

CITY OF TWO HARBORS
COMMITTEE OF THE WHOLE/AGENDA MEETING

December 12, 2022

5:00 p.m. Call to order.

 Appearances:

 Administrator updates.

 Attorney updates.

 City Clerk/HR updates.

 Finance Director updates.

 City Engineer updates.

 Discussion regarding MNDOT Highway 61 Project.

 Other agenda questions or additions.

Joseph Rhein

From: Olson, Josie (DOT) <Josie.Olson@state.mn.us>
Sent: Wednesday, November 23, 2022 3:00 PM
To: Derrick Passe; Joel Dhein; Patty Nordean; Miranda Pietila; Justin Otsea; Joseph Rhein; Jason DiPiazza
Cc: Fredrickson, Derek (DOT); Kalnbach, Michael K (DOT); Anderson, Bryan (DOT)
Subject: MnDOT Hwy 61 Project Update

Hello everyone:

As previously discussed, MnDOT has \$6.4M programmed for this project that we've been planning for construction starting in 2025. MnDOT has spent the last 15 months listening to the community during a corridor study and the resulting project's preliminary estimate is \$17.1M. Because of the discrepancy between available funding and corridor needs, it's necessary to determine what a project would look like that can be delivered for the programmed amount within the fiscal year.

MnDOT is currently working to determine what segment of the project can be delivered for construction in 2025 for the funds programmed. We are also exploring if this project is a good fit for other funding opportunities.

I'm requesting feedback from both City of Two Harbors and Lake County for MnDOT to consider when making this decision. I know it's a busy time of year, but I'm hoping we can find a time to meet to hear your feedback. I'll send out a separate email to determine availability for such a meeting. In the meantime, please let me know if you have any questions that I can answer.

I hope everyone has a safe holiday weekend.

Thank you,

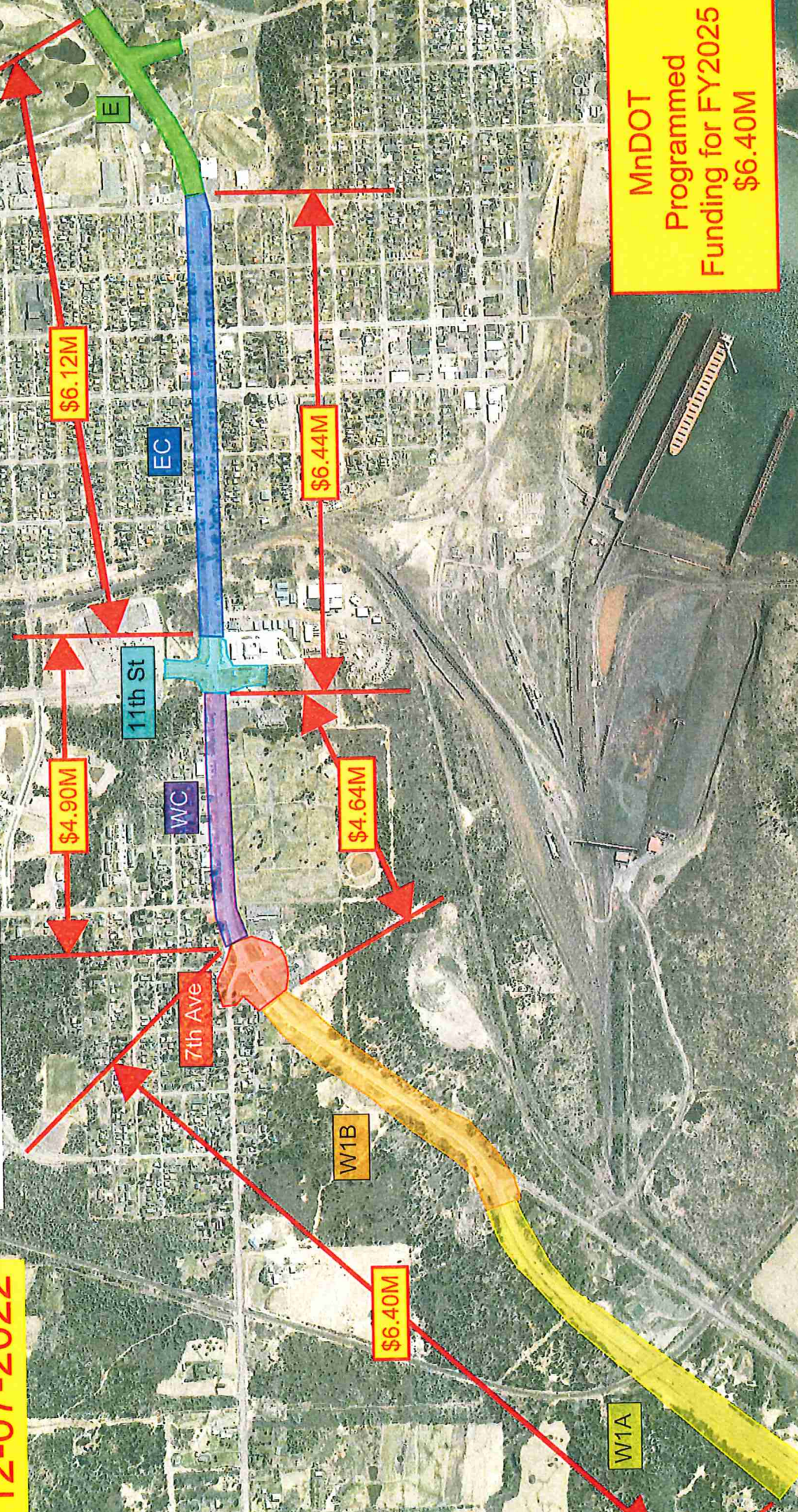
Josie Olson, P.E.
Project Manager | District 1

Minnesota Department of Transportation
1123 Mesaba Ave.
Duluth, MN 55811
218-725-2808
Josie.Olson@state.mn.us



12-07-2022

Two Harbors Highway 61 Corridor Implementation Phasing Segments



MnDOT
Programmed
Funding for FY2025
\$6.40M

Summary of MnDOT estimated construction costs for various segments along Highway 61, illustrating potential projects that could be done within the available programmed funding.

Two Harbors Highway 61 Corridor Implementation Phasing Evaluation (12/1/22)

SP 3804-62 TH 61 Two Harbors Corridor Implementation Phasing Evaluation Matrix										
	Segment Option	Opinion of Probable Construction Cost (2025 – 12% Inflation)	Right-of-way issues	City interests/ infrastructure	Access/Parking	Staging (immediate and overall project)	Independent Utility	Environmental	Safety benefit	Notes/Other
W1A	South Limit to Scenic Dr	\$2.26M	No known City Multimodal Underpass would impact ROW.	Outside of city limits? – no conflict with utilities current or future	Potential future access at N Leg of Scenic	Minimal staging concern or benefit to overall project	Can stand alone as a safety improvement that does not require other actions	Limited area of impact, limited risk for environmental hurdles	Adds severe crash issue on curve. Improves Risk Factors at Scenic.	
W1B	Scenic Dr to 7 th Ave (includes Trail)	\$2.01M (with trail \$2.44M)	Trail grading would impact ROW	City wants to install utilities in this segment (none/very limited currently)	3-Lane Supports future access/business	Temp Pavement could be needed to facilitate 3-Lane Expansion	3-Lane will benefit future increased business access	Trail would impact wetlands	3-Lane will improve access safety.	Add shared use path between 7 th and Scenic
W1	South Limit to 7 th Ave (no roundabout)	\$4.27M (with trail \$4.7M)		City wants to install utilities in this segment (none/very limited currently)	W1A+W1B	W1A+W1B	W1A+W1B		W1A+W1B	No roundabout
7 th Ave	7 th Ave Roundabout Only	\$2.13M	Minimal ROW impacts on north side.	Safer/Faster access in/out of south side businesses	Americinn Access reduced	RAB staging could maintain TH 61 movements but impact 7 th Ave and S Access	Will improve intersection safety with or without corridor improvements		Intersection Crash Cost reduced by 73%	
W1+7 th	South limit through 7 th Ave	\$6.40M (with trail \$6.82M)		Revised full access W of Culvers.	W1A+W1B+7 th	W1A+W1B+7 th	W1A+W1B+7 th		W1A+W1B+7 th	Unsure of how well this ties in with desired grade changes to corridor
WC	7 th Ave to 11 th St (no roundabouts)	\$2.51M		Utilities in the ditch to be replaced in 2024	Retain existing access	Possible issues with roadway elevation changes		Fill in ditch on north side for new sidewalk	Similar to Existing	Provides three-stage crossing at 15 th St and 14 th St
11 th St	11 th St Roundabout Only	\$2.39M	ROW acquisition at S leg, NW, and NE quadrants		Combined Access on South Side is a big benefit	Kwik Trip and McDonald's access during construction is concern in staging	Will improve intersection safety with or without corridor improvements	Culvert Extensions needed on 11 th to the north. Significant wetland impacts	Intersection Crash Cost reduced by 65%	
WC+11 th St	7 th Ave through 11 th St (roundabout at 11 th St)	\$4.90M								
EC	11 th St to 4 th St (no roundabout)	\$4.05M	Temp easement for ADA improvements	Can city utilities wait to be replaced until Phase 2?	Loss of 50%+ of on street parking. Better Access with 3-lane.	Major Staging struggles with confined ROW	3-lane will have immediate benefit.		Segment Crash Rate reduced by up to 40%	
E	4 th St to Park Rd (North Limit)	\$2.07M		Provides pedestrian facilities to campground	Opportunities to Consolidate Access with 3-lane improvements	Temp Pavement could be needed to facilitate 3-Lane Expansion	Provides speed reduction before business segment	Realignment of Park Rd coordination with DNR for recreational land swap	3-Lane will improve access safety and at Park Road.	Immediate Speed Calming and access benefits
EC + E	11 th St to Park Rd (North Limit)	\$6.12M			EC + E	EC + E	EC + E		EC + E	

SP 3804-62 TH 61 Two Harbors	
Project Phasing	Opinion of Probable Construction Cost - 2025 - 12% inflation
South Limit to Scenic Dr	\$ 2,256,576.00
Scenic Dr to 7th Ave	\$ 2,012,935.00
West Trail	\$ 430,886.00
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11th St Roundabout	\$ 2,389,363.00
11th St to 4th St	\$ 4,049,974.00
4th St to East End (Park Rd)	\$ 2,067,403.00
Total of above	\$ 17,836,419.00

Note: Removed all rounding for these estimates

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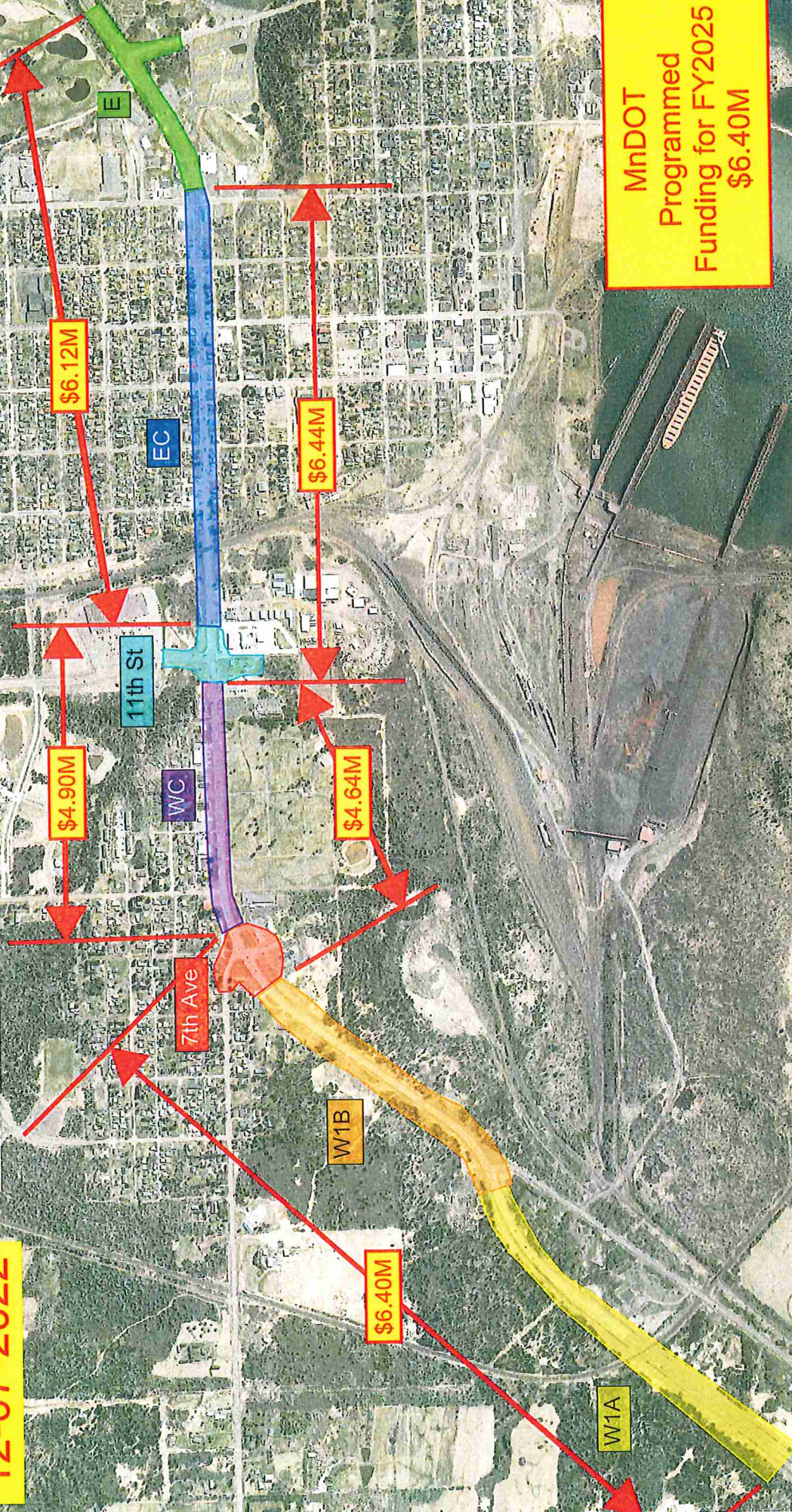
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TWO HARBORS CITY COUNCIL

AGENDA

December 12, 2022

6:00 P.M. Call to order regular meeting of the City Council of the City of Two Harbors.

Roll call:

Pledge of Allegiance:

Additions or Changes to the Agenda:

[M] Approval of the Agenda.

Items may be added to the agenda prior to approval of the agenda. Items brought forth once the agenda has been approved shall be referred to administration and/or committee.

[M] *Adjourning the regular meeting and calling to order a public hearing for the purpose of receiving public input regarding the proposed Capital Improvement Plan for 2023 - 2027.*

Appearances:

1. Miranda Pietila, Finance Director.
2. Other.⁹

Communications:

[M] *Adjourning public hearing and reconvening regular City Council meeting.*

Appearances:

Employee Years of Service Recognition:	5 Years:	Dave Dahlberg
	10 Years:	Ken Anderson
		Greg Moe
		Aaron Heim
	15 Years:	Joni Brandt
		James Cavallin
	25 Years:	Brad Jones
	30 Years:	Mitch Ekstrom
		Paul Johnson

Administrative Reports:

Committee Reports:

Planning Commission
Public Works Committee
Public Safety Committee
Library Board
Other.

[R] **Approving the Consent Agenda Items:**

Items listed on the Consent Agenda are routine in nature and typically do not require discussion. If there is an item on the consent agenda that a councilmember feels warrants discussion, it should be removed from the consent agenda and dealt with individually.

1. Approving minutes from the November 28, Regular and Special and December 5, 2022 Regular City Council meetings.
2. Allowing claims against the City of Two Harbors to be paid on December 13, 2022.
3. Approving payroll for the second half of November, 2022.
4. Authorizing payment to Lakehead Constructors for Pay Application #13 for the Wastewater Treatment Plant Project for an amount of \$680,887.72.
5. Authorizing payment to WSB in the amount of \$3,935 for material testing services for the Wastewater Treatment Plant Project.
6. Accepting the proposal of ARDC to provide planning assistance for 2023.
7. Designating the Community Center, 417 South Avenue as the City of Two Harbors Polling Place for 2023.
8. Approving the following Cigarette Licenses for calendar year 2023: Kwik Trip, Inc.; Holiday Stationstores (East and West); Miner's Incorporated; Krist Oil Company and Two Harbors Municipal Liquor Store.
9. Accepting with regret, the notice of resignation from Mic Golden from his position on the Library Board and authorizing a letter of appreciation for his service.
10. Declaring third and final reading of An Ordinance Enacting and Adopting a Supplement to the Code of Ordinances for the City of Two Harbors.
11. Authorizing publication of a summary of An Ordinance Enacting and Adopting a Supplement to the Code of Ordinances for the City of Two Harbors.
12. Authorizing a request for proposals for airport engineering services.
13. Approving the City of Two Harbors Third Quarter Financial Statements.

14. Authorizing a letter of support for a Transportation Alternatives grant application for the Odegard Park Trail Project.
15. Accepting a proposal from Bolton & Menk to provide Civil Engineering Services for the Liquor Store Project.
16. Accepting a proposal from Bolton & Menk for an additional scope to include site plan design services for the Water Treatment Facility.
17. Designating certain library materials as discarded equipment and authorizing their disposal as appropriate.
18. Amending the effective dates of the On-Sale and Sunday On-Sale Liquor License for The Topsy Mosquite to begin on December 19, 2022 rather than December 31, 2022.

Other.

Communications:

1. A Memorandum from Jennifer Selchow, Bolton & Menk providing an update on the Wastewater Treatment Facility Improvement Project.
2. A memorandum from Joe Rhein, Bolton & Menk, providing an update on current projects within the City.
3. A letter from the Confidential Employee Association advising of their desire to open their working agreement for the purpose of conducting contract negotiations.

Unfinished Business:

Other.

New Business:

1. [R] Adopting the CIP for 2023 – 2027.
2. [M] Approving the revised position description for the City Administrator.
3. [M] Approving recruitment materials for the City Administrator search.
4. [M] Approving the revised position description for the position of EDP Tech.

5. [M] Authorizing postings for the position of City Administrator and EDP Tech.
6. [R] Awarding the position of Public Works Specialist II.
7. [R] Awarding the position of Cemetery Caretaker.
8. [R] Authorizing a contingent offer of employment for the position of Patrol Officer in the Police Department.
9. [R] Authorizing Lake County Housing and Redevelopment Authority to continue levying in Two Harbors for the 2023 fiscal year.

Other.

Adjourn:

* * * * *

November 28, 2022

Regular meeting of the City Council of the City of Two Harbors, Minnesota, held on Monday, November 28, 2022, at 6:00 p.m.

The meeting was called to order by President Redden.

Members present, Councilors: Woodruff, Glaser, Rennwald, Passe, Redden. 5.

Members absent, Councilors: Erickson. 1.

Others present: Interim Administrator, Dhein
Finance Director, Pietila
City Clerk, Nordean
City Attorney, Costley

Clerk Nordean requested the addition of the following communications for the public hearing: letters of objection from Thomas Koehler and Mary McGilligan, 814 Fifth Avenue, Susan Williams, owner of 325 and 319 Seventh Street; Nathan Trump, owner of 812 Fourth Avenue; M. Eugene Gangestad, Two Harbors, Lumber, 822 Fourth Avenue and Donna Gangestad, 902 Fifth Avenue, Darbie Eischenbacher, 823 Fifth Avenue; Tim Hedin, 835 Sixth Avenue; Cecilia Barrett Twiest, 802 Sixth Avenue, Donna Gangestad, Two Harbors Lumber, 822 Fourth Avenue and Alan Nelson RBI Group LLC, Julie Peer, 817 Fifth Avenue; Tina Voce, re: 822 Fifth Avenue; Alan Peters, 801 Fifth Avenue. She also requested the addition of Laura Goutermont for reappointment to the Recreation Board for a term to expire in March of 2024 to New Business Item 2.

Motion by Passe and Woodruff approving the agenda with the changes recommended by City Clerk Nordean. Carried.

Motion by Glaser and Rennwald Adjourning the regular meeting and calling to order a public hearing for the purpose of receiving public input regarding the proposed assessments for the 2021 – 2022 Street & Alley Improvement Project pursuant to Minn. Stat. 429.011 to 429.111. Carried.

Appearances:

Joe Rhein, Bolton & Menk, was present and addressed the hearing, providing a presentation on the Proposed Assessments for the 2021 – 2022 Street Improvement Project. Mr. Rhein outlined the process of the public hearing including a background of the project, a recap and cost review of the project and property owner rights.

President Redden inquired what the actual cost of a 5 x 5' square of sidewalk is. Rhein responded that this price was bid at \$4.75 per square foot, so a 5 x 5' square would be about \$118.50, plus the indirect costs, for a total cost to the City of about \$150 - \$160 per square.

Councilor Woodruff inquired about the deferral and how it worked, if the total amount would be due at the end of the deferral, or if that is when payments would start. Rhein responded that the payments would just pick up where they left off if the full 15 years of the assessment period had not yet passed. Woodruff clarified question and asked if the deferral was for a number of years that was less than the 15-year assessment period, would the total assessment be due, or would just the portion of the assessment that would normally have been paid by that time be due. Finance Director Pietila responded that she believes that only that portion of the assessment that would normally have been paid would be due at the end of the deferral.

Woodruff also asked with the December 28 deadline to appeal, how long does the City have to adopt the assessment. Rhein responded that the recommendation would be that the Council adopt the assessment tonight. He went on to say that the property owners can't appeal until the City adopts the assessment. Woodruff inquired if the December 28 deadline could be pushed back. Rhein replied that the Council could choose to table this action so they could have more time to think about it, yes, it's 30 days from whenever the City Council acts on the assessment roll. Once you adopt the assessment roll, that's when the property owner has thirty days to appeal it.

Councilor Passe inquired if there is a warranty period after the contract closes. Rhein reported that there is a two-year warranty.

Carol Klinker, 731 Fifth Avenue and 512 Eighth Street, was present and addressed the Council inquiring about the due date for payment, if the assessment isn't adopted today, will the due date still be the end of the year. Mrs. Pietila reported that payments must be received by December 31, 2022 in order to avoid interest charges because the City has to certify to Lake County that first week in January. Rhein added that if the Council delayed action on the assessment until after the first of January, they would be into the next tax year, so they would have until December 31 of 2023 and it wouldn't go onto the tax rolls until 2024.

Maggie Williams was present speaking on behalf of her mother, Susan Williams, owner of 325 and 319 Seventh Street. She requested a break-down of the charges which were proposed for her mother's assessment. Rhein provided this information for her. She reported that the construction work disturbed her tenants and that there is a crack in the basement which she believes could be a result of this work. She stated that she feels that the property value may have actually been lowered because they took down a gorgeous tree. She inquired about the installation of sewer service lines on her property. Mr. Rhein showed her a copy of the plans for the project and where the service lines were located on the parcels in question.

Tim Hedin, 835 Sixth Avenue, was present and addressed the Council expressing his objection to the proposed assessment. He stated that the project had removed space for parking in front of his home and the new street doesn't abut his parcel. He also reported that the sidewalk did not extend along the entire frontage of his property. He inquired if he has to pay for a street that doesn't even come in front of his house. He explained that the project took away parking in front of his house and that he only got six new pieces of sidewalk. Rhein noted that the distance for Hedin's sewer connections was quite lengthy, therefore the sewer line made up the majority of the charges to be assessed against his property. He noted that they did take into consideration that the street does not extend to his property. He asked the City Clerk if the letter he brought in today was good enough. Nordean expressed that it was sufficient.

Carol Klinker requested that the Council delay action on the assessment so that she had more time to review the information.

Gene Gangestad, Two Harbors Lumberyard, was present and addressed the hearing expressing his objection to the proposed assessment. He claimed that he doesn't believe the process is legal, he feels that the assessment is against the state constitution and that many of the statutes which the City uses for the assessment process are antiquated. Gangestad indicated his belief that he should not be charged for streets, sidewalks and water lines if he didn't get them. He asked Mr. Rhein to explain why his property was used for the construction process. He explained that he doesn't abut Fifth Avenue, however, he was charged for it. Mr. Gangestad expressed his displeasure that the DM&IR was not charged. He also expressed disagreement with charging by the square foot. Mr. Rhein provided Gangestad with a 2022 copy of the Statutory language used and indicated that he believes the statutes provided are currently in effect. Gangestad explained that he believes that the project didn't increase his property value, therefore he believes that the City cannot assess the charges against his property. Rhein provided Gangestad with information regarding the process of objecting to the assessment and also the process of filing an appeal in district court. He explained that Gangestad has the right to use these processes if he feels it is necessary.

Donna Gangestad, 822 Fourth Avenue, was present and addressed the Council expressing her opinion that the proposed assessment doesn't pass "The Common Sense Test." She showed on the map used in Mr. Rhein's presentation where her property is located.

Mr. Rhein explained that properties were assessed for street and sidewalk in the project area, whether or not they had a sidewalk in front of their property, or whether or not they got a street in front of their property, noting that if they were benefitted by the project, they are being assessed.

Darbie Eischenbacher, 823 Fifth Avenue, was present and addressed the Council via Zoom regarding the notice which was sent to property owners regarding the public hearing. She inquired

about the fees charged by the City for administration of the assessment. She indicated that the notice was difficult for her to understand with regard to how to submit an objection. She expressed her opinion that the notification did not provide adequate time for her to prepare for opposition to the proposed assessment. She requested that the Council consider delaying a decision on the proposed assessment in case there were other individuals who didn't understand the notice provided.

Pietila responded to the 1% over the bond rate charged is for work that is done by City staff prior and after the work that is done by Lake County. Rhein explained that this practice is typical with other cities doing assessments.

President Redden asked if there was anyone else who was present who wished to speak in favor of or against the proposed assessment. There was no one else present who indicated their desire to address the hearing.

Communications:

1. A memorandum from Joe Rhein, Bolton & Menk, regarding the assessments for the 2021 – 2022 Street Improvement Project.
2. A letter from Donna Gangestad, Two Harbors Lumber 822 Fourth Avenue, objecting to any assessment for the 2021 – 2022 Street Improvement Project.
3. A letter from Susan Williams, owner of 325 and 319 Seventh Street expressing her objection to the assessment for the 2021 – 2022 Street Improvement Project.
4. A letter from Nathan J. Trump, 812 Fourth Avenue, expressing his objection to the assessment for the 2021 – 2022 Street Improvement Project.
5. A letter from M. Eugene Gangestad of Two Harbors Lumber, 822 Fourth Avenue and Donna Gangestad, 902 Fifth Avenue, expressing their objection to the assessment for the 2021 – 2022 Street Improvement Project.
6. A letter from Thomas Koehler and Mary McGillingan 814 Fifth Avenue, expressing their objection to the assessment for the 2021 – 2022 Street Improvement Project.
7. A letter from Darbie Eischenbacher, 823 Fifth Avenue, expressing objection to the proposed assessment.
8. A letter from Tim Hedin, 835 6th Avenue, expressing opposition to the proposed assessment.
9. A letter from Cecilia Barrett Twiest, 802 Sixth Avenue, expressing opposition to the proposed assessment.

10. A letter from Alan Nelson, RBI Group LLC, expressing opposition to the proposed assessment.
11. A third letter from Donna Gangestad, Two Harbors Lumber, 822 Fourth Avenue, expressing opposition to the proposed assessment.
12. A letter from Julie Peer, 817 Fifth Avenue, expressing opposition to the proposed assessment.
13. A letter from Tina Voce, 822 Fifth Avenue, expressing opposition to the proposed assessment.
14. A letter from Alan Peters, 801 Fifth Avenue, expressing opposition to the proposed assessment.
15. Two letters from Carol Klinker, 731 Fifth Avenue and 512 Eight Street, expressing objection to the proposed assessment.

Motion by Woodruff and Rennwald adjourning public hearing and reconvening regular City Council meeting. Carried.

Trees & Trails Commission:

Councilor Passe reported that at their November 17 meeting, they discussed tunnels under Highway 61, snowshoe and ski trails, they welcomed new members and discussed a proposal to update the trail plan.

Personnel Committee:

Vice President Glaser reported on the most recent meeting of the Personnel Committee where they discussed position changes and the administrator hiring process.

Planning Commission:

Vice President Glaser reported on the most recent meeting of the Planning Commission where they received a presentation by Planner Otsea on the Seventh avenue Corridor Project.

Motion by Glaser and Woodruff that the following consent agenda items:

1. **RESOLUTION NO. 11-327-22 ALLOWING CLAIMS AGAINST THE CITY OF TWO HARBORS, IN THE AMOUNT OF \$1,895,748.22.**
2. Approving payroll for the first half of November, 2022, in the amount of \$235,893.24.
3. **RESOLUTION NO. 11-328-22 AUTHORIZING PAYMENT TO BOLTON & MENK IN THE AMOUNT OF \$2,932.50 FOR PROFESSIONAL SERVICES FOR THE 2021 & 2022 STREET & ALLEY IMPROVEMENT PROJECT.**
4. **RESOLUTION NO. 11-329-22 AUTHORIZING PAYMENT TO BOLTON & MENK IN THE AMOUNT OF \$787.00 FOR GENERAL ENGINEERING SERVICES.**

5. **RESOLUTION NO. 11-330-22 AUTHORIZING PAYMENT TO BOLTON & MENK IN THE AMOUNT OF \$5,671.50 FOR CONSTRUCTION ENGINEERING SERVICES THROUGH SEPTEMBER 30, 2022 FOR RESEARCH AND DATA COLLECTION FOR THE FORMER ANKRUM PROPERTY NECESSARY FOR A TOPOGRAPHIC SURVEY ON THE PARCEL FOR THE WASTEWATER AND WATER TREATMENT PLANT PROJECT.**
6. **RESOLUTION NO. 11-331-22 AUTHORIZING PAYMENT TO BOLTON & MENK IN THE AMOUNT OF \$31,149 FOR PROFESSIONAL SERVICES FOR THE 2023 – 2024 STREET & ALLEY IMPROVEMENT PROJECT.**
7. **RESOLUTION NO. 11-332-22 AUTHORIZING PAYMENT TO BOLTON & MENK IN THE AMOUNT OF \$5,467.50 FOR PROFESSIONAL SERVICES FOR THE PRELIMINARY DESIGN CONCEPTS FOR TWO TUNNELS.**
8. **RESOLUTION NO. 11-333-22 AUTHORIZING AN INCREASE IN WATER AND SEWER FEES EFFECTIVE JANUARY 1, 2023.**
9. **RESOLUTION NO. 11-334-22 APPROVING THE AGREEMENT WITH PITNEY BOWES FOR THE LEASE OF A POSTAGE METER FOR CITY HALL AND AUTHORIZING THE ACTING MAYOR AND CITY CLERK TO EXECUTE SAID AGREEMENT ON BEHALF OF THE CITY.**
10. **RESOLUTION NO. 11-335-22 ELECTING NOT TO WAIVE THE MONETARY LIMITS ON MUNICIPAL TORT LIABILITY.**
11. **RESOLUTION NO. 11-336-22 HIRING ALICIA LANG FOR THE POSITION OF PART-TIME TEMPORARY LIQUOR STORE CLERK.**
12. **RESOLUTION NO. 11-337-22 AUTHORIZE A DAY OFF WITH PAY FOR A PRIZE FOR THE EMPLOYEE HOLIDAY PARTY.**
13. **RESOLUTION NO. 11-338-22 AUTHORIZE SIMULTANEOUS INTERNAL AND EXTERNAL POSTINGS FOR THE POSITION OF PERMANENT PART-TIME LIQUOR STORE CLERK.**
14. **RESOLUTION NO. 11-339-22 ACCEPTING, WITH REGRET, THE RESIGNATION OF JESSE HENNEN FROM HIS POSITION AS CEMETERY CARETAKER AND AUTHORIZING A LETTER OF APPRECIATION FOR HIS SERVICE.**
15. Authorizing the internal and external posting for the position of Cemetery Caretaker.
16. Accepting, with regret, the resignation of Michelle Anderson, from her positions on the City Planning and Charter Commissions, effective immediately, and authorizing a letter of appreciation for her service.
17. Accepting, with regret, the resignation of Roger McDannold, from his position on the Recreation Board, and authorizing a letter of appreciation for his service.

18. Declaring second reading of an ordinance Enacting and Adopting a Supplement to the Code of Ordinances for the City of Two Harbors.
19. **RESOLUTION NO. 11-340-22 APPROVING THE PROPOSED AGREEMENT BETWEEN DAMBERG SCOTT GERZINA WAGNER ARCHITECTS, INC. AND THE CITY OF TWO HARBORS TO PROVIDE PROFESSIONAL ARCHITECTURAL SERVICES FOR THE TWO HARBORS MUNICIPAL LIQUOR STORE PROJECT AND AUTHORIZING THE ACTING MAYOR AND CITY CLERK TO EXECUTE THE AGREEMENT ON BEHALF OF THE CITY.**
20. **RESOLUTION NO. 11-341-22 SCHEDULING A PUBLIC HEARING FOR THE PURPOSE OF DISCUSSING THE CAPITAL IMPROVEMENT PLAN FOR 6 PM ON MONDAY, DECEMBER 12, 2022.**

Be adopted as read. Carried by a unanimous vote of all members present on roll call.

New Business:

Motion by Woodruff and Passe that **RESOLUTION NO. 11-342-22 ADOPTING THE ASSESSMENT ROLL FOR THE 2021 – 2022 STREET IMPROVEMENT PROJECT** be adopted as read. Carried by a unanimous yeas vote of all members present on roll call

Motion by Glaser and Rennwald that **RESOLUTION NO. 11-343-22 REAPPOINTING THE FOLLOWING INDIVIDUALS TO THE FOLLOWING BOARDS AND COMMISSIONS FOR A THREE-YEAR TERM: DAN MURPHY – AIRPORT COMMISSION; KATHY GLENN – EDNA G. COMMISSION; BOB NORLEN – HRA; DAN JONES – RECREATION BOARD; MICK NELSON – RECREATION BOARD; HELEN HARTLEY – PUBLIC ARTS & BEAUTIFICATION COMMISSION; AND KATHY GLENN – PUBLIC ARTS & BEAUTIFICATION COMMISSION AND THE FOLLOWING INDIVIDUALS FOR TERMS ENDING IN MARCH OF 2024 LAURA GOUTERMONT – RECREATION BOARD; AND SANDY CABLE – RECREATION BOARD** be adopted as read. Carried by a unanimous yeas vote of all members present on roll call.

Motion by Rennwald and Woodruff that the meeting adjourn. Carried by a unanimous yeas vote of all members present on roll call.

Ben Redden, President, City Council

Patricia D. Nordean, City Clerk

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November 28, 2022

Special meeting of the City Council of the City of Two Harbors, acting as the Waterfront Committee, held on Monday, November 28, 2022, at 8:08 p.m.

The meeting was called to order by President Redden.

Members present, Councilors: Woodruff, Glaser, Rennwald, Passe, Redden. 5.

Members absent, Councilors: Erickson. 1.

Others present: Interim Administrator, Dhein
Finance Director, Pietila
City Clerk, Nordean
City Attorney, Costley.
City Planner, Otsea.

President Redden announced that the purpose of the meeting was to discuss and determine what action, if any, may be necessary, with regard to waterfront property at this time.

Appearances:

Joel Dhein, Interim City Administrator, was present and addressed the meeting providing an update on issues pertaining to the waterfront property. He explained that the meeting was called to discuss what direction the City is heading with regard to the waterfront and to identify what tasks are ahead. He explained that likely the biggest question right now, is the status of the DNR land, reminding the Council and others in attendance that there was an attempt at the legislature last year to get the property turned over to the City and that did not pass. He asked if that was something that councilors want to try again or are there other approaches to that land that they want to consider. Additionally, he asked what actions they want to take beyond that, such as further planning or work on the lands that we currently control.

Justin Otsea, City Planner, was present and provided an overview of the Brownfields Coalition, explaining that ARDC, along with the City of Two Harbors and a group of other communities are working to facilitate Brownfields funds which were received as a large-scale grant secured for the purpose of doing Brownfield work throughout the Arrowhead Region. He explained that part of that funding was set aside for the waterfront and that the City could use some of the funds to do Phase I and Phase II and other environmental work. He noted that there are also planning opportunities, such as looking at the waterfront with all properties owners involved to do some of the initial work to utilize all the work that has been done over the years, to marry-up existing plans rather than starting from the beginning with visioning plans. They are looking at extending the deadline for the grant period. He expressed that there are a lot of resources available through this program and there are no matching funds required.

Kevin Johnson, Area Supervisor, DNR Parks and Trails, was present and addressed the Council providing some history on the property in question. He explained that since the marina project is no longer being proposed, they have no problem with the property being transferred to the City with the exception of the one parcel that includes the boat launch and parking areas. He explained that there were some environmental borings and assessments done.

Dhein reported that he had received an email from Phil Leversedge regarding the DNR receiving proposals for some work to be done on the property.

Johnson explained that they have earmarked some money for some work to be done with the former coal dock and the rails. He stated that the DNR has a long working relationship with the City of Two Harbors and they are more than willing to work with the City of Two Harbors on the Waterfront Plan.

Jeff Anderson, The Costin Group, was present and addressed the Council providing an update on legislative discussions. He reviewed the legislative work that was done last year in the Bonding Bill for the conveyance of the property discussed and explained that he feels that there is no chance that the bill will be passed before the end of the current year. He indicated that he feels that the new legislature will be looking at what to do and early indications are that they may take up the bonding bill that was being worked on and get that passed. He went on to say that the legislature, with our new state senator and representative would have to reintroduce the land transfer that was introduced in the last session. He continued that he has had conversations with Senator-Elect Hauschild about this conveyance and he is supportive of it if this is the direction that the City wants to go. With that in mind, if all of this is moving forward, he believes it would be in the City's best interest, to look at the 2024 bonding cycle for dollars for whatever they want to do with that land. He believes it is in the best interest of the City to control its own destiny with that land, acknowledging that it does come with some risk, but it gives the City control of the property. He expressed that he believes that the DNR's list is long with regard to properties that need maintenance, and he feels that the conveyance is a prudent way to move forward and gives the City the opportunity to move forward and seek those existing funds. The timeline for a bonding application for 2024 will be by May or June of 2023. He suggests that the Council extend an invitation to Hauschild and Zaleznikar to meet with the Council sometime in December.

Councilor Glaser asked if it is in the best interest of the City of Two Harbors to remove the boat launch parcel from the property to be conveyed to the City.

Anderson stated that if we were to reintroduce this at the City's direction, it would be done working with the DNR to not have the boat launch property conveyed.

Dhein asked when the conveyance would become effective. Anderson reported that it could happen in 2023 and if it did not happen there are a couple of other different avenues that could happen.

Woodruff asked Anderson if he felt that Housing and MNDOT would be good things to bring to the legislature at Capital Days. Anderson responded that he feels that it is important to bring a thought-out, worthy project would be in the best interest of the City. He thinks that being able to communicate those priorities to the legislators is important, and it is important that they see the faces of the councilors when requesting things from legislators.

Councilor Passe expressed that the City of Two Harbors has almost 2.5 miles of waterfront. He feels that too often we focus on the property is owned by the DNR. He feels that we haven't looked at the waterfront in the entire City and not just the waterfront owned by the DNR.

Councilor Rennwald expressed her support for adding the waterfront to the wish list for the City.

Glaser expressed that since every community in the state is looking for housing. She would like to take the unified message for housing, but she would like to pursue the property that might be available to be conveyed. She also expressed her belief in looking at the waterfront as a whole as far as maintaining it and planning.

Anderson suggested requesting a bill that mandates that MNDOT pay for their project.

President Redden suggested that a meeting be arranged between DNR and the Administration to communicate regarding the proposed transfer.

Glaser requested that a meeting or meetings be arranged with the Costin Group, Senator Elect and our new representative to discuss this and other issues facing the City.

Passe reminded the Council that Lake County Soil and Water Conservation is working on a stormwater project in Agate Bay in 2023.

Johnson reported that there is funding available for Lighthouse Point Road and recommended that the City repair that road from First Avenue down, indicating his belief that this project would rank high, with an application of December 1, so his suggestion would be to apply next year

Motion by Woodruff and Rennwald that the meeting adjourn. Carried.

Ben Redden, President, City Council

Patricia D. Nordean, City Clerk

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December 5, 2022

Regular meeting of the City Council of the City of Two Harbors, Minnesota, held on Monday, December 5, 2022, at 6:00 p.m.

The meeting was called to order by President Redden.

Members present, Councilors: Woodruff, Glaser, Rennwald, Passe, Erickson, Redden. 6.

Others present: Interim Administrator, Dhein
Finance Director, Pietila
City Clerk, Nordean
City Attorney, Costley.

Clerk Nordean requested that Personnel Committee and Airport Commission be added to Committee Reports; that New Business 3, be added, accepting nominations for a position on the Library Board and deleting Consent Agenda 3, Approving the Agreement between the City of Two Harbors and Lake County for the 2023 – 2024 Street Improvement Project.

Motion by Passe and Woodruff that the agenda be approved with the changes recommended by the clerk. Carried.

Motion by Erickson and Glaser adjourning the regular meeting and calling to order a public hearing to receive public input regarding the 2023 Tax Levy and Budget. Carried.

Clerk Nordean reported that there were no communications received regarding the proposed levy and budget.

Finance Director, Pietila, was present and addressed the hearing indicating that the proposed resolution would adopt a levy increase of two percent, which was less than the proposed levy of four percent. She reviewed factors influencing the 2023 Budget and provided a 2023 property tax levy comparison showing the affect of market value increases. She provided a review of the proposed levy and budget.

Jan Gothier, 1309 Harbor Hills Drive, was present and addressed the Council, indicating that the increase in property taxes have become a hardship for her and her husband and requesting that the Council consider reducing spending.

Councilor Erickson expressed appreciation to Pietila as well as the Council, the Finance Committee, and administrative staff for their work in preparing the budget. She discussed other factors that contribute to property taxes for property owners.

There was no one else present wishing to speak in favor of or against the 2023 property tax levy and budget.

Motion by Woodruff and Glaser adjourning the public hearing and reconvening the regular meeting of the City Council. Carried.

Personnel Committee:

Vice President Glaser provided a review of the recent meeting of the Personnel Committee where they discussed the Patrol Officer hiring, the status of postings for Public Works, Liquor Store, Cemetery and Administrative positions.

Airport Commission:

Nordean provided a review of the December meeting of the Airport Commission where they discussed maintenance concerns and use of the City's work order system. She indicated that administrative staff will be meeting with the Airport Manager and Public Works Director to discuss some concerns which were discussed.

Motion by Glaser and Woodruff that the following consent agenda items:

1. Approving minutes from the November 14 and 28, 2022 City Council meetings.
2. **RESOLUTION NO. 12-344-22 APPROVING A NON-EXCLUSIVE LICENSE AGREEMENT BETWEEN THE CITY OF TWO HARBORS AND BEARGREASE SLED DOG MARATHON, INC., FOR USE OF CITY GOLF COURSE PROPERTY FOR THE PURPOSE OF CONDUCTING THE JOHN BEARGREASE "CUB RUN" SLED DOG RACE FROM 9 AM UNTIL 5 PM ON SATURDAY, JANUARY 21, 2023, PENDING RECEIPT OF EVIDENCE OF APPROPRIATE INSURANCE DOCUMENTATION, AND AUTHORIZING THE ACTING MAYOR AND CITY CLERK TO EXECUTE SAID AGREEMENT ON BEHALF OF THE CITY.**
4. Authorizing Jim Gilbert to carry over an additional 40 hours of vacation with the requirement to use the additional 40 hours by the end of February, 2023.

Be adopted as read. Carried by a unanimous yea vote of all members present on roll call.

Communications:

1. A letter from Judy Sausen, 712 Third Avenue #203, proposing that the Council consider adopting and implementing a one-time use plastic bag ordinance. Council President Redden referred this proposal to the Public Affairs Committee.

New Business:

Motion by Erickson and Woodruff that **RESOLUTION NO. 12-345-22 ESTABLISHING THE PROPERTY TAX LEVY FOR TAXES PAYABLE IN THE YEAR 2023** be adopted as read. Carried by a unanimous yea vote of all members present on roll call.

Motion by Woodruff and Glaser that **RESOLUTION NO. 12-346-22 ADOPTING THE 2023 BUDGET FOR THE CITY OF TWO HARBORS** be adopted as read. Carried by a unanimous yea vote of all members present on roll call.

Motion by Woodruff and Glaser accepting nominations for a position on the City's Library Board. Carried. Motion by Passe and Glaser Nominating Dan Thewis for the position and that **RESOLUTION NO. 12-347-22 APPOINTING DAN THEWIS AS A MEMBER OF THE LIBRARY BOARD** be adopted as read. Carried by a unanimous yea vote of all members present on roll call.

Motion by Erickson and Rennwald that the meeting adjourn. Carried.

Ben Redden, President, City Council

Patricia D. Nordean, City Clerk

TWO HARBORS CITY COUNCIL



AGENDA ITEM SUMMARY

AGENDA ITEM SUBJECT: *Consider approving Pay App #13 to Lakehead Constructors for the Wastewater Treatment Plant Project for \$680,887.72*

ORIGINATING SOURCE/DEPARTMENT: *Sewer Plant*

FUNDING SOURCE: *State appropriations, PSIG Grant, WIF Grant, Sewer and Electric Fund reserves, with remaining balance to be covered from a low interest rate PFA loan*

BACKGROUND: *See attached memo from Bolton & Menk.*

ESTIMATED DATE OF COMPLETION: **12/31/2024**

COMMITTEE/COMMISSION RECOMMENDATION: Click here to enter text.

ADMINISTRATION/STAFF RECOMMENDED COUNCIL ACTION:
Approve Pay App #13 to Lakehead Constructors for the Wastewater Treatment Plant Project for \$680,887.72

Agenda Item # 4 ^{consent}

Meeting Date: 12/12/22



**BOLTON
& MENK**

Real People. Real Solutions.

7533 Sunwood Drive NW
Suite 206
Ramsey, MN 55303-5119

Ph: (763) 433-2851
Fax: (763) 427-0833
Bolton-Menk.com

VIA EMAIL

December 6, 2022

Joel Dhein, Interim City Administrator
City of Two Harbors
522 1st Ave.
Two Harbors, MN 55616

RE: Two Harbors Wastewater Treatment Facility Improvements
Pay Application No. 13
BMI Project Number: M24.117177

Dear Joel,

Enclosed is a copy of Pay Application No. 13 from Lakehead Constructors, Inc. for \$680,887.72. I have reviewed this request and recommend payment to the contractor. The work reflected on this application represents 36.3% of the work to be completed under this contract. Please process this request for payment.

Please contact me if you have any questions.

Sincerely,
Bolton & Menk, Inc.

Jennifer Selchow


Jennifer Selchow, P.E.
Environmental Project Engineer

Enclosures

cc: Joe Rhein, Bolton and Menk, Inc.
Brian Guldán, Bolton and Menk, Inc.
Luke Heikkila, City of Two Harbors
Patty Nordean, City of Two Harbors
Miranda Pietila, City of Two Harbors
File

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Application For Payment
Change Order Summary

<p>Contractor's Certification</p> <p>The undersigned Contractor certifies that to the best of its knowledge: (1) all previous progress payments received from Owner on account of Work done under the Contract have been applied on account to discharge Contractor's legitimate obligations incurred in connection with Work covered by prior Applications for Payment; (2) title of all Work, materials and equipment incorporated in said Work or otherwise listed in or covered by this Application for Payment will pass to Owner at time of payment free and clear of all Liens, security interests and encumbrances (except such as are covered by a Bond acceptable to Owner indemnifying Owner against any such Liens, security interest or encumbrances); and (3) all Work covered by this Application for Payment is in accordance with the Contract Documents and is not defective.</p> <p style="text-align: center;"></p>	
By: Keny Pylka	Date: 11/25/2022

Endorsed by the Construction Specifications Institute.

Progress Estimate

Contractor's Application

Project: Wastewater Treatment Facilities Improvements		Application Number: 13						
Application Period: 10/26/22 - 11/25/2022		Invoice Number: Application Date: 11/25/2022						
A		B	Work Completed		E	F		G
Item Specification Section No.	Description	Scheduled Value	C		Materials Presently Stored (not in C or D)	Total Completed and Stored to Date (C + D + E)	% (D / B)	Balance to Finish (B - F)
			From Previous Application (C+D)	This Period				
1000	General Conditions	\$2,603,945.00	\$1,135,000.00	\$165,000.00		\$1,300,000.00	49.9%	\$1,303,945.00
1001	Bonds & Insurance	\$790,000.00	\$790,000.00			\$790,000.00	100.0%	
1020	General Construction Allowance	\$475,000.00	\$19,577.21	\$697.91		\$20,275.12	4.3%	\$454,724.88
1020	Chemical Feed Pump & Shld. Allowance	\$75,000.00						\$75,000.00
1020	Raw Water Wetwell Mixer Allowance	\$5,000.00						\$5,000.00
1020	Laboratory Equipment Allowance	\$35,000.00						\$35,000.00
1020	Furnishings Allowance	\$35,000.00						\$35,000.00
1030	Computer Allowance	\$10,000.00						\$10,000.00
1030	Security System Allowance	\$10,000.00						\$10,000.00
1030	Utility Service Connection Allowance	\$35,000.00						\$35,000.00
	Earthwork General Conditions	\$219,500.00	\$219,500.00			\$219,500.00	100.0%	
2100	Site Preparation	\$43,310.00	\$43,310.00			\$43,310.00	100.0%	
2101	Demolition	\$181,000.00	\$16,635.04			\$16,635.04	47.6%	\$94,364.96
2102	Finish Grading	\$6,870.00						\$6,870.00
2103	Excavation & Backfill	\$489,800.00	\$465,310.00			\$465,310.00	95.0%	\$24,490.00
2104	Remove Pavement & Mac. Structures	\$23,600.00	\$13,000.00			\$13,000.00	55.5%	\$9,600.00
2105	Rock Excavation \$170/CY	\$425,000.00	\$57,970.00			\$57,970.00	13.6%	\$367,030.00
2106	Excavation & Embankment	\$102,700.00	\$102,700.00			\$102,700.00	100.0%	
2107	Erosion & Sediment Control	\$33,150.00	\$19,116.70			\$19,116.70	57.7%	\$14,033.30
2108	Site Utilities	\$968,700.00	\$968,700.00			\$968,700.00	100.0%	
2109	Roads, Walls & Curbs	\$262,900.00						\$262,900.00
2110	Turf Restoration & Plantings	\$50,150.00						\$50,150.00
2111	Earthwork for Decorative Wall	\$270,000.00						\$270,000.00
3300	Cast in Place Concrete-below includes rebar							
3300	Classifiers Concrete	\$1,245,000.00	\$1,182,750.00	\$62,250.00		\$1,245,000.00	100.0%	
3300	Garage	\$620,000.00						\$620,000.00
3300	Aeration Basins	\$2,375,000.00	\$1,455,000.00	\$255,000.00		\$1,710,000.00	72.0%	\$665,000.00
3300	Openings	\$475,000.00	\$142,500.00	\$95,000.00		\$237,500.00	50.0%	\$237,500.00
3300	Blowoffs	\$815,000.00						\$815,000.00
3300	Chlorine Contact	\$475,000.00						\$475,000.00
3310	Concrete Decorative Walls	\$1,321,260.00						\$1,321,260.00
3410	All Precast	\$535,000.00						\$535,000.00
4810	Unit Masonry Assemblies	\$840,000.00						\$840,000.00
5100	Metals	\$55,000.00			\$3,839.43	\$3,839.43	6.9%	\$51,160.57
6100	Rough Carpentry	\$55,000.00						\$55,000.00
7100	Dampproofing	\$48,000.00						\$48,000.00
7100	Vapor Barrier	\$75,000.00						\$75,000.00
7535	Fully Adhered Membrane Roof System	\$415,000.00						\$415,000.00
7900	Cracking & Sealants	\$85,000.00						\$85,000.00
8110	Doors & Frames	\$130,000.00			\$96,616.31	\$96,616.31	74.3%	\$33,383.69
8360	O.H. Doors	\$60,000.00						\$60,000.00
8901	Windows	\$30,000.00			\$2,496.00	\$2,496.00	8.3%	\$27,504.00
9900	Painting	\$610,000.00	\$71,733.00			\$71,733.00	11.8%	\$538,267.00
10000	Division 10	\$25,000.00						\$25,000.00
11240	Chemical Feed	\$133,708.00						\$133,708.00
11280	Hydraulic Gates	\$70,000.00						\$70,000.00
11310	Centrifugal Wastewater Pumps	\$300,000.00			\$248,000.00	\$248,000.00	82.7%	\$52,000.00
11315	Rotary Lobe Pump	\$125,000.00						\$125,000.00
11318	Screw Impeller Centrifugal Pumps	\$440,000.00						\$440,000.00
11320	Oil Removal	\$90,925.00			\$10,127.00	\$10,127.00	11.1%	\$80,798.00
11330	Flow Screen	\$192,000.00						\$192,000.00
11335	Jet Mixing, Aeration System	\$178,000.00						\$178,000.00
11352	Clarifier Equipment	\$540,000.00	\$270,000.00	\$270,000.00		\$540,000.00	100.0%	
11374	Flow Pore Membrane Aeration Equipment	\$60,000.00			\$60,000.00	\$60,000.00	100.0%	
11376	High Efficiency Blower System	\$730,000.00						\$730,000.00
11384	Rotary Drum Thickener	\$155,000.00						\$155,000.00
11386	Rapid Mixers	\$48,000.00						\$48,000.00
11387	Submersible Mixers	\$13,000.00			\$25,000.00	\$25,000.00	100.0%	
11630	Automatic Sampler	\$17,000.00						\$17,000.00
12166	Coverwork	\$15,000.00						\$15,000.00
13126	Circular Tank Covers	\$211,000.00			\$105,500.00	\$105,500.00	49.2%	\$105,500.00
13216	Prestressed Concrete Water Tanks	\$1,500,000.00	\$1,500,000.00			\$1,500,000.00	100.0%	
13400	FRP Baffles & Weirs	\$60,000.00	\$30,000.00	\$30,000.00		\$60,000.00	100.0%	
14300	Hoists	\$75,000.00						\$75,000.00
15000	Mechanical							
15001	Mechanical & General Conditions	\$168,565.00	\$33,734.75			\$33,734.75	20.0%	\$134,830.25
15002	Buried Process Pipe	\$175,000.00	\$175,000.00			\$175,000.00	100.0%	
15003	Flanged Process Pipe	\$514,000.00	\$145,000.00			\$145,000.00	28.2%	\$369,000.00
15004	Process Flanged Fittings	\$216,000.00	\$218,510.00			\$218,510.00	76.4%	\$67,490.00
15005	Process Valves	\$305,000.00						\$305,000.00
15006	Process Pipe Labor	\$425,000.00	\$35,000.00			\$35,000.00	8.2%	\$390,000.00
15007	Stainless Pipe Material	\$34,000.00						\$34,000.00
15008	Stainless Pipe Labor	\$16,000.00						\$16,000.00
15009	Gas Piping	\$15,600.00						\$15,600.00
15010	Aeration Piping Install	\$78,000.00						\$78,000.00
15011	Pipe Supports & Hangers	\$34,000.00						\$34,000.00
15012	Sampler Piping	\$3,800.00						\$3,800.00
15013	Pipe Demo	\$32,000.00						\$32,000.00
15014	Chem Feed Material	\$16,000.00						\$16,000.00
15015	Chem Feed Labor	\$17,600.00						\$17,600.00
15016	Mechanical Equipment Install	\$21,050.00						\$21,050.00
15017	Fabricated Ductwork	\$31,625.00						\$31,625.00
15018	Duct Field Material	\$22,000.00						\$22,000.00
15019	Plumbing Material	\$121,000.00	\$14,520.00			\$14,520.00	12.0%	\$106,480.00
15020	Insulation Material	\$17,050.00						\$17,050.00
15021	Ventilation Material	\$85,217.00	\$26,664.00		\$17,776.00	\$44,440.00	52.1%	\$40,777.00
15022	Plumbing Labor	\$175,406.00	\$21,048.72			\$21,048.72	12.0%	\$154,357.28
15023	Insulation Labor	\$28,985.00						\$28,985.00
15024	Ventilation Equipment	\$177,760.00						\$177,760.00
15025	Plumbing Fixtures/Equipment	\$93,170.00	\$46,585.00			\$46,585.00	50.0%	\$46,585.00
15026	Refrigeration Piping/Start-up	\$15,730.00						\$15,730.00
15027	T&B	\$9,466.00						\$9,466.00
15028	Temp Control Sub	\$137,006.00	\$13,700.00		\$50,602.22	\$64,302.22	47.0%	\$72,613.78
16000	Electrical							
16001	Permit	\$2,500.00	\$2,500.00			\$2,500.00	100.0%	
16002	Mobilization	\$50,000.00	\$10,500.00	\$1,500.00		\$12,000.00	24.0%	\$38,000.00
16003	Temp Power/Lighting	\$15,000.00	\$10,500.00			\$10,500.00	70.0%	\$4,500.00
16004	Site Electrical	\$407,319.00	\$90,000.00	\$3,500.00		\$93,500.00	23.0%	\$313,819.00
16005	Site Lighting	\$18,116.00						\$18,116.00
16006	Fuel Clarifier	\$47,684.00						\$47,684.00
16007	Aeration Basin	\$37,176.00						\$37,176.00
16008	Operations Building	\$196,313.00	\$32,500.00	\$17,500.00		\$50,000.00	25.5%	\$146,313.00
16009	Storage Garage	\$19,873.00						\$19,873.00
16010	Blowdown Building	\$214,073.00						\$214,073.00
16011	Pretreatment	\$5,000.00						\$5,000.00
16012	Existing Pre Treatment	\$18,943.00	\$2,000.00			\$2,000.00	2.2%	\$16,943.00
16013	Existing Filter Building	\$142,976.00	\$3,500.00			\$3,500.00	2.4%	\$139,476.00
16014	Wall Lighting	\$45,837.00						\$45,837.00
16015	Equipment	\$14,028.00						\$14,028.00
16016	Service	\$160,937.00						\$160,937.00
16017	Lighting Fixtures Material	\$224,200.00			\$224,200.00	\$224,200.00	100.0%	
16018	Gear	\$206,721.00			\$74,758.00	\$74,758.00	36.2%	\$131,963.00
16019	Cabinet Unit Heaters	\$34,220.00			\$34,220.00	\$34,220.00	100.0%	
16020	Generator	\$228,377.00						\$228,377.00
16021	Integrator	\$135,810.00	\$133,600.00			\$133,600.00	97.2%	\$2,210.00
16022	Integrator Materials	\$418,834.00			\$115,000.00	\$115,000.00	27.5%	\$303,834.00
16023	Integrator Hardware	\$139,611.00						\$139,611.00
16024	Integrator Start-up	\$178,109.00						\$178,109.00
Totals		\$19,197,715.00	\$9,116,664.42	\$1,005,947.51	\$1,073,224.56	\$11,195,837.29		\$18,101,877.71

TWO HARBORS CITY COUNCIL



AGENDA ITEM SUMMARY

AGENDA ITEM SUBJECT: *Approving invoice to WSB for the material testing for the WWTP in the amount of \$3,935, total contract \$22,695*

ORIGINATING SOURCE/DEPARTMENT: *Sewer Plant*

FUNDING SOURCE: *State appropriations, PSIG Grant, WIF Grant, Sewer and Electric Fund reserves, with remaining balance to be covered from a low interest rate PFA loan*

BACKGROUND: *The City has a contract with WSB for the WWTP project, this is for services provided October 1st to October 31st 2022. Total contract is \$22,695, remaining contract is \$4,872.50.*

ESTIMATED DATE OF COMPLETION: Click here to enter a date.

COMMITTEE/COMMISSION RECOMMENDATION: Click here to enter text.

ADMINISTRATION/STAFF RECOMMENDED COUNCIL ACTION:
Approve the invoice to WSB for \$3,935.

Consent #5

12/12/22

701 XENIA AVENUE S
SUITE 300
MINNEAPOLIS, MN
55416



City of Two Harbors
Attn: Miranda Pietila
522 First Avenue
Two Harbors, MN 55616

November 30, 2022
Project/Invoice: R-019334-000 - 9
Reviewed by: Chad DeMenge
Project Manager: Terry Norlen

Two Harbors Wastewater Treatment Facility Upgrades

Professional Services from October 1, 2022 to October 31, 2022

Phase CMT Construction Materials Testing

Concrete Field Testing

Unit Billing

CMT Engineering Technician II

10/4/2022	1.5 Hours @ 60.00	90.00	
10/7/2022	1.5 Hours @ 60.00	90.00	
10/10/2022	1.5 Hours @ 60.00	90.00	
10/10/2022	1.5 Hours @ 60.00	90.00	
10/11/2022	1.5 Hours @ 60.00	90.00	
10/11/2022	1.5 Hours @ 60.00	90.00	
10/12/2022	1.5 Hours @ 60.00	90.00	
10/13/2022	1.5 Hours @ 60.00	90.00	
10/14/2022	1.5 Hours @ 60.00	90.00	
10/18/2022	1.5 Hours @ 60.00	90.00	
10/21/2022	1.5 Hours @ 60.00	90.00	
10/28/2022	1.5 Hours @ 60.00	90.00	
Total Units		1,080.00	1,080.00

Total this Task \$1,080.00

Soils Field Testing

Unit Billing

CMT Engineering Technician II

10/10/2022	1.0 Hour @ 60.00	60.00	
10/11/2022	1.0 Hour @ 60.00	60.00	
Total Units		120.00	120.00

Total this Task \$120.00

Materials Lab Testing

Unit Billing

Compressive Strength - Cylinder

9/21/2022	22-4261	4.0 Cylinders @ 5.00	20.00
9/23/2022	22-4474	4.0 Cylinders @ 5.00	20.00
9/28/2022	22-4540	8.0 Cylinders @ 5.00	40.00
9/30/2022	22-4566	12.0 Cylinders @ 5.00	60.00
10/4/2022	22-4637	8.0 Cylinders @ 5.00	40.00

Project	R-019334-000	TWOH - Two Harbors Wastewater Treatment	Invoice	9
10/7/2022	22-4743	4.0 Cylinders @ 5.00	20.00	
10/10/2022	22-4802	8.0 Cylinders @ 5.00	40.00	
10/11/2022	22-4830	4.0 Cylinders @ 5.00	20.00	
10/12/2022	22-4923	4.0 Cylinders @ 5.00	20.00	
10/13/2022	22-4929	8.0 Cylinders @ 5.00	40.00	
10/14/2022	22-4947	4.0 Cylinders @ 5.00	20.00	
10/18/2022	22-5051	4.0 Cylinders @ 5.00	20.00	
10/21/2022	22-5221	12.0 Cylinders @ 5.00	60.00	
	Total Units		420.00	420.00

Total this Task **\$420.00**

Total this Phase **\$1,620.00**

Billing Limits	Current	Prior	To-Date
Total Billings	1,620.00	13,887.50	15,507.50
Limit			22,695.00
Remaining			7,187.50
		Total this Invoice	\$1,620.00

Outstanding Invoices

Invoice Number	Date	Balance	
8	10/31/2022	2,315.00	
Total		2,315.00	
	Total Now Due		\$3,935.00



CITY OF TWO HARBORS
City Council

AGENDA ITEM
COVER SHEET

Originating Staff: Joel Dhein, Interim Administrator	Department: Administration	Date: 12/6/22
Agenda Item Subject: Planning Services Agreement	Fiscal Impact: \$60,000 for 2023	
BACKGROUND: The city has been contracting with the ARDC for planning service since September. That agreement expires at the end of 2022. The ARDC has proposed a new agreement for 2023 that includes an additional four (4) hours per week (from 16 to 20) at an annual cost of \$60,000. There is a thirty (30) day notice to cancel provision if the city desires to hire in-house planning staff. The city can review this service after a new city administrator is hired.		
ACTION REQUESTED: Consider the proposal as presented.		
RECOMMENDATION: Approve the proposal as presented		
ATTACHMENTS: ARDC Planning Assistance Project Proposal		

Agenda Item # 6 *Consent*

Meeting Date 12/12/22

EXHIBIT A

City of Two Harbors

Planning Assistance

Project Proposal

December 5, 2022

Contact

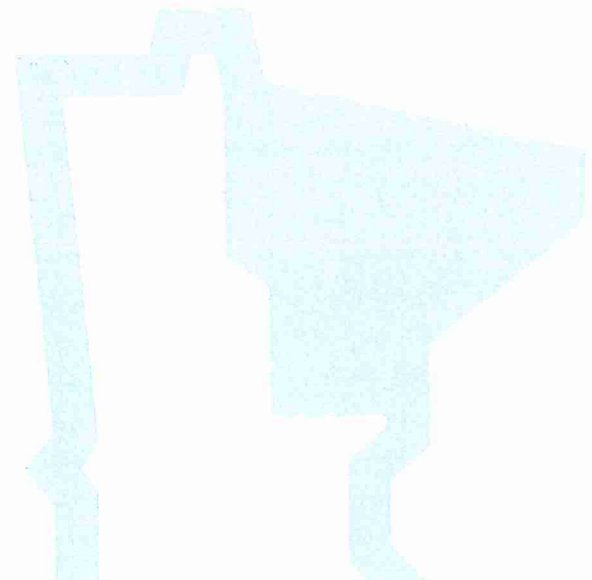
Justin Otsea
Senior Planner
P: 218-529-7529
E: jotsea@ardc.org

Introduction

ARDC Planning proposes to provide planning assistance to the city of Two Harbors from January 01, 2023, through December 31, 2023. The contract will allow the City and ARDC Planning to amend or end the contract with a 30-day notice in the event the City hires in-house planning staff.

Scope of Work

ARDC Planning staff will assist City with day-to-day planning activities including, but not limited to, assisting city staff, residents, business owners, and other stakeholders by answering planning and zoning questions, researching planning and zoning issues, and providing technical reports. ARDC will assist city staff with review and approval of permit applications for signs, conditional use permits, planned unit developments, and variances. ARDC will also assist with interpretation and enforcement of the zoning, sign, and other ordinances. ARDC's team will act as the Zoning Administrator with assistance from the Building Inspector and follow all land use applications/processes through their completion. Additional staff responsibilities will include the Short-Term Rental Permitting process, Wayfinding Sign program administration, attending relevant planning related meetings including capital improvement projects including road and trail construction projects, and related activities, among others. A potential Lake Superior Coastal program grant project could include a Zoning Code Update as identified with the City.



Staff will regularly attend and facilitate hybrid Planning Commission meetings on the first Tuesday of the month and hybrid Trees and Trails Commission meetings on the third Thursday of the month. Virtual meeting options will be available.

Additionally, Staff will attend council meetings when required. Staff will primarily work remotely the remaining days but will be in Two Harbors as needed. Planning assistance will be provided by planners Justin Otsea, and Josh Bergstad, with assistance by Paige Melius, Senior Planner and Charlie Moore, Senior GIS Specialist.

Schedule

Staff will provide one day of in-person dedicated services per week and will be available to answer questions from city staff during the rest of the week and hold meetings with staff, partners, and customers on non-office days as necessary. Staff will respond to phone calls and emails as needed through the remainder.

Timeline

This proposal will start on January 01, 2023, and end on December 31, 2023.

Costs

ARDC Planning proposes 20 hours of staff time per week at a rate of \$55 per hour for 52 weeks for a staff cost of \$57,500 and \$2,500 in direct expenses for a total project cost of \$60,000.



**CITY OF TWO HARBORS
CITY COUNCIL**

**AGENDA ITEM
COVER SHEET**

Originating Staff: P. Nordean	Department: Administration	Date: 12/9/22
Agenda Item Subject: Designating polling place	Fiscal Impact: n/a	
BACKGROUND: Each year we are required to designate polling places for the City for the calendar year.		
COUNCIL ACTION REQUESTED: Designate the Community Building, 417 South Avenue, as the polling place for the City of Two Harbors for 2023.		
RECOMMENDATION: Designate the polling place as the Community Building, 417 South Ave.		
ATTACHMENTS:		

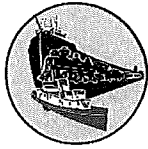
4.1 DESIGNATION

By December 31 of each year, municipalities and counties for their unorganized territories must designate by ordinance or resolution a polling place for each election precinct. The designated polling place remains the polling place for that election precinct throughout the next calendar year unless:

- an emergency occurs after the deadline to designate a polling place but before the polls close on election day
- a polling place becomes unavailable
- a township designates one location for state/federal elections and one location for a township's standalone elections. [M.S. 204B.16, subd. 1](#); [204B.175](#)

It is suggested that municipalities send copies of their designation resolution or ordinance to the county election office each year so the information regarding polling places can be verified or updated by them in SVRS.

If the designated polling place has changed, the governing body shall send to every affected household a nonforwardable, mailed notice stating the location of the new polling place at least 25 days before the next election. Counties may work with local jurisdictions to fulfill this administrative requirement including providing address data or labels. PVCs can be used to send notifications of municipal and county (unorganized territory) election precinct polling place changes. PVCs are not required; any type of notification document (i.e., letter, trifold) can be used, as long as it is sent as non-forwardable. [M.S. 204B.16, subd. 1a](#)



**CITY OF TWO HARBORS
CITY COUNCIL**

**AGENDA ITEM
COVER SHEET**

Originating Staff: P. Nordean	Department: Administration	Date: 12/9/22
Agenda Item Subject: Cigarette Licenses	Fiscal Impact: Fee-based	
BACKGROUND: Cigarette licenses for the City are set to expire on December 31, 2022. The following establishments are requesting renewal of their cigarette licenses and staff recommends approval, pending receipt of appropriate documents: Kwik Trip, Inc. Holiday Stationstores (East and West); Miner's Incorporated; Krist Oil Company and Two Harbors Municipal Liquor Store		
COUNCIL ACTION REQUESTED: Approve cigarette licenses pending receipt of appropriate documents.		
RECOMMENDATION: Approve cigarette licenses pending receipt of appropriate documents.		
ATTACHMENTS:		



**CITY OF TWO HARBORS
CITY COUNCIL**

**AGENDA ITEM
COVER SHEET**

Originating Staff: P. Nordean	Department: Administration	Date: 12/9/22
Agenda Item Subject: Resignation from Library Board	Fiscal Impact: n/a	
BACKGROUND: Mic Golden has submitted his resignation from the Library Board.		
COUNCIL ACTION REQUESTED: Accept his resignation with regret and authorize a letter of appreciation for his service.		
RECOMMENDATION: Accept his resignation with regret and authorize a letter of appreciation for his service.		
ATTACHMENTS:		

12/3/2022

To: Madeline Jarvis, Library Director; Two Harbors Library Board of Trustees; Two Harbors City Council

From: Michelle Golden, THPL Board of Trustees member

Re: Resignation from Board of Trustees

Please accept my resignation from the THPL Board of Trustees effective 12/3/2022. It has been a pleasure to serve on the Board of this valuable City institution. I will continue to support the library in other ways but am no longer able to commit to regular meetings. My apologies for the short notice and thank you for allowing me to serve.

Yours truly;

Michelle Golden

Consent #9



**CITY OF TWO HARBORS
CITY COUNCIL**

**AGENDA ITEM
COVER SHEET**

Originating Staff: P. Nordean	Department: Administration	Date: 12/9/22
Agenda Item Subject: 3rd Reading of Ordinance	Fiscal Impact: n/a	
BACKGROUND: The Ordinance Enacting and Adopting a Supplement to the City Code has had two readings, this would be the third reading. This effectively takes the resolutions and places them into the existing City Code, removing language that the resolutions are intended to replace.		
COUNCIL ACTION REQUESTED: Declare third and final reading. RECOMMENDATION: Declare third and final reading.		
ATTACHMENTS:		

D R A F T

ORDINANCE NO. XXX, SECOND SERIES

**AN ORDINANCE ENACTING AND ADOPTING A SUPPLEMENT
OF THE CODE OF ORDINANCES FOR THE CITY OF TWO HARBORS**

WHEREAS, American Legal Publishing Corporation of Cincinnati, Ohio, ("American Legal Publishing") has completed the 2022 supplement to the Code of ordinances of the City of Two Harbors ("City"), which supplement contains all ordinances of general and permanent nature enacted since the prior supplement to the Code of Ordinances of City; and

WHEREAS, it is necessary to provide for the usual and daily operation of the municipality and for the immediate preservation of the public peace, health, safety and general welfare of the municipality that this Ordinance take effect at an early date.

THE CITY COUNCIL OF THE CITY OF TWO HARBORS DOES ORDAIN:

Section 1. Adoption of Supplement. That the 2022 supplement to the Code of Ordinances of City as submitted by American Legal Publishing on file in the office of the City Clerk be and the same is hereby adopted by reference as if set out in its entirety.

Section 2. Added to Code. The City Clerk is hereby authorized and ordered to insert such supplement into the copy of the Code of Ordinances kept on file in the Office of the City Clerk following the effective date.

Section 3. Effective Date. This Ordinance shall be effective: (a) thirty (30) days after (1) its passage and (2) approval by the Mayor, and (b) upon its publication once in the legal newspaper for the City of Two Harbors.

ADOPTED, this XX day of December, A.D., 2022.

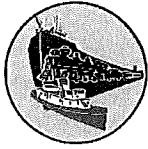
Ben Redden, President, City Council

ATTEST: _____
Patricia D. Nordean, City Clerk

8. [R] Authorizing a contingent offer of employment for the position of Patrol Officer in the Police Department.

Other.

Adjourn:



**CITY OF TWO HARBORS
CITY COUNCIL**

**AGENDA ITEM
COVER SHEET**

Originating Staff: P. Nordean	Department: Administration	Date: 12/9/22
Agenda Item Subject: Authorizing publication of a summary of the ordinance enacting and adopting a supplement to the City Code	Fiscal Impact: This will result in a Significant cost-savings as opposed to publishing the revised language in its entirety. These ordinance have already been adopted and published individually, so it isn't necessary to publish them again.	
BACKGROUND: There is a requirement to publish ordinances adopted by the Council, however, this ordinance involves taking the ordinances which have already been adopted and published and inserting them into the City Code. It is not necessary to publish them again. In place of publishing them again, the proposed resolution authorizes a summary of the ordinance to be published in the Legal newspaper of the City .		
COUNCIL ACTION REQUESTED: Authorizing a summary be published of the proposed ordinance Enacting and Adopting a Supplement to the City Code. RECOMMENDATION: Authorize the publication of a summary of the ordinance.		
ATTACHMENTS:		



**CITY OF TWO HARBORS
CITY COUNCIL**

**AGENDA ITEM
COVER SHEET**

Originating Staff: P. Nordean	Department: Administration	Date: 12/12/22
Agenda Item Subject: RFQ Airport Engineering Services	Fiscal Impact:	
BACKGROUND: In order to receive certain funding, the City is required to request proposals for engineering services for the Airport at a minimum of every five years. Soon there will have been five years since the last time proposals were requested to provide this work.		
COUNCIL ACTION REQUESTED: Authorize a request for qualifications for engineering services for the Airport.		
RECOMMENDATION: Authorize the RFQ.		
ATTACHMENTS:		



CITY OF TWO HARBORS

REQUEST FOR QUALIFICATIONS FOR ENGINEERING AND ARCHITECTURAL SERVICES FOR THE RICHARD B. HELGESON MUNICIPAL AIRPORT

December 12, 2022

The City of Two Harbors, MN ("City") is requesting Statements of Qualification ("RFQ Proposal") from interested and qualified consultants for professional engineering and architectural services for the Richard B. Helgeson Municipal Airport ("Airport"). Professional, technical, and advisory services are needed for projects identified in the Airport's Capital Improvement Plan ("CIP").

I. SCOPE OF WORK.

Projects may include airport planning and environmental services and design and construction administration. Projects will be accomplished over the course of five (5) years over multiple grants. Projects will be largely based on, but not limited to, the most current CIP for the Airport. Projects anticipated to be completed within the next five (5) years are shown on the attached Airport Improvement Plan.

No work will be authorized unless the parties develop and agree to a detailed scope(s) of work on a project-by-project basis. Projects will be completed at the sole discretion of the City and are subject to funding under the FAA AIP Program. Negotiation of a fair reasonable fee for services shall occur at the time those services are needed following selection of the firm. A detailed copy of the CIP can be requested from the City of Two Harbors.

II. PROPOSAL REQUIREMENTS.

RFQ Proposals must include the following criteria. These criteria will be used in the ranking and selection of the successful firm.

2.1 Qualifications of Firm. Provide a description of your firm's recent experiences and qualifications in airport engineering, architectural, design, and financial, planning, and environmental analysis on projects. Such experiences must be within the previous five (5) years. Preference shall be given to those firms with airport engineering, architectural design, financial, planning, and environmental analysis on projects similar to those contemplated by the Airport. (40 points)

2.2 Qualifications of Personnel. Provide the name(s) and professional

background(s) of personnel proposed to work on projects for the Airport. Preference shall be given to those firms with personnel experienced in serving airports similar in size and need to the Airport. (10 points).

2.3 Experience with State and Federal Grant Programs. Preference shall be given to those firms that have experience working with the MnDOT Office of Aeronautics and the FAA and can demonstrate an understanding of and ability to navigate the applicable rules, regulations, and procedures of such entities. (20 Points).

2.4 Approach to Projects. Preference shall be given to those firms that can demonstrate a clear understanding and familiarity of the projects identified in the Airport's CIP and can demonstrate the ability to develop a strategy for completing such projects. (20 points).

2.5 References. Provide the name and contact information for at least three (3) references at airports familiar with the firm. (10 points).

III. SELECTION PROCESS.

The selection process shall conform to FAA Advisory Circular 150/5100-14E, current edition, which will be utilized to select the most qualified firm. Fee information will not be considered in the selection process and should not be submitted with the RFQ Proposal.

The City has assembled a review panel (Panel) for this RFQ process. The Panel will review all proposals and will select the proposal that best fulfills the requirements discussed in Section II of this document. The Panel may conduct interviews with proposers during the time period set forth below.

3.1 Timetable. The City anticipates the following timetable for the selection process:

- RFQ Release Date December 12, 2022
- RFQ Submissions Due January 17, 2023, 4:00 p.m.
- Selection / Interviews if Required January 25, 2023
- City Council Selection for Approval February 13, 2023

3.2. Type of Contract. The selected firm will be invited to negotiate a Professional Services Agreement with the City for a term not to exceed five (5) years. If an acceptable agreement cannot be reached, the City reserves the right to negotiate with the next most qualified firm that submits an acceptable proposal.

FAA guidance for Airport Improvement Program compliance for Professional Services Contracts is outlined in the table on page 4 and in the following web link: http://www.faa.gov/airports/aip/procurement/federal_contract_provisions/media/combined-federal-contract-provisions.pdf

The selected firm shall not discriminate on the basis of race, color, national origin, or sex in the performance of the Agreement. Disadvantaged Business Enterprise (DBE) utilization is strongly encouraged.

3.3. Proposal & Response Date. To be considered for review, five (5) hard copies of the RFQ Proposal with a Proposal Cover Sheet (Appendix A) and using the format provided in **Section II**, must arrive at the City's office on or before the time and date specified in the timetable above. The City will not accept Proposals via email or facsimile transmission. No late Proposals will be considered. Each Proposal page should be numbered for ease of reference.

All materials submitted in response to this RFQ will become the property of the City and will become public record after the evaluation process is completed and a Professional Services Agreement is executed with the selected firm. An executed Data Practices Advisory (Appendix B) must be included with the Proposal.

3.4. Signatures. An official authorized to bind the Proposal to its provisions must sign the Proposal. If the official signs the Proposal Cover Sheet (Appendix A) and the Proposal Cover Sheet is attached to the Proposal, this requirement will be met for this RFQ.

3.5. Conflict of Interest. A conflict of interest exists if a proposer has any interest that would actually conflict, or has the appearance of conflicting, in any manner or degree with the performance of work on the project. Either certify: (i) that your company is unaware of any potential conflict of interest, or (ii) indicate the potential conflict(s) and the nature of such conflict. If there are potential conflicts, identify the municipalities, developers, and other public or private entities with whom your company is currently, or has been, employed and which may be affected.

3.6. Notification of Selection.

Entities whose Proposals are not selected will be notified in writing.

3.7. Questions. All questions regarding this RFQ should be directed to Joel Dhein, City Administrator, at the contact information listed below. E-mail submission of questions is preferable.

Joel Dhein
City Administrator 522 First Avenue
Two Harbors, MN 55616 jdhein@twoharborsmn.gov

APPENDIX A

REQUEST FOR QUALIFICATIONS
FOR ENGINEERING AND ARCHITECTURAL SERVICES FOR THE RICHARD B.
HELGESON MUNICIPAL AIRPORT
TWO HARBORS, MN

PROPOSER INFORMATION:
Company Name:
Mailing Address:
Website:
Principal Contact Person:
Contact Person's Phone Number:
Contact Person's Email:
Federal ID Number:

SIGNATURE
Signature of authorized official. Signatory consents and agrees to adhere to the terms outlined in this proposal:
Printed Name
Title

FAILURE TO COMPLETE, SIGN AND RETURN THIS FORM MAY
RESULT IN THE REJECTION OF THE PROPOSAL.

APPENDIX B
TENNESSEN WARNING
Data Practices Advisory

The information that you are asked to provide is classified by state law as either public, private, or confidential. Public data is information that can be given to the public. Private data is information that generally cannot be given to the public but can be given to the subject of the data. Confidential data is information that generally cannot be given to either the public or the subject of the data.

Our purpose and intended use of this information is to consider your proposal in response to a Request for Proposal.

You are not legally required to provide this information. You may refuse to provide this information.

The consequences of supplying or refusing to supply data are that your proposal may not be considered, or it may be denied.

Other persons or entities may be authorized by law to receive this information. The identity of those persons or entities, if known, are as follows: _____

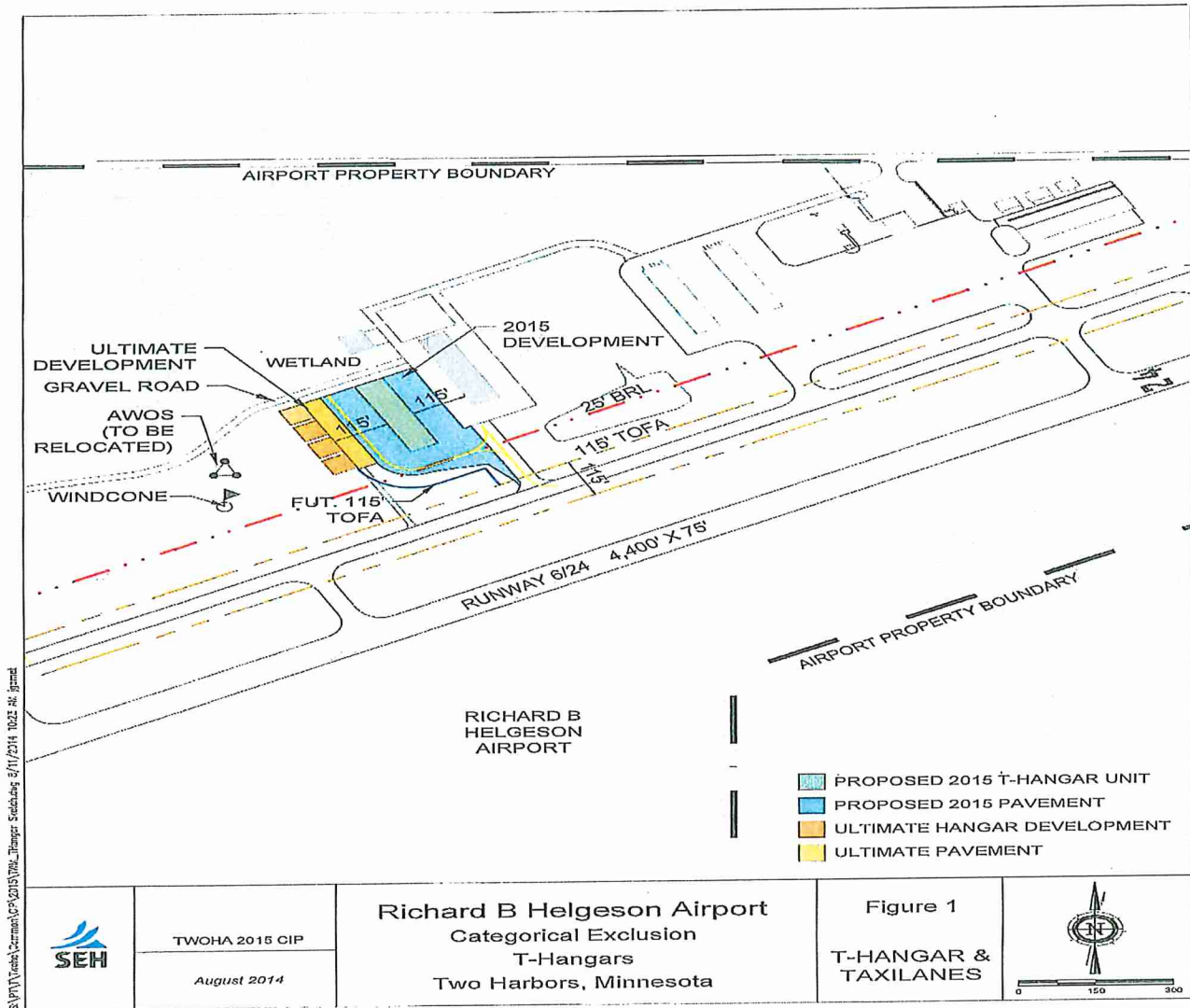
The undersigned has read this advisory and understands it.

Dated this _____ day of _____, 2023.

Print Name

Signature and Title (if signing on behalf of an entity)

Appendix C RICHARD B HELGESON AIRPORT



Appendix D

Richard B. Helgeson Airport (TWM) 20-Year Capital Improvement Program (CIP)

State Fiscal Year	Federal Fiscal Year	Project	Project Funding Type	Estimated Total Costs (2022 Dollars)	Funding Rates			Local Funding	State Funding	FAA Funding
					Local	State	FAA			
2023	2022	Annual Entitlement Entitlement Recapture - Glenwood AVOS Construction SRE Loader Attachment	AIP	\$150,000	0%	0%	100%	\$0	\$0	\$150,000
			State	\$90,000	30%	70%	0%	\$27,000	\$63,000	\$0
			BLI/AG	\$7,000	10%	0%	90%	\$0	\$0	\$63,000
			FFY 2022 Totals	\$317,000				\$34,000	\$63,000	\$214,000
2024	2023	Annual Entitlement Entitlement Recapture - Cook Airport Beacon GA Terminal Remodel/Expansion SRA	AIP	\$150,000	0%	0%	100%	\$0	\$0	\$150,000
			State	\$100,000	10%	90%	0%	\$0	\$0	\$90,000
			BLI/AG	\$950,000	5%	0%	95%	\$47,500	\$0	\$902,500
			State	\$200,000	30%	70%	0%	\$60,000	\$140,000	\$0
2025	2024	Annual Entitlement Entitlement Recapture - Glenwood Taxway Reconstruction (Wilem Hall) T-Hanger Pavement Reconstruction	AIP	\$150,000	0%	0%	100%	\$0	\$0	\$150,000
			State	\$1,500,000	5%	5%	90%	\$75,000	\$725,000	\$1,350,000
			BLI/AG	\$50,000	10%	0%	90%	\$35,000	\$0	\$315,000
			FFY 2024 Totals	\$330,000				\$35,000	\$725,000	\$315,000
2026	2025	Annual Entitlement Entitlement Recapture - Glenwood FBO Construction Master Plan	AIP	\$150,000	0%	0%	100%	\$0	\$0	\$150,000
			State	\$550,000	5%	50%	0%	\$44,500	\$0	\$44,500
			BLI/AG	\$30,000	10%	0%	90%	\$0	\$0	\$27,000
			FFY 2025 Totals	\$1,130,000				\$44,500	\$0	\$27,000
2027	2026	Annual Entitlement Entitlement Recapture - Cook East Side Hangar Expanded Hangar Area	AIP	\$30,228	0%	0%	100%	\$0	\$0	\$30,228
			State	\$50,000	5%	50%	0%	\$2,500	\$24,500	\$45,000
			BLI/AG	\$200,000	10%	0%	90%	\$23,000	\$0	\$207,000
			FFY 2026 Totals	\$310,228				\$25,500	\$24,500	\$182,228
2028	2027	Annual Non-Primary Entitlement Runway Reconstruction Project No Project Planned	AIP	\$1,350,000	5%	5%	90%	\$67,500	\$97,500	\$1,215,000
			Annual Non-Primary Entitlement				\$0	\$0	\$0	
			Annual Non-Primary Entitlement				\$0	\$0	\$0	
			Annual Non-Primary Entitlement				\$0	\$0	\$0	
2029	2028	Annual Non-Primary Entitlement No Project Planned	AIP	\$200,000	10%	0%	90%	\$0	\$0	\$180,000
			Annual Non-Primary Entitlement				\$0	\$0	\$0	
			Annual Non-Primary Entitlement				\$0	\$0	\$0	
			Annual Non-Primary Entitlement				\$0	\$0	\$0	
2030	2029	Annual Non-Primary Entitlement No Project Planned	AIP	\$50,000	0%	0%	100%	\$0	\$0	\$50,000
			Annual Non-Primary Entitlement				\$0	\$0	\$0	
			Annual Non-Primary Entitlement				\$0	\$0	\$0	
			Annual Non-Primary Entitlement				\$0	\$0	\$0	
2031	2030	Annual Non-Primary Entitlement No Project Planned	AIP	\$50,000	0%	0%	100%	\$0	\$0	\$50,000
			Annual Non-Primary Entitlement				\$0	\$0	\$0	
			Annual Non-Primary Entitlement				\$0	\$0	\$0	
			Annual Non-Primary Entitlement				\$0	\$0	\$0	
2032	2031	Annual Non-Primary Entitlement No Project Planned	AIP	\$1,300,000				\$67,400	\$67,400	\$1,232,600
			Annual Non-Primary Entitlement				\$0	\$0	\$0	
			Annual Non-Primary Entitlement				\$0	\$0	\$0	
			Annual Non-Primary Entitlement				\$0	\$0	\$0	
2033	2032	Annual Non-Primary Entitlement Taxway and Apron Reconstruction No Project Planned	AIP	\$2,000,000	5%	5%	90%	\$100,000	\$100,000	\$1,800,000
			Annual Non-Primary Entitlement				\$0	\$0	\$0	
			Annual Non-Primary Entitlement				\$0	\$0	\$0	
			Annual Non-Primary Entitlement				\$0	\$0	\$0	
2034	2033	Annual Non-Primary Entitlement Deer Fence Borrow entitlement dollars from another community	AIP	\$800,000	5%	5%	90%	\$40,000	\$40,000	\$720,000
			AIP	\$50,000	0%	0%	100%	\$0	\$0	\$50,000
			Annual Non-Primary Entitlement				\$0	\$0	\$0	
			Annual Non-Primary Entitlement				\$0	\$0	\$0	
2035	2034	Annual Non-Primary Entitlement Entitlement Payment (from 2034)	AIP	\$60,000	0%	0%	100%	\$0	\$0	\$60,000
			Annual Non-Primary Entitlement				\$0	\$0	\$0	
			Annual Non-Primary Entitlement				\$0	\$0	\$0	
			Annual Non-Primary Entitlement				\$0	\$0	\$0	
2036	2035	Annual Non-Primary Entitlement No Project Planned	AIP	\$50,000	0%	0%	100%	\$0	\$0	\$50,000
			Annual Non-Primary Entitlement				\$0	\$0	\$0	
			Annual Non-Primary Entitlement				\$0	\$0	\$0	
			Annual Non-Primary Entitlement				\$0	\$0	\$0	
2037	2036	Annual Non-Primary Entitlement No Project Planned	AIP	\$50,000	0%	0%	100%	\$0	\$0	\$50,000
			Annual Non-Primary Entitlement				\$0	\$0	\$0	
			Annual Non-Primary Entitlement				\$0	\$0	\$0	
			Annual Non-Primary Entitlement				\$0	\$0	\$0	
2038	2037	Annual Non-Primary Entitlement No Project Planned	AIP	\$50,000	0%	0%	100%	\$0	\$0	\$50,000
			Annual Non-Primary Entitlement				\$0	\$0	\$0	
			Annual Non-Primary Entitlement				\$0	\$0	\$0	
			Annual Non-Primary Entitlement				\$0	\$0	\$0	
2039	2038	Annual Non-Primary Entitlement G-Unit 1 Hangar	AIP	\$1,000,000	5%	5%	90%	\$50,000	\$50,000	\$900,000
			AIP	\$210,000	0%	0%	100%	\$0	\$0	\$210,000
			Annual Non-Primary Entitlement				\$0	\$0	\$0	
			Annual Non-Primary Entitlement				\$0	\$0	\$0	
2040	2039	Annual Non-Primary Entitlement Borrow entitlement dollars from another community	AIP	\$150,000	0%	0%	100%	\$0	\$0	\$150,000
			Annual Non-Primary Entitlement				\$0	\$0	\$0	
			Annual Non-Primary Entitlement				\$0	\$0	\$0	
			Annual Non-Primary Entitlement				\$0	\$0	\$0	
2041	2040	Annual Non-Primary Entitlement Entitlement Payment (from 2039)	AIP	\$60,000	0%	0%	100%	\$0	\$0	\$60,000
			Annual Non-Primary Entitlement				\$0	\$0	\$0	
			Annual Non-Primary Entitlement				\$0	\$0	\$0	
			Annual Non-Primary Entitlement				\$0	\$0	\$0	
2042	2041	Annual Non-Primary Entitlement Entitlement Payment (from 2038, Remaining)	AIP	\$60,000	0%	0%	100%	\$0	\$0	\$60,000
			Annual Non-Primary Entitlement				\$0	\$0	\$0	
			Annual Non-Primary Entitlement				\$0	\$0	\$0	
			Annual Non-Primary Entitlement				\$0	\$0	\$0	
Notes: BLI project funding rates are currently 0% FAA, 10% Local. CIP Legend: Annual Entitlement FAA BLI (AIG) Funding Local Funding Share State Funding Share Annual Totals by Funding										

Updated: September 1, 2022
Updated by: J. Zirbes

TWO HARBORS CITY COUNCIL



AGENDA ITEM SUMMARY

AGENDA ITEM SUBJECT: *Consider approving the 2022 3RD Quarter Financials*

ORIGINATING SOURCE/DEPARTMENT: *Governmental & Proprietary Funds*

FUNDING SOURCE: Click here to enter text.

BACKGROUND: Click here to enter text.

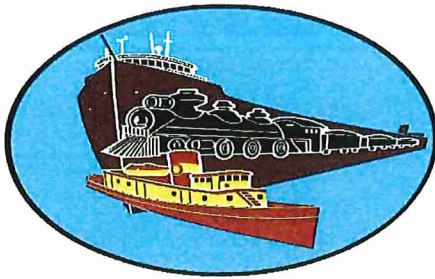
ESTIMATED DATE OF COMPLETION: 09/30/2022

COMMITTEE/COMMISSION RECOMMENDATION: Click here to enter text.

ADMINISTRATION/STAFF RECOMMENDED COUNCIL ACTION:
Approve 2022 3RD Quarter Financials

Consent
Agenda Item # 13

Meeting Date: 12/12/22



FINANCIAL HIGHLIGHTS – 3rd Quarter 2022

The following financial report and analysis offers readers a narrative overview of the financial activities of the City of Two Harbors for the nine-month period ended September 30, 2022. This report includes the following funds – General, Library, Airport, Golf Course, Debt Service, Capital Equipment, Street Improvement, Water, Sewer, Electric, Gas, Liquor Store, Stormwater, and Campground. The readers are encouraged to consider the information presented in conjunction with the unaudited financial statements attached to this report, the adopted budget and the five-year Capital Improvement Plan.

The city has received \$385,657.02 in American Rescue Plan Act funding. For purposes of streamlining the reporting requirements, the City utilized the standard allowance for revenue loss and showed the use of the funds for general government services. Staff is working through the accounting requirements for reflecting these funds in the financial reports; therefore, the third quarter financial report does not reflect these funds.

GENERAL FUND – REVENUES

- **Property Tax Revenues** – Property tax payments make up 48% of total General fund revenues. Payments are received in two installments in July and December from Lake County. The General fund property tax revenues are anticipated to be \$2,412,698 for 2022. The first receipt was received in July property tax revenues have increased by \$103,000 from the same time last year. The city did adopt a 8% levy in 2022.
- **Licenses and Permits** – Building permit revenues have increased as compared to 2021 by \$7,310.
- **Intergovernmental** – Local Government Aid is about 39% of total General fund revenues. Payments are received from MN Department of Revenue in two installments in July and December. LGA for 2022 is \$1,853,222. The City received 1st payment in July.
- **Charges for Services** – General government services are in line with the budget and are exceeding the prior year by \$15,850. Fire contracts with Lake County and Silver Creek increased from prior years.
- **Miscellaneous Revenues** – Miscellaneous revenues are up about \$23,750; this can be attributed to Draw Events for Tall Ships Festival contribution of \$19,250.

3rd QUARTER FINANCIAL HIGHLIGHTS – continued

GENERAL FUND – EXPENDITURES

- **General Government** – Expenditures for the third quarter are at 69.9% of 2022 budget. City Administrator vacancy for January to March 2022 have resulted in lower costs than expected. However, this is offset by City Attorney fees which are up \$28,165 compared to same time last year. This increase can be attributed to the extensive work on mayoral issues. Expenditures are also up by \$14,000 from prior year with continued improvements being made to the Community Building.
- **Public Safety** – Expenditures for the third quarter are at 72.6% of 2022 budget. Worker's Compensation Insurance has increased from prior year by about \$9,000. Fuel costs are through September 30 are over budget by \$2,550 of the 2022 budget, A portion of the Tall Ships expenditures is included in the Two Harbors Police Department Budget under extraordinary expenses totaling \$84,586, in the 4th quarter, the City was reimbursed from the Lovin Lake County grant for approximately \$49,000 for costs associated with the event.
- **Public Works** – Expenditures are 65.1% of budget, down 3% from prior year. Worker's Compensation insurance increased \$12,050 from prior year.
- **Culture and Recreation** – Expenditures are at only 52.7% of 2022 budget, however, there is a 38% increase in costs from same time last year, this is due to the vacant position of Parks and Maintenance Operations in June 2021.
- **Health and Welfare** – Expenditures are at 67.9% of 2022 budget. Increase in costs are associated to changes to benefits in 2022.
- **Miscellaneous** – Expenditures are at 79.4% of 2022 budget. Expenditures are related to the Cable TV department and costs associated to city supported events such as Heritage Days and Winter Frolic.

LIBRARY FUND

- The library's main revenue source comes from Lake County and the City, which contributes \$65,000 and \$237,000 respectively. Revenues are received in two installments in July and December.
- Expenditures are at 67.2% of 2022 budget and have decreased \$6,600 over the same period in 2021.

AIRPORT FUND

- Revenues have increased about \$45,216 from the same period in 2021, this is attributed to additional maintenance and operations grants through the American Recovery funding for

3rd QUARTER FINANCIAL HIGHLIGHTS – continued

AIRPORT FUND – continued

airports. Hangar rentals have increased by approximately \$3,000 compared to same time last year.

- Expenditures have increased 6% in comparison to 2021, this can be attributed to increase costs in fuel.

Golf FUND

- Sales through the third quarter amounted to \$395,588, this is down 9% or \$35,362 over the same period in 2021. The late start to the season is the contributing factor with sales from March and April only \$11,707 compared to \$74,514 in 2021.
- The golf season is about 6 months in Two Harbors, expenditures are currently at 2022 budgeted levels, about \$63,820 decrease from the same time last year, with a decrease in utilities being the main contributing factor.

Debt Service FUND

- Revenues for this fund come from the special assessments received for the 2018 and 2019 Street Improvement Project.
- Expenditures are bond payments for the 2018 and 2019 Street Improvement Project.
- Transfer In from the Street Improvement Fund is budgeted for 2022 in the amount of \$275,000. This supports future and current bond payments.

Capital Equipment FUND

- Revenues for this fund come from federal and state grants, Fire Department reimbursement contracts from Lake County and Silver Creek, special assessments from sidewalk projects, transfer in from General Fund, Electric and Gas Fund, and bond proceeds.
- Fire Department contract reimbursements increased from 2021 by \$38,923 increased equipment purchases and bonding payments for the 2019 Engine 21 Fire Truck.
- Expenditures are bond payments for capital equipment purchases. Below is a list of current projects:
 - City Hall Upgrades - \$260, 000 was budgeted for windows and roof replacement, the roof project is complete, windows are 98% completed, still waiting on some damaged window panes. This project is under budget and will be looking at a face lift for the front of City Hall and an update to the exterior in 2023.
 -

3rd QUARTER FINANCIAL HIGHLIGHTS – continued

Capital Equipment FUND - continued

- Community Building Upgrades – \$75,000 was budgeted for upgrades. Window replacement and an update to exterior of the building along with interior painting. The window project has been put on hold until the contractor has completed engineering on completion.
- Airport AWOS project - \$112,600, this project is anticipated to be complete Spring 2024, there has been a lot of work to determine the location of the AWOS.
- Airport Loader Attachment – \$60,000 was budgeted, this is funded 90% by FAA and 10% local match. Equipment has been ordered and anticipated for delivery soon.

Street Improvement FUND

- Revenues for this fund come from bonding for Street Projects and transfers in from the General Fund and Local Sales Tax to fund street projects.
- Expenditures are payments for expenses incurred from the Street Improvement Projects.
- Transfer In from the Local Sales Tax fund is budgeted for 2022 in the amount of \$75,000 and \$200,000 from the General Fund. \$275,000 is transferred out to the debt service fund to support future and current bond payments.

Water FUND

- Water revenues are at 74.3% of budget for 2022.
- Expenditures are below budgeted estimates.
- The 2022 Capital Projects
 - Water Plant Project –The City hopes to move forward with bidding the project Spring 2023. This project is 80% funded through state grants.
 - Chlorine Tank - \$4,245,150
 - Homewood PRV Station 2 & 3 - \$775,000

Sewer FUND

- Sewer revenues are at 71.9% of budget for 2022.
- Expenditures are below budgeted estimates.

3rd QUARTER FINANCIAL HIGHLIGHTS – continued

Sewer FUND - continued

- The 2022 Capital Projects
 - Wastewater Treatment Plant Project – This is year 2 of 4 for the \$33.5M Project which started in Fall 2021.
 - Sewer Plant – Truck purchase for \$35,000 - Moving replacement fleet vehicle to 2023, it is difficult to secure vehicles through state bid purchasing options.

Electric FUND

- Electric revenues are at 73.5% of budget for 2022. This is a decrease of 8.2% from the same period last year, this is due to the new contract the city entered into with MN Power, and this is showing the cost savings.
- Expenditures are below budgeted estimates.
- The 2022 Capital Projects – Moving the bucket truck and replacement fleet vehicle to 2023, it is difficult to secure vehicles through state bid purchasing options.
 - Streetlights – HWY 61 Project - \$112,600
 - Bucket Truck - \$197,000
 - Electric Department – Truck purchase for \$35,000
 - Street Improvement Project - \$112,600

Gas FUND

- Gas revenues are at 91.2% of budget for 2022, this is due to a cold winter, purchase of gas is at 91.2% of 2022 budget. Gross profit has increased from prior year by \$441,141 due to the polar vortex and increased gas prices in 2021. 2022 is comparable to 2020 gross profit levels.
- Expenditures are below budgeted estimates.
- The 2022 Capital Projects – below items have been purchased.
 - Leak Detection Tool – \$12,500
 - Ditch Witch Trencher - \$20,000

Liquor Store FUND

- Sales through the third quarter amounted to \$2.27 million which is a 4% decrease over the same period in 2021.
- Expenditures are below budgeted estimates. However, there has been significant increases in merchant fee charges, currently under review for new software and merchant when discussing development of store.

3rd QUARTER FINANCIAL HIGHLIGHTS – continued

Stormwater FUND

- Stormwater revenues are 76.8% of budget for 2022.
- Expenditures are below budgeted estimates and down \$17,250 from same period in 2021, this is due to bonding costs in 2021 for the 2021-2022 Street Improvement Project.

Campground FUND

- Sales of clothing, wood and ice increased from 2021 by 10.7%, however, costs of goods have increased by 34.4%. The merchandise continues to be popular for the campers.
- Campground revenues are up 14.5% from last year
- Expenditures are below budgeted estimates.
- The 2022 Capital Projects
 - Campground Road Replacement w/ utilities – \$350,000 – electric is complete for sites and the road was repaved after Labor Day. Electrical upgrades and repaving of back loops were only \$126,543, under budget by \$200,000.

City of Two Harbors
Summary of Budgeted Revenues and Expenditures
2021 and 2022
Budget to Actual Comparison

General Fund 3rd Quarter - September 30, 2022									
REVENUES	2021		2022		Percent Change	%	2022		Percent Change
	Budget	Actual	Budget	Actual			Budget	Actual	
General Property Taxes	2,233,980	944,019	2,412,698	1,047,434	10%	43.4%			103,415
Other Taxes	31,950	25,845	37,550	23,095	-12%	61.5%			(2,750)
Cable Television Franchise Tax	27,150	14,003	28,850	11,744	-19%	40.7%			(2,259)
Licenses and Permits	49,200	33,975	53,700	41,285	18%	76.9%			7,310
Local Government Aid	1,819,534	909,767	1,853,222	926,611	2%	50.0%			16,844
Other Intergovernmental	163,950	414,984	169,150	286,751	-45%	175.8%			(128,233)
Charges for Services	169,150	127,175	171,850	143,012	11%	83.2%			15,837
Fines and Forfeitures	11,150	6,416	9,900	3,588	-79%	36.2%			(2,828)
Miscellaneous Revenues:									
Investment Income	9,000	1,425	10,700	1,192	-20%	11.1%			(233)
Other	25,450	27,244	24,800	50,995	47%	205.6%			23,751
Total Revenues	4,540,514	2,504,853	4,766,420	2,555,709	1%	53.2%			30,856
EXPENDITURES									
Current									
General Government	689,000	487,985	767,200	535,968	36%	69.9%			279,215
Public Safety	1,409,500	1,026,757	1,582,300	1,148,473	11%	72.6%			121,716
Public Works	1,365,800	989,615	1,478,430	962,722	-3%	65.1%			(26,893)
Culture and Recreation	240,900	117,009	252,750	133,109	12%	52.7%			16,100
Health and Welfare	118,750	86,050	139,950	94,970	9%	67.9%			8,920
Miscellaneous	129,400	115,414	171,850	136,434	15%	79.4%			21,020
Total Expenditures	3,953,350	2,822,830	4,392,480	3,011,676	6%	68.6%			188,846
Excess of Revenues Over (Under) Expenditures	587,164	(317,977)	373,940	(475,967)					
OTHER FINANCING SOURCES (USES)									
Proceeds from Sale of Capital Assets	-	-	-	-	0%	0.0%			-
Insurance Proceeds	-	-	-	11,000	100%	100.0%			11,000
Extraordinary Items	-	-	-	-	0%	0.0%			-
ARP Dollars	-	186,714	-	100	440%	100.0%			440
Restricted Revenues/(Expenses)	-	(340)	-	-	-7%	50.0%			(8,489)
Transfers In					-16%	50.0%			(7,720)
Electric Fund	265,975	133,904	250,831	125,416	-380%	50.0%			(493)
Gas Fund	115,493	57,125	98,810	49,405	-16%	50.0%			(159)
Liquor Fund	1,832	622	259	130	0%	50.0%			-
Cem Perpetual	2,334	1,167	2,017	1,009	0%	50.0%			-
Transfers Out					0%	50.0%			-
Library Fund	(237,000)	(118,500)	(237,000)	(118,500)	100%	50.0%			(6,625)
Airport Fund	-	-	(13,250)	(6,625)	-452%	50.0%			56,525
Golf Course Fund	(138,050)	(69,025)	(25,000)	(12,500)	0%	50.0%			50,000
Capital Equipment Fund	(350,000)	(175,000)	(250,000)	(125,000)	0%	50.0%			-
Street Improvement Fund	(200,000)	(100,000)	(200,000)	(100,000)	0%	50.0%			-
Permanent Fund	-	-	-	-	-100%	0.0%			(92,234)
Total Other Financing Sources (Uses)	(539,416)	(93,333)	(373,333)	(175,567)		47.0%			
Net Change in Fund Balances	47,748	(401,310)	607	(651,534)					
Beginning Fund Balance	2,092,946	2,092,946	2,006,635	2,006,635					
Ending Fund Balance	2,140,694	1,691,636	2,007,242	1,355,101					
	54%		46%						

City of Two Harbors
Summary of Budgeted Revenues and Expenditures
2021 and 2022
Budget to Actual Comparison

Library Fund
3rd Quarter - September 30, 2022

REVENUES	2021		2022		Percent Change	\$\$ Change
	Budget	Actual	Budget	Actual		
Intergovernmental	65,000	32,500	65,000	48,222	0%	15,722
Fines and Forfeitures	-	884	-	2,680	67%	1,796
Copies & Faxes	2,500	2,009	2,500	96	-1987%	(1,913)
Miscellaneous Revenues:						
Other	-	89	-	-	0%	(89)
Total Revenues	67,500	35,482	67,500	50,999	30%	15,517
EXPENDITURES						
Current						
Culture & Recreation	291,350	203,798	293,600	197,164	-3%	(6,634)
Total Expenditures	291,350	203,798	293,600	197,164	-3%	(6,634)
Excess of Revenues Over (Under) Expenditures	(223,850)	(168,316)	(226,100)	(146,165)		
OTHER FINANCING SOURCES (USES)						
Extraordinary Items					0%	-
Transfers In	-	-	-	-		
General Fund	237,000	118,500	237,000	118,500	0%	-
Total Other Financing Sources (Uses)	237,000	118,500	237,000	118,500	0%	-
Net Change in Fund Balances	13,150	(49,816)	10,900	(27,665)		

City of Two Harbors
Summary of Budgeted Revenues and Expenditures
2021 and 2022
Budget to Actual Comparison

Airport Fund
3rd Quarter - September 30, 2022

REVENUES	2021		2022		Percent Change	\$\$ Change
	Budget	Actual	Budget	Actual		
Intergovernmental	48,100	12,808	48,100	32,894	61%	20,086
Charges for Services	138,600	101,594	138,600	126,725	20%	25,131
Total Revenues	186,700	114,402	186,700	159,618	28%	45,216
EXPENDITURES						
Current						
Airport	183,400	150,177	199,950	159,401	6%	9,224
Total Expenditures	183,400	150,177	199,950	159,401	6%	9,224
Excess of Revenues Over (Under) Expenditures	3,300	(35,775)	(13,250)	217		
OTHER FINANCING SOURCES (USES)						
Proceeds from Sale of Capital Assets					0%	-
Transfers In						
General Fund	-	-	13,250	6,625	0%	6,625
Total Other Financing Sources (Uses)	-	-	13,250	6,625	0%	6,625
Net Change in Fund Balances	3,300	(35,775)	-	6,842		

City of Two Harbors
Summary of Budgeted Revenues and Expenditures
2021 and 2022
Budget to Actual Comparison

Golf Fund

3rd Quarter - September 30, 2022

	2021		2022		Percent Change	\$\$ Change
	Budget	Actual	Budget	Actual		
REVENUES						
Charges for Services	207,950	430,950	420,000	395,588	-9%	(35,362)
Total Revenues	207,950	430,950	420,000	395,588	-9%	(35,362)
EXPENDITURES						
Current						
Culture & Recreation	320,750	502,637	521,050	438,817	-15%	(63,820)
Total Expenditures	320,750	502,637	521,050	438,817	-15%	(63,820)
Excess of Revenues Over (Under) Expenditures	(112,800)	(71,687)	(101,050)	(43,228)		
OTHER FINANCING SOURCES (USES)						
Proceeds from Sale of Capital Assets						
Transfers In						
General Fund	138,050	69,025	25,000	62,500	0.0%	(69,025)
Electric Fund	100,000	50,000	100,000	-	0%	(50,000)
Total Other Financing Sources (Uses)	238,050	119,025	125,000	62,500	0%	(56,525)
Net Change in Fund Balances	125,250	47,338	23,950	19,272		

City of Two Harbors
Summary of Budgeted Revenues and Expenditures
2021 and 2022
Budget to Actual Comparison

Debt Service
3rd Quarter - September 30, 2022

REVENUES	2021		2022		Percent Change	\$\$ Change
	Budget	Actual	Budget	Actual		
Special Assessments		20,929		17,857		
Special Assessment Interest		12,576		11,380		(33,501)
Interest Earnings	77,100	33,505	141,650	4	-905441%	
Total Revenues	77,100	67,010	141,650	29,240	0%	(37,770)
					20.6%	
EXPENDITURES						
Current		4,500		4,500		
Debt Service						
Debt Service	225,000	110,000	275,000	115,000	41.8%	5,000
Principal	136,750	94,056	121,350	124,538	102.6%	30,482
Interest	361,750	208,556	396,350	239,538	60.4%	30,982
Total Expenditures					13%	
Excess of Revenues Over (Under) Expenditures	(284,650)	(141,546)	(254,700)	(210,298)		
OTHER FINANCING SOURCES (USES)						
Transfers In						
Sales Tax Fund	285,000	142,500	275,000	137,500	50.0%	(5,000)
Total Other Financing Sources (Uses)	285,000	142,500	275,000	137,500	50.0%	(5,000)
Net Change in Fund Balances	350	954	20,300	(72,798)		

City of Two Harbors
Summary of Budgeted Revenues and Expenditures
2021 and 2022
Budget to Actual Comparison

Capital Equipment Fund
3rd Quarter - September 30, 2022

REVENUES	2021		2022		Percent Change	\$\$ Change
	Budget	Actual	Budget	Actual		
Intergovernmental Charges for Services	1,552,950		1,013,400	71,726	0%	71,726
Miscellaneous Revenues:	-	20,096	7,000	59,019	66%	38,923
Other	-	-	-	1,006	0%	1,006
Total Revenues	1,552,950	20,096	1,020,400	131,751	0%	111,655
EXPENDITURES						
Current						
General Government	-		-		0%	-
Debt Service						
Principal	80,000	80,000	185,000	80,000	0%	-
Interest and Other Charges	37,200	12,225	31,600	33,782	64%	21,557
Capital Outlay						
General Government	-		335,000	147,080	100%	147,080
Public Safety	214,850	77,077	252,850	41,619	-85%	(35,458)
Public Works	434,450	218,677	1,205,000	161,641	-35%	(57,036)
Culture & Recreation	27,000		466,250	155,354	100%	155,354
Health & Welfare	61,100	7,813	-		-100%	(7,813)
Airport	1,422,500	5,680	172,600	5,240	-8%	(440)
Total Expenditures	2,277,100	401,472	2,648,300	624,716	36%	223,244
Excess of Revenues Over (Under) Expenditures	(724,150)	(381,376)	(1,627,900)	(492,966)		
OTHER FINANCING SOURCES (USES)						
Proceeds from Sale of Capital Assets	-		-		0%	-
Bond Proceeds	414,550	716,571	-	-	0%	(716,571)
Transfers In						
General Fund	250,000	175,000	250,000	125,000	0%	(50,000)
Electric Fund	125,000	62,500	125,000	62,500	0%	-
Gas Fund	100,000	62,500	125,000	62,500	0%	-
Total Other Financing Sources (Uses)	889,550	1,016,571	500,000	250,000	0%	(766,571)
Net Change in Fund Balances	165,400	635,195	(1,127,900)	(242,966)		

City of Two Harbors
Summary of Budgeted Revenues and Expenditures
2021 and 2022
Budget to Actual Comparison

Street Improvement Fund
3rd Quarter - September 30, 2022

REVENUES	2021		2022		Percent Change	\$\$ Change
	Budget	Actual	Budget	Actual		
Intergovernmental		28,658			0%	(28,658)
Miscellaneous Revenues:						
Special Assessments	77,093			2,945	0%	-
Interest Earnings	-	523	-		-100%	2,422
Other	-		-		0%	-
Total Revenues	77,093	29,181	-	2,945	0%	(26,236)
EXPENDITURES						
Current						
Public Works		3,847			-100%	(3,847)
Capital Outlay						
Public Works	2,933,145	1,254,540	1,000,600	990,037	-27%	(264,503)
Total Expenditures	2,933,145	1,258,387	1,000,600	990,037	-27%	(268,350)
Excess of Revenues Over (Under) Expenditures	(2,856,052)	(1,229,206)	(1,000,600)	(987,092)		(2,805,461)
OTHER FINANCING SOURCES (USES)						
Bond Proceeds						
Transfers In						
General Fund	200,000	100,000	200,000	237,500	0%	137,500
Sales Tax fund	300,000	150,000	75,000		0%	(150,000)
Transfer Out	(285,000)	(142,500)	(275,000)	(137,500)	0%	5,000
Total Other Financing Sources (Uses)	2,930,850	2,912,961	1,000,600	100,000	0%	(2,812,961)
Net Change in Fund Balances	74,798	1,683,755	-	(887,092)		

City of Two Harbors
Summary of Budgeted Revenues and Expenditures
2021 and 2022
Budget to Actual Comparison

Water Fund		2021		2022		Percent Change	\$ Amount Change
3rd Quarter - September 30, 2022		Budget	Actual	Budget	Actual		
			%		%		
OPERATING REVENUES							
Charges for Services	1,238,800	972,951	78.5%	1,276,000	948,475	74.3%	(24,476)
Penalties	9,400	-	0.0%	8,000	5,156	64.4%	5,156
Other Services	8,500	3,536	41.6%	8,500	3,479	40.9%	(57)
	<u>1,256,700</u>	<u>976,487</u>	<u>77.7%</u>	<u>1,292,500</u>	<u>957,109</u>	<u>74.1%</u>	<u>(19,378)</u>
OPERATING EXPENSES							
Wages, Salaries and Compensation	470,850	355,246	75.4%	543,750	365,771	67.3%	10,525
Employee Benefits	271,050	154,416	57.0%	299,200	196,884	65.8%	42,468
Materials and Supplies	120,750	75,507	62.5%	122,050	91,773	75.2%	16,266
Professional Services	14,500	6,579	45.4%	11,500	3,477	30.2%	(3,102)
Insurance	9,200	9,051	98.4%	9,550	15,966	167.2%	6,915
Utilities	100,300	76,976	76.7%	106,950	66,980	62.6%	(9,996)
Depreciation	387,650	-	0.0%	387,650	-	0.0%	-
Travel and Training	7,700	2,451	31.8%	8,200	5,232	63.8%	2,781
Miscellaneous	3,200	2,276	71.1%	5,250	3,278	62.4%	1,002
Dues and Subscriptions	13,050	13,780	105.6%	13,050	17,559	134.6%	3,779
Rentals - Leases	250	11	4.4%	250	10	4.1%	(1)
	<u>1,398,500</u>	<u>696,293</u>	<u>49.8%</u>	<u>1,507,400</u>	<u>766,930</u>	<u>50.9%</u>	<u>70,637</u>
Total Operating Expenses							
	(141,800)	280,194		(214,900)	190,179		
Operating Income (Loss)							
NONOPERATING REVENUES (EXPENSES)							
Investment Income	1,000	21	2.1%	1,000	69	6.9%	48
Interest Expense	(87,280)	(54,415)	62.3%	(78,500)	(49,957)	63.6%	4,458
Miscellaneous Revenue	-	-	0.0%	-	-	0.0%	-
	<u>(86,280)</u>	<u>(54,394)</u>	<u>63.0%</u>	<u>(77,500)</u>	<u>(49,888)</u>	<u>64.4%</u>	<u>4,506</u>
Total Nonoperating Revenues (Expenses)							
	(228,080)	225,800		(292,400)	140,291		
Income (Loss) before Transfers							
Capital Contributions	-	-	0.0%	-	-	0.0%	-
Extraordinary Items	-	-	0.0%	-	-	0.0%	-
Gain on Disposal of Capital Assets	-	-	0.0%	-	-	0.0%	-
Transfers in - Sales Tax Fund	400,000	400,000	100.0%	300,000	150,000	50.0%	(250,000)
Transfers Out	-	-	0.0%	-	-	0.0%	-
	<u>171,920</u>	<u>625,800</u>	<u>364.0%</u>	<u>7,600</u>	<u>290,291</u>	<u>3819.6%</u>	<u>(335,509)</u>
Change in Net Position							

City of Two Harbors
Summary of Budgeted Revenues and Expenditures
2021 and 2022
Budget to Actual Comparison

Sewer Fund
3rd Quarter - September 30, 2022

	2021			2022		Percent Change	\$ Amount Change
	Budget	Actual		Budget	Actual		
OPERATING REVENUES							
Charges for Services	1,367,200	1,003,052	73.4%	1,408,250	1,013,087	71.9%	10,035
Penalties	8,700		0.0%	8,000	5,390	67.4%	5,390
Other Services	23,400	13,661	58.4%	20,100	13,966	69.5%	305
	<u>1,399,300</u>	<u>1,016,713</u>	<u>72.7%</u>	<u>1,436,350</u>	<u>1,032,443</u>	<u>71.9%</u>	<u>15,730</u>
OPERATING EXPENSES							
Wages, Salaries and Compensation	432,350	314,237	72.7%	451,100	329,233	73.0%	14,956
Employee Benefits	253,550	152,654	60.2%	277,050	161,685	58.4%	9,031
Materials and Supplies	196,400	99,562	50.7%	213,950	89,667	41.9%	(9,895)
Professional Services	56,150	63,722	113.5%	56,150	59,430	105.8%	(4,292)
Insurance	21,750	21,870	100.6%	23,050	31,200	135.4%	9,330
Utilities	147,350	94,955	64.4%	150,500	97,874	65.0%	2,919
Depreciation	348,950		1.0%	348,950	-	0.0%	-
Travel and Training	7,000	3,547	275.0%	9,000	3,529	39.2%	(18)
Miscellaneous	26,300	19,249	73.2%	26,700	32,097	120.2%	12,848
Dues and Subscriptions	11,900	10,419	87.6%	11,900	15,559	130.7%	5,140
Rentals - Leases	900	217	24.1%	900	210	23.4%	(7)
Total Operating Expenses	<u>1,502,600</u>	<u>780,432</u>	<u>51.9%</u>	<u>1,569,250</u>	<u>820,484</u>	<u>52.3%</u>	<u>40,052</u>
Operating Income (Loss)	<u>(103,300)</u>	<u>236,281</u>		<u>(132,900)</u>	<u>211,959</u>		
NONOPERATING REVENUES (EXPENSES)							
GO Bond Proceeds	-		0.0%	-		0.0%	-
Investment Income	42,950	2,559	6.0%	25,000	2,309	9.2%	(250)
Interest Expense	(18,000)	(11,483)	63.8%	(17,050)	(10,868)	63.7%	615
Miscellaneous Revenue	1,000		0.0%	1,000	-	0.0%	-
Total Nonoperating Revenues (Expenses)	<u>25,950</u>	<u>(8,924)</u>	<u>-34.4%</u>	<u>8,950</u>	<u>(8,559)</u>	<u>-95.6%</u>	<u>365</u>
Income (Loss) before Transfers	<u>(77,350)</u>	<u>227,359</u>		<u>(123,950)</u>	<u>203,399</u>		
Capital Contributions			0.0%	-		0.0%	-
Insurance Proceeds			100.0%	-		0.0%	-
Transfers In	100,000	14,102	14.1%	120,000	60,000	0.0%	45,898
Transfers Out		<u>100,000.00</u>	<u>0.0%</u>	-	-	<u>0.0%</u>	<u>(100,000)</u>
Change in Net Position	<u>22,650</u>	<u>341,461</u>	<u>1507.6%</u>	<u>(3,950)</u>	<u>263,399</u>	<u>-6668.3%</u>	<u>(78,062)</u>

City of Two Harbors
Summary of Budgeted Revenues and Expenditures
2021 and 2022
Budget to Actual Comparison

Electric Fund		2021		2022		Percent Change	\$ Amount Change
3rd Quarter - September 30, 2022		Budget	Actual	Budget	Actual		
			%		%		
SALES AND COST OF SALES							
Sales	4,059,400	3,250,721	80.1%	4,059,400	2,983,027	73.5%	(267,694)
Cost of Sales	2,150,850	1,770,521	82.3%	2,193,900	1,454,135	66.3%	(316,386)
Gross Profit	1,908,550	1,480,200	77.6%	1,865,500	1,528,892	82.0%	48,692
OPERATING REVENUES							
Charges for Services	8,850	8,453	95.5%	8,850	28,489	321.9%	20,036
Penalties	37,200	(11)	0.0%	27,000	15,518	57.5%	15,529
Other Services	1,600	491	30.7%	1,600	21,993	1374.6%	21,502
Total Operating Revenues	47,650	8,933	18.7%	37,450	65,999	176.2%	57,066
OPERATING EXPENSES							
Wages, Salaries and Compensation	435,500	293,238	67.3%	611,200	338,423	55.4%	45,185
Employee Benefits	260,400	137,098	52.6%	332,750	230,002	69.1%	92,904
Materials and Supplies	161,850	96,135	59.4%	228,400	125,448	54.9%	29,313
Professional Services	82,950	42,006	50.6%	82,950	45,302	54.6%	3,296
Insurance	12,900	12,609	97.7%	13,550	13,444	99.2%	835
Utilities	9,900	13,219	133.5%	26,600	11,053	41.6%	(2,166)
Depreciation	158,750		0.0%	158,750	-	0.0%	-
Travel and Training	8,950	2,662	29.7%	8,950	11,655	130.2%	8,993
Miscellaneous	86,950	84,465	97.1%	117,800	78,306	66.5%	(6,159)
Dues and Subscriptions	17,600	16,482	93.6%	17,600	33,148	188.3%	16,666
Rentals - Leases	2,800	2,119	75.7%	3,400	2,126	62.5%	7
Total Operating Expenses	1,238,550	700,033	56.5%	1,601,950	888,905	55.5%	188,872
Operating Income (Loss)	717,650	789,100		301,000	705,986		
NONOPERATING REVENUES (EXPENSES)							
Investment Income	80,800	4,315	5.3%	30,000	7,483	24.9%	3,168
Interest Expense	(1,500)	(677)	45.1%	(1,500)	(618)	41.2%	59
Miscellaneous Revenue	67,100	53,411	79.6%	67,100	49,965	74.5%	(3,446)
Total Nonoperating Revenues (Expenses)	146,400	57,049	39.0%	95,600	56,830	59.4%	(219)
Income (Loss) before Transfers	864,050	846,149		396,600	762,815		
Capital Contributions	-	-	0.0%	-	-	0.0%	-
Gain on Disposal of Capital Assets	-	-	0.0%	-	-	0.0%	-
Transfers In	90,450	-	0.0%	68,000	-	0.0%	-
Transfers Out	(491,050)	(246,404)	50.2%	(515,850)	(237,916)	46.1%	8,489
Change in Net Position	463,450	599,745	129.4%	(51,250)	524,900	-1024.2%	(74,845)

City of Two Harbors
Summary of Budgeted Revenues and Expenditures
2021 and 2022
Budget to Actual Comparison

Gas Fund
3rd Quarter - September 30, 2022

	2021		2022		Percent Change	\$ Amount Change
	Budget	Actual	%	Budget	Actual	%
SALES AND COST OF SALES						
Sales	2,774,400	2,619,808	94.4%	2,829,900	2,581,001	91.2%
Cost of Sales	1,855,350	2,325,583	125.3%	2,023,350	1,845,635	91.2%
Gross Profit	919,050	294,225	32.0%	806,550	735,366	91.2%
OPERATING REVENUES						
Penalties	12,650	-	0.0%	10,000	6,577	65.8%
Other Services	1,950	3,917	200.9%	1,950	473	24.3%
Total Operating Revenues	14,600	3,917	26.8%	11,950	7,051	59.0%
OPERATING EXPENSES						
Wages, Salaries and Compensation	333,160	238,540	71.6%	399,550	253,420	63.4%
Employee Benefits	209,400	120,673	57.6%	230,800	141,085	61.1%
Materials and Supplies	81,950	38,047	46.4%	95,850	46,440	48.5%
Professional Services	27,400	15,669	57.2%	21,250	15,291	72.0%
Insurance	4,600	4,570	99.3%	4,800	4,728	100.0%
Utilities	21,050	8,489	40.3%	21,050	8,470	40.2%
Depreciation	50,900		0.0%	50,900	-	0.0%
Travel and Training	7,750	420	5.4%	7,750	7,821	100.9%
Miscellaneous	22,000	20,997	95.4%	23,550	17,372	73.8%
Dues and Subscriptions	22,650	16,361	72.2%	22,650	15,695	69.3%
Rentals - Leases	700	156	22.3%	700	160	22.9%
Total Operating Expenses	781,560	463,922	59.4%	878,850	510,484	58.1%
Operating Income (Loss)	152,090	(165,780)		(60,350)	231,933	
NONOPERATING REVENUES (EXPENSES)						
Investment Income	27,700	1,451	5.2%	19,000	565	3.0%
Interest Expense	(600)	(23)	3.8%	(600)	(33)	5.4%
Miscellaneous Revenue	8,900		0.0%	8,900	-	0.0%
Total Nonoperating Revenues (Expenses)	36,000	1,428	4.0%	27,300	532	2.0%
Income (Loss) before Transfers	188,090	(164,352)		(33,050)	232,466	
Capital Contributions		-	0.0%	-	-	0.0%
Gain on Disposal of Capital Assets		-	0.0%	-	-	0.0%
Transfers In		-	0.0%	-	-	0.0%
Transfers Out	(240,470)	(119,625)	49.7%	(198,850)	(111,905)	56.3%
Change in Net Position	(52,380)	(283,977)	542.1%	(231,900)	120,561	-52.0%
						404,538

City of Two Harbors
Summary of Budgeted Revenues and Expenditures
2021 and 2022
Budget to Actual Comparison

Liquor Store		2021				2022				Percent Change	\$ Amount Change
3rd Quarter - September 30, 2022		Budget	Actual	%		Budget	Actual	%			
SALES AND COST OF SALES											
Sales		2,682,400	2,363,345	88.1%		2,838,050	2,267,789	79.9%		-4.0%	(95,556)
Cost of Sales		1,961,400	1,739,373	88.7%		2,102,150	1,712,404	81.5%		-1.6%	(28,969)
Gross Profit		<u>721,000</u>	<u>623,972</u>	<u>86.5%</u>		<u>735,900</u>	<u>555,386</u>	<u>75.5%</u>		<u>-11.0%</u>	<u>(68,586)</u>
OPERATING EXPENSES											
Wages, Salaries and Compensation		246,700	196,080	79.5%		287,200	200,104	69.7%		2.1%	4,024
Employee Benefits		130,800	75,512	57.7%		122,700	84,310	68.7%		11.7%	8,798
Materials and Supplies		38,350	8,052	21.0%		32,400	9,155	28.3%		13.7%	1,103
Professional Services		3,000	6,773	225.8%		1,050	1,044	99.4%		-84.6%	(5,729)
Insurance		5,650	5,849	103.5%		5,650	9,972	176.5%		70.5%	4,123
Utilities		17,000	12,947	76.2%		17,000	10,164	59.8%		-21.5%	(2,783)
Depreciation		7,600		0.0%		7,600	-	0.0%		0.0%	-
Travel and Training		2,000	785	39.3%		2,000	759	38.0%		-3.3%	(26)
Miscellaneous		78,450	55,673	71.0%		91,400	93,018	101.8%		67.1%	37,345
Dues and Subscriptions		2,850	1,937	68.0%		2,850	3,781	132.7%		95.2%	1,844
Rentals - Leases		-		0.0%		-	-	0.0%		0.0%	-
Total Operating Expenses		<u>532,400</u>	<u>363,608</u>	<u>68.3%</u>		<u>569,850</u>	<u>412,308</u>	<u>72.4%</u>		<u>13.4%</u>	<u>48,700</u>
Operating Income (Loss)		188,600	260,364			166,050	143,078				
NONOPERATING REVENUES (EXPENSES)											
Investment Income		7,300	930	12.7%		4,320	496	11.5%		-46.7%	(434)
Miscellaneous Revenue		100	-	0.0%		100	-	0.0%		0.0%	-
Total Nonoperating Revenues (Expenses)		<u>7,400</u>	<u>930</u>	<u>12.6%</u>		<u>4,420</u>	<u>496</u>	<u>11.2%</u>		<u>-46.7%</u>	<u>(434)</u>
Income (Loss) before Transfers		195,000	261,294			170,470	143,574				
Transfers In				0.0%			-	0.0%		0.0%	-
Transfers Out		<u>(1,800.00)</u>	<u>(622.00)</u>	<u>34.6%</u>		<u>(300.00)</u>	<u>(129.50)</u>	<u>43.2%</u>		0.0%	493
Change in Net Position		194,200	260,672	134.2%		170,170	143,444	84.3%		-45%	(117,228)

City of Two Harbors
Summary of Budgeted Revenues and Expenditures
2021 and 2022
Budget to Actual Comparison

Stormwater Fund
3rd Quarter - September 30, 2022

	2021			2022			Percent Change	\$ Amount Change
	Budget	Actual	%	Budget	Actual	%		
OPERATING REVENUES								
Charges for Services	164,650	124,836	75.8%	164,650	125,772	76.4%	0.7%	936
Penalties	1,000		0.0%	500	1,070	214.0%	100.0%	1,070
Other Services	-		0.0%			0.0%	0.0%	-
Total Operating Revenues	165,650	124,836	75.4%	165,150	126,842	76.8%	1.6%	2,006
OPERATING EXPENSES								
Wages, Salaries and Compensation	-	-	0.0%	-		0.0%	0.0%	-
Employee Benefits	-	12	0.0%	-	53	100.0%	338.1%	41
Materials and Supplies	2,500	1,582	63.3%	3,300	2,613	79.2%	65.2%	1,031
Professional Services	1,500	24,651	1643.4%	4,850	4,676	96.4%	-81.0%	(19,975)
Insurance	200	471	100.0%	250	509	203.6%	8.1%	38
Utilities	150	158	105.3%	500	257	51.4%	62.7%	99
Depreciation	26,150		0.0%	30,600	-	0.0%	0.0%	-
Travel and Training	-	2,140	0.0%	-	341	100.0%	100.0%	341
Miscellaneous	1,950		109.7%	2,450	2,512	102.5%	17.4%	372
Dues and Subscriptions	350	420	120.0%	250	1,236	494.5%	194.3%	816
Rentals - Leases	250	25	10.0%	100	20	20.3%	-18.9%	(5)
Total Operating Expenses	33,050	29,459	89.1%	42,300	12,217	28.9%	-58.5%	(17,242)
Operating Income (Loss)	132,600	95,377		122,850	114,626			
NONOPERATING REVENUES (EXPENSES)								
Investment Income	2,950	71	2.4%	1,750	445	25.4%	526.9%	374
Bond Issuance Costs	(7,100)		0.0%	-		0.0%	0.0%	-
Interest Expense	(11,600)	(5,174)	44.6%	(14,200)	(7,459)	52.5%	44.2%	(2,285)
Miscellaneous Revenue	-		0.0%			0.0%	0.0%	-
Total Nonoperating Revenues (Expenses)	(15,750)	(5,103)	32.4%	(12,450)	(7,014)	56.3%	37.4%	(1,911)
Income (Loss) before Transfers	116,850	90,274		110,400	107,612			
Capital Contributions	-	21,800	0.0%	-		0.0%	0.0%	(21,800)
Gain on Disposal of Capital Assets	-		0.0%	-		0.0%	0.0%	-
Transfers In	-	-	0.0%	-		0.0%	0.0%	-
Transfers Out	-	-	0.0%	-		0.0%	0.0%	-
Change in Net Position	116,850	112,074	95.9%	110,400	107,612	97.5%	-4%	(4,462)

City of Two Harbors
Summary of Budgeted Revenues and Expenditures
2021 and 2022
Budget to Actual Comparison

Campground Fund
3rd Quarter - September 30, 2022

	2021			2022			Percent Change	\$ Amount Change
	Budget	Actual	%	Budget	Actual	%		
SALES AND COST OF SALES								
Sales	46,500	76,306	164.1%	86,350	84,475	97.8%	0.0%	8,169
Cost of Sales	35,800	45,360	126.7%	50,350	60,943	121.0%	100.0%	15,583
Gross Profit	10,700	30,946	289.2%	36,000	23,532	65.4%	100.0%	(7,414)
OPERATING REVENUES								
Charges for Services	670,500	618,342	92.2%	686,100	707,748	103.2%	14.5%	89,406
Other Services	6,650	15,856	238.4%	16,750	10,372	61.9%	-34.6%	(5,484)
Total Operating Revenues	677,150	634,198	93.7%	702,850	718,120	102.2%	13.2%	83,922
OPERATING EXPENSES								
Wages, Salaries and Compensation	20,500	11,430	55.8%	21,450	3,600	16.8%	0.0%	(7,830)
Employee Benefits	10,400	1,849	17.8%	12,450	1,172	9.4%	-36.6%	(677)
Materials and Supplies	32,300	25,740	79.7%	40,200	18,623	46.3%	-27.6%	(7,117)
Professional Services	106,100	97,224	91.6%	132,500	88,445	66.8%	-9.0%	(8,779)
Insurance	11,750	9,109	77.5%	11,350	6,620	58.3%	-27.3%	(2,489)
Utilities	38,600	32,748	84.8%	38,600	25,652	66.5%	-21.7%	(7,096)
Depreciation	54,700	-	0.0%	55,250	-	0.0%	0.0%	-
Travel and Training	-	-	0.0%	-	-	0.0%	0.0%	-
Miscellaneous	22,550	34,769	154.2%	38,400	27,338	71.2%	-21.4%	(7,431)
Dues and Subscriptions	1,950	42	2.2%	2,750	374	13.6%	789.5%	332
Rentals - Leases	-	-	0.0%	-	-	0.0%	0.0%	-
Total Operating Expenses	298,850	212,911	71.2%	352,950	171,824	48.7%	-19.3%	(41,087)
Operating Income (Loss)	389,000	452,233		385,900	569,828			
NONOPERATING REVENUES (EXPENSES)								
Investment Income	1,900	317	16.7%	800	5,191	648.9%	100.0%	4,874
Bond Issuance Cost	-	(1,572)	0.0%	(5,650)	(4,566)	80.8%	-100.0%	(2,994)
Interest Expense	(6,550)	3,000	100.0%	-	-	0.0%	0.0%	(3,000)
Miscellaneous Revenue	-	1,745	-37.5%	(4,850)	626	-12.9%	-100.0%	(1,119)
Total Nonoperating Revenues (Expenses)	(4,650)	1,745						
Income (Loss) before Transfers	384,350	453,978		381,050	570,454			
Capital Contributions	-	-	0.0%	-	-	0.0%	0.0%	-
Gain on Disposal of Capital Assets	-	-	0.0%	-	-	0.0%	0.0%	-
Transfers In	-	-	0.0%	-	-	0.0%	0.0%	-
Transfers Out	-	-	0.0%	-	-	0.0%	0.0%	-
Change in Net Position	384,350	453,978	118.1%	381,050	570,454	149.7%	26%	116,476



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MEMORANDUM

Date: December 12, 2022
To: Two Harbors City Council
Interim City Administrator Joel Dhein
From: City Engineer Joe Rhein
Subject: Odegard Park Trail
Active Transportation Grant Application

Background

The Two Harbors Master Trail Plan updated in 2018 included priority for a trail from the underpass west of 11th Avenue to near the intersection of 8th Street and 16th Avenue. Potential trail routes T2a and T2b were shown; an excerpt from the Trail Plan is provided with this memo for reference.

Lake County is proposing a resurfacing project on 8th Street in 2023. As part of that project the County intended to construct new concrete sidewalk along the west side of 8th Street. The City has coordinated with the County to change the sidewalk to a bituminous trail from 16th Avenue to 13th Avenue. The City is responsible for the cost upgrade from the sidewalk to the trail.

In conjunction with the County project, the City is proposing to construct a new segment of bituminous surfaced trail from the current terminus at the west end of 11th Avenue to Odegard Park. On September 26th the City Council authorized final design for the trail. The City trail would be included in the County construction contract.

Construction of the trail segments along 8th Street and from the underpass to Odegard Park would complete route T2b from the Master Trail Plan.

Project Financing

The estimated total project cost is approximately \$335,000. The City has an existing grant from the Duluth Superior Community Areas Fund (DSCAF) in the amount of \$100,000. Currently, the balance of the project costs would need to come from local City and County sources.

The Minnesota Department of Transportation (MnDOT) has an Active Transportation Program that provides grants for walking/biking projects. See the attached screenshot of the Program page for reference. Lake County submitted a letter of intent to the Program in October 2022 for the Odegard Trail project. MnDOT reacted favorably to the letter and recommended a full application be prepared and submitted.

Lake County is in the process of preparing the final application, for the requested amount of \$200,000. Final applications are due December 30, 2022. A resolution of support from the City is required for the final application.

If successful, the grant would reduce both the City and County cost burden for the project. Current estimate is the County would receive approximately \$90,000 of the grant funds, and the City would receive approximately \$110,000.

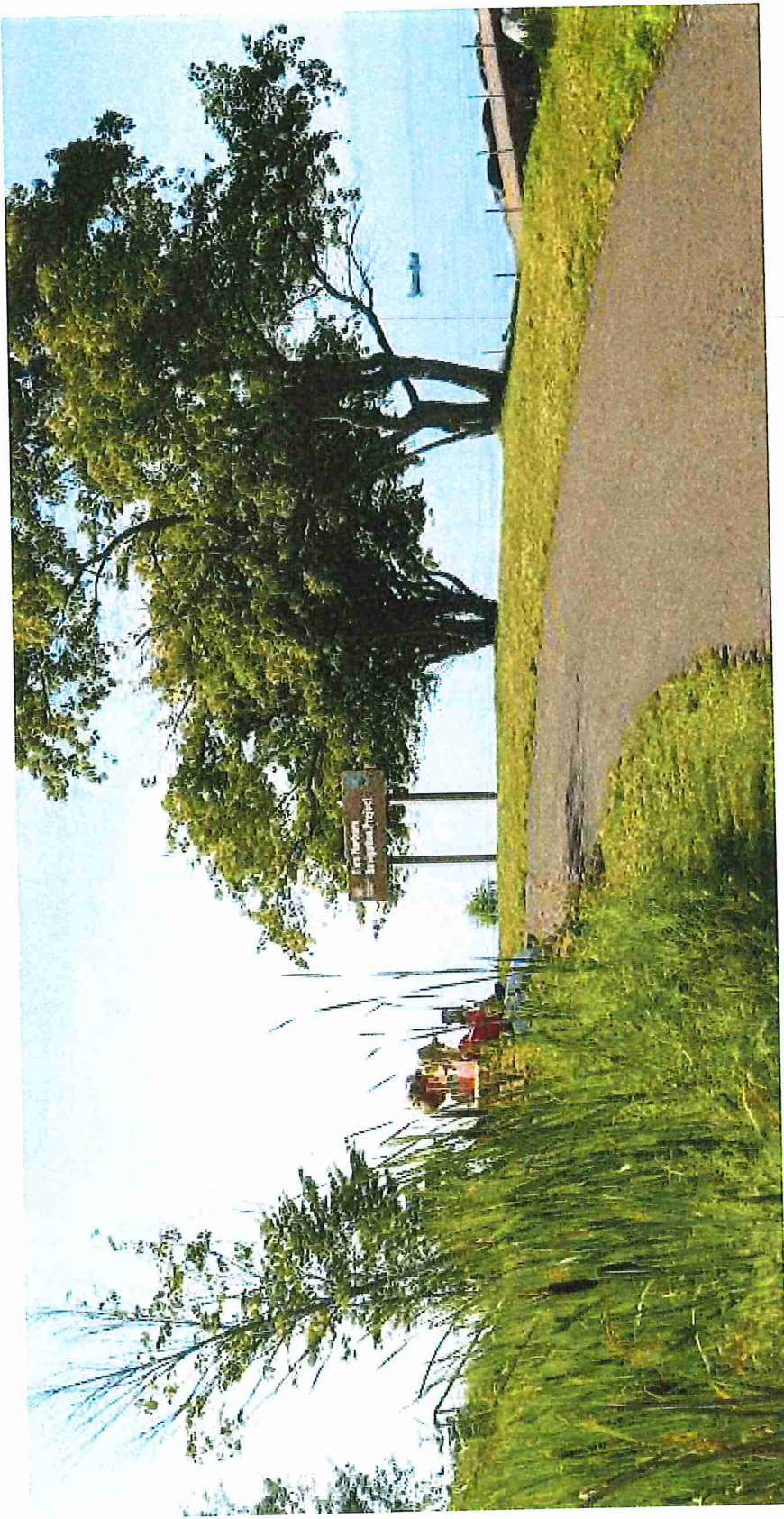
Action

A resolution of support for the Active Transportation grant application has been prepared and is provided with this memo. If the City Council wishes to proceed with pursuit of the grant funds, the appropriate action would be to adopt the resolution.

We will be in attendance at the City Council meeting on December 12th to review this information with the Council. Please let us know if you have questions or need further information in advance of the meeting. I can be reached at 651-968-7384 or via e-mail at joseph.rhein@bolton-menk.com.

Attachments:

- 2018 Master Trail Plan Excerpt (3 pages)
- MnDOT Active Transportation Infrastructure Program (1 page)
- Resolution Supporting Application for Grant Funding



CITY OF TWO HARBORS TRAILS PLAN

Adopted 2005
Updated 2018

Multi-Use Trail Infrastructure

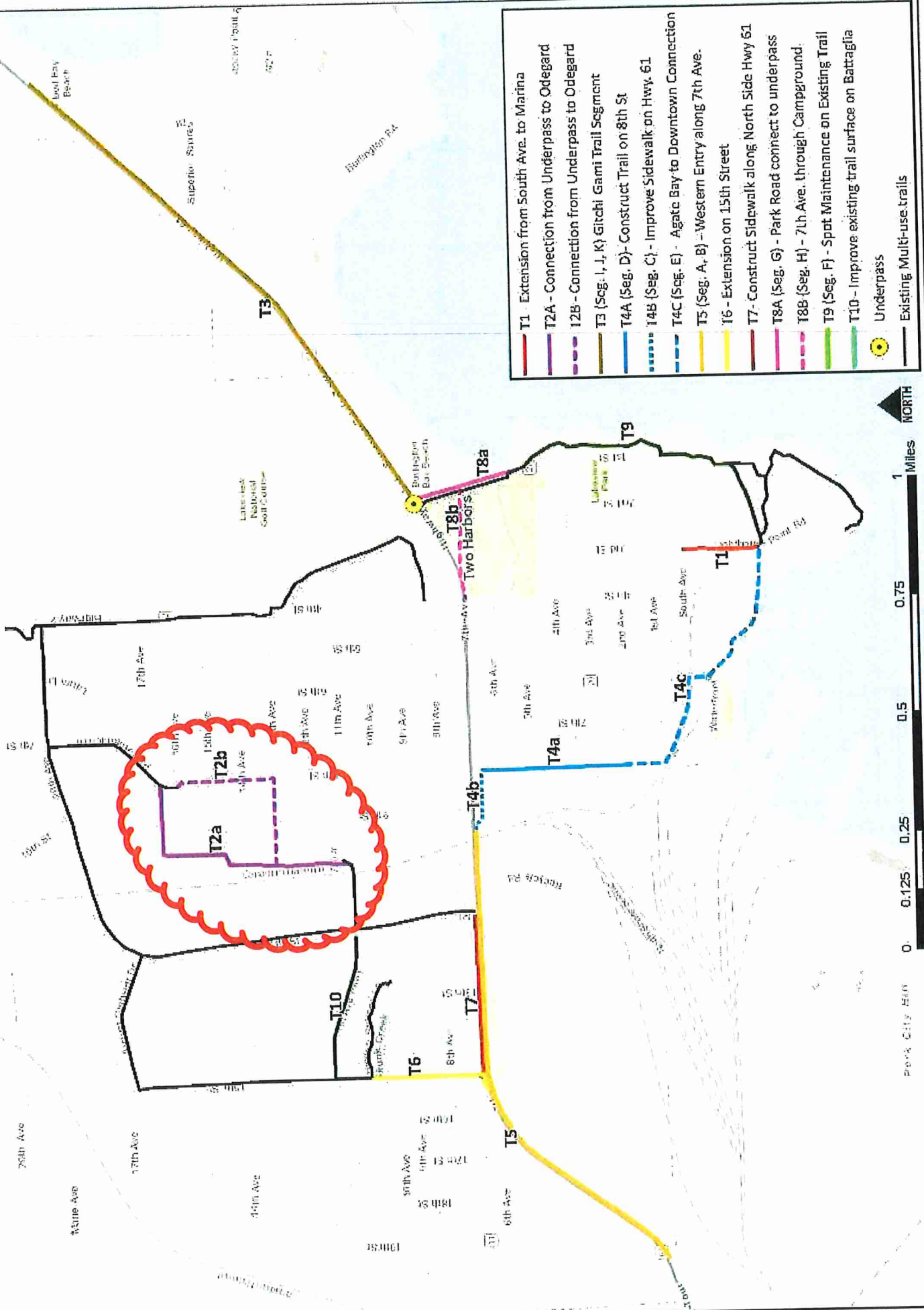
Short term / Connections

1. Participate in planning process for U.S. Bicycle Route 41 with MnDOT and Stantec Consulting to identify ideal route through community. The route analysis will influence priorities in the City, which will be re-evaluated at the completion of the project.
2. Improve access point at intersection of 14th Ave and 15th street to existing trail system.
3. Evaluate options for safe crossing of 7th Avenue at Park road intersection.

Priority Segments in order (map of recommendations is found on page 14 and appendix)

1. *Extension from S. Ave to Marina-* Collaborate with Engineer / County for State Park Road Fund.
2. *Connection from Underpass to Odegard Park-* Hold neighborhood focused meetings to assist in determining options a/b for route determination early in planning process.
3. *Gitchi Gami to Flood Bay* – Create 10' multi-use paved trail which serves as the origin point of Gitchi-Gami State Trail (*Segments I, J, & K*)
- Cost \$2,189,298.80)
4. A: *Pave alley and designate bicycle/pedestrian space to connection on 8th street.* (Segment C)
B. *Off road paved trail on 8th St.* (Segment D)
C. *Agate Bay to Downtown Connection* (Segment E)-10' trail extending from T4 terminus, along waterfront, and connects with existing trail system at lakeview park.
(Seg. C, D & E Cost \$401,151)
(Seg. A & B Cost \$534,879.80)
5. *Entry from Western City Limits-* Create 10' multi-use paved trail (Seg. A & B Cost \$534,879.80)
6. *15th street extension to 7th Avenue-*10' paved multi-use trail expansion connecting to existing trail system.
7. *Improve Sidewalk N. Side of 7th Avenue-* Sidewalk or multi use path improvements connecting businesses located on north side of 7th avenue.
8. A. *Park Road connect to underpass* (Segment G)
b. *7th Avenue Connection through campground* (Segment H) (Cost for H & G \$199,883)
9. *Spot Maintenance on existing trail along eastern edge* (Segment F)
10. *Improve existing trail surface on Battaglia Blvd.*

Two Harbors Trail Recommendations



Active Transportation Program

[Home](#) [About](#) [Contacts](#)

Active Transportation Program grants

The Active Transportation (AT) Program provides grants and technical assistance to make walking, biking and rolling better. Our program aims to increase the number of people walking and biking to destinations.

[AT infrastructure grants](#)

For studies and infrastructure plans that improve the places where people walk and bike

[Planning assistance](#)

Active Transportation Program planning assistance will connect applicants with an active transportation planning team to conduct community, neighborhood or corridor planning.

[Quick-build / demonstration project technical assistance](#)

Quick-build / demonstration project technical assistance will support communities with existing Active Transportation plans, or other active transportation approaches, in undertaking the process to plan, design and implement a demonstration project in their community.

[Past solicitations](#)

Find out who received awards.

**RESOLUTION SUPPORTING APPLICATION FOR ACTIVE TRANSPORTATION
INFRASTRUCTURE PROGRAM GRANT FUNDING FOR ODEGARD TRAIL**

WHEREAS, Lake County has a resurfacing project programmed for 2023 on County Road 105 (8th Street) between 7th Avenue and 16th Avenue; and

WHEREAS, County Road 105 (8th Street) has a sidewalk infrastructure gap between 13th Avenue and 16th Avenue such that there is no sidewalk access to Odegard Park from the neighborhood north and east of the park; and

WHEREAS, the City of Two Harbors has an adopted Trails Plan that includes expansion of the city-wide trail system with a proposed new paved trail connection between existing paved trail termini east of the CN Railroad underpass near 11th Avenue and at the intersection of Paul Antonich Drive and 16th Avenue; and

WHEREAS, the City of Two Harbors has secured Duluth Superior Area Community Foundation grant funding available to fund approximately 50% of construction costs for the portion of proposed trail from the existing terminus near 11th Avenue to 13th Avenue at 8th Street; and

WHEREAS, Lake County had intended to construct new sidewalk from 13th Avenue to 16th Avenue along County Road 105 (8th Street) as part of its 2023 project, to fill the sidewalk infrastructure gap; and

WHEREAS, Lake County and the City of Two Harbors recognize the opportunity to work collaboratively to construct the entire trail connection identified in the City's Trails Plan; and

WHEREAS, Lake County will construct the proposed trail along County Road 105 (8th Street) in lieu of the originally intended sidewalk, and will provide funding for the proposed trail equivalent to the construction cost of a 6-foot wide sidewalk from 16th Avenue to 13th Avenue; and

WHEREAS, MnDOT has made grant funding available through the Active Transportation Infrastructure Program for the construction of pedestrian and bicycle infrastructure; and

WHEREAS, both Lake County and the City of Two Harbors believe the proposed trail connection identified in the City's Trail Plan is a suitable candidate project for funding through the MnDOT Active Transportation Infrastructure Program.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Two Harbors, Minnesota, as follows:

1. The application for grant funding through the Active Transportation Infrastructure Program to be used toward the cost of construction of Odegard Trail between 11th Avenue and 16th Avenue, connecting to existing trails at each end and providing improved pedestrian and bicycle access to Odegard Park, is hereby supported.

2. The City and Lake County will enter into an Agreement for the design and construction of Odegard Trail between 11th Avenue and 16th Avenue under a single construction contract.

ADOPTED, this ____ day of ____ A.D., 2022.

Benjamin Redden
President, City Council

ATTEST: _____
Patricia D. Nordean
City Clerk

APPROVED, by the Mayor of the City of Two Harbors this ____ day of ____ A.D., 2022.

Benjamin Redden
Acting Mayor



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Bldg. 1 Suite E130
Oakdale, MN 55128

Ph: (651) 704-9970
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December 12, 2022

Miranda Pietila, Finance Director
City of Two Harbors
522 1st Avenue
Two Harbors, MN 55616

RE: Municipal Liquor Store
Civil Engineering Professional Services

Dear Miranda:

As requested, we've prepared information regarding the Civil Engineering professional services for the proposed new Municipal Liquor Store in the City of Two Harbors. This letter will provide information from project initiation through award of a construction contract. Note, construction engineering services are not included in this letter. Those would be identified at a later date, once design is complete and the project schedule and desired level of oversight is confirmed.

Background

In July 2022 the City of Two Harbors issued an RFP for architectural services for a proposed new Liquor Store to be located on Parcel 23-7600-02053. DSGW Architects, Inc. provided a proposal in response to the RFP. Their proposal included the services of Bolton & Menk as the Civil Engineer for the project. After review of all proposals, the City selected DSGW as architect for the project.

Bolton & Menk has an existing Master Services Agreement with the City of Two Harbors. As a result, there is the opportunity for the City to contract directly with Bolton & Menk for the Civil Engineering portion of the project, and directly with DSGW for the remainder of the professional services. Based on discussions, our understanding is all parties are agreeable to separate contracts.

At their meeting of November 28, 2022, the City Council approved the agreement with DSGW for architectural services. This letter has been prepared for the City Council to consider approval of the Civil Engineering for the project separately, under the existing Master Agreement with Bolton & Menk.

Scope of Civil Engineering Services

The scope of Civil Engineering work for this project would be as identified in the proposal submitted by DSGW on behalf of the project team. Essentially, the Civil Engineering scope would provide all activities necessary to proceed from project initiation through receipt of bids. The main tasks anticipated as part of Civil Engineering services for this project are outlined as follows:

- Project Management and Meetings.
- Topographic Survey
- Wetland Delineations:
 - Field work
 - Preparation of documents
 - Obtaining approval of delineations from Lake County

- Preliminary Site Plan Layout and Design.
- Preliminary Figures.
- Preliminary Cost Estimates.
- Final Site Plan Layout and Cost Estimates.
- Drawings suitable for inclusion by DSGW in the plan set for bidding.
- Technical Specifications necessary for inclusion in the Project Manual for bidding.

Limitation of Scope

Limitations on the Civil Engineering services covered by this letter are stated as follows:

- Easements:
 - Bolton & Menk began working with the City regarding updating reciprocal access easements prior to issuance of the RFP for architectural services.
 - Work on the reciprocal access easements will continue to be done by Bolton & Menk as necessary; however, that work will be tracked separately from the project design work.
- Geotechnical services are not included in our scope of work.
 - Geotechnical services (such as soil borings) would be performed by a separate firm under coordination of either DSGW or Bolton & Menk. The costs for geotechnical services would be a direct project expense beyond the professional services included in this letter.
- Does not include preparation of a complete set of bidding drawings or project manual.
 - It is assumed DSGW, as the project lead, will prepare the overall bidding documents (plan set and project manual); any drawings or specifications beyond those needed for the Civil Engineering portion of the project are not included in our scope of work.
- Does not include construction engineering services. As noted previously, those will be identified and proposed at a later date.

Estimated Civil Engineering Fees

The estimated Civil Engineering fees based on the information described in this letter is summarized in the following table:

Municipal Liquor Store Estimated Civil Engineering Fees	
Item	Amount
Topographic Survey	\$ 3,750
Wetland Delineations	\$ 4,000
Civil Site Design (Preliminary & Final)	\$ 34,500
Total – Estimated Civil Engineering Services	\$ 42,250

Schedule

Our understanding is work on the project can begin immediately upon authorization by the City Council. Schedule will be coordinated with the City and DSGW to meet their desired timeframe. Construction is anticipated in summer 2023.

Work performed by Bolton & Menk would be on an hourly basis in accordance with our existing master Agreement for Professional Services with the City. The amount shown in the preceding table would not be exceeded without authorization from the City of Two Harbors. Should any unforeseen circumstance be encountered we believe will cause significant deviation from the estimated budget, we will bring those to your attention as early as possible.

Conclusion

Bolton & Menk is pleased to present this budget for Civil Engineering Services on the Municipal Liquor Store project. Hopefully, this document provides a clear overview of our understanding of the proposed scope of work and summary of fees.

We appreciate the excellent working relationship we have with the City of Two Harbors and thank you for this opportunity to provide further service. If you have questions regarding this proposal or wish to discuss the work further, please contact me at (651) 968-7384.

Sincerely,

Bolton & Menk, Inc.



Joseph R. Rhein, P.E.
City Engineer



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4960 Miller Trunk Highway
Suite 550
Duluth, MN 55811

Ph: [218] 729-5939
Bolton-Menk.com

December 5, 2022

Luke Heikkila, Superintendent
City of Two Harbors
522 1st Avenue
Two Harbors, MN 55616

RE: Water Treatment Facilities
Site Plan – Expanded Scope
Engineering Services

Dear Luke:

As the project for replacement of the chlorine contact tank and improvements at the Water Treatment Facility (WTF) has developed, the anticipated scope for the site work has increased. We've prepared an estimate of the additional Engineering Services needed for this scope expansion. This letter will provide information regarding this additional engineering from authorization through project bidding.

Note, construction engineering services are not included in this letter. Those would be identified at a later date, once final design activities are complete, bids have been received, and it is confirmed the project will proceed to construction.

Background

In 2020 the City of Two Harbors authorized final design activities for improvements at the WTF. That authorization included site improvements associated with the project. Those original proposed site improvements were developed and are shown on the attached Plan Sheet 2.09. The proposed expansion to the scope of site work on the project are the addition of a public parking area on the east side of 1st Street and a new/improved access to the south side of the WTF. These items are shown conceptually in red on Plan Sheet 2.09. Further details on these items are provided below.

- Public Parking Area: In the course of project development, it was identified that the existing public parking at the WTF would be eliminated as part of the proposed improvements. As a result, addition of a public parking area on the east side of 1st Street was potentially identified to replace the existing public parking area that will be lost.
- In December 2021, the City took ownership of Parcel 23-7600-06600 between the Wastewater and Water Treatment Facilities. A concept was developed for the extension of a new road segment between the Facilities. The new road would extend from the intersection of 1st Street and South Avenue, would provide access to the south side of the Water Treatment Facility, and would extend across Parcel 23-7600-06600 to the Wastewater Treatment Facility.
 - The City is now considering whether it wishes to proceed with improvements on Parcel 23-7600-06600. The proposed expanded scope of site improvements does **not** include any activities on Parcel 06600. However, even if no improvements are performed on that parcel, access to the south side of the Water Treatment Facility is still desired. It would be appropriate to create that access as an extension of 1st Street, in the event the connecting road between the Facilities is constructed at some point.

Scope of Engineering Design Services

The scope of engineering included in the proposed expansion would provide all activities necessary to proceed from authorization through solicitation of bids. A summary of the main tasks anticipated to be performed as part of the expanded site improvements scope is outlined as follows:

- Project Management and Meetings.
- Data collection / additional topographic survey, as necessary.
- Final Layout and Design.
- Detailed Drawings for inclusion in bidding documents.
- Specifications for inclusion in the bid documents Project Manual.
- Cost Estimates based on final plans.

Estimated Engineering Fees

The estimated fees for the Engineering Services associated with the Expanded Scope of the Site Plan improvements, based on the information described in this letter, is summarized in the following table:

Water Treatment Facilities Expanded Site Plan	
Item	Amount
Additional Engineering Services – Authorization through Bidding	\$ 18,000

Work performed by Bolton & Menk would be on an hourly basis as an addition to the previously authorized project for the Water Treatment Facility.

Conclusion

Bolton & Menk is grateful for the opportunity to present this proposal for engineering services associated with the expanded site plan improvements at the Water Treatment Facility. Hopefully, this document provides a clear overview of our understanding of the proposed scope of work and summary of fees.

We appreciate the excellent working relationship we have with the City of Two Harbors and thank you for this opportunity to provide further service. If you have questions regarding this proposal or wish to discuss the work further, please contact me at (651) 968-7384.

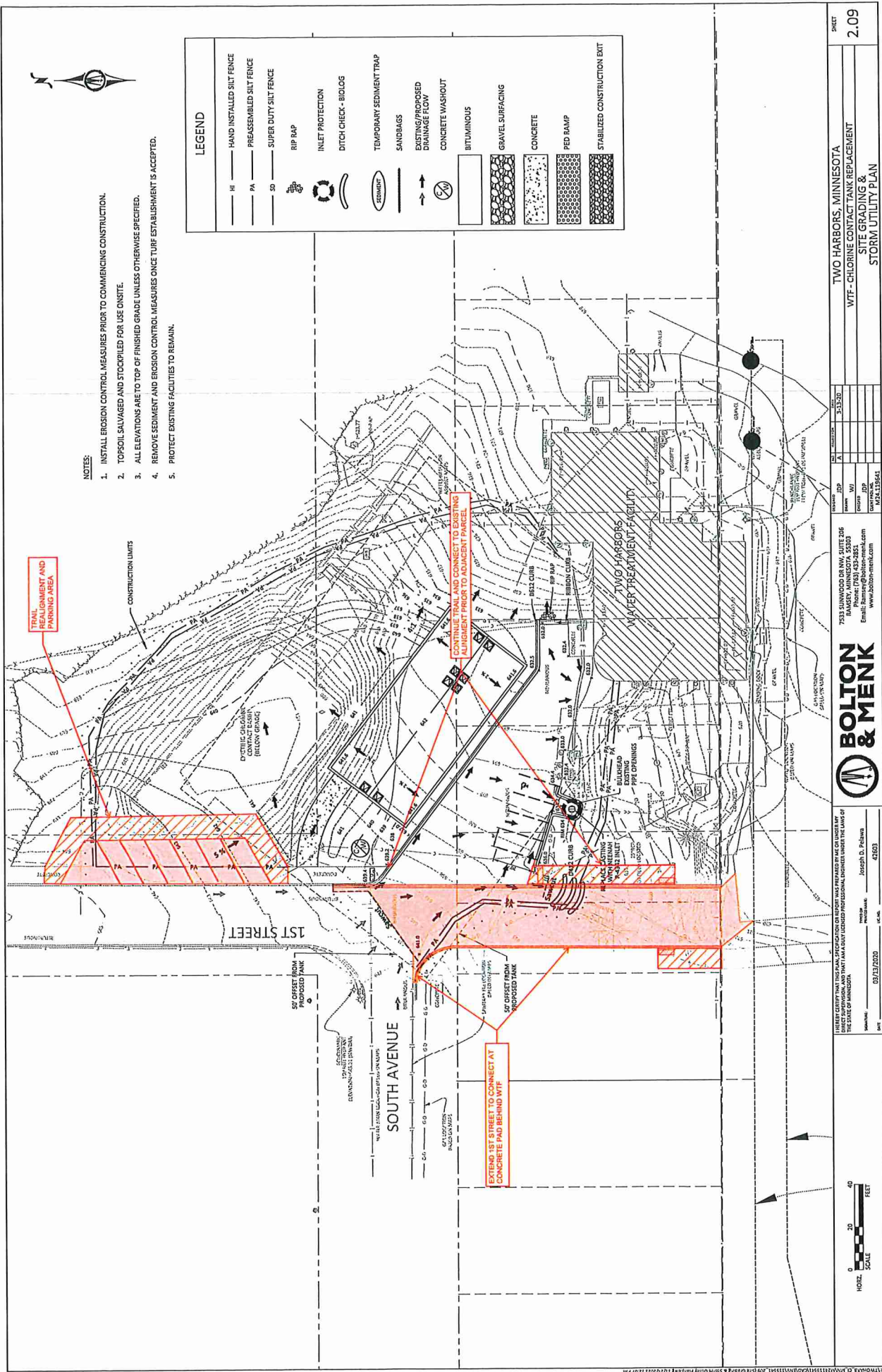
Sincerely,

Bolton & Menk, Inc.



Joseph R. Rhein, P.E.
City Engineer

Attachments: - Plan Sheet 2.09



TWO HARBORS CITY COUNCIL

AGENDA ITEM SUMMARY



AGENDA ITEM SUBJECT: Discards from Library

ORIGINATING SOURCE/DEPARTMENT: Library

FUNDING SOURCE: n/a

BACKGROUND: The library has prepared a list of materials for discarding. It includes older equipment that has been phased out of use as well as broken equipment. We ask that the City Council officially authorize this list to allow the library to begin work on discarding these materials. List includes: green two level wheel cart; 2 milk crates; seat cushions; office chairs; hand sanitizer holder stand; broken hand scanner; broken microwave.

RELATED CITY POLICIES: Click here to enter text.

COMMITTEE/COMMISSION RECOMMENDATION: Click here to enter text.

ADMINISTRATION/STAFF RECOMMENDED COUNCIL ACTION: Authorize the library's December 2022 discards list.

Consent
Agenda Item # 17 Meeting Date: 12/12/22



**CITY OF TWO HARBORS
CITY COUNCIL**

**AGENDA ITEM
COVER SHEET**

Originating Staff: P. Nordean	Department: Administration	Date: 12/12/22
Agenda Item Subject: Tipsy Mosquito License Dates	Fiscal Impact: n/a	
BACKGROUND: The Tipsy Mosquito was approved by the Council for an On-Sale and Sunday On-Sale Liquor License, effective December 31, 2022. They have requested that the effective dates of their license be changed to begin on December 16 rather than December 31, 2022.		
COUNCIL ACTION REQUESTED: Amending the effective dates of the ON-Sale and Sunday On-Sale Liquor License for the Tipsy Mosquito to begin on December 16, 2022, rather than December 31, 2022.		
RECOMMENDATION: Approve the amended effective dates of the Liquor License.		
ATTACHMENTS:		



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Suite 350
Duluth, MN 55811

Ph: (218) 729-5939
Bolton-Menk.com

MEMORANDUM

Date: December 6, 2022
To: Mayor and City Council
From: Jennifer Selchow, P.E., Bolton & Menk, Inc.
Subject: Two Harbors WWTF Improvements
Project No.: M24.117177

Since the last progress update and pay request, the contractor has completed the following work:

Clarifier

- Lakehead has completed a water balance test on clarifier #2.
- Lakehead installed the equipment in clarifier #1.
- Lakehead set the dome on clarifier #2.

Process Building

- Lakehead started pouring the frost walls.
- Lakehead finished pouring chemical containment channels

Aeration Basin

- Woody's continued setting rebar for the second level of the aeration walls.
- Lakehead poured the first pour of the second level of the aeration basin.

Biosolids

- Rachel installed process piping into the biosolids building.
- Lakehead completed the pipe encasement under the biosolids building.

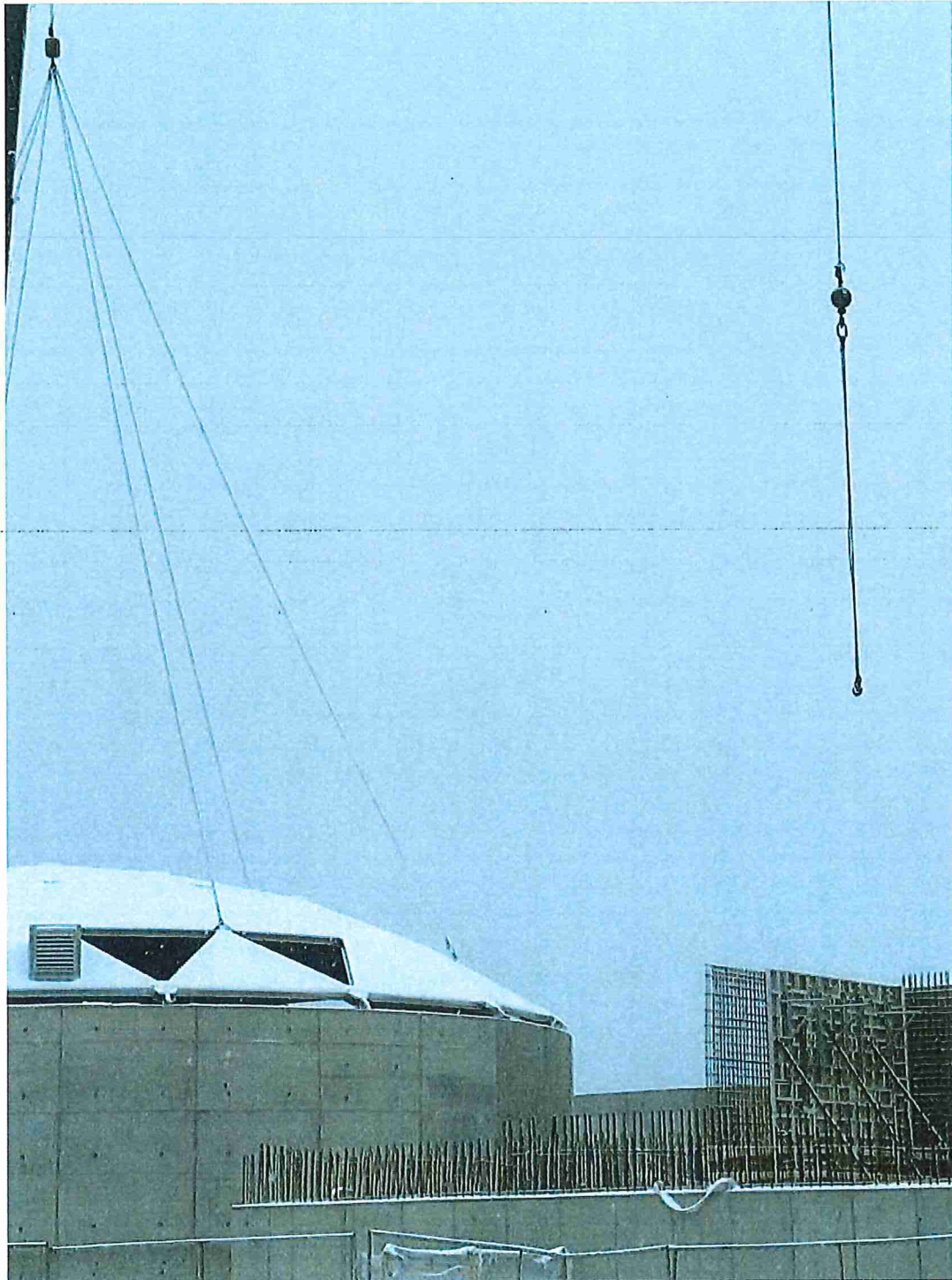
Construction photos are included at the end of this memorandum for your information and reference.

com #1

H:\TWOHARB_CL_MN\M24117177\7_Construction\E_Pay Applications\Pay App 13\2022-12-5 M24.117177 Council Update Memo.docx

Bolton & Menk is an equal opportunity employer.

Clarifier #2 Dome



Aeration Basin Rebar and Forms





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MEMORANDUM

Date: December 9, 2022
To: Joel Dhein, Interim City Administrator
Miranda Pietila, Finance Director
From: Joe Rhein, PE
Brian Guldan, PE
Subject: Engineering Project Updates
City of Two Harbors

Bolton & Menk appreciates the opportunity to serve the City of Two Harbors. This memo provides an update on the current engineering projects we are working on with the City. Each project is discussed separately below. Information that is new since the most recent update, October 6th, is shown in *italicized text*.

1. Capital Improvement Plan (CIP) Update 2023-2027

- *Staff met on October 24 and November 14th regarding the CIP update.*
- *Draft project list for the 5-year period 2023-2027 was shared with City Council on Dec. 5th.*
- *Full draft CIP will be provided to City Council at the December 12th meeting.*
- *Public Hearing is scheduled for December 12th.*

2. Lake County – 8th Street and 4th Avenue Reconstruction

- County Board Awarded Construction Contract – April 27, 2021.
- Notice to proceed was issued May 11th to Ulland Brothers.
- Construction is substantially complete.
- Project website: <https://clients.bolton-menk.com/lakecountycsah30/>
- *Final construction cost and allocation between County and City will be done over winter.*
- *Project contract will remain open for final inspections in Spring 2023.*

3. 2021 – 2022 Street Project

- Construction was substantially complete in August 2022.
- Project website: https://www.twoharborsmn.gov/2021-2022_street_project/index.php
- *A few punch list items remain to be addressed, including 5th Avenue turf.*
- *Final inspections will be performed spring 2023.*
- *Assessment hearing was held November 28, 2022.*

4. Lake County – 5th Street and 4th Avenue Reconstruction

- County Board authorized design activities on April 26th.
- Bolton & Menk was selected for design.
- *Design meetings with City and County staff were held October 13th and November 30th.*
- *60% design complete.*
- *Design Agreement between City and County has been approved by both parties.*
- *Anticipated schedule:*
 - *90% plans by December 31st.*
 - *Submittal to MnDOT for review by mid-January.*

5. 2023-2024 Street Project

- City Council authorized preliminary engineering activities on April 25th.
- City Council authorized the inclusion of the 300 and 400 blocks of 4th Avenue for the project Feasibility Report on August 22nd.
- *Public Hearing was held October 10th.*
 - *City Council approved Feasibility Report and ordered improvement.*
- *City Council approved Design Agreement with Lake County on October 24th.*
- *Plan approval anticipated January 2023.*

6. 2018 Street Project

- Final pay request has been prepared and submitted to contractor for review.
- Item will be brought to Council once contractor submits final paperwork.
- *We have contacted contractor as of December 1st; awaiting response.*

7. Wastewater Treatment Facility Improvements

- *Contractor has completed clarifier #2 and has also completed the mechanism in both clarifier #1 and clarifier #2.*
- *Contractor is water testing clarifier #2.*
- *Contractor continued pouring concrete for the aeration basin walls and for the operations building footings and base slab.*
- *See separate project update for additional information and current pay request.*

8. Castle Danger Brewery Significant Industrial User (SIU) Agreement (No Update)

- Final rates were sent to Castle Danger.
- Meeting was held with the City and Castle Danger regarding billings.
 - Initial payments will be a flat rate per month until sufficient flow data has been established and confirmed. At that time billing will be switched to a flow basis.

9. Chlorine Contact Tank/PRV Station Replacement

- Final project design and bidding are awaiting decision on land acquisition between WTP and WWTF. Bidding is anticipated in winter.
- *Based on current status of Parcel 23-7600-06600, final project design is proceeding to avoid use of that Parcel.*
 - *Proposal for modification to scope of site plan design will be presented to City Council on December 12th for consideration.*
- *Plans and specifications are in process, anticipated completion January 2023.*
- *Bidding is tentatively scheduled for February.*

10. Water Distribution System Improvements (No update)

- Project includes the following:
 - Watermain replacement on 4th Street between 10th and 12th Avenue
 - Watermain looping in the vicinity of 4th Street and 7th Avenue.
 - Watermain replacement along 7th Avenue between 11th and 15th Street
 - Watermain replacement and realignment in the Old Rail Yard
- Two potential grants being pursued:
 - WIF through PFA; SCDP through DEED.
- WIF Grant:
 - WIF results were posted in September. This project was not funded this cycle.
 - Can re-submit for next WIF funding cycle, or individual segments could be broken off for development as separate projects.
- SCDP Grant:
 - Notice of \$600,000 award was received by City May 24th. Maximum award.
 - Grant does not apply to Old Rail Yard segment.
 - SCDP funding is good for 3-years.
- Potential project schedule:
 - Project not likely to move forward for 2022 construction due to funding.
 - If receive WIF in fall 2022: finalize plans, bid in winter 2022, construct in 2023.
- *Results of funding anticipated to be known fall 2022.*

11. MnDOT TH61 (7th Avenue) Improvements

- MnDOT project for reconstruction of TH61 from Scenic Drive to Park Road.
- Project links: website: <https://www.dot.state.mn.us/d1/projects/two-harbors/index.html>
- Project overview video: <https://www.youtube.com/watch?v=2tt2YILcKKw>
- Public input meeting: <https://www.youtube.com/watch?v=kYTIDXLv5dA>
- City Council authorized preliminary layout of underpasses on June 27th.
 - Underpass preliminary layouts & estimates reviewed with Council on Sept 26th.
- MnDOT open house was held September 27th.
- *MnDOT field walk for ADA review was held October 6th.*
- *MnDOT presented project information to City Council on October 10th.*

- MnDOT has identified the programmed amount is insufficient to fund the entire project. They are reviewing options for project phasing/staging.
 - MnDOT met with City and County staff on December 7th to discuss phasing.
- Information regarding project budget and potential phasing options will be reviewed with City Council on December 12th.
- MnDOT still intends to proceed with a project in 2025.

12. Odegard Trail

- Project will be done in conjunction with Lake County 2023 project on 8th Street.
- Portion of the project will be construction of a trail along the west side of 8th Street, rather than sidewalk. Lake County will design this portion of the project.
- Remainder of the work will be a trail extension from current terminus at west end of 11th Avenue to the parking lot at Odegard Park (13th Avenue). City will design this portion.
- Project has grant funding for the trail that has been extended to the end of 2023.
 - This is the DSACF grant in the amount of \$100,000.
- Lake County is submitting an application for a \$200,000 Active Transportation grant.
 - Application is due December 30th.
 - City Council resolution of support is requested for the application.
- City Council authorized final design activities on September 26th.
- Preliminary layout options were reviewed at October 20th Trees & Trails meeting.
 - Preferred route was identified.
- Draft plans and cost estimate will be reviewed at December 15th Trees & Trails meeting.
- Council review of final plans for approval anticipated January 23rd.

13. Parcel 23-7600-06600

- City Council authorized preliminary research/data collection activities on August 26th.
- Wetland Delineations – field work and report complete; submitted to Lake County.
 - Notice of delineation approval was received December 5th.
- Topographic survey field work is complete.
- Phase I Environmental Assessment – report received September 29th.
 - Findings reviewed at October 19th Utilities Committee meeting.
 - Based on findings, work on parcel has been suspended.
 - A request has been made to the MPCA for a Retroactive No Association Determination on the parcel.
- All work on this parcel has been suspended as of the end of October.
- Consideration is being given for potential next steps and funding availability.

14. Municipal Liquor Store

- City Council selected DSGW Architects at their meeting on September 12th.
 - Bolton & Menk is civil engineer on the DSGW team.
- Kickoff meeting was held October 12th.

Hopefully, this information provides an adequate summary of the current engineering projects Bolton & Menk is working on with the City. We value our relationship with Two Harbors and look forward to it continuing through the completion of these projects and beyond. If you have questions regarding this update or need further information on any of the projects listed, we would be happy to discuss. Please feel free to contact either Brian or Joe at your convenience.

December 9, 2022

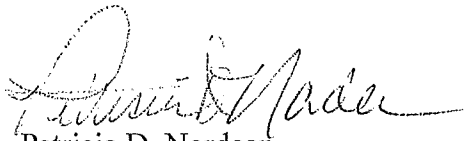
Two Harbors City Council
522 First Avenue
Two Harbors, MN 55616

Please accept this letter as official notice of our intent to open the Working Agreement between the City of Two Harbors and Two Harbors Confidential Employees Association for the purpose of entering into negotiations.

Sincerely,

A handwritten signature in cursive script, reading "Miranda Pietila".

Miranda Pietila

A handwritten signature in cursive script, reading "Patricia D. Nordean".

Patricia D. Nordean

COMM. 3 12/12/22



CITY OF TWO HARBORS CITY COUNCIL

AGENDA ITEM COVER SHEET

Originating Staff: Miranda Pietila	Department: ALL	Date: 12/12/2022
Agenda Item Subject: ADOPTING 2023-2027 CAPITAL IMPROVEMENT PLAN	Fiscal Impact:	
BACKGROUND:		
COUNCIL ACTION REQUESTED: Consider adopting the 2023-2027 Capital Improvement Plan		
RECOMMENDATION:		
ATTACHMENTS:		

NOTICE OF PUBLIC HEARING
REGARDING A PROPOSED
CITY OF TWO HARBORS CAPITAL IMPROVEMENT PLAN
2023 - 2027

NOTICE IS HEREBY GIVEN, that the City Council of the City of Two Harbors will hold a public hearing on Monday, December 12, 2022 at 6:00 p.m., or as soon thereafter as possible, to consider a proposed City of Two Harbors Capital Improvement Plan 2023 - 2027. The hearing will be held at the Two Harbors City Hall, 522 1st Avenue, Two Harbors, MN 55616.

Such persons as desire to be heard with reference to the proposed City of Two Harbors Capital Improvement Plan 2023 - 2027 will be heard at this meeting or by submitting comments in writing to: Two Harbors City Council, 522 1st Avenue, Two Harbors, MN 55616. Written or oral comments will be considered.

The proposed City of Two Harbors Capital Improvement Plan 2023 – 2027 is available for review at Two Harbors City Hall, 522 1st Avenue, Two Harbors, MN 55616 or online at: www.twoharborsmn.gov.

This meeting will be conducted in-person, however, Zoom connection information will be available on the City website at www.twoharborsmn.gov.

BY ORDER OF THE TWO HARBORS CITY COUNCIL,

Patricia D. Nordean, City Clerk
Dated: November 29, 2022



CITY OF TWO HARBORS
City Council

AGENDA ITEM
COVER SHEET

Originating Staff: Joel Dhein, Interim Administrator	Department: Administration	Date: 12/7/22
Agenda Item Subject: City Administrator Recruitment	Fiscal Impact: TBD	
<p>BACKGROUND: Staff has completed developing recruitment materials for the city administrator position. Attached are several items for the council to review and act upon to move the recruitment process forward. This is the last opportunity to make change to the recruitment materials.</p> <p>A schedule and advertisement are shown on the first attachment. Please note the interview dates of Friday/Saturday, February 3/4, 2023, to make sure they will work with your schedule.</p> <p>There are a few minor changes to the position description (old language stricken thus, new language underlined <u>thus</u>). All position descriptions will undergo a more thorough update as part of the classification and compensation study.</p> <p>The application materials, for the most part, will be distributed electronically, either from the city's website or via email.</p>		
<p>ACTION REQUESTED: Approve recruitment materials as presented or with modifications.</p>		
<p>RECOMMENDATION:</p> <ul style="list-style-type: none">• Approve position description as presented or with modifications.• Approve advertising the position.• Approve recruitment materials as presented or with modifications. <p>The personnel committee has reviewed and commented on these materials at their last meeting.</p>		
<p>ATTACHMENTS:</p> <ul style="list-style-type: none">• Schedule/Advertisement• Position Description• Position Profile• Supplemental Application		

NB 2

12/12/22

Agenda Item # NB 3 Meeting Date _____

Schedule

- review recruitment status - personnel committee Wednesday, November 30, 2022
- approval of application materials - council Monday, December 12, 2022
- advertising Tuesday, December 13, 2022 to
..... Thursday, January 12, 2023
- application period Tuesday, December 13, 2022 to
..... Tuesday, January 17, 2023
- Martin Luther King Day Monday, January 16, 2023
- score applications Tuesday, January 17, 2023
- select candidates - council Monday, January 23, 2023
- contact candidates Tuesday, January 24, 2023
- candidate interviews & selection Friday, February 3, 2023 &
..... Saturday, February 4, 2023
- background investigation Monday, February 6, 2023 to
..... Friday, February 10, 2023
- anticipated start date Wednesday, March 1, 2023

Advertisement

(LMC format)

City: Two Harbors, Minnesota

Position: City Administrator

Salary: \$100,000 - \$124,000 Annually DOQ (under review for 2023)

Application Deadline: Tuesday, January 17, 2023, 4:00 p.m.

The City of Two Harbors invites applications from qualified individuals for the position of City Administrator. Two Harbors is a full-service city with an operating budget of over \$43M and over 50 full-time employees. The city council appoints the city administrator who is responsible for day-to-day operations of the city and also serves as the executive director of the Two Harbors Economic Development Authority. Minimum qualifications include graduation from an accredited four (4) year college or university with a degree in public administration, political science, business management or a closely related field, and five years of experience as a municipal administrator, city manager or exempt level department head; or equivalent combination of education and experience.

To apply visit [URL of application package] to obtain further information and application materials. Please direct any questions to Joel Dhein, Interim City Administrator, at jdhein@twoharborsmn.gov.



CITY OF TWO HARBORS POSITION DESCRIPTION

Class Title:	City Administrator	Job Points:	TBD
Department:	Administration	Grade Number:	TBD
Division:		Union:	none
Date:	December 12, 2022	Location:	City Hall
		FLSA Status:	<u>Exempt</u>

GENERAL PURPOSE

Performs high level administrative, technical, and professional work in directing and supervising the administration of city government.

SUPERVISION RECEIVED

Works under the broad policy guidance of the City Council.

SUPERVISION EXERCISED

Exercises supervision over all municipal employees either directly or through subordinate supervisors.

ESSENTIAL DUTIES AND RESPONSIBILITIES

Serves as Chief Administrative Officer of the City per the City Charter and City Code.

Responsible for the statutory duties of a city clerk per the City Charter and City Code.

Serves at the Executive Director of the Two Harbors Economic Development Authority.

~~Provides administrative support for the Board of Directors of Two Harbors Development Fund.~~

Manages and supervises all departments, agencies, and offices of the city to achieve goals within available resources; plans and organizes workloads and staff assignments; trains, motivates and evaluates assigned staff; reviews progress and directs changes as needed.

Provides leadership and direction in the development of short- and long-range plans; gathers, interprets, and prepares data for studies, reports, and recommendations; coordinates department activities with other departments and agencies as needed.

Provides professional advice to the City Council and department heads; makes presentations to councils, boards, commissions, civic groups, and the general public.

Communicates official plans, policies, and procedures to staff and the general public.

Assures that assigned areas of responsibility are performed within budget; performs cost control activities; monitors revenues and expenditures in assigned area to assure sound fiscal control; prepares annual budget requests; assures effective and efficient use of budgeted funds, personnel, materials, facilities, and time.

Determines work procedures, prepares work schedules, and expedites workflow; studies and standardizes procedures to improve efficiency and effectiveness of operations.

Issues written and oral instructions; assigns duties and examines work for exactness, neatness, and conformance to policies and procedures.

Maintains harmony among workers and resolves grievances.

Performs or assists subordinates in performing duties; adjusts errors and complaints.

Prepares a variety of studies, reports, and related information for decision-making purposes.

Administration and coordination of public utility and enterprise operations of the City providing policy and rate recommendations to the Council.

Acts as purchasing agent for all departments and approves expenditures which have been authorized by budget or separate action by the City Council and execute contracts approved by the Council.

Recommends and administers City insurance programs.

Serves as the negotiator for the City Council for contractual agreements between the City and employee bargaining units.

Sees that all laws and ordinances are faithfully performed.

Prepares and submits a preliminary annual City budget. Administers the adopted budget of the City.

Advises the City Council of financial conditions and current and future city needs.

Attends all meetings of the Council at which attendance may be required by the Council.

PERIPHERAL DUTIES

Recommends for adoption by the City Council such measures as Administrator may deem necessary or expedient.

Prepares and submits to the Council such reports as may be required by that body or as manager may deem it advisable to submit.

May serve as the head of one or more departments of City government.

MINIMUM QUALIFICATIONS

Education and Experience:

Graduation from an accredited four (4) year college or university with a degree in public administration, political science, business management of a closely related field, and five (5) years of experience as a municipal administrator, city manager or exempt level department head; or an equivalent combination of education and experience.

Required Knowledge and Skills:

Knowledge of modern policies and practices of public administration; working knowledge of municipal finance; human resources; public works, public safety, public utilities, and community development.

Experience in preparing and administering municipal budgets; planning, directing, and administering municipal programs.

Ability to prepare and analyze comprehensive reports; carry out assigned projects to their completion; communicate effectively verbally and in writing; establish and maintain effective working relationships with employees, city officials, and the public; efficiently and effectively administer a municipal government.

ADDITIONAL REQUIREMENTS

Qualified Candidate must be bondable.

Proficient in Microsoft Office

Exceptional Communication Skills

WORK ENVIRONMENT

The work environment characteristics described here are representative of those an employee encounters while performing the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

SELECTION GUIDELINES

Formal application, rating of education and experience; oral interview and reference check; job related tests may be required.

The omission of specific statements of duties does not exclude them from the position if the work is similar, related or a logical assignment to the position.

The job description does not constitute an employment agreement between the employer and employee and is subject to change by the employer as the needs of the employer and

requirements of the job change.

CITY OF TWO HARBORS, MINNESOTA



CITY ADMINISTRATOR POSITION

Salary Range: \$100,000 to \$124,000

Qualified individuals are invited to apply by January 17, 2023

Welcome to Two Harbors, Minnesota!



Two Harbors, Minnesota is a small but vibrant city on the scenic North Shore of Lake Superior. The seat of Lake County, Two Harbors is a full-service city of 3,600 year-round residents. Two Harbors is a tourist destination in every season. From scenic views to shopping to outdoor recreation the area has something for everyone. Many of the commercial enterprises are tuned to the visitors we receive, but there are a full range of businesses that cater to the needs of the year-round residents.



Duluth is only twenty-five miles by a four-lane expressway (or a two-lane scenic route if you prefer) and has all the amenities of a major metropolitan area. The Minneapolis-St. Paul metropolitan area is about three hours away on Interstate 35 from Duluth.

Founded as the first iron ore port in Minnesota, Two Harbors is still a major shipping port for taconite from Minnesota's Mesabi Iron Range. In the late 1800s, the area of Two Harbors was two separate communities, Agate Bay, and Burlington.

Had it not been for the discovery of iron ore in nearby areas, Two Harbors may not have existed. In 1907, the Duluth & Iron Range Railroad was built from the iron range to Lake Superior at this location. In the same year, the two communities merged, incorporated, and were thereafter known as Two Harbors. The railroad continued to expand their operations with track to Duluth. An international highway between Duluth and Grand Portage began construction in 1921. And Two Harbors grew. The world-famous Minnesota Mining and Manufacturing (3M) began here. The community is now home to a variety of industrial firms producing, among other things, wood products, outdoor gear, and beer.



Two Harbors has a wealth of opportunities ahead due to its scenic location and easy commute to a major metropolitan area. With these opportunities come challenges; challenges that the next city administrator will help the community meet.



Health Care



Lake View Hospital and Clinic is part of the St. Luke's system based in Duluth. Lake View provides residents of Two Harbors and the North Shore with compassionate, quality care. For over half a century, they have been committed to improving the health of the people in this region.

Lake View includes hospital, emergency department, medical clinic, and pharmacy. The emergency department is open 24/7/365. Eighteen specialty providers deliver services and perform procedures in Two harbors. The community also hosts dentists, orthodontists, chiropractors, and an Essentia Health Pharmacy. Additional medical services are about one-half hour away in Duluth.

Educational Opportunities



Lake Superior School District serves the Two Harbors and Silver Bay areas with a high school and elementary school in each community. The district also provides preschool, early childhood family education, and community education among additional offerings.



Two Harbors Public Library's original Carnegie Library has been modernized and extended to provide state-of the-art library services. The Library has been recognized as a Star Library twice in the past two years placing its circulation in the top one-half of one percent of libraries of its size across the country.

The largest post-secondary educational institutions in Duluth with a combined enrollment of approximately 20,000 students are:

- University of Minnesota-Duluth
- Lake Superior College
- College of St. Scholastica

Recreation & Community Events



Two Harbors is a hub for outdoor activities. Whatever your interest in outdoor activities Two Harbors and the surrounding area has something for you. Walking/hiking, biking, skiing, snowshoeing, paddling, snowmobiling, boating, ATVing, hunting, fishing, golf, and camping, – it all starts here!

The Superior Hiking Trail which features over three hundred miles of trails passes a short distance north of the city. Two Harbors is the terminus of the Gitchi-Gami Trail that is over one-third complete. This paved trail runs eighty-nine miles north to Grand Marais along Lake Superior. The city also features an extensive paved trail system. The Boundary Waters Canoe Area is a short distance from the community.



If you are looking for community events the town hosts the Lake County Fair, the Two Harbors Folk Festival, Heritage Days, and the Two Harbors Kayak Festival to name a few. Two Harbors is one of the checkpoints for the Beargrease Sled Dog Marathon, as well as the start line for the Grandma's Marathon and the NorthShore Inline Marathon. In 2022 Two Harbors hosted the Festival Sail featuring tall ships from the past and present days of sailing.

Two Harbors is a port town with ships regularly coming into the harbor to take on loads of taconite. These ships are easily viewed from the breakwater and

other points on Agate Bay. The tugboat, Edna G., owned by the city, once worked the Great Lakes, and is now preserved as a museum ship. The Edna G. was built by the Cleveland Shipbuilding Company in 1896 for the Duluth and Iron Range Railroad for \$35,397.50. Her name derives after the daughter of J. L. Greatsinger, then president of the railroad. The historic lighthouse is also on Agate Bay and is now a museum and bed and breakfast inn operated by the Lake County Historical Society. A state-owned boat launch and a city park complete the amenities and attractions on Agate Bay.



The railroad was key to the early History of Two Harbors. The Depot Museum is housed in a historic brick building built in 1907 and listed on the National Register of Historic Places. It features two early locomotives used to haul iron ore from the mines to the port. An excursion train from Duluth, the North Shore Scenic Railway makes weekend trips to Two Harbors during summer and fall months.

The city hosts several parks with an assortment of amenities. There are six state parks within an hour drive of Two Harbors these are located on Lake Superior and the St. Louis River.



The Organization



Form of Government

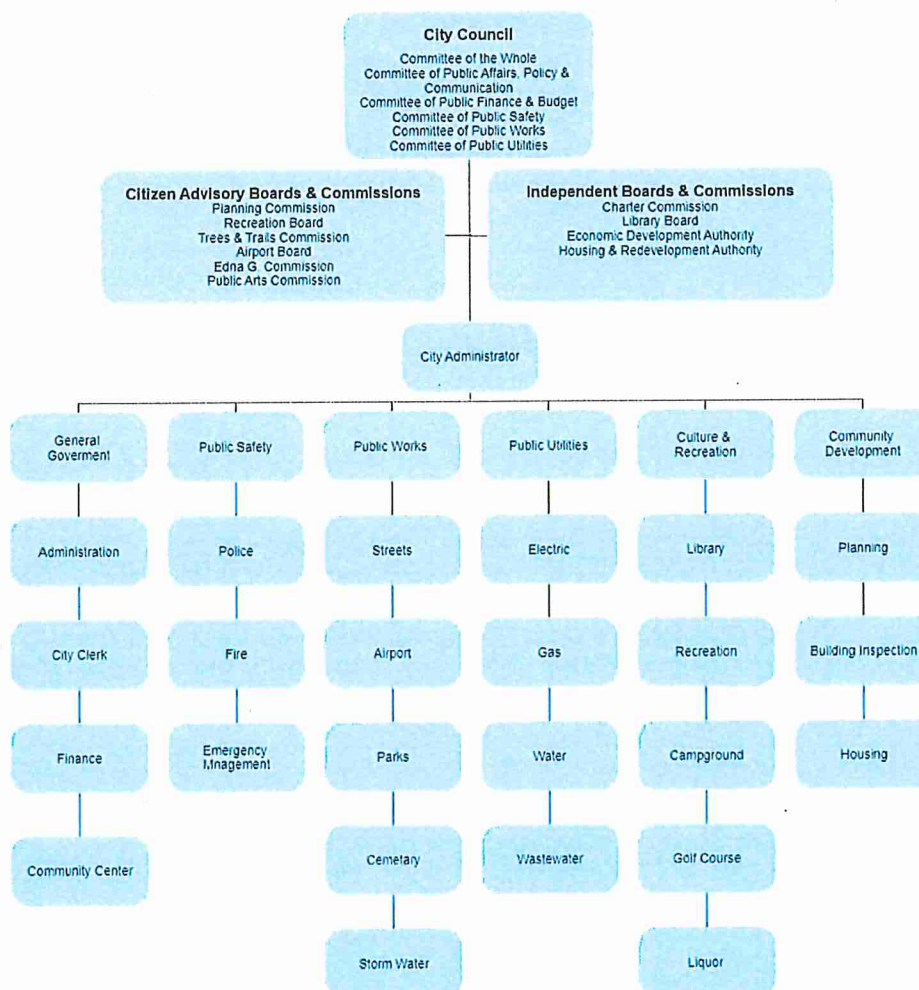
Two Harbors is a weak mayor charter city governed by a seven-member city council (the mayor is a member of the city council). Four council members are elected from their respective wards, the mayor and two council members are elected at-large. The council has formed several council committees to distribute the workload and has also appointed a number citizen boards or commissions to advise the city council or carryout their respective functions independently. An election will be held in April to fill the vacant seat of mayor.

Staff

The management team consists of the administrator, clerk, and finance director. The position of deputy administrator may be added in 2023. There are about 53 full and part-time year-round employees most of whom are represented by five bargaining units. Additionally, there are 24 paid on-call firefighters and about 12 summer staff. Campground, golf course, and airport management are by private contractors as are the functions of planner and building official.

CITY OF TWO HARBORS LAKE COUNTY MINNESOTA

Function Organization Chart



Budget Summary



	2022 Adopted	2023 Adopted
General Fund		
General Government	767,200	877,300
Public Safety	1,582,300	1,807,700
Public Works	1,478,430	1,560,100
Culture and Recreation	252,750	250,850
Health and Welfare	139,950	144,050
Miscellaneous	171,850	226,800
Total General Fund	\$ 4,392,480	\$ 4,866,800
Library	293,600	304,100
Airport	199,950	195,550
Golf Course	521,050	585,000
Debt Service Fund	396,350	386,000
Capital Equipment	2,648,300	2,288,100
Street Improvement	1,275,600	3,671,000
Capital Project	10,000	50,000
Total Governmental Funds	\$ 9,737,330	\$ 12,346,550
Water Fund	7,714,100	8,869,550
Sewer Fund	13,519,600	15,886,850
Electric Fund	4,775,400	4,618,050
Gas Fund	3,170,450	3,212,500
Liquor Fund	3,672,300	6,876,500
Stormwater Fund	81,500	485,850
Campground Fund	835,150	962,250
Total Enterprise Funds	\$ 33,768,500	\$ 40,911,550
Total Expenditures	\$ 43,505,830	\$ 53,258,100

Essential Duties



Serves as chief administrative officer of the city.

Responsible for the statutory duties of a city clerk.

Serves as the executive director of the Two Harbors Economic Development Authority.

Manages and supervises all departments, agencies, and offices of the city. Plans and organizes workloads and staff assignments; trains, motivates, and evaluates assigned staff; reviews progress and directs changes as needed.

Provides leadership and direction in the development of short- and long-range plans; gathers, interprets, and prepares data for studies, reports, and recommendations; coordinates department activities with other departments and agencies as needed.

Provides professional advice to the city council and department heads.

Communicates official plans, policies, and procedures to staff and the public.

Makes presentations to councils, boards, commissions, civic groups, and the public.

Serves as the negotiator for the city council for contractual agreements between the city and employee bargaining units.

Sees that all laws and ordinances are faithfully performed.

Prepares and submits a preliminary annual budget. Administers the adopted budget of the city.

Advises the city council of financial conditions and current and future city needs.

Attends all meetings of the council and council committees.



Position Goals and Priorities



Waterfront Development – guide the Waterfront Committee, consultants, and the state to bring together a plan for developing and managing the waterfront on Agate Bay.

Water & Wastewater Plant Upgrades – along with the Water & Wastewater Plant Superintendent, monitor the progress of the construction of wastewater plant improvements currently underway and water plant improvements scheduled to begin in 2023.

Highway 61 Improvements – coordinate activities between the Minnesota Department of Transportation, Lake County, other stakeholders, and the city regarding the reconstruction of Minnesota Trunk Highway 61 through Two Harbors scheduled for 2025.

Municipal Liquor Store Construction – as a member of the Liquor Store Committee, oversee the 2023 construction of a new municipal liquor store.

Street Improvement Project – work with the city engineer and Lake County on the 2023-2024 Street Improvement Project.

HRA Housing Project – assist the Two Harbors Housing & Redevelopment Authority with the development and construction of a new 50-unit senior facility.

Housing – work to attract a variety of housing options to the community including infill, redevelopment, and new housing developments.

Classification and Compensation Study – manage the consultant led activities of this study due for completion in the summer of 2023 and subsequent implementation.

Economic Development Authority – reinvigorate and make effective the city's EDA.

Organizational Changes – guide changes in organizational structure; work with city council and charter commission to clarify desired changes. Work to improve council-staff relations.



Desired Attributes



Personal Characteristics

Strong, knowledgeable, and experienced leader.

Responsible and accountable.

Responsive, prompt, approachable, and friendly.

Honest with integrity and transparency. Forthright and fair.

Open minded to new ideas; positive and objective.

Quick learner and independent thinker.

Good active listener.

Trusting, respectful, and supportive

Actively involved in the community.

Not afraid to ask questions or consult others with more specialized, knowledge or experience

Does not micromanage.

Values and appreciates input from staff and community members.

Collaborates with others but is assertive when necessary.

Technical Skills

Knowledge of modern policies and practices of public administration.

Experience in preparing and administering municipal budgets; planning, directing, and administering programs.

Possess strong public financial management and budget skills.

Ability to prepare and analyze comprehensive reports; carry out assigned projects to their completion; communicate effectively verbally and in writing; establish and maintain effective working relationships with employees, city officials, and the public.

Ability to deal skillfully and tactfully with the public, staff, and elected or appointed officials.

Proficient in the use of computer hardware and various business software applications including Microsoft Office applications.

Experienced and knowledgeable in housing development.

Experienced and knowledgeable in economic development.

Experienced and knowledgeable with infrastructure projects.



Position Announcement



City: Two Harbors, Minnesota

Position: City Administrator

Salary: \$100,000 - \$124,000 Annually DOQ (under review for 2023)

Application Deadline: Tuesday, January 17, 2023, 4:00 p.m.

Job Summary: The city administrator serves as top-appointed official with overall responsibility to manage the daily operations of the city. Informs the city council about municipal operations, providing sound information for decision-making purposes. Coordinates the administration of city council approved budget and policies. Regularly interacts with other department heads to ensure programs and services are administered with effectiveness and efficiency. This position also serves as the executive director of the Two Harbors Economic Development Authority.

Minimum Qualifications: Graduation from an accredited four (4) year college or university with a degree in public administration, political science, business management or a closely related field, and five years of experience as a municipal administrator, city manager or exempt level department head; or equivalent combination of education and experience.

To Apply: visit [\[URL of application package\]](#). This position is open until filled; however, first consideration will be given to applications received by 4:00 p.m., Tuesday, January 17, 2023. Send applications to Administrator Recruitment, City of Two Harbors, 522 First Avenue, Two Harbors, MN 55616, or the email address below. Selection of candidates will occur on January 23rd. Interviews will be held February 3rd & 4th.

Please direct any questions to Joel Dhein, Interim City Administrator, at jdhein@twoharborsmn.gov.





CITY OF TWO HARBORS SUPPLEMENTAL APPLICATION FORM

Job Title: City Administrator

Applicant's Name: _____

1. Rate your direct experience with the following activities by placing an "X" in the appropriate box for each item:

Area	Experience			
	None	Up to 3 years	3-5 year	5 years or more
Supervising department level employees.				
Working directly with elected & appointed officials.				
Directing economic development activities.				
Handling housing activities.				
Planning & implementing infrastructure projects.				
Preparing operating & capital budgets.				
Assessing organizational structure & implementing changes.				
Negotiating & managing labor agreements.				
Making presentations to public bodies & citizen groups.				
Working with state legislators.				
Working with county and state agencies.				
Working with a city charter & charter commission.				
Negotiating & managing service contracts (attorney, engineer, etc.)				
Managing municipal airports.				
Engaging in facility planning.				
Proficiency in Microsoft Office programs (Word, Excel, Outlook)				

(use additional sheets of paper as necessary to answer the questions)

December 2022

2. Describe the computer software you have used in a business setting, what you used them for, and length of time you have used them.
3. Describe any other relevant skills that you may have.
4. List five words that describe yourself and explain how they relate to this job.
5. Explain in detail your experience in local government management.
6. Indicate your highest -post-secondary degree, institution, and major field of study.
7. Why do you want to work for the City of Two Harbors?
8. Do you currently possess a valid Minnesota driver's license
No Yes
9. Have you read the job description
No ? Yes
10. Are you able to perform all essential functions and meet the physical demands associated with this position?
No Yes
If no, explain.



**CITY OF TWO HARBORS
CITY COUNCIL**

**AGENDA ITEM
COVER SHEET**

Originating Staff: P. Nordean	Department: Administration	Date: 12/9/22
Agenda Item Subject: EDP Tech Position Description	Fiscal Impact: n/a	
BACKGROUND: Administrative staff has reviewed the position description for EDP Tech in advance of an upcoming retirement and have made recommendations for changes.		
COUNCIL ACTION REQUESTED: Approving the revised position description for the position of EDP Tech.		
RECOMMENDATION: Approve the revised position description for the position of EDP Tech.		
ATTACHMENTS:		

POSITION DESCRIPTION

Class Title: Electronic Data Processing Technician	Job Code Number:
Department: City Hall	Grade Number:
Division:	Union:
Date:	Location:

GENERAL PURPOSE

Provides skilled technical services in the electronic data processes of the City to complete the utility billing, accounts payable, accounts receivable, payroll and other related programs of the City.

SUPERVISION RECEIVED:

The person in this position is under general supervision of the ~~City Administrator~~Finance Director and reports to the ~~Administrator or the Deputy Assistant Administrator~~Finance Director during the absence of the ~~Finance Director~~Administrator.

SUPERVISION EXERCISED

Generally none. May supervise part-time or temporary staff as assigned.

ESSENTIAL DUTIES AND RESPONSIBILITIES

Performs clerical duties including those of typing, filing, basic bookkeeping, cashier and receptionist.

May take and transcribe minutes; distributes minutes and reports.

Provides assistance and backup to other office personnel with their responsibilities when required.

Maintains confidentiality where required ~~by the Minnesota Data Privacy Act or on other matters in which the Administrator has determined release of the information is the responsibility of the Administrator's position.~~

PERIPHERAL DUTIES

Serves as a member of various employee committees.

~~DESIRED~~ MINIMUM QUALIFICATIONS

Education and Experience:

(A) Graduation from a high school or GED equivalent with specialized course work in general office practices such as typing, accounting, data processing, and

(B) Two (2) year Accounting Degree, and

(C) Two (2)+ years of accounting experience.

(C) or a combination of experience and education as deemed appropriate by the Finance Director.

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Necessary Knowledge, Skills and Abilities:

(A) Working knowledge of computers and electronic data processing; working knowledge of modern office practices and procedures;

(B) Skill in operating listed tools and equipment.

(C) Ability to perform arithmetic computations accurately and quickly; ability to communicate effectively verbally and in writing; ability to establish successful working relationships; ability to work under pressure and/or frequent interruptions; ability to work with angry or difficult customers.

SPECIAL REQUIREMENTS

None

TOOLS AND EQUIPMENT USED

Personal computer, ~~central billing system terminal~~, central financial ~~computers~~ software, 10Q-J-key calculator, phone, base radio, fax and copy machines.

PHYSICAL DEMANDS

The physical demands described here are representative of those that must be met by an employee to successfully perform the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

While performing the duties of this job, the employee is frequently required to sit and talk or hear. The employee is occasionally required to walk; use hands to finger, handle, or operate objects, tools, or controls; and reach with hands and arms.

The employee must occasionally lift and/or move up to 25 pounds. Specific vision abilities required by this job include close vision and the ability to adjust focus.

WORK ENVIRONMENT

The work environment characteristics described here are representative of those an employee encounters while performing the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

The noise level in the work environment is usually quiet.

SELECTION GUIDELINES

Formal application, rating of education and experience; oral interview and reference check; job related tests may be required.

The duties listed above are intended only as illustrations of the various types of work that may be performed. The omission of specific statements of duties does not exclude them from the position if the work is similar, related or a logical assignment to the position.

The job description does not constitute an employment agreement between the employer and employee and is subject to change by the employer as the needs of the employer and requirements of the job change.

Approval: _____ Approval: ~~[Y]/4/14~~
Supervisor _____ Appointing Authority

Effective Date: 7/13/15 Revision History: 7/13/15



**CITY OF TWO HARBORS
CITY COUNCIL**

**AGENDA ITEM
COVER SHEET**

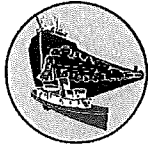
Originating Staff: P. Nordean	Department: Administration	Date: 12/9/22
Agenda Item Subject: Authorize posting for EDP Tech	Fiscal Impact:	
BACKGROUND: We have a retirement coming in May of 2023 in the position of EDP Tech. This position will require extensive training because the individual leaving currently does the City's utility billing. In order to be certain that we have adequately trained staff before this individual leaves, we are requesting that the position be posted now.		
COUNCIL ACTION REQUESTED: Authorize posting for the position of EDP Tech. RECOMMENDATION: Authorize the posting.		
ATTACHMENTS:		



**CITY OF TWO HARBORS
CITY COUNCIL**

**AGENDA ITEM
COVER SHEET**

Originating Staff: P. Nordean	Department: Administration	Date: 12/9/22
Agenda Item Subject: Awarding the bid for the Public Works Specialist II position.	Fiscal Impact:	
BACKGROUND: Internal bids were received for the position of Public Works Specialist II. One bid was accepted for the position. There were other internal bids received for the position. Staff has determined that another internal bidder meets the qualifications for this position.		
COUNCIL ACTION REQUESTED: Awarding the position of Public Works Specialist II.		
RECOMMENDATION: Awarding the position of Public Works Specialist II.		
ATTACHMENTS:		



**CITY OF TWO HARBORS
CITY COUNCIL**

**AGENDA ITEM
COVER SHEET**

Originating Staff: P. Nordean	Department: Administration	Date: 12/9/22
Agenda Item Subject: Cemetery Caretaker Position	Fiscal Impact:	
BACKGROUND: Following a recent resignation, an internal bulletin for the position of Cemetery Caretaker was posted and bids were received for the position. Administrative staff will be reviewing qualifications of the bidders to determine if they meet the qualifications.		
COUNCIL ACTION REQUESTED: Award the position of Cemetery Caretaker. RECOMMENDATION: Award the position of Cemetery Caretaker.		
ATTACHMENTS:		

TWO HARBORS CITY COUNCIL

AGENDA ITEM SUMMARY



AGENDA ITEM SUBJECT:

- CONDITIONAL OFFER OF EMPLOYMENT (FULL-TIME PATROL OFFICER)

ORIGINATING SOURCE/DEPARTMENT:

- TWO HARBORS POLICE DEPARTMENT

FUNDING SOURCE:

- N/A

BACKGROUND:

Through the established hiring policy of the City of Two Harbors, a candidate has been identified for the “full-time” patrol officer position within the Two Harbors Police Department. I would recommend, **SEAN A. JONES**, be made a conditional offer of employment with the City of Two Harbors. Employment shall be contingent upon passing the Background Investigation of the Two Harbors Police Department and meeting/passing all other selection standards established by the Minnesota Peace Officer Standards & Training (P.O.S.T.) Board. A copy of the minimum selection standards required by the MN P.O.S.T. Board is attached.

Through discussions with the Hiring Panel, Interim Administrator Dhein, Finance Director Pietila and the Personnel Committee, a decision was made to recognize the previous law enforcement experience the candidate has. The conversations with the candidate did occur and negotiations were successful in staying in the parameters set forth by Interim Administrator Dhein and others. The attached sheet details where those discussions landed with the candidate, and as the Chief of Police, I am requesting and recommending approval of conditional offer with the attached wage and benefit adjustments.

Upon successful completion, I would request the above-named candidate, be approved to start employment during the month of January 2023..

ESTIMATED DATE OF COMPLETION: **January 2023**

COMMITTEE/COMMISSION RECOMMENDATION:

ADMINISTRATION/STAFF RECOMMENDED COUNCIL ACTION:

Agenda Item # NB.8 Meeting Date: 12/12/22

WAGES:

First six (6) months, at Step 2 Wage, plus 4%, or \$32.55 per hour.

After six (6) months, move to Step 2 Wage, plus 6%, or \$33.18 per hour.

In the event a cost-of-living and/or wage adjustment is negotiated for 2023 and beyond, the candidates Step 2 Wage, plus longevity, shall move in accordance with the working agreement.

All subsequent longevity steps will be based off the candidate starting employment with twelve (12) years of experience. For example, and based off a starting date of January of 2023, the candidate would achieve the next longevity step, or Step 2 wage, plus 8%, in January of 2027.

VACATION:

On the first day of employment, the candidate shall have eighty (80) hours of vacation time issued to them. Vacation hours shall not be utilized during the field training portion of the employee.

On January 1, 2024, the candidate shall again be reissued eighty (80) hours of vacation time, and then on the candidate's anniversary date in 2024, they shall receive another eighty (80) hours of vacation. For a total of 160 hours. The candidate shall then receive 160 hours of vacation each January 1, up until the next vacation step is reached.

SICK TIME:

On the first day of employment, the candidate shall have three hundred (300) hours of sick time issued to them.

COMMITMENT:

In exchange for recognition of previous years of service, related to wages and benefits, the City of Two Harbors requires a two (2) year commitment of employment. Should you leave employment with the City of Two Harbors, for any reason before that time, the employer may, at its discretion, withhold any form of severance pay or benefits and "claw back" all uniform payments and/or allowances made for or to the candidate to the date of separation.

PROBATION:

A one (1) year-long probationary period will be required, as defined in working agreement between the City of Two Harbors and Teamster's Local #346.



**CITY OF TWO HARBORS
CITY COUNCIL**

**AGENDA ITEM
COVER SHEET**

Originating Staff: P. Nordean	Department: Administration	Date: 12/12/22
Agenda Item Subject: HRA Levy	Fiscal Impact:	
BACKGROUND: Lake County HRA has requested permission to continue levying within the City of Two Harbors for fiscal year 2023.		
COUNCIL ACTION REQUESTED: Authorize Lake County HRA to levy within the City for fiscal year 2023.		
RECOMMENDATION: Authorize Lake County HRA to levy within the City for fiscal year 2023.		
ATTACHMENTS:		

RESOLUTION NO. 2022-____

**AUTHORIZING LAKE COUNTY HOUSING AND REDEVELOPMENT AUTHORITY
TO CONTINUE LEVYING IN TWO HARBORS FOR THE 2023 FISCAL YEAR**

WHEREAS, the Lake County Housing and Redevelopment Authority desires to levy across all of Lake County in 2023 as in the past; and

WHEREAS, Section 469.005 requires a resolution between the City of Two Harbors and Lake County Housing and Redevelopment Authority in order for Lake County Housing and Redevelopment Authority to levy within the City of Two Harbors.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Two Harbors, Minnesota as follows:

The City Council of the City of Two Harbors, Minnesota agrees to allow Lake County Housing and Redevelopment Authority to continue levying taxes in the City of Two Harbors for the year 2023.

ADOPTED, this ____ day of _____ A.D., 2022

President, City Council

ATTEST: _____
Administrator

APPROVED, by the Mayor of the City of Two Harbors this ____ day of _____, 2022

Mayor