

**Sandstone City Council Meeting Minutes**  
**March 16, 2022**

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

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

Members absent: None

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

Others present: Sandstone Firefighters: Chaz Mann, Ross Degerstrom, Andy Wilkening, Chad Johnson; *Pine County Courier* Editor Jennifer Yocum Stans, Sheriff's Deputy Zach Bettschen, PeopleService contractor Matt Wold, Shannon Sweeney from David Drown Associates, SEH Engineer Greg Anderson, MN DOT Engineer Doug Kerfeld

**PLEDGE OF ALLEGIANCE**

**ADDITIONS OR CORRECTIONS TO THE AGENDA:**

**Motion Riley, second Palmer to approve the Agenda with the addition of USDA Loan Resolution.**

**Motion carried 5-0.**

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

**MEMBERS:** Positive comments were made regarding snowplowing. A picnic table was burned in Robinson Park. Stray cats and a dog running at large were addressed.

**PUBLIC HEARING/ PRESENTATIONS:**

Resolution No. 20220316-01 Vacating the Platted Right-of-Way of Washington Street between Main Ave S/TH123 and Old Military Rd S

**Motion Gaede, second Rahier to open the public hearing at 6:05 p.m. Motion carried 5-0.**

The City received a petition from property owners abutting a portion of platted right-of-way on Washington Street between Main Ave S/TH123 and Old Military Road. The public hearing notice was published in the 3/3 and 3/10 editions of the *Pine County Courier*; however, the required mailed notices were not sent. Therefore, the Public Hearing will be continued to the April 20<sup>th</sup> council meeting.

Mayor Spartz called for comments from visitors. No comments were received.

**Motion Spartz, second Riley to continue the Public Hearing to April 20, 2022 at 6:00 p.m. Motion carried 5-0.**

Resolution No. 20220316-02 Giving Preliminary Approval for the Issuance of the City's General Obligation Capital Improvement Plan Bonds in an Amount not to Exceed \$1,102,000 and Adopting the City of Sandstone Capital Improvement Plan 2019-2023

**Motion Gaede, second Rahier to open the public hearing at 6:07 p.m. Motion carried 5-0.**

Shannon Sweeney, David Drown Associates, explained the process required to secure the USDA-Rural Development Community Facilities loan and construction financing for the Sandstone Public Library project. He recommends using the Capital Improvement Planning Authority, which is the same authority the City used to finance the 2019 City Hall boiler and Fire Hall projects. The City is required to hold a public hearing and adopt a 5-year capital improvement plan. Sweeney recommends that the previous 5-

year plan that was adopted in 2019 be amended to include the library project. He presented an amended Capital Improvement Plan 2019-2023 for Council consideration. Sweeney also explained that after the public hearing on the plan, there is a 30-day period to allow for a petition by residents requesting that the matter be considered through referendum. If a petition is not received, the city is able to secure construction financing and ultimately close on the USDA Community Facilities loan.

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

**Motion Riley, second Gaede to close the public hearing at 6:15 p.m. Motion carried 5-0.**

**Motion Palmer, second Gaede to adopt Resolution No. 20220316-02 Giving Preliminary Approval for the Issuance of the City's General Obligation Capital Improvement Plan Bonds in an Amount not to Exceed \$1,102,000 and Adopting the City of Sandstone Capital Improvement Plan 2019-2023. Motion carried 5-0.**

#### **CONSENT AGENDA:**

**Motion Palmer, second Gaede to approve minutes from the February 16, 2022 Regular Council Meeting. Motion carried 5-0.**

#### **NEW BUSINESS:**

##### Resolution No. 20220316-03 – Accept Donations

**Motion Spartz, second Riley to adopt Resolution No. 20220316-03 accepting donations for Panther Park from various entities and persons in the total amount of \$21,450.00. Motion carried 5-0.**

##### Services Agreement – Library Cleaning

In preparation for moving the Sandstone Public Library over to the former PHASE building, and as a requirement for the State Library Construction Grant – Library Use Agreement, a Services Agreement has been prepared for cleaning services between the City and T-N-T Cleaning (Ty Johnson). T-N-T Cleaning is the current contractor for cleaning City Hall and the current Library space. The proposed agreement would cover the first three months of operation at the new location, and then will be evaluated to determine if any changes are necessary. Compensation is proposed to be \$1,840 per month for daily, weekly and monthly services, plus \$500 per year for seasonal duties, and \$15 per hour for light building maintenance duties.

**Motion Gaede, second Palmer to approve the Services Agreement – Library Cleaning with T-N-T Cleaning for \$1,840 per month for daily, weekly, and monthly services, plus \$500 per year for seasonal duties, and \$15 per hour for light building maintenance duties. Motion carried 5-0.**

##### I-35 Utility Crossing Improvements

The City conducted a Feasibility Study in 2004 to extend utilities across I-35 to service properties west of the Interstate. The project did not move forward at that time. Administrator George asked if the Council would consider moving forward with it now, stating that Quality Home & Sports has been inquiring and that it would open up that quadrant for future development.

SEH Engineer Greg Anderson explained that there are existing water main and sewer main pipes inside a casing under the interstate that end in the north ditch along County Road 61, directly south of Quality

Home. In 2004, they found that a second line of approximately 80 linear feet of pipe was missing on the sewer and water mains between the northbound lanes of I-35 and the northbound on-ramp.

To move forward with the project, Anderson stated that the missing pipe sections would be installed, along with a new hydrant followed by cleaning and testing the existing water main under the interstate. A new gate at Quarry Place would be installed to isolate the water main heading west towards the interstate. To serve, basically, just Quality Homes, he recommends a small grinder/lift station be installed and then string a small forcemain pipe (1 ¼") inside the existing 6" forcemain pipe under the interstate. The existing 6" forcemain would serve a much larger area in the future. Quality Home could then install their water and sewer service lines down to the new grinder station. Anderson cautioned that the existing mains were installed 30 years ago. There may be testing/leak issues that would require more work. Anderson estimates that this work, to service Quality Homes, would cost approximately \$200,000.

During discussion, Council Members expressed concern with adding a water project after just raising water rates and completing the waterloop project. Some thought that if the work is going to be done, then it should be sized to service the whole area. Anderson stated that he could put plans together both ways (just for Quality Homes and for the whole area) and then he can put some estimates together based on today's prices for Council consideration. Consensus of the Council was for Anderson to proceed with putting the plans together and providing estimates.

#### USDA Loan Resolution

As part of the Library Project funding package, the City qualified for a \$50,000 grant from USDA Rural Development towards furniture, fixtures and equipment. USDA Form RD 1942-47, Loan Resolution is required to accept the grant. **Motion Gaede, second Rahier, to adopt USDA Form RD 1942-47 Loan Resolution to accept the \$50,000 grant from USDA Rural Development for the Library Project. Motion carried 5-0.**

#### **OLD & CONTINUING BUSINESS:**

##### Doug Kerfeld – MN DOT TH23/TH123 Project Update

MN DOT Engineer Doug Kerfeld was present to provide an update on the TH23/TH123 Project, which started in 2021 and will be completed in 2022. Kerfeld first addressed a question previously posed by the Council regarding clearing snow on the sidewalks that were installed in 2021. Once the project is complete, the City is responsible for clearing the snow. However, with the project not yet complete, there was concern that if the City clears the snow, it might negate the warranty on the project. Kerfeld stated that he spoke with MN DOT's legal counsel and they determined that it is in the City's best interest to have the City clear the sidewalks, even though the project is not complete, and that it doesn't void the contractor's warranty or cause the City to incur any liability.

Kerfeld is working with the contractor to set up the construction schedule, traffic control, and pedestrian/business access during the project. He anticipates the project starting in May and being complete by July 16<sup>th</sup>. He anticipates that the contractor will start at TH123 from Division to Park. Kerfeld proposed the City host an Open House on April 20<sup>th</sup> from 5:00 – 6:00. He and the contractor will be present, along with plan sheets. He has talked to some business owners already and is open to any questions at any time, not just during the Open House.

Mayor Spartz stated that there has been a lot of interest in the work that will be done at the corner of TH123/3<sup>rd</sup> Street and Main Avenue. Kerfeld explained that the planned bump outs at the corner will

prohibit vehicles from being parked too close to the corner and will improve visibility. The storm sewer will be worked on as well.

Mayor Spartz then asked about the new “T” intersection by Casey’s, wondering if there will be signage because people seem to be driving through the old configuration. Kerfeld had previously asked the sign crew to place signage. He will follow up on that.

Administrator George stated that the digital speed sign located across from Casey’s doesn’t really make sense anymore because the new “T” intersection causes drivers to slow down to turn. She suggested the sign be moved to TH123 coming into town from the west. Council members agreed with this new location.

## **REPORTS:**

Community Service Partner – Sirena Samuelson was present to provide her report to the Council.

- She has been meeting with MN Power about adding a street light in the alley between the North Pine Insurance building and Ace Hardware. They don’t think it will be a problem.
- She has been working on an information sheet to hand out regarding Lock Boxes.
- She checks Robinson Park every day for campers and also to acquaint herself with park users.
- A 2<sup>nd</sup> notice has been sent out to Landlords to register their rental units; forms are due Monday. If forms are not received, a 3<sup>rd</sup> notice will be sent. Any outstanding requests after that will be referred to the Rental Appeals Board.
- She conducted 6 inspections on rental properties and sent 2 letters.
- She contacted the owner of the chiropractor property and was able to get him to put up snow fencing to help secure the area until the fire damage debris is cleaned up.
- She is working with Lakes & Pines to assist a displaced resident in getting help paying some bills.
- She is a member of the newly formed Quarry Days committee, attending meetings and helping to plan the event.
- She helped Mindy at the Day Care Center get ready for the Open House.
- She takes her Fire Inspector 1 test on March 28<sup>th</sup>.

Sheriff’s Deputy Report – February, 2022

Deputy Bettschen had to leave prior to being able to give his report. The Sheriff’s Department logged 229 calls in Sandstone during February (all calls, not just for contracted hours).

### Pine County Agreement Discussion

The City contracts with Pine County for extra hours of law enforcement services within the City boundaries. The current contract is through December 31, 2023. Mayor Spartz asked that this item be placed on the agenda for discussion purposes. There has been some indication that the council may want to terminate the contract – not because of dissatisfaction with the service provided by the Sheriff’s Department, but mostly because the city taxpayers are paying twice for the same service. Councilors expressed interest in talking with the County Board about funding the Sheriff’s Department through the County levy, so that the expense is shared by all County taxpayers. Mayor Spartz expressed concern with Sandstone residents and business owners feeling like they are losing service if the City were to end the arrangement. Councilors agreed that they would like public input prior to making that decision. They also agreed that it would be better for the County Board to know as far ahead of time as possible if the City is going to end the contract since it will affect their budget. Consensus was that the next step would be to talk to the County Board. Administrator George will check the County Board meeting schedule and ask to be placed on an upcoming Agenda.

### Fire Department – February, 2022

Firefighter Chaz Mann provided the report. There have been 4 fire calls lately: a chimney fire in Sandstone Township and three miscellaneous calls. Training was conducted on SCBA familiarization and RIT. Seven members went to East Central Energy in Braham for a presentation on responding to emergencies involving electric vehicles. Those who attended will share the information with the other members. New personal protective equipment has been ordered at a cost of \$30,314.34. The Department plans to apply for a grant to help off-set the cost. The Department is planning an appreciation dinner/awards ceremony on April 2<sup>nd</sup> at the Sandstone Golf Course. They are working on various apparatus repair items and renovating the office (paint, flooring), updating the bathrooms, and are planning to paint the walls in the apparatus bay. The Department hosted the community meal last night at the John Wright Building and served 110 meals. They will consider hosting again in the future.

Mann and Assistant Fire Chief Degerstrom then discussed the need to replace tender #831. As explained last month, the frame is rusted and the vehicle has been grounded. A few years ago, the Department purchased a used 2010 chassis from the DNR that has only 2,000 miles on it. It is 6-wheel drive, which will really help on muddy roads. They would like to move forward with a request for quotes to dress the chassis out for use as a tender (to haul water). This new apparatus would be equipped with a 3,000 gallon tank and a turret in front allowing firefighters to apply suppression from inside the cab, if needed. The tank would also be fillable from the ground, as opposed to having to climb on top of the tank to fill it with water. Pine City recently did this same thing; therefore, Sandstone can use the same specifications. The cost is likely to come in around \$225,000. Council members asked how this would be paid for. Administrator George stated that the Fire Department recently paid off an inter-fund loan for a previous truck purchase. Perhaps a similar arrangement can be made. Consensus of the Council was to authorize the Fire Department to move forward with the request for quotes.

### Fire Service Contracts

The City Council held the annual joint meeting with townships on February 7<sup>th</sup> to discuss the 2023 Fire Department budget and the townships' allocation of expenses. The Council proposed a 3-year contract with a 3% cost of living increase for each year, using the 2022 allocation amount as the base.

Finlayson Township and Danforth Township have both signed and returned their 3-year contracts, covering the years 2023, 2024, and 2025. The City has not heard from Dell Grove Township yet. Sandstone Township has decided to stay with the Sandstone Fire Department through 2022, but have not yet decided about 2023 and beyond. **Motion Gaede, second Rahier to approve the Fire Service Contracts with Finlayson Township and Danforth Township for 2023-2025. Motion carried 5-0.**

### PERA Response

As requested by the Sandstone Fire Relief Association, the City submitted a request to the Public Employees Retirement Association (PERA) for a cost analysis to estimate the cost of joining the Statewide Volunteer Firefighter Retirement Plan. The results have been received and it is estimated that there would be no additional contribution required if it was decided to proceed. The City was also notified by PERA that there is a bill being proposed in the current MN legislative session that would change the methodology of how a department's service pension liability is to be determined. Until the session ends, PERA will not be accepting any resolutions to join. When the session ends, PERA will move forward with a presentation and cost study relating to joining the plan effective January 1, 2023.

### Library Report – February, 2022

Librarian Josh Menter reported that there were 551 visitors and 308 reference questions answered. Adult

D&D continues and Teen D&D started up again. He is gearing up for story time, which will start in the spring. Next month, he is starting a sign language in story time course and is looking forward to incorporating sign language in story time activities. A bookmark design contest has been underway.

#### Parking Lot Lease Agreement

During negotiations for the purchase of the PHASE building for the library, the City discussed entering into an agreement with PHASE for the use of the south parking lot (the lower parking lot) and also for the right of first refusal should PHASE decide to sell the property in the future. The City Attorney recommended a Lease Agreement to set out the terms and has been in discussions with PHASE's Attorney to present the proposed Lease Agreement for Council consideration.

Highlights of the Agreement include a 30-year term that is renewable for 2 additional 30-year terms upon mutual agreement and can be terminated by the City any time by giving 30 days written notice; no rent is charged; the City will provide snow removal services; PHASE is responsible for maintenance, utilities, taxes; the City will reimburse PHASE for 30% of maintenance costs (pavement repair & maintenance, trash and debris removal); Each entity is responsible for making repairs that were caused by their respective users; City has right of first refusal if PHASE decides to sell the property.

**Motion Gaede, second Palmer to approve the Parking Lot Lease Agreement with PHASE for use of the south parking lot as presented. Motion carried 5-0.**

#### Planning Commission Meeting – March 9, 2022

Conditional Use Permit: Quarry Kids Child Care Center - Quarry Kids Child Care Center has applied for a Conditional Use Permit to operate a day care center at the John Wright Building, which is zoned Industrial District. The Planning Commission held the Public Hearing on March 9, 2022 and recommends the City Council approve the Conditional Use Permit based on the following findings of fact:

1. The use will not create an excessive burden on existing parks, schools, streets and other public facilities that serve or are proposed to serve the area.
2. The use is sufficiently compatible or separated by distance or screened from adjacent residentially zoned or used land so that existing homes will not depreciate in value and there will be no deterrence to development of vacant land.
3. The structure and site have an appearance that will not have an adverse effect upon adjacent residential properties.
4. The use is, in the opinion of the Planning Commission, reasonably related to the overall needs of the city and to the existing land use.
5. The use is consistent with the purposes of the zoning ordinance and the purposes of the zoning district in which the applicant intends to locate the proposed use.
6. The use is not in conflict with the comprehensive plan.
7. The use will not cause traffic hazards or congestion.
8. Adequate utilities, access roads, drainage, and necessary facilities are being provided.

**Motion Spartz, second Riley to approve the Conditional Use Permit for Quarry Kids Child Care Center to operate a day care center at 132 Oriole Street East. Motion carried 5-0.**

True Value Property Purchase - MN Statutes 462.356 states that if the City has adopted a

Comprehensive Plan, then no publicly owned interest in real property within the City can be acquired or disposed of until after the Planning Commission has reviewed the proposed acquisition or disposal and reported its findings to the City Council as to compliance with the Comp Plan.

The City is planning to purchase the former True Value property at 310 Main Avenue North and redevelop it as a business incubator. A Purchase Agreement has been executed between the Sandstone EDA and the owner. A grant application has been submitted for a Federal Rural Business Development Grant (RBDG) to help pay for repairs to the building. The Planning Commission determined that the acquisition of 310 Main Avenue North by the City for use as a business incubator is in compliance with the City's Comprehensive Plan.

#### Park & Rec Commission Meeting – March 11, 2022

Mayor Spartz reported on upcoming events – Spring Clean Up, Arts in the Park, National Night Out, Quarry Days, Oktoberfest. The Park Commission determined the park features to be included in the DNR Outdoor Recreation grant application for Panther Park, which is due March 31<sup>st</sup>. Design work continues on the Robinson Park Project. The Commission is pursuing options to create a dog park at the Skunk Creek Trail property.

Service Agreement – Sandstone Flower and Garden Club - Each year, the City has been entering into a Service Agreement with the Sandstone Flower & Garden Club for \$500. This amount is included in the Park Fund budget. In return for these funds, the Sandstone Flower & Garden Club takes care of the gardens in front of the Post Office, the Evangelical Free Church, the Veterans Memorial garden, and they plant and place the flower barrels throughout the downtown area. **Motion Riley, second Spartz to approve the 2022 Service Agreement with the Sandstone Flower and Garden Club for \$500. Motion carried 5-0.**

Service Agreement – Old School Arts Center - Each year, the City has been entering into a Service Agreement with the Old School Arts Center for \$1,000. This amount is included in the Park Fund budget. In return for these funds, OSAC provides a venue for artists, including performing artists, space for meetings and social gatherings, art classes and presentations. **Motion Spartz, second Palmer to approve the 2022 Service Agreement with Old School Arts Center for \$1,000. Motion carried 5-0.**

#### Building Inspection Report – February, 2022

Two building permits were issued in February for a total construction value of \$73,000. There are currently eight on-going building projects and three on-going right-of-way projects.

#### Public Works Director Report – February, 2022

Along with plowing and clearing sidewalks, the crew also cleared snow from fire hydrants. A new electrical outlet and circuit breaker were installed at the Lions Hill chalet. The crew attended to many items in the John Wright Building to prepare for the day care center license inspection. The wall mounted water heater at the History Center was replaced. DOT inspections were completed on the 2000 Ford Sterling and the Skidsteer trailer, along with other maintenance tasks.

#### PeopleService Report – February, 2022

Matt Wold reported on the volume of water and wastewater pumped during the month, stating that the totalizer (digital meter) at the wastewater plant was off by as much as 80% in measuring total flow going to the ponds; he will use the SCADA system for measurements going forward. The chemical pump at the water treatment plant wasn't pumping, which is critical for corrosion control to prevent lead and copper

from entering drinking water; a plugged valve was repaired and a new supply line was installed. Wold started phosphorus testing and reported that the numbers are in the ballpark.

#### Financial Reports

**Motion Palmer, second Spartz to approve the February financial reports: Cash Balance, Revenue & Expenditure Report; the Total Residual Income/Loss Report; and A/P Clerk Claims in the total amount of \$230,655.86. Motion carried 5-0.**

#### **WRITTEN NOTICES AND COMMUNICATIONS:**

Sandstone History and Art Center Meeting Notes – March 12, 2022

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

#### **Chiropractor Property – after fire**

- Owner has installed fencing to help keep people off property
- Insurance company DID NOT withhold escrow funds to ensure the property is cleaned up

#### **205 Division Street – Condemnation Update**

- County Attorney Reese Frederickson has requested a criminal citation from the Sheriff’s office
- The owner is being charged with a State crime and a Sandstone ordinance violation
- There is a delay in court processing because the Sandstone ordinance isn’t in the State court computer system – it can take a few weeks to be added
- Frederickson hopes to have approval to move forward any day now, then a court date can be set

#### **Quarry Kids Child Care Center**

- Open House Saturday, March 12th
- Great turn out – lots of parents and kids; lots of people filling out forms
- Shooting for May 1<sup>st</sup> opening

#### **PHASE Building – 106 Main Ave**

- PHASE has now moved out of the building and turned the keys over to the City

#### **Tax Forfeit Listings**

- 610 Angle Avenue (house fire; 50x150 foot lot); after discussion, **Motion Palmer, second Gaede to request the acquisition of this property from the County. Motion carried 5-0.**
- Vacant lot behind Huebner (418 Eagle Dr); Landlocked, 120x140 feet
- Any interest in asking these to be withheld from public sale?

#### **Upcoming Conferences / Trainings Planned**

- ServSave – 8 hour Food Manager Class (on-line)
- Rethos – Buildings on Main Street Conference April 21-22 in Faribault
- DEED Redevelopment Conference April 28-29 in Breezy Point
- MCMA Summer Conference May 4-6 in Nisswa

#### **Personnel Committee – Fire Chief**

- Job Description has been revised (will be presented next month for approval)
- Requests for Interest/Application Packets will be sent out to all current Sandstone Firefighters
- April 30<sup>th</sup> is being held open for the interviews

**ADJOURN**

**Motion Riley, second Gaede to adjourn at 8:25 p.m. Motion carried 5-0.**

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Peter Spartz, Mayor

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Kathy George, Administrator