

**Sandstone City Council Meeting Minutes  
November 17, 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: Octavio Perez, Alissia Kreger, Lee Greenly, Anna Buchanan, Donald Buchanan, Lynnette Hischer, Gary Koland, Craig Buske

Mayor Spartz attended the meeting via zoom in accordance with the medical exemption allowed in Minnesota Statutes 13D.02. Deputy Mayor Gaede was asked to preside over the meeting.

**PLEDGE OF ALLEGIANCE**

**ADDITIONS OR CORRECTIONS TO THE AGENDA:**

**Motion Riley, second Spartz to approve the Agenda with the following additions 7(c) Approve Cemetery Deed: Darla Kovanda and 9(d) Sandstone Township Fire Contract. Motion carried 5-0.**

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

**MEMBERS:** Councilor Palmer asked Staff to look into options regarding winter parking restrictions for an individual with a handicap. Councilor Gaede stated concerns regarding MN DOT's TH 123 project, asking if a guardrail will be installed on the curve by Casey's and asking if a white line could be painted on the pavement to indicate where vehicles should stop at the intersection of TH123 and TH23.

**PUBLIC HEARING/ PRESENTATIONS:**

Hearing: New On-Sale and Sunday Liquor License: R&O, LLC, El Mexico Bar and Grill

R&O LLC, dba El Mexico Bar and Grill will open a restaurant at 945 State Hwy 23 N (currently the location of Jan & Gary's Country Dining). They request a new On-Sale and Sunday liquor license, with Outdoor Endorsement. The owner of R&O LLC is Octavio Perez. The Pine County Sheriff's Department has signed off on the background investigations.

**Motion Riley, second Rahier, to open the Public Hearing at 6:05 p.m. to consider the application for a new On-Sale and Sunday Liquor License for R&O LLC, El Mexico Bar and Grill. Motion carried 5-0.**

Deputy Mayor Gaede called for comments from the public. Octavio Perez introduced himself and stated that he plans to be open for lunch and dinner, with hours of 11:00 a.m. – 10:00 p.m. during spring, summer and fall; and 11:00 a.m. – 9:00 p.m. during the winter. He plans to remodel the building and hopes to be open by February. Perez' attorney Craig Buske attended via zoom and offered to answer any questions.

**Motion Palmer, second Rahier to close the Public Hearing at 6:15 p.m. Motion carried 5-0.**

**Motion Palmer, second Gaede to approve the new On-Sale and Sunday Liquor License with Outdoor Endorsement for R&O, LLC, dba El Mexico Bar and Grill at 945 State Hwy 23 N. Motion carried 5-0.**

Hearing: Resolution No. 20211117-01 Special Assessments – Unpaid City Services

**Motion Gaede, second Rahier, to open the public hearing at 6:15 p.m. to consider Resolution No. 20211117-01 Special Assessments – Unpaid City Services. Motion carried 5-0.**

Nine properties are proposed to be assessed for unpaid City services; such as, lawn mowing and property clean up/abatement. The Total of all proposed assessments is \$2,609.01.

Deputy Mayor Gaede called for any comments from the public. No comments were received.

**Motion Palmer, second Rahier, to close the public hearing at 6:18 p.m. Motion carried 5-0.**

**Motion Rahier, second Riley to adopt Resolution No. 20211117-01 Special Assessments – Unpaid City Services as presented. Motion carried 5-0.**

Hearing: Resolution No. 20211117-02 Special Assessments – Unpaid Utility Bills

**Motion Riley, second Palmer, to open the public hearing at 6:19 p.m. to consider Resolution No. 20211117-02 Special Assessments – Unpaid Utility Bills. Motion carried 5-0.**

Thirty-three properties are proposed to be assessed for unpaid sewer, water and storm water bills in the total amount of \$5,792.63. For reference, the 2020 assessment amount was \$8,429.33. 2019 was \$5,363.44. 2018 was \$6,953.56.

Deputy Mayor Gaede called for any comments from the public. Lee Greenly addressed the Council regarding the proposed assessment of \$87.59 on his property. He stated that stormwater from the City-owned property adjacent to his property runs onto his property and, therefore, he is storing the City's stormwater. He does not feel that he should be charged a quarterly stormwater fee at all. He lives on the outskirts of town where City sewer and water are not available. He invited Council Members to come out and look at his property.

Staff explained the purpose of the stormwater fee, which is assessed to all properties in the City limits and is intended to support the overall stormwater system; be it ditches, culverts, piping, etc. Greenly has questioned the fee in the past and has been provided with the allowable credits for vacant land, wetlands, and right-of-way. However, Greenly is asking the Council to exempt his property from the stormwater fee.

**Motion Riley, second Rahier to close the public hearing at 6:30 p.m. Motion carried 5-0.**

**Motion Riley, second Palmer, to adopt Resolution No. 20211117-02 Special Assessments – Unpaid Utility Bills as presented. Motion carried 5-0.** Council Members would like to review the stormwater ordinance in further detail at a future meeting.

#### **CONSENT AGENDA:**

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

**October 20, 2021 Regular Council Meeting minutes**

**Cemetery Deed: Gerald Darkow**

**Cemetery Deed: Darla Kovanda**

**Motion carried 5-0.**

#### **NEW BUSINESS:**

Pine County Request: Broadband Infrastructure Project

Pine County was awarded \$3,743,390 for broadband infrastructure and to retrofit the emergency shelter, A Place For You in Pine City, using CDBG-CV funding. These grant funds are intended to assist communities, particularly low and moderate income communities, in preventing, preparing for and responding to the COVID-19 pandemic.

The initial steps of the grant contract involve adopting the following federally required plans and policies:

1. Residential Anti-displacement and Relocation Assistance Plan (Section 104(d) of the Housing and Community Development Act of 1974)
2. Excessive Force Policy (Section 519 of the 1990 HUD Appropriations Act)
3. Certification of a Drug-Free Workplace (HUD Form 50070)
4. Section 3 and Women or Minority Owned Business Certification Plan
5. Fair Housing Plan & Annual Fair Housing Activities

It is also a requirement of the grant that the cities of Hinckley, Sandstone and Askov adopt these plans and policies because the broadband infrastructure project could occur within their city limits.

Councilor Gaede reported that she has been attending meetings regarding this County-wide broadband effort. The committee has been working to explore where current broadband is located and where the gaps are. She stated that this work is exciting and she is anxious to see how this grant can help residents and businesses in Pine County.

**Motion Palmer, second Rahier, to approve the following federally required plans and policies for Pine County's Broadband Infrastructure Project: Residential Anti-displacement and Relocation Assistance Plan, Excessive Force Policy, Certification of a Drug-Free Workplace, Section 3 and Women or Minority Owned Business Certification Plan, and Fair Housing Plan & Annual Fair Housing Activities. Motion carried 5-0.**

Resolution No. 20211117-03 Accepting Donation from Sandstone Lions Club

**Motion Gaede, second Palmer to adopt Resolution No. 20211117-03 accepting a donation of \$2,000 from the Sandstone Lions Club for the Panther Park project. Motion carried 5-0.**

Personnel Committee Report: Streets & Parks Maintenance Worker

Due to the retirement of Paul Peters, the Personnel Committee undertook the process of hiring a full-time Streets & Parks Maintenance Worker. The position was advertised in the 9/30, 10/7 and 10/14 editions of all Pine County publications. 18 applications were received. The Personnel Committee (Mayor Spartz and Councilor Riley), including Administrator George and Streets & Parks Department Supervisor Craig Hiler, conducted interviews of 7 candidates on November 3<sup>rd</sup> and 4<sup>th</sup>.

After review, scoring, and discussion, the Personnel Committee recommends the City offer the position to Erik Olson effective immediately upon completion of all background checks and physical. Starting wage is \$23.04/hour. Effective January 1, 2022, the starting wage will increase to \$25.11. According to the union contract, a .50 cent increase will apply after the satisfactory conclusion of the probationary period. The full union wage for this position (\$26.11) is required after one year of employment.

**Motion Rahier, second Riley, to approve hiring Erik Olson for the Streets & Parks Maintenance Worker position effective immediately upon completion of all background checks and physical. Motion carried 5-0.**

## OLD & CONTINUING BUSINESS

### Engineer Updates

2021 Water System Improvements Project – SEH Engineer Greg Anderson would like council authorization to revise the plans for this project per the approved DEED amendment and then advertise for bids. That would be two steps in one, but he could get the revised plans out for bid before the December council meeting. He should then have the revised bids back for the January meeting. The revised project plan includes raising the wellhead above the floodplain and replacing the current diesel fueled generator, as well as any associated control or electrical work to complete the project. This reduction in scope does not reduce the original grant budget awarded. **Motion Palmer, second Riley to authorize the amended project scope for the well upgrades and generator replacement and further to authorize the engineer to advertise for bids. Motion carried 5-0.**

Sewer Forcemain Project – Anderson reported that the contractor, Magney, will be in Sandstone next week to install the pressure gauge at the sewer plant and clean the structures so that the crew can work with them. Magney is presently waiting for the new air release equipment. The City should continue to coordinate with the prison, but Magney has plenty of work to do to get started. A better schedule will be developed as soon as Magney knows the equipment status.

Administrator George reported that just today it was discovered that at one location the valve is so low (3 manholes down) that in order to work on it, the crew will need to remove the manholes and dig down pretty far. In talking with Anderson, it was felt that the City should take a step back to figure out options and costs. There is nothing to gain by pushing forward with this extensive digging during the winter months.

Resolution No. 20211117-04 State Library Construction Grant – The City has been offered a grant in the amount of \$1,000,000 for the acquisition and redevelopment of an existing building for the Sandstone Public Library contingent upon the completion of the end grant agreement requirements. The resolution authorizing the grant project, acknowledging the City has secured a Ground Lease for the land and the building that will be redeveloped, and affirming that the City will own the redeveloped building is a requirement for the end grant agreement. **Motion Rahier, second Palmer to adopt Resolution No. 20211117-04 State Library Construction Grant. Motion carried 5-0.**

Resolution No. 20211117-05 Authorizing Conveyance of Property to Beecher. The City was contacted by a property owner who asked if the City was interested in selling a portion of Parcel 45.0069.000. The Council met in closed session on April 21<sup>st</sup> to discuss the request and to discuss an asking price. The public hearing notice requesting bids was published in the May 6<sup>th</sup> Pine County Courier. It was also mailed to the adjoining property owners. Bids were due Friday, May 21<sup>st</sup>. At the June 16<sup>th</sup> Council Meeting, the Council accepted the bid from Joshua & Alexa Beecher for \$5,013.00. The Council approved the Purchase Agreement at the July 21<sup>st</sup> Council Meeting. The property was surveyed on July 15<sup>th</sup>. Boundary markers were placed as well. The portion that is proposed to be split is approximately 9,500 square feet and is adjacent to two lots currently owned by the Beecher's, 45.5428.000 and 45.5429.000 (610 Park Avenue).

The Planning Commission held a public hearing on August 11<sup>th</sup> and recommended approval of the lot split. The Council approved the lot split at the August 18<sup>th</sup> Council Meeting. The 9,500 square foot portion is currently zoned Public Recreation / Open Space, and is part of the larger Robinson Park parcel. The adjacent properties, which this 9,500 square foot portion would become attached to, are currently zoned Traditional Residential. The intent of the buyer is to keep the existing parcels as two separate parcels,

adding the 9,500 square feet onto them, split down the middle as originally platted. The 9,500 square foot portion would then become zoned Traditional Residential.

It is now time to proceed with the closing process on the sale of the 9,500 square foot portion. A resolution authorizing the conveyance of the property and approving the purchase agreement is required. **Motion Palmer, second Riley to adopt Resolution No. 20211117-05 Authorizing Conveyance of Property to Beecher. Motion carried 5-0.**

#### Sandstone Township Fire Contract

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. At the October 20<sup>th</sup> Council Meeting, the Council rejected the 3-year contract proposed by Sandstone Township and offered a 1-year contract for 2022 at the fire formula amount of \$20,044.22.

Just prior to tonight's Council Meeting, a letter was received from Sandstone Township rejecting the City's proposed 1-year contract, stating that the language, contract price and length of the contract is unacceptable. In follow-up e-mails, the Township Clerk invited the City Council to attend their December 2<sup>nd</sup> Town Board Meeting. **Motion Rahier, second Gaede, to set a Special Council Meeting on December 2<sup>nd</sup> at 7:15 p.m. to meet with the Sandstone Town Board at the North Pine Government Center regarding the Fire Service Contract. Motion carried 5-0.**

#### **REPORTS:**

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

The Sheriff's Department submitted reports for the calls logged during the specific contracted hours. In October, there were 122 calls during the contracted hours.

##### Fire Department – October, 2021

Fire Chief Andy Spartz reported there were no fire calls in October. The membership roster was reviewed at the October Relief Association Meeting. The Council had previously approved hiring Christopher Delaney as a probationary firefighter; however, Delaney has put his application process on hold for now. The Council had also previously approved hiring Jordan Heller as a probationary firefighter. Staff is having difficulty contacting Heller to finish the hiring process. Applicant Michael Volz will be interviewed by the Department this weekend. A current firefighter hasn't been attending drills or trainings; Fire Department personnel will send the required letters.

Fire Relief Association Meeting: October 18, 2021 – Council reviewed the minutes of the October 18, 2021 Sandstone Fire Relief Association meeting. As of September 30<sup>th</sup>, the Relief Association accounts have a total of \$342,525.96. They received \$27,946.03 in State Fire Aid, which will be deposited into the State Board of Investments fund. The Relief Association also reimbursed the City for \$629 in attorney's fees incurred regarding the IRS tax exempt status issue.

##### Library Report – October, 2021

Librarian Josh Menter reported that there were 37 computer appointments, 547 visitors, 322 reference

questions answered. The D&D adventures are continuing. A few patrons participated in Inktober. The Silent Auction was successful. The glass etching class was booked to capacity. The Library is distributing fall crafts for kids.

#### EDA Meeting – October 27, 2021

The EDA reviewed a draft lease document between D&H Fanatical Endeavors Inc. and the EDA to redevelop the top floor of the Sandstone History and Art Center building and use it for vacation rental. Five new board members have been recruited for the day care center. The EDA went into closed session to consider offers or counteroffers for the purchase of 45.5320.000 and 45.5318.000.

#### Park & Rec Commission Meeting – November 5, 2021

The Park Commission met with Bill Penning of the MN Land Trust to discuss the possibility of donating an easement over the KREEC/Skunk Creek Trail property. The Commission also reviewed a design by FCI for the entrance arch of the Mary Thorvig Memorial Tree Garden. A grave marker was discovered in Robinson Park, which will be researched further. Commissioners are meeting every other Tuesday morning with LHB architects to work on the Robinson Park plans. Local artist Carole Bersin is working with the Commission to design signage for the Skunk Creek Trail.

LHB Proposal: Phase 1(a) Robinson Park Project – The Park Commission reviewed a proposal for design, documents and construction observation for the Phase 1(a) Robinson Park project. LHB is proposing a total of \$34,200. However, the budget that was submitted for the Legacy Grant allowed \$32,500 for this work. LHB has revised their proposal to match the Legacy Grant budget.

**Motion Riley, second Rahier to accept LHB’s proposal for design, documents and construction observation for the Phase 1(a) Robinson Park project in the total amount of \$32,500. Motion carried 5-0.**

#### Planning Commission Meeting – November 10, 2021

Loch Lomond Holding, LLC – Conditional Use Permit - The City received an application for a Conditional Use Permit from Donald Buchanan on behalf of Loch Lomond Holding, LLC to operate a day care center at 21 Minnesota Street. The property is zoned Highway Mixed Use District. Although “day care centers” are not specifically listed as a permitted use, or as a conditional use, “all other similar commercial and retail uses that are not listed as permitted or conditional uses” are allowed as conditional uses. Staff had determined that a day care center falls into this category.

The Planning Commission held a public hearing on the request on November 10<sup>th</sup> and recommends approval of the Conditional Use Permit based on the Findings of Fact submitted with their report.

Anna Buchanan, Donald Buchanan, and Lynnette Hischer were present to answer questions. The property will be leased by Heartland PCA, who plan to operate the Heartland Day Care Center. Once zoning is approved, they plan to apply for the State license. They plan to operate 10-hour days and re-evaluate the needs as they get more established. They may consider weekend hours, as many of their Personal Care Attendants are in need of day care services. They would like to expand their footprint in the future, but will wait to see how things go for now.

**Motion Palmer, second Rahier to approve the Conditional Use Permit for Loch Lomond Holding, LLC to operate a day care center at 21 Minnesota Street. Motion carried 5-0.**

Planning Commission Membership – Commissioner Reese Frederickson resigned effective September 30<sup>th</sup>, as he was moving out of the City limits. The City advertised the vacancy. Bill Gaede submitted a letter of interest. The Planning Commission recommends the City Council appoint Bill Gaede to fill the vacant seat. **Motion Palmer, second Riley to appoint Bill Gaede to fill the vacant Planning Commission member seat through December 31, 2022. Motion carried 5-0.** Councilor Gaede acknowledged that Bill Gaede is her father-in-law; however, conflict of interest is not a concern.

Building Inspection Report – October, 2021

Permits issued during the month: 1 building permit, 4 maintenance permits, and 1 right-of-way permit. There are currently 4 on-going building projects and 3 right-of-way projects active in town.

Streets & Parks Supervisor Report – October, 2021

Supervisor Craige Hiler reported the crew is continuing to replace old and faded street/traffic signs. Trees and brush were trimmed along streets and alleys. Light poles have been installed in the parking lot at the John Wright Building. Fencing for the day care center has been completed. The crew is performing annual maintenance and prep for the plowing season. Work was completed on the JETA MD Generator, including replacing batteries, filters, repairing the starter, fuel pump reconditioning. The new mini utility dump truck was put into operation.

PeopleService Report – September, 2021

Matthew Wold reported that all end of line hydrants were flushed, oiled, and lubed. A pump at Lift Station #3 overheated due to rag blockage; City staff are following up with property owners. A sewer backup was investigated at 422 Lincoln; the line was jetted and cleared successfully.

Financial Reports

**Motion Riley, second Palmer to approve the October reports: Cash Balance, Revenue & Expenditure Report; the Total Residual Income/Loss Report; and A/P Clerk Claims in the total amount of \$315,099.55. Motion carried 5-0.**

**WRITTEN NOTICES AND COMMUNICATIONS:**

The City received a letter from City Attorney Sarah Sonsalla, Kennedy & Graven, stating that 2022 rates for their services will increase \$5/hour.

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

**Community Service Partner**

- Sirena Samuelson plans to start December 6<sup>th</sup>
- Dave Hill from Pine City will work with her on Rental Inspections

**Christmas Party** – Set for December 3<sup>rd</sup> at Sandstone Lanes.

**Community Meal – December 7<sup>th</sup>**

- The City has signed up to prepare, serve and clean up
- Menu is pulled pork sandwiches, baked beans, coleslaw, peach cobbler w/ice cream
- Help is needed on all shifts: cooking 11:00 – 3:00; Serving/prep/cleanup 4:00-7:00

**Copper in Water**

- Water samples recently taken exceeded the copper action level

- Residents where the samples were taken have been notified; of the 10 samples taken, 5 exceeded the copper action level
- The City must provide an Optimal Corrosion Control Treatment (OCCT) Plan by 3/31/2022
- The City also must conduct a corrosion control study on the water system
- Follow up sampling is required
- Annual monitoring is required

#### **New entrance at Community Center**

- Project is complete at a total cost of \$6,900

#### **Rags & Debris at Lift Station #3**

- Essentia Health has been notified
- Sharps were also found – could be Golden Horizons and/or Victory – educational materials are being provided to both

#### **Little Library**

- Sponsored by the Legion Auxiliary
- Built by Rod Levine & Barry Burch
- Painted by Barry Burch
- Installed today – by the Post Office

#### **Pine County Building Rehabilitation Program**

- Now available
- Repairs to homes, rental units, and commercial buildings
- Getting the word out to Sandstone property owners
- Lakes & Pines is administering the program: 800-832-6082

#### **Coalition of Greater MN Cities - Conference**

- Thursday and Friday in Willmar
- Administrator George plans to attend

#### **Miscellaneous Updates**

- City Hall Flagpole – installation has been delayed due to labor shortages and trucking issues
- History Center Furnace has to be replaced; quotes have been received from D&E and from Lundberg's; the building was drained today to avoid freeze up/pipes breaking; Lundberg is putting together a plan for the entire building
- Fencing for the Day Care Center playground areas has been installed

#### **ADJOURN**

**Motion Riley, second Palmer to adjourn at 7:45 p.m. Motion carried 5-0.**

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Peter Spartz, Mayor

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Kathy George, Administrator