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May 15, 2023

Meeting of the City of Two Harbors Finance & Budget Committee, held on Monday, March 15, 2023, at 4:00 p.m.

The meeting was called to order by Chairperson, Erickson at 4:36 PM.

Members present, Councilors: Erickson, Glaser, Redden. 3.

Others present: Administrator, Nordean
Finance Director, Pietila
Jim Gilbert, Public Works Director

Motion by Glaser and Erickson approving the minutes from the April 18, 2023 meeting. Carried.

Appearances:

Jim Gilbert, Public Works Director, was present and addressed the committee requesting authorization to purchase a 2023 International CV515 with an 11' steel contractor dump body from United Truck Body Co., Inc. for an amount of \$20,338, to replace the existing 1997 Chevy C3500 1 Ton Pickup used at the cemetery, since the '97 Chevy needs a new motor which would cost \$10,456 in parts alone. Motion by Redden and Glaser recommending that the City Council authorize this purchase. Carried.

Tom Furman and Phil Arnold, Two Harbors HRA, were present and addressed the committee regarding the proposed transfer of certain parcels located in Segog Park to the City HRA for a project with THHS to construct affordable housing units. Administrator Nordean reported that the Deed for three of these lots was reviewed and it contains restrictive covenants that require that the land be used perpetually for recreation purposes. She asked if they were still interested in the single lot which does not have covenants, and they indicated that they were no longer interested in that parcel, however, they expressed their opinion that the City should establish a location for future housing projects.

They reported that they have met with representatives from THHS who have informed them that they would be able to construct sections of the homes and store them on site at the school until a location has been secured for the structures.

They submitted a letter requesting the \$40,000 set aside by the City for the HRA, indicating that they have housing projects and programs that would benefit from their investment of time, energy, effort and funding. In addition, they requested \$10,000 for the 2023 Neighborhood Revitalization mini-grant program, along with \$2,000 to execute and advertise the grant, indicating that they are also requesting \$12,000 from the County in matching funds for this year's mini-grant program.

There was discussion on the proposed housing development by P&R Companies. Councilors suggested that there be an RFP for a housing project, which includes multiple sites that the Council would like to see housing development occur, before moving forward with the proposal from P&R Companies.

Committee members discussed the establishment of an ad-hoc housing committee to review available sites for future housing development.

Motion by Erickson and Redden to recommend that the Council authorize \$12,000 for the 2023 Neighborhood Revitalization Mini-Grant Program, if the County HRA matches that amount. Carried.

Motion by Erickson and Redden to recommend that the Council authorize the payment of \$40,000 to the City HRA with the condition that an agreement is established and executed, which requires the City HRA to provide quarterly reporting on expenditures from this contribution and any funds received as a result of this contribution.

Motion by Redden and Glaser that the meeting adjourn. Carried.

Catherine Erickson, Finance & Budget Committee Chair