

**SANDSTONE CITY COUNCIL
SPECIAL MEETING – COUNCIL WORK SESSION
Wednesday, January 30, 2019, 2:00 p.m.**

CALL TO ORDER: The meeting was called to order by Mayor Spartz at 2:00 p.m.

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

Members absent: None

Staff present: Administrator George

PLEDGE OF ALLEGIANCE: All present recite the Pledge.

SPECIAL ITEMS OF BUSINESS:

2020 Fire Department Budget / Formula

The Council reviewed the proposed 2020 Fire Department budget and formula for Townships. The joint meeting with the Townships is on Monday, February 4th. Administrator George provided a packet of information for Council review, noting that this information has also been sent to the Township Supervisors, Clerks & Treasurers with the clarification that this information is *proposed*.

George reviewed the proposed budget, noting that expenditures decrease \$11,057 (5.2%) due to a decrease in the depreciation/savings amount. She noted that Fire Call billings are not included in the budget; therefore, they contribute to fund balance when they are collected. George also noted that Fire Hall Rent is eliminated in the 2020 budget since Essentia is building a new ambulance garage and will no longer be renting space from the City. Some additional minor adjustments were made between the 2019 budget and the 2020 proposed budget.

Council Member Devlin suggested that the telephone at the Fire Hall be discontinued, since it is never used. He further pointed out that internet service is provided at no charge through the City's Franchise Agreement with SCI Cable. George will follow up on this suggestion.

George then reviewed the cost share allocation for the City and the covered Townships. In the past, the City has been making a distribution reduction of 30% to the Townships, with the City then covering that additional portion. She recommended the City phase out this reduction, starting with reducing the percentage to 20% in the 2020 formula. She has conveyed this plan to the Townships and plans to discuss it at the February 4th meeting as well.

Consensus of the Council was to proceed with the 2020 Fire Department Budget and Formula as presented/proposed.

Fire Call Fees

The Council spent a significant amount of time discussing the practice of charging for various Fire Department calls/services. Discussion is summarized as follows:

- Whether or not to continue to charge property owners for fire calls:
 - Currently, the charge is \$750 (minimum 1 hour) and \$250 each additional hour, plus the cost of chemicals.
 - Some thought that property owners already pay property taxes, which pays for the Fire Department budget; therefore, charging them for calls is like charging them twice.
 - Some did not want property owners to be discouraged from calling the Fire Department because of a potential charge.
 - Some thought that property taxes are for the basic presence of the Fire Department and that those who actually use the services should pay an additional charge.
 - After much discussion, three Council Members felt that property owners should not be charged for fire calls, and two Council Members felt that they should be charged.

- Whether or not to continue to charge for Traffic Control/Vehicle Assistance:
 - Currently, the charge is \$450
 - Some noted that these situations can result in serious injury or death to the parties involved; therefore, sending a bill seems rather harsh and can give people a negative impression of the City of Sandstone and the Sandstone Fire Department.
 - Others stated that, unlike house fires, these calls typically involve people who do not pay taxes in the City or covered Townships; therefore, they should have to pay a fee.
 - The conversation turned to the question of why the Fire Department is called out to provide traffic control on the Interstate and on Trunk Highways, when the State has emergency response vehicles.
 - Consensus of the Council was to begin discussions with MN DOT and the County (Sheriff, Dispatch) regarding the practice of calling out the Fire Department for these situations – perhaps an agreement can be reached wherein the State reimburses the Fire Department for these calls (similar to the DNR grass fire agreement).

- Whether or not to continue to charge for Extrication & Technical Rescue:
 - Currently, the charge is \$500 per half hour.
 - Consensus of the Council was to continue charging for these services.
 - It was noted that sometimes the Fire Department has not charged for Technical Rescue when perhaps they should have or could have. The incident that occurred in 2018 with a teenager getting stuck rock climbing at Robinson Park was discussed. The Fire Department did not actually provide the technical rescue (others with appropriate equipment had to be called in); however, they were still there providing assistance.

- Security after call (after 1st hour) was then discussed:
 - Currently, the charge is \$380 minimum per hour; \$350/hour per rig (minimum 1 hour), \$15 per fireman (2) per hour (minimum 1 hour).
 - This charge hasn't been used very much and is confusing.
 - Consensus of the Council was to change it to "Scene Security - \$380 minimum per hour; \$350/hour per rig (minimum 1 hour)" and increase the \$15 per firefighter to cover today's cost for a firefighter.
 - Scene Security includes securing the area for things like gas leaks, downed power lines, vehicle crashes (when the Fire Department is needed to control traffic, clear the scene for investigating personnel, etc.)
 - Clarification is needed regarding whether or not Scene Security fees kick in after the 1st hour, or immediately.
 - Council Member Devlin, also a member of the Sandstone Fire Department, will review this change with the Firefighters so that these calls will be appropriately coded.

- Fire Call – Auto was discussed:
 - Currently, the fee is \$450.
 - Consensus of the Council was to continue to charge for this service.

- Fire Call – False Alarm was discussed:
 - Currently, the 1st call is no charge; the 2nd call is \$350, and the 3rd call is \$650.
 - It was clarified that this item pertains to hard-wired, automatic dial-out alarm systems. These are typically in commercial and industrial buildings, as well as in the larger apartment complexes. The purpose of the fee is to encourage entities to properly maintain their systems so that false alarms are kept to a minimum.

These proposed changes will be brought to the February 20th Council meeting for final action. No action was taken at the Work Session.

Community Service Officer

The Council discussed the possibility of creating a Community Service Officer. Administrator George stated that the 2019 budget includes \$80,000, which would cover a full-time employee with benefits. On October 16th, a meeting was held with Sheriff Nelson, County Attorney Frederickson, County Commissioner Ludwig, Mayor Spartz, Council Member Palmer, and Administrator George to discuss the possibilities. Council Members were provided with a draft position description.

The following is a summary of the October 16th discussion / various points:

- The Sheriff is not opposed to the idea as long as the message to the public is that the City is making an investment to partner with the Sheriff.
- Two-way communication is very important.
- First Responder / EMS Training would be helpful.
- Other training may be helpful (i.e., a driving course).

- Nelson, Frederickson, and Ludwig all agreed to be part of the hiring process.
- Selecting the right candidate is key to the success of the position.
- The basic goal of the position is for the person to be the best witness until the authorities arrive.
- Perhaps a public forum should be held.

The following is a summary of the January 30th discussion / questions / various points:

- Who would dispatch the employee?
- Will this employee assist with traffic control?
- Would a city-owned vehicle be provided?
- A valid drivers license should be required; not a Commercial drivers license.
- The draft position description needs more work.
- This position opens the City up to additional liability.
- Once a position is created, and someone is hired, it has been difficult for the City to eliminate the position (in case it didn't work out).
- Should the City increase the contract with the Sheriff?
- Should the City consider starting our own stand-alone Police Department?

Discussion on this item then segued into the next Agenda item: Security Cameras.

Security Cameras

The City has been meeting with Sam Seibert, Cybert PC, and others, to discuss the possibility of installing security cameras in strategic areas throughout town. The “dream” plan includes 13 cameras, which require 10 relay locations. Seibert’s quote for the camera infrastructure and installation is \$27,329.15. The City has since learned that Minnesota Power will not allow the equipment on their existing poles. They provided a rough estimate of \$2,000 - \$5,000 for them to install new poles that would then belong to the City. This would bring the total project cost to \$76,000 on the low end and \$145,000 on the high end.

The following is a summary of the discussion / questions / various points:

- Perhaps the cameras can be placed on various buildings (not necessarily City-owned) throughout town.
 - Some are not in favor of this idea and would like the cameras to be located on City-owned property.
- Does the fact that cameras are in place actually deter criminals from activity?
- Can the poles be placed by someone else (not Minnesota Power) at a cheaper cost?
- Would the Chamber help pay any of the cost?
- Would local businesses help pay any of the cost?
- Would it make sense to scale the scope of the project down?
- Would it make sense to have a part-time Community Service Officer and a scaled down version of the security camera plan?

When posed with the question of hiring a CSO or providing security cameras, consensus of the Council in a 4-1 poll was to install security cameras if the price can be brought down to \$40,000 - \$50,000.

Either way, Council Members agreed that a public forum/open house/Town Meeting on Public Safety should be held. They decided to hold the forum on March 12th at 7:00 p.m. A mass-notification process should be undertaken to include: Facebook, the newspaper, the City website, Community Access Channel, a Survey Monkey to not only invite as many people as possible but to also gather their thoughts about Public Safety and what the City could do to improve it (increase Sheriff's contract, start our own Police Department, hire a Community Service Officer, install security cameras, other ideas).

In the meantime, Mayor Spartz and Council Member Palmer agreed to work with George on refining the CSO position description. Council Members Franklin and Devlin agreed to gather information regarding cheaper ways to install / place the cameras. Mayor Spartz encouraged everyone to talk to local businesses and residents about their thoughts on cameras and the potential CSO position; and also to help promote the March 12th meeting.

Business Park Special Assessments

Administrator George updated the Council on the process to determine the appropriate amount to be assessed against the Medical/Business Park properties. She explained that she has gone through all of the expenses that were coded to Funds 421 and 422 dating back to 2014, finding that many expenses were coded to these funds but should have been coded elsewhere. She stated that there are 10 funds involved in these various expenses. She has tied 421 and 422 out to the City's financial statements and is now ready to proceed with adjustments so that expenses are applied to the appropriate funds. In the meantime, she stated that funds were borrowed from other City funds to help off-set the expenses. A plan or decision regarding repayment of these funds will be a future discussion.

George is also ferreting out the various details regarding project expenses – there were two projects involved in the Business Park infrastructure (a 2300' project to the Hospital District campus, and an additional 2600' project to the end of Lundorff Drive). She is finding variations in how the assessment amounts were determined for the lots that have been sold, and is trying to figure out the methodology so that the amounts to be assessed to the unsold lots can be determined. She is currently reviewing the appraisal documents.

Once all of this information has been sorted through (hopefully in the not-too-distant future), George explained, she plans to bring the details to the Council and provide some points of decision for the Council to determine how best to proceed. In the meantime, the City is still waiting for the final reimbursement amount from the Federal EDA.

Tax Forfeited Properties

The City acquired 5 tax-forfeited properties, with the intention of demolishing the buildings (houses and accessory structures) and selling the lots to try and recoup expenses and encourage in-fill development (new houses).

Administrator George stated that the status of new home construction in Sandstone has been dismal. In the last 10 years, 3 new houses have been built. Part of the problem is the cost of building new houses. The value of land and homes in Sandstone is very low; therefore, a builder would have to build at a loss, which isn't likely to happen. A person desiring to have a new home built has difficulty getting the financing from the bank, because the numbers don't work out. The person would have to come in with a large amount of capital – more than the typical 10% or 20% required.

George reported that on January 19th, she and Mayor Spartz met with Wayne Eller, Executive Director of East Central Minnesota Habitat for Humanity. Habitat is very interested in building some homes here in Sandstone. Eller would like to come and talk to the Council about it. Consensus of the Council was to set a Special Council meeting for Wednesday, March 6th, at 6:00 p.m. for the purpose of meeting with Eller regarding Habitat for Humanity.

George further reported that there is one person interested in 329 Minnesota. Council Members discussed the parameters they would support if and when they are ready to offer the lots for sale. Some thought the lots could be sold for \$1.00 if a time line for building a home is stipulated in the agreement; otherwise, the lots could be sold for the full amount the City has expended on each lot. Another option is to offer the lots for sale on a sealed bid process, with a minimum bid specified (which would be the amount the City has expended on each lot). Some thought that all 5 lots should be offered at once; however, it is unknown which lots Habitat may be interested in. Additionally, the Fire Department plans to burn two of the houses; however, one property is scheduled to be burned this coming weekend and the other one won't be burned until spring/summer. Therefore, the additional costs the City will incur are not known at this time. Since there is one person interested in the one property, consensus of the Council was to offer the one parcel on an advertised sealed bid process with a stated minimum price.

The Rock

Administrator George provided the following update regarding the redevelopment of the old High School building:

- The Phase 1 Environmental Site Assessment was completed in 2013. This report is no longer valid and must be updated. A proposal was received from the same company that conducted the 2013 assessment. They would perform the updated assessment for \$2,000. This assessment needs to be done in order to move forward with any of the other steps (such as, demolition of the newer additions).
 - Consensus of the Council was to proceed with the updated assessment.
- DEED Demolition Loan Program – Applications are due August 1st. Updated costs to abate the hazards (asbestos, lead) are needed – which requires the updated

- Phase 1. This loan can become a 50/50 grant if the property is redeveloped within 3 years.
- George will pursue this loan program.
 - Historical Society Grants – there are several grants available through the MN Historical Society that would help with the following: Building Reuse & Feasibility Study, Conditions Assessment & Treatment Recommendations, Historic Structure Report, Roof/window repairs. Pre-applications are due July 26th, with final applications due September 13th. Project start date would be January 1, 2020.
 - George will pursue these possibilities.
 - Mayor Spartz and George attended the School Board meeting on January 14th to discuss the 4 lots the school owns that are located at the northeast corner of 7th Street and Court Avenue North. Possible uses of the lots would be for a playground (moving the skatepark to this location and adding a basketball court and possibly a play structure) or for parking/green space. School Board Members asked what the City was willing to pay for the lots; the response was \$1. The School Board wanted assurance that the lots would not be used for another school. No decision was made by the School Board at this point.
 - Mayor Spartz and George met with LHB Engineer Mike Fischer and two potential partners to discuss options and ideas for the redevelopment. The two potential partners are working together on some due diligence items and we are waiting to hear back from them.
 - A phone conference has been scheduled for Friday, February 8th, at 11:00 a.m. regarding our request for Technical Assistance from Minnesota Housing Partnership.
 - A presentation will be made at the February 6th EDA meeting from the intern the City has enlisted through the UofM Center for Urban and Regional Affairs (CURA). The intern will present her findings on the 12 adaptive reuse projects in rural Minnesota communities that she has profiled. Notice of the presentation has been sent to the Friends of the Library, the Sandstone History and Art Center, the Old School Arts Center and beyond, encouraging interested persons to attend.

John Wright Building

Administrator George started a discussion with the Council about the possibility of the City acquiring the John Wright Building. She would like to pursue the possibility of bringing the Streets & Parks Department back into the City limits, and selling the current shop building. She stated that earlier last summer, she asked Mayor Spartz and Council Member Kester to go look at the building with her – to see if the idea is feasible. All three agreed that the building has potential.

The County has invited Administrator George to their Facilities Committee meeting on February 6th to discuss the item. Several Council Members expressed interest in attending. A notice that a quorum may be present at the County's Facilities Committee meeting will be posted.

Wild River Townhomes

Administrator George started a discussion about the possibility of offering the Wild River Townhomes property for sale. She received an opinion of value from Colliers, International, and provided each Council Member with a copy. She is waiting for a second opinion of value from Michel Commercial Real Estate International. Both companies were recommended by Great Lakes Management.

The Council also discussed the current bond that is held against both the Townhomes and the Senior Apartment properties. The current principal amount is \$2,765,000. If the Townhomes are sold, the bond would need to be paid down and any remaining balance refinanced with only the Senior Apartment property as collateral.

Consensus of the Council was to move forward with the process.

Zoning Ordinance Update

For the past year, the Planning Commission has been working on updating the Zoning Code. At this point, the Planning Commission has taken the current 15 zoning districts and combined them into the 8 zoning districts that are recommended on the Future Land Use map that was created when the Comprehensive Plan was updated. A joint meeting is being planned for the Planning Commission and City Council on Wednesday, February 13th at 7:00 p.m.

Union Contract Negotiation Strategy Session – Closed Session

The meeting was closed in accordance with Minnesota Statutes Section 13.03, subdivision 1(b), so that the Council could discuss the on-going union contract negotiations. The meeting was recorded, as required.

ADJOURN

Motion by Franklin, second by Spartz, to adjourn. Time 7:35 p.m.

Peter Spartz, Mayor

Kathy George, Administrator