

Sandstone City Council Meeting Minutes
May 15, 2019

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 with SEH, Fire Chief Andy Spartz, Mike Bubany with David Drown Assoc., Sandstone Township Supervisor Gary Hinsch, Sandstone Township resident Alissia Kreger, Sheriff's Deputy Zachary Bettschen

PLEDGE OF ALLEGIANCE:

Council, guests and staff recite pledge of allegiance.

ADDITIONS OR CORRECTIONS TO THE AGENDA

Motion Franklin, second Devlin to approve the agenda while moving the Fire Department and Sheriff's Department reports to the beginning of the meeting. Motion carried 5-0.

PETITIONS OR COMPLAINTS BY RESIDENTS AND/OR COUNCIL MEMBERS:

Major Spartz reported that the bear is back in town. He has been spotted in the Palisade area. If you live in the area, it would be a good idea to bring in the bird feeders at night and be careful of the trash.

Administrator George reported on calls that staff has received: Government Road & Washington Street potholes; blocked culvert on Washington; and City brush pile.

PUBLIC HEARING:

Summary Enforcement – 422 Court Avenue North

The Public Hearing was opened. Staff has been trying to get this property cleaned up since last fall. The Sheriff's Deputy issued a citation, but the property owner hasn't shown up for the court date. The matter just gets continued, with no resolution. Administrator George has now served the property owner with a Notice of Intent to Terminate and Abate nuisance, which states that the matter will be on the Council agenda. No comments were received from the public. The property owner was not present. The Public Hearing was closed.

Motion Devlin, second Palmer to approve designating the property at 422 Court Avenue North a nuisance and instructing staff to move forward with cleanup, and billing the property owner for the expense. Motion carried 5-0.

Intent to Issue GO Capital Improvement Plan Bonds and Proposal to Adopt a Capital Improvement Plan

The City has been pursuing two building improvement projects: City Hall Boiler, and Fire Hall Building Improvements. The plan is to finance the projects through the MN Rural Water Association, MIDI Loan program. General Obligation bonds are still issued, but by going through Rural Water, the City saves on time and lower issuance costs than a typical GO Bond process.

At the April 17th Council Meeting, the Council reviewed the bids that were received for the projects. After discussion, it was decided to reject all bids received and re-bid the projects separately, not together as

one project. This process is currently underway, with bids due on May 30th. In the meantime, the Council approved moving forward with the process to issue the GO CIP Bonds so that everything is in place should the Council decide to move forward with the projects after seeing how the bids come in.

The Council called for a public hearing on the Capital Improvement Plan and on the issuance of GO CIP Bonds. The Public Hearing notice was published in the April 25th edition of the *Pine County Courier*. It was also posted on the City website on May 2nd and on the City Bulletin Board.

Motion Franklin, second Spartz to open the public hearing for the Capital Improvement Plan document at 6:27 p.m. Motion carried 5-0.

Mike Bubany with David Drown Associates was at the meeting to explain the process of acquiring funds through the MN Rural Water Association and answer questions from the Council. He explained that the options for borrowing money to improve fire halls and city halls are very limited and it is more difficult than other city improvements. There is a 30-day window after adoption of the plan during which the voters can submit a petition opposing the borrowing. Bubany stated that, since the City rejected the previous bids and the projects are currently out for bid, he would hold off on issuing the bond until after the required bond amount is known.

Motion Franklin, second Palmer to close the public hearing at 6:34 p.m. Motion carried 5-0

Motion Palmer, second Franklin to approve Resolution No. 20190515-01 giving preliminary approval for the issuance of the City's General Obligation Capital Improvement Plan Bonds and adopting the City of Sandstone Capital Improvement Plan 2019-2023. Motion carried 5-0.

The Council also set a Special Council meeting for Wednesday, June 5th, at 5:00 p.m. to consider the bids for the City Hall and Fire Hall projects.

CONSENT AGENDA:

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

- **April 17, 2019 Regular Council Meeting minutes,**
- **Revised Position Description: Deputy Clerk and**
- **2019-2020 Liquor License Renewals**

Motion carried 5-0.

OLD & CONTINUING BUSINESS:

Water Loop Project

SEH Engineer Greg Anderson came to the meeting to discuss the ongoing water projects, specifically the planned route for the proposed water loop project. Essentially, six options have been reviewed recently. Four options were presented to the Council. There was discussion regarding which of the residents and businesses would want to have City water hookups. The Council discussed where expansion might occur in coming years. All of the options are close regarding costs.

The City applied to the Minnesota Department of Employment and Economic Development (DEED) for a grant from the Minnesota Small Cities Development Program, which is funded by the Department of Housing and Urban Development (HUD). The City's grant was approved in the amount of \$374,000.

Anderson pointed out that if the City doesn't need to do these improvements now, it could go forward with the water pump improvements and second line to the water tower. The Council countered that looping the hospital and the assisted living or providing them with an additional source of water was the primary concern. Anderson stated that, depending on which route was chosen, more time would be needed to revise the plans and specifications for the desired route. After much deliberation, Council Members felt that the route that went down to Airport Road and then over to Lundorff Drive was the only "true" loop option presented.

Motion Devlin, second Spartz to approve Airport Road to Lundorff Drive route for the Water Loop Project. Motion carried 5-0. Anderson will then proceed this year with the other water projects, and he will inform the Minnesota Public Facilities Authority that the water loop project will move forward in the year 2020.

Purchase of John Wright Building

The City has been negotiating with the County for the purchase of the John Wright Building. An agreement has been reached between the two parties, with the following terms:

Purchase price: \$125,000

Payment Terms:

- \$1,000 due upon acceptance of the Purchase Agreement;
- \$24,000 due at closing;
- the remaining \$100,000 will be financed with a 5-year Contract for Deed at 0% interest;
- payments on the Contract will be \$10,000 starting July 1, 2019 and each year thereafter for 5 years.
- A \$50,000 balloon payment will be due after the 5-year Contract.
- This balloon payment can be financed with another 5-year Contract for Deed.

Minnesota Statutes 412.221, subdivision 2, states that the contract for deed cannot exceed a period of 5 years. The purchase includes parcel #45.5588.000 and part of 45.5587.000, as previously discussed. The City plans to use this building for the Streets & Parks Department and for other community purposes. The current Streets & Parks Department building will be offered for sale once the operation is moved into the John Wright Building.

Administrator George stated that the Planning Commission reviewed the purchase to determine if the proposed use would be in compliance with the City's Comprehensive Plan. They determined that the use for the Streets & Parks Department would be in compliance; however, they noted concern with the vague reference to various community purposes and how that use might conflict with industrial / City maintenance activity.

The City Attorney has reviewed the Purchase Agreement and the Contract for Deed documents. She stated that the Council should be advised that the City cannot remove the building on the property or make any substantial changes to it during the term of the contract for deed without the County's permission.

Staff enlisted the services of Steve Quint, National Property Inspections, to conduct a General Commercial Property Inspection of the building. His fee for this service is \$1,200. Quint provided a 59-page document

detailing his inspection. There was no environmental inspection done as some of the council assumed would be done. The school shared the study done for them on the mold issue.

Motion Franklin, second Spartz to approve the purchase of the John R Wright building with the proposed payment terms. Motion carried 5-0.

NEW BUSINESS:

Robin Street - Road Maintenance Agreement

In 2016, the City entered into a three-year Road Maintenance Agreement with Sandstone Township for Robin Street. The main purpose of the agreement was to clarify and create an equitable division of the financial and maintenance responsibilities for this shared road (the north side of the road is in the Township and the south side of the road is in the City).

Mayor Spartz and Administrator George attended the May 2nd Township meeting to discuss the arrangement. The Township agreed to renew the contract with the Township being responsible for grading and snow plowing effective April 1, 2019, and the City taking their turn effective April 1, 2020, and switching back and forth each year. The Township also agreed to make the agreement indefinite, renewing automatically April 1 each year. Either party may cancel the contract with a 60-day written notice.

At the Township meeting, Township Board Members expressed interest in working out an agreement with the City regarding Old Military Road and Airport Road. Currently, the Township is responsible for maintaining OMR from the City limits to Taylor Road, which is a distance of approximately 2.5 miles. The City is responsible for OMR to the City limits, Lee Greeley's driveway. There is a stretch of OMR that is inside the City limits, but is gravel. The Township has been maintaining this stretch, since they have the rest of OMR. During discussion with Township Supervisor Gary Hinsch, it was revealed that the City and Township crewmembers had made their own agreement to swap Robin Street for this gravel section of OMR. With the change in staff for both entities, this unwritten arrangement has fallen by the wayside.

Additionally, the City maintains Airport Road, which has a section of approximately a quarter of a mile that is located in the Township. It doesn't make sense for the Township to maintain this quarter of a mile when the City has the road both before the Township section and after the Township section.

All agreed with the proposed Road Maintenance Agreement for Robin Street. Further agreement was reached regarding Old Military Road – the City will maintain their portion (including the gravel portion in the City) and the Township will maintain their portion. With regard to Airport Road, the City will continue to maintain the quarter of a mile section that is in the Township. Administrator George will put this in writing for clarification and share it with the Sandstone Township Board.

Motion Devlin, second Palmer to approve the Road Maintenance Agreement with Sandstone Township regarding Robin Street with the amended language to make the agreement indefinite. Motion carried 5-0.

Robin Street - Petition for Local Improvement

City staff received numerous complaints this year regarding the poor condition of Robin Street. This is not uncommon, especially in the spring as it is difficult to maintain gravel roads to the level that urban

residents and taxpayers are accustomed to. Staff typically has to wait until after the spring thaw to start grading the road. Any fill placed before this time will simply wash away in the ditches. In the meantime, residents have to endure the difficult surface as they travel to and from their homes.

The City was approached by property owner Alissia Kreger, asking what could be done to improve this road. Kreger was informed of the process to Petition for Local Improvement. Kreger then obtained signatures on a petition form, asking that the road be improved by blacktopping. Five property owners signed the petition, representing 45% of the frontage abutting Robin Street. About half of the five petitioners represent the Township side of the road, and half represent the City side.

According to Minnesota Statute 429.031, at least 35% of the property owners abutting the road need to sign the petition in order for the City to proceed with a Feasibility Study to determine what the improvement would entail, what the estimated cost would be, and how the costs would be assessed to the property owners. Property owners then vote on whether or not they want to proceed.

The Petition was presented to the Township at their May 2nd meeting. Town Board Members were not in favor of paving the road, noting that they have gravel roads all over the Township and they cannot afford to pave them. If they approved this one, others will also want their road paved. The Township did agree to look at the road and, since then, are making arrangements to apply about 24 loads of gravel on Robin Street, in accordance with the Road Maintenance Agreement previously discussed.

Staff has heard from some of the petitioners, and they are not satisfied with the Township's response. They would like to move forward with a feasibility study to determine what the costs would be to pave the road. In speaking with SEH Engineer Greg Anderson, the estimated cost of the feasibility study is \$4,000.

The Council discussed the other projects that the City has been waiting to do in town. Some of the Council Members voiced their opinions regarding the annexation of that portion of the township. The Council Members would like to know if the home owners are aware of the possibility of annexation.

Motion Devlin, second Kester to deny paying for a feasibility study on black topping Robin Street. Motion carried 3-2 with Devlin, Kester, and Palmer, aye; Spartz and Franklin, nay.

Ordinance No. 20190515-01 Establishing Licensing and Regulations for Mobile Food Units and Food Carts
The EDA has been discussing Mobile Food Units and Food Carts since November, 2018. The topic came up during discussion on how to bring more business to the downtown area. Since that time, staff and the EDA have been working on a proposed ordinance regarding Mobile Food Units and Food Carts. The request was made to have it apply only to City owned property. The final draft is hereby presented to the City Council for consideration.

According to Minnesota Statute 415.19, cities must publish the text of any new or amended ordinances at least 10 days before a final vote by the Council. To satisfy this requirement, the City can post the draft ordinance on the City Bulletin Board and/or post the draft on the City website. Tonight would be the first reading of the ordinance. It will be on the next City Council agenda for consideration.

REPORTS:

Sheriff's Deputy Report – April 2019

Deputy Bettschen's is returning as the Sandstone car for the Sheriff's Department. Today is his first day back. Council discussed ongoing concerns and reviewed the activity report.

Fire Department Report – April 2019

Fire Chief Spartz came to the meeting to report and answer questions. The Department had 7 calls during April: 2 medical assists, 1 motor vehicle accident, 1 power line down, 1 false alarm, 1 grass fire, and 1 forest fire.

Chief Spartz talked about the recent and future training. The home at 310 Park has been used for training and will be burned sometime this summer or early fall. The burn plan will take about 8 weeks to complete and will include several departments other than Sandstone.

Fire Department Relief Association Meeting – April 22, 2019

Mayor Spartz went over the Relief Association Meeting and reported the current general fund balance is \$4,865.58, the special fund is \$233,816.10 and the expected tax refund of \$7929.99, bringing the total valuation to \$246,611.67. The negative net change was due to a retirement. The audit came back and there were no concerns.

Library Report – April 2019

Librarian Jeanne Coffey reported that several activities had to be canceled or rescheduled due to the April snowstorm. There were 265 answered reference questions and 1,280 patrons visited. Plans are under way for the Summer Reading Program.

EDA Meetings – April 24, 2019 and May 1, 2019

The EDA heard the financial report from Great Lake Management regarding the Wild River properties, approved an agreement with the Northern Bedrock Historic Preservation Corps for helping clean up the interior of the Rock, approved a brokerage agreement to offer the Wild River Senior Apartments for sale, and approved a Phase 1 Environmental Study for the business park. The EDA met with the seniors from the Wild River Senior Apartments during which the property sale was discussed. Residents raised other questions as well; such as, what is the plan for The Rock, why doesn't the City demolish all of the vacant buildings downtown, what is the City doing to promote economic development, and what does EDA mean. There was good discussion and interaction between all present. Residents were encouraged to contact Administrator George with any additional questions they may have.

Planning Commission Meeting – May 8, 2019

The Planning Commission received Tim Franklin's report, "The Consideration of a Heritage Preservation Commission for the City of Sandstone". There were those on the Commission who were in favor of forming a historic preservation district. The Commission continues to work on updating the zoning ordinance; focusing on the RV section and manufactured home parks. According to Minnesota Statutes 462.356, any property that the EDA acquires or disposes of should be reviewed by the Planning Commission to determine if the action is in line with the City's Comprehensive Plan. They discussed the potential disposal of the Wild River Senior Apartments and Townhomes and the potential purchase of the John Wright Building.

Park & Rec Commission Meeting – May 10, 2019

The Park Commission has been looking at City Code 960 regarding special events. They are working on a list of things that need to be done at Lion's Hill. Staff has been looking for contractors to shore up the base of the gin pole. The KREEC Site was discussed. The kiosk project in the Train Park is coming to a close. The hockey rink boards at Angle Park are being offered for sale on the Public Surplus auction site. A sign is being made for Eagle Field. Arts in the Park starts on June 4th – Tuesdays in June from 6-8 p.m. at Train Park.

Special Event Permit Application – Sandstone Evangelical Free Church

The City received a Special Event Permit Application from Cheryl Stafne on behalf of the Sandstone Evangelical Free Church. They propose to host "Family Fun in the Park" at Train Park on June 13, July 11, and August 15 (Thursdays) from 6:00 – 7:30 p.m. They estimate there will be 50 attendees each night. They plan to provide hotdogs, chips and lawn games. The Park Commission recommends approval of the application.

Motion Franklin, second Palmer to approve the special event permit for the Sandstone Evangelical Free Church to host Family Fun in the Park on June 13, July 11, and August 15. Motion carried 5-0.

Special Event Permit Application – Elm Creek Ward of The Church of Jesus Christ of Latter Day Saints

The City received a Special Event Permit Application from Reed Taylor on behalf of the Elm Creek Ward of the Church of Jesus Christ of Latter Day Saints. They would like to camp at Robinson Park with their church youth group on June 21st – 22nd (Friday and Saturday). They estimate about 15 attendees. They also plan to go rafting and do some rock climbing. They are interested in doing some type of service / small jobs in the park as well. The Park Commission recommends approval of the application with the following conditions:

- Fires are only allowed in fire pits, as follows:
 - 1 existing fire ring across from the bathroom by the picnic pavilion
 - 3 existing fire rings in the camping areas
- Cutting of trees for firewood is not allowed;
- Designate an area for vehicle parking, with signage;
- Portage only to camp sites – no vehicles;
- The Sheriff's Department should be made aware of the event.

Motion Franklin, second Palmer to approve the special event permit for the Elm Creek Ward of The Church of Jesus Christ of Latter Day Saints for group camping at Robinson Park June 21-22 with the stated conditions. Motion carried 5-0.

Rental Inspection Report – April 2019

Rental Inspector Luedtke will be meeting with the Sheriff's Deputy on May 22nd to issue citations to rental property owners for non-compliance regarding registration. Building Official Drotning will be looking into the building at 1122 State Highway 23 N which contains a duplex & mobile home to determine the habitability of the mobile home. The owner may have to gain compliance through the condemnation process. Council Members would like to see more detail in the monthly report – names, addresses, issues.

Building Inspection Report – April 2019

There were three building permits issued in April with six on-going building projects and five on-going Right of Way projects.

Streets & Parks Supervisor Report – April 2019

There was both snow plowing and street sweeping during the month. The crew has been clearing dead trees and brush in the cemetery to prepare for Memorial Day. The plows are off the trucks for the season. Administrator George and S&P Supervisor Hiler have been discussing the possibility of moving the compost pile to south Pine Ave near the waste water treatment facility. There was a fire that had to be put out by the fire department. And, when the pile is burned, the smoke is a nuisance for area businesses at the current location.

Hiler would like to offer the 1999 Chevy 1500 on public auction as the rear frame support has separated from the main frame. The consensus was yes, offer it on public auction. He has found and purchased a 2005 Chevy that came to Minnesota from California. He was able to purchase it for \$15,543 to replace the 1999 Chevy. The pothole patcher is in bad shape due to age and neglect. Hiler reported that it would cost more to fix it than to purchase a new one; therefore, he has ordered a new one. He would like to offer the old pothole patcher on public surplus as well. Consensus of the Council was to try and sell the old one.

Other pieces of equipment have been welded and repaired in house – the 1998 Ford F450, the 1986 Ford 8000 Plow/Dump Truck, the John Deere Tractor, the Back-Hoe/Loader. Hiler received a quote for work needed on the grader. The rear front axle seals leak, lights need repair, rebuild blade shift cylinder and power steering cylinders. The total quote is \$11,787. However, the crew has been able to order parts and do some of the work in-house. The only thing that will have to be sent out are the repairs to the main axle seals, which will be approximately \$6,000.

Safety Committee Report – March 28th, 2019

The Regional Safety Group meets quarterly. April training covered Traffic Control Work Zone Safety and Heat Illnesses. Members of the group include Sandstone, Hinckley, Pine City, and Rush City.

PeopleService Report – April 2019

Hydrant flushing schedules are on the website and perhaps published in the paper. The televising report for the line in Highway 123 was given to SEH Engineer Anderson; this has to do with MN DOT's upcoming project. Lift station #1 was backing up into the manhole. They found pieces of clay pipe of unknown origin when it was pumped.

Financial Reports

Motion Franklin, second Palmer to accept the April Cash Balance, Revenue & Expenditure Report and to pay Clerks Claims for April in the total amount of \$632,461.31. Motion carried 5-0.

WRITTEN NOTICES AND COMMUNICATIONS:

Thank You letter from Old School Arts Center for the \$1,000 contract the City previously approved.
DNR Information Sheet specific to Pine County.

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

- CW Technology – Server upgrades needed at City Hall
 - Hardware, installation and licensing comes to just under \$16,000
- Sewer Rodder
 - Sold on Public Surplus Auction site for \$510
 - Conducting an audit of the replacement fund to determine the amount that should be sent to the City of Hinckley
- Petition for Union Unit Clarification
 - Briefs from both sides were submitted and the City is waiting for the mediator’s decision
- T-Mobil Lease
 - T-Mobile is adding a generator at the water tower location, which will increase the leased area
 - Negotiating an amendment to the lease
- Mondays in May
 - May 6th was Metal Monday – the crew collected about 8 tons
 - May 13th was Tires – the crew collected 9.8 tons. There were two residents who abused the system. George sent letters out to both regarding the charges that were accrued by the City. If the residents don’t cover the charges, they will not be allowed to participate in the future collections.
 - May 20th is Miscellaneous household items – no electronics, hazardous materials, household garbage, or items from previous weeks

ADJOURN

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

Peter Spartz, Mayor

Kathy George, Administrator