

Sandstone City Council Meeting Minutes
May 2, 2018

CALL TO ORDER: 6:00 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, Nick Eberhardt - Sandstone Fire Department, Sam Seibert – Cybert PC, Rose Spencer – Sandstone Area Chamber of Commerce Director, Thomas Landowski, Dale Eiffler and Tami Eiffler – American Septic Service

PLEDGE OF ALLEGIANCE:

Council, guests and staff recite pledge of allegiance.

ADDITIONS OR CORRECTIONS TO THE AGENDA:

Motion Devlin, second Palmer to approve the Agenda as presented. Motion carried 5-0.

PETITIONS OR COMPLAINTS BY RESIDENTS AND/OR COUNCIL MEMBERS:

Dale Eiffler was present to speak to the Council about putting in a bid for portable toilets for the upcoming summer season. When he contacted the Administrator, she let him know that the City was not taking bids; the City was using Paul's Portables as they had in the past. It was a \$300 expense and for such small expenditures the City is not required to go through the bidding process. One of the Council Members suggested that the portable toilet provider be added to the items that are appointed for the year.

A general comment was received by City staff about the bathroom in Robinson park being disgusting. There was someone doing vehicle donuts on Airport Rd. The crew was sent to regrade the road. There was a garage being torn down and burnt in a backyard in the city (without a permit) – DNR and PCA have been involved. Staff received a couple of complaints about yards being in disarray. The ordinances regarding yards applies to back yards as well. There has been positive feedback on the newsletter. On cleanup day, items are to be put on the boulevard by the street by 9:00 a.m.

PUBLIC HEARING / PRESENTATIONS:

Sam Seibert – Security Cameras

Meetings have been ongoing between City staff, the Sheriff's Department and Sam Seibert of Cybert PC regarding the placement of security cameras throughout town. So that new power would not have to be run, the placement was geared to poles that already have 110V. Seibert reported on his proposal which includes 13 cameras and a support network with the cost totaling \$27,329.15. He went through the thought process behind each camera placement and how each would help with identifying those involved in theft and vandalism. Because MN Power only allows for FCC qualified telecommunications providers to use their poles, the City may need to install their own poles. The poles can be purchased from and set up by MN Power. Staff is following up with MN Power on the estimated cost.

One Council Member asked about purchasing and installing all the cameras at once versus if they could add some at a later time. It would depend on which ones were removed from the relay. The cameras will be in motion-detect mode during which once motion is detected, it back records a minute. This lessens the amount of storage space that is needed for the system. An alternative would be putting two master antennae on the water tower but that would leave half the system susceptible to an outage versus single cameras and it would cost more.

The City could reach out to businesses to see if they are willing to “sponsor” a camera to help pay for the system. The plans include a live stream viewing station at the Sheriff’s Dispatch office. With multiple viewing stations, more bandwidth is required. Seibert has reached out to SEI (a FCC qualified telecommunication provider) to inquire as to their intersession on behalf of the City to use the MN Power poles. If the City puts up their own poles, they would have control of where on the poles the cameras are mounted; some of the MN Power poles already have quite a bit of equipment on them. The City would also be free to add more equipment to them. Seibert believes that the poles will cost about \$300 installed. The funds to pay for this project would come from the City’s reserves.

No decision was made at this point as Seibert and Staff will work with MN Power to get an idea of what it would cost to purchase and install City-owned poles.

CONSENT AGENDA:

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

- **Approval of Regular Meeting Minutes from April 4, 2018**
- **Revised Job Description for the Finance Director**
- **2018-2019 Liquor License Renewals for Rich’s Bar, The Gas Light, Sandstone Area Golf Course and the Sandstone Lanes**
- **Application for Temporary Liquor License for OSAC**
- **Special Event Permit from Tracy Lutheran Church**
- **LMCIT Liability Coverage Waiver Form**

Motion carried 5-0.

OLD & CONTINUING BUSINESS:

Sandstone Area Chamber of Commerce – Hinckley Visitors Guide

It was reported in the Chamber meeting that the City was sent a bill for its half of the ad in the Hinckley Visitors Guide. The Administrator found that the City Council approved contributing up to \$600 towards the 2017 Hinckley Visitor’s Guide but has not been approached for the 2018 Guide which has already been produced. Rose Spencer, Executive Director of the Sandstone Area Chamber of Commerce, was present. She showed the Council the two-page ad. Last year, the costs were split with the City. Spencer asked that the cost be split in half again – the City’s portion would be \$615.00. When asked, Spencer informed the Council that the businesses that are advertised each paid \$100, lowering the total cost of the ad. One of the Council Members noted that it would be nice if more of the City’s events were included in the schedule. Next year’s publication is to be finalized by October, 2018.

Motion Devlin, second Spartz to pay half of the actual costs (\$365) of the ad in the Hinckley Visitors Guide with the caveat that next year, more input is provided by the City. Motion carried 5-0.

River Bluff Street Reconstruction Project

In 2016, the City worked with SEH to conduct an area Inflow & Infiltration study. Two areas were involved: (1) north and west of the lift station serving Park and River Bluff Avenues and (2) Pine Avenue south of TH 123. They were able to capture two rain events during the study period and concluded that a spike occurred which was equal to 8 times the normal flow from the Park and River Bluff areas. Staff had reported having sanitary sewer and water main concerns with this area. After reviewing televising logs for sanitary sewer, several root and joint issues were revealed, along with a few protruding taps and two segments of main with sections of missing pipe. The City Council had determined that this project was a high priority as far back as 2012. Bid opening occurred on April 10. Four bids were received, as follows:

MPJ Enterprises	\$447,976.40
Kuechle Underground Inc.	\$465,161.67
Casper Construction Inc.	\$514,900.00
Ulland Brothers Inc.	\$597,723.70
Engineer's Estimate	\$487,086.00

The low bid was received from MPJ Enterprises in the amount of \$447,976.40. The project involves street, storm sewer, sanitary sewer and water main. The project breaks down as follows:

	<u>Construction</u>	<u>%</u>	<u>Available Fund Balance</u>
Streets 1	86,572.65	41.7	270,232
Sanitary Sewer	108,534.95	24.2	329,633
Water main	118,471.70	26.4	234,722
Storm sewer	34,397.10	7.7	176,564

The couple that were at the Council meeting when this was discussed last would like to talk to the construction company regarding their fence.

The project cannot be started until after June 5 and must have the first blacktop lift complete by the last week in August. Once the contract is awarded, SEH Engineer Anderson will set up a pre-construction meeting, followed by an open house with the property owners.

Motion Devlin, second Franklin to award the contract to MPJ Enterprises for the River Bluff Street Reconstruction Project in the amount of \$447,976.40 to be paid for with available money from each respective fund. Motion carried 5-0.

Anderson has submitted a proposal for construction observation, construction administration, and staking services for the River Bluff Street Reconstruction project. Construction Observation and Administration are proposed for \$28,000. Construction staking is proposed for \$6,400. Work will be billed on an hourly basis plus cost of reimbursable expenses, not to exceed \$34,400 without prior authorization.

The City previously approved a proposal with SEH for this project. The scope of that work included a feasibility report, final design, preparation of construction documents, and bidding services for a total compensation not to exceed \$34,500. The task of Feasibility Report, budgeted for \$8,200, was not performed since it was determined that the project would not be assessed to the property owners. As of the April billing for this work (through March 31), the City has paid SEH a total of \$26,300 (\$34,500 less the \$8,200 for a Feasibility Report). There should be no further billings on this portion of the project.

One of the Council Members suggested that the Fire Department be brought into construction meetings especially when the fire hydrants are affected and there may be access concerns.

Motion Devlin, second Palmer to approve the agreement with SEH for overseeing the River Bluff Street Project for a total compensation not to exceed \$34,500. Motion carried 5-0.

NEW BUSINESS:

Fire Hall/City Hall – Building Improvements

Staff has been looking into building concerns at the Fire Hall and at City Hall, with the thought of realizing some cost benefits if the two buildings are addressed at the same time. Proposals were sought from four different firms for design, bidding, and construction administration for the following scope of work:

Fire Hall: replace damaged exterior building materials and mitigate interior humidity issues, including:

- Replace exterior windows and man doors
- Selective exterior masonry repair and tuck-pointing
- Replace exterior masonry wall paint finishes
- Add wall furring and insulation to the interior face of exterior walls in office area
- Add new makeup air system and dehumidification units for the apparatus bay
- Add CO/NO2 gas detection system for apparatus bay
- Add condensing unit to existing forced air furnace serving the office portion of the building

City Hall: provide more efficient and controllable HVAC system, including:

- Replace existing hot water boilers with high-efficiency units
- Replace existing fin-tube radiators and piping to provide units properly sized for each room and 3-way valves to provide individual control
- Add motorized dampers in existing ductwork to allow each room to control quantity of condition (cooled) air being delivered
- Replace HVAC controls systems
- Restore building walls, ceiling, and floor finishes after improvements are complete

All 4 companies sent representatives to City Hall and the Fire Hall and staff reviewed both buildings / projects with each representative. Each company was also asked for a preliminary estimate for the construction/implementation of each project. For City Hall, estimates range from \$207,000 to \$395,000. For the Fire Hall, estimates range from \$120,000 to \$224,000.

Design, Bidding and Construction Administration			
Engineer	City Hall	Fire Hall	Total
LHB	\$31,603	\$17,905	\$49,508
SEH	\$52,400	\$19,800	\$64,500
Karges			\$58,800
Siemens	incompatible	incompatible	incompatible

Staff has also looked into options for financing the projects. MN Rural Water Association works through the GO Bonding authority to offer a MIDI Loan Program. Benefits of going this route include quick turnaround, flexible prepayment options, low issuance costs (no underwriter, paying agent, or rating agency), with payments similar to an A-rated bond issue. Payments on a 10-year loan would be approximately:

City Hall - \$315,000 loan - \$38,600 annual payment
 Fire Hall - \$210,000 loan - \$25,700 annual payment

For the design services, the expense for the Fire Hall could come from the Fire Cap & Bldg. Reserve Cash line item (current balance of \$67,712); the City Hall expense could come from the General Fund Cap & Bldg. City Reserve Cash line item (current balance of \$99,497).

The Administrator did attempt to get companies to bid on replacing the boiler at City Hall; however, three different companies refused, stating that the City will have to have engineered plans and specifications.

Staff has recently been told that the backup generator at the Fire Hall needs to be replaced. The expense of a generator could be anywhere from \$75,000 to \$125,000. Staff would like to have a qualified and experienced technician look at the generator and provide more detailed information. A decision can be made at that time regarding how best to proceed with the generator (fix it, replace it, more exact cost estimate, add it to this Fire Hall project, handle it separately, etc.).

The Council asked about the heating and cooling systems in the City Hall building, which are completely separate. The Library has in-floor heat which comes from the main boiler system. The current method of use of the boiler is to turn it on and off depending on the warmth of the rooms in the building. Said warmth varies widely throughout the building. A new system will allow individual zone control. The Council discussed the last couple of years' heating bills.

After much discussion, Motion Franklin, second Devlin to approve moving forward with the proposal from LHB to begin designing both projects. Motion carried 5-0.

REPORTS:

Fire Department

Fire Department Relief Association

Council Members received a copy of the April 1, 2018 Sandstone Fire Relief Association fund balance. Correction of the date for Special Fund: should be 1-Jan-18 and 1-April-18, rather than 1-Jan-17 and 1-Oct-17. Mayor Spartz, also the Treasurer of the Relief Association, reported that the amended 1099 forms going back three years were received today. The tax returns were mailed in today and the Association is expecting \$11,000 back which will go back into the Relief Funds.

Fire Department Purchases

Staff met with Fire Chief Spartz, Assistant Fire Captain Degerstrom, and Fire Captain Eberhardt to discuss the needs of the Fire Department. The following items are being presented for purchase in 2018:

- (3) sets of turn out gear \$ 9,000
- (4) overhead garage doors \$12,000
- Tanker / Chassis upgrade \$30,000

The Department plans to purchase 3 sets of turn out gear each year as they work to replace obsolete gear. This expense would come from the Fire Equipment Reserve Cash line item (current balance \$192,313.98).

Last year, the Department replaced one overhead door; however, the remaining 4 need to be replaced. The springs do not work which makes it very difficult to raise them. This expense would come from the Fire Cap & Bldg. Reserve Cash line item (current balance of \$67,712 - \$17,905 *Fire Hall design previously discussed* = 49,807).

The Department is working to replace the 1999 Freightliner FL70 Tanker. They have an opportunity to purchase a chassis from surplus property for \$5,000. It will need to be stretched, painted, and have lights added, bringing the total cost to \$30,000. It will take another \$50,000 to complete the project, which they hope to do in the year 2020. This expense would come from the Fire Equipment Reserve Cash line item (current balance \$192,313.98).

The Department is also working to replace the 1996 Freightliner Pumper truck, possibly with a ladder truck. They plan to hire a consultant to submit a FEMA grant application. They would also like to submit a FEMA grant application to purchase 13 air packs and 30 composite tanks.

Motion Palmer, second Spartz to approve the purchase of turn out gear, the overhead garage doors and the Tanker/Chassis upgrade as well as hiring a grant writer to work on a FEMA grant application. Motion carried 5-0.

Captain Eberhardt reported that there are currently 18 active members on the Fire Department. As far as calls this past month, there were a couple of grass fires, a fire at the MN Power building, multiple vehicle fires, a mutual aid building fire in Askov, a carbon monoxide incident, a wild land fire, a motor vehicle accident at Highway 61 and Groningen, and a motor vehicle accident on I-35 where the individual had to be extricated. A DNR burning permit is required for anything bigger than 3'x3' (campfire) and at the moment these are also not allowed.

Planning Commission Meeting – March 14, 2018

Conditional Use Permit – Pine County Government Center

The City received an application for a Conditional Use Permit (CUP) from Pine County for the construction of a new 12,000 square foot office building on their site, 1610 State Highway 23 North. The property is currently zoned Large Lot Rural. The Future Land Use Map shows it's proposed zoning to be Industrial. Neither wetlands nor floodplains are of concern.

Public administrative facilities are allowed in the Large Lot Rural District with a CUP. Although this property has been used for public administrative facilities, there had never been a CUP process.

A notice of the Public Hearing was published in the 3/22, 3/29 and 4/5 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 from the public have been received.

The Planning Commission held the Public Hearing on April 11th, Commissioners made the following findings:

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 appearance **will not** have an adverse effect upon adjacent residential properties.
4. The use **is**, in the opinion of the Planning Commission, 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.

The Planning recommends the City Council approve the Conditional Use Permit for Pine County to construct a new 12,000 square foot building at 1610 State Highway 23 North based on the stated findings, with the following conditions:

- (a) Lots 45.0056.000 and 45.5530.000 must be combined; and
- (b) There must be adequate exterior lighting on the building and for the parking lot.

Motion Franklin, second Devlin to approve the Conditional Use Permit for Pine County to construct a new 12,000 square foot building at 1610 State Highway 23 North based on the stated findings, with the following conditions: (a) Lots 45.0056.000 and 45.5530.000 must be combined; and (b) There must be adequate exterior lighting on the building and for the parking lot. Motion carried 5-0.

Whole Community Disaster Planning

Administrator George reported that she, Commissioner Steve Palmer, and Council Member Val Palmer recently attended a Whole Community Long-Term Recovery from Disaster Workshop offered by the Initiative Foundation. The purpose of the workshop was to prepare local community leaders to lead their communities through long-term recovery from disasters, both natural and manmade. Long-term recovery is the term used to describe the efforts that need to occur after all the emergency response people have left the disaster area. A core team has been assembled: Steve Palmer, Val Palmer, Kathy George, Pete Spartz, Tim Franklin, Brandon Devlin, Cassie Gaede, Reese Frederickson, Randy Riley, Kris LaBounty, Pastor Kim Sturtz. The next training will be 7 hours on June 2nd.

Other Planning Commission Updates

The Planning Commission continues to work on updating the zoning code. The Historic Downtown District was the focus of the April meeting. One of the Council Members questioned the placement of a small engine repair shop in a residential district. He also questioned allowing Air B&B's. These comments will be relayed back to the Planning Commission. As long as the language is being updated, a Council Member noted that there is mention of a TV/Radio repair shop – wording that is somewhat outdated. Council Members were encouraged to follow along with what is being done in the Planning Commission and continue to express their opinions. A joint Planning Commission / City Council meeting will be held once the draft Zoning Code has been completed.

Park & Rec Commission Meeting – April 13, 2018

The Commission members participated in a brain-storming session. Each member was asked to identify their top 5 priorities for all City Parks and their top 5 priorities for Robinson Park. Discussion will continue at the next meeting.

Spring cleanup for the parks took place last week. The turn-out at Robinson Park was very good, with about 15 participants. About 20 Girl Scouts and leaders worked on Angle, Train, and Johnson Parks.

Arts in the Park will be on Tuesdays in June. The food, music and events are being lined up.

EDA Meeting – April 25, 2018

The EDA received the first quarter report on the Wild River Townhomes and Senior Apartment properties from Lorien Mueller, Senior Director of Property Management with Great Lakes Management Company. Occupancy in the Senior Apartments was 98%. It was 87% in the Townhomes due to some evictions. Overall, operating expenses were over budget at this time due to various reasons. Capital projects for this year include lighting upgrades in the townhomes and parking lot repairs at the Senior Apartments.

The EDA learned that One Roof Community Housing has decided not to include Sandstone in their application for funding this year. They had originally planned to develop 4 new homes in town; however,

they have determined that it would be difficult for them to successfully develop new homes and price them at a level that would differentiate them from the rest of the market. One Roof is willing to explore possibilities for the 2019 grant round.

The EDA considered a Community Economic Development Loan Application from Mike Reilly, who would like to purchase the Kettle River Laundromat on a contract for deed from Phil and Lucy Kester. The loan was denied at this time because a local financial institution is not involved and some other loan guidelines were not met. Reilly was encouraged to reapply once he addresses these items.

One of the Council Members asked for a clarification regarding the terms “private lender” and “local financial institution”. Both terms are used in the guidelines, which the EDA has directed Staff to work on updating/clarifying.

PeopleService Report – April 2018

There was a sewer backup at 209 Minnesota Street due to buildup of grease/solids in manhole #127. The blockage was cleared. Lift Station #3 was plugged with rags/wipes again. Check ball valves were replaced in Lift Station #2. Eight water meters were installed.

Library Report – April 2018

Librarian Jeanne Coffey reported that 69 kids attended four story time sessions. The two book clubs had 18 participants. 1,275 patrons visited the Library and 285 reference questions were answered. In addition, the library sponsored a Teddy Roosevelt interpreter who had the council meeting room packed to the point that people had to be turned away who could not stand for the hour long presentation.

Financial Reports

The Council reviewed the Cash Balance, Revenue & Expenditure Report for March and the A/P Clerk Claims – April 4, 2018 through May 2, 2018.

Motion Palmer, second Spartz to approve the financial reports and pay claims. Motion passed 5-0.

WRITTEN NOTICES AND COMMUNICATIONS:

A letter of thanks from the Old School Arts Center (OSAC) was received for the annual contract and the coloring book contribution from the Fire Department.

It was noted that no one has stepped forward to spearhead Quarry Days as of yet. Mayor Spartz thanked the Council for sending him to the Mayor’s Conference in Perham.

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

Follow Up Items from April 4 Council Meeting

Auto Value – Mora delivers; the City will stock up on items when they are on sale

Water Sample Analysis – 408 Park Ave; all levels are normal

Tax-Forfeited Land Sale – 3 properties have been requested, asking for an expedited process

Spring Newsletter

Came out on Saturday – lots of positive comments have been received

New Copy Machine

The Copy machine has been upgraded and the City is saving about \$20/month

Street Department Matters

Sweeper repairs were necessary to replace a leaking pump = \$6,716.05

Summer worker Larry Vork is returning for the season

The crew has been busy picking up trash, grading alleys and gravel roads, patching potholes, worked on a frozen culvert (Washington), fixed a sink at City Hall, checked the auto door opener for the Library, removed a dead deer in the park and repaired a washout at a storm drain (8th & Park)

Rags in Sewer

Problems continue at the Quarry Place lift station

Staff will be talking with Essentia and Golden Horizons regarding permanent solutions

Inspection Services

The City is contracting with Richard Droting directly as our Building Official; rather than contracting through Pine City

Pine City held interviews for a Safety Officer (Rental Inspector), an offer has been made, waiting for a decision

Lights in Alleys

Staff continues to work with MN Power to add 2 lights in the downtown area:

Behind 318 Main Ave (Arlen Kranz) – MN Power is redoing the existing pole and adding a street light on a 14-foot mast arm

Still exploring options for the next block north, as it is complicated

Small Cities Development Program Update

Owner-occupied homeowner projects – inspections have been requested on 5, bids are being taken on 2, final paperwork is being completed on 2; 4 applicants have been denied for various reasons; Staff is looking into the possibility of extending the target area

Commercial projects – final paperwork is being completed on 1, eligibility is being determined on 1; the Administrator plans to personally deliver applications to commercial businesses in the target area

Board of Appeal and Equalization Meeting – April 19

Major Spartz and the Administrator attended – no Sandstone property owners attended

Consider taking the meeting back to the Council level – on June's agenda

Bridging Divides Workshop – April 26

Conflict Resolution Strategies

The Administrator will be gone until next Thursday, attending the Minnesota City/County Managers Association (MCMA) Conference and the Housing Institute.

ADJOURN

Motion Kester, second Spartz to adjourn at 8:04 p.m. Motion carried 5-0.

Peter Spartz, Mayor

Kathy George, Administrator