

Sandstone City Council Meeting Minutes
July 15, 2020

CALL TO ORDER: 6:00 p.m. This meeting took place at City Hall and via Zoom video conferencing

ROLL CALL: Palmer, Spartz, Rahier, Riley

Members absent: Gaede

Staff present: Administrator George, Recording Secretary Nelson

Others present: Shannon Sweeney with David Drown Associates, Jennifer Yocum-Stans with the Pine County Courier, Pine County Sheriff's Deputy Zach Bettschen, Sara Morgan, Bill Kensy

PLEDGE OF ALLEGIANCE:

Council, guests and staff recite pledge of allegiance.

ADDITIONS OR CORRECTIONS TO THE AGENDA:

Motion Palmer, second Riley to approve the Agenda with the addition of Resolution No. 20200715-02 Legacy Grant Application. Motion carried 4-0.

PETITIONS OR COMPLAINTS BY RESIDENTS AND/OR COUNCIL MEMBERS: There have been calls to City Hall regarding access to the compost site. It is available Wednesday 3-5 p.m. and Saturday 1-4 p.m. The compost site has been moved to Pine Avenue South, down by the wastewater treatment facility. City Staff received 4 complaints regarding one property; staff is working with the property owner. They also received 1 renter complaint, 1 dog complaint, and 1 sidewalk blocked. Letters have been sent as appropriate. Councilor Palmer noted that she received a compliment regarding the Administrator.

PUBLIC HEARING/ PRESENTATIONS: None

CONSENT AGENDA:

Motion Palmer, second Spartz to approve the minutes from the Regular Council Meeting of June 17, 2020. Motion carried 4-0.

NEW BUSINESS:

William Kensy Jr. & Sara Morgan – Dispute Request for Reimbursement

The Sandstone Fire Department responded to a fire call on April 28th at 12532 Groningen Road in Dell Grove Township. At some point during the fire-fighting efforts, the Fire Department called in an excavator. The City paid the excavator bill, and sent an invoice to Kensy for reimbursement. Kensy and Morgan disputed the bill. Administrator George reviewed the matter and sent a letter to Kensy dated June 23rd stating that the reimbursement request would not be waived. Kensy is appealing the Administrator's decision to the City Council. Kensy and Morgan have made numerous phone calls to City staff, the Fire Chief, the Mayor, the excavator, the City Attorney, and others.

Kensy appeared before the Council and stated that he is disputing the charge for the excavation. He believes his truck was damaged by the excavator and contends that \$1,200.00 is too much to charge for the length of time the excavator was on the property. Kensy and Morgan also stated that no one will tell them how long the excavator was on-site. Council Members noted that the amount does seem high and felt that someone from the City should talk to the excavator to see if the amount can be reduced.

Motion Riley, second Palmer to further look into the situation. Motion carried 4-0. Councilor Palmer agreed to contact the excavator on behalf of the City.

Appoint Election Judges and Approve Pay Rate

The City Council must appoint election judges and designate head judges for the upcoming elections. The recommendation for 2020 Election Judges is as follows:

- Mary Ellen Dewey
- Charlene Gafkjen
- Pete Spartz (Primary Only)
- Karen Carlson
- Steve D'Alessio
- Becky Gaede
- Alyssa Dykstra
- Joyce Carlson
- Diane Seymour

City staff recommended to serve as Election Judges:

- Kathy George
- Alana Tyson
- Leah Jackson

The recommendation for Head Judges is as follows:

- Mary Ellen Dewey
- Alana Tyson
- Kathy George

2019 election judges were paid \$10.50/hr. and \$11.00/hr. for head judge. A recent survey conducted by the Pine County Auditor revealed that election judge pay varies between \$10 to \$20/hr., with the overall average of \$14.73/hour. City staff are paid their regular hourly wage. Judges are reimbursed for training and mileage. Meals are provided by the City. Administrator George recommended that election judges be paid \$12.00/hour and head judges be paid \$13.00/hour.

Motion Palmer, second Riley to approve proposed election judges and head judges with election judges being paid \$12.00/hour and head judge paid \$13.00/hour. Motion carried 4-0.

Vacant Home Restoration Program

Administrator George reported that she came across this program when speaking with the City of Superior's Planning, Economic Development & Port Director. They have a plan to offer properties owned by the City (acquired via tax forfeiture or other means) for, basically, a "good faith deposit" which is then returned to the purchaser if all of the requirements are met. George stated that this program could help the City acquire and restore its blighted housing stock, return these properties to livable houses (with a preference for owner-occupied status) and increase their market value. Positive feedback was received from the Council. George will revise the program to fit the needs of Sandstone and bring it back for further discussion.

Resolution of Support of the Legacy Grant Application

Administrator George asked for support from the Council for a new application for Legacy Grant funding for Phase 1(a) of the Robinson Park Project. She stated that when the Phase 1 project was approved for

funding, the proposed group picnic shelter, plaza, and new restrooms were specifically not recommended for funding by the Greater Minnesota Regional Parks & Trails Commission (GMRPTC). The GMRPTC recommended the City apply for another grant to cover these items. George is working on the grant application, which is due July 31st.

Motion Riley, second Palmer to approve Resolution No. 20200715-02 in support of the Legacy Grant Application for Phase 1(a) of the Robinson Park Project. Motion carried 4-0.

OLD & CONTINUING BUSINESS:

Resolution No. 20200715-01 Awarding the Sale of G.O. Tax Abatement and Utility Revenue Bonds

The City Council previously took action to authorize execution of a terms sheet with the National Bank of Commerce for \$2,000,000 in project financing for the 2020 Street and Utility Reconstruction Project. National Bank of Commerce has agreed to provide project financing over a 20-year term at an interest rate of 2.35%.

The City Council had also previously held a public hearing and adopted a resolution providing for the proposed tax levy that will be used to fund a portion of the debt service payments of the proposed bond issue. Contributions from sanitary sewer revenues and storm sewer revenues are also planned for the proposed project financing.

Shannon Sweeney with David Drown Associates attended the meeting to explain and answer questions on the resolution or the terms. There was a question from the Council about prepayment of the bond not being available until Feb. 1, 2027. Assuming the Council takes action on the proposed resolution tonight, the issue will close on July 30th, at which time proceeds will be wired to the City's bank account.

Administrator George reported that contractor on the project is planning to begin work on Monday, July 20th.

Motion Palmer, second Riley to approve Resolution No. 20200715-01 Awarding the Sale of G.O. Tax Abatement and Utility Revenue Bonds to finance the 2020 Street and Utility Reconstruction Project. Motion carried 4-0.

The Rock Redevelopment Project – Permit Fees

The EDA has been working with CHDC on the redevelopment plan of The Rock. CHDC has been working diligently to put together the funding application that must be turned in to Minnesota Housing Finance Agency by July 16th. Administrator George noticed that one of the categories for points awarded is "Other Contributions". The application is currently at the 2-point level. This could be increased to 4-points (gaining 2 points) if the City increased the "Other Contributions" number.

George stated that one way this could be accomplished is by agreeing to waive the building permit fees, SAC/WAC, trunk fees, CUP application fee, and other miscellaneous fees. According to the City's Building Official, the total of all these fees based on a project cost of \$12,794,751 would be \$182,883.08. This amount doesn't quite get the application to the next level to gain the addition 2 points. About \$35,000 in cash would also be needed, which the EDA agreed to pledge at their July 13th special meeting.

Motion Riley, second Palmer to approve waiving the building permit, SAC/WAC, trunk, CUP application and other miscellaneous fees related to The Rock redevelopment project. Motion carried 4-0.

Community Service Officer

The item of renewing the contract with the Pine County Sheriff's Department for additional law enforcement services came up at the May 21st Council Meeting. During that discussion, it was mentioned that the City had been looking into the concept of creating a Community Service Officer (CSO) position that would supplement the Sheriff's work in Sandstone. Since three of the Council Members were not on the City Council when those previous discussions took place, it was decided that a Special Council Meeting would be held to further discuss options.

The Special Council Meeting took place on June 9. Council Members were provided with a copy of the proposed Job Description. At that meeting, questions were raised concerning communication, de-escalation training, mental health training, first aid, liability insurance, benefits, uniforms, vehicle, cellphone, etc. It was noted that there are agencies in the community that the City can partner with for the various training needs. Council Members were generally in favor of the idea, noting that it would be worth the investment, this person can spend time getting to know the business owners and community members, freeing up the Sheriff's Deputy for more serious matters, making monthly reports to Council, etc.

Example Job Descriptions for the position were then shared with all Council Members so that they can further review what other communities have done. Some of the responsibilities would include animal control, rental and maintenance code enforcement, establishing a presence and restoring the neighborhood watch programs. Palmer addressed the Council with some questions she had. Public safety calls were clarified. In regards to animal control, the City will not provide a place to house animals. Assistance on emergency calls was discussed, especially in how that would work with the County Sheriff's Department. The Council also discussed the number of hours (part time versus full time) that the position would constitute.

Motion Palmer, second Spartz to task the Personnel Committee with creating a final draft of the Community Service Officer job description. Motion carried 4-0.

REPORTS:

Sheriff's Deputy Report – June, 2020

The Sheriff's Department had 223 calls logged in Sandstone for the month of June. That is up from 2019 (197 calls) down slightly from 2018 (236 calls). Deputy Bettschen was present earlier in the meeting; however, he was called away by the Sheriff's Dispatch.

Fire Department – June, 2020

Andy Spartz, Sandstone Fire Chief, was retained by his job just before 6:00 p.m. and, therefore, was not able to attend the meeting. The Department received six calls for the month of June; one building fire, two medical assists, one public service, one canceled in route, and one gas leak. Training covered hydrant operations and emergency landing zones.

Generator Quote

In 2018, the Fire Department had a service technician from Midwest Generators come out and evaluate the generator which is used to back-up the Fire Hall in the case of an electrical interruption. The technician recommended the generator be replaced. Then the City undertook the Fire Hall Building Repair project, and it was decided to wait until that project was complete in order to make sure the new generator would be sized correctly to handle all of the electrical needs of the building.

A quote has now been received for a 38kW Generac Protector Series Commercial Generator for \$25,262.89. The following options were also provided:

- Option #1: add \$669 for a Safety Surge Protector
- Option #2: add \$595 for a Fleet Tracker 4GLTE Cellular Monitor which provides alerts and status
- Option #3: add \$489 for a General PWRview Energy Monitor to track energy resources and consumption

This generator could be purchased using the Fire Department fund balance which is near \$40,000 at this time. It will power everything in the Fire Hall if the power is out. Because it will be piped directly into the natural gas line, it could run a month or longer before it needs an oil change or a checkout. The contractor has designed it with 14.8 kW of extra capacity and it could be designed to lock out less important items if more capacity is needed.

Motion Riley, second Palmer to approve the purchase of a new 38kW Generac Protector Series Commercial Generator for \$25,262.89 including a Safety Surge Protector for \$669.00 and a Fleet Tracker 4GLTE Cellular Monitor for \$595.00. Motion carried 4-0.

Library Report – June, 2020

Librarian Coffey provided a written report. The curb side service has been very popular and they are probably going to continue the practice, especially for the elderly. The summer reading program has been done on Zoom. The library is opening up with limited individuals inside and using the computer. Anyone coming in is required to wear a mask. The door by the children’s area has now been replaced.

EDA Meeting – June 24, 2020

Priority Setting Session Outcomes for the Community was received by the EDA. A contract with engineering firm LHB was approved for pre-design services for the Library and civic spaces to be located at 501 Court Avenue North. The EDA agreed to allow a portion of the property located at the corner of 7th and Commercial be used for a community garden, with the possibility of partnering with East Central High School.

Priority Setting Session Outcomes

The Council reviewed the outcomes from the priority setting session. Of the six categories, expanding housing opportunities and creating a safe, accessible community were noted for possible City Council priorities. Other items are being presented to the EDA, the Park & Rec Commission, and the Planning Commission. Administrator George will break out the City Council-specific items for continued discussion at future Council meetings.

Planning Commission Meeting – July 8, 2020

Councilor Riley reported that the Planning Commission reviewed and updated off-street parking standards. He noted that the proposed Downtown Historic District should be exempt from off-street parking standards due to the fact that downtown property is considered prime real estate and most of the buildings/development currently exists, which would make it difficult for a new business to comply with the standards. Riley also stated that the Planning Commission reviewed the Priority Setting Session Outcomes. Dates have been set for two Open House opportunities for property owners to review the proposed changes to the Zoning Ordinance/Map, ask questions, and receive more information. Notices are being placed in the Pine County Courier, the Evergreen, and will be mailed out Every-Door-Direct. Dates are August 5th and August 12th from 4:00 – 8:00 p.m. at City Hall.

Park & Rec Commission Meeting – July 10, 2020

Councilor Palmer reported that the Park Commission also reviewed the Priority Setting Session Outcomes. She noted that Cassie Gaede is interested in working on playgrounds, along with Commissioners White and Barsness. The need for a wetland specialist was discussed regarding the KREEC site. Robinson Park has received quite a few reservations for camping. The road down to the park will receive additional gravel and grading. The Commission okayed the second Legacy Grant application. Arts in the Park will be scheduled for Tuesdays in August. National night out will be on Tuesday, October 6th. Oktoberfest will be Saturday, October 3rd, with a planning meeting scheduled at Train Park on Monday, July 20th at 4 p.m. An Eagle Scout is looking for a project to undertake. Mayor Spartz thanked the climbers who visit Robinson Park, noting that they bring more to the City than they take away.

Building Inspection Report – June, 2020

Building Official Drotning provided a written report. The occupancy certificate was issued to Dollar General. There were five building, two maintenance and three right-of-way permits issued in June. There are currently six ongoing building projects.

Streets & Parks Supervisor Report – June, 2020

The crew has been working very hard on patching holes, grading gravel roads, new flags and poles were put up on Main Street, flower pots are being watered and new COVID-19 signs have been put up at Robinson Park. The City's grader has broken down and so Mike Johnsen has been hired to do the grading. Interior demolition of the garage area is complete at the John Wright Building and reconstruction is underway. Trees have been taken down at the cemetery. The PHASE crew is not back working yet so the City is doing most of the mowing.

PeopleService Report – June, 2020

The City received a call about 314 Court – there was water pooling. The broken stand pipe has been repaired. An audit was done on the sewer pond and it passed. If the City does any more slip lining, the nursing home has lines that need it. Discharge from pond #3 took place. Water and sewer services were hooked up for the new duplex on Minnesota. The Phosphorus Management Plan was completed and sent to the MPCA.

Personnel Committee – Administrator Performance Evaluation

It was decided to schedule the performance evaluation of Administrator George on August 19th before the next Regular Council Meeting. The Personnel Committee will meet at 4:00, with the full Council meeting from 4:30 – 5:30, followed by the Performance Review meeting with Administrator George at 5:30.

Financial Reports

George spoke to the council regarding the new auditing company and the process of beginning a new relationship with them. The Council reviewed the Cash Balance, Revenue & Expenditure Report and the A/P Clerk Claims – June, 2020.

Motion Palmer, second Riley to approve the Cash Balance, Revenue & Expenditure Report and the A/P Clerk Claims – June, 2020, in the total amount of \$204,084.33. Motion carried 4-0.

WRITTEN NOTICES AND COMMUNICATIONS:

The City received a letter from the League of Minnesota Cities regarding Membership Dues. Because of the COVID-19 situation, the LMC is not raising their dues for fiscal year 2021.

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

Potential Water Rate Increase

- ❖ The Water Loop Project is being financed with a low-interest loan from the PFA
- ❖ After figuring out the repayment amount, the Cash Flow Projection shows a deficit in the Water Fund of about \$30,000
- ❖ A \$6.00/month increase in the Water fixed amount would net about \$32,256/year
- ❖ The City plans on applying for loan forgiveness from the PFA, which would help reduce the deficit
- ❖ Council Members were provided information regarding rates in neighboring cities

2020 Street Improvement Project

- ❖ Contractor plans to start next week, July 20th (2 weeks behind schedule)

MN DOT's HWY 123 Project

- ❖ MN DOT is in the process of securing Right-of-Way
- ❖ The City has 2 parcels where ROW is needed
- ❖ MN DOT will be looking for 321sf on one parcel and 318sf on the other for ROW
- ❖ They will also need temporary easements of 636sf on one and 3,243sf on the other

Downtown Banners

- ❖ George is working with Carole Bersin to design the new banners
- ❖ Bersin has some existing artwork that will work nicely, and she will design new artwork for the Quarry Days banner
- ❖ Bersin is charging \$840 for her work

Small Cities Development Grant Program

- ❖ 118 Division Street – the owner suddenly passed away
- ❖ \$13,000 is available in the program that must be spent by September
- ❖ Letters will go out to all homeowners in the target area

Compost Site

- ❖ Has been moved to the Wastewater Treatment Plant property on Pine Avenue South
- ❖ New fencing has been installed
- ❖ Hours are Wednesdays 3:00 – 5:00 and Saturdays 1:00 – 4:00

Street Dept Expenditures

- ❖ The storm sewer is giving way under Angle Avenue. MPJ provided an estimate of \$11,301.20 to replace the system, which involves cutting into the street and patching
- ❖ The 1993 Pelican Street Sweeper needs repairs to the tune of \$25,083.87
 - City purchased it in 2015 for \$18,000
 - In the last 5 years, the City has paid out over \$10,000 in repairs (not maintenance)
 - MacQueen Equipment has a 2013 they will sell us for \$129,000 (which includes \$6,000 trade-in on the 1993). A new sweeper would be \$250,000.
 - 3-year zero percent lease: payments would be \$32,250/year
 - The City currently budgets \$85,000/year for Street Dept Equipment. We have a 3-year lease on the Toro mower (\$19,537.88 for 2020 and 2021)
 - George will proceed with the 3-year lease option for the 2013 sweeper

2019 Audit

- ❖ Underway – all staff are working diligently to respond to auditor's requests

Monday's in May

- ❖ Wrap-up report was provided
- ❖ Metal Monday: 7.01 tons hauled to Anderson Recycling (credit received \$280.40)
- ❖ Tired on Monday: 4.16 tons hauled to Anderson Recycling (\$582.40 expense)
- ❖ Miscellaneous Monday: 8.57 tons, plus 85 mattresses, hauled to East Central Solid Waste (\$1,587.90 expense)
- ❖ Advertising expense \$107.50
- ❖ Total Expense \$1,997.40

ADJOURN

Motion Palmer, second Riley to adjourn at 8:10 p.m. Motion carried 4-0.

Peter Spartz, Mayor

Kathy George, Administrator