhere near \$60,000 if the City were to pay for it. A consultant will need to be hired to write Part 2 of the plan, at an estimated cost of \$8,000 - \$12,000 depending on what is determined during Part 1. There may be grant funds available to address some of the issues that might be discovered during the process.

At this point, the City needs to designate a Wellhead Protection Plan Manager. Staff would also like to designate a Co-Manager. The administrator suggested that Deputy Clerk Jackson be appointed as manager and PeopleService contractor Hiler be appointed as co-manager.

The administrator reported that there is another grant source available now (applications due within the next 30 days) that could pay up to 50% (\$10,000 maximum) for adding a meter and sampling tap to Well No. 2. This is a project that the City has been considering and quotes were previously received. Hiler will get an updated quote for this work and the MDH staff will help write the grant application. It might make sense to move this project up if the City can take advantage of the grant dollars.

**Motion Devlin, second Franklin to appoint Deputy Clerk Jackson as Wellhead Protection Plan Manager and PeopleService contractor Hiler as co-manager. Motion carried 5-0.**

## **Financial Reports**

The Council reviewed the Cash Balance, Revenue & Expenditure Report, the Vendor Approval Summary Report – February 7, 2018 (Paid Claims), and the A/P Clerk Claims – February 8, 2018 through February 21, 2018 (Unpaid Claims).

**Motion Franklin, second Palmer, to approve the Financial Reports and pay claims. Motion passed 5-0.**

## **WRITTEN NOTICES AND COMMUNICATIONS:**

The administrator contacted the county attorney and asked for a report of prosecution services received in 2017. The response indicated that there were at least 64 cases the County Attorney's office handled on behalf of the City, representing petty, misdemeanor and gross misdemeanor cases. The County Attorney's office has jurisdiction for felony cases; therefore, the City's contract does not need to cover them. Many additional traffic cases were also handled, where the person paid the ticket before going to court. Clearly, the \$10,000 annual amount the City pays for County Attorney services is a savings to the City.

The City received a letter from Flaherty & Hood attorney Daniel Marx regarding their review of the City's NPDES Permit specifically regarding proposed phosphorus limits.

**ADMINISTRATOR'S REPORT:** The Administrator reported on the following items:

Small Cities Development Program (SCDP)

- February 22, 2:00-8:00 P.M. – 3 homeowners are scheduled

Fire Formula – Meeting with Townships

- Wednesday, February 28<sup>th</sup>, 7:00 p.m. at the Fire Hall
- February 22, - Administrator available to meet with Supervisors

2018 Governor's Deer Opener Meeting – February 13

- Pine City – Hinckley – Sandstone Working together to capture tourists
- Shopping Coupons from each community culmination in a Bingo event
- Next Meeting – March 16

International Economic Development Conference in Mora – February 8

- Mayor Spartz and the administrator attended
- Minnesota Trade Office
- Panel of Mora Business Owners who export products and one from Sweden

Pine County Housing Plan – February 9

- Community and Economic Development Associates (CEDA)
- Develop project feasibility and phasing plan – housing needs, opportunities, challenges County-wide

Sandstone Area Chamber of Commerce Meeting – February 14, 2018

- Reported on various City initiatives

NLX Technical Advisory Committee Meeting – February 21

- FONSI – has been signed (Finding of no significant impact). They are preparing to go to Washington D.C., and have applied for TIGER Grant funds to help pay for upgrading 11 railroad crossings. There are additional grants they are looking at as well

Library Board Meeting – February 20

- Hours have been changed – 2 hours have been cut per week; schedule has been changed by the East Central Regional Library Board. This is the first major change of hours that has taken place in quite some time. The ECRL Board decided the scheduling without the input of the Sandstone Library staff. The change of hours will be posted online. The new schedule will be reviewed after a year.

City Hall Boiler/Fire Hall Systems

- Meeting with engineers to get a variety of proposals

**ADJOURN**

**Motion Franklin, second Devlin to adjourn at 6:48 p.m. Motion carried 5-0.**

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Pete Spartz, Mayor

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Kathy George, Administrator

**SANDSTONE CITY COUNCIL  
SPECIAL MEETING – SANDSTONE FIRE HALL  
February 28, 2018, 7:00 p.m.**

**CALL TO ORDER:** 7:05 p.m.

**ROLL CALL:**

Council Members present: Pete Spartz, Val Palmer, Tim Franklin, Phil Kester, Brandon Devlin  
Fire Department Members present: Andy Spartz, Ross Degerstrom, Nick Eberhardt, Matt Haugen  
Staff present: Administrator Kathy George  
Township Representatives present: Jeff Schute (Danforth), Keith Carlson and Gary Hinsch (Sandstone), Jerry Volk (Finlayson), Dan O’Flanagan and Randall Davis (Dell Grove), Bill Erickson (Kroschel)

**SPECIAL ITEMS OF BUSINESS:**

2017 Review

Fire Chief Spartz provided information regarding 2017 fire calls and training. He noted that the Sandstone Fire Department provided mutual aid for 24 incidents; and received mutual aid for 3. He stated that each firefighter is required to have 30 hours of training each year. That goal was not met in 2017; however, they are working with a training company this year and expect that attendance will be better. Spartz also reported that 3 new firefighters have recently been added to the Department, with a 4<sup>th</sup> one ready for approval. This brings the number of firefighters up to 16.

The condition of the Fire Hall building was discussed. The City is looking into options for an air exchange/exhaust system and other steps to remedy moisture problems that are causing issues with mold and deterioration of the cement block walls. In 2017, the City had some work done on the roof, added some gutters, and did some grading work around the building.

2018 Fire Formula

The Administrator reviewed the packet of information that had been sent out to all Township representatives prior to tonight’s meeting:

Fire Formula Contributions – this sheet is a breakdown of each entity’s share for 2018 broken down for Operation & Maintenance, Long Term Equipment Depreciation, and Building Fund for both the July payment due and the December payment due. Total of all contributions is \$111,599.27.

Cost Share – this sheet takes the percentage of the 5-year total manhours for each entity and the percentage of valuation to come up with the overall percentage for each entity that is applied to the total needed (\$111,599.27), and then a 30% reduction is applied for the townships, with the City picking up the balance. Finlayson Township stated that the breakdown of FCI and East Central School District valuations is confusing. These figures are shown here because they are then deducted from the appropriate entity’s total valuation.

Combination of Operations, Long Term Equipment & Building Formulas and Comparison of Fees – this sheet shows the total for each entity for the year, broken down for Operations, Long Term Equipment Depreciation, and Building Fund. Also shown is a comparison of fees for each entity for each year from 2014 to 2018.

Equipment Depreciation – this sheet shows both the long term (15 years) and short term (5 years) depreciation schedules. The 2017 equipment purchases (\$21,570) were added to the short term schedule. Total annual depreciation is \$52,573.27.

Operating Expenses – this sheet shows a breakdown of operating expenses for 2015, 2016 and 2017. The 2017 equipment purchases (\$21,570) were discounted from the 2017 total as the fund was reimbursed from the

Equipment Fund. 2017 is the first year this has been done. Other discounts include fire calls paid and rent (\$8,645) and building repairs and maintenance costs (\$22,910).

Equipment Fund – this sheet shows each entity’s contribution towards the Equipment Fund (depreciation), for a total of \$52,573.27. It also provides an accounting for the Equipment Fund (year-end balance of \$192,144), the Building Repair & Maintenance Fund (year-end balance of \$67,652), the City’s repayment to the Building Fund (current principal due \$47,362), and the City’s repayment for the truck loan (current principal due \$97,808).

Fire Call Hours – this sheet shows the total fire call hours for each entity for the past 5 years. It also shows the breakdown of the \$5,000 Building Fund amount.

Previous Year Fire Calls – Paid in 2017 – this sheet shows amounts collected in 2017 for fire calls that were billed out in previous years. It was noted that the bill sent to MN Power in 2015 for \$450 was written off. A total of \$1,745 was collected, with \$4,300 still outstanding. Most of these have been sent to collections.

2017 Reimbursements / Fire Calls Paid – this sheet shows amounts collected in 2017 for fire calls that were billed out in 2017. Total collected was \$2,700. It also shows the amount of rent collected from Essentia Health for the ambulance of \$4,200. These amounts, plus the \$1,745 collected in 2017 for prior years totals \$8,645, which is the amount deducted from Operating Expenses before being allocated to all entities.

It was confirmed that the City bills out the calls for Danforth, Finlayson, and Kroschel. Dell Grove and Sandstone do their own billing and collecting. Sandstone Township questioned a call they didn’t receive notice for; however, the Administrator found a memo that Staff had sent to the clerk and supervisors dated June 13, 2017. Sandstone Township also questioned being charged 3 manhours for a power pole fire. It was clarified that manhours are counted for each township except for medical assist/ambulance calls, DNR grass fire calls, mutual aid calls, and auto calls. Dell Grove Township confirmed that their percentage should be going down in the future as the 2013 manhours of 126.5 should be coming off of the 5-year calculation. This is true, but also depends on what else might happen in the Township in the coming years.

#### 2019 Fire Formula

The Administrator then reviewed the packet of information that had been sent to all Township representatives regarding the proposed 2019 Fire Formula. She stated that the way the formula is currently being calculated, it is more of an after the fact approach – using the previous year’s expenses (2017) to calculate the current year’s contribution (2018). With Townships setting their 2019 budgets this coming March, the City would like to set the Fire Department budget early in the year (January/February) so that the formula can be calculated and then each Township will know exactly how much to budget for at the March meetings. The City created a new fund for the Fire Department, independent of the City’s General Fund, so that anything left at the end of the year will stay in the Fire Fund and help to build up the fund balance.

The Administrator reviewed the information:

Proposed 2019 Fire Department Budget – the proposed budget shows total revenue and expenses of \$126,398, which is \$7,905 more than the 2018 budget. The budget includes depreciation based on the 2018 payable amount. Fire call billings are not used to off-set the allocation – anything collected will be used to increase the fund balance.

Cost Share- like the 2018 formula, this sheet takes the percentage of the 5-year total manhours for each entity and the percentage of valuation to come up with the overall percentage for each entity that is applied to the total needed (\$122,198), and then a 30% reduction is applied for the townships, with the City picking up the balance. The total budget of \$126,398 is reduced by the \$4,200 anticipated to be received from Essentia Health for the ambulance rent. The manhours and valuation numbers used for 2019 are the same as what was used for 2018, since these are the most recent numbers available.

Market Value – this sheet shows the breakdown of each entity’s market value, along with prior years for comparison purposes.

Fire Call Hours – like the 2018 formula, this sheet shows the total fire call hours for each entity for the past 5 years, along with prior 5-year totals for comparison purposes.

Comparison of Fees – like the 2018 formula, this sheet shows a comparison of fees for each entity for each year from 2014 to 2019. It also shows the breakdown of Operations, Long Term Equipment Depreciation, and Building Fund amounts for each entity.

During discussion, Township representatives seemed appreciative of having the 2019 figures now, in time for their March budget meetings. Going forward, they would like the information sooner and also asked if the annual meeting could be held on the 1<sup>st</sup> Monday in February.

**ADJOURN**

With no further discussion, the meeting was adjourned at 8:15 p.m. Township representatives were invited to stick around for a tour of the Fire Hall.

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Peter Spartz, Mayor

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Kathy George, Administrator

**CITY OF SANDSTONE**  
**Memorandum**

**TO:** City Council  
**FROM:** Kathy George, City Administrator  
**DATE:** March 7, 2018  
**SUBJECT:** River Bluff Street Improvement Project

**BACKGROUND:** SEH Engineer Greg Anderson will attend the meeting to discuss the project.

**ATTACHMENTS** Memo from Engineer Anderson

**STAFF RECOMMENDATION:** Review and discuss; authorize Anderson to advertise for bids

**ACTION REQUIRED:** Motion \_\_\_\_\_, second \_\_\_\_\_

Approved \_\_\_\_\_ Denied \_\_\_\_\_ Other \_\_\_\_\_



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## MEMORANDUM

TO: Honorable Mayor and City Council

FROM: Greg Anderson, City Engineer

DATE: February 28, 2018

RE: River Bluff Street Improvements  
SEH No. SANST 143708 14.00

We have prepared the plans and specifications for the River Bluff Street Improvements Project the council ordered in January. I will present the plans at the council meeting on March 7<sup>th</sup> and answer any questions the council may have. We have incorporated a number of the comments from the resident open house on this project held on January 17<sup>th</sup> including:

- Narrowing the street to 32 feet wide,
- Reviewing bus turning movements around the corners at 4<sup>th</sup> and 5<sup>th</sup> Avenues; and
- Starting the project construction after school ends in the spring.

The next step would be for the council to authorize the project for bidding. We would anticipate an early April bid opening and would have the bids tabulated and back to the council for consideration of an award at the May 2<sup>nd</sup>, council meeting.

ah

c: Kathy George, City Administrator

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**CITY OF SANDSTONE**  
**Memorandum**

**TO:** Mayor and City Council  
**FROM:** Kathy George, City Administrator  
**DATE:** March 7, 2018  
**SUBJECT:** Lundorff Drive – Change Order

**BACKGROUND:** SEH Engineer Greg Anderson will attend the meeting to discuss the proposed Change Order on the Lundorff Drive project.

**ATTACHMENTS** Letter from Engineer Anderson  
Proposed Application for Payment No. 8

**STAFF**  
**RECOMMENDATION:** Review and Approve

**ACTION REQUIRED:** Motion \_\_\_\_\_, second \_\_\_\_\_  
Approved \_\_\_\_\_ Denied \_\_\_\_\_ Other \_\_\_\_\_



Building a Better World  
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March 1, 2018

RE: Sandstone, Minnesota  
Lundorff Drive Extension  
SEH No. SANST 130430/137532

Kathy George  
City of Sandstone  
119 4th Street  
Sandstone, MN 55072

Dear Ms. George:

Please find enclosed Application for Payment No. 8 for the referenced project. The quantities completed to date have been reviewed and we hereby recommend approval for payment to R.L. Larson Excavating, Inc. in the amount of \$206,841.49. This amount represents 100% of the work completed and material on hand, with 3% held for retainage.

If approved, please sign and forward payment, along with a copy of the signed pay application, to R.L. Larson Excavating, Inc., retaining the original for City records.

This pay application include change order #1 for the Lundorff Drive Project. Change order #1 includes a number of field changes needed during the course of the project including the wage rate adjustment discussed with the council in December. Several of the field changes were issues that arose during the project and needed to be address at that time in the field. This change order and pay application bring the project up to date with what is due the contractor, with the exception of retainage. Combining all the changes into one change order will keep things easier to track as the City begins to close out the project and make their final funding reimbursement requests. I will be at the council meeting on March 7<sup>th</sup> to answer questions on the change order, pay application and project.

Please don't hesitate to contact me with any questions or comments. Thank you.

Sincerely,

A handwritten signature in black ink, appearing to read 'Greg Anderson', is written over a light blue horizontal line.

Greg Anderson, PE  
Project Manager

ah

Enclosures

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**Application for Payment**  
(Unit Price Contract)  
No. 8

Eng. Project No.: SANST 130430 / 137532

Location: Sandstone, Minnesota

|  |  |
|--|--|
| Contractor <u>R.L. Larson Excavating, Inc.</u> | Contract Date <u>June 27, 2016</u>     |
| <u>2255 12th Street SE</u>                     |  |
| <u>St. Cloud, MN 56304-9705</u>                | Contract Amount <u>\$ 3,626,171.80</u> |

Contract for Lundorff Drive Extension

Application Date 12/14/17 For Period Ending 12/7/17

| Item No.                               | Item                                    | Unit | Est. Quantity | Quantity to Date | Unit Price   | Total Price  |
|--|---|------|---------------|------------------|--------------|--------------|
| <b>Participating - SAP 098-080-051</b> |   |      |               |                  |              |              |
| 2021.501                               | MOBILIZATION                            | LS   | 0.5           | 0.5              | \$225,000.00 | \$112,500.00 |
| 2031.501                               | FIELD OFFICE, TYPE D                    | EACH | 0.5           | 0.5              | 10,000.00    | \$5,000.00   |
| 2101.501                               | CLEARING                                | ACRE | 0.1           | 0.1              | 5,000.00     | \$500.00     |
| 2101.506                               | GRUBBING                                | ACRE | 0.1           | 0.1              | 5,000.00     | \$500.00     |
| 2102.502                               | PAVEMENT MARKING REMOVAL                | LF   | 2,714         | 2161             | 0.75         | \$1,620.75   |
| 2104.503                               | REMOVE BITUMINOUS PAVEMENT              | SF   | 13,467        | 13467            | 0.50         | \$6,733.50   |
| 2104.513                               | SAWING BITUMINOUS PAVEMENT (FULL DEPTH) | LF   | 1,561         | 1633             | 1.30         | \$2,122.90   |
| 2104.523                               | SALVAGE CONCRETE APRON                  | EACH | 2             | 2                | 400.00       | \$800.00     |
| 2104.523                               | SALVAGE SIGN                            | EACH | 8             | 4                | 50.00        | \$200.00     |
| 2105.501                               | COMMON EXCAVATION (EV) (P)              | CY   | 17,476        | 18496.7          | 7.00         | \$129,476.90 |
| 2105.522                               | SELECT GRANULAR BORROW (CV)             | CY   | 10,025        | 5099             | 18.00        | \$91,782.00  |
| 2105.604                               | GEOTEXTILE FABRIC, TYPE V               | SY   | 24,904        | 24910            | 1.50         | \$37,365.00  |
| 2111.501                               | TEST ROLLING                            | RDST | 67            | 67               | 20.00        | \$1,340.00   |
| 2112.501                               | SUBGRADE PREPARATION                    | RDST | 67            | 67               | 280.00       | \$18,760.00  |
| 2130.501                               | WATER                                   | MGAL | 500           |                  | 20.00        |              |
| 2211.503                               | AGGREGATE BASE (CV) CLASS 5             | CY   | 4,040         | 9830             | 23.00        | \$226,090.00 |
| 2215.501                               | FULL DEPTH RECLAMATION (6" MIN DEPTH)   | SY   | 17,428        | 17428            | 2.00         | \$34,856.00  |
| 2221.607                               | RECYCLED SHOULDER MIXTURE (CV)          | CY   | 67            | 67               | 8.00         | \$536.00     |
| 2357.502                               | BITUMINOUS MATERIAL FOR TACK COAT       | GAL  | 2,800         | 3600             | 1.85         | \$6,660.00   |
| 2360.501                               | TYPE SP 9.5 WEARING COURSE MIX (3, C)   | TON  | 1,711         | 1491.66          | 83.50        | \$124,553.61 |
| 2360.501                               | TYPE SP 12.5 WEARING COURSE MIX (3, B)  | TON  | 918           | 659.88           | 80.50        | \$53,120.34  |

| Item No. | Item                                     | Unit | Est. Quantity | Quantity to Date | Unit Price | Total Price  |
|----------|--|------|---------------|------------------|------------|--------------|
| 2360.502 | TYPE SP 12.5 NON WEAR COURSE MIX (3, C)  | TON  | 2,567         | 2526.39          | 71.50      | \$180,636.89 |
| 2401.501 | STRUCTURAL CONCRETE (1A43)(P)            | CY   | 48            | 48               | 612.00     | \$29,376.00  |
| 2401.501 | STRUCTURAL CONCRETE (3Y43)(P)            | CY   | 132           | 132              | 816.00     | \$107,712.00 |
| 2401.512 | BRIDGE SLAB CONCRETE (3YHPC-M)(P)        | SF   | 10,887        | 10887            | 20.55      | \$223,727.85 |
| 2401.513 | TYPE P-1 RAILING CONCRETE (3Y46)(P)      | LF   | 515           | 515              | 69.00      | \$35,535.00  |
| 2401.541 | REINFORCEMENT BARS (P)                   | LB   | 3,580         | 3580             | 1.15       | \$4,117.00   |
| 2401.541 | REINFORCEMENT BARS (EPOXY COATED)(P)     | LB   | 90,570        | 90570            | 1.30       | \$117,741.00 |
| 2401.601 | STRUCTURE EXCAVATION                     | LS   | 1             | 1                | 50,000.00  | \$50,000.00  |
| 2401.618 | BRIDGE DECK PLANING                      | SF   | 9,430         |                  | 1.05       |              |
| 2402.583 | ORNAMENTAL METAL RAILING (P)             | LF   | 257           | 257              | 153.00     | \$39,321.00  |
| 2402.59  | ELASTOMETRIC BEARING PAD TYPE 1          | EACH | 12            | 12               | 204.00     | \$2,448.00   |
| 2402.595 | BEARING ASSEMBLY                         | EACH | 12            | 12               | 816.00     | \$9,792.00   |
| 2405.502 | PRESTRESSED CONCRETE BEAMS MN54 (P)      | LF   | 1,536         | 1536             | 255.00     | \$391,680.00 |
| 2405.511 | DIAPHRAGMS FOR TYPE MN54 PREST BEAMS (P) | LF   | 220           | 220              | 87.00      | \$19,140.00  |
| 2452.51  | STEEL H-PILING DRIVEN 12"                | LF   | 975           | 613              | 1.05       | \$643.65     |
| 2452.511 | STEEL H-PILING DELIVERED 12"             | LF   | 975           | 750              | 41.00      | \$30,750.00  |
| 2452.52  | STEEL H-TEST PILE 40 FT LONG 12"         | EACH | 2             | 2                | 4,100.00   | \$8,200.00   |
| 2452.52  | STEEL H-TEST PILE 45 FT LONG 12"         | EACH | 1             | 1                | 4,600.00   | \$4,600.00   |
| 2501.511 | 18" RC PIPE CULVERT CLASS III            | LF   | 8             | 8                | 48.50      | \$388.00     |
| 2501.511 | 21" RC PIPE CULVERT CLASS III            | LF   | 8             | 8                | 50.50      | \$404.00     |
| 2501.573 | INSTALL CONCRETE APRON                   | EACH | 2             | 2                | 400.00     | \$800.00     |
| 2503.603 | 8' HDPE PIPE SEWER - DIRECTIONAL DRILL   | LF   | 70            | 100              | 0.01       | \$1.00       |
| 2540.602 | RELOCATE MAILBOX                         | EACH | 2             | 2                | 150.00     | \$300.00     |
| 2554.501 | TRAFFIC BARRIER DESIGN B8338             | LF   | 225           | 225              | 50.00      | \$11,250.00  |
| 2554.523 | END TREATMENT-TANGENT TERMINAL           | EACH | 1             | 1                | 3,000.00   | \$3,000.00   |
| 2564.537 | INSTALL SIGN TYPE SPECIAL                | EACH | 1             | 2                | 110.00     | \$220.00     |
| 2564.602 | INSTALL SIGN                             | EACH | 20            | 20               | 110.00     | \$2,200.00   |
| 2564.618 | SIGN PANEL TYPE C                        | SF   | 118           | 117.25           | 21.00      | \$2,462.25   |
| 2573.502 | SILT FENCE, TYPE MS                      | LF   | 14,828        | 9800             | 1.70       | \$16,660.00  |

| Item No.                     | Item                                   | Unit | Est. Quantity | Quantity to Date | Unit Price   | Total Price           |
|------------------------------|--|------|---------------|------------------|--------------|-----------------------|
| 2573.533                     | SEDIMENT CONTROL LOG TYPE STRAW        | LF   | 1,368         | 2146             | 2.50         | \$5,365.00            |
| 2574.525                     | COMMON TOPSOIL BORROW (LV)             | CY   | 2,172         | 2576             | 22.00        | \$56,672.00           |
| 2575.501                     | SEEDING                                | ACRE | 6.8           | 13.32            | 185.00       | \$2,464.20            |
| 2575.502                     | SEED MIXTURE 25-141                    | LB   | 803           | 785.5            | 3.90         | \$3,063.45            |
| 2575.511                     | MULCH MATERIAL TYPE 3                  | TON  | 10            | 26.46            | 475.00       | \$12,568.50           |
| 2575.519                     | DISK ANCHORING                         | ACRE | 7             | 10.17            | 100.00       | \$1,017.00            |
| 2575.523                     | EROSION CONTROL BLANKETS CATEGORY 2    | SY   | 5,523         | 5600             | 1.05         | \$5,880.00            |
| 2575.523                     | EROSION CONTROL BLANKETS CATEGORY 4    | SY   | 1,610         | 2650             | 1.25         | \$3,312.50            |
| 2582.501                     | PAVEMENT MESSAGE (LT ARROW) EPOXY      | EACH | 6             | 4                | 160.00       | \$640.00              |
| 2582.501                     | PAVEMENT MESSAGE (RT ARROW) EPOXY      | EACH | 4             | 3                | 160.00       | \$480.00              |
| 2582.501                     | PAVEMENT MESSAGE (THRU ARROW) EPOXY    | EACH | 3             |                  | 160.00       |                       |
| 2582.501                     | PAVEMENT MESSAGE (LT-THRU ARROW) EPOXY | EACH | 1             | 1                | 250.00       | \$250.00              |
| 2582.502                     | 4" BROKEN LINE YELLOW - EPOXY          | LF   | 886           | 560              | 0.45         | \$252.00              |
| 2582.502                     | 4" SOLID LINE WHITE - EPOXY            | LF   | 13,210        | 13126            | 0.40         | \$5,250.40            |
| 2582.502                     | 4" DOTTED LINE WHITE - EPOXY           | LF   | 152           | 140              | 0.40         | \$56.00               |
| 2582.502                     | 4" SOLID LINE YELLOW - EPOXY           | LF   | 483           | 28               | 0.45         | \$12.60               |
| 2582.502                     | 4" DOUBLE SOLID LINE YELLOW - EPOXY    | LF   | 3,213         | 4878             | 0.85         | \$4,146.30            |
| 2582.502                     | 24" SOLID LINE YELLOW-EPOXY            | LF   | 106           | 154              | 10.50        | \$1,617.00            |
| <b>PARTICIPATING - TOTAL</b> |  |      |               |                  |              | <b>\$2,250,669.59</b> |
| <b>NON-PARTICIPATING</b>     |  |      |               |                  |              |                       |
| 2021.501                     | MOBILIZATION                           | LS   | 0.5           | 0.5              | \$225,000.00 | \$112,500.00          |
| 2031.501                     | FIELD OFFICE, TYPE D                   | EACH | 0.5           | 0.5              | 10,000.00    | \$5,000.00            |
| 2101.501                     | CLEARING                               | ACRE | 1.2           | 1.2              | 5,000.00     | \$6,000.00            |
| 2101.506                     | GRUBBING                               | ACRE | 1.2           | 1.2              | 5,000.00     | \$6,000.00            |
| 2104.509                     | REMOVE MANHOLE                         | EACH | 1             |                  | 200.00       |                       |
| 2104.509                     | REMOVE GATE VALVE & BOX                | EACH | 1             | 1                | 200.00       | \$200.00              |
| 2105.503                     | ROCK EXCAVATION                        | LF   | 2642          | 3789             | 38.00        | \$143,982.00          |
| 2211.604                     | AGGREGATE BASE SPECIAL (P)             | CY   | 2151          | 2151             | 8.00         | \$17,208.00           |
| 2221.607                     | RECYCLED SHOULDER MIXTURE (CV)         | CY   | 579           | 579              | 8.00         | \$4,632.00            |

| Item No. | Item   | Unit | Est. Quantity | Quantity to Date | Unit Price | Total Price  |
|----------|--|------|---------------|------------------|------------|--------------|
| 2360.501 | TYPE SP 9.5 WEARING COURSE MIX (3, C)            | TON  | 1,232         | 805.25           | 83.50      | \$67,238.38  |
| 2360.502 | TYPE SP 12.5 NON WEAR COURSE MIX (3, C)          | TON  | 1,848         | 1716.14          | 71.50      | \$122,704.01 |
| 2502.502 | DRAINAGE SYSTEM TYPE (B910)                      | LS   | 1             | 1                | 1,100.00   | \$1,100.00   |
| 2503.602 | CONNECT TO EXISTING SANITARY SEWER               | EACH | 2             | 3                | 1,000.00   | \$3,000.00   |
| 2503.602 | 8" PIPE PLUG                                     | EACH | 1             | 1                | 50.00      | \$50.00      |
| 2503.602 | 8"x8" PVC WYE                                    | EACH | 1             | 1                | 400.00     | \$400.00     |
| 2503.602 | 8"x 6" PVC WYE                                   | EACH | 4             | 13               | 200.00     | \$2,600.00   |
| 2503.603 | 4" DIP SEWER FORCEMAIN CL 52                     | LF   | 57            | 50               | 36.50      | \$1,825.00   |
| 2503.603 | 8" DIP SEWER CL 52                               | LF   | 412           | 412              | 60.50      | \$24,926.00  |
| 2503.603 | 6" PVC PIPE SEWER (SANITARY SERVICE PIPE SDR 26) | LF   | 200           | 540              | 26.00      | \$14,040.00  |
| 2503.603 | 8" PVC PIPE SEWER (SANITARY, SDR 26)             | LF   | 2,325         | 2400             | 48.00      | \$115,200.00 |
| 2503.603 | 8" PVC PIPE SEWER (SANITARY, SDR 35)             | LF   | 3,321         | 3300             | 38.00      | \$125,400.00 |
| 2504.602 | CONNECT TO EXISTING WATER MAIN                   | EACH | 2             | 2                | 7,000.00   | \$14,000.00  |
| 2504.602 | 6" GATE VALVE AND BOX                            | EACH | 13            | 13               | 1,200.00   | \$15,600.00  |
| 2504.602 | 8" GATE VALVE AND BOX                            | EACH | 2             | 2                | 1,500.00   | \$3,000.00   |
| 2504.602 | 12" GATE VALVE AND BOX                           | EACH | 4             | 4                | 2,800.00   | \$11,200.00  |
| 2504.602 | HYDRANT  | EACH | 10            | 10               | 4,200.00   | \$42,000.00  |
| 2504.603 | 6" WATER MAIN DUCTILE IRON CL 52                 | LF   | 457           | 650              | 38.50      | \$25,025.00  |
| 2504.603 | 8" WATER MAIN DUCTILE IRON CL 52                 | LF   | 3,988         | 3920             | 34.00      | \$133,280.00 |
| 2504.603 | 12" WATER MAIN DUCTILE IRON CL 52                | LF   | 2,984         | 2941             | 60.00      | \$176,460.00 |
| 2504.603 | 12" WATERMAIN HDPE                               | LF   | 70            |                  | 0.01       |              |
| 2504.603 | 24" HDPE CASING PIPE                             | LF   | 70            | 74               | 0.01       | \$0.74       |
| 2504.604 | 4" INSULATION                                    | SY   | 112           | 150              | 24.00      | \$3,600.00   |
| 2504.608 | DUCTILE IRON FITTINGS, EPOXY COATED              | LB   | 3,328         | 3650             | 6.90       | \$25,185.00  |
| 2506.516 | CASTING ASSEMBLY - SANITARY SEWER R-1733         | EACH | 22            | 22               | 530.00     | \$11,660.00  |
| 2506.601 | CONSTRUCT LIFT STATION                           | EACH | 1             | 1                | 20,000.00  | \$20,000.00  |

| Item No.                     | Item  | Unit | Est. Quantity | Quantity to Date | Unit Price | Total Price                  |
|------------------------------|---|------|---------------|------------------|------------|------------------------------|
| 2506.603                     | CONSTRUCT DRAINAGE STRUCTURE DES SPECIAL-SANITARY MANHOLE | LF   | 337.29        | <u>345</u>       | 175.00     | <u>\$60,375.00</u>           |
| 2511.501                     | RANDOM RIPRAP CLASS III                                   | CY   | 220           | <u>217</u>       | 80.00      | <u>\$17,360.00</u>           |
| 2511.515                     | GEOTEXTILE FILTER TYPE VII                                | SY   | 403           | <u>338</u>       | 2.50       | <u>\$845.00</u>              |
| 2545.523                     | 3" NON-METALLIC CONDUIT                                   | LF   | 5,600         | <u>5700</u>      | 6.00       | <u>\$34,200.00</u>           |
| 2545.523                     | 3" NON-METALLIC COND (DIRECTIONAL BORE)                   | LF   | 100           | <u></u>          | 30.00      | <u></u>                      |
| 2563.601                     | TRAFFIC CONTROL   | LS   | 1             | <u>1</u>         | 7,250.00   | <u>\$7,250.00</u>            |
| 2565.602                     | SPECIAL HANDHOLE  | EACH | 17            | <u>17</u>        | 700.00     | <u>\$11,900.00</u>           |
| <b>NON-PARTICIPATING</b>     |   |      |               |                  |            | <b><u>\$1,386,946.13</u></b> |
| <b>Total Contract Amount</b> |   |      |               |                  |            | <b>\$3,637,615.71</b>        |

**Application for Payment (continued)**

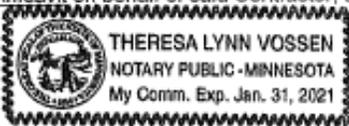
|                                |                              |  |                                |
|--------------------------------|------------------------------|--|--------------------------------|
| Total Contract Amount          | \$ <u>3,626,171.80</u>       | Total Amount Earned  | \$ <u>3,637,615.71</u>         |
| Contract Change Order No.      | <u>28,848.56</u>             | Material Suitably Stored on Site, Not Incorporated into Work |                                |
| Contract Change Order No.      |                              | Percent Complete   | <u>100</u> \$ <u>28,848.56</u> |
| Contract Change Order No.      |                              | Percent Complete   |                                |
| Less Previous Applications:    |                              | Percent Complete   |                                |
| AFP No. 1: <u>568,000.34</u>   | AFP No. 6: <u>562,858.79</u> | GROSS AMOUNT DUE   | \$ <u>3,666,464.27</u>         |
| AFP No. 2: <u>1,460,282.09</u> | AFP No. 7: <u>74,122.85</u>  | LESS <u>3</u> % RETAINAGE                                    | \$ <u>109,993.93</u>           |
| AFP No. 3: <u>448,935.99</u>   | AFP No. 8: _____             | AMOUNT DUE TO DATE   | \$ <u>3,556,470.34</u>         |
| AFP No. 4: <u>95,489.04</u>    | AFP No. 9: _____             | LESS PREVIOUS APPLICATIONS                                   | \$ <u>3,349,628.85</u>         |
| AFP No. 5: <u>139,939.75</u>   |                              | AMOUNT DUE THIS APPLICATION                                  | \$ <u>206,841.49</u>           |

**CONTRACTOR'S AFFIDAVIT**

The undersigned Contractor hereby swears under penalty of perjury that (1) all previous progress payments received from the Owner on account of work performed under the Contract referred to above have been applied by the undersigned to discharge in full all obligations of the undersigned incurred in connection with work covered by prior Applications for Payment under said contract, Lundorff Drive Extension, Sandstone, Minnesota, and (2) all material and equipment incorporated in said Project or otherwise listed in or covered by this Application for Payment and free and clear of all liens, claims, security interests and encumbrances.

Date 1-12, 2018 R.L. Larson Excavating, Inc.  
 (Contractor)  
 COUNTY OF Sherburne )  
 STATE OF Minnesota ) SS By [Signature] (F.O./C.P.)  
 (Name and Title)

Before me on this 12 day of January, 2018, personally appeared Brent Hamak known to be, who being duly sworn did depose and say that he is the V.P. / CEO (office) of the Contractor above mentioned that he executed the above Application for Payment and Affidavit on behalf of said Contractor; and that all of the statements contained therein are true, correct and complete.

My Commission expires \_\_\_\_\_  
  
Theresa Vossen  
 (Notary Public)

The undersigned has checked the Contractor's Application for Payment shown above. A part of this Application is the Contractor's Affidavit stating that all previous payments to him under this contract have been applied by him to discharge in full all of his obligations in connecting with the work by all prior Applications for Payment.

In accordance with the Contract, the undersigned recommends approval of payment to the Contractor for the Amount due.

[Signature] \_\_\_\_\_  
 Short Elliott Hendrickson Inc.  
 By Greg Anderson  
 Date 2/28/18  
 City of Sandstone

By \_\_\_\_\_  
 Date \_\_\_\_\_

**CITY OF SANDSTONE**  
**Memorandum**

**TO:** City Council  
**FROM:** Kathy George, City Administrator  
**DATE:** March 7, 2018  
**SUBJECT:** Rental Inspector – Resignation

**BACKGROUND:** The City received a letter of resignation from Todd Sandell. Staff met with Mr. Sandell on February 28<sup>th</sup> to review the status of rental inspections. Deputy Clerk Jackson is updating our spreadsheet and confirming our list of rental properties. I will be meeting with Pine City Administrator Ken Camilleri on March 6<sup>th</sup> to discuss contracting with them for rental inspection services.

**ATTACHMENTS** Resignation Letter

**STAFF RECOMMENDATION:** Accept Resignation Letter

**ACTION REQUIRED:** Motion \_\_\_\_\_, second \_\_\_\_\_  
Approved \_\_\_\_\_ Denied \_\_\_\_\_ Other \_\_\_\_\_

RECEIVED FEB 26 2018

Todd Sandell  
5957 5<sup>th</sup> St NE  
Fridley, MN 55432  
763-571-1400

Kathy George  
City Administrator  
City of Sandstone  
119 4<sup>th</sup> St PO box 641  
Sandstone, MN 55072

Thursday, February 22, 2018

Kathy,

I am resigning my position as Contract Rental Inspector for the City of Sandstone effective March 1. My business insurance expires March 6, 2018 and I will not be renewing. I have held this position for two years and am no longer able to commit the time necessary to perform all the duties of the position due to family and other work commitments.

I want to thank the City Council and you for allowing me to hold this position and am willing to help in any way I can in a transition to a new inspector.

Thank you,



Todd Sandell

**CITY OF SANDSTONE**  
**Memorandum**

**TO: Mayor and City Council**  
**FROM: Kathy George, City Administrator**  
**DATE: March 7, 2018**  
**SUBJECT: T-Mobile Lease Renewal**

**BACKGROUND:** The City was contacted by Taylor Foreman, Lease Consultant with Blackdot Capital, in an attempt to extend our current T-Mobile Lease which expires on December 31, 2019. This lease is for the antenna on the tower at 521 River Bluff Avenue. Foreman was proposing to reduce the current rent to \$15,000 annually (it currently exceeds \$20,000) and eliminate the annual inflator of 3% in exchange for a “guarantee” that they will remain on the site beyond the 12/31/19 expiration. I consulted with Attorney Bob Vose, and he recommended the City reject this proposal; which I did.

Foreman then stated that T-Mobile would like a new lease for 2020 and beyond. Attorney Vose then engaged in negotiations with Foreman and came up with the proposed Lease. The proposed renewal sets the annual rent to \$22,865.24, which shall be adjusted annually by an amount equal to 3% or CPI, whichever is greater.

Vose also informed Forman that the City would like to receive \$1,000 as reimbursement for attorney fees incurred in the negotiation of the Lease Renewal. Foreman has agreed to pay the City this amount.

**ATTACHMENT(S)** Amendment No. 2 to Site Lease Agreement

**STAFF RECOMMENDATION** Review and approve Amendment No. 2 to Site Lease Agreement with T-Mobile Central, LLC as presented

**AMENDMENT NO. 2 TO SITE LEASE AGREEMENT**

This Amendment No. 2 to Site Lease Agreement (the "Amendment") is effective as of the date of execution by the last party to sign (the "Effective Date") by and between the City of Sandstone, a Minnesota municipal corporation ("City") and T-Mobile Central LLC, a Delaware limited liability company ("Company") (collectively, the "Parties").

City and Company (or its predecessor-in-interest) entered into that certain Site Lease Agreement dated March 17, 2000, as amended pursuant to Amendment No. 1 to Site Lease Agreement dated October 1, 2014 (collectively, the "Agreement") regarding City's leased area ("Premises") located at 521 River Bluff Avenue, Sandstone, MN (previously referred to as 521 Riverside Bluff Avenue, Sandstone, MN) (the "Property").

NOW, for good and valuable consideration, City and Company agree as follows:

1. The Agreement remains in full force and effect.
2. At the expiration of the Agreement on December 31, 2019, the Term of the Agreement will automatically be extended for up to five (5) additional and successive five (5) year terms (each a "Renewal Term"), provided, that Company may elect not to renew by providing City sixty (60) days' notice prior to the expiration of the then current Renewal Term.
3. Prior to commencement of the first Renewal Term provided for in this Amendment on January 1, 2020, Company shall pay City Twenty-Two Thousand Eight Hundred Sixty-Five and 24/100 Dollars (\$22,865.24) per year ("Rent"). Thereafter, Rent shall be paid annually, in advance, in accordance with the Agreement. Rent shall be adjusted annually, effective on each anniversary of the Renewal Term, in accordance with Paragraph 3 of the Agreement; i.e. by an amount equal to three percent (3.0%) or CPI, whichever is greater, over the Rent for the immediately preceding year.
4. All notices, requests, demands and other communications shall be in writing and shall be effective three (3) business days after deposit in the U.S. mail, certified, return receipt requested or upon receipt if personally delivered or sent via a nationally recognized courier to the addresses set forth below. City or Company may from time to time designate any other address for this purpose by providing written notice to the other party.

If to Company:

T-Mobile USA, Inc.  
12920 SE 38th Street  
Bellevue, WA 98006  
Attn: Lease Compliance/A1N0415A

If to City:

City of Sandstone  
119 4<sup>th</sup> Street  
PO Box 541  
Sandstone, MN 55072

5. Except as expressly set forth in this Amendment, the Agreement otherwise is unmodified. To the extent any provision contained in this Amendment conflicts with the terms of the Agreement, the terms and provisions of this Amendment shall control. Each reference in the Agreement to itself shall be deemed also to refer to this Amendment.
6. This Amendment may be executed in duplicate counterparts, each of which will be deemed an original. Signed electronic copies of this Amendment will legally bind the Parties to the same extent as originals.
7. Each of the Parties represents and warrants that it has the right, power, legal capacity and authority to enter into and perform its respective obligations under this Amendment.

IN WITNESS, the Parties execute this Amendment as of the Effective Date.

City:

City of Sandstone, a Minnesota municipal corporation

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: Mayor \_\_\_\_\_

Date: \_\_\_\_\_

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: City Clerk

Date: \_\_\_\_\_

Company:

T-Mobile Central LLC, a Delaware limited liability company

Signed by: James B Walther  
By: \_\_\_\_\_

Print Name: James B Walther

Title: Director, Network Engineering Operations

Date: 2/12/2018

Kelly Dunham 2/7/18  
T-Mobile Contract Attorney

**CITY OF SANDSTONE**  
**Memorandum**

**TO: Mayor and City Council**  
**FROM: Kathy George, City Administrator**  
**DATE: March 7, 2018**  
**SUBJECT: Resolution 20180307-01 Supporting Regional Transportation  
Coordinating Councils (RTCC) Planning**

**BACKGROUND:** E-mail from Robert Voss, ECRDC Executive Director:

The East Central Regional Development Commission (ECRDC) recently submitted a letter of intent to the Minnesota Department of Transportation (MnDOT) to apply for an Organizational Planning/Development grant to establish a Regional Transportation Coordinating Council (RTCC) for Pine, Isanti, Chisago, Kanabec, and Mille Lacs counties (Region 7E) in east central Minnesota.

Transportation services are provided in a variety of ways in East Central Minnesota and across the State. Services come in many different forms and are administered by a wide range of organizations. Unfortunately, understanding the availability and accessibility of these services can be challenging. Inconsistent established connections among transportation providers result in gaps, redundancies, and other system inefficiencies. Formalized and increased coordination between providers and services agencies will result in an efficient system of transportation options, which will provide customers easier access to services that meet their travel needs. Establishing an RTCC would seek to improve this efficiency and coordination.

The ECRDC's role in this planning project would be to identify a formal structure (i.e. non-profit, Joint Powers) and operations plan for an RTCC in Region 7E. This will include the development of organizational Articles of Incorporation and By-Laws; identifying Council membership and staffing; and a process for budgeting, finances, and quality assurance.

**ATTACHMENT(S)** Resolution 20180307-01 Supporting Phase 1 Planning

**STAFF** Review and adopt Resolution 20180307-01  
**RECOMMENDATION**

**CITY OF SANDSTONE, MINNESOTA  
RESOLUTION 20180307-01**

**RESOLUTION IN SUPPORT OF EAST CENTRAL REGIONAL DEVELOPMENT COMMISSION CONDUCTING PHASE 1 PLANNING FOR ESTABLISHING REGIONAL TRANSPORTATION COORDINATING COUNCILS**

**WHEREAS**, The Minnesota Departments of Transportation (MnDOT) and Human Services (DHS), in collaboration with other state agencies through the Minnesota Council on Transportation Access (MCOTA), are working with local governments and organizations to create Regional Transportation Coordination Councils (RTCCs) as appropriate through Greater Minnesota; and

**WHEREAS**, the goal of RTCCs is to improve the mobility of “transportation disadvantaged” (i.e. older adults, disabled, low income, and/or military veterans) by coordinating transit providers, service agents, and the private sector to fill transportation gaps, streamline access to transportation and provide individuals more options of where and when to travel; and

**WHEREAS**, the MNDOT Office of Transit will provide financial and technical support for eligible organizations to develop a structure and operations plan for the establishment of an RTCC; and

**WHEREAS**, the East Central Regional Development Commission (ECRDC) is an eligible organization and has by resolution agreed to conduct the Phase 1: RTCC Organizational Planning on behalf of jurisdictions and stakeholders in East Central Minnesota.

**NOW THEREFORE BE IT RESOLVED**, that the City of Sandstone supports the goals of the RTCCs and the ECRDC’s application to the State of Minnesota to conduct Phase 1: Planning for Regional Transportation Coordinating Councils.

Dated this 7<sup>th</sup> day of March, 2018

\_\_\_\_\_  
Peter Spartz, Mayor

Attest:

\_\_\_\_\_  
Kathy George, City Administrator

**CITY OF SANDSTONE**  
**Memorandum**

**TO:** Mayor and City Council  
**FROM:** Kathy George, City Administrator  
**DATE:** March 7, 2018  
**SUBJECT:** 2018 Fire Formula  
2019 Fire Department Budget  
2019 Fire Formula

**BACKGROUND:** The annual meeting with Township officials was held on February 28<sup>th</sup> at the Fire Hall. In preparation for the meeting, all Township clerks and supervisors were mailed a packet of information containing the 2018 Fire Formula, the 2019 proposed Fire Department Budget and the 2019 Fire Formula.

**ATTACHMENT(S)** Fire Formula Contributions – 2018  
Proposed 2019 Fire Department Budget  
Fire Formula Contributions – 2019

**STAFF RECOMMENDATION** Review and approve the 2018 and 2019 Fire Formula Contributions along with the 2019 Fire Department Budget

**FIRE FORMULA CONTRIBUTIONS      Payable 2018**

| Unit       | Annual Total | July Pymts |           | Distribution |          | Dec Pymnt | O & M     |           | Distribution |      |
|------------|--------------|------------|-----------|--------------|----------|-----------|-----------|-----------|--------------|------|
|            |              | Pymts      | O & M     | LT Equip     | Bldg     |           | O & M     | Bldg      | LT Equip     | Bldg |
| City       | 60,054.74    | 30,027.37  | 15,060.31 | 14,145.58    | 821.48   | 30,027.37 | 15,060.31 | 14,145.58 | 821.48       |      |
| Danforth   | 4,068.11     | 2,034.06   | 967.34    | 958.22       | 108.49   | 2,034.06  | 967.34    | 958.22    | 108.49       |      |
| Dell Grove | 24,889.33    | 12,444.66  | 5,866.49  | 5,862.55     | 715.62   | 12,444.66 | 5,866.49  | 5,862.55  | 715.62       |      |
| Finlayson  | 4,723.58     | 2,361.79   | 1,163.82  | 1,112.62     | 85.35    | 2,361.79  | 1,163.82  | 1,112.62  | 85.35        |      |
| Kroschel   | 4,467.02     | 2,233.51   | 982.21    | 1,052.18     | 199.12   | 2,233.51  | 982.21    | 1,052.18  | 199.12       |      |
| Sandstone  | 13,396.49    | 6,698.25   | 2,972.83  | 3,155.47     | 569.94   | 6,698.25  | 2,972.83  | 3,155.47  | 569.94       |      |
|            |              |            | 27,013.00 | 26,286.63    | 2,500.00 |           | 27,013.00 | 26,286.63 | 2,500.00     |      |
|            |              | 55,799.63  |           |              |          | 55,799.63 |           |           |              |      |

Total Contributions **111,599.27**

28,291.17

City portion of equipment depreciation used to offset truck loan payment

| CITY OF SANDSTONE                                      |                          |                |                |                |  |
|--|--------------------------|----------------|----------------|----------------|--|
| 2019 Budget  |                          |                |                |                |  |
| Fire Protection 101-15-220 changed to fund 201 in 2018 |                          |                |                |                |  |
|  |                          | 2017           | 2017           | Approved       | Proposed   |
|  | Description              | Budget         | Actual         | 2018           | 2019   |
| <b>REVENUES</b>  |                          |                |                |                |  |
| 3437   | Fire Call Billings       | 6,000          | 2,317          | 6,000          | 0 goes towards savings                           |
| 3438   | Township Formula         | 52,769         | 52,410         | 52,600         | 56,341 Townships                                 |
| 3439   | Fire Hall Rents          | 300            | 4,200          | 0              | 4,200  |
| 4720   | Fire Formula-City        | 26,037         | 26,037         | 26,100         | Equipment - /from LG4                            |
| 4720   | Fire Formula-City        | 1,643          | 1,643          | 1,663          | Building - /from LG4                             |
|  | City Formula             | 34,129         | 34,129         | 32,130         | 65,857   |
|  | <b>TOTAL REVENUES</b>    | <b>120,878</b> | <b>120,736</b> | <b>118,493</b> | <b>126,398</b>                                   |
| <b>EXPENSES</b>  |                          |                |                |                |  |
| <b>PERSONNEL</b>                                       |                          |                |                |                |  |
| 4101   | City Employees           | 8788           | 5556           | 9,643          | 6,000  |
| 4103   | Regular - Officers       | 17,600         | 12,651         | 18,150         | 15,000   |
| 4121   | PERA                     | 468            | 489            |                | 500  |
| 4122   | FICA                     | 1,400          | 1,124          |                | 1,000  |
| 4123   | Medicare                 | 325            | 263            |                | 250  |
| 4131   | Health Insurance         | 1,422          | 1,567          |                | 1,600  |
| 4132   | HCSP                     | 187            | 107            |                | 125  |
| 4151   | Worker's Comp            | 7,625          | 8,338          | 8,300          | 8,500  |
|  | Total                    | 29,027         | 24,539         | 36,093         | 32,975   |
| <b>SUPPLIES</b>  |                          |                |                |                |  |
| 4207   | Training & Instructional | 6,000          | 645            | 5,000          | 2,000  |
| 4210   | General Supplies         | 4,000          | 106            | 5,500          | 1,000 includes retention                         |
| 4212   | Motor Fuels              | 4,500          | 1,717          | 4,000          | 2,500  |
|  | Retention costs          | 1,500          | 0              | 1,500          | 0  |
|  | Total                    | 16,000         | 2,468          | 16,000         | 5,500  |
| <b>SERVICES</b>  |                          |                |                |                |  |
| 4300   | Professional Services    | 6,600          | 3,900          | 6,600          | 4,000 cleaning                                   |
| 4321   | Telephone                | 750            | 668            | 750            | 700  |
| 4331   | Travel Expenses          | 100            | 0              | 100            | 100  |
| 4351   | Notices & Publications   | 100            | 0              | 100            | 100  |
| 4362   | Property Insurance       | 1,240          | 1,613          | 2,000          | 1,800  |
| 4363   | Vehicle Insurance        | 4,945          | 2,969          | 2,500          | 3,000  |
| 4381   | Electric Utilities       | 3,200          | 3,239          | 3,000          | 3,500  |
| 4382   | Water                    | 1,200          | 706            | 1,000          | 1,000  |
| 4383   | Gas Utilities            | 5,500          | 3,839          | 3,500          | 4,000  |
| 4384   | Refuse Disposal          | 600            | 386            | 600            | 500  |
| 4385   | Storm Water              | 300            | 255            | 300            | 300  |
|  | Total                    | 24,535         | 17,575         | 20,450         | 19,000   |
| <b>CHARGES</b>   |                          |                |                |                |  |
| 4401   | Repair/Maint-Bldg        | 3,000          | 22,910         | 5,000          | reimbursed from savings                          |
|  | Bldg Reserve Cash Fund   |                |                |                | 5,000 transfer to savings                        |
| 4404   | Repair/Maint-Equip       | 16,000         | 11,871         | 20,000         | 10,000   |
| 4415   | Other Equipment Rental   | 0              |                | 0              |  |
| 4416   | Fire & Rescue            | 1,500          |                | 0              |  |
| 4433   | Dues/Subscriptions       | 500            | 0              | 600            | 600 State Fire Assoc.                            |
| 4499   | Miscellaneous            | 750            | 426            | 750            | 750  |
|  | Total                    | 21,750         | 35,207         | 26,350         | 16,350   |
| <b>CAPITAL OUTLAY</b>                                  |                          |                |                |                |  |
| 4560   | Equipment - Small        | 4,000          | 21,570         | 4,000          | reimbursed from savings                          |
| 4570   | Furniture & Fixtures     | 600            |                | 600            | reimbursed from savings                          |
| 4580   | Equipment - Large        | 15,000         | 0              | 15,000         | reimbursed from savings                          |
|  | Total                    | 19,600         | 21,570         | 19,600         | 52,573 depreciation/savings-same as Pay2018      |
| <b>TOTAL ANNUAL EXPENSES</b>                           |                          |                |                |                |  |
|  |                          | 110,912        | 101,359        | 118,493        | 126,398  |
| 4720   | 2% State Aid Revenue     |                | 24,020         | 19,000         | 20,000 pass through                              |
| 4442   | to Fire Relief Assoc     | 19,000         | 24,020         | 19,000         | -20,000 2% Fire Aid                              |
| <b>TRANSFER</b>  |                          |                |                |                |  |
| 4720   | To - 401 - LT Equip      | 24,000         | 26,037         | 26,100         | 28,334 fire formula-City share                   |
| 4720   | To - 401 - Bldg          | 5,000          | 1,663          | 1,663          | 1,643 fire formula-City share                    |
| 4720   | To - 401 - LT Equip      | 28,600         | 22,222         | 22,200         | 24,240 fire formula-Township share               |
| 4720   | To - 401 - Bldg          |                | 3,337          | 3,337          | 3,357 fire formula-Township share                |
| 4720   | To - 401-1007 Repay      | 6,900          | 6,900          | 6,900          | 6,900 Building Loan 2018-2025 /from General Fund |
|  | Total                    | 64,500         | 60,159         | 60,200         | 64,474   |
| <b>Fire Protection</b>                                 |                          |                |                |                |  |
|  | Revenues                 | 120,878        | 120,736        | 118,493        | 126,398  |
|  | Expenditures             | 175,412        | 161,518        | 118,493        | 126,398  |
|  | Balance                  | (54,534)       | (40,782)       | 0              | 0  |
|  | Reimbursed from savings  |                | 22,910         |                |  |
|  |                          |                | 21,570         |                |  |
|  |                          |                | 3,698          |                |  |

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**Payable 2019**

**FIRE FORMULA CONTRIBUTIONS**

| Unit       | Annual Total | July Pymts       | Distribution     |                  | Dec Pymnt        | Distribution     |                  |
|------------|--------------|------------------|------------------|------------------|------------------|------------------|------------------|
|            |              |                  | O & M            | LT Equip         |                  | O & M            | LT Equip         |
| City       | 65,758.22    | 32,879.11        | 17,912.05        | 14,145.58        | 32,879.11        | 17,912.05        | 14,145.58        |
| Danforth   | 4,454.47     | 2,227.24         | 1,160.52         | 958.22           | 2,227.24         | 1,160.52         | 958.22           |
| Dell Grove | 27,253.10    | 13,626.55        | 7,048.38         | 5,862.55         | 13,626.55        | 7,048.38         | 5,862.55         |
| Finlayson  | 5,172.19     | 2,586.10         | 1,388.13         | 1,112.62         | 2,586.10         | 1,388.13         | 1,112.62         |
| Kroschel   | 4,891.25     | 2,445.63         | 1,194.33         | 1,052.18         | 2,445.63         | 1,194.33         | 1,052.18         |
| Sandstone  | 14,668.77    | 7,334.39         | 3,608.97         | 3,155.47         | 7,334.39         | 3,608.97         | 3,155.47         |
|            |              | <u>61,099.00</u> | <u>32,312.37</u> | <u>26,286.63</u> | <u>61,099.00</u> | <u>32,312.37</u> | <u>26,286.63</u> |

Total Contributions **122,198.00**

**28,291.17**

City portion of equipment depreciation used to offset truck loan payment

**City of Sandstone**  
**EDA Meeting Minutes**  
**February 28, 2018**

**CALL TO ORDER:** 6:00 p.m.

**ROLL CALL:** Kester, Spartz, Franklin, Devlin, Palmer and LaBounty

Members absent: Warner

Staff present: Administrator George and Recording Secretary Nelson

Others present: None

**APPROVE AGENDA**

**Motion Devlin, second Palmer to approve the agenda with the addition of Certificates of Completions. Motion carried 6-0.**

**APPROVE MINUTES**

**Motion Devlin, second Franklin to approve January 24, 2018 meeting minutes. Motion carried 6-0.**

**PUBLIC HEARING:** None

**NEW BUSINESS:**

Industrial Park Rail Access Evaluation Proposal

Karl Schuettler (Northspan) and the Administrator spoke with Justin Pearson, Regional Manager, Economic Development, with BNSF, about steps the City should be taking to attract a development that can utilize rail in the industrial park. Pearson stated that BNSF will work with the City through the process. The biggest expense will be adding a main line turn out switch. BNSF will install it, but the expense will be the responsibility of the City. Recent estimates have been in the \$1 million range.

The first step in the process is to have a rail layout plan done. Greg Anderson, SEH, was asked to prepare a proposal. The cost of the rail layout plan is \$8,950 and would be beneficial for marketing Sandstone as a place to build a business. This rail would be for industrial use. Acreage may be needed on the east and south of the City's current holdings. The money for the survey would come from the EDA fund which has about \$25,000 earmarked for special services. The housing study is also coming out of this fund. There is another \$3,000 in the budget for miscellaneous expenses and \$1,500 for downtown grants.

EDA Members were concerned that if this study is done, the City might roll forward into putting in the spur and spending the money when Lundorff Drive has not been paid off. **Motion Devlin, second Spartz to deny the proposal to have the rail layout plan done.** Some of the EDA Members were concerned about building before there is a business seriously interested in locating in the industrial park that would need a rail spur. It was the consensus of the EDA that if this plan is developed, it be used to attract developers but no rail construction will take place at this time. The question was asked as to SEH's ability to suggest resources for funding. The question was raised about a buyer wanting the lot nearest the railroad but not planning to use the rail. Would the City sell? Sandstone has the land that can be used – it's not hemmed in as some other smaller cities are. The EDA examined the map and noted how much land Sandstone owns south of the railroad.

**Mayor Spartz called for a vote on the motion. Devlin, aye; Spartz, Franklin, Palmer, Kester, LaBounty, nay. Motion failed 1-5.**

**Motion Franklin, second Devlin to contract with SEH to have the rail layout plan done for the amount of \$8,950. Motion carried 6-0.**

Great Lakes Management – Heater Replacements

Lorien Mueller, Senior Director of Property Management, contacted the Administrator and informed her that the heater in the foyer of the Senior Apartments needs to be replaced, as well as the heaters in the entryways of Townhome pods 118 and 107. Quotes were received from Quality Home & Sports Center of \$8,000 for the Senior Apartments and \$3,000 for the two Townhome pods. The item was reported for the EDA's information only, as the Administrator approved the work so that it could be done without delay.

Certificates of Completion

Certificates of Completion for North Pine Area Hospital District and Essentia Health Sandstone Medical, LLC have been drawn up. These are part of the development agreement that after all parts of the projects are completed, the EDA and City Council adopt the certificate of completion to be recorded in the County Recorder's office. There are parts of the Golden Horizons project that are not complete; therefore, a Certificate of Completion cannot be submitted at this time.

**Motion Devlin, second Spartz to approve the Certificates of Completion contingent that the temporary hospital sign has been removed. Motion carried 6-0.**

**CONTINUING BUSINESS:**

EDA Business Breakfast

The EDA had set April 4 as the date for the EDA Business Breakfast; however, there is a possibility that Congressman Rick Nolan could attend if it were held on April 5. This was discussed at a Council Meeting and the Council agreed to move the date to April 5. Lori Loew has agreed to cater the event.

The Administrator hopes this is the first step of building communication lines between the businesses and the City. She would like to survey the businesses, determine their needs, and discover ways to help them achieve their goals. Studies have shown that businesses often miss out of the opportunity to expand. To that end, the Administrator distributed a draft of said survey. She asked the EDA Members to read through it and offer their opinions and suggestions. Some commented on the length and another mentioned the reticence of businesses to answer some of the questions. Staff continues to work on plans for the breakfast. A tentative agenda includes:

- Karl Schuettler – Tools for Business Success
- Jordan Zeller, ECRDC – various programs/services available
- Rebecca Perrotti, Central MN Jobs & Training Services
- Small Cities Development Program
- City Updates

The Administrator would like to plan a ribbon cutting event for the Professional/Light Industrial Business Park following the Business Breakfast. Invitees would include:

- Congressman Rick Nolan & Staff
- Senator Amy Klubuchar & Staff
- Representative Jason Rarick
- Senator Tony Lourey

Essentia Health Sandstone personnel  
North Pine Area Hospital District personnel  
Members Co-Op Credit Union personnel  
Gateway Clinic personnel  
Thrifty White Drug personnel  
Golden Horizons Assisted Living personnel  
City Council, EDA, Planning Commission, Park Commission  
Greg Anderson, SEH  
RL Larson  
The community at large

## Various Updates

The following updates were provided:

- Karl (Northspan) spoke with a contact he has at the Duluth Port Authority. This person said that Sandstone is a great potential location for a manufacturer – with or without rail access. Being an hour from major railroads, Duluth and the Twin Cities is a “big selling point”. We should stay in touch with this person and work with the Port Authority as plans start to develop.
- NLX – The long-awaited FONSI (Finding of No Significant Impact) has been signed. This is the final step that was needed to put the project in line for receiving grant money. The Sandstone NLX flyer has been updated (attached). We can start getting this out and collecting letters of support for having a maintenance facility here in Sandstone.
- Opportunity Zones – A collaborative effort between DEED, Minnesota Housing, and the MN Department of Revenue. Tax incentives are used in low-income urban and rural communities to draw long-term investment to areas that are in the most economic need. According to the Opportunity Zone Census Tract map, Sandstone is included in the “Most Distressed” areas in Pine County. The County is hoping to put together information that would help to prioritize Pine County. Local decision-makers are asked to explain how the following principles lead them to their 1st, 2nd and 3rd rank choices:
  - Needs of the low-income community and other partners serving the zone including data about the unemployment rate, high poverty rate and low median income
  - Potential for positive impact to further equity and inclusion
  - Commitment(s) to support the zone by industry, education, nonprofits and governments including ongoing collaborations (i.e. promise zones, empowerment zones and renewal communities)
  - Development possibilities within the zone in the next 5 years including affordable and workforce housing and economic development
  - Engagement with organizations who have indicated an interest in creating Opportunity Funds
  - Businesses and emerging businesses with investment potential in the zone
  - Potential positive impact the zone could have on the most distressed communities

Schuettler and the Administrator worked together to provide responses to these items to the County.

- Know our neighbors – It could be beneficial to explore businesses within the I-35 corridor, just to learn what they do and how they move or store product. This would not be done with the intent to try to “steal” them away from the communities they are currently in, but to learn more about

them to see if there is anything we have to offer that could supplement or help them in their business.

- CoCoa Corporation – Mayor Spartz, EDA Member LaBounty, and the Administrator sat in on the webinar that was provided on February 6th to learn more about the company and what they are looking for. Basically, they are looking for a public-private partnership to solve a community-wide problem (which we do not have). The problems they are addressing include the handling of manure, farming waste, and large amounts of food waste. Their customer base is mostly the large farms, which we also do not have. They are looking for loans, grants, investors, and the plant would be owned by the “community” (i.e., the City). So, it was determined that this endeavor is not a good fit for Sandstone.
- Governor’s Deer Hunting Opener – The Administrator met with representatives from Pine City and Hinckley to talk about how to maximize the tourists that will be around for the event and also to promote our area. They are talking about having tokens of some sort available in the stores of each community. People will visit the stores/establishments and collect the tokens, with a culminating event in the evening; such as, Purse Bingo. The next meeting is March 16th.
- International Economic Development Conference – Mayor Spartz and the Administrator attended this event in Mora. One of the speakers was from the MN Trade Office, which is the export development arm of the State. There was also a panel discussion with 3 business owners from Mora and one from Sweden. It was fascinating and inspiring to learn about how these businesses have been able to expand, offering their products all over the world.

#### **ADJOURN**

**Motion Devlin, second Spartz to adjourn at 6:51 p.m. Motion carried 6-0.**

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Phillip Kester, Chair

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Kathy George, Executive Director

**CITY OF SANDSTONE**  
**Memorandum**

**TO:** Mayor and City Council  
**FROM:** Kathy George, City Administrator  
**DATE:** March 7, 2018  
**SUBJECT:** Certificates of Completion

**BACKGROUND:** Certificates of Completion for North Pine Area Hospital District (NPAHD) and Essentia Health Sandstone Medical, LLC have been drawn up. These are part of the development agreement that after all parts of the projects are completed, the EDA and City Council adopt the certificate of completion to be recorded in the County Recorder's office. There are parts of the Golden Horizons project that are not complete; therefore, a Certificate of Completion cannot be submitted at this time for that project.

At the February 28<sup>th</sup> EDA meeting, the EDA approved signing the Certificates for NPAHD and Essentia Health.

**ATTACHMENT(S)** Certificate of Completion for NPAHD  
Certificate of Completion for Essentia Health

**STAFF RECOMMENDATION** Approve both Certificates as presented

## **CERTIFICATE OF COMPLETION**

The undersigned hereby certify that North Pine Area Hospital District (the “Developer”) has fully complied with its obligations under Article IV of that document titled “Amended and Restated Contract for Private Development,” dated December 10, 2015, and recorded in the office of the Pine County Recorder on December 11, 2015, as Document No. A-524248, between the City of Sandstone, Minnesota (the “City”), the Economic Development Authority of the City of Sandstone, Minnesota (the “Authority”), and the Developer (the “Agreement”), with respect to construction of the Minimum Improvements in accordance with Article IV of the Agreement. The Developer is released and forever discharged from its obligations with respect to construction of the Minimum Improvements under Article IV of the Agreement.

The undersigned further certify that the Developer has fully complied with its obligations set forth in the deed from the Authority to the Developer dated December 10, 2015, recorded on December 11, 2015 in the office of the Pine County Recorder as Document No. A-524249 (the “EDA Deed”) and the deed from the City to the Developer dated December 10, 2015, recorded on December 11, 2015 in the office of the Pine County Recorder as Document No. A-524250 (the “City Deed”).

The purpose of this certificate is to release, discharge, and make of no further force and effect the right of reverter described in the EDA Deed and the City Deed and the conditions in the Agreement with respect to the completion of construction of the Minimum Improvements on the property described in the EDA Deed, the City, and in the Agreement. The Pine County Recorder is hereby authorized to accept for recording and to record the filing of this instrument, to be a conclusive determination of the satisfactory termination of the covenants and conditions of the Agreement relating to completion of construction of the Minimum Improvements.

Dated: \_\_\_\_\_, 20\_\_.

## **CERTIFICATE OF COMPLETION**

The undersigned hereby certify that Essentia Health Sandstone Medical, LLC, a Delaware limited liability company, qualified to do business in Minnesota (the “Developer”) has fully complied with its obligations under Article IV of that document titled “Purchase and Development Contract,” dated December 10, 2015, and recorded in the office of the Pine County Recorder on December 11, 2015, as Document No. A-524258, between the City of Sandstone, Minnesota, the Economic Development Authority of the City of Sandstone, Minnesota (the “Authority”), and the Developer (the “Agreement”), with respect to construction of the Minimum Improvements in accordance with Article IV of the Agreement. The Developer is released and forever discharged from its obligations with respect to construction of the Minimum Improvements under Article IV of the Agreement.

The undersigned further certify that the Developer has fully complied with its obligations set forth in the deed from the Authority to the Developer dated December 10, 2015, recorded on December 11, 2015 in the office of the Pine County Recorder as Document No. A-524259 (the “Deed”).

The purpose of this certificate is to release, discharge, and make of no further force and effect the right of reverter described in the Deed and the conditions in the Agreement with respect to the completion of construction of the Minimum Improvements on the property described in the Deed and in the Agreement. The Pine County Recorder is hereby authorized to accept for recording and to record the filing of this instrument, to be a conclusive determination of the satisfactory termination of the covenants and conditions of the Agreement relating to completion of construction of the Minimum Improvements.

Dated: \_\_\_\_\_, 20\_\_.

Sandstone Library

February 2018 Report

The library was visited this month by 1,236 patrons. We answered 256 questions (mostly tax season related) and held four story times for children, hosted two book clubs and presented a Master Gardener's information session (Coffee with a Master Gardener) about coping and controlling Buckthorn.

Jeanne Coffey, Branch Librarian  
East Central Regional Library (ECRL)  
Sandstone Public Library  
119 North Fourth Street  
P.O. Box 599  
Sandstone, MN 55072  
Phone: 320-245-2270



## MEMORANDUM

**DATE:** January 15, 2017

**TO:** City of Sandstone

**FROM:** Richard Drotning, Building Official

**RE:** Building dept. report

January 15 – February 15, 2018

---

Attended 3 days of required continuing education classes for building inspection license

Replied to 3 emails asking building questions

Received 5 cell phone calls for building code questions

Updated building database for the New Year 2018

Worked on the 2017 fourth quarter state surcharge report

If you have any questions, please do not hesitate to ask. 320 629-2575 or  
cell 320 279-1841

## Vendor Approval Summary Report

COUNCIL 02/21/2018

Date: 02/22/2018  
Time: 8:50 am  
Page: 1

City of Sandstone

| Vendor Name                     | Vendor Number | Check Amount     | Hand Check Amount |
|---------------------------------|---------------|------------------|-------------------|
| C TELLATION NEWENERGY           | C0054         | 1,502.54         | 0.00              |
| CASH                            | C0060         | 47.05            | 0.00              |
| FEDERATED CO-OP                 | F0003         | 1,364.97         | 0.00              |
| I.U.O.E. LOCAL 49 H & W FUND    | ID002         | 7,602.00         | 0.00              |
| INITIATIVE FOUNDATION           | ID005         | 1,590.00         | 0.00              |
| KETTLE RIVER GRAFIX             | K0001         | 300.00           | 0.00              |
| KIMBALL-MIDWEST                 | K0008         | 159.47           | 0.00              |
| LEAGUE OF MINNESOTA CITIES      | L0003         | 60.00            | 0.00              |
| MATT'S SANITATION INC.          | M0001         | 241.02           | 0.00              |
| MINNESOTA POWER                 | M0002         | 3,569.09         | 0.00              |
| MN ENERGY RESOURCES CORP        | M0076         | 1,051.58         | 0.00              |
| MEI TOTAL ELEVATOR SOLUTIONS    | M0105         | 416.00           | 0.00              |
| METRO SALES                     | M0113         | 309.31           | 0.00              |
| NORTHSPAN                       | N0017         | 545.00           | 0.00              |
| NORTHERN BUSINESS PRODUCTS, INC | N0043         | 203.09           | 0.00              |
| CITY OF PINE CITY               | P0006         | 3,046.95         | 0.00              |
| POSTMASTER                      | P0010         | 202.75           | 0.00              |
| CARRIE RICHARDSON               | R0039         | 300.00           | 0.00              |
| CITY OF SANDSTONE               | S0002         | 167.68           | 0.00              |
| SERVICEMASTER CLEAN             | S0105         | 8,673.51         | 0.00              |
| T-T CLEANING                    | T0026         | 979.00           | 0.00              |
| NL...HVIEW BANK                 | V0002         | 234.20           | 0.00              |
| <b>Grand Total:</b>             |               | <b>32,565.21</b> | <b>0.00</b>       |

### Recap by Fund

| Fund #              | Fund Name                      | Amount To Pay    | Amount To Relieve |
|---------------------|--------------------------------|------------------|-------------------|
| 101                 | General Fund                   | 16,672.24        | 0.00              |
| 201                 | Fire Protection                | 1,544.71         | 0.00              |
| 228                 | Economic Development Authority | 2,435.00         | 0.00              |
| 401                 | Capital Projects Fund          | 8,673.51         | 0.00              |
| 601                 | Water Fund                     | 1,267.05         | 0.00              |
| 602                 | Sewer Fund                     | 1,772.50         | 0.00              |
| 603                 | STORM WATER                    | 200.20           | 0.00              |
| <b>Grand Total:</b> |                                | <b>32,565.21</b> | <b>0.00</b>       |

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|--|-----------------------|-----------------------|--------------------------------|---------|------------|--------------|--|
| <b>Fund: 101 General Fund</b>              |                       |                       |                                |         |            |              |  |
| <b>Dept: 10-130 Executive</b>              |                       |                       |                                |         |            |              |  |
| 101-10-130-000-4210                        | General Ope           |                       |                                |         |            |              |  |
|  | KETTLE RIVER GRAFIX   | 49211                 | ENVEL, FOLD W/S LTRS           | 0       | 02/19/2018 | 03/07/2018   | 5.00   |
|  | KETTLE RIVER GRAFIX   | 49219                 | PARCEL MAPS- ZONING WOR        | 0       | 02/27/2018 | 03/07/2018   | 184.80   |
|  | MNDRIVERSMANUALS.COM  | 3126                  | DL MANUALS                     | 0       | 02/23/2018 | 03/07/2018   | 283.11   |
|  | OFFICE DEPOT          | 02/07/2018            | GEN OFFIC SUPPLIES             | 0       | 03/11/2018 | 03/07/2018   | 48.92  |
|  | SANDSTONE ACE HARDWAI | 02/25/2018            | B&B suppl, Stree suppl, City H | 0       | 03/10/2018 | 03/07/2018   | 7.98   |
|  |                       |                       |                                |         |            |              | <b>529.81</b>                                      |
| 101-10-130-000-4300                        | Professional          |                       |                                |         |            |              |  |
|  | ADT                   | 02/18/2018            | MONTHLY MONITORING             | 0       | 03/10/2018 | 03/07/2018   | 73.85  |
|  | NELSON/KARAVI         | FEB 2018              | RECORDING SEC- FEB             | 0       | 02/23/2018 | 03/07/2018   | 120.00   |
|  |                       |                       |                                |         |            |              | <b>193.85</b>                                      |
| 101-10-130-000-4321                        | Telephone             |                       |                                |         |            |              |  |
|  | AT&T MOBILITY         | 287269955139X02182018 | ADMIN CELL PHONE               | 0       | 03/05/2018 | 03/07/2018   | 77.37  |
|  | CENTURYLINK           | 02132018              | PHONE                          | 0       | 02/13/2018 | 03/07/2018   | 251.20   |
|  |                       |                       |                                |         |            |              | <b>328.57</b>                                      |
| 101-10-130-000-4351                        | Notices & Pt          |                       |                                |         |            |              |  |
|  | PINE COUNTY COURIER   | 02/22/2018            | MINUTES                        | 0       | 02/22/2018 | 03/07/2018   | 76.71  |
|  |                       |                       |                                |         |            |              | <b>76.71</b>                                       |
| 101-10-130-000-4433                        | Dues and St           |                       |                                |         |            |              |  |
|  | HINCKLEY NEWS, INC.   | 02/27/2018            | SUBSCRIPTION YRLY              | 0       | 03/01/2018 | 03/07/2018   | 32.00  |
|  |                       |                       |                                |         |            |              | <b>32.00</b>                                       |
|  |                       |                       |                                |         |            |              | <b>Total Dept. Executive: 1,160.94</b>             |
| <b>Dept: 10-150 Financial Administ</b>     |                       |                       |                                |         |            |              |  |
| 101-10-150-000-4210                        | General Ope           |                       |                                |         |            |              |  |
|  | OFFICE DEPOT          | 02/07/2018            | GEN OFFIC SUPPLIES             | 0       | 03/11/2018 | 03/07/2018   | 3.36   |
|  |                       |                       |                                |         |            |              | <b>3.36</b>  |
|  |                       |                       |                                |         |            |              | <b>Total Dept. Financial Administration: 3.36</b>  |
| <b>Dept: 10-160 City Attorney</b>          |                       |                       |                                |         |            |              |  |
| 101-10-160-000-4300                        | Professional          |                       |                                |         |            |              |  |
|  | KENNEDY & GRAVEN      | 01312018              | SNDS DEV/ ANNEX/ WT LEASE      | 0       | 02/23/2018 | 03/07/2018   | 35.00  |
|  | KENNEDY & GRAVEN      | 01312018              | SNDS DEV/ ANNEX/ WT LEASE      | 0       | 02/23/2018 | 03/07/2018   | 245.00   |
|  | KENNEDY & GRAVEN      | 01312018              | SNDS DEV/ ANNEX/ WT LEASE      | 0       | 02/23/2018 | 03/07/2018   | 497.00   |
|  |                       |                       |                                |         |            |              | <b>777.00</b>                                      |
|  |                       |                       |                                |         |            |              | <b>Total Dept. City Attorney: 777.00</b>           |
| <b>Dept: 10-191 Planning and Zoning</b>    |                       |                       |                                |         |            |              |  |
| 101-10-191-000-4300                        | Professional          |                       |                                |         |            |              |  |
|  | KENNEDY & GRAVEN      | 01312018              | SNDS DEV/ ANNEX/ WT LEASE      | 0       | 02/23/2018 | 03/07/2018   | 161.00   |
|  | KETTLE RIVER GRAFIX   | 49213                 | BUILDING BETTER NEIGHBOR       | 0       | 02/20/2018 | 03/07/2018   | 353.50   |
|  |                       |                       |                                |         |            |              | <b>514.50</b>                                      |
|  |                       |                       |                                |         |            |              | <b>Total Dept. Planning and Zoning: 514.50</b>     |
| <b>Dept: 10-194 Buildings &amp; Ground</b> |                       |                       |                                |         |            |              |  |
| 101-10-194-000-4300                        | Professional          |                       |                                |         |            |              |  |
|  | SUMMIT COMPANIES      | 1239572               | ANNUAL MONITORING2/2019-1      | 0       | 02/28/2018 | 03/07/2018   | 324.00   |
|  |                       |                       |                                |         |            |              | <b>324.00</b>                                      |
| 101-10-194-000-4401                        | Building Rep          |                       |                                |         |            |              |  |
|  | SANDSTONE ACE HARDWAI | 02/25/2018            | B&B suppl, Stree suppl, City H | 0       | 03/10/2018 | 03/07/2018   | 114.53   |
|  |                       |                       |                                |         |            |              | <b>114.53</b>                                      |
|  |                       |                       |                                |         |            |              | <b>Total Dept. Buildings &amp; Grounds: 438.53</b> |

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| <b>Dept: 15-210 Law Enforcement</b>    |  |                              |                                      |         |            |   |                  |
| 101-15-210-000-4300                    | Professional<br>PINE COUNTY TREASURER-   |                              | MARCH 18 POLICE CONTRAC              | 0       | 02/23/2018 | 03/07/2018                                      | 11,024.00        |
|  |  |                              |                                      |         |            |   | <u>11,024.00</u> |
|  |  |                              |                                      |         |            | <b>Total Dept. Law Enforcement:</b>             | <b>11,024.00</b> |
| <b>Dept: 15-220 Fire</b>               |  |                              |                                      |         |            |   |                  |
| 101-15-220-000-4321                    | Telephone<br>CENTURYLINK                 | 02132018                     | PHONE                                | 0       | 02/13/2018 | 03/07/2018                                      | 51.62            |
|  |  |                              |                                      |         |            |   | <u>51.62</u>     |
|  |  |                              |                                      |         |            | <b>Total Dept. Fire:</b>                        | <b>51.62</b>     |
| <b>Dept: 20-300 Public Works Admir</b> |  |                              |                                      |         |            |   |                  |
| 101-20-300-000-4210                    | General Ope<br>SANDSTONE ACE HARDWAI     | 02/25/2018                   | B&B suppl, Stree suppl, City H       | 0       | 03/10/2018 | 03/07/2018                                      | 37.83            |
|  |  |                              |                                      |         |            |   | <u>37.83</u>     |
| 101-20-300-000-4220                    | Repair & Ma<br>SANDSTONE NAPA            | 2998, 483228, 483229, 482835 | SHOP EQUIP REP MAINT, FIRE           | 0       | 03/10/2018 | 06/07/2018                                      | 10.64            |
|  |  |                              |                                      |         |            |   | <u>10.64</u>     |
| 101-20-300-000-4321                    | Telephone<br>CENTURYLINK                 | 02132018                     | PHONE                                | 0       | 02/13/2018 | 03/07/2018                                      | 51.62            |
|  |  |                              |                                      |         |            |   | <u>51.62</u>     |
| 101-20-300-000-4381                    | Electric Utilit<br>MINNESOTA POWER       | 02/13/2018                   | ELECTRIC UTILITY                     | 0       | 02/13/2018 | 03/07/2018                                      | 256.31           |
|  |  |                              |                                      |         |            |   | <u>256.31</u>    |
| 101-20-300-000-4404                    | Machiner & I<br>EMON STARTER & ALTERNA   | 489753                       | 1TON ALTERN. REBUILD-SHOF            | 0       | 02/21/2018 | 03/07/2018                                      | 115.00           |
|  | SANDSTONE NAPA                           | 2998, 483228, 483229, 482835 | SHOP EQUIP REP MAINT, FIRE           | 0       | 03/10/2018 | 06/07/2018                                      | 168.98           |
|  | ZIEGLER, INC.                            | PC200185316                  | MISC FASTERNERS                      | 0       | 02/21/2018 | 03/07/2018                                      | 149.84           |
|  | ZIEGLER, INC.                            | PC200185560                  | PARTS- EDGES, CUTTING EDC            | 0       | 03/10/2018 | 03/07/2018                                      | 1,174.83         |
|  |  |                              |                                      |         |            |   | <u>1,608.65</u>  |
|  |  |                              |                                      |         |            | <b>Total Dept. Public Works Administration:</b> | <b>1,965.05</b>  |
| <b>Dept: 20-346 Street Lighting</b>    |  |                              |                                      |         |            |   |                  |
| 101-20-346-000-4381                    | Electric Utilit<br>MINNESOTA POWER       | 02/13/2018                   | ELECTRIC UTILITY                     | 0       | 02/13/2018 | 03/07/2018                                      | 15.58            |
|  |  |                              |                                      |         |            |   | <u>15.58</u>     |
|  |  |                              |                                      |         |            | <b>Total Dept. Street Lighting:</b>             | <b>15.58</b>     |
| <b>Dept: 25-520 Parks Maintenance</b>  |  |                              |                                      |         |            |   |                  |
| 101-25-520-000-4210                    | General Ope<br>NORTHERN BUSINESS PRO     | 270458-0                     | TOILET PAPER ROBINSON PAI            | 0       | 02/26/2018 | 03/07/2018                                      | 89.99            |
|  |  |                              |                                      |         |            |   | <u>89.99</u>     |
| 101-25-520-000-4499                    | Miscellaneous<br>BNSF RAILWAY COMPANY    | BF59139                      | INV #18021294 ANGL PARK ANNUAL LEASE | 0       | 03/01/2018 | 03/07/2018                                      | 2,280.19         |
|  |  |                              |                                      |         |            |   | <u>2,280.19</u>  |
| 101-25-520-000-4760                    | Sandstone P<br>MINNESOTA POWER           | 02/13/2018                   | ELECTRIC UTILITY                     | 0       | 02/13/2018 | 03/07/2018                                      | 35.11            |
|  |  |                              |                                      |         |            |   | <u>35.11</u>     |
| 101-25-520-000-4832                    | Non Profits (C<br>OLD SCHOOL ARTS CENTEF | 02/15/2018                   | DONATION- ARTS/COLORING              | 0       | 02/15/2018 | 03/07/2018                                      | 1,000.00         |
|  |  |                              |                                      |         |            |   | <u>1,000.00</u>  |

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| <b>Total Dept. Parks Maintenance:</b>    |   |                              |                            |         |            |              | <b>3,405.29</b>  |
| <b>Total Fund General Fund:</b>          |   |                              |                            |         |            |              | <b>19,355.87</b> |
| <b>Fund: 201 Fire Protection</b>         |   |                              |                            |         |            |              |                  |
| <b>Dept: 15-220 Fire</b>                 |   |                              |                            |         |            |              |                  |
| 201-15-220-000-4207                      | Training & In<br>FIRE INSTRUCTION RESCUE  | 3091                         | TRAINING                   | 0       | 02/26/2018 | 03/07/2018   | 550.00           |
|  |   |                              |                            |         |            |              | <b>550.00</b>    |
| 201-15-220-000-4210                      | General Ope<br>OLD SCHOOL ARTS CENTEF     | 02/15/2018                   | DONATION- ARTS/COLORING    | 0       | 02/15/2018 | 03/07/2018   | 35.00            |
|  | SANDSTONE ACE HARDWAI                     | 20924, 20959                 | FD- GENERAL SUPPLIES       | 0       | 02/12/2018 | 03/07/2017   | 10.76            |
|  | SANDSTONE NAPA                            | 2998, 483228, 483229, 482835 | SHOP EQUP REP MAINT, FIRE  | 0       | 03/10/2018 | 06/07/2018   | 18.58            |
|  |   |                              |                            |         |            |              | <b>64.34</b>     |
| 201-15-220-000-4401                      | Building Rep<br>SANDSTONE ACE HARDWAI     | 20924, 20959                 | FD- GENERAL SUPPLIES       | 0       | 02/12/2018 | 03/07/2017   | 37.98            |
|  |   |                              |                            |         |            |              | <b>37.98</b>     |
| 201-15-220-000-4404                      | Machiner & I<br>KIRVIDA FIRE              | 6891                         | REPAIR- 99 FREIGHTLINER TA | 0       | 02/15/2018 | 03/07/2018   | 2,221.23         |
|  | KIRVIDA FIRE                              | 6890                         | REPAIR- 96 FREIGHTLINER PL | 0       | 02/15/2018 | 03/07/2018   | 147.93           |
|  | MUNICIPAL EMERGENCY SE                    | IN1202222                    | SCBA SERVICE/REGULATOR C   | 0       | 03/16/2018 | 03/06/2018   | 287.00           |
|  |   |                              |                            |         |            |              | <b>2,656.16</b>  |
| <b>Total Dept. Fire:</b>                 |   |                              |                            |         |            |              | <b>3,308.48</b>  |
| <b>Total Fund Fire Protection:</b>       |   |                              |                            |         |            |              | <b>3,308.48</b>  |
| <b>Fund: 228 Economic Developer</b>      |   |                              |                            |         |            |              |                  |
| <b>Dept: 50-540 Economic Developn</b>    |   |                              |                            |         |            |              |                  |
| 228-50-540-000-4300                      | Professional<br>KENNEDY & GRAVEN          | 01312018                     | SNDS DEV/ ANNEX/ WT LEASE  | 0       | 02/23/2018 | 03/07/2018   | 1,820.00         |
|  |   |                              |                            |         |            |              | <b>1,820.00</b>  |
| 228-50-540-000-4351                      | Notices & Pt<br>PINE COUNTY COURIER       | 02/22/2018                   | MINUTES                    | 0       | 02/22/2018 | 03/07/2018   | 31.59            |
|  |   |                              |                            |         |            |              | <b>31.59</b>     |
| <b>Total Dept. Economic Development:</b> |   |                              |                            |         |            |              | <b>1,851.59</b>  |
| <b>ic Development Authority:</b>         |   |                              |                            |         |            |              | <b>1,851.59</b>  |
| <b>Fund: 401 Capital Projects Fund</b>   |   |                              |                            |         |            |              |                  |
| <b>Dept: 40-450 Capital Account</b>      |   |                              |                            |         |            |              |                  |
| 401-40-450-000-4531                      | Street Overl:<br>SHORT ELLIOTT HENDRICK:  | 346334                       | RVBL & 4TH ST PROJECT      | 0       | 03/21/2018 | 03/07/2018   | 9,368.58         |
|  |   |                              |                            |         |            |              | <b>9,368.58</b>  |
| <b>Total Dept. Capital Account:</b>      |   |                              |                            |         |            |              | <b>9,368.58</b>  |
| <b>and Capital Projects Fund:</b>        |   |                              |                            |         |            |              | <b>9,368.58</b>  |
| <b>Fund: 422 EDA Public Works Gra</b>    |   |                              |                            |         |            |              |                  |
| <b>Dept: 10-195 Economic Developn</b>    |   |                              |                            |         |            |              |                  |
| 422-10-195-000-4300                      | Professional<br>R.L. LARSON EXCAVATING, I | 8                            | LUNDORFF DRIVE EXT- CRCT   | 0       | 02/27/2018 | 03/07/2018   | 546.00           |
|  |   |                              |                            |         |            |              | <b>546.00</b>    |
| <b>Total Dept. Economic Development:</b> |   |                              |                            |         |            |              | <b>546.00</b>    |

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| <b>EDA Public Works Grant:</b>              |                         |            |                                |         |            |              | <b>546.00</b>    |
| <b>Fund: 601 Water Fund</b>                 |                         |            |                                |         |            |              |                  |
| <b>Dept: 60-911 Water Production/Di</b>     |                         |            |                                |         |            |              |                  |
| 601-60-911-000-4300                         | Professional            |            |                                |         |            |              |                  |
|   | AMERICAN PAYMENT CENTI  | 15-17532   | QTRLY UTILITY PMT BOX REN      | 0       | 03/16/2018 | 03/07/2018   | 39.00            |
|   | PEOPLESERVICE, INC.     | 30329      | MARCH SERVICE CONT. PMT        | 0       | 02/15/2018 | 03/07/2018   | 225.00           |
|   | PEOPLESERVICE, INC.     | 30329      | MARCH SERVICE CONT. PMT        | 0       | 02/15/2018 | 03/07/2018   | 4,896.00         |
|   |                         |            |                                |         |            |              | <b>5,160.00</b>  |
| 601-60-911-000-4351                         | Notices & Pl            |            |                                |         |            |              |                  |
|   | KETTLE RIVER GRAFIX     | 49211      | ENVEL, FOLD W/S LTRS           | 0       | 02/19/2018 | 03/07/2018   | 4.00             |
|   |                         |            |                                |         |            |              | <b>4.00</b>      |
| 601-60-911-000-4381                         | Electric Utiliti        |            |                                |         |            |              |                  |
|   | MINNESOTA POWER         | 02/13/2018 | ELECTRIC UTILITY               | 0       | 02/13/2018 | 03/07/2018   | 1,029.93         |
|   |                         |            |                                |         |            |              | <b>1,029.93</b>  |
| 601-60-911-000-4401                         | Building Rep            |            |                                |         |            |              |                  |
|   | SANDSTONE ACE HARDWAI   | 02/25/2018 | B&B suppl, Stree suppl, City H | 0       | 03/10/2018 | 03/07/2018   | 59.94            |
|   |                         |            |                                |         |            |              | <b>59.94</b>     |
| 601-60-911-000-4433                         | Dues and St             |            |                                |         |            |              |                  |
|   | MINNESOTA DEPT OF HEAL  | 02/13/2018 | QTRLY PMT- CONNECTION FE       | 0       | 03/31/2018 | 03/07/2018   | 755.00           |
|   |                         |            |                                |         |            |              | <b>755.00</b>    |
| 601-60-911-670-4583                         | Water Capitz            |            |                                |         |            |              |                  |
|   | SHORT ELLIOTT HENDRICK: | 346336     | LUNDORFF DR UTILITIY           | 0       | 03/21/2018 | 03/07/2018   | 20,245.65        |
|   | SHORT ELLIOTT HENDRICK: | 346335     | 2ND WATER MAIN WTP TO TO       | 0       | 03/21/2018 | 03/07/2018   | 3,001.04         |
|   |                         |            |                                |         |            |              | <b>23,246.69</b> |
| <b>Dept. Water Production/Distribution:</b> |                         |            |                                |         |            |              | <b>30,255.56</b> |
| <b>Total Fund Water Fund:</b>               |                         |            |                                |         |            |              | <b>30,255.56</b> |
| <b>Fund: 602 Sewer Fund</b>                 |                         |            |                                |         |            |              |                  |
| <b>Dept: 50-950 Sewer Services</b>          |                         |            |                                |         |            |              |                  |
| 602-50-950-000-4300                         | Professional            |            |                                |         |            |              |                  |
|   | AMERICAN PAYMENT CENTI  | 15-17532   | QTRLY UTILITY PMT BOX REN      | 0       | 03/16/2018 | 03/07/2018   | 39.00            |
|   | PEOPLESERVICE, INC.     | 30329      | MARCH SERVICE CONT. PMT        | 0       | 02/15/2018 | 03/07/2018   | 296.60           |
|   | PEOPLESERVICE, INC.     | 30329      | MARCH SERVICE CONT. PMT        | 0       | 02/15/2018 | 03/07/2018   | 4,896.00         |
|   |                         |            |                                |         |            |              | <b>5,231.60</b>  |
| 602-50-950-000-4351                         | Notices & Pl            |            |                                |         |            |              |                  |
|   | KETTLE RIVER GRAFIX     | 49211      | ENVEL, FOLD W/S LTRS           | 0       | 02/19/2018 | 03/07/2018   | 4.00             |
|   |                         |            |                                |         |            |              | <b>4.00</b>      |
| 602-50-950-000-4381                         | Electric Utiliti        |            |                                |         |            |              |                  |
|   | EAST CENTRAL ENERGY     | 02122018   | SEWAGE PONDS                   | 0       | 03/10/2018 | 03/07/2018   | 49.93            |
|   | MINNESOTA POWER         | 02/13/2018 | ELECTRIC UTILITY               | 0       | 02/13/2018 | 03/07/2018   | 814.55           |
|   |                         |            |                                |         |            |              | <b>864.48</b>    |
| <b>Total Dept. Sewer Services:</b>          |                         |            |                                |         |            |              | <b>6,100.08</b>  |
| <b>Total Fund Sewer Fund:</b>               |                         |            |                                |         |            |              | <b>6,100.08</b>  |

**Grand Total: 70,786.16**

*January Payroll 14,008.45*  
*\$ 84,794.61*



Fiscal and Administrative Services

445 Minnesota Street • Suite 126 • Saint Paul, Minnesota 55101
Phone: 651.201.7000 • Fax: 651.282.6586
dps.mn.gov

- Alcohol and Gambling Enforcement
Bureau of Criminal Apprehension
Driver and Vehicle Services
Emergency Communication Networks
Homeland Security and Emergency Management
Minnesota State Patrol
Office of Communications
Office of Justice Programs
Office of Pipeline Safety
Office of Traffic Safety
State Fire Marshal

27 February, 2018

Kathy George
City of Sandstone
119 4th Street,
Sandstone, MN 55072

Re: Lease Termination Notice
Lease PS0236

Dear Kathy George,

Pursuant to Clause 6.3 of Lease No. PS0236 dated 22 June, 2006, by and between The City of Sandstone, as LESSOR, located in the City of Sandstone, County of Pine, and the State of Minnesota, Department of Administration, as LESSEE, acting for the benefit of the Department of Public Safety, LESSEE hereby gives notice to terminate this Lease. Said Lease is to be terminated on 30 April, 2018. Public Safety thanks Sandstone for the many years it was able to use this space, however Driver and Vehicle Services must move to a different location in order to serve more Minnesotans. Sandstone will receive \$67.00 for the April rent in lieu of the quarterly rent.

APPROVED:
STATE OF MINNESOTA
DEPARTMENT OF PUBLIC SAFETY
Delegated to

By [Signature]
Title Deputy Director
Date 2-27-18

LESSEE:
STATE OF MINNESOTA
DEPARTMENT OF ADMINISTRATION
COMMISSIONER
With delegated Authority

By [Signature]
Title Lease Coordinator
Date 27 FEB 2018
SC# LA
PO# LA