

**Sandstone City Council Meeting Minutes
January 17, 2024**

CALL TO ORDER: 6:00 p.m.

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

Members absent: Julena Rahier

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

Others present: Rick Puissegur, Mary Mady (North Pine County News), Deputy Chuck Anderson, Deputy Mark Anderson, Shannon Sweeney (David Drown Associates), 210 Gallery & Art Center President Cheryl Burns

PLEDGE OF ALLEGIANCE

ADDITIONS OR CORRECTIONS TO THE AGENDA:

Motion Gaede, second Riley to approve the Agenda as presented. Motion carried 4-0.

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

MEMBERS: Councilor Palmer reported that the outside lights on the new Library building are working, a baby changing station is needed. Council Members thanked Deputy Clerk Novak for increasing the size of the lettering on the digital display sign. Councilor Gaede reported that Ice Fest was fantastic. Cheryl Burns reported that the 210 Gallery & Art Center has been open for over a year now, with over 1,000 visitors to date. She thanked the City Council for their support. City Staff received a complaint about a barking dog and a sewer backup.

PUBLIC HEARING/ PRESENTATIONS:

Public Hearing – Minnesota Power Franchise Fee

Motion Riley, second Gaede to open the public hearing to consider a Franchise Agreement and further imposing a franchise fee on Minnesota Power at 6:15 p.m. Motion carried 4-0.

The City Council is considering imposing a franchise fee on Minnesota Power that would cover the annual budget expense of approximately \$25,000 for street lights. The franchise fee would be \$2.59 per customer, per month, which would be passed on to all Minnesota Power customers. If the franchise fee is implemented, the City levy would be reduced by \$25,000. The draft Franchise Agreement was reviewed and discussed.

Mayor Spartz asked for comments from the public. Resident Puissegur noted concern with the cost of electricity increasing.

Motion Gaede, second Palmer to close the public hearing at 6:40 p.m. Motion carried 4-0.

Motion Palmer, second Gaede to adopt Ordinance No. 20240117-01 approving the Franchise Agreement with Minnesota Power. Motion carried 4-0.

Motion Palmer, second Riley to adopt Ordinance No. 20240117-02 imposing a Franchise Fee on Minnesota Power. Motion carried 4-0.

CONSENT AGENDA:

Motion Gaede, second Palmer to approve the minutes from the December 20, 2023 Regular Council Meeting. Motion carried 4-0.

NEW BUSINESS:

Resolution No. 20240117-01 Accepting Donations

Motion Riley, second Palmer to accept a donation of \$50 for the Fire Department from Dawn Ellingson in memory of her Aunt Shirley Carroll and a donation of a bench for the Mary Thorvig Memorial Tree Garden from East Central Dollars for Scholars. Motion carried 4-0.

2024A GO TIF Bonds – Historic Sandstone School Project

The Council held a public hearing on December 20, 2023 to establish a TIF District for the Historic Sandstone School redevelopment project. The Council approved the TIF Plan and issuance of General Obligation Bonds to provide \$1,000,000 for the project. Shannon Sweeney of David Drown Associates was present to provide the results of the bond sale. The total amount of the debt (bond) is \$1,205,000, which allows for covering the expenses associated with issuing the bonds and funds to make the first two interest payments due in 2025 and 2026. This is a taxable bond issue, since the property will transfer to the developer. The interest rate is 6.182795%. If approved, closing will occur on February 15, 2024. Sweeney stated that this bond offer is fair and equitable, he recommends the Council proceed.

Motion Riley, second Palmer to adopt Resolution No. 20240117-02 awarding the sale of taxable general obligation tax increment bonds in the amount of \$1,205,000 to support the Historic Sandstone School redevelopment project. Motion carried 4-0.

Appoint Election Judges

Motion Gaede, second Riley to appoint election judges for 2024 elections as follows: Kristy Barsness, Diane Seymour, Steve D’Alessio, Alyssa Dykstra, Mary Ellen Dewey, Pete Spartz, Rick Puissegur, Kathy George, Alana Tyson, Maddi Novak. Motion carried 4-0.

Ordinance No. 20240117-03 Adopt 2024 Fee Schedule

The following revisions were proposed for the 2024 Fee Schedule:

<u>Type of Service</u>	<u>FEE</u>
Franchise	
<u>Minnesota Power Franchise fee</u>	<u>2.59/month</u>
Utility	
Water Base Fee (Fixed Rate)	15.52 <u>15.60</u>
Water rate per gallon (Volume)	6.30 <u>6.39</u> /1000 gallons
State Test Fee	0.53 <u>0.81</u>
Technology Access	0.07 <u>0.09</u>
Sewer Base Fee (Fixed Rate)	16.66 <u>16.74</u>
Sewer rate per gallon (Volume)	4.36 <u>4.43</u> /1000 gallons

Motion Spartz, second Palmer to adopt Ordinance No. 20240117-03 amending and adopting the 2024 Fee Schedule. Motion carried 4-0.

Personnel Policy Updates

Council reviewed many changes proposed to the City's Personnel Policy. Most of the changes had to do with the new Earned Sick & Save Leave legislation. Use of compensatory time and nursing mothers break time were updated to reflect current laws as well. Juneteenth was added to the list of holidays.

Motion Palmer, second Riley to approve Personnel Policy updates as presented. Motion carried 4-0.

OLD & CONTINUING BUSINESS:

City Engineer – Project Updates

SEH Engineer Greg Anderson submitted a written update:

Water Treatment Plant Improvements (well #1 and generator replacement)

- The installation of the generator has been completed.
- Final payment was made to the contractor last month.
- There is an issue with the electrical permit, which is being reviewed.
- DEED will perform a site/grant visit in the spring.

Wastewater Pond – Phosphorus Treatment Improvements

- The next step is to get the project certified by MPCA which includes getting an NPDES permit modification to include the construction of the chemical feed system. The City's current permit expires in 2024 and the application for the permit modification needed for construction will likely be used as the City's application for permit reissuance.
- The City's application did not make the scoring cut off for the PSIG grant; the project will be carried over and will receive priority for construction in 2025.

REPORTS:

Community Service Partner

CSP Sirena Samuelson reported on the following:

- 4 people attended the latest Neighborhood Watch meeting; the program is being revamped, with a focus on the few individuals who are interested in getting more involved
- 2024 Rental Registration letters and invoices have been sent out; 4 have been returned so far
- Annual rental inspections will be scheduled by May, to allow time for corrections to be made before the winter season
- 2 citations have been issued for cleaning up refuse; one property owner was scheduled for City clean up, but the property owner has met the requirements
- Building Inspector school has started; information regarding the grant has not yet been released
- The Christmas Lighting Contest was well received; Council Members suggested the judging take place before Christmas
- followed up on some property concerns reported by neighbors
- has had some calls and activity regarding lost or missing dogs

Sheriff's Deputy Report – December 2023

The Sheriff's Department logged 219 calls in Sandstone during the month. Deputy Chuck Anderson was present and reported the following:

- 2 people were arrested for check theft; one was released, and then arrested again

- A concern was noted regarding the loop in Robinson Quarry Park; making it one-way would be helpful
- Responding to fire alarms lately, mostly due to furnace malfunctions
- Thefts are increasing at Chris’ Food Store – food, merchandise, gas drive offs, trespassing
- Responded to suspicious activity at the Victory station
- Citations have been issued for dogs in the north Commercial Avenue area
- A door was swinging open at the John Wright Building day care side a few months ago
- Someone is going through mailboxes on 4th Street
- Responded to a theft of medication from someone’s vehicle at the Casey station
- Responded several times to the Kettle River apartments on noise complaints

Council Members once again thanked Deputy Anderson for his work in Sandstone; people in the community are expressing appreciation for the increased visibility/presence.

Fire Department

Fire Chief Chaz Mann provided a written report:

- the Department had 13 calls in December: 10 medical, 2 cancelled en route, 1 structure fire
- For 2023, the Department had 150 calls, compared to 103 in 2022.
- Mann is working with FCI Administration to plan a joint training exercise at the prison.
- the new tender has been received; radios will need to be installed and training on the apparatus will be scheduled
- working with a vinyl graphics vendor for badging the new tender, as well as other equipment the Department received from the DNR
- Grant writing efforts will focus on replacing the Jaws of Life, upgrading the rescue vehicle, and other needs that may arise
- 3 firefighters are currently attending Fire School; they are nearing completion of FF1 and will continue on to FF2 and HAZMAT.

Jerome’s Collision - Tender

The 3,000 gallon Tender project is finished and the vehicle has been delivered to the Fire Department. The Department members are very happy with the vehicle. The City received a request from Jerome’s Collision Center for additional funds in the amount of \$19,557.96 due to price increases, add ons, repairs, and shipping. Fire Chief Mann reviewed the list and recommends the City pay the following additional amount:

Line 4 – Opticom-----	\$397.00 (increase from original cost of \$1712.50)
Line 9 - Hannay Hose Reel -----	\$2023.45
Line 10 - Hose Reel Swing Out Valve---	\$374.59
Line 12 – Dash Pressure Switch-----	\$13.36
Line 13 – Air Leak in Dash-----	\$127.60
Line 15 - Fuel 15 Gallons-----	\$68.98
TOTAL_____	<u>\$3,004.98</u>

Motion Spartz, second Riley to approve payment of \$3,004.98 to Jerome’s Collision Center for additional work completed on the Tender project. Motion carried 4-0.

EDA Meeting – December 27, 2023

The EDA held a public hearing on the sale of 501 Court Avenue North (Historic Sandstone School) to New Rock, LLC., and also approved a Development Agreement regarding the Tax Increment Financing district. A proposal from MJB for roof project construction services was approved. Various updates were provided.

Park Commission Meeting – January 12, 2024

- The City is advertising to fill the vacant Park Commission seat
- A meeting will be scheduled to kick off the Phase 2 Robinson Quarry Park planning process
- City Skate & Slide is February 3rd
- Spring Park Clean Up is April 27th
- Arts in the Park will be Tuesdays in June
- Quarry Days is August 9-10
- Mary Thorvig Memorial Tree Garden “planting ceremony” is August 11th
- Oktoberfest will be October 5th with the Chmielewski Funtime Band

Library Report – December 2023

Librarian Josh Menter submitted his monthly report. At least 673 visits were made to the library (the counter did not work for 3 days) and 325 reference questions were answered during the month. DND continues strong. A Grand Opening event was held on December 3rd. A jigsaw puzzle exchange has launched. The last storytime in December was lively. Winter storytime starts in mid-January.

Sandstone Library Project Update

All outstanding items have been completed. The final application for payment from the contractor is needed, followed by the paperwork necessary to secure the State Library Construction Grant funds and the USDA-RD grant & loan funds.

Building Inspection Report – December 2023

Permits issued: 6 building. Currently, there are 10 ongoing building and 2 ongoing right-of-way projects in town. The total construction value of permits issued in 2023 is \$1,585,342.00.

Public Works Director Report – December 2023

Public Works Director Hiler reported that, in addition to routine tasks, the water meter has been installed in the climber’s shed, the new restroom projects at City Hall and the John Wright Building are underway, door knobs and locks were added to two closets in the former library space, a door spring was replaced on the dishwasher at the JW Building, maintenance was completed on various pieces of equipment, the fence enclosure has been installed around the LP tank in Robinson Quarry Park, four new fire hydrant markers were installed, two sewer backups were tended to. Hiler is working with Total Control to install the water/sewer computer system on the office computer and cellphone. He is working with the MN Dept of Health to switch data from PeopleService. And he is working on getting software and equipment needed for reading meters.

Streets & Parks Maintenance Worker Job Description

One change is proposed to the Streets & Parks Maintenance Worker Position Description: add “Provide backup assistance for water and wastewater operations as needed”. **Motion Gaede, second Palmer to approve the addition “Provide backup assistance for water and wastewater operations as needed” to the Streets & Parks Maintenance Worker Position Description. Motion carried 4-0.**

Memorandum of Understanding w/IUOE Local 49

The current union contract runs through December 31, 2024. Because of the City's switch from contracting with PeopleService to manage the water and wastewater operations, some modifications are needed to the current union contract. Changes include:

- Adding Streets & Parks Maintenance Worker – Water/Wastewater Operator at a 2024 base wage rate of \$30.03 (as previously approved by the Council)
- Extending On Call to include weekday evenings because sewer and water operations require 24-hour response
- Adding a stipend of \$25 per day for weekday evening On Call
- Clarifying that On Call responsibilities on weekends and holidays includes conducting rounds at the water and wastewater plants. Employees will be compensated for time spent conducting rounds.
- Adding the exception that the Call Out Minimum does not apply to conducting rounds at the water and wastewater plants.

Motion Riley, second Palmer to approve the proposed Memorandum of Understanding between the City and IUOE Local 49 regarding the Streets & Parks Maintenance Worker – Water/Wastewater Operator position and other duties related to ending the contract with PeopleService. Motion carried 4-0.

Financial Reports

Investment Policy Review

The City Investment Policy requires an annual review. No changes are proposed. Administrator George reviewed the policy with the Council.

Revenue Recognition Policy

This is a new policy for the City and was recommended by the City Auditor. The policy follows guidelines of the Governmental Finance Officers Association (GFOA), Generally Accepted Accounting Principles (GAAP), and all applicable state and federal statutes. **Motion Palmer, second Riley to adopt the Revenue Recognition Policy as presented. Motion carried 4-0.**

Motion Palmer, second Riley to approve the December financial reports: Cash Balance, Revenue & Expenditure Report; the Total Residual Income/Loss Report; and A/P Clerk Claims in the total amount of \$956,178.57. Motion carried 4-0.

WRITTEN NOTICES AND COMMUNICATIONS:

- Minnesota Power Rate Increase
- IUOE Local 49 Health & Welfare Premium Notice

ADMINISTRATOR'S REPORT: No additional information was provided.

CLOSED MEETING

Motion Riley, second Gaede to close the meeting at 8:20 p.m. in accordance with Minnesota Statute 13D.05, subdivision 3(c)(3), to consider offers or counteroffers for the purchase of real property identified as Basswood Court. Motion carried 4-0. The meeting was reopened at 8:30 p.m.

ADJOURN

Motion Gaede, second Riley to adjourn at 8:30 p.m. Motion carried 4-0.

Peter Spartz, Mayor

Kathy George, Administrator