

**Sandstone City Council Meeting Minutes  
February 20, 2019**

**CALL TO ORDER:** 6:11 p.m.

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

Members absent: None

Staff present: Administrator George, Recording Secretary Nelson

Others present: SEH Engineer Greg Anderson, Deputy Boston Gilderman, Fire Chief Andrew Spartz

**PLEDGE OF ALLEGIANCE:**

Council, guests and staff recite pledge of allegiance.

**ADDITIONS OR CORRECTIONS TO THE AGENDA**

**Motion Palmer, second Franklin to approve the agenda with the addition of Sandstone Quarry Lions Donation and League of Minnesota Cities Insurance Trust Liability Coverage Waiver Form. Motion carried 4-0 (Devlin arrived shortly after).**

**PETITIONS OR COMPLAINTS BY RESIDENTS AND/OR COUNCIL MEMBERS:**

Palmer had a suggestion that the Farmer's Market locate on the former Member's Credit Union location, stating that it is a more level area. Also, she noted, the signs for the Farmer's Market and businesses block one another. With the snow, there have been a lot of calls about plowing alleys, sidewalks, parking, etc.

**PUBLIC HEARING:**

**Motion Devlin, second Palmer to open the public hearings regarding Unpaid City Services and Municipal Water System Improvements. Motion carried 5-0.**

Special Assessments – Unpaid City Services

These services occurred last fall. They have been billed to property owners several times. There was one written response from Manoucher Rostamkhani regarding parcel 45.5445.000.

Parcel ID	Property Description	City Service	Total
45.5626.000	Sect-16 Twp-42 R-20 Thorvigs Addition Lot-1 Block-1	Sewer Cleaning	\$275.00
45.5024.000	Sect-15 Twp-42 R-20 Townsite of Sandstone Lot-14 Block-3	Lawn Mowing	\$140.00
45.5351.000	Sect-10 Twp-42 R-20 Townsite of Sandstone Quarries Lot-7 Block-16	Lawn Mowing	\$160.00
45.5463.000	Sect-10 Twp-42 R-20 Townsite of Sandstone Quarries Lot-7 Block-28	Lawn Mowing	\$142.50
45.5445.000	Sect-10 Twp-42 R-20 Townsite of Sandstone Quarries Lots 7-10, Block 26	Lawn Mowing	\$215.00

**Motion Devlin, second Spartz to close the public hearing on the Special Assessments. Motion carried 5-0.**

**Motion Franklin, second Devlin to approve Resolution 20190220-01 adopting Assessments for unpaid charges. Motion carried 5-0.**

Municipal Water System Improvements

The City Council had determined to move ahead with a capital improvement project that will include:

- Upgrades at Well #1 and #2 to improve redundancy and reliability
- A second water main between the water treatment plant and the water tower

- Looping water main to Medical/Business Park and portions of the City west of the BNSF Railroad Tracks

These projects are all listed on the MN Dept of Health Intended Use Plan and have scored well for anticipated Public Finance Agency (PFA) funding (which would likely be in the form of a low interest loan). SEH submitted a pre-application for a grant of up to \$600,000 from the Small Cities Development Program on behalf of the City. The project fell into the “competitive” category and, therefore, is able to move forward with a full application. Applications are due February 28th. A public hearing is required, along with adoption of a Citizen Participation Plan. The public hearing notice was published in the *Pine County Courier*.

SEH Engineer Greg Anderson explained that total cost for the improvements is \$977,000. The balance will likely come from PFA money. The projects could start in the late fall or spring of 2019 and finish in the fall of 2020. Part of the project will include working with the DNR for environmental impact and the State Historic Preservation Office. The building that houses Well #2 will be reused. Well #1 will be raised. The work should fall under maintenance work. The second water main will follow the route of the previous one. The alignment is still being looked at. There may be a way to make it less expensive and less intrusive. The piece that goes under the tracks is very expensive. All three projects will be listed under one contract so that there is only one set of documents to deal with. If the City does not receive the SCDP grant, it would likely fund the entire project through the PFA.

**Motion Franklin, second Palmer to close the public hearing regarding the Municipal Water System Improvements. Motion carried 5-0.**

**Motion Palmer, second Devlin to approve Resolution 20190220-02 Authorizing the Application for funding and approving the Citizen Participation Plan. Motion carried 5-0.**

**CONSENT AGENDA:**

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

- **January 2, 2019 Regular Council meeting minutes,**
- **January 30, 2019 Special Council Work Session meeting minutes,**
- **February 4, 2019 Special Council Meeting minutes,**
- **2020-2022 New Assessment Agreement,**
- **League of Minnesota Cities Insurance Trust Liability Coverage Waiver Form.**

**Motion carried 5-0.**

**OLD & CONTINUING BUSINESS:**

River Bluff Street Reconstruction Project

The City and the Contractor have been communicating in an effort to reconcile the issues on the River Bluff project. Everyone involved has reached agreement on the work having been done to date -

- Rock Excavation: \$6,489.00 (original request \$11,430)
- Class V: \$12,064.30 (original request was \$12,800.20)
- Payment for 3 signs: \$675
- Concrete curb changes: \$2,549.00

Remaining items include sewer televising and as-built survey for final quantities.

Application for Payment #5 in the amount of \$10,038.40 was presented for approval, along with Change Order #1 for additional curb work in the amount of \$2,549.00.

SEH Engineer Anderson stated that during the televising, three gaskets were found out of place. There were a couple boxes housing locate wires that also need to be raised.

**Motion Devlin, second Spartz to approve Application for Payment #5 to MPJ Construction for the River Bluff Street Reconstruction Project in the amount of \$10,038.40 with \$19,734 held as retainage. Motion carried 5-0.**

**Motion Devlin, second Palmer to approve Change Order #1 for the River Bluff Street Reconstruction Project for additional curb work in the amount of \$2,549.00. Motion carried 5-0.**

#### **NEW BUSINESS:**

##### Ordinance No. 20190220-01 Amending City Code Section 200.01 Regular and Special Meetings of the Sandstone City Council

The City Council changed the regular meeting dates to the 3rd Wednesday of the month. Therefore, an amendment to City Code Section 200.01 is necessary. Two other changes are proposed – only two council members are needed to change a meeting date and the notice time was increased to 24 hours.

**Motion Palmer, second Spartz to approve Ordinance No. 20190220-01 moving the regular meeting date to the third Wednesday of the month and further changing the necessary number of council members to adjourn to a different date to two with a 24-hour notice. Motion carried 5-0.**

##### 2019 Local Board of Appeal & Equalization – Set Date

Now that the City has established the local board of appeal and equalization, the County set the date for the meeting on April 9th at 6:00 p.m. at the Sandstone City Hall. At least one member of the board is required to have training. Council Member Kester has completed the training. As of February 1st, the training is no longer available for this year.

**Motion Devlin, second Franklin to set a Special Council Meeting for April 9<sup>th</sup> at 6:00 p.m. for the purpose of conducting the Board of Appeal and Equalization. Motion carried 5-0.**

##### 2020 Fire Department Budget/Formula

The Council discussed the proposed 2020 Fire Department Budget and Formula at the January 30th Council Work Session. The budget and formula were then discussed with Township representatives at the February 4th Special Council Meeting. Administrator George noted that she took out the depreciation amount from the budget since it is already accounted for. The major change regarding the formula for 2020 is that the City is phasing out the 30% that the City discounts for the Townships. The discount will be 20% for the 2020 formula; 10% for the 2021 formula, and 0% for the 2022 formula. One Township was not in agreement and mentioned that they had looked elsewhere for fire coverage.

**Motion Franklin, second Devlin to approve the proposed 2020 Fire Department Budget and Formula. Motion carried 5-0.**

##### Fire Call Fees

The Council discussed Fire Call Fees at the January 30th Council Work Session. Two items appear to be ready for final action. One was whether the City should charge property owners for fire calls. The question was whether the city taxes pay for fire calls or just to have the fire department available. The other topic is traffic control/vehicle assistance calls and the Council would like to engage in a conversation with the State regarding this assistance on State Highways. In the fire formula this is termed “security after call (after first hour).” The Council discussed each subject at length. The question came up as to what

happens when the Fire Department has to close down the freeway.

**Motion Devlin, second Franklin to approve the items that were agreed on in the work session regarding fire call fees. Motion failed 0-5.**

**Motion Devlin, second Palmer not to charge property owners for fire calls and not to bill for the townships. Motion carried 4-0 (Councilor Franklin had stepped out of the meeting for a brief moment).**

**Motion Devlin, second Spartz to delete the traffic control/vehicle assistance fee and modify the security call to read “scene security for a clear and present danger to the public (such as gas leaks, fuel spills, investigations, downed electrical lines) with a \$380 minimum, \$350 per rig and \$25 per fire fighter”. This fee would be in effect immediately. Motion carried 5-0.** The Council will still follow up with the State regarding traffic control on the State Highways.

#### Public Safety Open Forum

During the January 30th Council Work Session, the Council discussed both the idea of creating a Community Service Officer position and the plan to place 13 cameras at various locations throughout town. It was decided to hold a Public Forum on Public Safety in the hopes of gathering feedback from the public. The Council selected March 12th for this public forum and asked that it be widely publicized. Staff has recently learned that the Chamber is planning a community meeting about Quarry Days on that same date. Perhaps it would be best to select another date for the public forum.

**Motion Devlin, second Franklin to change the Public Forum on Public Safety to Tuesday, March 26 at 7 p.m. Motion carried 5-0.**

#### Habitat for Humanity – Set Special Council Meeting

As discussed at the January 30th Council Work Session, Habitat for Humanity is interested in building some homes in Sandstone. Wayne Eller, Executive Director of East Central Minnesota Habitat for Humanity would like to give a presentation to the Council on Wednesday, March 6th, at 6:00 p.m. This would be a Special Council Meeting. During discussion, it was decided to set this as a Special Meeting for the EDA.

**Motion Devlin, second Franklin to set a Special EDA Meeting on March 6, at 6:00 p.m. for the purpose of receiving a presentation regarding Habitat for Humanity. Motion carried 5-0.**

#### John Wright Building

The County and the School District are planning to end their use of the John Wright Building this summer. The County now has full ownership of the building. Earlier last summer, Mayor Spartz, Council Member Kester, and Administrator George toured the building to see if it would be a feasible location for the Streets & Parks Department. The building is not only feasible for the Streets & Parks Department, but it has space that could be utilized for various community purposes.

On February 6th, Mayor Spartz, Council Members Devlin, Kester, Franklin, and Administrator George attended the County’s Facilities Committee meeting. The Facilities Committee members seemed very open to discussions with the City about the building. Consensus of the Council was that it would be beneficial to form a sub-committee to consider the purchase and uses of the property. The sub-committee will consist of Administrator George, Streets & Parks Supervisor Hiler, Councilor Devlin and Mayor Spartz.

### Sandstone Quarry Lions Donation

The City received a donation of \$100 to be used for Lions Hill. It will be used for cookies for Saturday's Skate and Slide event.

**Motion Devlin, second Franklin to accept the donation of \$100 from the Sandstone Quarry Lions, with appreciation. Motion carried 5-0.**

### **REPORTS:**

#### Sheriff's Deputy Report – January 2019

Deputy Gilderman reported that it has been very slow because of the cold. He was also on vacation for the past couple of weeks. Administrator George reported that some vehicles were towed last week. The Council asked about the activity report using the term "dead body". It would be more respectful if it said "deceased individual". The computer populates the forms, but Deputy Gilderman stated that he would check into it further.

#### Fire Department Report – January 2019

Fire Chief Spartz attended and gave the report. The Department responded to 3 medical assists, 1 vehicle accident, 1 cooking fire, 1 smoke detector, and had 2 calls cancelled en route for the month of January. The Fire Department has received the ladder truck. The training burn went well on February 2<sup>nd</sup>. There were no injuries. Almost every Fire Department in the County and a couple from outside the County were represented. National Night Out is August 6<sup>th</sup> and it would be nice to have the new truck at that event.

#### Relief Association Meeting – January 28, 2019

Financials for 2018 were reviewed. The Relief Association is going to look into a record retention program. A committee has been formed to update the bylaws. Elections were held.

#### Mutual Aid Agreement – Brook Park

The City received a request from the City of Brook Park to enter into a 10-year Mutual Aid Agreement (based on the League of MN Cities Model) for fire personnel and equipment. Any party can withdraw from the Agreement upon thirty (30) days written notice. Fire Chief Spartz recommends the City sign the Mutual Aid Agreement with Brook Park. There is a blanket County Mutual Aid Agreement but no one can find a copy of it and it also needs to be updated. Chief Spartz also stated that the City should update Mutual Aid Agreements with Mora, Askov, Hinckley, Finlayson, and Duxbury. He also noted that the Agreement with the DNR may need to be updated as well.

**Motion Franklin, second Palmer to approve entering into a Mutual Aid Agreement with the City of Brook Park. Motion carried 5-0.**

#### Library Report – January 2019

There are several winter programs going on - Hot Reads for Cold Nights, Hot Reads Bingo and February Blind Date. For the first time in a long time it was too cold for Storytime but both book clubs have managed to meet and engage in some very lively discussions. There were 1,295 patrons at the library in January, 226 questions were answered, four children's story times were held, and two adult book clubs.

#### Sandstone History and Arts Center Meeting – January 28, 2019

The minutes from the meeting were included in the Council's Agenda packet. There is a project going on now to gather information on the founding of Sandstone. They are interviewing people in the community to gather their memories.

### Park & Rec Commission Meeting – February 8, 2019

The Commission is considering doing something for Arbor Day. The Farmer's Market was discussed and the director will be invited to the next Park & Rec meeting. The Commission is considering changing the process of approving Special Events permits. The City Skate and Slide event is this Saturday from 1-4 p.m. The KREEC sub-committee continues to look at uses for that property. Administrator George asked about the possibility of having motorized vehicle trails.

#### Matching Funds for Legacy Grant

The City made two previous applications for Legacy funds for improvements at Robinson Park.

Matching funds are one of the ways in which points, as follows:

5 points for a match of 5 – 9%

10 points for a match of 10 – 24%

15 points for a match of 25% or more

Neither the first nor the second application was successful. The first year, the City did not include any matching funds; the second attempt included 5%. The second project scored 65.5 points out of 100 and was "quite high in the ranking". The City was encouraged to apply again and it was noted that we could increase our score if we increase our match.

The project cost estimate \$1,154,175. A 10% match would be \$115,418; 25% would be \$288,544. The City has been setting aside \$20,000 towards the match each year. So far, through the 2019 budget cycle, \$60,000 has been saved up. Assuming another \$20,000 will be included in the 2020 budget, \$80,000 will be saved up for this next application (which is due in July). It will take an additional \$35,418 to reach the 10-point level.

The City recently harvested some timber. The estimated value of the timber was about \$20,000. However, the City actually received \$40,578.93 when all was finished. Added to the previous balance in the "KREEC" Fund of \$36,476.38, the new fund balance is \$77,055.31.

The Park Commission recommends that the City allocate \$35,500 from the KREEC fund towards the required match. This will leave a balance of \$41,555.31 in the KREEC fund. The current project would be an ADA compliant paved trail along the Kettle River, with various associated improvements.

**Motion Franklin, second Palmer to approve allocating \$35,500 from the KREEC fund towards the required match for the Legacy Grant for Robinson Park. Motion carried 5-0.**

### Planning Commission Meeting – February 13, 2019

The Planning Commission continues to work on updating the City's Zoning Ordinance. A Joint Meeting between the Planning Commission and the City Council was held on February 13<sup>th</sup> to review the proposed changes. Another Joint Meeting is needed to continue reviewing the proposed changes.

**Motion Devlin, second Spartz to set a joint meeting with the Planning Commission on March 13<sup>th</sup> at 7:00 p.m. Motion carried 5-0.**

### Rental Inspection Report – January, 2019

Forty-three properties were sent final notices. Twelve owners have responded as of today. Those who have not responded by sending in their registration form for 2019 will receive citations. Communications are going well with the staff.

Building Inspection Report – December, 2018 and January, 2019

There are four open building projects and three right-of-way projects going on in town. The Council asked about the fees noted on the December report.

Streets & Parks Supervisor Report – December, 2018 and January, 2019

There is a lot of maintenance going on besides plowing. Hiler reports that equipment maintenance has not been taking place and/or not documented. The Council asked about a decision made regarding trailering the skid steer in and out of town.

PeopleService Report – December, 2018 and January, 2019

On the January report, Transmissions Plus and 309 Park both had water line breaks. Two meters were installed. There was a sewer backup on Jay street and another at 414 Division. The sewer main was jetted out at the Credit Union. A problem with the manhole at Lift Station #2 will need to be addressed. Ground water is pouring through cracks causing pumps to run seven hours a day.

Sewer Rodder

A sewer rodder was purchased in 1995 by Hinckley, Askov and Sandstone. Askov has since then been bought out of the agreement. Hinckley and Sandstone have been contributing to a replacement fund each year. The fund currently has a balance of \$42,655.87. Administrator George reported that the rodder is not being used. A jetter is being used instead. She asked the Council to consider selling the rodder and dissolving the replacement fund.

**Motion Devlin, second Palmer to list the sewer rodder as excess property and authorizing staff to offer it for sale, splitting the proceeds with the City of Hinckley. Motion carried 5-0.**

**Motion Spartz, second Devlin to authorize the appropriate disbursement of replacement funds to the City of Hinckley. Motion carried 5-0.**

**Financial Reports**

The Council reviewed the Cash Balance, Revenue & Expenditure Report from December, 2018 and January, 2019, along with the A/P Clerk Claims for January, 2019.

**Motion Palmer, second Franklin to accept the December 2018 and January 2019 Cash Balance, Revenue & Expenditure Reports and to authorize A/P Clerk Claims for January 2019. Motion carried 5-0.**

**WRITTEN NOTICES AND COMMUNICATIONS:**

- The ad that was done for the Hinckley Visitor's Guide was provided for the Council's information. It was noted that Ice Climbing and Rock Climbing should be highlighted. Perhaps next year, the City should have it's own ad, rather than partnering with the Chamber on one ad.
- Thank You Letter from Northern Lights Express Alliance for the Council's support in 2019.
- Thank You Letter from Initiative Foundation for the Council's support in 2019.

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

- Tax-Forfeited Properties - The Fire Department conducted a successful training burn at 1114 Birch on February 2. No date has been set for 310 Park.
- Kettle River Company Creosote Plant Site - Terracon/MN Dept of Ag well & air sampling – Feb 11-15.
- T-Mobil – Amend Lease -- Install Generator; waiting for \$1,500 up-front to offset City expenses
- School Board Meeting – January 14 – Mayor Spartz and Administrator George attended; requested the 4 lots next to The Rock; no decision has been made.
- Community Meal - January 15: about 65 people attended; February 19: 75 people attended
- Special Elections:
  - Primary – Senate Seat – January 22
  - Election – Senate Seat – February 5
  - Primary – House Seat – March 5
  - Election – House Seat – March 19
- Family Pathways Community Dialogue – January 29 – Mayor Spartz and Administrator George attended; Focus on Community Health – poverty, nutrition, housing, transportation; a future meeting is planned with Lisa Mears, CEO
- MCMA Workshop – February 1 – Administrator George attended; Professional Management in an Age of Political Polarization
- Repeat Nuisance Calls – Feb 4 – Mayor Spartz and Administrator George met with Sheriff Nelson and County Attorney Reese Frederickson; Discussed Group Homes/Clarified the ordinance
- NPDES Permit – Phosphorus Limits - MN PCA issued a response to our Pre-Public Notice comments; working with MESERB, Alex, Craig, Greg Anderson (SEH), John Friel (SEH) to talk about options; another meeting with the MN PCA is scheduled for March
- City Hall/Fire Hall Building Projects - Next meeting is planned for February 26; Finalize the plans and specifications for both projects; Advertise for bids
- East Central Regional Transportation Coordinating Council – Public Meeting February 19 was well attended; Effort to address gaps in serving the transportation disadvantaged; Plan to attend Pine County Transit Advisory Meeting on March 28

**ADJOURN**

**Motion Franklin, second Palmer to adjourn at 8:44 p.m. Motion carried 5-0.**

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Peter Spartz, Mayor

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Kathy George, Administrator