

**Sandstone City Council Meeting Minutes
December 6, 2017**

CALL TO ORDER: 6:00 p.m.

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

Members absent: none

Staff present: Administrator George and Recording Secretary Nelson

Others present: Deputy Workman

PLEDGE OF ALLEGIANCE:

Council, guests and staff recite pledge of allegiance.

ADDITIONS OR CORRECTIONS TO THE AGENDA

Motion Devlin, second Palmer to approve the agenda as presented. Motion carried 5-0.

SPECIAL ITEMS OF BUSINESS:

Deputy Workman reported on the activity for November. The administrator reported that she, Mayor Spartz and Council Member Franklin met with Sheriff Nelson, Deputy Workman, Deputy Anderson, and Deputy Ouverson regarding law enforcement presence in the city and the camera placement. The City is also interested in adding lights in the alleys downtown; the administrator is discussing this possibility with the power company. One of the council members asked about cameras around the businesses on Highway 123 due to the drug trafficking that occurs in that area. The idea was discussed regarding the possible sponsorship by businesses of a camera near their particular location. The deputy had left his email address with the mayor and asked to be kept in the loop regarding meetings that include the Sheriff's department and the council.

PETITIONS OR COMPLAINTS BY RESIDENTS AND/OR COUNCIL MEMBERS: none

PUBLIC HEARING: none

CONSENT AGENDA:

Motion Devlin, second Franklin to accept the Nov 15, 2017 Regular Council Meeting and November 20, 2017 Council Work Session minutes, Resolution No. 20171206-01 Designating Annual Polling Place, and a Cemetery Deed to Gary & Barbara Bowen. Motion carried 5-0.

OLD & CONTINUING BUSINESS:

Truth in Taxation Meeting

Motion Devlin, second Palmer to open the Truth in Taxation Meeting at 6:38 p.m. Motion carried 5-0.

This annual meeting is required by State Statues. The purpose of the meeting is to explain the tax impact the City's levy will have on the taxpayers of the City of Sandstone. The final 2018 budget & levy will be approved at the December 20 Council Meeting.

The administrator's presentation covered 1) the different entities that levy property taxes and what percentage they each receive, 2) the process that takes place before taxes are assessed to a property owner,

3) measures used to calculate property value, 4) tax capacity number, 5) general fund expenses in general and specifically for 2018, 6) proposed general fund revenues, 7) the calculation of 2018 proposed levy, 8) the impact on taxpayers – both residential and commercial, 9) tax increase factors and 10) the 2018 proposed levy. She has handouts of the presentation that she would be happy to email anyone who has questions. Or, they can pick up a copy at City Hall.

Tonight's meeting was to talk about the city's portion of the tax levy. Property owners will have a chance in the spring to challenge their property valuations. There was a question regarding estimated market value. The market value homestead exclusion seemed to have dropped off some people's estimated tax bill. The administrator will check with the county to see if something has changed that property owners should know about.

Sandstone gets a healthy amount of local government aid which covers city council, advisory commissions, planning & zoning, legal, public safety, fire department, code enforcement, public works department, culture and recreation, animal control, city celebrations, library, cemetery, street lighting and some misc. Sandstone's levy for the general fund is zero. The City levies for debt service, capital improvement fund, Wild River and some of the EDA expense. The preliminary levy that was adopted in September included a levy increase of 7.1%. The final levy presented tonight has reduced the levy increase to 1%. This will bring Sandstone's projected tax rate down to 82.585% which is about 7% less than last year. The administrator went into some detail regarding things that will affect a property owner's tax bill.

Motion Devlin, second Kester to close the Truth in Taxation Meeting at 8:02 p.m. Motion carried 5-0. The final 2018 budget and levy will be adopted at the December 20th Council Meeting.

Resolution No 20171206-02 – Deed Restriction for Softball Fields/DNR Grant

The City received a DNR Outdoor Recreation Grant in 1978 to resurface the tennis courts for \$2,100. The DNR requires that lands developed with grant funds be retained solely for public outdoor recreation use. It was discovered that the City does not own the land where the tennis courts are, and the tennis courts are no longer in operation. Therefore, the DNR requires the City to designate other land of equal or greater value as public outdoor recreation use. The softball field (parcel IDs 45.0105.000 and 45.0104.000) has been approved for this designation. A Deed Restriction needs to be adopted and recorded against these properties.

Motion Franklin, second Palmer to approve Resolution No 20171206-02. Motion carried 5-0.

City Hall Interior Repairs

With the roof repairs complete, the interior repairs can begin in the DMV and CIP offices. An estimate was received from Degerstrom Construction, LLC for a total of \$6,920.00. Once this work is completed, new carpeting will be needed. The insurance adjuster says that putting up the counter area and furniture in the DMV space will not be covered; so there will be a small adjustment to the total price.

Motion Palmer, second Devlin to approve the estimate received from Degerstrom Construction for the interior repair work totaling \$6,920.00. Motion carried 5-0.

A quote for carpeting the DMV space was received for \$1,375 from Ben's Hometown Flooring out of North Branch. The quote for carpeting the CIP office is \$675. Insurance will cover the carpeting in the DMV space. Staff made the decision to also replace the carpeting in the CIP office, which will not be covered by insurance.

Motion Devlin, second Kester to approve the quote received from Ben's Hometown Flooring for carpeting in the total amount of \$2,050.00. Motion carried 5-0.

The insurance company has stated that the roof will not be covered as they are categorizing it as a maintenance issue. The administrator would like to appeal this decision after receiving the insurance report.

One of the council members inquired about the leak that the library has. The gentleman that is doing the roof repairs investigated and believes that two traps (U-joint) attached to the condenser should take care of that leak. He had also repaired a leak he found when he first came up to look at the DMV area roof problems.

NEW BUSINESS:

Snowplowing Policy

Staff has been working on creating a new Snowplowing Policy. Street Supervisor Mikrot has reviewed the policy and provided input and the map of the sidewalks that are swept by the city. One of the council members did not agree with the policy that if the snowplow damages a mailbox, a standard one will be used for replacement no matter what kind the owner had in the first place. The administrator pointed out that each case could be handled individually, depending on the situation.

Motion Kester, second Franklin to approve the new snowplowing policy. Motion carried 5-0.

Stipend for Commissions/Boards

The Council expressed the desire to pay a stipend of \$25 per meeting attended by members of various City boards/commissions –Park & Rec Commission, EDA, Planning Commission. Council Members are currently paid a stipend for Personnel Committee, Finance Committee, and Intergovernmental Committee meetings.

Motion Devlin, second Palmer to approve a stipend for the Park & Rec Commission, EDA, and Planning Commission members when they attend their appointed meetings. Motion carried 5-0.

Resolution No. 201712016-03 – Establishing Fire Fund 201

The Council has expressed interest in creating a separate Fire Fund, rather than accounting for the Fire Department in the General Fund. Fund 201 is proposed to be established effective January 1, 2018. This new fund will be used for the Fire Department operations, currently in the City General Fund (101). The Finance Officer Newey also suggested that the capital improvement savings should also be moved over into the new fund.

Devlin abstained from this discussion and vote because he serves as a firefighter for the Department.

Motion Palmer, second Spartz to approve Resolution No. 201712016-03 – Establishing Fire Fund 201 and further transferring any fund balance remaining for the Fire Department in the General Fund at the end of fiscal year 2017 and also transferring any reserve cash/capital improvement fund balance remaining for the Fire Department in the Capital Improvement Fund at the end of fiscal year 2017. Motion carried 4-0, with Devlin abstaining.

MN Environmental Science and Economic Review Board (MESERB) Membership

The issue of MPCA Phosphorus Limits was discussed at the Coalition of Greater MN Cities (CGMC) conference that the administrator attended November 16-17 in Alexandria. CGMC has been successful in

challenging the EPA results when it comes to lake standards. The administrator got in touch with attorney Daniel Marx of Flaherty-Hood who is a specialist in this area. Marx suggested that the City examine the results the EPA has submitted and challenge them. Because the City does not have the resources to do this, the City could hire SEH or another specialist to do it, which would be costly. Another avenue would be to join MESERB because they are working on these studies to challenge the phosphorus mandates of the EPA/MNPCA. This is due to technical errors having been found in MPCA's calculations based on TMDLs and lake standards. If the City joins MESERB, they will review the City's NPDES permit and look at the test results putting the City in a better position to possibly challenge the results. The fee for being a member is \$420/year. The testing is being done at the point of outflow from the pond but there is more distance before it hits the water.

Motion Franklin, second Kester to approve the City joining the MESERB and signing the joint powers agreement. Motion carried 5-0.

Public Works Building

Now that the City has paid off the lease on the Public Works Building, two documents need to be executed: a Termination of Lease Purchase Agreement and a Termination of Ground Lease.

Motion Kester, second Devlin to approve the Termination of Lease Purchase Agreement and Termination of Ground Lease documents. Motion carried 5-0.

REPORTS:

Finance Officer Newey requested authorization to make the following transfers:

<u>Fund</u>	<u>\$ Transfer Out</u>	<u>Fund</u>	<u>\$ Transfer In</u>	<u>Description</u>
101	6900.00	401	6900.00	Prior fire bldg. expense
101	26,050.00	401	26,050.00	Hennum Property Purchase
101	48,259.26	401	48,259.26	Fire Formula-LT Equipment
101	5,000.00	401	5,000.00	Public Works Equipment
101	5,000.00	401	5,000.00	Fire Formula-Building
101	3,615.00	401	3,615.00	Tax Abatement
601	12,000.00	322	12,000.00	Utility Revenue to Debt Service
601	26,000.00	315	26,000.00	Utility Revenue to Debt Service
101	219,949.93	324	219,949.93	Building Grounds lease payoff
603	5,400.00	325	5,400.00	Utility Revenue to Debt Service
231	60,590.53	610	60,590.53	Wild River Apts. Bond Levy Shortfall
101	31,030.00	324	31,030.00	Lease-purchase Public Work Building
421	TBD	422	TBD	50% Match to EDA Grant Fund

Staff is recommending all Fund Transfers be approved as listed for fiscal year 2017.
Total \$449,794.72.

Motion Franklin, second Devlin to approve the transfers and accept and pay A/P Clerk Claims. Motion carried 5-0.

WRITTEN NOTICES AND COMMUNICATIONS:

MN Dept of Health – Notification to Initiate Wellhead Protection Planning. The staff will be working with PeopleService, Inc. on fulfilling this requirement.

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

Brown Beans Health Store – Ryan Brown

Brown has been having sewer problems; Mike Johnson took a look and the line has collapsed. Brown’s line runs through the neighboring property and goes to the main in the alley. Mike Johnson suggests that they make a new line from his business straight back to the City’s main. Mr. Brown asked for help with the estimated cost of \$1,952.00. It will be assessed onto his property taxes at 6.5%.

Comprehensive Plan – Final Changes

Copies of changes were presented to the Council that included changing the name of the Medical/Business Park to Professional/Light Industrial Business Park. Language in the description of this district was also changed to make the stated requirements applicable to all development. The Future Land Use Map was also modified. Areas marked “open space/productive land” were changed to “suburban/residential.” The administrator will update the Planning Commission next week and bring it back to the next Council meeting for final adoption of the Comprehensive Plan.

Vork Property

The final payment has been made for the purchase of the Vork property. Paperwork (warranty deed, affidavit of trustee, eCRV) is being finalized.

US Army Corps of Engineers – Section 569 Grant Application

SEH Engineer Greg Anderson and the administrator submitted the letter of application for the 569 grant, hoping to seek funding for the watermain loop project that is being planned for 2018. It is too late for the 2018 grant cycle, but the Corps will consider the application for 2019.

CGMC Conference – November 16-17

During the EDA meeting, it was noted that the City needs quality day care. This was a topic at the CGMC Conference attended by the administrator as well. The administrator would like to organize a forum for Sandstone citizens and day care providers. Other topics discussed at the conference include broadband. The administrator suggested perhaps fiber could be extended throughout the Industrial Park. She is working with Consolidated Communications to find out what the options are. The administrator also handed out the CGMC 2018 Priorities for the council to look at.

Carole Bersin – Mural Project

The administrator is going to help Bersin apply for an East Central Regional Arts Council Grant to create a mural that will be displayed in the community.

Housing

Council Member Palmer, Jackson and the administrator met with the company One Roof (a non-profit organization from Duluth that does Land Trusts) and property owner Al Blesener. The administrator approached them regarding the lots on either side of the softball fields. The representative from One Roof expressed interest in all of the lots; perhaps working on the four lots that have City sewer and water in their 2018 application to Minnesota Housing, and then working on the twelve undeveloped lots for 2019.

The administrator is getting proposals for a comprehensive Housing Study for the City and will bring this back to the EDA for discussion.

NLX

Mayor Spartz, Council Member Kester and the administrator met with Frank Loetterle from MN DOT and Karl Schuettler, the Northspan Group, to discuss a possible station in Sandstone. The City is one of two locations being considered for a maintenance station. It should be an advantage that Sandstone is more rural with a possible greater need for the jobs. The number of positions that could be provided by the station could be 10-20. Loetterle had some interesting ideas on what the end lot in the Industrial Park could be used for as well. They also discussed a rail spur in the park and the possibility of applying for a TIGER grant. The next step could be for individuals to compose letters to the legislature as to why Sandstone needs the station here. Mr. Loetterle indicated that if Pine County was on board with having the station here, it would also help. The administrator will be working with Karl Schuettler to produce some local marketing materials.

Rink Maintenance/Warming House Attendant

The last time the City advertised the position, only one application was received. So, it is being advertised again for two more weeks with the pay increased from \$10/hour to \$12.50/hour.

The Administrator went over the upcoming meetings that the council might be interested in attending.

ADJOURN

Motion Franklin, second Spartz to adjourn at 8:10 p.m. Motion carried 5-0.

Peter Spartz, Mayor

Kathy George, Administrator