

Sandstone City Council Meeting Minutes
January 20, 2021

CALL TO ORDER: 6:00 p.m. This meeting took place at City Hall with an option for Zoom video conferencing.

ROLL CALL: Val Palmer, Peter Spartz, Randy Riley, Cassie Gaede, Julena Rahier

Members absent: None

Staff present: Administrator Kathy George

Others present: SEH Engineer Greg Anderson, Jennifer Yocum-Stans with the *Pine County Courier*, Fire Chief Andy Spartz, Charles Koch

PLEDGE OF ALLEGIANCE

ADDITIONS OR CORRECTIONS TO THE AGENDA:

Motion Riley, second Spartz to approve the Agenda as presented. Motion carried 5-0.

PETITIONS OR COMPLAINTS BY RESIDENTS AND/OR COUNCIL MEMBERS:

Council Members received compliments on the snow removal efforts in town.

PUBLIC HEARING/ PRESENTATIONS: None

CONSENT AGENDA:

Motion Palmer, second Riley to approve the following Consent Agenda items:

- a. **Meeting Minutes: December 16, 2020**
- b. **Resolution No. 20210120-01 – Annual Designations**
- c. **Resolution No. 20210120-02 – Designate Polling Place**
- d. **Resolution No. 20210120-03 – Accept Donation from David Anderson**

Motion carried 5-0.

NEW BUSINESS:

Ordinance No. 20210120-01 Amending & Adopting 2021 Fee Schedule

The Council annually adopts an Ordinance to approve the Fee Schedule. A couple of additions have been made to the proposed Fee Schedule for Council consideration:

(1) Building Official Richard Drotning asked that the following be added to the Fee Schedule:

- **Manufactured Home Installation Permit \$100.00 – The State requires municipalities to set a fee for this permit because a building permit fee based on the project value is actually done at the factory where the manufactured homes are constructed.**

(2) Administration Staff make the following recommendations:

- **Administration Assessment Notice-Unpaid City Services: increase fee from \$15 to \$20**
- **Utility Certification Notice-Unpaid Notice: increase fee from \$15 to \$20**
- **Utility Certification Fee (Admin): increase from 8% of amount certified to taxes to 10% of amount certified to taxes**
- **Group Camping at Robinson Park: \$30.00/night**

- Mobile Food Units & Food Cart License – Temporary \$25/day; Annual \$100 (ordinance was adopted in 2019, but fee wasn't set)
- Administrative Citation Fee - \$50; subsequent similar offense within 12 months – 50% above previously charged fee (ordinance was adopted in 2020, but fee wasn't set)
- Fire & Explosion Escrow – portion of proceeds from insurance settlement to ensure cleanup, etc. (adopted in 2019, just adding to Fee Schedule)

(3) The Cemetery ordinance 520.43 allows for additional fees for winter burials; however, fees have never been established:

The following fees are recommended:

- Winter Locate Fee (Jan through March 15): \$200.00
- Winter Cremains (Jan through March 15): \$200.00 (for full casket burials, the family works directly with the grave digger on the fee)
- Winter Cemetery Plowing (Jan through March 15): \$75.00

Motion Gaede, second Palmer, to approve the proposed changes and to adopt Ordinance No. 20210120-01 Amending & Adopting the 2021 Fee Schedule. Motion carried 5-0.

2022 Fire Department Budget

The City prepares the Fire Department budget a year in advance so that a meeting with Township Officials can be held prior to their March annual meetings, where they set their budgets for the following year. This meeting between City and Township officials is scheduled for Monday, February 1st, at 7:00 p.m.

The Council reviewed the proposed 2022 Fire Department Budget. The Revenue portion is not complete yet because of the upcoming meeting with Township officials. Some Township officials have asked for discussion on how manhours are used in the Fire Formula to determine each entities' annual contribution. Mayor Spartz and Administrator George plan to meet with interested Township officials on Monday, January 25th. After that meeting, the Revenue portion will be completed and presented at the February 1st annual meeting with Townships.

On the Expense portion, Professional Services are reduced because the Fire Department is no longer paying someone \$300/month to clean the Fire Hall. Telephone expense was also eliminated, saving \$750. Repair/Maintenance of Equipment was increased due to increased costs. The Bond Payment is also increased to cover the annual payment for the Fire Hall building improvements. Overall, operating costs increase \$16,397 (15.8%).

Motion Riley, second Gaede, to set a Special Council meeting with Township officials for Monday, February 1, 2021 at 7:00 p.m. at the Fire Hall to review the 2022 budget and Fire Formula. Motion carried 5-0.

Resolution No. 20210120-04 Sale of Parcel 45.5251.000, 1114 Birch Avenue

The City acquired 1114 Birch Avenue in 2018 along with 4 other tax forfeited properties. Since that time, the City conducted asbestos testing and abatement. The Fire Department conducted a training burn of the house, followed by demolition of the remaining structures and removal of the foundation. This property acquisition involved three separate parcels: 45.5251.000 (the property with the structures on it), 45.5250.001 and 45.5250.002 (both of which are bare land).

To date, expenses incurred on this acquisition and clean up total \$12,897.20. The two bare land structures were sold for a total of \$2,500.00. The remaining parcel has been listed for sale through local realtor Pam Lewis. In September, 2020, The Council accepted an offer from Colyn Kellum & Kendra Tauer to purchase the parcel for \$10,000.00. They later withdrew their offer. The City now has an offer from Patrice Swain for \$8,500.00.

Motion Palmer, second Spartz, to accept the offer of \$8,500.00 from Patrice Swain for the purchase of 1114 Birch Avenue and to adopt Resolution No. 20210120-04 Approving the Purchase Agreement. Motion carried 5-0.

Personnel Committee Recommendation – Deputy Clerk / Finance Position

The City advertised to fill the Deputy Clerk/Finance Position in the *Pine County Courier*, *The Evergreen*, *Moose Lake Gazette*, *Pine City Pioneer*, *Askov American*, and *Hinckley News* newspapers for four weeks. Six applications were received. The City worked with Central Minnesota Jobs & Training Services to administer testing to all six candidates. The Personnel Committee then conducted interviews of all six candidates on December 29th. Deputy Clerk Alana Tyson and Deputy Clerk/Utility Billing Leah Jackson were included on the interview panel, along with Administrator George, Mayor Spartz, and Councilor Gaede. After all interviews had been conducted, the panel voted to offer the position to Charles Koch. References were checked, with favorable results.

The starting wage for this position is \$23.04. The union contract allows for a 6-month probation, after which a \$0.50 raise is required. After completing one year, the union wage will take effect. In 2021, the union wage is \$25.11. The current union contract only goes through 2021. A new contract will be negotiated later this year and the 2022 wage will be set during that process.

Motion Palmer, second Spartz, to extend an offer of employment to Charles Koch to fill the Deputy Clerk/Finance position, pending the results of the background check. Motion carried 5-0.

Planning Commission Recommendations – New Zoning Map & Districts

The City undertook the process of updating the Comprehensive Plan after completing the Roadmap to the Future process in 2016. The Comp Plan is a process used to establish a vision for how the community will grow and develop over the next 10, 15, or 20 years. It is a comprehensive process that includes much input from the public. The Comp Plan was adopted in 2017.

The Comp Plan laid out a Future Land Use Map, which was considered by both the Planning Commission and the City Council to be an appropriate starting point for updating the City's zoning map and zoning districts. The Planning Commission has been working on these updates for over two years. Two open house events were held in August, giving people an introduction to the proposed Land Use Map. A Public Hearing was held on October 14th, after being published in the 10/1 and 10/8 editions of the *Pine County Courier* and the associated issues of the *Evergreen*. The notice was also mailed out to all property owners, as well as being posted on the City Hall bulletin board.

At the October Public Hearing, the Planning Commission members agreed to change three parcels from Public Recreation / Open Space to Suburban Residential. They also agreed to change three parcels from Traditional Residential to Highway Mixed Use. Another parcel was changed from Suburban Residential to Highway Mixed Use. And another parcel was changed from Professional/Light Industrial to Suburban Residential.

At the October meeting, the Planning Commission decided to continue the Public Hearing to be sure that all property owners had ample time to review the proposed changes and provide input. Since the November regular meeting fell on Veterans Day, it was decided to continue the Public Hearing to the December 9th Planning Commission meeting.

The Public Hearing Notice was published in the 11/26 and 12/3 editions of the *Pine County Courier* and the associated issues of the *Evergreen*. The notice was also mailed out to all property owners, as well as being posted on the City Hall bulletin board.

The current Zoning Map includes the following Districts:

- RR Large Lot Rural
- P – Large Lot Rural
- RM – Medium Density Residential
- RH – High Density Residential
- PUD – Single Family Residential PUD
- CBD – Central Business
- BH – Highway/Service
- B4 – Medical Business
- CT3 – Tier 3 Commercial
- INT – Interchange
- I1 – Light Industrial
- I2 – Limited Industrial
- IG – General Industrial

The proposed Zoning Map has the following Districts:

- Traditional Residential
- Suburban Residential
- Historic Downtown
- Highway Mixed Use
- Prospective Interchange
- Professional / Light Industrial Business Park
- Industrial
- Public Recreation/Open Space
- Overlay Districts:
 - Kettle River Wild and Scenic River and Flood Plain District
 - General Shoreland District
 - Recreational Vehicle District
 - Manufactured Home Park
 - Residential Planned Unit Development
 - Commercial Planned Unit Development

The Public Hearings that were held by the Planning Commission covered the 8 new Zoning Districts (not the Overlay Districts).

During the process, other ordinances and sections of ordinances were reviewed, amended and/or created. The Planning Commission will hold Public Hearings for the following in the future (and submit recommendations to Council for final action):

- Kettle River Wild and Scenic River and Floodplain Overlay District
- General Shoreland Overlay District
- Residential Planned Unit Development Overlay District
- Commercial Planned Unit Development Overlay District
- Manufactured Home Park Overlay District
- Recreational Vehicle Park Overlay District
- Subdivision Ordinance
- Architectural Standards Section
- Sign Ordinance
- Fence Ordinance
- Off-Street Parking Section

Copies of the redlined version of the eight proposed Zoning Districts were provided. Administrator George reviewed the map and the new Zoning Districts with the Council.

Motion Palmer, second Gaede, to adopt Ordinance No. 20210120-02 Amending Chapter 5 – Planning and Land Use Regulations, Section 515 – Zoning of the Sandstone City Code to rescind various sections of the Code, to add eight new sections to the Code, and to adopt the proposed Zoning Map. Motion carried 5-0.

MN DOT Right-of-Way Proposals

MN DOT is acquiring some right-of-way throughout town as part of their TH123 road improvement project. The City owns two small parcels that MN DOT would like to acquire for right-of-way.

MN DOT Parcel 22 is a small triangle portion of the stormwater pond the City owns behind the new Dollar General Store. MN DOT is seeking a temporary easement for construction purposes on 3,238 square feet of the triangle and a permanent acquisition of 321 square feet for right-of-way. MN DOT is offering \$500, which includes \$202 for the real estate being acquired and \$298 for damages or loss in value to the remaining property.

MN DOT Parcel 26 is a rectangular portion if a strip of land the City owns on the southwest corner of the Washington / Main Street intersection. MN DOT is seeking a temporary easement for construction purposes on 636 square feet of the parcel and a permanent acquisition of 318 square feet for right-of-way (the easterly 10' of the parcel). MN DOT is offering \$500, which includes \$411 for the real estate being acquired and \$89 for damages or loss in value to the remaining property.

MN DOT had appraisals conducted on each parcel (copies were provided to the City). The City could have its own appraisal conducted, the cost of which would be reimbursed by MN DOT up to \$5,000 per parcel.

If the right-of-way proposals are approved, the City will execute the Offer to Sell & Memorandum of Conditions, Warranty Deed, and Temporary Permit to Construct for Governmental Entities documents.

Motion Riley, second Spartz, to approve MN DOT's request for temporary easements and permanent acquisition regarding two small parcels of City-owned property for right-of-way purposes related to the TH123 Road Improvement Project. Motion carried 5-0.

OLD & CONTINUING BUSINESS:

2020 Street Improvement Project – Application for Payment

SEH Engineer Greg Anderson presented Application for Payment No. 5 from A-1 Excavating Inc. in the amount of \$63,177.48. This amount represents work completed and material on hand, with 2.5% held for retainage. The project is substantially complete, with some minor follow up that will occur in the spring.

Motion Palmer, second Spartz, to approve Application for Payment No. 5 from A-1 Excavating Inc. for the 2020 Street Improvement Project in the amount of \$63,177.48. Motion carried 5-0.

Anderson stated that there will be an additional expense for material testing services in the amount of \$6,938.00. He also requested an amendment to the June 5, 2020 Construction Services letter in the amount of \$40,560.00 to cover the additional survey and inspection time related to the additional work that was added to the project scope.

Motion Spartz, second Riley, to approve the material testing expense of \$6,938.00 and further to approve an addition to the engineer services agreement in the amount of \$40,560.00 to cover additional survey and inspection time related to additional work that was added to the project scope. Motion carried 5-0.

Community Service Partner – DRAFT Position Description & Job Posting

The City has been discussing the possibility of creating a new Community Service Partner position for the past few years. At the November Council Meeting, consensus was to move forward with the position. Council Members asked Administrator George to provide the Position Description, along with the Physical requirements and the draft advertisement/job posting. George presented these documents to the Council for review and comment.

The City budgeted \$80,000 for the new position in 2019, and then \$40,000 in 2020 as a place-holder since the position was not created in 2019. The 2021 budget does not include funds for this position, assuming that if the City Council does move forward with the hiring process, the 2019 and 2020 budgeted amounts are available in the General Fund reserves.

Consensus of the Council was to post the position leaving it open-ended, stating that success of this effort will largely depend on the candidate selected. There is no rush to fill the position. The job posting is formatted to be a request for proposals and leaves options open; such as, full-time, part-time, independent contractor, flexible hours, etc. All proposals received will be reviewed by the Personnel Committee.

REPORTS:

Sheriff's Deputy Report – December, 2020

The Sheriff's Department had 192 calls logged in Sandstone for the month. That compares to 177 calls in 2019 and 198 calls in 2018. Total calls logged for 2020 were 2,747. In 2019, the total calls were 2,408.

Fire Department – December, 2020

The Department received one false alarm call for the month. There were no training drills due to COVID-

19 restrictions.

Library Report – December, 2020

Librarian Josh Menter introduced himself in his written report. He is the Librarian in Hinckley, too, and will handle both locations. The adult reading program is underway; participants earn points by logging their reading, writing reviews, and participating in activities. A new app/website program is being used for participants to keep track of their reading.

Small Cities Development Program Update

Councilors reviewed a report from Nicole Klosner, Lakes & Pines Housing Rehabilitation & Public Facilities Project Director. 13 owner-occupied homes were improved in the following ways: gutters, doors, floor covering, electrical, foundation, landscaping, stairs, lead work, painting, staining, roofs, entries, plumbing, drywall, insulation, showers, water heater, siding, soffit & fascia, windows, handicap adjustments, HVAC, decks, grading, chimney, sewer connection. \$350,000 was available for the owner-occupied housing portion. \$7,148.00 remains and can be used by a qualified applicant.

Three commercial properties were improved in the following ways: windows, doors, roof, insulation, sidewalks, ramps, stairways, parking lot, kitchen upgrades. \$162,000 was available for these projects. \$696 remains.

Lakes & Pines received \$76,800 to administer the program. The City would like to apply for more funding this year when the application period opens up.

EDA Meeting – December 23rd, 2020

Councilor Palmer updated the Council on the December 23rd EDA meeting. The EDA is moving forward with purchasing the North Court Apartments, with developer Trellis agreeing to manage the property. The intent is to roll this property into the redevelopment project of The Rock (the historic former high school). Matt Anderson was re-appointed to the EDA for a two-year term and Tim Schmutzer was appointed for a one-year term. The EDA accepted an offer of \$38,500 from Doua Vue for the purchase of parcels 45.0039.001 and 45.0101.014. Pre-design work is continuing for the Library, History and Art Center, and Old School Art Center spaces. After several options were considered, the most favored option is to construct a new building on the vacant property located north of The Rock.

Park & Rec Commission Meeting – January 8, 2021

John Gaede will fill the 3-year term on the Commission vacated by Eric Sturtz. SEH Engineer Greg Anderson presented options regarding boardwalks in three areas of the KREEC property. The kick-off meeting for the Cultural Landscape Report was held. There were 183 registrations for 275 days of camping in Robinson Park during 2020. The warming house at Lions Hill is open with some restrictions due to COVID. Closing is scheduled on the MCCU donation of their Commercial Avenue property next week. Minnesota Climbers Association members are working with the School District to offer an ice climbing clinic.

Building Inspection Report – November & December, 2020

There was one building, one maintenance, and four right-of-way permits issued in November. None in December. Total building permit fees collected in 2020 was \$59,361.35. Total construction value for the year was \$6,817,366.89 (mostly attributed to the Sandstone Health Care Center and Dollar General projects).

Streets & Parks Supervisor Report – December, 2020

Supervisor Craig Hiler reported that the crew is attempting to make ice at the skating rink, which depends largely on the weather. They have been plowing, sanding, and clearing as necessary. They assisted with the remodeling work in the Deputy Clerks' office. Work on the John Wright building continues and is nearing an end. They have started to move items into the new shop and are setting up work benches, storage shelves, etc. They replaced a faulty solenoid on the 2006 Ford Sterling and 2 leaking hydraulic lines on the 2003 Cat Skidsteer.

PeopleService Report – December, 2020

Operator Alex Leger reported that he is getting bids to clean the water tower, which must be done every five years. Lift Station #1 by Robinson Park was plugged by a large rock that came through the sewer line. Leger was able to clear the line. All lift stations were cleaned and are now free of grease and sand. The road to the sewer ponds was built up, which should help with access in the spring. Leger also restocked all the water and sewer parts that were used by other companies throughout the year. He jetted the sewer main lines by the Credit Union and behind Chris' Foods to ensure that they are clear for the winter.

Financial Reports

Motion Riley, second Palmer to approve the A/P Clerk Claims – December in the total amount of \$359,161.13. Motion carried 5-0.

WRITTEN NOTICES AND COMMUNICATIONS: None

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

Public Surplus Auction – recent activity

- Skid Steer Blower Attachment – relisted on 12/14
- 1963 Caterpillar Grader – relisted on 12/14
- Antique Wood Stove at KREEC site – SOLD for \$10, awaiting pickup
- 1986 Plow/Dump Truck – relisted on 12/14
- 1973 Pumper Truck – no interest – relisted 1/15
- Multi Use Scaffold – not listed yet; will list when shop moves to John Wright
- Chain Link Fence (no posts or hardware) – not listed yet
- Dot Matrix Printer – planning to list

MN DOT TH123 Project

- Public Hearing on the Project will take place at 2/17 Council Meeting
- Schedule pushed out – starting in 2021 but finishing in 2022
- August 2021: Phase 1 – Park to Duxbury Road
- September 2021: Phase 2 – TH23 to Division Street
- May 2022: Phase 3 – Division to Park
- City's cost participation will be around \$50,000 – *paid up front*

John Wright Building – Progress

- A sprinkler issue has been uncovered
- Originally, the sprinkler company thought the existing dry sprinkler pipes in the rafter areas of the classroom corridors were fine
- During testing the entire system as part of finishing up the building, they discovered leaks
- While running down the leaks, they discovered that these pipes in the daycare center corridors are corroded and need to be replaced

- The cost to replace these pipes is \$49,890.00

Essentia Health Sandstone is having some problems operating surgery equipment due to the water pressure. City staff and SEH Engineer Anderson are looking into it and trying to determine if the water loop project will help with the water pressure.

ADJOURN

Motion Riley, second Gaede to adjourn at 8:07 p.m. Motion carried 5-0.

Peter Spartz, Mayor

Kathy George, Administrator