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November 26, 2018

Regular meeting of the City Council of the City of Two Harbors, Minnesota, held on Monday, November 26, 2018 at 6:00 p.m.

The meeting was called to order by President Woodruff.

Members present, Councilors: Glaser, Redden, Norberg, Swanson, Jussila, Woodruff. 6.

Members absent, Councilor: Erickson. 1.

Others present: Administrator Walker
Finance Director Pietila
City Clerk Nordean
City Attorney Overom

Motion by Glaser and Jussila convening a public hearing for the purpose of considering the proposed assessment for the construction of 2018 Street and Alley Improvement Project. Carried.

Appearances:

Joe Rhein, Bolton & Menk, was present and addressed the hearing regarding 2018 Street and Alley Improvement Project and proposed assessments. He presented a slide show on the project providing a background of the project, a project recap of the schedule, scope, project costs, project financing, assessments, costs assessed and those not assessed, a project summary, the proposed final assessment roll, property owner rights to object or to appeal for a deferral, and the next steps. He answered questions from the Council regarding life estate ownership situations, the ability to make larger or smaller payments, and where to find information regarding deferrals.

Sharon Anderson, 416 Third Avenue, was present and addressed the hearing inquiring about the breakdown of the costs for alleys. Mr. Rhein explained the process used to split the cost for each block.

Terry Johnson, 1302 8th Avenue, was present and addressed the hearing inquiring about the proposed assessment for the sanitary sewer line to his property. He also noted that there was a 50 foot backup in his yard following a recent rain event, and requesting that signs be placed to restrict truck traffic in the alley between Seventh and Eighth Avenues in the 1300 block. Mr. Rhein noted that he will double-check the measurements provided for the sewer line. President Woodruff indicated the City's intention to address the matter of heavy truck traffic in the alley.

Andrew Johnston, property owner for 731 8th Avenue, was present and addressed the hearing expressing his opinion that he isn't getting a lot of benefit from the improvement. He stated that he now has a bank from his property down to the alley, is concerned about a gas service line which was exposed during construction and has experienced an increase in water flow into his basement since the project. He feels the assessment might be high in his situation. Mr. Rhein noted that he spoke with the City's Gas Superintendent who assured him that the City has now lowered the gas line to 8 inches below grade, which he believed to be sufficient for the winter, noting that he will review the situation in the spring and address if necessary.

Joshua Haynes, 302 Fourth Avenue was present and addressed the hearing noting his objection to the proposed assessment and expressing his feelings that the majority of the funding should have been put into streets as opposed to the alleys. His driveway access is along the street and he would have preferred that the alley be constructed of gravel versus pavement. He stated that he believes the foundation for his garage was compromised during the alley project and that following the project more of the foundation is exposed than was prior to the start of the project.

Sharon Anderson inquired if the alleys would be maintained and seal coated each year. President Woodruff responded that the alleys would be maintained, but not seal coated each year.

Communications:

The following communications were read into the record by Clerk Nordean:

1. A letter from Jim Williams, 3150 Clark Road, expressing concerns with the approach to the parking area alongside the garage on his property at 424 3rd Avenue being eliminated with a ditch and requesting that the problem be corrected or that his assessment be lowered accordingly.
2. A letter from Terrance L. Johnson, 1302 Eighth Avenue, noting his objection to the assessment currently applied and asking several questions relating to water and dirt coming down the alley from 14th Street, signage along the street and alley, and cost sharing of improvements.
3. Two letters from Margaret Lillegaard, 903 10th Avenue, contesting the assessment, received February 22, and November 20, 2018.
4. A letter from Neil & Crystal Lobbestael, 4502 E. Superior Street, Apt. #202, Duluth, MN 55804, objecting to the proposed assessment due to their lack of use of the alley which was improved and noting that they have sold their home effective November 14, 2018.
5. A petition dated March 5, 2018, from Laurie M. Myrdal, Neal R. Myrdal, Louise I. Johnson and Terrance L. Johnson, requesting that the project identified as Project "B" 13th Street be discontinued.

6. An invoice from Terrance L. Johnson 1302 8th Avenue in the amount of \$17,488.00 for street repair, snow plowing from 1975 through 1991 and past due charges.
7. A letter from Terry Johnson, 1302 8th Avenue, inquiring about the assessment for sanitary sewer connection.

President Woodruff asked three times if anyone else was present who wished to speak in favor of or against the proposed assessment. There was no one else present who wished to speak in favor of or against the proposed assessment. He also stated that anyone who wished to express written objection to the proposed assessment must do so prior to the adjournment of the public hearing. He noted that Clerk Nordean had forms for anyone who wished to submit a written objection. Woodruff waited to allow time for those individuals wishing to complete and submit written objections to the clerk.

The following individuals submitted written objections to the City Clerk at the meeting: Joshua Haynes, 302 Fourth Avenue; Andrew Johnston, 731 Eighth Avenue; Nicole Johnson, 611 Ninth Avenue; Lanette Jacoby, 411 Second Avenue; and Kathy Bata, 601 Ninth Avenue.

Motion by Swanson and Glaser that **RESOLUTION NO. 11-328-18 ADOPTING ASSESSMENT ROLL FOR THE 2018 STREET AND ALLEY IMPROVEMENT PROJECT** be adopted as read. Carried by a unanimous yea vote of all members present on roll call.

Motion by Swanson and Glaser adjourning Public Hearing. Carried.

At 7: 02 p.m., motion by Norberg and Jussila calling for a short recess. Carried.

At 7:09 p.m. President Woodruff reconvened the meeting.

President Woodruff recommended the following changes to the agenda: 1) changing Consent Agenda Item Number 9 to allow for a \$40 per month rate for long-term tie-downs on the ramp at the Airport, rather than \$30; 2) changing Consent Agenda Item Number 21 to also include Jamie Cavallin; and 3) adding “and setting the date and time for the bid opening as 2 p.m. on Wednesday, January 16, 2019” to New Business Item Number 1.

Motion by Norberg and Jussila approving the agenda with the changes as recommended by President Woodruff. Carried.

Public Works Committee:

Councilor Glaser reported on a recent meeting of the Public Works Committee where the committee worked with staff and the architects on the final details for the replacement of

the east bath house at the Campground and made a recommendation for approval of the plans and specifications.

Finance and Budget Committee:

Councilor Norberg reported on a recent meeting of the Finance and Budget Committee where the group reviewed the second and third quarter financial statements and worked on the tax levy for 2019. Norberg complimented the department heads on managing their budgets throughout the year.

Consent Agenda:

President Woodruff announced that 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 council member, staff member or member of the public feels warrants discussion, they may request that it be removed from the consent agenda and dealt with individually under New Business. Motion by Norberg and Redden that the following consent agenda items:

1. Approving minutes from the November 13, 2018 regular and special City Council meetings.
2. **RESOLUTION NO. 11-329-18 ALLOWING CLAIMS AGAINST THE CITY OF TWO HARBORS IN THE AMOUNT OF \$ 1,385,484.53.**
3. Approving payroll for the first half of November, 2018 in the amount of \$237,713.17.
4. Referring certain requests from the Heritage Days Committee to the Finance and Budget Committee. Carried.
5. **RESOLUTION NO. 11-330-18 AUTHORIZING A GRANT APPLICATION TO COOPERATIVE LIGHT & POWER ASSOCIATION OF LAKE COUNTY FOR HERITAGE DAYS.**
6. **RESOLUTION NO. 11-331-18 AUTHORIZING A GRANT APPLICATION TO THE TWO HARBORS AREA FUND FOR HERITAGE DAYS.**
7. Accepting the resignation of Connie Schaffer from the City Recreation Board, with regret, and authorizing a letter of appreciation for her service.
8. Denying the request of Stacy Cavallin for relief of a penalty charged on her utility account.
9. **RESOLUTION NO. 11-332-18 ACCEPTING THE RECOMMENDATION OF THE AIRPORT COMMISSION TO**

ESTABLISH LONG-TERM TIE-DOWN RATES FOR PLANES LEFT ON THE RAMP FOR PERIODS OF A MONTH OR MORE AT A RATE OF \$40 PER MONTH.

- 10. RESOLUTION NO. 11-333-18 AUTHORIZING PAYMENT TO FRYBERGER, BUCHANAN AND SMITH FOR PROFESSIONAL SERVICES FOR THE G.O. BOND FOR THE MAIN LIFT STATION PROJECT IN THE AMOUNT OF \$2,549.46.**
- 11. RESOLUTION NO. 11-334-18 AUTHORIZING PAYMENT TO BEST CONCRETE IN THE AMOUNT OF \$2,920 FOR CONCRETE FOR THE SEGOG PARK BUILDING.**
- 12. RESOLUTION NO. 11-335-18 AUTHORIZING PAYMENT TO UNIQUE PAVING MATERIALS CORP. IN THE AMOUNT OF \$2,968.15 FOR COLD-MIX FOR THE PUBLIC WORKS DEPARTMENT.**
- 13. RESOLUTION NO. 11-336-18 AUTHORIZING PAYMENT TO BOLTON & MENK IN THE AMOUNT OF \$27,522.50 FOR PROFESSIONAL SERVICES FOR THE 2018 STREET & ALLEY IMPROVEMENT PROJECT.**
- 14. RESOLUTION NO. 11-337-18 AUTHORIZING PAYMENT TO BOLTON & MENK IN THE AMOUNT OF \$19,259.50 FOR PROFESSIONAL SERVICES FOR THE PROPOSED 2019 STREET & ALLEY IMPROVEMENT PROJECT.**
- 15. RESOLUTION NO. 11-338-18 AUTHORIZING PAYMENT TO BOLTON & MENK IN THE AMOUNT OF \$4,930 FOR PROFESSIONAL SERVICES RELATED TO THE SIGNIFICANT INDUSTRIAL USER AGREEMENT FOR CASTLE DANGER BREWING.**
- 16. RESOLUTION NO. 11-339-18 AUTHORIZING PAYMENT TO BOLTON & MENK IN THE AMOUNT OF \$67,212.50 FOR THE WASTEWATER TREATMENT FACILITY UPGRADE PROJECT.**
- 17. RESOLUTION NO. 11-340-18 AUTHORIZING PAYMENT TO BOLTON & MENK IN THE AMOUNT OF \$8,767.75 FOR THE TWO HARBORS MAIN LIFT STATION IMPROVEMENT PROJECT.**
- 18. RESOLUTION NO. 11-341-18 AUTHORIZING AN APPLICATION FOR A BIKEABLE COMMUNITY WORKSHOP THROUGH BIKE**

MN IN PARTNERSHIP WITH MN DOT AND THE DEPARTMENT OF HEALTH.

19. **RESOLUTION NO. 11-342-18 APPROVING THE 2018 SECOND AND THIRD QUARTER FINANCIAL STATEMENTS FOR THE CITY.**
20. **RESOLUTION NO. 11-343-18 ELECTING THE OPTION TO NOT WAIVE THE MONETARY LIMITS ON MUNICIPAL TORT LIABILITY.**
21. Approving the request of the Chief of Police to allow Nate Gens and Jamie Cavallin to attend Background Investigations for Public Safety in St. Paul.
22. **RESOLUTION NO. 11-344-18 DECLARING THIRD AND FINAL READING OF ORDINANCE NO. 117, SECOND SERIES, AN ORDINANCE ENACTING AND ADOPTING A SUPPLEMENT TO THE CODE OF ORDINANCES FOR THE CITY OF TWO HARBORS.**

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

New Business:

Motion by Glaser and Redden that **RESOLUTION NO. 11-345-18 APPROVING THE PLANS AND SPECIFICATIONS FOR THE EAST SIDE BATH HOUSE AT BURLINGTON BAY CAMPGROUND AND AUTHORIZING AN ADVERTISEMENT FOR BIDS FOR THE PROJECT AND SETTING THE DATE FOR THE BID OPENING AT 2 P.M. ON WEDNESDAY, JANUARY 16, 2018** be adopted as read. Carried by a unanimous yea vote of all members present on roll call.

Motion by Jussila and Swanson that **RESOLUTION NO. 11-346-18 APPROVING CONSENT TO ACCEPT CONVEYANCE OF TAX DELINQUENT PROPERTIES TO THE STATE OF MINNESOTA** be adopted as read. Carried by a unanimous yea vote of all members present on roll call.

Announcements:

Mayor Swanson congratulated Neighbor to Neighbor on completion of their new youth center. He reported that he and Administrator Walker were in attendance at a Rescape Event in which Castle Danger Brewing was presented an award for their Brownfield Project. He also reported on the Chamber of Commerce's Shop Local Contest and the early deadline for the Two Harbors Area Fund grant applications. He discussed an issue that Castle Danger Brewing is working on regard to a state law that involves a cap on amount of beer produced and once that is met, they would no longer be allowed to sell growlers at their taproom. They are working to get legislation passed to change the law

and will be looking for support from the community as they work toward getting that changed.

Clerk Nordean reminded everyone of the change in schedule for City Council meeting dates in December due to the holidays. The Regular City Council meetings and Committee of the Whole/Agenda meetings will be held on TUESDAYS, December 4 and December 11, 2018.

Motion by Norberg and Jussila that the meeting adjourn. Carried.

Miles Woodruff, City Council President

Patricia D. Nordean, City Clerk