

Sandstone City Council Meeting Minutes
September 5, 2018

CALL TO ORDER: 6:00 p.m.

ROLL CALL: Kester, Franklin, Spartz, Devlin and Palmer

Members absent: none

Staff present: Administrator George and Recording Secretary Nelson

Others present: Greg Anderson – SEH, Paul Christensen – PeopleService, Inc., Thomas Landowski – resident, Andy Luedtke – Pine City Rental Inspections, Zachary Bettschen – Pine County Sheriff’s Department, Bill Jansen – resident and Mike Johnson – MPJ Inc.

PLEDGE OF ALLEGIANCE:

Council, guests and staff recite pledge of allegiance.

ADDITIONS OR CORRECTIONS TO THE AGENDA:

Motion Devlin, second Franklin to approve the agenda as printed. Motion carried 5-0.

PETITIONS OR COMPLAINTS BY RESIDENTS AND/OR COUNCIL MEMBERS:

The City received complaints about a camper located on a property, 210 Division St., that is hooked up to water and electricity, stating that people are in and out of the camper at all hours and lights are on at night; giving the appearance that the camper is being used for living quarters. After inspection by Richard Drotning, a letter was sent to the owner, Shawn Jansen. It turns out that it is a rental property. Mr. Bill Jansen is the owner and he wanted to let the Council know that the RV parked on the lot was not his. The renters were providing a home for an otherwise homeless person. Jansen has taken action to rectify the situation. The camper should be removed from the property by September 15th. The Council thanked Mr. Jansen for his quick attention to this matter.

Staff followed up on complaints received about incomplete work regarding a sewer line, a dog running loose, potholes and loose pavement on Washington, campsites in poor condition at Robinson Park, and concerns with the River Bluff project (mailboxes, delayed completion).

REPORTS:

Sheriff’s Deputy Report

Deputy Bettschen reported on activity in August. He’s received over 120 calls. Eighteen of those were uninitiated traffic stops, three assaults, one vehicle theft, numerous warrant pickups. A few arrests have been made at Robinson Park. There have been several calls regarding dogs at large. The Administrator made note that Deputy Bettschen has been very responsive to staff calls. The weekly reports initiated by the Sheriff’s office have been nice to have as well. Mayor Spartz thanked Bettschen for coming in and reporting to the Council.

Fire Department

The Fire Department responded to a passenger vehicle fire, a motor vehicle accident with injuries, and another accident last month.

Fire Department Relief Association By-Laws

The State is asking for the following documents before they will release the annual State Aid allotment:
Relief Association meeting minutes

City Council meeting minutes

Most recent Bylaws of the Relief Association

The Relief Association approved the latest bylaws dated January 23, 2012. The Association had been working for a few years to update them. There is no indication in City Council meeting minutes that the Council approved these bylaws. In order to clear this matter up and provide the required documents to the State by the September 15th deadline, the Relief Association is asking the City Council to approved the attached Bylaws. A special meeting of the Relief Association has been called for 7 p.m. on September 6, 2018.

Motion Kester, second Palmer to approve the Relief Association bylaws as presented. Motion carried 4-0, Devlin recused himself because he is the President of the Fire Department Relief Association.

Library Report – August, 2018

August was the last month of the summer reading program that included 182 children and which culminated with a presentation by the Raptor Center from the University of Minnesota. The Friends of the Library also held their annual and very popular Quarry Days book sale. This event helps fund the summer reading program as well as other events throughout the year. The library hosted three programs for children, including the Lego Club and Story Time, and one for adults. There were 1,537 visitors and 314 questions answered during the month of August.

Planning Commission Meeting – August 8, 2018

In their August meeting, the Planning Commission addressed the zoning ordinance language for storage containers, towers and antennas, minimum transitional yard requirements in the highway mixed use district and discussed the suburban residential district.

Park & Rec Commission Meeting – August 10, 2018

Topics covered in the meeting included the Legacy Grant Application (which was submitted on July 31) and camping statistics for Robinson Park, the National Night Out that was held on August 7, the Kettle River Watershed Mural project, Angle Park, the Gin pole, the stage at Robinson Park and the Train Park kiosk.

Rental Inspection Report – Andrew Luedtke

Andrew Luedtke introduced himself to the Council. He was hired by Pine City as the Safety Officer. Sandstone contracts with Pine City for rental inspection services. Luedtke reported that there were 32 property inspections done so far this summer and a Google Drive account has been setup with property folders for each rental address. 8 parcels have been brought into compliance. There are over 140 parcels on the 2019 mailing list. Luedtke is in Sandstone once a week and does 3-4 properties during that time. Each property will be inspected every three years. The most common noncompliance issue is smoke detectors, GFCI outlets and CO2 detectors. Overall, things have gone well with the property owners.

Building Inspection Report – Richard Drotning

There are only three open files right now - Sandstone Healthcare Center, Essentia Health and the County building. Mr. Drotning has been asked to be more proactive on the right-of-way permits because some companies come in and dig holes in the streets and then leave them. There are currently 9 open ROW permits on file.

Small Cities Development Program Update

Loans have closed on five residential properties; with three more in the process. There are three commercial properties participating in the program. Because of the SCDP program, some of the property owners have been able to take advantage of additional programs; such as, Lakes & Pines Live Well at Home and Minnesota Housing Finance Agency Rehabilitation Loan Program. The City has until October 2020 to expend all of the program funds. Another mailing was done to the owner occupied residential property owners, but the target area will probably need to be expanded.

PeopleService Report – 2018

Paul Christensen, the regional representative with PeopleService, came to the meeting to answer any questions the Council might have. The Muffin Monster is being replaced by a Vogelsand Grinder. The complete project is going to cost the City \$18,895.18 and will be done by General Repair Service out of Vadnais Heights. The cost of repairing it was very close to that of replacement, so the decision was made to replace it. One of the Council Members asked about the quality of the new ones and was assured that the new ones are the same quality of the older ones. It will take approximately one month to get the equipment.

The current Operation and Maintenance Agreement is dated January 31, 2014 and is due to expire January 1, 2019. The Agreement allows for automatic renewal for successive 1-year terms, unless written notice of cancellation is given by either party. The Administrator contacted Christensen to ask for a change in the period of time used for the Consumer Price Index. Currently, it is the previous September to September time frame. This is problematic because the City must adopt the preliminary budget in September each year. She asked for consideration to change the period to June. This prompted discussion about additional items in the contract that should be updated. Therefore, Christensen prepared the proposed Operation and Maintenance Agreement for Council consideration, with the following changes:

- Dates updated (effective date is January 1, 2019 with price adjustments beginning January 1, 2020)
- CPI month updated to June
- Increase of 2.75% applied to both the monthly compensation and annual maintenance fund
- Updated hourly billing rates in the miscellaneous section to match current rates of \$70/hour during normal business hours and \$105/hour at all other times
- Removed the \$2,600 earmark of maintenance funds in section 1.3 for meter upgrades
- Updated the meter replacement program bullet in the scope removing the reference to the same language in section 1.3 and updated this bullet indicating we would replace up to 20% of the meters annually with the cost of the equipment being that of the Owner

Motion Franklin, second Devlin to approve the contract with PeopleService, Inc. Motion carried 5-0.

Financial Reports

Motion Palmer, second Spartz to approve the Cash Balance, Revenue & Expenditure Report for July and Accounts Payable Claims for August. Motion passed 5-0.

PUBLIC HEARING: Preliminary 2019 Budget/Levy

The City Council held a work session on August 20th to discuss the proposed 2019 Levy and Budget for the City and for the EDA. The Preliminary Levy and Budget are to be certified to the County Auditor by September 30th. The Final Levy and Budget will be adopted in December. The Final cannot be more than what is adopted for the Preliminary.

The Administrator explained property taxes, how they are calculated, market value exclusions, tax capacities, the City's budget, revenue acquisition, tax increase factors and the impact on taxpayers to the Council and guests. This year part of the tax levy will be used to finance the general fund. There is a placeholder in the general fund budget for the hiring of a community service officer. With the preliminary budget, the City Tax rate is lower than it was last year.

Motion Franklin, second Devlin to adopt Resolution 20180905-01 Adopting the Preliminary 2019 City Budget of \$2,427,205. Motion carried 5-0.

Motion Palmer, second Devlin to adopt Resolution 20180905-02 Adopting the Preliminary City Tax Levy for Taxes Payable 2019 of \$483,833. Motion carried 5-0.

Motion Devlin, second Palmer to adopt Resolution 20180905-03 Adopting the Preliminary EDA Tax Levy for Taxes Payable 2019 of \$9,533. Motion carried 5-0.

Motion Franklin, second Palmer to set the Annual Truth in Taxation Meeting for Wednesday, December 5, 2018, at 6:00 p.m. Motion carried 5-0.

CONSENT AGENDA:

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

- Special Council Meeting Minutes: August 1, 2018
- Regular City Council Meeting Minutes: August 1, 2018
- Special Council Meeting Minutes: August 20, 2018 Budget Work Session
- Special Council Meeting Minutes: August 20, 2018 Interviews
- Cemetery Deed: James Vanderwerf
- Temporary Liquor License – Old School Arts Center
- Special Permit – Use, Consumption, & Display of Beer in Train Park – American Legion Post 151
- Rental Building Appeals Board Members
- 2019 Allocation to the Initiative Foundation
- 2018 Election Update

Motion carried 5-0.

OLD & CONTINUING BUSINESS:

Security Cameras

Previously, the City Council received a presentation and quote from Sam Seibert, Cybert PC, to install 13 cameras in town, which will require 10 relay locations as well. Seibert quoted the work at a total cost of \$27,329.15. Minnesota Power had been asked for permission to place the cameras and relay equipment on their existing poles. They denied the request and stated that the City could pay Minnesota Power to install new poles and bring power to each pole and then the ownership of the poles would be turned over to the City.

Minnesota Power provided a rough estimate of \$2,000 - \$5,000 per site location. With 23 site locations (13 cameras and 10 relay sites), the cost for the poles ranges from \$46,000 to \$115,000. Adding in \$30,000 for Cybert PC (rounded numbers), the total project cost ranges from \$76,000 to \$145,000.

Questions were brought up about using commercial buildings to put some of the cameras on and negotiating with Minnesota Power. The possibility of scaling back the project was brought up. The Administrator was asked to have a Minnesota Power representative attend a meeting with Mayor Spartz, Council Member Franklin, Sam Seibert, and herself to further discuss options.

Greg Anderson – River Bluff Project

A letter was received from Greg Anderson with SEH outlining the time and budget changes for the River Bluff Street reconstruction. Due to weather, soil issues and MPJ Enterprise's progress, the contractor will not meet the substantial completion date of August 31, 2018, and likely will not meet the final completion date of September 15, 2018. A different paving contractor is going to be used and will be using B-oil instead of the C-oil that was in the original specs. SEH is also requesting approval of an increase in their contract of \$19,200 to assist the City in the completion of the project.

Anderson was present, along with Mike Johnson of MPJ Enterprises to discuss the project. A change order will need to be issued if the Council wishes to extend the completion date for MPJ; otherwise, the contract allows for the City to assess liquidated damages of \$1,500 per day until substantial completion is met. Anderson suggests that the City wait until everything is done so that actual dates can be used on any correspondence to MPJ. The Administrator would like to send the residents an update letter. It was noted that the alley to the south of the project area has some soft spots. Anderson suggested not paving the alley until next year so that the soil can settle.

A request for payment #3 was received from MPJ in the amount of \$163,239.16 which represents 83% of the work completed and material on hand, with 5% held for retainage. Anderson was asked if there are any unexpected or unaccounted for material/quantity expenses that might catch the City by surprise. He and Johnson stated that the payment request reflects everything to date on this project. There should be no surprises.

Motion Devlin, second Kester to approve the change to B-oil with a \$6 per ton price deduct, and further to approve SEH's extra cost of \$19,200. Motion carried 5-0.

Motion Franklin, second Devlin to approve the 3rd Payment Request in the amount of \$163,239.16 to MPJ Enterprises. Motion carried 5-0.

NEW BUSINESS:

Essentia Health Sandstone – Temporary Job Trailer

David Fornengo, with Essentia Health Sandstone, contacted the City about the possibility of locating a temporary job trailer on the south side of the Fire Hall for the purpose of housing ambulance personnel from November 1, 2018 through April 30, 2019. Currently, Essentia has a Lease Agreement with the City for 1 ½ stalls in the Fire Hall, which they use to store the ambulance. Therefore, next to the fire hall would be desirable to house the ambulance personnel.

Essentia is in the process of constructing a new ambulance garage along with sleeping quarters and office space that will accommodate their needs in the future; however, the new building will not be ready for some time. They have been leasing space from Sandstone Health Care Center to use as sleeping quarters for ambulance personnel; however, Sandstone Health Care Center is pursuing options for their building and the ambulance personnel will no longer be able to stay there.

Council Members expressed concern with the request because of the earlier discussion with a landlord who was put on notice that a camper was being used for living quarters, which is not allowed. There was discussion on whether the request by Essentia presents a similar situation and perhaps could be perceived as a double standard. During discussion, some of the differences noted include residential property versus commercial property, asking permission in advance, working together with the hospital, and providing a service to the community.

Motion Devlin, second Spartz to deny the request. Motion failed 2-3 with Franklin, Palmer and Kester dissenting.

Motion Franklin, second Kester to approve the request and allow Essentia Health to locate a temporary job trailer on the south side of the Fire Hall for the purpose of housing ambulance personnel from November 1, 2018 through April 30, 2019, for an additional monthly lease of \$500. Motion carried 4-1 with Devlin dissenting.

2018 LMC Regional Meetings

The Administrator shared information with the Council on the dates and locations for the upcoming League of Minnesota Cities Regional Meetings, asking if any Council Members are able to attend. Council Members will check their schedules and let her know if they are able.

Motion Palmer, second Spartz to approve Council Members and staff attendance at LMC Regional Meetings. Motion carried 5-0.

City Administrator Employment Agreement Amendment

Previously, Council Members and Administrator George discussed the language in her Employment Agreement. Paragraph 2 regarding compensation was not clear regarding the application of Cost of Living Adjustments. Additionally, Council Members had discussed not tying the COLA to increases that might be given to other employees since the Administrator participates in the union negotiation process on behalf of the City. The following changes were proposed:

- ~~2—~~Compensation: The compensation of Ms. George as City Administrator shall be established at an annual rate of 76,000 commencing August 1, 2017. Ms. George will receive a performance evaluation during the months of January and July, 2018. Then annually during the month of July thereafter. An adjustment in wages for Ms. George shall be considered up to the amount of \$78,250 after her first review (January, 2018) and \$80,500 (~~+COLA adjustment given other employees~~) after her second review (July, 2018), provided satisfactory performance evaluations are received by Ms. George from the City Council. A Cost of Living Adjustment (COLA) will be applied to the Administrator's salary effective August 1, 2018, and each August thereafter. The COLA will be determined by the Consumer Price Index, All Items, for the previous 12-month period. Additional future salary adjustments above \$80,500 (~~+COLA adjustment given other employees~~) will be granted at the same time as for other management employees and are subject to Council approval and a satisfactory performance evaluation. may be negotiated between the Administrator and the City Council.

Other references in the document to “other City employees” with regard to benefits were changed to “other full-time City employees”.

Additionally, in Paragraph 11, Professional Development, the following change was proposed:

her outside activities so she will not neglect her primary duties to the City. Professional development events include but are not limited to periodic annual ICMA and MCMA Conferences, EDAM (Economic Development Association of Minnesota) and League of Minnesota Cities events.

Motion Devlin, second Palmer to approve the proposed changes to the Administrator's Employment Agreement and further approving a 2% COLA increase effective August 1, 2018. Motion passed 5-0.

WRITTEN NOTICES AND COMMUNICATIONS: None

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

Dronen Case Update

Alternative Dispute Resolution (ADR) mediation is schedule for September 12
Pre-Trial/Settlement Conference has been set for September 26
Trial has been set for November 29

Tax-Forfeited Properties

Asbestos testing was conducted last week; waiting for the report
Fire Department may be interested in training burns at 2 locations

City Hall Hours

Office Staff are trying out a 4 day/10 hour per day work week
City Hall office hours will be extended to 7:00 a.m.- 5:30 p.m. Monday through Friday
This is a trial period; if all works well, new City Hall hours will be published

Pine County Housing Discussion

County Commissioners received a presentation of the County-wide Strategic Housing Plan
County Administrator Minke hosted a meeting of various stakeholders
Priorities of the stakeholders included a County-wide HRA/EDA entity, as well as County-wide zoning and the County adopting the State Building Code

ECRDC – Regional Transportation Coordination Council

Funds have been made available for regions to consider creating RTCCs
Core membership and steering committee structure are being discussed
Goal: Develop an effective structure and operation plan for transporting people

Wild River Properties – Update

A flowering tree will be planted where the lilacs were on the highway side
Cleaning gutters now, will check on water runoff concerns
Weeding & spraying mulch areas; plan to add more mulch

Adaptive Reuse of Historic Buildings in Rural Communities

City has been granted an intern through the UofM Center for Urban and Regional Affairs
Intern has been selected
Goal: Research 10 successful projects and provide written report on findings
No cost to City

Digital Display Speed Signs

Installed Friday, August 31st

Soup Kitchen

Grace Lutheran is exploring options/possibilities
Attended initial meeting August 16th

ADJOURN

Motion Kester, second Palmer to adjourn at 8:13 p.m. Motion carried 5-0.

Peter Spartz, Mayor

Kathy George, Administrator