

Sandstone City Council Meeting Minutes
March 7, 2018

CALL TO ORDER: 6:07 p.m.

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

Members absent: none

Staff present: Administrator George and Recording Secretary Nelson

Others present: Greg Anderson, SEH; Ross Degerstrom, Sandstone Fire Department, and Deputy Joe Workman

PLEDGE OF ALLEGIANCE:

Council, guests and staff recite pledge of allegiance.

ADDITIONS OR CORRECTIONS TO THE AGENDA:

Motion Franklin, second Palmer to approve the agenda with the addition of Fire Department items added to the Fire Department report. Motion carried 5-0.

PETITIONS OR COMPLAINTS BY RESIDENTS AND/OR COUNCIL MEMBERS: Dave Fornango from Essentia called to asked about the snow event that occurred Monday evening; and when the plowing was done. He was concerned as to people being able to get to the hospital. The Council discussed alternatives to alleviate the problem. Everyone agreed on the importance of keeping Lundorff Drive open. With the wide variety of snow storms expected, it is difficult to make one rule that would cover all situations. The person that plows the hospital parking lot was brought up as a possibility. The Administrator will find out who is doing the hospital parking lot and see if it is possible to contract with them for Lundorff Drive.

A customer came in to City Hall because his father received a notice that his water was going to be shut off and a \$50.00 fee was going to be charged to him. Several notices had gone unanswered. The gentleman was suggesting that the City consider instituting a senior citizen or veteran's discount. The water was not shut off in this case, but the \$50.00 fee was applied; the Council discussed the wording of the notice. The fee dispute commission will consider the matter at their next meeting and perhaps the Council will discuss it further when they are preparing the 2019 Fee Schedule.

PUBLIC HEARING: None

SPECIAL ITEMS OF BUSINESS: Deputy Workman reported on the month of February having 21 suspicious activity calls, 34 traffic stops, 1 theft, 1 animal bite, 2 property damage calls, 4 shoplifting calls, and 1 burglary. He did talk to Family Dollar about the semi-truck parking on the street. It seems to depend on the driver whether they pull off the main road or not. He also discussed security cameras with them and he doesn't see any changes being made soon.

CONSENT AGENDA:

Motion Devlin, second Kester to approve the following Consent Agenda items:

Approval of Regular Meeting Minutes from February 21, 2018 and Special City Council Meeting Minutes from February 28, 2018. Motion carried 5-0.

OLD & CONTINUING BUSINESS:

River Bluff Street Improvement Project

SEH Engineer Greg Anderson discussed the project. The street will be narrowed by a couple of feet. The bus route and curve radius issues were reviewed. The timing of the actual work was discussed so that the work will be accomplished while school is not in session. There is a storm sewer pipe that will need to be replaced, which will require an easement. There is an alley that is paved and one that is gravel that will be restored. There are driveway grades that will go into the specifications. Clay sewer pipes are going to be replaced. Another open house (neighborhood meeting) might be in order after the job has been contracted to talk about being on temporary water, access, etc. The Council was in favor of this. Money in the capital improvement fund, water fund, sewer fund and storm water fund will be used to finance the project. There are some residents' front steps and landscaping that are near the curb and in the right-of-way that will factor into the work. Anderson stated that they will work with the residents on these things.

Motion Palmer, second Devlin to authorize SEH to advertise for bids. Motion carried 5-0.

Lundorff Drive – Change Order

The Council reviewed Pay Request No. 8 for the Lundorff Drive project, which allows for retainage of 3%. Anderson stated that he sat down with the contractor and looked at the additions that were submitted. The ones that Anderson thought were legitimate are being brought forward and discussed with the Council, in the form of Change Order No. 1:

Added Storm Crossing on Lundorff at 23

36-inch arch pipe	84	\$150.00	\$12,600.00
flared ends	2	\$1,400.00	\$2,800.00

A 36-inch Arch Pipe Storm Sewer was installed to redirect storm water due to new bank construction.

Water main offset on 23 at Lundorff	1	\$3,000.00	\$3,000.00
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Water main offset was required for separation of water and sanitary at Lundorff and 23

Replaced Flared End on Casting, Storm Crossing of 23 (ends deteriorated)

24-inch apron	1	\$726.90	\$726.90
18-inch apron	1	\$420.31	\$420.31

A core into MH#7 for the hospital new service location was required

Core Manhole #7 for new hospital connection	1	\$2,708.74	\$2,708.74
Hydrant extension at 23 & Lundorff	1	\$1,177.51	\$1,177.51

The hydrant at Lundorff and 23 was raised for better access

Labor rate correction	1	\$5,415.10	\$5,415.10
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Discussed in November – to adjust the payroll as identified by MN DOT Labor Compliance Unit (LCU) to meet State wage requirements. Restitution is owed to 21 employees from 3 different contractors.

Total Change Order No. 1 **\$28,848.56**

The Pay Request also includes about \$111,000 worth of various items, bringing the “Total Earned” about \$11,000.00 over the Contract Amount. With the Change Order, the total comes in at about \$40,000 more than the original contract amount. When Anderson reported to the Council in November, he had said that the project looked as if it was going to be well under the Contract Amount. This discrepancy was discussed at length. Anderson explained that the contract bid amount is based on the estimated quantities on materials. Some of the changes occurred toward the beginning of the project and it would have been better to have known this earlier in the process. Anderson admitted that he could have done a better job on keeping the Council up to date.

It was noted that Member’s Co-Operative Credit Union recently reported that their sewer system froze due to a dip in their service line. Anderson stated that it is not unusual for that problem to arise given the fact that their service line is under their parking lot and likely requires some sort of insulation.

The Council discussed the surface of the south end of Lundorff Drive. It will be reviewed in the spring when the snow is gone. Anderson stated that the area was sealed last fall to prevent any water damage. Anderson further stated that the retainage amount of \$109,993.93 should cover any remaining items that may need attention when the final walk-through is completed.

It was discussed that there are drainage problems near the parking lot of Member’s Credit Union as well, with water ponding in their driveway. Anderson stated that the snow needs to be plowed from the driveway into the parking lot and then toward the back of their lot, keeping the ditch area clear so that water can get off the driveway.

Motion Franklin, second Devlin to approve the change order and pay request. Motion carried 5-0.

NEW BUSINESS:

Rental Inspector - Resignation.

The City received a letter of resignation from Todd Sandell. Staff met with Sandell on February 28th to review the status of rental inspections. Deputy Clerk Jackson is updating the rental properties spreadsheet and confirming rental properties. The Administrator met with Pine City Administrator Ken Camilleri to discuss contracting with them for rental inspection services. Pine City will be advertising for a rental inspector for themselves; they will plan for 8 hours per week for Sandstone. Administrator George has been invited to take part in the interviewing process. George will wait for this person to get trained and then send out fresh letters to the landlords. The Council was supportive of giving a discount to the landlords who have registered and have been working with the City on compliance of the ordinance. The Council discussed how much is budgeted for the inspections. It was brought up that if the job was advertised as a 40-hour per week/full-time job, the potential pool of candidates would be greater.

Motion Franklin, second Devlin to accept the resignation of Rental Inspector Todd Sandell. Motion carried 5-0.

T-Mobile Lease Renewal

The City was contacted by Taylor Foreman, Lease Consultant with Blackdot Capital, in an attempt to extend the 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. Attorney Bob Vose with Kennedy and Graven was consulted, and he recommended the City reject this proposal.

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.

Motion Franklin, second Palmer to approve Amendment No. 2 to Site Lease Agreement with T-Mobile Central, LLC as presented. Motion carried 5-0.

Resolution 2018307-01 Supporting Regional Transportation Coordinating Council (RTCC) Planning
 The East Central Regional Development Commission (ECRDC) recently submitted a letter of intent to the Minnesota Department of Transportation (MN DOT) 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. The ECRDC’s role in this planning process 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. At this point, the ECRDC is asking the City to adopt a resolution of support. No funding is involved in this request.

Motion Devlin, second Franklin to approve Resolution 20180307-01 Supporting Phase 1 Planning of a Regional Transportation Coordinating Council. Motion carried 5-0.

REPORTS:

Fire Department

Assistant Fire Chief Ross Degerstrom gave the February Fire Department report. There has been one training since the last meeting covering radio operation. There was one mutual aid structure fire with Askov and a semi-truck fire at Anderson recycling. The Department is working on getting the training burn of the house on Klejeski Road ready for this coming Saturday.

The Department conducted an interview with Joseph Dols and recommend the Council appoint him as a probationary fire fighter.

Degerstrom then reviewed a list of equipment that the Fire Department would like to purchase:

Mattix 5” NITREX uncoupled LDH supply hose, 500’ – use the couplings they already have	\$2,013.15
(3) AV3000 HT face pieces	\$ 825.00
Seek Reveal Fire PRO (thermal imaging camera)	\$ 750.00
Industrial Scientific Tango TXI gas detector – carbon monoxide detector	\$ 250.00
(3) SILV-EX PLUS Foam Concentrate	\$ 262.50
Ventis Pro 4 LEL Methane, CO, H ₂ S, O ₂ with accessories	\$ 824.28
Industrial Scientific Ventis MX4 DSX Cloud Connected	\$1,401.74
Industrial Scientific Demand Flow Regulator w/ pressure switch for use with DSX	\$ 468.81
Calibration Gas, 100 ppm CO, 25 ppm H ₂ S, 18% O ₂ , 2.5% Methane, 58L	<u>\$ 238.54</u>
Total	\$7,034.02

Degerstrom further reported that new turn-out gear costs about \$2100 per firefighter. The Department will be ordering “returned” gear (not faulty) for one new firefighter, which will save the City approximately

\$500-\$600.

The question came up regarding the use of drones in searching. The Mayor thanked Degerstrom and the rest of the Department for hosting the annual meeting with Township representatives.

Motion Franklin, second Kester to approve the purchase of the equipment and further to approve appointing Joseph Dols as a probationary fire fighter pending the outcome of the background check and physical exam. Motion carried 5-0.

2018 Fire Formula

The annual meeting with Township officials was held on February 28th 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. The only thing that might change is if the hospital builds their own ambulance shelter. If that happens, the City will lose \$4,000 that it currently receives in rental income. The budget does not include fire call billings, so if they are collected, the additional income can help build up the fund balance.

Motion Spartz, second Palmer to approve the 2018 and 2019 Fire Formula Contributions along with the 2019 Fire Department Budget. Motion carried 5-0.

EDA Meeting – February 28, 2018

The EDA discussed the rail access evaluation proposal, heater replacements for the Wild River apartments and townhomes, certificates of completion for Essentia Health Sandstone and North Pine Area Hospital District, the business breakfast, conversations with the Duluth Port authority, opportunity zones, getting to know the businesses along I-35, updates regarding the CoCoa Corporation, the Governor's deer hunting opener and the Mora International Economic Development Conference.

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; after all improvements are completed, the EDA and City Council are to adopt Certificates 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. At the February 28th EDA meeting, the EDA approved signing the Certificates for NPAHD and Essentia Health. The question regarding the hospital's temporary billboard was satisfactorily answered.

Motion Devlin, second Spartz to approve the Certificates of Completion for Essentia Health Sandstone and North Pine Area Hospital District. Motion carried 5-0.

Library Report

The library reported that in February they had 1,236 patrons, 256 answered questions, held story times for children, hosted book clubs, and hosted a Master Gardener's information session about coping and controlling Buckthorn. The Council discussed the signage for the Library's changed hours which went into effect this week.

Building Inspection Report – January 15 through February 15, 2018

Richard Drotning reported that he completed required continuing education, answered emails and phone calls, updated the database for the new year and worked on the 4th quarter State surcharge report.

Financial Reports

The Council reviewed the Vendor Approval Summary Report – February 22, 2018 (Paid Claims) and the A/P Clerk Claims – February 22, 2018 through March 7, 2018.

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

WRITTEN NOTICES AND COMMUNICATIONS:

MN Department of Public Safety – Lease Termination Notice

The driver's exams that occur every Thursday will no longer be held in Sandstone effective April 30, 2018. It is too bad as it brought many people to Sandstone. The Council inquired as to why the lease is being terminated; the letter states that they must move to a different location in order to serve more Minnesotans. This has no effect on the DMV. The Administrator will inquire as to whether there is anything the City can do to prevent the move.

Building inspector

A letter was sent to the owner of the Old old school (The Rock) regarding the unsecured structure.

Initiative Foundation

The Council received a letter thanking them for their continued support.

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

Eviction for Manufacture and Sale of Drugs

- Minn Stat 609.5317 which addresses drugs found at rental properties. Notice is provided to the landlord/owner of the property; after which, the landlord is to begin eviction of the tenant. After the second occurrence on any residential rental property owned by the same landlord in the same county and involving the same tenant, and within one year after notice of the first occurrence, the property is subject to forfeiture.
- George met with County Attorney Frederickson and Sheriff Nelson regarding the process
- The County Attorney is working on the details to incorporate these steps into their processes

NLX – Meeting February 28th

- FONSI approved
- MN Energy Grant – Consultant Services for Strategic Planning

Opportunity Zones

- The administrator attended the County Board Meeting on March 6
- Set ranking: (1) Sandstone, (2) Pine City, (3) Hinckley as distressed communities

Hospital District Meeting – February 27th

- Provided update on sign; flood light should be installed by Luke Drilling next week
- Also provided updates on various City items

Staff Performance Reviews

- Planned for March 20th

ADJOURN

Motion Franklin, second Kester to adjourn at 7:45 p.m. Motion carried 5-0.

Peter Spartz, Mayor

Kathy George, Administrator