

**Sandstone City Council Meeting Minutes  
July 20, 2022**

**CALL TO ORDER:** 6:09 p.m.

**ROLL CALL:** Val Palmer, Peter Spartz, Julena Rahier

Members absent: Randy Riley, Cassie Gaede

Staff present: Administrator Kathy George

Others present: Sandstone Fire Chief Chaz Mann, Firefighter Jeff Gaede, SEH Engineer Greg Anderson, Deputy Nick Solomon, Chris Nathan, *North Pine County News* Editor Jen Yocum-Stans

**PLEDGE OF ALLEGIANCE**

**ADDITIONS OR CORRECTIONS TO THE AGENDA:**

**Motion Spartz, second Palmer to approve the Agenda as presented. Motion carried 3-0.**

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

**MEMBERS:** People are happy that the MN DOT TH 123 project has wrapped up. Compliments for the Public Works Department's clean up efforts during the recent storms. Positive comments received regarding the work Deputy Solomon is doing in town.

**PUBLIC HEARING/ PRESENTATIONS:** None

**CONSENT AGENDA:**

**Motion Palmer, second Rahier to approve minutes from the June 15, 2022 Regular Council Meeting and an amendment to the Deputy Clerk/Utility Billing Position Description. Motion carried 3-0.**

**NEW BUSINESS:**

Terminate and Abate Nuisance: 717 Commercial Ave N

Refuse and solid waste have been repeatedly accumulating on this property, and now a mud truck has been parked on the property in violation of City Code; first in the front yard, and now in the side yard. The property owner has been given notices and instructions to bring the property into compliance. CSP Samuelson is asking the Council to approve abatement of the nuisance and to approve future abatement efforts as this property is habitually a nuisance concern. **Motion Palmer, second Rahier to abate the nuisance of refuse/solid waste and mud truck at 717 Commercial Ave N, and to abate future nuisances on this property after giving 7-day written notice to the property owner/residents. Motion carried 3-0.**

Kariann Darkow stopped by the Council meeting after this item had been discussed. She asked for more time to move the mud truck, stating that it is parked along the side of the house so that they can utilize the dryer's 220-volt electric outlet for the welder as they are preparing the truck for Howie's Mud Bog. She was advised to work with CSP Samuelson on getting the truck moved.

Terminate and Abate Nuisance: 605 Commercial Ave N

There has been a history of accumulation of refuse/solid waste at this property, which is attracting rodents. Occupants have also been cited for burning garbage; they do not have regular trash removal service. After being cited for burning, they moved the fire pit closer to the structure. Fire Code requires fire pits to be at

least 25 feet from a structure, the fire pit is now 17 feet from the house. Notices and instructions have been given to bring the property into compliance. CSP Samuelson is asking the Council to approve abatement of the nuisance and to approve future abatement efforts as this property is habitually a nuisance concern. **Motion Palmer, second Rahier to abate the nuisance of refuse/solid waste and remove the fire pit at 605 Commercial Ave N, and to abate future nuisances on this property after giving 7-day written notice to the property owner/residents. Motion carried 3-0.**

Terminate and Abate Nuisance: 506 Court Ave N

CSP Samuelson has attempted to work with the property owners to remove 4 vehicles, an RV, and refuse that has been accumulating on the property. The first letter was sent on April 26<sup>th</sup>, and promises have been made by the property owner with no follow through. Samuelson is asking the Council to approve abatement of the nuisance. **Motion Palmer, second Rahier to abate the nuisance of refuse/solid waste, vehicles, and RV at 506 Court Ave N. Motion carried 3-0.**

Harvest Christian School: False Alarm Charges – Appeal

Chris Nathan was present on behalf of Harvest Christian School to ask the Council to waive the false alarm charge of \$350 for the 2<sup>nd</sup> false alarm fire call that occurred on June 15<sup>th</sup>. He stated that a part is needed for the alarm system, which has been ordered. Council Members sympathized with Nathan; however, they did not want to set a precedence by waiving the fee. **Motion Palmer, second Spartz not to waive the 2<sup>nd</sup> false alarm fee for Harvest Christian School. Motion carried 3-0.**

Resolution No. 20220720-01 – Accept Donations: Panther Park

**Motion Palmer, second Rahier to adopt Resolution No. 20220720-01 accepting donations for Panther Park in the total amount of \$17,332.44. Motion carried 3-0.**

Resolution No. 20220720-02 – Accept Donation: Trex Bench

**Motion Rahier, second Palmer to adopt Resolution No. 20220720-02 accepting the donation of a Trex Bench from the Sandstone Quarry Lions. Motion carried 3-0.**

309 Park Ave: Vacant Home Restoration Program

The City created the Vacant Home Restoration Program to strengthen the tax base by returning vacant structures to a productive use by promoting single family home ownership. With the donation of the Friesendahl property to the City, this is the first opportunity to implement this program.

A request for proposals was placed in the 6/8, 6/15 and 6/22 editions of the *North Pine County News* and associated issues of the *Evergreen* and posted on the City's website. Several interested parties were provided access to the building prior to the due date of June 30<sup>th</sup>. Two proposals were received:

Sergey Boginskiy	\$ 4,600
Tim Davis	\$16,550

The program requires a Good Faith Deposit of 10% of the purchase price or \$2,000, whichever is greater, that will be collected with the purchase price at closing. Redevelopment is to occur no more than 12 months after closing. The entire Good Faith Deposit will be refunded upon the issuance of a certificate of completion. The property is to be marketed for owner occupancy for six months before considering leasing or selling to an owner who intends to lease.

The Housing Task Force met on July 12<sup>th</sup> to review the proposals and recommends the City accept the proposal from Tim Davis.

**Motion Palmer, second Rahier to accept the proposal from Tim Davis for the purchase and redevelopment of 309 Park Ave and to approve the Development Agreement as presented. Motion carried 3-0.**

### Library Project

#### Bid Award

The City has been working with LHB to design the redevelopment of the PHASE office building (106 Main Ave N) to serve as the new home of the Sandstone Public Library. The City received a \$1,000,000 grant from the State Library Construction Grant program, which requires a 50/50 match. The City is working with USDA Rural Development for funding the match. So far, the plan has been to use the USDA-RD Community Facilities Loan for \$1,102,000. The City also received a USDA RD Grant of \$50,000 towards the furniture & fixtures.

The project was bid out in April, with bids due on May 26<sup>th</sup>. Three bids were received, with the apparent low bidder being BCI Construction, Inc. Six alternates were included in the bid request. With the cost of purchasing the property, engineering design, bidding, construction administration, furniture, fixtures and equipment, contingency, and with the low bid from BCI (including alternates 3, 4, and 5 for windows, doors, and window shades), project costs are \$426,258 over the project budget.

According to the contract documents for the bidding process, the project needs to be awarded and contracts executed within 60 days of the bid opening, which will be July 25<sup>th</sup>. The State Library Construction Contract has now been fully executed and the grant funds have been encumbered for the project.

LHB recommends awarding the bid to BCI Construction, Inc. for the Base Bid of \$1,189,000 and accepting Alternates 3, 4, and 5 in the amount of \$24,000 for a total contract amount of \$1,213,000. USDA-RD has also approved awarding the bid to BCI.

**Motion Palmer, second Rahier to award the Library Project bid to BCI Construction, Inc. for the base bid of \$1,189,000 and accepting alternates 3, 4 and 5 in the amount of \$24,000 for a total contract amount of \$1,213,000. Motion carried 3-0.**

#### USDA Subsequent Loan

As reported, the Library Project bid came in \$426,258 over the budget/amount of funds available for the project. USDA RD has a Subsequent Loan program that the City qualifies for, as long as the amount of the loan is under \$450,000. In the meantime, East Central Regional Library Executive Director Carla Lydon and the Sandstone Friends of the Library are pursuing some grant opportunities to help fund some of the furniture, which will help bring down the deficit.

The \$1,102,000 USDA loan, at 2.125% interest, for a 35-year term will amount to an annual payment of about \$45,000. If the subsequent loan amount is added, at 2.5% interest, for a 35-year term, the annual payment will be about \$62,500. Interest rates for the subsequent loan have already increased. In order to lock in the 2.5% interest rate, a resolution is needed. The goal is to bring down the subsequent loan amount with grants, if possible.

**Motion Spartz, second Palmer to adopt Resolution No. 20220720-03 approving USDA Loan Security Agreement for a Subsequent Loan in the amount of \$405,000 for a 35-year term at 2.5% interest for the Library Project. Motion carried 3-0.**

Sandstone Township: Orderly Annexation Request

The City received a request from Sandstone Township to work together to develop an Orderly Annexation agreement. Council Members discussed the request and thought it would be a good idea to work with Sandstone Township at some point in the future.

Ordinance No. 20220720-01 Renumber City Code 120 Regarding Collection of Unpaid Service Charges and Fees

Ordinance No. 2013-02 was adopted in 2013. This ordinance amended the Sandstone City Code to add a new section 120 Regarding Collection of Unpaid Service Charges and Fees. This Ordinance was published in the July 11, 2013 edition of the *Pine County Courier*. At the same time, the City adopted Ordinance No. 2013-01, An Ordinance Adding a New Section 120 Relating to Criminal Background Checks for Applicants for City Employment and City Licenses. This Background Check Code 120 was codified (incorporated into the City's ordinances), but Section 120 regarding unpaid service charges and fees never was. It is assumed that there was confusion because both were using City Code 120. The proposed Ordinance would renumber Code 120 regarding unpaid service charges and fees to City Code 121. **Motion Rahier, second Palmer to adopt Ordinance No. 20220720-01 to renumber City Code 120 regarding unpaid service charges and fees to City Code 121. Motion carried 3-0.**

**OLD & CONTINUING BUSINESS:**

City Engineer Updates

I-35 Infrastructure Project

The City Council has been discussing the history surrounding the I-35 Utility Extension project, which began in 1973. At the June Council Meeting, the Council decided to move forward with finishing that utility extension project using ARPA funds. The City Engineer has been asked to submit a proposal to provide engineering services to include topographic survey, MN Dept of Health and MN DOT permitting, final design, construction plans & specifications, and bidding services for the total amount of \$15,200.

**Motion Rahier, second Palmer to accept the proposal from SEH for engineering services related to the I-35 Utility Extension project in the total amount of \$15,200. Motion passed 3-0.**

Miscellaneous Updates – SEH Engineer Greg Anderson provided the following updates:

- Water Treatment Plant Improvements: well #1 is back in service, passing bacterial testing as required.
- Wastewater Ponds – Phosphorus Treatment Improvements: SEH staff met with City and PeopleService staff on July 7<sup>th</sup> to review draft plans. Modifications are being made and the plans should be submitted to the MPCA later this month. Additional funding sources for the project are being researched.

**REPORTS:**

Community Service Partner – Sirena Samuelson is at the MN State Fire Code Academy at Camp Ripley this week and provided a written report:

**Rental Inspections:**

- 15 needing initial inspection
- 15 completed awaiting corrections to be made
- 20 All Completed
- 7 No Response after Final Notice
- Making calls and completing reports

**Code Enforcement:**

- 3 Abatement Requests for Council
- June 67 Long Grass – 9 emailed to Craige for City to mow
- Addressed Noise and Fence with Anderson Recycling
- Addressed Setback/slope concerns of Gravel pit
- Addressing Salma Property Issues (ongoing)
- Addressed blowing garbage 409 1<sup>st</sup>
- Addressed accumulating refuse 426 Division
- Followed up with removal of RV by Eagle DR
- Followed up on Dog at Large complaints.

**Neighborhood Watch:**

- Began Power Point Presentation
- Working with Deputy Solomon for our first community meeting.

**MISC:**

- Tried to help the homeless guy that was in town to get to his destination and provided him with some resources.

**Locked Key Boxes, Knox Box** – written procedure was provided for the Council’s information.

Sheriff’s Deputy Report – June, 2022

The Sheriff’s Department logged 278 calls in Sandstone during June. Deputy Solomon worked with the DNR to issue a citation to occupants of 605 Commercial Ave N for illegal burning activity. His help during the recent storm incidents was greatly appreciated. He stopped a vehicle and found the occupant with fentanyl. Cameras installed at Peterson Trucking were helpful to apprehend a burglar caught in the act. One person was talked to about driving a dirt bike illegally. Council Members thanked Solomon for the increased visibility in the community.

Fire Department – June, 2022

Firefighter Chaz Mann presented his report. The Department has had 22 calls lately: medical, power lines, vehicle accidents, fires, a leaking tractor on the train tracks, BNSF fire concerns. A tour of the Wildcat Sanctuary took place in order to familiarize the firefighters with the property, which was very helpful. Mann will be meeting with the manager of Sandstone Manor regarding Knox Box keys.

The new curb installed with the MN DOT TH123 project is great and will help reduce suspension problems with the vehicles. Now that the MN DOT project is finished, a hydrant will be installed near the Fire Hall building.

The Department is working on Quarry Days activities. They are taking over the pancake breakfast this year. Mann expressed gratitude to the QD Committee for bringing back Water Ball. The Department will

be selling Sandstone Fire Department “supporter” t-shirts.

The request for proposals for the Tender project is currently out for bids. Sandstone Fire Department is working with Pine City Fire Department because both departments have the same project plans and specifications. It is hoped that by working together there will be some cost savings.

During a training exercise in June, a line broke from the mast of the ladder truck. Before proceeding with the repair, along with other repairs the truck needs, an inspection of the frame will be conducted to ensure that the truck is worth repairing (it is 30 years old). At this point, it is known that \$32,500 in repairs are needed, prior to the line break. The ladder truck is definitely an asset for the Department.

The Department is working with the City to offer excess property for sale on public auction: the old Tender, the blue Ford pickup truck, the old compressor, and other items.

The Department applied for a 50/50 grant from the DNR for some wildland firefighter gear.

Department members are interested in forming a Rescue component. They are planning to apply for grants from North Pine Area Hospital District, Essentia Health, and others.

Firefighter Nicole Vork has been selected to serve as the Secretary of the Fire Department. She will be responsible for taking minutes of meetings, tracking attendance, filling out NFIRS reports, etc. Mann is working out the compensation plan for this position.

Mann and Administrator George are planning to meet on a monthly basis so that the two can work together to address the needs of the Fire Department.

#### Recommend New Hire: Holly Taylor

Mann, Degerstrom and Clemens interviewed Taylor on June 23<sup>rd</sup>. She previously served on the Askov Fire Department for 2 years and is interested in helping with the Rescue component, as well as all firefighter duties. Mann recommends the City Council approve the hiring. **Motion Palmer, second Spartz to hire Holly Taylor as a probationary firefighter. Motion carried 3-0.**

#### Library Report – June, 2022

Librarian Josh Menter reported that there were 578 visitors and 368 reference questions answered during the month. They had a tent and provided storytimes at Arts in the Park. D&D continues, both on-line and in-person. Storytime for family day at FCI was conducted. For the Love of Loons storytime was successful, as well as Sustainable Safari.

#### EDA Meeting – June 22, 2022

At the June 22<sup>nd</sup> meeting, the EDA approved a Community Economic Development Loan for Amy’s Country Café to replace the hood vent, modified the Community Business Partnership Loan for Ascertain Recovery to remove Jackie Warman as a guarantor, and received updates on Quarry Kids Child Care Center, the Rock, Pine County Transportation and Logistics Study, redevelopment of the True Value buildings, billboards for Northern Lights Alliance (NLX), Selah Wellness Clinic, and the I-35 Interchange project.

#### Parks & Rec Commission Meeting – July 8, 2022

The City was awarded \$8,000 from the DNR Connecting People to the Outdoors Small Grant Fund to bring electricity to the climber's shed.

The City was not awarded the DNR Outdoor Recreation Grant for Panther Park. However, GameTime (the playground manufacturer) has a 50/50 match program during the month of August for certain playground features. None of the planned playground features qualify for this program; however, the Park Commission is reviewing the ones that do qualify and are narrowing down the choices. With about \$130,000 available for the playground features, it is thought that the three desired features (swings, climbing structure, and play structure) could be purchased, leaving a shortfall of anywhere between \$40,000 - \$60,000. With the 2023 budgeting process underway, it is hoped that these funds can be allowed for. Fundraising continues for the bathroom, fencing, benches, drinking fountain, bike racks, etc.

Planning for National Night Out (August 2<sup>nd</sup>) is underway. The City is partnering with Central MN Jobs & Training to add a "hiring event" component this year.

MN DOT is planning a pavement replacement project along Highway 23 north of Sandstone. They do not plan to replace the pavement marking for the bike trail along this stretch. The bike trail signage would remain. The City encourages MN DOT to replace the pavement markings as part of their project.

#### Robinson Quarry Park Phase 1 and Phase 1(a) Project

The City has been awarded 2 Legacy Grant Projects and has been working with LHB on the design and specifications. Phase 1 includes the bituminous trail along the Kettle River, a new parking lot area, and some internal trails, with a project budget of \$996,560 (\$116,960 for engineering; \$879,600 for construction). The Phase 1(a) project includes a new vault toilet and a new pavilion/plaza area, with a project budget of \$357,500 (\$32,500 for engineering; \$325,000 for construction). In total, between the two grants, there is \$1,204,600 available for construction.

The project went out for bids in June, with bid opening on July 14th. Two bids were received:

Peterson Companies, Wyoming, MN:	\$2,996,000
C. Urban Companies, St. Paul, MN:	\$3,200,000

These were the base bid amounts. There were 5 alternates included in the bid package; however, the alternate items were over and above the scope of the grant projects. The low bid of Peterson Companies is \$1,791,400 over the grant funds (including the local match) available for construction.

The plans and specifications included improvements that are not included in the project scope; however, they can be used for a future grant application. LHB has asked Peterson Companies to break out their bid to show what the cost will be to do the work as specified in the grant application.

The bidding documents allow the City 60 days to award a contract after bid opening, which is September 12th. The Park Commission will continue to narrow down the scope of the project and provide a recommendation at the August 17<sup>th</sup> Council meeting.

#### Building Inspection Report – June, 2022

3 building permits, 2 maintenance permits, and 2 right-of-way permits were issued in June. There are currently 12 on-going building projects and five on-going right-of-way projects in town.

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

In addition to routine operations, the crew cleared downed trees due to storm damage throughout town and at the Cemetery, replaced 4 mailbox posts that were damaged by winter plowing, worked with MN DOT on the TH123 project, cleaned out 310 Main (True Value property), and 309 Park (Friesendahl house), conducted repairs on the 2000 Sterling and the 2013 Sweeper, replaced tires on the Backhoe/loader and the Toro mower, and are in the process of repairing several catch basins and replacing some storm sewer lines and culverts.

#### Sand/Salt Shed

Since the Street Shop moved from the Highway 61 location, they are in need of a Sand/Salt Shed. PW Director Hiler has been soliciting quotes. Sherman Lumber quoted \$169,244.59 for a 36x104 structure. JSB Construction quoted \$225,720.00 for a 36x100 structure. These quotes were received in 2021.

Hiler has now been working with Greystone Construction, who is one of the contractors listed with Sourcewell. Sourcewell holds hundreds of competitively solicited cooperative contracts, which meet the competitive bidding requirements for municipalities. The City of Sandstone is a registered participant with Sourcewell.

Through the Greystone Construction contract with Sourcewell, a 65' x 48' Britespan Atlas L10 Series Building would cost \$78,840. To add approximately 154 lineal feet of 8' tall pre-cast concrete bunker panels with corrosion inhibitor would add \$30,000 to the cost. These bunker panels would be used to create separate areas in the building for sand, salt, etc. The total cost would be \$108,840.

Sourcewell-awarded contracts are eligible to participate in a tax exempt municipal lease through NCL Government Capital. This is similar to what the City has done to purchase the new Toro lawn mower and the Elgin Sweeper (both of which have now been paid for completely).

NCL offers a 3-year, 4-year or 5-year option for the Britespan building:

3-Years: annual payment would be \$122,072.76

4-Years: annual payment would be \$124,516.80

5-Years: annual payment would be \$126,978.60

The Contractor has told Hiler that the project could be completed this fall, if approved. **Motion Spartz, second Palmer to approve the purchase of a 65' x 48' Britespan Atlas L10 Series Sand/Salt shed, including pre-cast concrete bunker panels, for the total cost of \$108,840 and to finance it through NCL's 3-year plan after review by the City Attorney. Motion carried 3-0.**

#### PeopleService Report – June, 2022

PeopleService contractor Matt Wold provided a written report. The sewer ponds were discharged, with a total of 17.15 million gallons discharged. Water hydrants were flushed. A coolant issue with the backup generator is being investigated. Sewer lines were jetted and televised in the northern area of town. The lines look great, with no stress cracks.

Minnesota Pollution Control Agency Notice of Violation – In May, the City received a Notice of Violation regarding the Wastewater Treatment Plant, alleging violations of permit limits and missed sampling events. PeopleService Regional Manager Paul Christensen provided a written response to the PCA and the PCA has accepted the response and determined that corrective actions have been completed.

Financial Reports

**Motion Palmer, second Rahier to approve the June financial reports: Cash Balance, Revenue & Expenditure Report; the Total Residual Income/Loss Report; and A/P Clerk Claims in the total amount of \$368,834.15. Motion carried 3-0.**

**WRITTEN NOTICES AND COMMUNICATIONS:**

North Pine Area Hospital District is asking for suggestions on what they can do to improve health care in the area.

Sandstone History and Art Center Meeting Minutes – June 6, 2022.

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

**Monday’s in May – 2022 Report**

	Metal Monday	Tired on Monday	Miscellaneous Monday	TOTAL EXPENSE
2018	Unknown	6.18 tons	7.38 tons Plus 85 mattresses	\$2,237.29
2019	7.68 tons	9.81 tons	6.84 tons Plus 83 mattresses	\$2,308.31
2020	7.01 tons	4.16 tons	8.57 tons Plus 85 mattresses	\$1,997.40
2021	7.83 tons	3.51 tons	15 tons Plus 64 mattresses	\$2,579.31
2022	5.92 tons	2.37 tons	6.26 tons Plus 62 mattresses	\$1,186.41

**Water & Sewer Rates - Information**

- Recent MN Court of Appeals ruling affirmed a District Court decision in a case involving a multi-unit rental property. In the past, the City of Biwabik sent one utility bill that covered all units. In 2014, Biwabik changed their billing practice and began billing separately for each unit (which would mean that each unit was charged the base fee, plus usage). The owner sued the city, but the District Court sided with the city. It went to the MN Court of Appeals, who affirmed that the City’s billing practice complied with the City ordinance, and that it also complied with State Statute (M.S. 444.075) which requires water and sewer charges to be proportionate, fair, and equitable. Cities have broad authority to establish different rate structures for water and sewer services. State Statute specifically authorizes a combination of “use, availability, and connection” fees.

**Election Dates**

- Filing Period for City offices: August 2-16
- Primary Election: August 9
- General Election: November 8
- Canvas Election Results between November 11-18

**205 Division Street**

- House has now been demolished
- Keeping an eye on clean-up

**Joshua Beecher**

- Operates an e-bay surplus type of sales operation
- Council agreed that he could set up in the green space next to the True Value building (flea market style) and sell his items

**Kudos to Charles**

- Trying an experiment to eliminate the Cash Receipts module of the accounting software program
- If successful, this will save the City \$850/year
- We will know in August if we can proceed with eliminating the CR module

**ADJOURN**

**Motion Palmer, second Spartz to adjourn at 8:00 p.m. Motion carried 3-0.**

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Peter Spartz, Mayor

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Kathy George, Administrator