

**Sandstone City Council Meeting Minutes
December 5, 2018**

CALL TO ORDER: 6:00 p.m.

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

Members absent: None

Staff present: Administrator George and Recording Secretary Nelson

Others present: Tim Schmutzer, Mike Orn, Wendy Reamer, Mike Johnson, Chris Virta w/ Fryberger Law Firm and Rose Spencer w/ Sandstone Area Chamber of Commerce

PLEDGE OF ALLEGIANCE:

Council, guests and staff recite pledge of allegiance.

ADDITIONS OR CORRECTIONS TO THE AGENDA:

Motion Franklin, second Palmer to approve the agenda while moving Rose Spencer – Sandstone Area Chamber of Commerce, PHASE, and River Bluff Project – Application for Payment #4 to right after Petitions or Complaints and also adding the hiring of a part-time winter worker to the consent agenda. Motion carried 5-0.

PETITIONS OR COMPLAINTS BY RESIDENTS AND/OR COUNCIL MEMBERS:

A resident stopped Palmer and spoke to her about several homes in the community that have rubbish and vehicles in the front yard. There is a process that has to be followed when a complaint is received or a council member sees a home that needs attention. It is not a quick process and needs to be done correctly. The Administrator reported a complaint received regarding plowing.

SPECIAL ITEMS OF BUSINESS:

CONSENT AGENDA:

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

Approve Regular Council Meeting Minutes from November 7, 2018

Approve Special Council Meeting Minutes from November 9, 2018

Approve Special Council Meeting Minutes from November 20, 2018

Approve Resolution No. 20181205-01 to adopt the Pine County All-Hazard Mitigation Plan

Approve hiring Barbara Heil as the Warming House Attendant at \$12.50/hour

Approve hiring Waylon Franklin as the temporary Winter Worker at \$17.00/hour

Motion carried 5-0.

REPORTS:

Sheriff's Deputy Report

The Sheriff's Deputy activity reports for November were included in the packet for the Council. The Council discussed the report and noted that they appreciate having it presented every month.

Fire Department – November, 2018

The November activity and training report from Fire Chief Andy Spartz was provided at the meeting. The Department received 17 calls for service in November: 6 medical assists, 1 rescue, 1 smoke detector, 1 carbon monoxide detector, 2 building fires, 1 chimney fire, 1 cooking fire, 1 mutual aid, 1 assist Sheriff's Office, 1 gas leak, and 1 cancelled en route. The Department also participated in two training sessions regarding Firefighter Safety.

Library Report – November, 2018

The Library had 1,355 patrons and answered 242 reference questions during the month of November. The two book clubs had 24 people attending. The four children's story time programs are going well with 60 kids attending. The Library hosted an author, will be sponsoring a concert at UCC Church, and are putting up Christmas lights.

Sandstone History and Art Center – November 5, 2018

The Quarry City Christmas will be held December 15, from 10:00 a.m. – 2:00 p.m. They have a new member on their board – Art Olstead. October Fest was good for the History and Art Center, good connections were made. A presentation was made at Golden Horizons, showing the garden club video. Olstead will be assisting in story collection. The SHAAC Board will contact someone to clean the furnace and they agreed that the expense should be paid by SHAAC.

EDA Meeting – November 28, 2018

The vacancy on the EDA was filled by Matt Anderson. The EDA approved a fixed asset capitalization policy for the Wild River Properties and an Access Agreement with the Dept. of Ag for creosote monitoring. The EDA also reviewed priorities for the coming year and felt that food trucks and redevelopment of The Rock are priorities. The December meeting was canceled because it falls on the day after Christmas.

Park & Rec Commission Meeting – November 9, 2018

The Commission recommends approval of the Sandstone Ice Fest Special Event Permit, with the City to provide two porta-potties. On the timber harvest, \$40,578 was received and will be held by the Park & Rec Commission.

Motion Spartz, second Devlin to approve the Sandstone Ice Fest permit. Motion carried 5-0.

Rental Inspection Report – November

There are currently 27 properties with outstanding correction orders. The first rental appeals board meeting was held on November 21. Devin, Palmer, the Administrator as well as Mary Thorvig and Tom Landowski are on the board. They did some tweaking of the ordinances. Safety Inspector Luedtke asked about posting a notice on the property door and sending certified letters for violations. Three properties received window postings and certified letters for non-compliance of corrections. Five properties have presented egress/structural concerns which have been reported to the Building Official.

Building Inspection Report – November

Building Official Richard Drotning provided a written report. During the month of November, one building permit, six maintenance permits, and two right-of-way permits were issued. There are currently 12 on-going building projects and 5 on-going right-of-way permits.

Small Cities Development Program Update

A written report was provided by Nicole Klosner, Lakes & Pines. Inspections are done and loans are closed on 5 owner-occupied residential projects. Inspections are done but loans have not yet been closed on 12 additional owner-occupied residential projects. About \$150,000 in total has been committed to date; however, with the number of projects in the works, there shouldn't be any problem using up the remaining \$200,000 that is earmarked for owner-occupied residential projects.

Loans on three commercial projects have now closed, using all but about \$2,000 of the allocation for commercial projects.

PeopleService Report – October, 2018

The Administrator went over the report, noting that there were 4 shut-offs and 1 turn-on during October. A broken shut-off valve was reported and fixed. A caustic pump at the Water Treatment Plant blew a line off in the middle of the night, which was fixed the next day. A report on a meter leak turned out to be a leaking toilet. A flow meter for the Water Treatment Plant was ordered. There was a sewer backup at a property. The homeowner hired a private company to clean the service line, which fixed the problem. 6,000 square feet of sewer line cleaning was completed. Televising was done on a sewer line on Highway 123 for the future MN DOT project. All parts that were loaned out to MPJ Construction for the River Bluff project have been returned to inventory.

Minnesota Power Pole Replacement - There is a power pole by Robinson Park that needs to be replaced. When this is done, the City's equipment for the lift station cannot be put back on it. Another pole will have to be put up for that purpose for \$738, plus the costs to move the City's equipment. Council Members suggested offering to purchase the pole the City's equipment is currently on, rather than purchasing a new pole. The Administrator will follow up and take appropriate action.

MN Rural Water Association (MRWA) – Pond Optimization Program - MRWA reached out to the City to see if the City is interested in participating in the program. It is a 2-year program that will look at the City's discharge at the Waste Water Treatment Plant with the goal of determining how wastewater treatment systems can get better results. Moose Lake is going to participate in the program as well. Consensus of the Council was to participate in the Pond Optimization Program.

Financial Reports

The Council reviewed the Cash Balance, Revenue & Expenditure Report for October and the A/P Clerk Claims for November, 2018. The Administrator noted the combined deficit of \$1,454,233 in the Medical/Business Park and the EDA Public Works Grant funds. She has been reviewing all of the expenses related to the Medical/Business Park project in order to determine what the special assessments will be for the lots and also to determine the appropriate funds that should be used for various expenses. She stated that expenses were coded to 10 different funds throughout the project cycle.

The Council also reviewed the proposed operating transfers that were submitted by Finance Officer Lois Newey. These transfers are all included in the City's budget. The Administrator noted that the Wild River bond shortfall is \$58,542.83 this year. The City budgeted \$80,000 for this expense, leaving a surplus of \$21,457.

Motion Palmer, second Franklin to approve the Financial reports, pay claims, and approving the proposed operating transfers. Motion carried 5-0.

PUBLIC HEARINGS:

Pine Rehabilitation & Support Employment, Inc. (PHASE) Private Activity Bonds

Motion Franklin, second Palmer to open the public hearing regarding PHASE Private Activity Bonds at 6:13 p.m. Motion carried 5-0.

Chris Virta, attorney with the Fryberger Law Firm, spoke to the Council regarding the intent of PHASE to borrow on a tax-exempt basis. Although the City issues the bond, the City will not be liable and no tax payer dollars will be used to repay the loan. The only security is a mortgage on the property. This allows PHASE to borrow on a tax-deferred basis at a lower interest rate. PHASE is able to do this because of its 501(c)(3) non-profit status. The loan will be used for upgrading the recycling building. The R-factor of the roof is R4, so it will be insulated and repaired. The HVAC system will also be replaced. The project cost is \$175,000.

Tim Schmutzer from PHASE also thanked the Council for making the Small Cities Development Program available. PHASE was approved for \$80,000 to help improve accessibility, install electric doors and improve the parking surfaces.

Motion Devlin, second Spartz to close the public hearing regarding PHASE Private Activity Bonds at 6:19 p.m. Motion carried 5-0.

Motion Franklin, second Devlin to approve Resolution No. 20181205-02 approving the issuance and sale of a revenue note not to exceed \$175,000 and authorizing the execution of related documents for the PHASE project. Motion carried 5-0.

PRESENTATIONS:

2019 Truth in Taxation Meeting

The Administrator pointed out that the handout she has put together is available to anyone wishing to have one and can be picked up at City Hall. She went on to explain the different tax levels and classifications, estimated market value, taxable market value and tax capacity number. The general fund expenditures were expounded upon. The revenue sources were covered. If the 2019 Proposed Levy is approved, the City tax rate will go from 84.1839% to 77.3315%. The tax impact on home owners was elaborated upon. A Council Member wanted the \$80,000 taken out which would fund a community service officer. There was discussion regarding the potential position. If the money is not spent on a community service officer, where would the money go? It would be a place holder while the subject is being explored.

Motion Franklin, second Spartz to approve the Resolution No. 20181205-03 adopting the final 2019 City budget with a Total Operating Budget of \$2,442,716. Motion carried 3-2 with Devlin and Spartz dissenting.

Motion Devlin, second Spartz to approve Resolution No. 20181205-04 adopting the final 2019 City Levy of \$483,833. Motion carried 5-0.

Motion Franklin, second Palmer to approve Resolution No. 20181205-05 adopting the final 2019 EDA Budget with a Total Operating Budget of \$100,900. Motion carried 5-0 .

Motion Franklin, second Devlin to approve Resolution No. 20181205-06 adopting the final 2019 EDA Levy of \$9,533. Motion carried 5-0.

OLD & CONTINUING BUSINESS:

Mayor's Term

The Council is considering changing the Mayor's term from 2 years to 4 years. Staff has looked into 65 different communities. The consensus was that the Administrator should proceed with the paperwork to make changing the term possible and bring the required Ordinance to the January meeting for approval.

MN DOT Project SP 5802-24 (TH 123 from TH 23 to CSAH 30) - Update

MN DOT is planning a mill and overlay project for construction in the year 2021 on Trunk Highway 123 through town. There will be several changes including the difficult intersection where Casey's convenient store is. A road diet is planned for two sections of roadway and sidewalk additions are planned. MN DOT was planning on doing one crosswalk but the City asked for several. MN DOT is not asking the City for funds as of yet. During a recent meeting, The Mayor asked the MN DOT Engineer if the project has been funded and was told that it has been. Councilors felt that the proposed bump outs on TH 123 and Main are going to cause problems for the trucks trying to turn the corners. One of the Council Members asked about the shoulder between Casey's store to Old Military Road. Councilors agreed that the shoulders should be widened. The Administrator was directed to contact MN DOT and ask about the possibilities.

The area around TH 123 and Pine Ave. has several problems – drainage, road surface etc. The City has asked SEH to draw up plans and specifications, as this project could be done by MN DOT at the same time, with the City paying for the additional expense. SEH provided a proposal of \$9,000 to provide engineering services which include final design, preparation of construction documents to MN DOT's standards, and incorporating these plans into MN DOT's construction plans.

Motion Devlin, second Franklin to approve the proposal from SEH in the amount of \$9,000 to provide engineering services to address concerns on Pine Avenue from TH 123 to 1st Street which includes final design, preparation of construction documents to MN DOT's standards, and incorporating these plans into MN DOT's construction plans for the TH 123 project. Motion carried 5-0.

River Bluff Project – Application for Payment #4

The City has received Application for Payment #4 on the River Bluff Project in the amount of \$9,838.34. The engineer has reported that 86% of the contract work has been completed. A 5% retainage is held until the as-built survey is completed for final quantities and review of the sewer televising is complete.

Contractor Mike Johnson addressed the Council, stating that a payout request was sent to SEH on October 26th. He feels that there is a discrepancy in what needs to be done to finish the project and what has been paid for previously. The Administrator suggested that a meeting take place that includes representatives of the City, MPJ Enterprises, and SEH. Wednesday, December 12th at 9 a.m. was agreed upon.

Motion Kester, second Devlin to authorize payment of Application for Payment #4 to MPJ Enterprises in the amount of \$9,838.34 for the River Bluff project. Motion carried 5-0.

NEW BUSINESS:

Rose Spencer – Sandstone Area Chamber of Commerce

For the past two years, the City and Chamber have shared a full-page ad in the Hinckley Convention and Visitors Bureau Guide. This year, due to cost, the Chamber is asking if the City would like to partner in taking out a half-page ad instead. The City's cost would be \$300.00. Spencer stated that the Chamber is not selling ad space on the page, as they have done in the past. The publication is distributed to motels, restaurants, golf courses, etc. and comes out in the spring. Tim Williams usually writes up the portion about the City. Council Members stated that they would like more input on the calendar of events and the content of the ad.

Motion Franklin, second Palmer to approve partnering with the Chamber of Commerce to place a half-page ad in the Hinckley Convention and Visitors Bureau Guide with Tim Franklin working with Spencer on the content. Motion carried 5-0.

WRITTEN NOTICES AND COMMUNICATIONS:

League of MN Cities Insurance Trust – 2019 Rates & Changes

MN Dept. of Health – Lead/Copper Tap Water Monitoring Report

STREETS & PARKS SUPERVISOR’S REPORT

The Administrator reviewed some of the points in Streets & Parks Supervisor Craig Hiler’s November report. The crew will be installing Christmas lights as soon as a boom truck can be arranged. An annual inspection was conducted on the Street Sweeper. The repair estimate from MacQueen Equipment is \$8,244.56. Hiler anticipates being able to save the City \$2,175 in labor costs as he plans on installing the equipment in-house. The 1999 Ford Sterling Plow/Dump Truck is in for needed repairs in order to pass a DOT inspection.

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

- Tax-Forfeited Properties
 - Mike Johnson is proceeding with demolition of 605 Park, 329 Minnesota, and 313 Park
 - The Fire Department is working on setting up training burns at 1114 Birch and 310 Park
- The Rock
 - The City is now the owner of the building
 - Hoping for Technical Assistance from MN Housing Partnership
 - Staff is working on securing all openings (windows, doors, roof)
 - Intern continues working on research of 10 successful adaptive reuse projects
City received \$1,500 from the Initiative Foundation for this project which will be forwarded on to the U of M for the intern
- Evergreen Veterans Memorial Scenic Byway
 - Runs from Carlton County to Sandstone
 - Efforts underway to continue it on TH 23 from Sandstone to Hinckley
 - Connect to the St Croix Scenic Byway
- LMC Experienced Officials Leadership Conference
 - Feb 1-2 in Plymouth OR Feb 22-23 in Brainerd
 - Let the administrator know if interested in attending
- Everyone’s Table
 - New organization in Sandstone with the goal of serving free Community Meals
 - First meal scheduled for January 15 from 4:30-6:30 p.m. at Grace Lutheran Church
- Holiday Bowling Party
 - Friday, December 14, 6-8 p.m. at Sandstone Lanes
 - Please RSVP

ADJOURN

Motion Devlin, second Spartz to adjourn at 8:29 p.m. Motion carried 5-0.

Peter Spartz, Mayor

Kathy George, Administrator