

Sandstone City Council Meeting Minutes
July 21, 2021

CALL TO ORDER: 6:00 p.m. This meeting took place at City Hall with an option for Zoom video conferencing.

ROLL CALL: Val Palmer, Peter Spartz, Julena Rahier, Randy Riley

Members absent: Cassie Gaede

Staff present: Administrator Kathy George

Others present: SEH Engineer Greg Anderson, MN DOT Engineer Doug Kerfeld, Deputy Zach Bettschen, Nicole Klosner with Lakes & Pines Community Action Council, Chaz Mann & Karla Pankow with the Sandstone Fire Department

PLEDGE OF ALLEGIANCE

ADDITIONS OR CORRECTIONS TO THE AGENDA:

Motion Riley, second Spartz to approve the Agenda with the addition of Application for Payment No. 6 to Item 9(c) 2020 Street Improvement Project. Motion carried 4-0.

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

MEMBERS: Staff received complaints about grading needed on Old Military Road, trash in the neighborhood following a large gathering at one property, dogs running at large, the sidewalk in front of the post office, and a camper at Robinson Park who has overstayed their welcome. Council Member Riley noted that the grass on 8th and Angle hasn't been mowed lately; staff will follow up. Mayor Spartz thanked Jack, Paul & Macy Gaede for their successful lemonade stand which raised funds for Panther Park.

PUBLIC HEARING/ PRESENTATIONS: None

CONSENT AGENDA:

Motion Palmer, second Spartz to approve the June 16, 2021 Regular Council Meeting minutes and Resolution No. 20210721-01 Supporting Passenger Rail Service. Motion carried 4-0.

NEW BUSINESS:

Nicole Klosner, Lakes & Pines CAC: Small Cities Development Program

Klosner was present to discuss the upcoming application period for Small Cities Development Program grant funds. The City recently completed a successful grant cycle that ended September 30, 2020. 14 owner occupied properties were proposed to be improved. In the end, 17 were actually improved. 6 commercial properties were proposed to be improved and 3 were completed. Council Members noted that this was a fantastic program and it made a huge impact in town.

Klosner stated that for the upcoming round, target areas are not required for cities under 5,000 in population; therefore, all properties in town would be eligible. Mobile homes qualify as well. Pre-Applications are due in November. A windshield survey will be conducted to prepare for the pre-application. A 7-year lien, or deferred forgivable loan period should be acceptable for residential properties. Rental Rehabilitation can be included as well. Klosner suggested a grant request of \$546,250; however, consensus was to apply for more funding since half of the housing stock is rental and rental was not a component of the last grant project.

Motion Palmer, second Spartz, to adopt Resolution No. 20210721-03 authorizing the Mayor and City Administrator to apply to the Department of Employment and Economic Development for Small Cities Development Program grant funds. Motion carried 4-0.

Resolution No. 20210721-02 Designating Depository Northview Bank

The City typically designates depositories at the first meeting of the year, which it did in January, 2021. However, the City's auditor pointed out that Julena Rahier should abstain from that designation since she is employed by Northview Bank.

Motion Spartz, second Palmer, to adopt Resolution No. 20210721-02 Confirming Depository Northview Bank for the year 2021. Motion carried 3-0, with Rahier abstaining due to a perceived conflict of interest since she is employed by Northview Bank.

Fire Service Contract: Sandstone Township

The City met with Township officials on February 1st to discuss the proposed 2022 Fire Department budget and allocation to each Township serviced by the Sandstone Fire Department.

Prior to that meeting, the City received some feedback that Township Supervisors would like to discuss changing the formula used to allocate the cost to each Township. Mayor Spartz and Administrator George met with three Township Supervisors on January 25th specifically to discuss manhours – whether (1) to keep the 5-year manhour figure, (2) to change it to 3-years, (3) to remove the manhours all together, and (4) to remove the manhours and add a 30% reduction for the Townships. Those present were supportive of option (4) – removing the manhours and adding the 30% reduction.

At the February 1st meeting with all the Township representatives, these four options were discussed. After much discussion, consensus was to support option (4) – no manhours and the 30% reduction. Some also mentioned that they would like to have a contract with the Fire Department. On February 2nd, a proposed Fire Service Contract was mailed out to all Township Supervisors and Clerks.

Sandstone Township contacted Administrator George and asked for a meeting. Mayor Spartz and George met with the Township Clerk and one Supervisor on April 22nd. Spartz and George agreed to attend their Township Board meeting on June 3rd.

At the May 19th Council Meeting, after being updated on conversations with Dell Grove and Sandstone Township officials, the City Council decided to increase the reduction the City was offering from 30% to 50%. This change was relayed to all Township officials in a letter dated May 20th. These changes were explained and discussed at the June 3rd Sandstone Township meeting. At that meeting, two supervisors expressed being comfortable with the revised amount; however, they decided to review the proposed amount with a sub-committee.

On June 28th, the City received a letter from Sandstone Township with a proposed Fire Service Contract. The Township is proposing a 3-year contract (rather than the proposed 5-year contract) and they are proposing a lump-sum annual payment of \$15,000 (about \$5,000 less than the formula calculated amount).

Council Members expressed their view that the Council has carefully considered the concerns brought forward from the Townships and have made adjustments to the formula in an effort to be fair to all – both Township taxpayers and City taxpayers. **Motion Riley, second Rahier, to uphold the May 2021 Revised**

Fire Formula allocation, with the City providing a 50% reduction to the Townships. Motion carried 4-0.

Fire Service Contract: Kroschel Township

Piggy-backing on the Sandstone Township discussion above, the City has not had any conversations or received any comments from Kroschel Township until receiving a letter dated July 6th stating that they have decided to contract with the Hinckley Fire Department for Fire Service. Kroschel's 2022 allocation is \$7,515.47. It is too late for the City to revise the 2022 allocation to the other Townships and, therefore, the City will have to absorb this amount.

Motion Palmer, second Riley, acknowledging Kroschel Township's decision not to contract with the Sandstone Fire Department for 2022 Fire Protection Services. Motion carried 4-0.

Sanitary Sewer Forcemain Break

The forcemain sewer line broke sometime Saturday night, June 26th. This is the line that runs from the Sewage Treatment Plant on Pine Avenue, down through Big Spring Falls, under the river, and out to the sewer ponds. The break is about 300' from the road, measured along the Big Spring Falls pathway. This is all DNR land. Wetlands are nearby.

WCEC Environmental Consultants were called in on Sunday to contain the sewage and start testing processes. They are hoping that the sewage can be treated with microbes, rather than having to remove it all. Weekly testing is currently being done and will determine next steps. The broken pipe was temporarily repaired by Mike Johnson on Monday, June 28th, and then permanently repaired on Tuesday, June 29th. The area has been re-graded, seeded, and silt fence has been installed.

The City continues to work with the DNR, Banning State Park, MPCA, WCEC, PeopleService, SEH, County (wetlands and Public Health), and Mike Johnson. An insurance claim has also been started. The Big Spring Falls area has been closed down and will remain closed until Public Health officials determine that the area can be re-opened.

City Engineer Greg Anderson and Inspector Steve Rose (SEH) have been looking into the condition of the pipe, which is over 30 years old. They have discovered that there are 5 air relief structures that were installed, but have never been serviced or maintained. This could cause pipe problems and increase energy costs. Anderson and Rose suggest 6 possible causes for the pipe break. They suggest the 5 air release structures be located and serviced. They also suggest conducting pressure testing the forcemain to see if there are any sizeable leaks. Council asked Anderson to get quotes and a schedule for this work and report back at the August Council meeting.

OLD & CONTINUING BUSINESS

Doug Kerfeld: Update on MN DOT TH123 Project

Kerfeld reported that he has nothing new to report, but wanted to check in with the Council. Ulland Brothers is the prime contractor on MN DOT's project. A pre-construction meeting has been scheduled for July 27th. The contractor plans to start August 16th on the east end of town, and then move towards the TH23/TH123 intersection. The middle section will be started and completed in 2022. The schedule will be updated every 2 weeks and there is a website set up so that the public can get updates. Kerfeld said that they will coordinate with businesses ahead of time. MN DOT will put out press releases, but the *Pine County Courier* is more than welcome to contact Kerfeld for more information.

When asked about recent activity in the right-of-way along TH123/3rd Street and Grant/Pine Avenues, Kerfeld stated that MN DOT has been coordinating with utility companies regarding the project. One of the utility companies has elected to voluntarily upgrade their lines before MN DOT's project gets underway.

Purchase Agreement for Portion of Parcel 45.0069.000

At the June 16th Council Meeting, the Council accepted the bid from Joshua & Alexa Beecher to purchase approximately 9,500 square feet of parcel 45.0069.000 that is adjacent to two parcels they already own for \$5,013.00. The property was surveyed on July 15th. Legal descriptions will be provided. Boundary markers were placed. The proposed Purchase Agreement lays out the terms of the sale. The legal descriptions will be inserted as soon as they are available. This document has been shared with the buyer.

Motion Spartz, second Palmer, to approve the Purchase Agreement with Joshua & Alexa Beecher to purchase approximately 9,500 square feet of parcel 45.0069.000 for \$5,013.00. Motion carried 4-0.

Application for Payment No. 6: 2020 Street Improvement Project

Anderson presented Application for Payment No. 6 on the 2020 Street Improvement project for A-1 Excavating, Inc. in the amount of \$10,145.85. Last month, the City approved Application for Payment No. 7. Anderson stated that he missed the submission for Payment No. 6.

Motion Riley, second Rahier, to approve Application for Payment No. 6 from A-1 Excavating, Inc. for the 2020 Street Improvement project in the amount of \$10,145.85. Motion carried 4-0.

Application for Payment No. 8 and Change Order No. 2: 2020 Street Improvement Project

Anderson presented Application for Payment No. 8 on the 2020 Street Improvement project for A-1 Excavating, Inc. in the amount of \$105,220.01. The quantities completed to date have been reviewed and Anderson recommends payment. Anderson also presented Change Order No. 2 on the project, which increases the contract by \$97,381.88 for additional work such as paving alleys, adding truncated domes for added pedestrian ramps, and various changes that were made in the field. 2% is being held for retainage. Anderson stated that the project is essentially done; however, there will be some final clean-up in the spring along with addressing any areas of grass seeding that did not take.

Motion Palmer, second Spartz, to approve Application for Payment No. 8 from A-1 Excavating, Inc. for the 2020 Street Improvement project in the amount of \$105,220.01 and further approving Change Order No. 2 resulting in an increase to the contract of \$97,381.88. Motion carried 4-0.

Application for Payment No. 3 & Change Order Nos. 1 and 2: 2020 Water System Looping

Anderson presented Application for Payment No. 3 on the 2020 Water System Looping project for New Look Contracting, Inc. in the amount of \$35,579.04. This amount represents 85% of the work completed and material on hand, with 5% held for retainage. **Motion Palmer, second Rahier, to approve Application for Payment No. 3 from New Look Contracting, Inc. on the 2020 Water System Looping project in the amount of \$35,579.04. Motion carried 4-0.**

Anderson also presented Change Order No. 1, which added the Public Facilities Authority contract packet and the Minnesota State Prevailing Wage Rates to the bidding documents for the project. This change order does not affect the monetary amount of the contract.

Anderson then presented Change Order No. 2, which reflects the upgrade to using red rock on Airport Road, resulting in an increase to the contract of \$22,115.62.

Motion Riley, second Rahier to approve Change Order No. 1 with no monetary effect on the contract and Change Order No. 2 increasing the contract to use red rock on Airport Road in the amount of \$22,115.62. Motion carried 4-0.

Anderson reported that the water tests were good and that the new pipe is fully connected and in use. He also stated that the two property owners on Creekside Lane are moving forward with their work to hook on to the new water main.

Water Tower & Well Upgrades

Anderson provided an update on the second line to the water tower and the well upgrades. This project is being funded by a Small Cities Development Program grant. The Department of Employment and Economic Development (DEED) has been experiencing some changes in personnel and Anderson stated that our project has been reassigned between staff for the fourth time. New documents for the grant have been submitted and the release of funding is expected to occur on July 28th. Anderson will then advertise for bids.

REPORTS:

Sheriff's Deputy Report – June, 2021

The Sheriff's Department had 252 calls (including 66 medical transport calls from Essentia) logged in Sandstone for the month. That compares to 223 calls (including 36 medical transport calls) in 2020, 197 calls (including 9 medical transport calls) in 2019, and 236 calls (including 9 medical transport calls) in 2018.

Deputy Bettschen was present to answer any questions. He was unable to attend the May meeting due to a house fire he was responding to. In June, he was unable to attend because he was involved in a missing person call. Lately, Deputy Bettschen has been dealing with kids riding 4-wheelers through town, as well as campers at Robinson Park. He reported that he is a certified drone pilot and the Sheriff's Department is able to take advantage of this technology, recently on a search and rescue call. He asked if the City Council would grant permission for him to use the drone on City property; such as, at the old high school. Council Members had no objection. Bettschen stated that he will check with the County Attorney as well. A Council Member asked about golf carts; the City does not have an ordinance regulating them.

Fire Department – June, 2021

Firefighters Chaz Mann and Karla Pankow were present and reported that the Department had two calls in June: 1 search for a missing person and 1 cancelled en route. In July, they responded to a large fire on Fleming Logging Road. Mutual Aid was received by Askov, Bruno, Hinckley, and Kerrick Fire Departments. One Sandstone Firefighter received a minor injury. A vehicle drove into the side of the Northview Bank Building; the Department was called out and then cancelled en route.

The Mayor met with the Firefighters to discuss ways the Fire Department can be more involved and visible in the community. They will collaborate with the Sandstone Lions to help set up for the Pancake Breakfast and help with the beer tent during Quarry Days. They will also participate in National Night Out and are focusing on recruiting new members. They developed a new Facebook page which is linked to the City website. They will be getting out to area schools to talk about fire safety. They will head up a school supplies drive. They currently have a 17-year-old who has expressed interest in joining the Department when he turns 18. Looking at the Fire Department demographics, 90% of the current members are from

area townships; they would like to recruit more members who live in Sandstone as well.

The Relief Association met on Monday, July 19th. Minutes of the meeting were provided to the Council. The Relief Association is planning to raffle off 3 Weber grills there were donated to the Department. Tickets will be \$5 each and will be sold at National Night Out, Quarry Days, and Oktoberfest, with the drawing to be held at Oktoberfest.

Library Report – June, 2021

Librarian Josh Menter reported that there were 24 computer appointments, 500 visitors, 134 reference questions answered, and 15 curbside pickups. The Friends of the Sandstone Library have been selling used books at Arts in the Park. Storytimes will occur at the Farmers' Market in Sandstone. The Library is distributing art-themed take-and-make kits for kids. Administrator George reported that the City has been awarded \$1,000,000 through the State Library Construction Grant program. The plan is to acquire and remodel the Phase office building. Hopefully, the Library will be able to move into the new space next summer.

Personnel Committee Report – Community Service Partner

The City Council met on July 14th to interview the top three candidates: Casey Laursen, Sirena Samuelson, and Nicole Vork. After the interviews, the Council decided to defer the final decision to tonight's Council Meeting. Mayor Spartz thanked all of the applicants and especially the top three candidates. Interviews went very well and all three candidates were exceptional.

Motion Riley, second Rahier, to offer the Community Service Partner position to Sirena Samuelson pending the outcome of the background and reference checks. During discussion on the motion, Council Members noted that providing resources to residents and business owners is extremely important. **Mayor Spartz called for a vote on the motion. All members voted aye. Motion carried 4-0.**

Parks & Rec Commission Meeting – July 9, 2021

The Park Commission reviewed a "wish list" from three groups who are using the softball field at Eagle Field; S&P Supervisor Hiler is working on the suggested improvements. The Minnesota Land Trust expressed interest in pursuing the KREEC property; however, they are not offering to purchase the easement since the property is already in public ownership (via the City). The Commission received an update on the Robinson Park Legacy Grant Project – the 50% draft of the Cultural Landscape Report has been submitted to the Minnesota Historical Society; the Phase 1 Archaeological Survey has been completed; design on the project is underway, taking into account the findings of the survey, a planning charrette with Commissioners is scheduled for August 19th. Planning continues for upcoming events: National Night Out, Quarry Days, Oktoberfest. An on-line registration system will be implemented for camping at Robinson Park. The 2nd Legacy Grant covering the Phase 1(a) Robinson Park Project has been funded; staff is working on the grant documents. The City's application for a DNR Outdoor Recreation Grant for Panther Park was not funded this year. Good feedback was received which will be used to strengthen the application for next year's round. Planning continues on the Mary Thorvig Memorial Tree Garden. Train Park is undergoing a facelift in preparation for Quarry Days.

Planning Commission Meeting – July 14, 2021

Ordinance No. 20210721-01 Amending and Renumbering City Code 515.37, Subdivision 10, Off-Street Parking Standards; Ordinance No. 20210721.02 Summary Publication

The Planning Commission held a public hearing on July 14th to consider amending and renumbering City Code 515.37, subdivision 10, Off-Street Parking Standards. Most of the proposed changes are due to the newly adopted zoning districts. The Planning Commission recommended the City Council adopt the amendments as presented.

Motion Palmer, second Rahier to adopt Ordinance No. 20210721-01 Amending and Renumbering City Code 515.37, Subdivision 10, Off-Street Parking Standards and Ordinance No. 20210721-02, Summary Publication. Motion carried 4-0.

Ordinance No. 20210721-03 Amending City Code Section 1310, Parking Regulations

The Planning Commission held a public hearing on July 14th to consider amending City Code 1310, Parking Regulations. The proposed changes are necessary due to the newly adopted zoning districts. The Planning Commission recommended the City Council adopt the amendments as presented.

Motion Palmer, second Riley to adopt Ordinance No. 20210721-03 Amending City Code Section 1310, Parking Regulations. Motion carried 4-0.

Building Inspection Report – June, 2021

No building permits, 3 maintenance permits, and 5 right-of-way permits were issued during the month. There are currently 8 on-going building projects and 5 right-of-way projects active in town.

Streets & Parks Supervisor Report – June, 2021

Supervisor Craig Hiler reported that three dying/dead cottonwood trees were removed from the corner of 2nd Street & Commercial Avenue. Gravel roads were graded. Concrete warranty work from the 2020 Street Project was completed. New camp site number signs were installed in Robinson Park. The powder house trail was improved. Picnic tables were painted. Lilacs were trimmed in Train Park, as well as repairs made to the gazebo. The driveway/parking area at the KREEC property is complete. Top soil and grass were added to Panther Park. A new door was installed in the community center of the John Wright Building. An inspection of the kitchen appliances was conducted – the freezer and the dishwasher hot water heater need to be replaced, along with repairs to the stove. Gutters have been installed. Sidewalks and curbing are complete. Fencing around the City Shop was completed. Vehicle maintenance included replacing a faulty starter and battery on the 2015 Chevy. A new pressure washer and welder were received.

PeopleService Report – June, 2021

Operator Alex Leger reported on the sewer forcemain break at Big Spring Falls. He continues to routinely check the nursing home manhole for rags, as well as the sewer line by Members Co-Op Credit Union and the one behind Chris' Food Center for any obstructions.

Financial Reports

Motion Palmer, second Riley to approve the A/P Clerk Claims – June in the total amount of \$613,971.47. Motion carried 4-0.

WRITTEN NOTICES AND COMMUNICATIONS:

- June 9, 2021 Letter from the Initiative Foundation detailing their record of activity in Pine County
- June 11, 2021 Letter from the League of MN Cities re Membership Dues fee increase
- June 29, 2021 Letter from Congressman Pete Stauber supporting broadband

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

COVID-19 State of Emergency Ended July 1st

- Medical exception for Council Members to attend meetings remotely ends August 30th
- Remote participation at meetings is allowed under the Open Meeting Law, but the following conditions must be met: all discussion/testimony must be heard and seen, at least one member must be at the regular meeting location, all votes must be counted by roll call, the location from which each member is participating must be open and accessible to the public, and a notice must be provided of all locations from which members are participating.

Code Violation Letters – 77 total went out

- 30 regarding vehicles (4 are scheduled for towing)
- 27 regarding grass (city mowed 6 properties)
- 20 junk (2 properties need further action)
- 6 new letters have been sent out (1-vehicle, 3-grass, 2-junk); of these, only 1-junk requires follow up)

Sanitary Sewer Forcemain break - Update

- Hiler is moving some boulders around to block ATVs from accessing the site
- Results from the first round of samples are in; the second round results are needed to be able to compare them with the first round
- DNR plans to keep the area closed until coliform levels drop to at least 2,000 per 100 ml
- Pine County Public Health deferred to the PCA regarding reopening the area
- Pine County Wetlands people reported July 20th that the area looks “perfect”
- Alex reported that the grass seed is starting to grow and the odor is minimal

State Library Construction Grant - FUNDED

- The City’s application for \$1,000,000 for the Library relocation project has been funded
- The City needs to enter into a Ground Lease with PHASE
- The Lease document needs to be approved by MMB
- Grant Agreement documents need to be executed
- Then the City can move forward with acquiring the building
- And then LHB can work on the plans and specifications for the renovation
- Construction can take place over the winter months
- It is anticipated that the Library can relocate by the end of summer 2022
- An application to the US Dept of Ag needs to be submitted for the local match

Utilities

- Utility Shut Offs for past due accounts will resume
- Due to the billing cycle, the first shut offs will occur after September 27
- Response to drought conditions – we will restrict watering only during declared emergencies

Surplus Property Update

- Samsung Laser Printer: sold on Public Surplus Auction for \$5.00
- Multi-use Scaffolding: sold on Public Surplus Auction for \$336.00
- 1963 Caterpillar Grader: sold on Public Surplus Auction for \$6,000.00 (awaiting pick up)
- 1973 Pumper Truck: sold on Public Surplus Auction for \$1,825.00 (awaiting pick up)
- The 1986 Plow/Dump Truck will be re-listed
- A small desk will be listed

Various Expenditures

- Spruce Road was extended to provide access to the 2 lots the EDA sold, \$4,031.50

- A new flagpole & flag will be installed at City Hall, \$8,200.00
- Lights will be installed for the John Wright Bldg Parking Lot, \$23,000.00
- 1-1/2” river rock will be placed around the John Wright Bldg, \$5,358.60
- The City received \$25,680.50 in Small City Assistance for Road Projects; this offsets the additional expense incurred to upgrade to red rock on Airport Road during the Waterloo Project

Deputy Clerk / Finance 6-Month Review

- Charles Koch’s 6-month anniversary is August 1st
- The Union contract states that a 0.25 cent raise must be implemented
- Administrator George will conduct a Performance Evaluation

2022 Budget Work Session

- Administrator George will coordinate dates with Council members
- The 2022 Preliminary Budget/Levy must be adopted in September
- The Final Budget/Levy will be adopted in December

Administrator’s Performance Evaluation

- August 1st marks the 4th anniversary of Administrator George’s employment with the City
- It’s time for her annual Evaluation
- Council consensus was to utilize the same forms/format as last year
- Councilor Gaede was chosen to compile all of the other Councilors’ forms

ADJOURN

Motion Riley, second Rahier to adjourn at 8:20 p.m. Motion carried 4-0.

Peter Spartz, Mayor

Kathy George, Administrator