

Sandstone City Council Meeting Minutes
January 15, 2025

CALL TO ORDER: 6:00 p.m.

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

Members absent: None

Staff present: Administrator Kathy George, Community Service Partner Sirena Samuelson

Others present: Sheriff's Deputy Chuck Anderson, Shannon Sweeney (David Drown Associates)

PLEDGE OF ALLEGIANCE

OATH OF OFFICE

The Oath of Office was administered to Mayor Peter Spartz and Council Members Cassie Gaede and Randy Riley by Administrator George.

ADDITIONS OR CORRECTIONS TO THE AGENDA:

Motion Riley, second Palmer to approve the Agenda as presented. Motion carried 5-0.

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

MEMBERS: Concerns were noted regarding the vacant house on 1st street. Mischief was reported at the skating rink and the nearby woods. A no smoking sign should be posted on the parking lot side of the warming house at Lions Hill, and benches by the skating rink would be nice. City Skate & Slide was well attended, including families who came to town for Sandstone Ice Fest. Ice Fest was also well attended.

PUBLIC HEARING/ PRESENTATIONS:

Public Hearing: Tax Abatement & Issuance of Bonds

Motion Gaede, second Riley to open the public hearing at 6:11 p.m. to consider tax abatement for the 2025 Street & Utility Reconstruction Project. Motion carried 5-0.

Shannon Sweeney with David Drown Associates was present and explained that the street reconstruction portion of the funding for the 2025 Street & Utility Reconstruction Project is proposed to be raised via tax abatement. Certain properties have been identified, as required by Minnesota Statutes 469; however, these properties alone will not bear the cost of the abatement – it will be spread out over all taxed entities in the City. Abatement is one of the tools a City can use to fund street projects. If approved, a General Obligation Abatement Bond will be issued, with the street reconstruction amount of approximately \$1,145,000.

Mayor Spartz called for comments from the public. No comments were received.

Motion Spartz, second Riley to close the public hearing at 6:16 p.m. Motion carried 5-0.

Motion Riley, second Palmer to adopt Resolution No. 20250115-01 Approving Property Tax Abatement for the 2025 Street & Utility Reconstruction Project. Motion carried 5-0.

CONSENT AGENDA:

Motion Gaede, second Rahier to approve the minutes from the December 18, 2024 Regular Council Meeting. Motion carried 5-0.

NEW BUSINESS:

Resolution No. 20250115-02 Awarding Sale of GO Tax Abatement & Utility Revenue Bonds

Shannon Sweeney of David Drown Associates informed the Council of the terms that have been negotiated, as previously approved at the December Council meeting, for the issuance of general obligation bonds to fund the 2025 street and utility reconstruction activities. The total bond issue is \$2,025,000 at 4.9361% interest with payments starting in 2026 and continuing to 2046.

Motion Palmer, second Gaede to adopt Resolution No. 20250115-02 Awarding the Sale of General Obligation Tax Abatement and Utility Revenue Bonds for the 2025 Street & Utility Reconstruction Project in the principal amount of \$2,025,000. Motion carried 5-0.

Resolution No. 20250115-03 Certify Dumpster Expenses to Taxes

Charlie Slama owns property at 202 State Highway 23 South. He requested assistance with cleaning up his property, asking the City to pay for the dumpster. Slama executed a Petition and Waiver Agreement requesting the assessment, and the Council previously approved paying for the dumpster. The expense from Ron's Roll Offs is \$569.60.

Motion Gaede, second Riley to adopt Resolution No. 20250115-03 Certifying Charges for Dumpster Expense on parcel 45.0099.000. Motion carried 5-0.

Deyan Sharkov – Right-of-Way License Agreement

Deyan Sharkov recently purchased parcel 45.5259.000. This parcel is located adjacent to 333 Mallard Place, and is currently undeveloped. Most of this parcel is wetlands; however, the western-most corner (adjacent to the property line with 333 Mallard Place) is buildable. Sharkov plans to build a single-family home. Mallard Place is a 60-foot platted right-of-way, intended for roadway and utility purposes. City sewer and water mains run through this platted ROW. The "road" is basically a driveway to 333 Mallard Place. Sharkov would like to extend a driveway 200 feet to 45.5259.000. A Right-of-Way License Agreement is recommended to allow him to construct and utilize a driveway on the undeveloped portion of Mallard Place.

Motion Rahier, second Riley to approve the Right-of-Way License Agreement with Deyan Sharkov to extend a driveway along the undeveloped portion of Mallard Place. Motion carried 5-0.

Abdo Proposal – Financial Software Selection & Implementation

The City has been notified that Fundbalance software will no longer be supported by Tyler Technologies effective December 31, 2026. The City uses this software for accounts payable, accounts receivable, utility billing, and payroll. A proposal has been received by Abdo Financial Solutions to assist the City staff in selecting a new software platform and then assisting with implementation of and transitioning to the new software. Abdo's fees range from \$190-\$510 per hour, based on the experience of the individuals assigned to the project. It is estimated to cost \$15,000-\$24,000 to develop the request for information, solicit software vendors, review vendor responses, participate in vendor demonstrations, and the selection process. Financial software implementation and project management are estimated to cost \$55,000-\$80,000; again, based on the hourly rate of Abdo's personnel assigned to the project. Council Members noted concerns with the cost of these services.

Motion Riley, second Palmer to accept the proposal from Abdo Financial Solutions to assist with the selection and implementation of new financial software. Motion carried 5-0.

Snowplowing Policy – Sidewalk Snow Removal Map Update

Moe Ludwig recently purchased the H&R Block / Becca's Hair Shop building. He is in the process of an exterior remodel project and has removed the awning that was on the south side of the building. He has asked that the City's sidewalk snow removal map be updated to include this portion of sidewalk. Public Works Director Hiler is not opposed to the addition.

Motion Riley, second Rahier to approve the proposed update to the Snowplowing Policy – Sidewalk Snow Removal Map. Motion carried 5-0.

OLD & CONTINUING BUSINESS:

Engineer Report

2025 Street & Utilities Reconstruction Project

A1 Excavating is planning to begin May 1st and complete the project by July 4th. A pre-construction meeting will be held in March, followed by a public open house.

Phosphorus Project

The Sandstone Phosphorus Project is in the fundable range of the Clean Water Revolving Fund (CWRP). The estimated project cost is \$560,000. The estimated amount of the Point Source Implementation Grant (PSIG) is \$448,000. The estimated amount of a CWRP Loan is \$112,000. The City must request the CWRP Loan by June 6th. If the City does not want/need the loan, the City can wait and bid the project later this summer/fall and then go into construction.

Public Works Director Hiler is pursuing another option to address the phosphorus at the sewage treatment plant as well. He plans to make a test run with the spring discharge. More information will be provided.

REPORTS:

Community Service Partner

CSP Sirena Samuelson provided a written report:

- 67 rental registration letters/forms/invoices have been sent out. 1 property remains not fully compliant (citations have been sent, no response, forwarded to the County Attorney 11/21 – no response); 1 property has unfinished correction orders from 2022 and has gone to the Court system (pre-trial was scheduled for December 11 – no updates received), property is listed for sale; 22 properties are due for inspections this year
- 1110 State Hwy 23 cleaned up on their own (Council had previously approved nuisance abatement); 38 notices were posted on doors reminding people to shovel their sidewalks
- The County notified the City of a potentially dangerous dog; sending out letter this week; complaint of a dog running at large, friendly letter sent; Council Members commented that a lot of dogs are running loose
- 605 Commercial still has no garbage service; Court date is December 19th; property has officially gone tax forfeit – but, people are still living there
- Creekside Lane property clean up – working with City Attorney on an administrative warrant
- Winners were chosen by Sandstone Royalty for the Christmas light contest

- Neighborhood Watch meeting planned for January 16th; would like to get a table banner, pamphlets, vests
- Finished the Building Inspector class; next step is to take the Limited Building Official certification test; continuing to work with Building Official Drotning, tagging along on inspections, plan reviews, etc.
- Participating in Housing Task Force re Basswood Court development and Quarry Days Committee

Sheriff's Deputy Report

The Sheriff's Department logged 220 calls in Sandstone during December. Deputy Anderson reported on various calls and occurrences since his last report; including suicide attempts, suspicious activity, alarms, and vandalism at the Wild River Townhomes.

Fire Department – no report received

Planning Commission Meeting – January 8, 2025

The Planning Commission met to conduct public hearings on two lot split requests. A public hearing will be held at the February 12th Planning Commission meeting regarding zoning of cannabis businesses.

Steve Volk – Lot Split

The City received an application from Steve Volk for the Lot Split of parcel 45.5219.000, located at 605 Old Military Road South. Volk would like to create two separate parcels. One parcel (with the existing building) would be approximately 34,000 square feet. The other parcel would be approximately 3 acres. He plans to create indoor and outdoor storage on the 3-acre parcel.

The Planning Commission held the public hearing and recommends the Council approve the lot split (minor subdivision) based on the following findings of fact:

- (a) The subdivision will result in no more than three lots;
- (b) Conditions on and around the tract to be subdivided are well-defined;
- (c) No future streets are needed or proposed to provide access to the newly created lots or to existing lots;
- (d) The subdivision will not obstruct planned future streets;
- (e) The subdivision will not obstruct future subdivisions on adjoining unplatted lands;
- (f) The subdivision meets all lot area and lot dimension requirements and building setback requirements;
- (g) No further subdivision is expected. Further subdivision of the tract from which lots were created under this minor subdivision procedure will require following the platting procedures in this chapter; and
- (h) Required easements are conveyed to the city in an appropriate manner.

Motion Palmer, second Rahier to approve the Lot Split of parcel 45.5219.000, 605 Old Military Road South. Motion carried 5-0.

Sandstone Economic Development Authority – Lot Split

The City received an application from the Sandstone Economic Development Authority (EDA) for the Lot Split of parcel 45.5408.000, located at 501 Court Avenue North. The City is working with developer Meghan Elliott to redevelop the historic sandstone school into 31 units of workforce housing. The housing project will take place in the 3-story original structure and the 2-story north

addition, which will be transferred to Elliott prior to the housing construction work. The 1.5-story south addition (the auditorium) will not be part of the housing project and will remain in the EDA's ownership. The EDA is pursuing funding options for redeveloping the auditorium for use by the Sandstone History and Art Center and other potential community uses.

The Planning Commission held the public hearing and recommends the Council approve the lot split (minor subdivision) based on the following findings of fact:

- (a) The subdivision will result in no more than three lots;
- (b) Conditions on and around the tract to be subdivided are well-defined;
- (c) No future streets are needed or proposed to provide access to the newly created lots or to existing lots;
- (d) The subdivision will not obstruct planned future streets;
- (e) The subdivision will not obstruct future subdivisions on adjoining unplatted lands;
- (f) The subdivision meets all lot area and lot dimension requirements and building setback requirements – **the Planning Commission acknowledges that the north side yard setback cannot be met because the auditorium shares a wall with the Historic Sandstone School structure;**
- (g) No further subdivision is expected. Further subdivision of the tract from which lots were created under this minor subdivision procedure will require following the platting procedures in this chapter; and
- (h) Required easements are conveyed to the city in an appropriate manner.

Motion Palmer, second Spartz to approve the Lot Split of parcel 45.5408.000, 501 Court Avenue North. Motion carried 5-0.

Parks & Recreation Commission Meeting – January 10, 2025

The Park Commission is planning 2025 events, responding to an inquiry from Whenever Watersports to establish a self-serve kayak/SUP rental kiosk program in Robinson Quarry Park, reviewed a draft design for the entrance sign to Robinson Quarry Park, continued discussions on the Robinson Quarry Park projects, and received various updates.

Sandstone Flower & Garden Club Service Agreement

Motion Gaede, second Riley to approve the 2025 Purchase of Service Agreement with Sandstone Flower & Garden Club for \$500. Motion carried 5-0.

210 Gallery & Art Center Service Agreement

Motion Gaede, second Riley to approve the 2025 Purchase of Service Agreement with 210 Gallery & Art Center for \$1,000. Motion carried 5-0.

Housing Task Force Update

The Housing Task Force met on January 14th to review the Community Outreach/Public Engagement Report and preferred concept plan for the Basswood Court development. Suggestions from Task Force members include eliminating the sidewalk and widening the roadway and creating noise and safety barriers between the property and the gravel pit. SGA will start working on schematic design.

Library Report – December 2024

Librarian Nora Hinton reported that the new microfilm reader/scanner has arrived, 65 new books were collected and donated to Family Pathways, a new library assistant was hired, and upcoming programs include Story Time, Lego Club, Book Club, and Punch Needle Craft Night.

Building Inspection Report – December 2024

Building Official Richard Drotning reported 2 building permits and 3 right-of-way permits were issued in December. The total construction value of permits issued in 2024 is \$2,706,338. There are currently 33 ongoing building projects and five ongoing right-of-way projects in town.

Public Works Director Report – December 2024

Public Works Director Hiler reported that, in addition to routine tasks, downed trees were cleared, firewood was placed at campsites, a metal plate was installed at the Dog Park to close gaps in the fencing, two picnic tables were painted for Panther Park, ice rink was flooded, received a quote to replace the heating unit in the garage at 310 Main, addressed roof leaks/gutters at 105 Main, assisted with Quarry City Christmas, salvaged some items from 302 Main prior to demolition, burned the brush pile at the compost site, and performed various equipment repair & maintenance tasks.

In the Water Department, leaks were repaired in the chemical feed lines/pump, three hydrants were repaired, two new meters were installed, an internal plumbing issue discovered at 927 State Highway 23. In the Wastewater Department, water was moved and ferric chloride was mixed in preparation for effluent discharge, three backups occurred with all being private service line issues, a section of the main line on Angle Avenue was repaired due to a contractor hitting it with an auger.

Safety Committee Report

The City participates in the Pine County Regional Safety Group along with Hinckley, Pine City, Rush City, and Braham. The Committee reviewed two incidents: Public Works staff member was struck in the arm when the wind blew a piece off of a new pavilion being installed at Robinson Quarry Park (no medical treatment was sought), and a firefighter was taken by ambulance for a medical checkup and was released. Training in December covered snowplow & cold-weather disorder. The training schedule for 2025 was provided.

Financial Reports

Motion Palmer, second Riley to approve the December A/P Clerk Claims in the total amount of \$182,295.12. Motion carried 5-0.

WRITTEN NOTICES AND COMMUNICATIONS: None

ADMINISTRATOR’S REPORT: A Project Update report was provided.

ADJOURN

Motion Gaede, second Riley to adjourn at 8:35 p.m. Motion carried 5-0.

Peter Spartz, Mayor

Kathy George, Administrator