

**Sandstone City Council Meeting Minutes  
March 17, 2021**

**CALL TO ORDER:** 6:05 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, Alyssa Prepodnik with Pine County Courier

**PLEDGE OF ALLEGIANCE**

**ADDITIONS OR CORRECTIONS TO THE AGENDA:**

The Closed Session was moved to the end of the Agenda. **Motion Riley, second Palmer to approve the Agenda with the change of moving the Closed Session to the end of the Agenda. Motion carried 5-0.**

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

**MEMBERS:** Council Members commended the Street Crew for sweeping the streets before the latest snowfall occurred. Two office doors in the City Hall building are being replaced, after complaints of not closing properly. A storm drain issue was reported on Lark Street; the Street Crew is working on it. Garbage dumped in a ditch was picked up by the Street Crew. The ditch at Washington & Pine had some erosion, which has been addressed. A resident on River Bluff Avenue asked for the street to be swept.

**PUBLIC HEARING/ PRESENTATIONS:** None

**CONSENT AGENDA:**

**Motion Palmer, second Riley to approve the February 17, 2021 Regular Council Meeting minutes Motion carried 5-0.**

**NEW BUSINESS:**

Resolution No. 20210317-01 Northern Pine Riders – Premises Permit Application (Rich’s Bar)

The City received a Premises Permit Application from Northern Pine Riders to operate lawful gambling at Rich’s Bar, 1038 State Highway 23 North. The Sandstone Lions are the current organization authorized to conduct lawful gambling at Rich’s. Their contract expires April 30, 2021. **Motion Riley, second Palmer, to adopt Resolution No. 20210317-01 approving the Premises Permit Application of Northern Pine Riders to conduct lawful gambling activities at Rich’s Bar. Motion carried 5-0.**

Pine County Tax Forfeited Land Sale

The City received notice from Pine County of new listings on the proposed Pine County Tax-Forfeited Land Sale. The City can request the acquisition of these parcels for certain and specific purposes, including a discounted purchase to correct blight issues. There are two City parcels on the list this year: 45.5157.000 (217 1<sup>st</sup> Street), and 45.5176.000 (a strip of State Highway 123, which MN DOT is requesting for right-of-way purposes). The Council reviewed the notice and determined not to request either parcel at this time. No further action is required.

Resolution No. 20210317-02 Minnesota Water Agency Response Network (MnWARN) Mutual Aid Agreement

The City received correspondence from PeopleService, the City's contractor for the sewer and water system. They are recommending the City consider participating in MnWARN and approve the Mutual Aid Agreement. The advantage of the MnWARN program is that when there is an emergency, big or small, members can take advantage of manpower, services, and equipment from other members. There is no cost to be a member and there is no obligation for the City to provide aid to a member.

The Mutual Aid Agreement states that if services are used, the Responding Party shall be reimbursed for its actual costs paid to personnel providing assistance, as well as for the use of equipment, materials and supplies. A party can withdraw from the Agreement by providing written notice of intent to withdraw. Withdrawal takes effect 60 days after notice is sent. Askov, Finlayson, and Willow River are all members.

**Motion Palmer, second Rahier, to adopt Resolution No. 20210317-02 Authorizing the City to be a Party to Minnesota Water Agency Response Network (MnWARN). Motion carried 5-0.**

Planning Commission Recommendations

The Planning Commission has been working on many sections of City Code, either creating new codes, amending existing codes, or rescinding obsolete codes. These changes of City Code require a public hearing. The Planning Commission held the second of these public hearings on March 10<sup>th</sup>.

The notice of Public Hearing was placed in the 2/25 and 3/4 editions of the *Courier*. 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 Section 505 Subdivision Regulations
  - Some changes were made to clean up the language and remove some restrictions; such as, removing design standards. Language was added under Procedural Exceptions for Minor Subdivisions. Several new requirements were added to the preliminary plat requirements. A new section was added for road review of preliminary plats.
- Add Section 515.41 Architectural Standards
  - This is a newly created section, which is a modification of the current Section 516 Manufactured Homes. This section sets out architectural requirements for all residential structures (not just manufactured homes). One significant change is setting the minimum roof pitch to 5/12 instead of 3/12.
- Rescind Section 516 Manufactured Homes
  - This section is replaced by 515.41 Architectural Standards.

The Planning Commission recommends adopting the following Ordinances:

- 20210317-01 Amending City Code Section 505 Subdivision Regulations
  - 20210317-02 Summary Publication

**Motion Palmer, second Spartz, to adopt Ordinance No. 20210317-01 Amending City Code Section 505 Subdivision Regulations and further adopting Ordinance No. 20210317-02 Summary Publication. Motion carried 5-0.**

- 20210317-03 Adopting City Code 515.41 Architectural Standards

**Motion Palmer, second Rahier, to adopt Ordinance No. 20210317-03 Adopting City Code 515.41 Architectural Standards. Motion carried 5-0.**

- 20210317-04 Rescinding City Code Section 516 Manufactured Homes

**Motion Palmer, second Rahier, to adopt Ordinance No. 20210317-04 Rescinding City Code Section 516 Manufactured Homes. Motion carried 5-0.**

## **OLD & CONTINUING BUSINESS**

### Resolution No. 20210317-03 MN DOT Cooperative Construction Agreement

MN DOT Engineer Doug Kerfeld was present to discuss the upcoming TH 123 road project. The State's project includes City-owned utility construction that will be performed in the City limits. MN DOT contractors will perform this work and the City is responsible to reimburse MN DOT. The estimated cost is \$67,214.44. Kerfeld reported that the bid letting is scheduled for April 23<sup>rd</sup>. Once the contractor is selected, the bid costs will be calculated for the City-owned portion and MN DOT will submit a bill to the City for payment. Kerfeld presented the DRAFT Cooperative Construction Agreement, which will be updated once the actual bid costs are known. **Motion Palmer, second Spartz, to adopt Resolution No. 20210317-03 approving MN DOT Agreement No. 1045786 to provide for payment to the State of the City's share of the costs of City-owned utility construction during MN DOT's TH 123 Road Project. Motion carried 5-0.**

Kerfeld reported that property acquisition is going well. MN DOT now owns 9 of the 17 parcels needed. Of the remaining 8, one will provide a permit to construct and 7 are in the court system. Kerfeld anticipates starting work on Park Avenue to Duxbury Road on August 16<sup>th</sup>, and starting work at the TH 23/123 intersection to Division Street on September 1<sup>st</sup>. These phases should wrap up in the Fall. The portion from Division Street to Park Avenue will be done in the summer of 2022.

Council Members noted appreciation for Kerfeld's efforts to work with property owners. Kerfeld thanked SEH Engineer Anderson for his help on the project as well.

### SEH Engineer Greg Anderson - Updates

Anderson updated the Council on the Waterloop Project, which is currently under construction. The contractor should be able to complete the Skunk Creek crossing work by April 1<sup>st</sup>. The Department of Agriculture personnel have been helpful in monitoring the creosote in the area. Dirt is currently stockpiled as they await testing results. The PCA provided notice that the creosote levels in the area are below the criteria for being considered hazardous material. So, any creosote found will not have to be shipped away for disposal. Anderson also reported that some tree clearing has occurred. Railroad crossing work will occur in mid to late April.

Just prior to the Council meeting, Administrator George received word from the PFA that the City does not qualify for principal forgiveness. This means that the City will have to raise the water rates in order to cover the loan payments. According to the PFA, the City will need to bring in approximately \$31.40 per household monthly to make the cash flows work. Council Members were not pleased with this information and stated that they would not have proceeded with the project if they knew that would be the case. George felt that these numbers can't be accurate, there must be a mistake. She will follow up with the PFA and report back to the Council.

Anderson then presented the proposal for providing engineering services for construction observation, construction administration, field staking services, and PFA loan administration in the amount of \$70,200. **Motion Spartz, second Riley, to approve the proposal for engineering services from SEH for construction observation, construction administration, field staking services, and PFA loan administration for the Waterloo Project in the amount of \$70,200. Motion carried 5-0.**

Anderson then provided an update on the Well Upgrade Project. He stated that he has been working on the environmental assessment. A notice of intent to release funding for the DEED Small Cities Development Grant that was awarded for this project should be coming out soon. The notice must be posted for 10 days. Then DEED can release the funds. Anderson plans to have documents ready for the April Council meeting. He further reported that the comments were received today on the plans from the Department of Health. He will get with City staff to review the comments.

#### Day Care Center – DEED Grant

Mayor Spartz reported that the project is evolving and coming to a crossroads. He would like to see an agreement in place and the project move forward. He would like to see all parties involved commit to the relationship and feels that an impasse has been reached. He would like everyone to focus on opening the day care center. Councilor Gaede, who serves as the Secretary of the Adventure Academy Board, concurs with Spartz and will schedule a meeting.

#### **REPORTS:**

##### Sheriff's Deputy Report – February, 2021

The Sheriff's Department had 166 calls logged in Sandstone for the month. That compares to 155 calls in 2020 and 147 calls in 2019.

##### Fire Department – February, 2021

Fire Chief Andy Spartz reported that the Department had six calls in February; 1 cancelled en route, 1 building fire, 1 false alarm, 1 smoke scare, 1 motor vehicle accident with injuries, and 1 chimney fire. Training was dedicated to water supply.

Recommend New Hire: Christopher Delaney – The Department conducted an interview on February 17<sup>th</sup> and recommends Christopher Delaney be hired as a probationary firefighter. **Motion Riley, second Palmer, to hire Christopher Delaney as a probationary firefighter. Motion carried 5-0.**

##### Library Report – February, 2021

Librarian Josh Menter reported that there were 16 computer appointments, 225 visitors, 16 curbside pickups and 123 reference questions answered during the month. In April, Menter will be hosting a virtual Dungeons and Dragons program; one for teens and one for adults.

##### EDA Meeting – February 24, 2021

The EDA chose the desired design for Wayfinding signage. Work continues on the planning process for the Library. Habitat for Humanity has selected two families for the two lots in town – both single women with two children. They hope to start construction of the foundations this year.

#### Park & Rec Commission Meeting – March 12, 2021

Councilor Palmer (who serves as Council Liaison to the Park & Rec Commission) reported that the Park Commission is planning the 2021 events, to include Park Clean Up on April 23<sup>rd</sup> and 24<sup>th</sup>, Arts in the Park on Tuesdays in June, National Night Out on August 3<sup>rd</sup>, Robinson Park Fall Clean up, and Oktoberfest on October 2<sup>nd</sup>. They also plan to have a booth at Quarry Days to highlight City Parks. An ice climbing clinic took place on March 9<sup>th</sup> for East Central High School students, which was very successful. It looks like funding for the 2<sup>nd</sup> Legacy Grant Application for the Robinson Park Project will be approved. The Playground Task Force is working on plans for Panther Park, with an Open House set for Thursday, March 18<sup>th</sup>, from 4:30 – 7:30 to gather public comments/input. A skatepark grant application has been submitted. An application to the DNR Outdoor Recreation Grant Program will also be submitted. A quote was received to demolish the building at the KREEC site and create a gravel parking lot. And two Special Event Permits were approved: Sandstone Area Farmers Market and a group camping event.

**Motion Spartz, second Palmer, to adopt Resolution No. 20210317-04 Approving the DNR Outdoor Recreation Grant Application for the Panther Park Project. Motion carried 5-0.**

**Motion Spartz, second Riley, to accept the quote from MPJ Enterprises to demolish the building at the KREEC site and remove the debris for \$7,875, and further to approve the quote for a gravel parking lot for \$2,660. Motion carried 5-0.**

**Motion Palmer, second Spartz, to approve spending up to \$500 for Osprey Wilds to create an interpretive map of the KREEC property. Motion carried 5-0.**

#### Building Inspection Report – February, 2021

The Serenity Court Assisted Living project received their Certificate of Occupancy. Harvest Christian School is submitting plans and a permit application to remodel the former Gateway Clinic property on Lundorff Drive. There was only one right-of-way permit issued in February.

#### Rental Inspection Report – February, 2021

The City has received roughly 50% of the 2021 Rental Registrations. Reminders were sent out to complete registrations by April 15th; after which, enforcement action will be taken.

#### Streets & Parks Supervisor Report – February, 2021

Supervisor Craig Hiler reported that tree trimming took place during the month, along with pot hole patching, and plowing. The interior of the John Wright building is 99% complete. The sprinkler work is finished. The kitchen and gym floors were cleaned and waxed. New shelving was put up in the pantry. Exterior gutters will be installed soon.

#### PeopleService Report – February, 2021

Operator Alex Leger reported that he repaired a broken standpipe at 607 Park, who experienced a frozen water line. Meters were replaced at 610 Park, 426 Eagle, and 301 Park. Leger received quotes for cleaning the inside and outside of the water tower. He worked with Total Control to adjust the VFD at the water plant to correct some alarms for the water tower. 213 Court Ave N had a freeze up and had to call in A&A Septic. Mike Johnson was called in to dig up the shutoff by the DOT building, which needed to be replaced. A sewer backup at 318 Court Ave N was in the service line. Leger checked on the sewer main in Minnesota Street, behind Chris' Food Center, and Members Co-Op Credit Union to make sure there were no problems due to the cold weather. He cleared another plug at Lift Station #1 by Robinson Park.

## Financial Reports

**Motion Palmer, second Spartz to approve the A/P Clerk Claims – February in the total amount of \$289,439.31. Motion carried 5-0.**

**WRITTEN NOTICES AND COMMUNICATIONS:** 2020 Water Conservation Report

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

### **Public Surplus Auction – recent activity**

- 1963 Caterpillar Grader – planning to relist
- Antique Wood Stove at KREEC site – SOLD for \$10, haven’t picked up – will relist
- 1986 Plow/Dump Truck – planning to relist
- 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

### **City Hall Elevator**

- The State is enforcing ASME A17.1 section 3.10.12 “System to Monitor and Prevent Automatic Operation of the Elevator with Faulty Door Contact Circuits”
- We will need to make some modifications
- Our maintenance company, MEI, will come and inspect and provide info and options

### **Sheriff’s Department Matters**

- Gaede, Spartz and George met with Pine County Commissioner Matt Ludwig on March 12<sup>th</sup>
- Discussed many aspects of our situation
- Discussed the Community Service Partner position
- Matt Ludwig was going to check on some things
- Conversation will continue

### **Letters of Support provided to:**

- Mille Lacs Corporate Ventures – support for Tribal Economy Business Incubator
- Pine County – support for household hazardous waste collection facility in northern Pine County

### **Blandin Foundation Community Broadband Planning Program**

- Four communities are participating: Pine, Aitkin, Kanabec Counties, and the Mille Lacs Band
- Four-month program – March to June
- involves education, community engagement, feasibility study, analysis and next steps, followed by reporting to the community and then project implementation

### **2021 Audit of City Financial Statements**

- Our audit is scheduled for the week of May 24<sup>th</sup>
- Staff have divided the 100 items on the list and are working on them now

### **Community Center / Kitchen @ JW Building**

- Everyone’s Table is investing \$5,185.04 in kitchen equipment
- Tables & Chairs will cost \$10,466.32 – the City will cover this expense

**CLOSED SESSION –**

**Motion Palmer, second Spartz, to close the meeting at 7:35 p.m. in accordance with Minnesota Statutes 13D.05, Subdivision 3(c), to consider offers and counteroffers for the purchase or sale of real or personal property. Motion carried 5-0.**

Parcel 30.0512.003 was discussed.

**Motion Spartz, Second Palmer, to re-open the meeting at 7:50 p.m. Motion carried 5-0.**

**ADJOURN**

**Motion Rahier, second Riley to adjourn at 7:50 p.m. Motion carried 5-0.**

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Peter Spartz, Mayor

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Kathy George, Administrator