

**Sandstone City Council Meeting Minutes**  
**May 19, 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, Alaena White with Pine County Courier, Pine County Land & Resource Manager Caleb Anderson

**PLEDGE OF ALLEGIANCE**

**ADDITIONS OR CORRECTIONS TO THE AGENDA:**

**Motion Gaede, second Riley to approve the Agenda with the change of moving Consent Agenda Item 7(e) LMCIT Monetary Limits on Municipal Tort Liability to New Business Item 8(c). Motion carried 5-0.**

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

**MEMBERS:** Staff and Councilors received comments regarding the chlorine taste in the City's water. Positive comments were received regarding the Mondays in May clean-up efforts. The American flag at City Hall has been hanging by one corner; Councilors would prefer to have the flag taken down until the flag pole can be repaired.

**PUBLIC HEARING/ PRESENTATIONS:**

New Liquor License – SandRocks, LLC

The City Council is asked to consider the approval of 3.2 on-sale, Sunday, on-sale wine and strong beer licenses for SandRocks LLC, dba SandRocks effective July 1, 2021. SandRocks LLC, dba SandRocks, will open a restaurant at 421 Commercial Ave N. Notice of the Public Hearing was mailed to all property owners located within 500 feet of the property.

**Motion Riley, second Palmer, to open the public hearing at 6:03 p.m. Motion carried 5-0.** Mayor Spartz called for comments from the public. SandRocks, LLC partners Rachel Hansen and Charlie Gustafson were present to explain their new business and answer any questions. No comments from the public were received. **Motion Spartz, second Gaede, to close the public hearing at 6:08 p.m. Motion carried 5-0.**

**Motion Palmer, second Riley, to approve the 3.2 on-sale, Sunday, on-sale wine and strong beer licenses for SandRocks, LLC, dba SandRocks, effective July 1, 2021. Motion carried 5-0.**

Resolution No. 20210519-01 Certifying Unpaid Charges

Notice of the Public Hearing was published in the *Pine County Courier* and mailed to the affected property owners. The City is proposing to assess three property owners for unpaid charges related to fire calls at their properties.

**Motion Gaede, second Rahier, to open the public hearing at 6:10 p.m. Motion carried 5-0.**

Assessments are proposed against the following properties:

| Parcel ID   | Property Owner                                   | City Service | Total     |
|-------------|--|--------------|-----------|
| 45.0021.001 | Matthew & Jennifer Anderson – Anderson Recycling | Fire Call    | \$402.50  |
| 45.0101.005 | Minnesota Power                                  | Fire Call    | \$765.00  |
| 12.0114.000 | William Kensity Jr.                              | Fire Call    | \$1215.00 |

Mayor Spartz called for any comments from the public. No comments were received. **Motion Gaede, second Rahier, to close the public hearing at 6:13 p.m. Motion carried 5-0.**

**Motion Palmer, second Spartz, to adopt Resolution No. 20210519-01 Certifying Unpaid Charges as presented. Motion carried 5-0.**

**CONSENT AGENDA:**

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

- a. **Meeting Minutes: April 20, 2021 Special Council Meeting**
- b. **Meeting Minutes: April 21, 2021 Regular Council Meeting**
- c. **Cemetery Deed: Philip Keller**
- d. **Liquor License Renewals contingent on background check results and receipt of all fees, including taxes, and documents.**

**Motion carried 5-0.**

**NEW BUSINESS:**

Special Event Permit: Sage Knopik & Jodi Fisher

The City received a Special Event Permit Application from Sage Knopik & Jodi Fisher to hold Sage’s graduation celebration at Train Park on June 12<sup>th</sup> from 3:00 – 8:00 p.m. Knopik is graduating from High School. Fisher is an adult. Food is being provided by the family. People may bring their own alcohol to consume themselves. Liquor and beer are prohibited in City parks, unless a Special Permit is approved by the Council. **Motion Spartz, second Riley to approve the Special Permit to allow individual participants to bring and consume their own alcohol while attending the graduation celebration at Train Park on June 12<sup>th</sup> from 3:00 – 8:00 p.m. Motion carried 5-0.**

Rental Inspection Services Contract

The City was notified that Pine City is terminating the Service Contract for Rental Inspection Services that they have with the City due to employee turnover and growing workloads in their office. The City was in the process of advertising for the new position of Community Service Partner. After discussing this with the Personnel Committee, all agreed to add the duty of administering the City’s Rental Inspection program to the CSP Job Description. There are no specific State licensing or training requirements for Rental Inspectors; however, training opportunities do exist. With the addition of the rental inspector duties, the Personnel Committee also decided to advertise the CSP position as full-time.

**Motion Riley, second Rahier, to approve the termination of the Service Contract with Pine City for Rental Inspection Services effective June 28, 2021. Motion carried 5-0.**

**Motion Palmer, second Gaede, to approve the revised Community Service Partner Job Description, adding the duty of administering the City’s Rental Inspection program. Motion carried 5-0.**

LMCIT: Monetary Limits on Municipal Tort Liability

LMC Member cities who obtain liability coverage from the League of Minnesota Cities Insurance Trust (LMCIT) must decide whether to waive the statutory tort liability limits to the extent of the coverage

purchased each year. **Motion Spartz, second Riley, not to waive the monetary limits on municipal tort liability established by Minn. Stat. 466.04. Motion carried 5-0.**

## **OLD & CONTINUING BUSINESS**

### Caleb Anderson – Central Pine Recycling Center

Previously, the City entered a Memorandum of Agreement with Pine County to allow them to use parcel 45.0021.000 (located on the corner of Robin Street and State Highway 23) until November 1, 2021 for the Central Pine Recycling Center. The County began taking recycling material in January 2021. Caleb Anderson, Pine County Land & Resource Manager, attended the meeting to talk to the City about potentially entering into a long-term lease or extending the Memorandum of Agreement. Anderson stated that the County has looked at other properties for the recycling center; however, the City lot is working out well. Councilors stated that they have received positive comments as well and like having the service available in town. Anderson has thought about expanding the service to accept TVs, tires and mattresses. Council Members were supportive as long as these items don't compete with the neighboring business. Anderson will work with the County Attorney to either extend the MOA or draft a lease document for a 3-year term. The document will be brought back to the Council for final approval.

### SEH Engineer Greg Anderson - Updates

Anderson updated the Council on the Waterloop Project, which is currently under construction. He reported that the water main has been installed to the railroad tracks. Casing under the railroad tracks should take place next week. The water main is now available to the two property owners on Creekside Lane. The property owners are responsible for hooking up and running the service lines to their homes. Councilors noted concerns with Airport Road, especially with the recent rains. Anderson stated that the SEH inspector will be in town tomorrow and will check it out. Council Members asked Anderson to look into the cost of placing red rock on the road. A reclaim mix with gravel was used on Old Military Road.

Anderson presented Application for Payment No. 1 on the 2020 Water System Looping project in the amount of \$329,210.72. This amount represents 43% of the work completed and material on hand with 5% held for retainage. **Motion Palmer, second Spartz, to approve Payment No. 1 to New Look Contracting, Inc. for the 2020 Water System Looping project in the amount of \$329,210.72. Motion carried 5-0.**

Anderson then provided an update on the Wells and Tower Upgrade Projects. The packet of documents approved by the Council last month have been submitted to DEED. The Request for Release of Funds is expected to be approved on or about May 31<sup>st</sup>. The plans and specifications will be submitted to DEED for review/approval next week. Construction plans were reviewed with City staff. Anderson requested authorization to begin the advertisement for bids upon DEED's approval of the plans, since the approval is expected before the June Council meeting. He would like to start advertising for bids in early June. DEED will then review the low bid received and Anderson will bring the bids to the July Council meeting for approval. **Motion Riley, second Gaede, to authorize SEH to advertise for bids on the Well Upgrades and 2<sup>nd</sup> Water Main to Tower Project upon DEED's approval of the plans and specifications. Motion carried 5-0.**

Anderson was asked about markings in town that perhaps relate to the 2020 Street Improvement Project. Anderson confirmed that's what they are for and stated that the contractor will be back to make some repairs and to re-seed the area.

Anderson also noted that the Washington Street Sewer Repair project will be reviewed to see if the retainage can be paid out and the project closed.

#### MN DOT Hwy 123 Project: Quit Claim Deed

The City received a Quit Claim Deed for consideration from MN DOT regarding an easement the City owns over a portion of property that is owned by a private party. The easement is for a drainage culvert. The Quit Claim Deed is for part of Lot 7, Block 10, Sandstone Quarries, and is located adjacent to the alley and 3<sup>rd</sup> Street at 302 Main Avenue North. The Quit Claim Deed covers 300 square feet.

MN DOT is not offering any financial consideration to the City, as they are purchasing right-of-way from the private property owner. The easement will remain on the property, with the City maintaining responsibility for the drainage culvert. Councilors asked if this Quit Claim Deed will make it more difficult for the City to maintain the drainage culvert in the future. They also asked, if the culvert is blocked, who will clear it out. Administrator George will follow up on this and report back to the Council.

#### 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 approved by BNSF.

#### **Motion Palmer, second Spartz, to approve the Lease Agreement with BNSF for the use of the former Street Shop property at 54366 County Highway 61. Motion carried 5-0.**

Councilor Palmer asked if the annual lease payment could be placed in a fund for building maintenance. This will be discussed in an upcoming budget work session as the Council starts working on the 2022 budget.

#### Adventure Academy Day Care Center

Mindy Leger is very interested in working with the City to get the day care center up and running. She has prepared an Independent Childcare Center Consultant Agreement for consideration. She would pick up where Anna Reiser left off and focus on licensing, employee relations, board creation, financial responsibilities, creating a business plan, marketing and fundraising. For these services, Leger would be paid by the City \$22.50 per hour. She is also interested in assuming the role as Executive Director when the time comes.

Councilor Gaede has been in touch with Reiser, who will turn over all of the documents for Adventure Academy. With regard to the Bank Account that was set up at Members Co-Operative Credit Union, the previous authorized signers' names will have to be removed. New authorized signers would be Malinda Leger, Cassie Gaede, Julena Rahier, and Kathy George.

#### **Motion Palmer, second Gaede, to approve the Independent Childcare Center Agreement with Malinda Leger. Motion carried 5-0.**

**Motion Palmer, second Riley, to remove Anna Reiser, Penny Reiser, Jenny Sundermeyer, and Malinda Leger as signers on the Members Co-Operative Credit Union Bank Account of Adventure Academy. Motion carried 5-0.**

**Motion Palmer, second Riley, to authorize Malinda Leger, Cassie Gaede, Julena Rahier, and Kathy George as signers on the Members Co-Operative Credit Union Bank Account of Adventure Academy. Motion carried 5-0.**

## **REPORTS:**

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

The Sheriff's Department had 212 calls logged in Sandstone for the month. That compares to 314 calls in 2020 and 199 calls in 2019. Councilors continued discussion on Medical Transport calls at Lundorff Drive. When asked via e-mail, Sheriff Nelson responded that these are calls for service that are generated. A deputy may respond, but most likely not at the hospital. He stated that not every call for service would require a deputy response. In that case, the Council would like those numbers tracked separately on the monthly call log.

### Fire Department – April, 2021

Fire Chief Andy Spartz reported that the Department had nine calls in April; 1 cancelled en route, 1 forest fire, 1 power line down, 2 medical assists, 1 cooking fire, 1 building fire (mutual aid to Askov), 1 gas leak, and 1 false alarm. Training was working up and training for grass fire season.

2022 Fire Formula – In February, the City Council approved the 2022 Fire Formula. That formula eliminated manhours in the calculation and added a 30% distribution deduction for the Townships, shifting that 30% to the City, since the City consistently has roughly 40% of the manhours each year. Since that time, the City has talked with two townships (Dell Grove and Sandstone) who are not happy with the increase to their annual payment. Two additional distribution deduction options for the Fire Formula have been created for discussion purposes; 40% and 50%.

Mayor Spartz reported on his discussions with Dell Grove Township Supervisor Daniel O'Flanagan. O'Flanagan stated that Dell Grove is thinking about going with the Finlayson Fire Department for coverage. Spartz stated that the township is within their rights to switch. The two discussed Mutual Aid Agreements. O'Flanagan shared that Finlayson doesn't include the costs of their building in their fire formula. He is also interested in having a cap on increases from year to year.

Councilors reviewed the 30%, 40% and 50% distribution deduction numbers for comparison and discussion purposes. After discussion, consensus was to revise the 2022 Fire Formula with the 50% distribution deduction. Council Members were not comfortable putting a cap on increases because of the variables involved in the budget and formula. The revised 2022 Fire Formula figures will be sent out to all township representatives tomorrow.

### Library Report – April, 2021

Librarian Josh Menter reported that there were 15 computer appointments, 276 visitors, 144 reference questions answered, and 11 curbside pickups. Virtual Dungeons and Dragons went really well. The Sandstone Friends of the Library met for the first time in over a year. Virtual training was provided to staff at the Federal Correctional Institute (FCI) on library resources, systems, and other library services. Menter reported that starting June 1<sup>st</sup>, the hours will be expanded at the library.

### Park & Rec Commission Meeting – May 14, 2021

- The Park Commission received updates on the Robinson Park Projects – the Cultural Landscape Report and the Phase 1 design phase for the Legacy Grant project. A meeting will be set up in July at Robinson Park so that the Commissioners can provide input into the design process.
- The Commission is discussing the possibility of adding “Quarry” to the name of Robinson Park: *Robinson Quarry Park*.
- The Commission approved a new logo for Panther Park, based on the results of the contest.
- Arts in the Park is set for Tuesdays in June.
- National Night Out will be on Tuesday, August 3<sup>rd</sup>.
- Oktoberfest is scheduled for Saturday, October 2<sup>nd</sup>
- The building at the KREEC site has been demolished.
- Commissioners met with the DNR to discuss extending the Skunk Creek Trail through DNR property.
- Carole Bersin will paint the City logo on the oversized Adirondack Chair that will be placed in Train Park.
- Mayor Spartz is sponsoring a challenge to help raise funds for Panther Park.
- The Street Crew will be trimming back the lilac bushes in Train Park adjacent to the train tracks.

### Building Inspection Report – April, 2021

Harvest Christian School started the demo phase of their project to remodel the former Gateway Clinic property on Lundorff Drive for use as a school. Methven Funeral Home also received a permit to add office walls, a private viewing room, and a bathroom. 6 building permits, 3 maintenance permits, and 2 right-of-way permits were issued during the month. There are currently 8 on-going building projects and 5 right-of-way projects in town.

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

Supervisor Craig Hiler reported that spring street sweeping was completed. More pothole patching was done. Gravel was added to the alley at Commercial/2<sup>nd</sup> Street. Trees were trimmed and brush cleared in Robinson Park, as well as cleaning up in all City parks. The fire alarm and sprinkler systems have been tested and are now in service at the John Wright Building. New smoke alarms were installed in the day care wing. Storm sewer and parking lot work is underway. New signs were installed at the compost site. In addition to routine equipment maintenance and repair, the thermostat housing and gasket, manifold, water pump gaskets, outrigger pads, and grill were all replaced on the 2000 Cat 415D Backhoe/Loader.

### Streets & Parks Summer Helper Position

The City advertised for the temporary Summer Help Position. One application was received from Gerald Erickson. Supervisor Hiler interviewed him and put him to work right away. **Motion Palmer, second Gaede, to approve hiring Gerald Erickson as the Summer Helper for \$13.00 per hour. Motion carried 5-0.**

### PeopleService Report – April, 2021

Operator Alex Leger reported that vendor Total Control worked on the High Service Pump at the Water Plant because it malfunctioned. When discovered, Leger flushed the system. He reported that the pump has been set so this cannot happen again and he is looking at other options to permanently address the issue. Leger has proposed some options to the hospital to address pressure problems and chlorine residual

problems. While the 2020 Water Loop Project contractor was digging on Old Military Road, they cut a drain line that drains the overflow from Aspen Court. Leger coordinated with MPJ to install a new pipe.

#### Financial Reports

**Motion Palmer, second Riley to approve the A/P Clerk Claims – April in the total amount of \$227,616.39. Motion carried 5-0.**

**WRITTEN NOTICES AND COMMUNICATIONS:** None

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

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

- 1986 Plow/Dump Truck relisted for 2<sup>nd</sup> time 3/25/21, closed 4/15/21 with no bids
- Metal time card wall rack listed 3/25/21, closed 4/8/21 with no bids – will be disposed of
- 1963 Caterpillar Grader closed 4/22/21, sold for \$6,000, paid, waiting for pickup
- 2011 Samsung Printer will be listed soon

#### **Small Cities Development Program - Update**

- 125 Commercial Ave was able to take advantage of \$3,900 in funding
- Apparently, Lakes & Pines closed out our grant last October, leaving \$7,800 unspent
- Working with L&P to fund the \$3,900 that was spent after the grant closed
- Plan to apply this fall for a new round to include owner-occupied residential, rental residential, and commercial

#### **American Rescue Plan Act Funding**

- Waiting for additional guidance from the Federal Treasury office
- All indication is that Sandstone will receive about \$300,000
- 50% will be paid in 2021; 50% will be paid in 2022 – within 30 days of the State receiving the funds from the Feds (however, the State plans to apply for a 30-day extension; so, it will probably be 60 days after the State receives the funds that they distribute it to us)
- Costs must be incurred by 12/31/2024, and funds must be spent by 12/31/2026
- Eligible uses that would be applicable include Small Business loans/grants, drinking water/wastewater/broadband infrastructure

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

- The grant request was approved!! Total amount of grant is \$6,609.22.
- We applied for funding GIS equipment and software to locate wells (which we can also use for other purposes, like locating curb stops, hydrants, etc.), printing maps and a water newsletter
- Projects will be selected for funding by the end of April

#### **Cemetery Deed – William & Rose Eccles**

- Last month, Council approved buying back one of the two lots owned by Eccles
- Rose Eccles has changed her mind and no longer wishes to sell the lot – FYI

#### **MN DOT TH 123 Project – City’s Costs**

- MN DOT let the project on April 23; Ulland Brothers is the apparent low bidder
- The City’s revised cost based on letting has increased from the preliminary estimate of \$67,214.44 to \$74,280.88 (an increase of \$7,066.44)

### **History Center Building**

- Furnace was out; upon investigation, it was thought there was an electrical problem. However, it turned out all of the basement lights were burnt out. So, once the bulbs were replaced, it was confirmed that there was no electrical problem.
- At some point, the furnace was turned off. It was turned back on and seems to be working.
- MPJ has been asked to check the sewer line to make sure there isn't a sewer backup, too; it could just be pooling of condensation.

### **ADJOURN**

**Motion Palmer, second Gaede to adjourn at 8:20 p.m. Motion carried 5-0.**

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Peter Spartz, Mayor

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Kathy George, Administrator