

**Sandstone City Council Meeting Minutes  
October 20, 2021**

**CALL TO ORDER:** 6:00 p.m.

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

Members absent: None

Staff present: Administrator Kathy George

Others present: SEH Engineer Greg Anderson

**PLEDGE OF ALLEGIANCE**

**ADDITIONS OR CORRECTIONS TO THE AGENDA:**

**Motion Riley, second Spartz to approve the Agenda with the following additions 8(e) Donation from Quarry Lions, 8(f) Northern Pine Riders Lawful Gambling Permit, and Architect Agreement added to 6(a). Motion carried 5-0.**

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

**MEMBERS:** Staff received complaints about the condition of Old Military Road, tall grass by the Freeway Bridge guardrails, damaged “Yield” sign on TH23, trash on a particular property, a large dead tree limb hanging over the road, and the need for a stop sign at the intersection of the frontage road and Robin Street.

**PUBLIC HEARING/ PRESENTATIONS:**

Hearing: Library Improvement Project: USDA Rural Development

The City was awarded a grant from the State Library Construction Grant Program to purchase and redevelop the PHASE office building located at 106 Main Avenue and move the Sandstone Public Library. The State grant requires a 50% match. The City is working with USDA Rural Development for a low interest, long term loan for the 50% match. USDA requires the City to inform the general public regarding the proposed project. A Public Hearing Notice was published in the 10/7 and 10/14 editions of the *Pine County Courier*. The notice was also posted on the City’s bulletin board.

**Motion Riley, second Palmer, to open the Public Hearing at 6:07 p.m. Motion carried 5-0.**

Alternatives to the proposed project were discussed. The Library moved to its current location in the City Hall building in 1991 (the former location of the Fire Hall), which provides 3,888 square feet. Prior to that, the Library was located on the second floor of City Hall and occupied 1,288 square feet. In 2010, the City worked with consultants and engineers to consider including the library on the ground floor of the historic Sandstone School building, if it were to be redeveloped. At that time, the Sandstone Library Foundation was formed to raise major funds for the expansion of the Library. In 2012, a Community Visioning Process was facilitated by the architect, and 10 potential options were discussed for the Library, one of which was 106 Main; however, it was not for sale at that time. Since then, various community discussions, processes and procedures have taken place. During each of these efforts, the Library expansion emerged as one of the main redevelopment priorities. In 2020, the City worked with a non-profit developer to create housing in the historic Sandstone School building, along with space for the Library. It was determined that there wasn’t enough room in the school building for both housing and the Library, so the Library was removed from the plan. A separate planning effort emerged in 2020 to combine the Library with the Sandstone History and Art Center and the Old School Art Center in a location near the historic Sandstone

School building. Several options were considered; however, the costs were too high (\$4,000,000 up to \$10,000,000).

In 2021, the City learned that 106 Main Avenue was for sale. This building meets all the goals established by the community over the past 11 years, including enough space for the library program and space for future expansion, adequate off-street parking, safety, accessibility, connectivity to the “heart of the city”, visibility from a major street, landscaping potential, daylighting potential, outward views, connected to community/cultural amenities, and accessible by walking. A budget of \$2,000,000 was put together for the acquisition and redevelopment of 106 Main Avenue for the Sandstone Public Library.

There are no environmental impacts for the project, as 106 Main Avenue is an existing building and most of the redevelopment work will take place inside the building.

For the 50% matching funds, the City is working with USDA Rural Development for a long-term low interest loan. It is anticipated that the annual debt service payment will be approximately \$40,000 and would start in 2023. Operating expenses will increase as well. The City increased the 2022 Library budget by \$12,500 for utilities and cleaning services at the new location. The 2023 Library budget will be increased an additional \$12,500 for utilities and cleaning services, for a total of \$25,000 per year in operating expenses, along with \$40,000 per year for debt service.

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

**Motion Spartz, second Gaede to close the Public Hearing at 6:20 p.m. Motion carried 5-0.**

The Council then considered the following documents for the USDA Rural Development Loan Application process:

- 1) Certification for Contracts, Grants and Loans
- 2) Equal Opportunity Agreement
- 3) Assurance Agreement
- 4) Certification Regarding Drug-Free Workplace Requirements
- 5) Legal Services Agreement
- 6) Resolution No. 20211020-01 Accepting Legal Services Agreement
- 7) Architect Agreement

**Motion Palmer, second Riley to approve the following documents for the USDA Rural Development Loan Application process: Certification for Contracts, Grants and Loans; Equal Opportunity Agreement; Assurance Agreement; Certification Regarding Drug-Free Workplace Requirements; Legal Services Agreement; and Architect Agreement. Motion carried 5-0.**

**Motion Palmer, second Spartz to approve Resolution No. 20211020-01 Confirming Legal Services Agreement regarding the Library Building Project. Motion carried 5-0.**

**CONSENT AGENDA:**

**Motion Gaede, second Rahier to approve the following Consent Agenda items:**

**September 15, 2021 Regular Council Meeting minutes**

**Banning State Park Annual Youth Hunt**

**Cemetery Deed: George & Dorothy Jamison**

**Motion carried 5-0.**

**NEW BUSINESS:**

Streets & Parks Maintenance Worker Paul Peters - Retirement

Paul Peters submitted his letter of resignation effective October 6<sup>th</sup>, 2021, after 19 years of service to the City. **Motion Riley, second Gaede to accept the resignation of Paul Peters. Motion carried 5-0.**

The position was advertised in several local newspapers. 18 applications were received. The Personnel Committee will meet to review the applications and interview candidates with the final recommendation made to the City Council. Councilor Riley agreed to join Mayor Spartz and Administrator George on the Personnel Committee for this process. S&P Supervisor Hiler will also participate.

International Union of Operating Engineers, Local 49 Contract Ratification

The Personnel Committee met with the Union Business Agent and with the City Union Stewart on September 23<sup>rd</sup> to negotiate a new 3-year contract. Tentative Agreement was reached on the following items:

- Term: January 1, 2022 through December 31, 2024
- “after 1-1-08” removed from Article III, Section 5 (Probation)
- Language regarding vacation time was removed from Article IX, Section 1 (Accrual)
- Language was clarified regarding paid time off (PTO)
- 24 hours per year were added to PTO
- Article IX, Section 3 (Termination) and Section 4 (Carryover) were eliminated
- Article XI, Section 2 (Sick Leave) was eliminated
- Article XI, Section 10 (Personal Leave) was eliminated
- 4.5% increase in the cap for health insurance each year
- Language was clarified in Article XIV, Section 3 (Comp Time)
- Wages were adjusted effective January 1, 2022 for the Streets & Parks Maintenance Worker to align with the Deputy Clerk positions
- Finance Officer was replaced by Deputy Clerk/Finance in Article XVI
- Wage increases are 4% for 2022, 3% for 2023, and 3% for 2024

**Motion Rahier, second Riley to ratify the 2022 through 2024 International Union of Operating Engineers, Local 49, Contract. Motion carried 5-0.**

Pine County Agreement for Prosecution Services

The City contracts with Pine County for prosecution services. The current agreement will expire December 31, 2021. The County Attorney has proposed a two-year contract for 2022 and 2023. The payment will remain the same; \$20,000 per year. **Motion Palmer, second Gaede to approve the Agreement for Prosecution Services with Pine County and the Pine County Attorney for calendar years 2022 and 2023 for \$20,000 per year. Motion carried 5-0.**

Ordinance No. 20211020-01 Rescinding City Code 1155 – Tree Trimming

The City reviewed City Code 1155 at the September 15<sup>th</sup> Council Meeting and had determined that the ordinance was no longer necessary. **Motion Gaede, second Palmer to adopt Ordinance No. 20211020-01 Rescinding City Code 1155 – Tree Trimming. Motion carried 5-0.**

Resolution No. 20211020-03 Accepting Donation from the Quarry Lions

**Motion Palmer, second Riley, to adopt Resolution No. 20211020-03 Accepting the Donation of \$300 from the Sandstone Quarry Lions to be used for Panther Park. Motion carried 5-0.**

Resolution No. 20211020-02 Approving Northern Pine Riders Lawful Gambling Premises Permit

The Northern Pine Riders Snowmobile Club submitted an application to conduct lawful gambling at Sandstone Lanes. **Motion Riley, second Spartz to adopt Resolution No. 20211020-02 approving Northern Pine Rides Snowmobile Club Lawful Gambling Premises Permit to conduct lawful gambling at Sandstone Lanes. Motion carried 5-0.**

## **OLD & CONTINUING BUSINESS**

### 2021 Water System Improvements Project

As reported at the September 15<sup>th</sup> Council meeting, 1 bid was received for the proposed Water System Improvements Project. The bid was from Utility Systems of America:

	<u>Bid</u>	<u>Updated Engineer's Estimate</u>
2 <sup>nd</sup> line to tower:	\$320,290	\$305,000
Well #1 work:	\$486,480	\$357,000
Well #2 work:	<u>\$191,500</u>	<u>\$110,000</u>
Total	\$998,270	\$772,000

With a grant of \$354,000, the City would need to come up with \$644,270 to complete the project. And that doesn't include engineering fees for construction observation, etc. SEH Engineer Greg Anderson was present to discuss options, as requested.

With regard to the second water main to the water tower, Anderson suggested the purchase of 6-inch HDPE pipe and placing it on the slope with connections on each end, likely a hydrant, to allow a quick connection. He estimates this cost to be \$60,000.

With regard to Well #2 work, Anderson explained the piping required to allow pumping directly to the water tower, if needed. The pump would be replaced and electrical service would be upgraded. The cost remains \$191,500 as bid.

With regard to Well #1 work, Anderson considered scaling the project down to raising the wellhead out of the floodplain and replacing the generator for a cost of \$305,900. Engineering and inspection services are estimated to be \$36,708 for this work, plus \$20,000 for grant administration. If this option were selected, the total project cost would be approximately \$362,608. The DEED grant, including grant administration, is \$374,000.

After review and discussion of these options, **motion Spartz, second Rahier, to reject the bid from Utility Systems of America for the 2021 Water System Improvement Project. Motion carried 5-0.**

**Motion Spartz, second Riley, to move forward with Well #1 work for the approximate total cost of \$362,608. Motion carried 5-0.**

Anderson will submit a grant amendment to DEED for formal acceptance of the revised project scope. He will also prepare the revised project for Council Approval and rebidding.

### Fire Service Contract: Sandstone Township

The City has been engaging in continued discussions with Sandstone Township regarding the 2022 Fire Service and regarding a Fire Service Contract. In August, the City Council upheld the May 2021 revised Fire Formula allocation, with a 50% reduction, and proposed a 3-year contract with the Township. On October 1<sup>st</sup>, the City received a letter from Sandstone Township indicating that they will settle for the \$20,044.22 amount (which is the 2022 Fire Formula amount for Sandstone Township), but that amount must remain unchanged during a 3-year contract beginning January 1, 2022 and ending December 31, 2024.

Council Members expressed concern with deviating from the agreed-upon Fire Formula, because it would create disparities with the other townships that contract with the Sandstone Fire Department. **Motion Spartz, second Palmer to reject the 3-year contract proposed by Sandstone Township and to offer a 1-year contract for 2022. Motion carried 5-0.**

### **REPORTS:**

#### Sheriff's Deputy Report – September, 2021

The Sheriff's Department has changed its reporting method to only include the calls logged during the specific contracted hours. In September, there were 116 calls during the contracted hours.

#### Fire Department – September, 2021

Fire Chief Andy Spartz reported there were no fire calls in September. Training was centered on engine operation and setup.

#### Library Report – September, 2021

Librarian Josh Menter reported that there were 36 computer appointments, 565 visitors, 319 reference questions answered. The D&D adventures are continuing. An Inktober passive program is being offered in October; patrons are encouraged to create and share art made with pen and paper, based on a daily list of prompts. The Friends of the Library Silent Auction runs through October 22<sup>nd</sup>. Library hours are back to the pre-pandemic schedule, with the Library being open until 7:00 p.m. on Thursdays.

#### EDA Meeting – September 22, 2021

The EDA considered a proposal from Hannah Mitchell to redevelop the top floor of the Sandstone History and Art Center building and use it for vacation rental. The EDA approved a Community Economic Development Loan for Amy Greenly. The EDA approved contributing \$50,000 to Panther Park with an emphasis on the basketball court.

#### Park & Rec Commission Meeting – October 15, 2021

The Park Commission met with LHB Architect Heidi Bringman to consider layout plans for the Robinson Park Legacy Grant project. Bi-weekly meetings will be set up beginning November 2<sup>nd</sup>. All interested Park Commissioners are welcome to participate. Progress continues on the Cultural Landscape Report, which must be completed by the end of the year. Local artist Carole Bersin is working on a sign design for the Skunk Creek Trail. October 30<sup>th</sup> has been set for the fall work day at Robinson Park. Oktoberfest was successful.

Panther Park Funds – The Park Commission reviewed the funding plan for Panther Park. The Park Fund balance at the end of 2021 is expected to be approximately \$39,000. The Park Commission recommends the City Council approve earmarking \$30,000 of these funds for Panther Park.

**Motion Palmer, second Spartz to earmark \$30,000 of the Park Fund balance for Panther Park. Motion carried 5-0.**

Building Inspection Report – September, 2021

Permits issued during the month: 7 building permits, 6 maintenance permit, and 3 right-of-way permits. There are currently 6 on-going building projects and 4 right-of-way projects active in town.

Streets & Parks Supervisor Report – September, 2021

Supervisor Craig Hiler reported the crew is continuing to replace old and faded street/traffic signs. They also worked on mowing, cleaning catch basins, pothole patching, edging curbs for painting, and changing out the banners downtown. The Lark Street/Birch Avenue storm sewer repair/replacement project was completed. New dog waste stations were installed in Train Park and Johnson Park. Shrubs and trees were removed from the Veterans Memorial garden. The parking lot is complete at the John Wright Building and new signage and lighting has been installed. Equipment maintenance included replacing a faulty battery, broken heat/ac hose couplers, changing fluids & filters, refurbished a starter, and general maintenance activities.

PeopleService Report – September, 2021

Matthew Wold has been hired by PeopleService and will cover Sandstone. Sidewalks were checked for raised curb stops. The leaking caustic feed line at the water plant was replaced. MN DOT was set up with a meter for the TH123 construction project. Two water meters were delivered for the Habitat for Humanity houses. Sewage in the basement at 605 Commercial turned out to be a problem with the private service line. An electrical outage occurred at the main pump station.

Financial Reports

**Motion Spartz, second Rahier to approve the August reports: Cash Balance, Revenue & Expenditure Report; the Residual Income/Loss by Earnings Type Report; and A/P Clerk Claims in the total amount of \$312,384.97. Motion carried 5-0.**

**WRITTEN NOTICES AND COMMUNICATIONS:** None

**ADMINISTRATOR’S REPORT:** The Administrator reported on the following items:

**Sanitary Sewer Forcemain break - Update**

- The area has been cleared and Big Spring Falls is now OPEN

**Library Project**

- Working on requirements for State grant – the Library Use Agreement is the current hold up
- Working on Dept of Ag Loan application
- Setting up closing date to purchase PHASE building
- Council was comfortable moving forward with the design phase

**Surplus Property Update**

- 1963 Caterpillar Grader: sold on Public Surplus Auction for \$6,000.00 (agreed to pick up 10/18, but didn’t take it – we will start charging them rent)

- The 1986 Plow/Dump Truck was been re-listed (5<sup>th</sup> time); SOLD for \$4,000
- JW Building leftover furniture: 3 counter tops sold for \$1/each, 1 counter top was disposed of, commercial carpet vacuum sold for \$30, reception desk w/partitions was disposed of (no bidders)
- KREEC bldg Antique Wood Stove sold (2<sup>nd</sup> time) for \$122.50 4/8/2021, payment received, buyer never picked up after numerous notices; 9/16/2021 we considered the item abandoned, blocked the buyer from future auctions, and disposed of the item

### **Government Finance Officers Association (GFOA) Conference**

- Deputy Clerk/Finance Charles Koch attended October 6-8
- Impactful sessions attended included *Navigating the Agile Workplace, Economic Update, Growing your Presence in Social Media, Lead Simply, Recruiting and Retaining Employees, GASB Update, Building Ships Outside Comfort Zone*

### **Dell Grove & Danforth Townships**

- Dell Grove requested a 1-year Contract (rather than 3-years), which has been provided
- Danforth Township's Contract has now been received

### **Drought Update**

- The St Croix Rivershed area has been moved out of the Drought Warning Phase and back into to the drought watch phase

### **MN DOT TH123 Project**

- Working to remove the detour as soon as possible
- Sidewalk, shouldering, striping, rumble strips, signage, turf establishment this week
- Guardrail, cleanup, turf establishment next week

### **Miscellaneous Updates**

- City Hall Flagpole – installation has been delayed until the week of November 15
- 23 letters were sent out in September (6-grass, 9-junk, 8-vehicles)
- Evangelical Free Church will use the driveway at The Rock for Trunk or Treat 10/31
- History Center Furnace troubles – D&E to replace a part this week
- Fencing for the Day Care Center playground areas: \$8,614

### **ADJOURN**

**Motion Gaede, second Rahier to adjourn at 7:50 p.m. Motion carried 5-0.**

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Peter Spartz, Mayor

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Kathy George, Administrator