

Sandstone City Council Meeting Minutes
February 17, 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, MN DOT Project Engineer Doug Kerfeld, Fire Chief Andy Spartz, Tonya Johnson, Diane Seymour, Jan Seymour, Senator Jason Rarick

PLEDGE OF ALLEGIANCE

ADDITIONS OR CORRECTIONS TO THE AGENDA:

Sale of 310 Park Avenue was given as an addition to the Agenda. "Oath of Office" was removed. **Motion Gaede, second Palmer to approve the Agenda with the addition: Sale of 310 Park Avenue, and the removal of Oath of Office. Motion carried 5-0.**

PETITIONS, COMPLAINTS, OR COMMENTS BY RESIDENTS AND/OR COUNCIL

MEMBERS: Council Members received compliments on the snow removal efforts in town. A blue car that was reportedly parked for several weeks on Old Military Road is being towed away. The Lions Hill chalet is closed temporarily due to a staffing shortage.

PUBLIC HEARING/ PRESENTATIONS:

Public Hearing: MN DOT TH123 Project

Motion Riley, second Gaede, to open the Public Hearing at 6:06 p.m. Motion carried 5-0.

MN DOT Engineer Doug Kerfeld gave a brief overview of the scope of the project, which will start at the Y of TH 123 and TH 23 (near Casey's Convenience Store) and continue down TH 123 through town to 3rd Street where TH 123 follows east through town and proceeds out of the City limits to Duxbury Road. Kerfeld stated that a change in the project schedule has occurred due to the right-of-way acquisition process. Phase 1 will begin this summer, which involves Park Avenue to Duxbury Road. Phase 2 will start in September, which is TH 23 to Division Street. And Phase 3 will begin in the summer of 2022, which is Division Street to Park Avenue.

Mayor Spartz asked for comments from the public. The following comments/questions were offered:

- Will the project make improvements to the railroad crossing? Kerfeld stated that the MN DOT project will not include any improvements to the railroad crossing; however, he stated, the railroad has a project planned in 2022 to replace the panels and crossing arms.
- Will all exits/entrances in town be closed at the same time? Kerfeld stated that access will be open during the project, with some short-term detours.
- When do contracts have to be in place? Kerfeld said the project will be advertised for bids in April. A public meeting with MN DOT and the selected contractor will occur. They will reach out to all businesses and affected property owners to discuss impacts to their properties and what their individual needs are. MN DOT is making progress on the right-of-way acquisition with 18 offers

made, 7 approved, and 12 in negotiations. This process allows time for contracts to be secured by September.

- Will project updates be available on a special website? Yes, MN DOT will post updates to www.dot.state.mn.us/d1/projects/hwy123-sandstone Also, the City website will share the updates.
- Will access to Casey's be closed/limited? Kerfeld stated that the roads will be open to traffic, with some detouring. There will be a period of the project where people will have to drive around to TH 23, but not for a very long period.
- Will there be a turning lane from the north? There will not be a dedicated turning lane; however, there will be a bypass lane.
- Will there be any work on the bridge? Kerfeld stated that the lights will be replaced with LED, but that is the only work on the bridge.

With no further comments/questions, **motion Gaede, second Palmer, to close the Public Hearing.**
Motion carried 5-0.

Motion Palmer, second Riley, to adopt Resolution No. 20210217-01 Granting Municipal Consent of Project Layout. Motion carried 5-0.

CONSENT AGENDA:

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

- a. January 20, 2021 Regular Council Meeting minutes**
- b. February 1, 2021 Special Council Meeting minutes**
- c. Resolution No. 20210217-02 – Supporting Local Government Aid**

Motion carried 5-0.

NEW BUSINESS:

Senator Jason Rarick

Senator Rarick joined the meeting via Zoom video conferencing. He discussed some of the things he is currently work on, such as:

- Committee Structure
- Attracting businesses to the industrial park lots along the I-35 corridor
- ECO Bill – benefitting electric co-ops and municipal electric companies
- Bio incentive programs
- Windemere Township – concerns with the lake level
- Carlton County – implementing a County sales tax
- Unemployment Advisory Council
- COVID-19 response/relief

Rarick was informed about various projects in Sandstone: The Rock redevelopment, the new library initiative, creating a new park, and the Robinson Park improvement project.

Rarick will look into the City's concern with the sunseting of the Historic Tax Credits. These credits are vital for the redevelopment of The Rock. He will check with the tax committee and see what's being done about this. He also suggested checking into Rural Housing grants to help with the project. The City would like to submit a bonding request in May to help with the project as well. Rarick expressed interest in the

upcoming GPS 45:93 Familiarization Tour which will be offered virtually, as well as the upcoming Pine County Board meeting that will focus on Broadband. He will be sent the relevant information.

Set Date for Board of Appeal & Equalization Meeting

The County Assessor has set the date for the Sandstone Board of Appeal & Equalization Meeting to be held April 20, 2021 at 6:00 p.m. **Motion Riley, second Palmer, to set a Special Council Meeting on April 20, 2021 at 6:00 p.m. to conduct the annual Board of Appeal & Equalization Meeting. Motion carried 5-0.**

Planning Commission Recommendation: Amendments to City Code Section 515

The City Council adopted the 8 new Zoning Districts at the January 20th Council Meeting. These 8 new Zoning Districts were the subject of the August open house events and the October and December public hearings.

The Planning Commission has also been working on many other sections of City Code, either creating new codes or amending existing codes. These additional sections of City Code require a public hearing. The Planning Commission held the first of these public hearings on February 10th. No comments from the public were received, neither before the meeting nor during the meeting.

The following actions were included in the Public Hearing notice:

- Amend and Renumber Section 515.29 Recreational Vehicle Park
- Add Section 515.30 Manufactured Home Park
- Amend and Renumber Section 515.31 Residential Planned Unit Development
- Amend and Renumber Section 515.32 Commercial Planned Unit Development
- Renumber Section 525 Heliport Overlay District to 515.33

The Planning Commission recommends adopting the following Ordinances:

- 20210217-01 Amending & Renumbering Recreational Vehicle Park Overlay District
 - 20210217-02 Summary Publication

Motion Palmer, second Gaede, to adopt Ordinance No. 20210217-01 Amending & Renumbering Recreational Vehicle Park Overlay District and further adopting Ordinance No. 20210217-02 Summary Publication. Motion carried 5-0.

- 20210217-03 Adopting Manufactured Home Park Overlay District
 - 20210217-04 Summary Publication

Motion Spartz, second Riley, to adopt Ordinance No. 20210217-03 Adopting Manufactured Home Park Overlay District and further adopting Ordinance No. 20210217-04 Summary Publication. Motion carried 5-0.

- 20210217-05 Amending & Renumbering Residential Planned Unit Development Overlay District
 - 20210217-06 Summary Publication

Motion Gaede, second Palmer, to adopt Ordinance No. 20210217-05 Amending & Renumbering Residential Planned Unit Development Overlay District and further adopting Ordinance No. 20210217-06 Summary Publication. Motion carried 5-0.

- 20210217-07 Amending & Renumbering Commercial Planned Unit Development Overlay District
 - 20210217-08 Summary Publication

Motion Palmer, second Riley, to adopt Ordinance No. 20210217-07 Amending & Renumbering Commercial Planned Unit Development Overlay District and further adopting Ordinance No. 20210217-08 Summary Publication. Motion carried 5-0.

- 20210217-09 Renumbering Heliport Overlay District

Motion Spartz, second Riley, to adopt Ordinance No. 20210217-09 Renumbering Heliport Overlay District and rescinding City Code Section 525. Motion carried 5-0.

Planning Commission Recommendation: Harvest Christian School – Zoning Amendment

The City received an application for a Zoning Amendment from Harvest Christian School. They are in the process of purchasing the former Gateway Clinic property at 204 Lunderoff Drive and would like to move their school functions there from the current location at 21 Minnesota Street.

The Lunderoff Drive property is zoned Highway Mixed Use (the previous zoning was Highway Business District). Schools (public or private) are not an allowable use in the Highway Mixed Use District. The Zoning Code does allow “Public schools or equivalent private and parochial schools” as a conditional use in the Suburban Residential District. “Educational and cultural facilities” are allowed as a conditional use in the Traditional Residential District. Schools are not an allowable use in any of the other zoning districts.

The Future Land Use Map in the Comprehensive Plan that was adopted in 2017 has the Lunderoff Drive property geared towards Suburban Residential. However, when the Planning Commission recently updated the zoning districts and zoning map, they considered this area along the highway to be best served by the Highway Mixed Use District. The purpose of the Highway Mixed Use District is stated as follows: *This district is established to accommodate the type of business oriented to the traveling public and requires highway access. To minimize unmanageable strip development, these districts allow the type of businesses that require highway access and exposure.*

The Public Hearing was held by the Planning Commission on February 10th. Several supporters of the project were present at the public hearing. No opposition was received. Councilor Riley (who chairs the Planning Commission) stated that the Planning Commission would like to see the school stay in town and he felt the Lunderoff Drive property will serve the school well. There was a comment about potential congestion at the entrance/exit to the property, with school traffic coming and going more often.

Motion Palmer, second Rahier, to add “Public Schools or equivalent private and parochial school” as a conditional use in the Highway Mixed Use District contingent on the completion of the purchase of the Lunderoff Drive property by Harvest Christian School. Motion carried 5-0.

Resolution No. 20210217-03 Sale of Parcel 45.5341.000, 310 Park Avenue

The City acquired 310 Park 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.

To date, expenses incurred on this acquisition and clean up total \$11,037.24. The City listed the property for sale through local realtor Pam Lewis, with an asking price of \$9,000.00. The City has an offer from Norine Fessler for \$8,500.00.

Motion Spartz, second Riley, to accept the offer of \$8,500.00 from Norine Fessler for the purchase of 310 Park Avenue and to adopt Resolution No. 20210217-03 Approving the Purchase Agreement. Motion carried 5-0.

OLD & CONTINUING BUSINESS

2022 Fire Department Budget

The City Council met with Township representatives on February 1st to discuss the 2022 Fire Department Budget and the formula for allocating the budget to all participants. At that meeting, the City presented options regarding the use of Manhours in the formula calculation. Attendees reviewed comparisons of the last five years of the allocation of expenses (1) using five years of manhours (as is currently being done), (2) using three years of manhours, (3) not using manhours at all, and (4) not using manhours at all and adding a 30% deduction for the Townships.

The rationale behind the 30% deduction is that the City consistently uses 35% to 40% of the total manhours. If manhours are completely removed, the Township contributions would be increased substantially and the City's contribution would be reduced substantially. After much discussion with the Townships, there was unanimous agreement to stop using manhours and add the 30% deduction.

This change will cause the City's contribution to increase from \$57,579.74 in 2021 to \$85,700.89 in 2022. The Township contributions go from \$93,325.05 in 2021 to \$87,351.51 in 2022. The attached 2022 FD Budget is presented with the new formula allocation.

Motion Riley, second Gaede, to approve the 2022 Fire Department Budget as presented. Motion carried 5-0.

SEH Engineer Greg Anderson – Upcoming Projects

Anderson reported that the contractor on the Waterloop Project plans to do the work to cross the Skunk Creek by April 1st. Anderson would like to schedule a pre-construction meeting with the contractor and City staff. He is working on the creosote environmental issues with the Department of Agriculture. Anderson reported that two property owners on Creekside Lane would like to hook up to the new water main. He will continue to communicate the details to them. Anderson will present the agreement for inspection services at next month's Council meeting. He also hopes to have some answers regarding the water pressure at the hospital this week.

Anderson then reported on the additional line to the water tower and the improvements to the City's wells. This project is funded through a Small Cities Development Program grant. Anderson stated that the plans and specifications have been submitted to the Minnesota Department of Health and he is awaiting approval. Environmental information has been submitted to the State of Minnesota Department of Employment and Economic Development. There will be a public notification period regarding the environmental process. He hopes to bid the project out in May.

Mayor Spartz stated that he spoke with staff at Members Co-operative Credit Union to see if they are having any issues with their sewer lines freezing. He happily reported that they are not having any problems and are very happy with the work done by their contractor and the City last year.

REPORTS:

Sheriff's Deputy Report – January, 2021

The Sheriff's Department had 155 calls logged in Sandstone for the month. That compares to 220 calls in 2020 and 185 calls in 2019.

Fire Department – January, 2021

Fire Chief Andy Spartz reported that the Department had two calls in January, both mutual aid. One was a building fire and one was cancelled en route. Training covered annual organization and scheduling.

Spartz reported that the department submitted an application for a FEMA grant to purchase air packs and face pieces. He stated that this equipment has a 7-year lifespan and needs to be replaced. The grant request is for \$85,000. There is a 5% local match required.

Spartz further reported that a Fire Act/FEMA grant will be submitted county-wide for new radios. They are waiting for the grant period to open up.

Library Report – January, 2021

Librarian Josh Menter reported that there were 15 computer appointments, 230 visitors, 14 curbside pickups and 101 reference questions answered during the month. The Friends of the Library purchase a large "OPEN" flag. The Winter Tales reading program continues until March 6th. Mary Johnson has been hired as the new branch assistant.

EDA Meeting – January 27, 2021

Councilor Palmer (who serves as President of the EDA) reported that the EDA approved the sale of property on Grouse Street to Doua Vue. They received a presentation on the creosote cleanup project. Councilor Riley agreed to serve as Vice President. The EDA is looking at designs for wayfinding signage. They approved an application for DEED's Demolition Loan Program. They accepted a proposal from LHB for assistance with the application for State Library Construction Grant funds.

Park & Rec Commission Meeting – February 12, 2021

Councilor Palmer (who serves as Council Liaison to the Park & Rec Commission) reported that the Park Commission approved an \$800 expenditure to host an ice climbing day for the school/community. They also approved the purchase of an oversized Adirondack chair for Train Park for \$375. They received updates on the Cultural Landscape Report process and the KREEC property. The New Playground Task Force will start meeting in preparation of submitting an application for the DNR's Outdoor Recreation Grant program.

Building Inspection Report – January, 2021

The Serenity Court Assisted Living project received their final plumbing and mechanical inspections. Other inspections will occur shortly, if they haven't already. There was one building, one demolition, and one right-of-way permit issued in January.

Streets & Parks Supervisor Report – January, 2021

Supervisor Craig Hiler reported that the sink/restroom project at Lions Hill is complete. There is a problem with the new water line freezing up. Insulation and skirting work will take place in the spring, and the new exterior boards will be painted at that time. Interior construction of the John Wright building is 99% complete, with finishing touches taking place in the Day Care Center side. The community center floor was stripped and sealed today and the kitchen floor was steam cleaned. All Street Shop items have been moved into the building and the crew is setting up the interior. Only the large equipment remains at the former site.

PeopleService Report – January 1, 2021

Operator Alex Leger reported that there was a broken water service line at 306 Court and a sewer backup at 316 7th Street, also in the service line. He turned the irrigation water off at the new Dollar General Store – they forgot to blow the lines out before winter and they froze up. Leger has been talking with the hospital about concerns they have with water pressure. Some meters in town no longer work properly; Leger is attempting to contact the owners. He was called out to shut the water off at the old DOT building. He had to thaw the ground in order to dig them up. One was broken off, which he was able to fix. The other is broken underground at the base. Mike Johnson was called in to dig it up and fix it. In working with the University of Minnesota and the Rural Water Association to address phosphorus, it was determined that the sewer ponds can each hold an extra foot of water. This will help to hold millions of gallons of water longer, which will reduce the amount of chemicals needed. Leger is also getting quotes to clean the interior and exterior of the water tower.

Financial Reports

Motion Palmer, second Riley to approve the A/P Clerk Claims – January in the total amount of \$501,631.74. 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 – SOLD for \$1,750, has been picked up
- 1963 Caterpillar Grader – highest bidder hasn’t accepted or paid; will relist
- Antique Wood Stove at KREEC site – SOLD for \$10, haven’t picked up – will relist
- 1986 Plow/Dump Truck – relisted on 12/14 – still listed on auction site
- 1973 Pumper Truck – SOLD for \$1,825, paid, waiting for pick up
- 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

202 State Highway 23 Property (former Creosote plant site)

- MPCA has put the property owner on notice regarding the large number of tires
- Tires disrupt the Dept of Ag’s on-going clean up efforts
- The tires are hazardous waste
- All tires are supposed to be removed by December 31, 2021

CGMC Annexation Committee

- City and Township representatives are at opposite sides of the annexation issue
- Discussions have been taking place for years between the two groups, trying to find common ground

- Both the House and Senate Local Government Committees have been taking comments/input from both groups
- Townships are seeking changes that would re-write annexation laws
 - Allowing Townships to enter into agreements with one city that will, in essence, block annexation by another city
- Conversations continue; but the Township lobbyist has been going behind the group's back and falsely presenting their case, misleading legislators

ADJOURN

Motion Palmer, second Gaede to adjourn at 8:02 p.m. Motion carried 5-0.

Peter Spartz, Mayor

Kathy George, Administrator