

Sandstone City Council Meeting Minutes
April 21, 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, Mindy Leger, Heather Hanson, Anna Reiser

PLEDGE OF ALLEGIANCE

ADDITIONS OR CORRECTIONS TO THE AGENDA:

The Closed Session was moved to the end of the Agenda. Approve Ground Penetrating Radar Investigation was added to item 10(e)(iv). **Motion Gaede, second Palmer to approve the Agenda with the change of moving the Closed Session to the end of the Agenda and with adding Ground Penetrating Radar Investigation to item 10(e)(iv). Motion carried 5-0.**

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

MEMBERS: Staff received complaints regarding sinkholes in blacktop on school-owned property, Jay Street needing attention, garbage at a property, water quality concerns, bathroom at Robinson Park, draining of the water tower flooding out a neighboring property, and a sidewalk in disrepair. Council Member Palmer noted that she complained about the water stand pipes popping up around town, which has been addressed by the PeopleService contractor. She also reported that a vehicle has been consistently parked in front of the Ford Dealer building in the no parking area. Mayor Spartz received a comment that the lights were on in the Train Park shelter.

PUBLIC HEARING/ PRESENTATIONS: None

CONSENT AGENDA:

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

- a. **March 17, 2021 Regular Council Meeting Minutes**
- b. **March 24, 2021 Special Council Meeting Minutes**
- c. **April 14, 2021 Special Council Meeting Minutes**
- d. **Resolution No. 20210421-01 Supporting Minnesota Historic Structure Rehabilitation Tax Credit Program**
- e. **Cemetery Deed: William & Rose Eccles**

Motion carried 5-0.

NEW BUSINESS:

Adventure Academy

Members of the Adventure Academy (AA) Board of Directors had asked to speak with the Council about the status of the remodeling project at the John Wright Building and other matters. No Board Members were present; however, Executive Director Anna Reiser was present, along with Mindy Leger and Heather Hanson who expressed interest in the Day Care Center.

It was noted that there have been some roadblocks during the remodeling project, but the goal is to move forward and get the Day Care Center up and running. The AA Board would like to open its doors by September 1st. However, all Board Members have stepped down from the Board, according to Reiser. Reiser stated that it has been difficult to keep volunteers engaged with the challenges.

The Council and Reiser reviewed the list of concerns the AA Board noted stemming from their site tour on March 29th. There was much discussion about the use of the kitchen/gym space and whether or not others could use the space. If these spaces are licensed for day care, then there can be no other uses during the day care hours of operation. This causes a conflict with Everyone's Table and other community users. Reiser stated that a variance could be requested from the State. It was suggested that the kitchen/gym area be closed off to the day care portion of the building. A new bathroom would be needed for the kitchen/gym area in this case. It was suggested perhaps hours for use could be established. Reiser stated that the gym space was going to be used for school-aged children; however, that age group could be eliminated. The downside to eliminating that age group, though, is that parents with multi-aged children will have to use multiple locations for their childcare needs. Also, loss of the gym space reduces the quality of programming available, especially during the winter months. Another concern with the John Wright Building is the door between the Street Shop and the Day Care Center as fumes are coming through to the day care center side.

With regard to licensing, Reiser stated that AA cannot submit their application until the City's Building Official has issued a Certificate of Occupancy. Administrator George reported that there are two things the Building Official is waiting for. One is the final test/inspection on the sprinkler system and fire alarm system, which is scheduled for May 3rd. The second thing is the entrance to the Day Care Center. Currently, due to the new entry door, there is a step up to get into the building. However, the parking lot project is currently underway. The plan is to remove the sidewalk, regrade everything and replace the sidewalk. A completion date is not known at this time. Once the Building Official clears the building for use, the State Child Care Licensing Inspector will come to look at the safety aspects of the building as it relates to operating a day care center.

The Council discussed the DEED grant funds with Reiser. In December, the City Administrator agreed to purchase the items Reiser had identified for the Day Care Center because the deadline to utilize the grant funds was December 31st and Adventure Academy did not have the funds to make the purchases and wait for reimbursement from the State. The City purchased a total of \$69,483.76 in items for the Day Care Center. Reiser requested a refund from one vendor because their services could not be used during the designated time. This refund check was received by the City in the amount of \$1,890.00. Reiser stated that she had incurred personal expense of \$1,986.00 for furniture she purchased in September; however, this amount was not included in the DEED grant request for reimbursement. AA received the reimbursement check from DEED in the amount of \$67,500.00, in accordance with the grant agreement. Reiser stated that she will issue a check to the City in the amount of \$62,664.17.

Reiser stated that her life has changed since the remodeling project began in 2019. After some back and forth discussion with the Council, Reiser asked that the City take over the Day Care Center Project immediately. She will step down. Mayor Spartz noted that the City wants to have the Day Care Center in town, but the City does not want to manage the Day Care Center. Both Leger and Hanson expressed interest in working with the City to recruit new AA Board Members and move forward with the project. Councilor Gaede, either Councilor Palmer or Councilor Rahier, and Administrator George will work with Leger and Hanson on the details.

Resolution No. 20210421-02 Approving (PFA) G.O. Water Revenue Note, Series 2021

The City had determined to undertake a water loop project in order to provide an alternative route for water to the hospital/medical campus. The water loop project was placed on the Intended Use Plan for PFA funding and was selected for a low-interest loan.

The project costs are estimated to be \$1,052,726. The loan is for 20 years. Interest is set at 1%. The annual debt service payment will be approximately \$60,000. In 2019, the City paid off one bond that was a liability of the Water Fund (\$27,300). In 2024, the City will pay off the other bond that is a liability of the Water Fund (\$12,600).

The PFA has noted that the City will need to raise water rates in order to cash flow for the new bond payment of \$60,000. The 2021 Water Fund budget includes \$52,000 towards the PFA loan; however, the first payment won't be due until 2022 (\$34,896.58). Therefore, the \$52,000 could be used to off-set the project costs. Additionally, the City should be receiving approximately \$300,000 from the Federal American Rescue Plan Act. These funds could be used for "investments in water, sewer or broadband infrastructure". Perhaps these funds could be applied to this project, which would reduce the annual loan payment to about \$40,000. Rates would still need to be increased, but not as much. The Council will take this into consideration as work begins on the 2022 budget.

Motion Palmer, second Rahier, to adopt Resolution No. 20210421-02 Approving the (PFA) G.O. Water Revenue Note, Series 2021. Motion carried 5-0.

Resolution No. 20210421-03 Certifying Charges on Sanitary Sewer Service Line: 316 Park Avenue

The City received a Petition and Waiver Agreement form from Sonja Kraft and William Graves, property owners of 316 Park Avenue. The sanitary sewer connection line had collapsed and the property owners requested the City's assistance to fix their line. The project was completed by MPJ Enterprises, LLC.

The total amount to be assessed is \$1,500.00. The proposed term of the assessment is 5 years, at 5.25% interest (which is 2% over Prime).

Motion Spartz, second Palmer, to adopt Resolution No. 20210421-03 Certifying Charges for Sanitary Sewer Service Line Repairs to 316 Park Avenue. Motion carried 5-0.

Planning Commission Recommendations

City Code Updates

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 third of these public hearings on April 14th.

The notice of Public Hearing was placed in the 4/1 and 4/8 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 City Code Section 415 - Signs
 - Some changes were made to clean up the language and incorporate the new zoning districts. The requirements for a contractor's license and for indemnification and insurance were

- removed. Language allowing off-premise signs erected prior to 2011 in the Professional/Light Industrial Business Park and the Prospective Interchange Development Districts was removed.
- The newly adopted Administrative Citation was added as an option in the Penalties subdivision.
- Add Section 515.37 Subdivision 14 - Fences
 - This is a newly created section. Currently, the City has a Fence Policy, but not a Fence Ordinance. Maximum height requirements are set for each district, among other standards, which may be increased with approval of the Planning Commission.

The Planning Commission recommends adopting the following Ordinances:

- 20210421-01 Amending City Code Section 415 Signs
 - 20210421-02 Summary Publication

Motion Gaede, second Spartz, to adopt Ordinance No. 20210421-01 Amending City Code Section 415 Signs and further adopting Ordinance No. 20210421-02 Summary Publication. Motion carried 5-0.

- 20210421-03 Adopting City Code Section 515.37 Subdivision 14 Fences
 - 20210421-04 Summary Publication

Motion Spartz, second Gaede, to adopt Ordinance No. 20210421-03 Adopting City Code Section 515.37 Subdivision 14 Fences and further adopting Ordinance No. 20210421-04 Summary Publication. Motion carried 5-0.

Conditional Use Permit – Panther Park

The City has acquired the former Members Co-Op Credit Union property located at 406 Commercial Avenue North and is intending to create a new City park, Panther Park. The property is zoned Historic Downtown District. Parks are allowed with a Conditional Use Permit (CUP) in the Historic Downtown District.

A notice of the Public Hearing was published in the 4/1 and 4/8 editions of the *Pine County Courier*. The notice was also mailed to all property owners located within 350 feet of the subject property. No comments were received either before the Public Hearing or during it.

The Planning Commission made the following Findings of Fact:

1. The use **will not** create an excessive burden on existing parks, schools, streets and other public facilities that serve or are proposed to serve the area.
2. The use **is** sufficiently compatible or separated by distance or screened from adjacent residentially zoned or used land so that existing homes will not depreciate in value and there will be no deterrence to development of vacant land.
3. The structure and site have an appearance that **will not** have an adverse effect upon adjacent residential properties.
4. The use, in the opinion of the Planning Commission, **is** reasonably related to the overall needs of the city and to the existing land use.
5. The use **is** consistent with the purposes of the zoning ordinance and the purposes of the zoning

- district in which the applicant intends to locate the proposed use.
6. The use **is not** in conflict with the comprehensive plan.
 7. The use **will not** cause traffic hazards or congestion.
 8. Adequate utilities, access roads, drainage, and necessary facilities **are** being provided.

Based on these Findings of Facts, the Planning Commission recommends approval of the Conditional Use Permit for Panther Park, 406 Commercial Avenue North.

Motion Rahier, second Gaede, to approve the Conditional Use Permit for Panther Park at 406 Commercial Avenue North. Motion carried 5-0.

OLD & CONTINUING BUSINESS

SEH Engineer Greg Anderson - Updates

Anderson updated the Council on the Waterloop Project, which is currently under construction. Work will continue onto Airport Road this week, jumping to Creekside Lane. Next week, they will be jacking under the railroad. Old Military Road has been down to one lane during the project, which is working out fine. Anderson expects he will have a pay request from the contractor to present at the May Council Meeting.

Anderson has also been in contact with Essentia about water pressure issues they are having. He stated that the water pressure was studied prior to the hospital being built and it showed there would be 50-60 psi. The hospital has installed new equipment and is noticing that they are only getting 40 psi. SEH tested the flow at the hydrant and found it to be 55-60 psi. Anderson thinks the hospital's backflow preventer is dropping the pressure by 10-15 psi. He explained that the looping project will not change the pressure. The amount of water flow will increase, but pressure will not. The only way to increase pressure is for the City to raise the water tower. Essentia is working on options; such as, installing pressure gauges on their distribution system to help with data collection on their internal system.

Anderson then provided an update on the Wells and Tower Upgrade Projects. The environmental assessment document has been approved by DEED and is ready for the 10-day comment period. A copy of the report is available at City Hall. Anderson then reviewed several documents that need to be approved and signed before a request for the release of funds can be submitted. Plans and specifications are being prepared, then the projects can be put out for bids.

Memorandum of Understanding re PHASE Building (106 Main Avenue)

The Council reviewed a proposed Memorandum of Understanding between the City and PHASE that would allow PHASE to continue to use the property until December 31st, but also allows the City access to the building in order to conduct various planning and design activities for renovation of the building into a public library. **Motion Rahier, second Palmer approving the Memorandum of Understanding re the PHASE Building (106 Main Avenue). Motion carried 5-0.**

Lease Agreement with BNSF Railway Co. re 54366 County Highway 61

The Council reviewed a proposed Lease Agreement between the City and BNSF for the use of the former Street Shop property at 54366 County Highway 61. The term is for five years and begins on July 1, 2021. The base rent is \$38,500 annually, with the first two years paid up front. On the third year, the base rent will increase 3% annually. BNSF is responsible to pay all utilities and insurance on their property. The City will insure the building and City property. BNSF will be responsible for damage that is over and above normal wear and tear. The Agreement includes a purchase option, with the purchase price being the appraised value less a \$16,250 credit for each year of Base Rent that BNSF has paid. This document has

been shared with BNSF and the City is waiting to hear back from them. Consensus of the Council was to place this item on the May Council Meeting Agenda in case BNSF has any comments/input for consideration.

REPORTS:

Sheriff's Deputy Report – March, 2021

Deputy Bettschen notified the City that he is tied up with a call and will not be able to attend the Council Meeting. The Sheriff's Department had 244 calls logged in Sandstone for the month. That compares to 184 calls in 2020 and 111 calls in 2019. Councilors questioned the Medical Transport calls at Lundorff Drive, just wondering what these would be as there were quite a few of them in March. Administrator George will follow up and report back.

Fire Department – March, 2021

Fire Chief Andy Spartz reported that the Department had one call in March, a medical call at the Victory Station. Training was focused on preparing for wildfire season.

Insurance Services Office (ISO) Ratings – The Department had a recent Public Protection Classification (PPC) survey. ISO completes an analysis of the structural fire suppression delivery system provided. For the Sandstone fire protection service area, the Department received a rating of 5. For the broader Sandstone fire protection service area, the Department received a classification of 06/10 (properties over 5 road miles from the fire station receive a 10). These ratings are used by insurance underwriters.

Library Report – March, 2021

Librarian Josh Menter reported that there were 20 computer appointments, 334 visitors, 160 reference questions answered, and 1 test proctored during the month. People are signing up for library cards and starting the 1000 Books Before Kindergarten program. Menter is preparing to do a web training with FCI Sandstone, working out technological kinks. He and other staff toured the PHASE building. D&D will be offered over zoom; April 5th for teens and April 26th for adults. Councilors appreciated the new "Open" flag that is put out when the Library is open, but asked when Library hours will be extended. Administrator George will follow up and report back.

EDA Meeting – March 24, 2021

EDA President/Councilor Palmer reported that the Predesign report for the State Library Construction Grant application process was submitted on March 17th. The grant application deadline was been extended to April 9th, and has since been submitted. Trellis is no longer working with the EDA on The Rock Redevelopment Project. Other prospects are being pursued. This also affects the EDA's purchase of North Court Apartments. Administrator George is working with the Pine County Housing & Redevelopment Authority (HRA) as they are interested in purchasing the property. Pine County is advertising for an Economic Development Coordinator. Palmer also reviewed the top 10 taxpayers in Sandstone and the top 4 employers. The EDA continues to work on wayfinding signage.

Park & Rec Commission Meeting – April 9, 2021

Councilor Palmer (who serves as Council Liaison to the Park & Rec Commission) reported that the Park Commission would like to create the Mary Thorvig Memorial Tree Garden on property by Eagle Field. They also recommend the Council approve Service Agreements with the Sandstone Flower & Garden Club (\$500) and with the Old School Art Center (\$1,000). Commissioners are working on upcoming events: Park Clean Up (April 23rd & 24th), Arts in the Park (Tuesdays in June), National Night Out (August 3rd),

Quarry Days (August 13-14), Robinson Park fall clean up, and Oktoberfest (October 2nd). The Commission held an open house on March 18th to receive input on plans for Panther Park. The application for moving and upgrading the skatepark was submitted to the Minnesota Amateur Sports Commission. The application for the playground, basketball court, bathroom, benches, picnic table, bike repair station, drinking fountain, etc., has been submitted to the DNR. Both of these grants require a 50/50 match. Eric Sturtz provided options for a new logo; the Commission would like to have a contest to choose the logo. The climbing clinic that was held in Robinson Park on March 9th went really well. Commissioners will meet with DNR representatives to talk about extending a trail from Old Military Road to Pine Avenue, through KREEC property; about 600 feet would go through DNR property. Special Event Permits have been issued to the Sandstone Flea Market and to Allen's Hope/Laurie Audette.

Motion Palmer, second Spartz to approve the creation of the Mary Thorvig Memorial Tree Garden on property by Eagle Field. Motion passed 5-0. Councilor Riley suggested that a Lions Bench could be placed in the new Tree Garden when it is developed.

Motion Rahier, second Gaede, to approve the 2021 Service Contract with the Sandstone Flower & Garden Club for \$500. Motion passed 5-0.

Motion Palmer, second Rahier, to approve the 2021 Service Contract with Old School Arts Center for \$1,000. Motion passed 5-0.

The City received quotes for some additional work at Robinson Park for the Cultural Landscape Report and the Phase 1 Legacy Park projects. One quote is from Nienow Cultural Consultants for \$5,720 to conduct a Phase 1 Archaeological Survey which involves limited shovel testing along the river and limited metal detection for subsurface materials near depressions where no surface materials have been previously identified. The other quote is from Archaeo-Physics for \$7,350 to conduct a geophysical investigation targeting areas of interest identified during the Phase 1a study by Nienow Cultural Consultants using ground penetrating radar survey to detect and map possible buried archaeological features associated with the quarry.

Motion Spartz, second Riley, to approve the quote from Nienow Cultural Consultants to conduct a Phase 1 Archaeological Survey of Robinson Park for \$5,720, and further to approve the quote from Archaeo-Physics to conduct a geophysical investigation for \$7,350. Motion passed 5-0.

Planning Commission Meeting – April 14, 2021

Besides the items already discussed, the Planning Commission also approved a fence height of 7' for Rachel Hansen and Charlie Gustafson at the former Sprouts property. They also considered the City's purchase of the PHASE property at 106 Main Avenue and determined that the purchase and use as a library is in compliance with the City's Comprehensive Plan.

Building Inspection Report – March, 2021

Harvest Christian School received their Building Permit to remodel the former Gateway Clinic property on Lundorff Drive for use as a school. 2 building permits, 2 maintenance permits, and 1 right-of-way permit were issued during the month. There are currently 6 on-going building projects and 4 right-of-way projects in town.

Streets & Parks Supervisor Report – March, 2021

Supervisor Craig Hiler reported that tree trimming took place during the month, along with pot hole patching, and street sweeping. A plugged storm sewer was addressed on Lark & Birch, repair and replacement is needed. At the John Wright Building, the fire alarm system has been installed, with testing/inspection scheduled for May 3rd. Gutters were installed on the City Shop portion of the building. A roof leak at the Library was repaired. Replacement windows and doors have been ordered for some rooms at the City Hall building. The crew is moving material piles from the old shop to the new location. Equipment maintenance included re-coring the radiator of the 1986 Chevrolet M1028, and replacing a faulty solenoid & brake control box; replacing a door seal on the 2005 Chevrolet 2500 HD; replacing worn out attachment coupler/bushings/pins on the 2003 Cat 226 Skidsteer; replacing worn out cutting edge/bushings/pins on the 2000 Cat 416D Backhoe-Loader; and replacing worn out gutter brooms and one broken sprayer arm on the 2013 Elgin Pelican Street Sweeper.

PeopleService Report – March, 2021

Operator Alex Leger reported that he has been working with the City Engineer on the waterloop project. He pushed down curb stops around town. He replaced the meter at 306 Court Ave N. He worked with the owners of Sprouts and with Habitat for Humanity to locate utilities. He completed a flow test at the John Wright Building for the sprinkler company. He worked with MPJ Enterprises to replace the fire hydrant at the John Wright Building and to dig up and replace the curb stop at the MN DOT Building. He addressed another plugged line at Lift Station #1 by Robinson Park; this is the line that will be replaced when the weather allows. A possible sewer backup at 417 Park was in the service line. He checked the sewer main on Lundorff Drive to ensure good flowage; everything looks good since the repair was made on the Credit Union line. Leger has been checking the manhole at the nursing home for rag buildup, which causes Lift Station #3 to plug up; the line has been clear lately. He continues to work with MN Rural Water and the University of MN on sewer pond observations and testing related to phosphorus management.

Financial Reports

Motion Palmer, second Spartz to approve the A/P Clerk Claims – March in the total amount of \$190,821.37. Motion carried 5-0.

WRITTEN NOTICES AND COMMUNICATIONS: None

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

Public Surplus Auction – recent activity

- Antique wood stove relisted 3/25/21, closed 4/8/21 for \$122.50 (paid and awaiting pickup)
- 1986 Plow/Dump Truck relisted for 2nd time 3/25/21, closed 4/15/21 with no bids
- Epson Dot Matrix Printer listed 3/25/21, closed 4/8/21 for \$5.00 (paid and picked up)
- Small plastic printer stand listed 3/25/21, closed 4/8/21 with no bids (gave to guy picking up Epson printer)
- Metal time card wall rack listed 3/25/21, closed 4/8/21 with no bids
- 1963 Caterpillar Grader relisted 3/25/21 and will not close till 4/22/21 (bids are coming in)

Small Cities Development Program - Update

- 125 Commercial Ave was able to take advantage of \$4,775 in funding
- There is about \$3,069 left to spend
- Lakes & Pines is working on the waiting list to spend this grant money down

Radon Sampling at City Hall

- Air sampling was conducted the first week of March
- All is well; they recommend retesting every 5 years or following certain circumstances

MN Dept of Health – Well Head Protection Plan (WHPP) Implementation Grant

- An application has been submitted for funding GIS equipment and software to locate wells (which can also be used for other purposes, like locating curb stops, hydrants, etc.), and printing of a water newsletter
- Projects will be selected for funding by the end of April

MN Dept of Ag – Creosote Cleanup Update

- Monitoring wells were recently installed in town
- Water, sediment and drilling fluids were held in a roll-off container by Eagle Field
- These contents were tested and it was determined that they could be discharged to the ground surface
- Spring monitoring well, surface water, and potable well sampling events are occurring this week at various locations

Miscellaneous Meetings

- April 9th – Pine County Administrator’s Meeting (the County was asked to consider investing in a Rail Impact Study)
- April 12th – Essentia Health Community Health Needs Assessment (focusing on mental health, substance abuse, obesity)
- April 19th – First meeting with potential Community Service Partner candidate
- April 22nd – Meeting with Sandstone Township reps regarding the Fire Formula (again)

Recent Expenditures/Projects

- Back door at City Hall (repair wall w/LP Panel, Trim Board, Paint) \$2,000
- Lampert Lumber – City Hall (2 new office doors, 8 new window sashes) \$2,969.43
- MPJ – JW Building – (replace hydrant by City Shop) \$3,120.50
- MPJ – Compost Site (haul material, level, Class V) \$8,628.75
- MPJ – Lark Street (storm sewer repairs, including street, curb & gutter) \$29,450.75

CLOSED SESSION –

Motion Gaede, second Palmer, to close the meeting at 8:55 p.m. in accordance with Minnesota Statutes 13D.05, Subdivision 3(c), to consider the asking price for the sale of real or personal property. Motion carried 5-0.

A portion of parcel 45.0069.000 was discussed.

Motion Gaede, Second Spartz, to re-open the meeting at 9:05 p.m. Motion carried 5-0.

ADJOURN

Motion Spartz, second Palmer to adjourn at 9:05 p.m. Motion carried 5-0.

Peter Spartz, Mayor

Kathy George, Administrator