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March 14, 2022

Regular meeting of the City Council of the City of Two Harbors, Minnesota, held on Monday, March 14, 2022, at 6:00 p.m.

The meeting was called to order by President Redden.

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

Members absent, Councilor: Erickson. 1.

Others present: Interim Administrator/Finance Director, Pietila  
City Clerk, Nordean  
Community Development/Planner, Sterbenz  
City Attorney, Costley.

At 6:04 PM, Mayor Swanson left the meeting and did not return.

Clerk Nordean requested the following changes to the agenda: add Consent Agenda Item 16. Approving the request of the Public Works Director to allow Jesse Hennen to attend Class A Truck & Trailer School in Plymouth; and 17. Referring to the Public Affairs Committee a proposed ordinance amendment to the City Code regarding committee and commission appointments.

Motion by Woodruff and Glaser approving the agenda with the recommended changes. Carried by a unanimous yeas vote of members present at the meeting.

**Appearances:**

John Ramos, Investigative Reporter with the Duluth Monitor, was present and expressed appreciation to the Council and Mayor for making his life interesting. He went on to state that the ongoing investigations surrounding Mayor Swanson are serious and that he believes that there may be people facing jail before this is all over.

Thomas Koehler, 814 Fifth Avenue, was present and addressed the Council regarding trust, decisions and consequences of those decisions. He explained that he has come to trust the City Councilors and trusted that their decisions would result in a benefit to the City. He indicated his belief that recent events have shown that the Mayor's decisions have been shown to be flawed, and expressed his belief that the Mayor has two choices, to resign or face the City and the consequences of his decisions.

CA.1 3/28/22

Katelyn Cobbs, was present and expressed concern with what she is seeing recently. She reminded the Council that she had previously come before them with her concerns regarding the Mayor bringing partisan politics and naming the town in those politics. She expressed her desire that the City be remembered for being a good community, to have full transparency and honesty in how we are running things. She indicated that she wished Swanson had stayed in the meeting and doesn't know if the future of the City should include Mayor Swanson. She stated that she doesn't want to live in a City that is the laughing stock of the State, but would like to be in a City that is instead known for its beautiful lake and the community we can build here.

Sharon Erickson-Ropes, was present and addressed the Council. She expressed that she wished the Mayor was there, because she wanted to speak with him, as well as the Council. She explained that for the last year she has been hearing concerns about the Mayor's activities and recently in the headlines and now an investigation by the State Auditor. She explained that people in the City are horrified and do not want (our City) to be in the headlines for corruption. She explained that Mayor Swanson has lost the faith of the citizens and asked him to show true leadership and dignity by stepping down. She asked him to put Two Harbors' interests above his own ambitions, noting that she believes it is the right thing to do for the City's reputation and for the hometown people that she knows he cares about.

Clerk Nordean was present and provided a presentation regarding the redistricting plan. She provided a brief overview of the laws which require redistricting every ten years, explaining that the purpose of redistricting is to ensure equal representation for our citizens, and reviewed the process used to come up with the recommended changes to ward boundary lines within the City. She shared a map indicating proposed changes to ward boundary lines and recommended that the Council consider adopting these changes.

Councilor Rennwald expressed appreciation to the staff for the work involved in putting this information together.

**Administrator Report:**

Pietila reported that Community Development Planner Sterbenz had testified at the Capital earlier in the day on a bill which would transfer ownership of certain parcels along the waterfront from the DNR to the City. She expressed appreciation to Ms. Sterbenz for her work on this effort.

Pietila also reported that she has been working with State Representative Julie Stansky, on a bill which would provide relief, in the form of a tax credit for municipal utility customers who were affected by significant gas price increases resulting from the Polar Vortex in February of 2021. She encouraged councilors and citizens to reach out to their representatives in support of this bill.

Pietila went on to express the City's sincere appreciation to Senators Tina Smith, Pete Stauber and Amy Klobuchar, for their hard work and diligence in getting \$3.5 million in funding secured for the City's Wastewater Treatment Plant Project through the EPA.

**Planning Commission:**

Vice President Glaser reported that at their meeting earlier in the month, the commission reviewed language regarding short term rentals and discussed capping the number of permits available.

**Trees & Trails Commission:**

Councilor Rennwald reported that at their last meeting, the commission reviewed a proposal by Friends of the Trees & Trails Commission to do a tree-planting project within the City. She also discussed a proposed Arbor Day project in conjunction with the school district for compliance with Tree City USA status. The group also discussed trails within the City in relation to Highway 61.

**Utilities Committee:**

Glaser reported on the March 9 meeting of the Utilities Committee where they discussed the Industrial User Agreement with Castle Danger and a cable location contract for railroad property as well as recommending approval travel for the Water and Wastewater Treatment Facility Superintendent. Glaser also discussed concerns expressed by the Electrical Superintendent associated with a significant backorder for ordering transformers.

**HRA:**

Glaser reported that the HRA met and welcomed their new member, Phil Arnold. She also noted that Robert Norlen has been elected to serve as Chair of the board. The group discussed policies, procedures and bylaws with a goal of creating a resident advisory committee and the creation of a new-member packet for HRA committee members.

**Public Works Committee:**

Councilor Rennwald provided a review of items discussed at the Public Works Committee meeting including winter parking concerns as well as the proposed sidewalk project, locations of fences along public sidewalks.

Council President Redden announced the assignment of Liquor Store Ad Hoc Committee Members as Redden and Rennwald.

Council President Redden announced the Assignment of Strategic Plan RFP Review Ad Hoc Committee Members as Glaser and Woodruff.

Redden reported that the Ad Hoc Committee on Ethics will be meeting next week to consider recommendations for the Council regarding items which have been brought forth regarding Mayor Swanson.

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

1. Approving minutes from the February 14 and 28, 2022 City Council meeting.
2. **RESOLUTION NO. 3-76-22 ALLOWING CLAIMS AGAINST THE CITY OF TWO HARBORS, IN THE AMOUNT OF \$2,877,369.42.**
3. Approving payroll for the second half of February, 2022, in the amount of \$228,075.84.
4. A memorandum from Joe Rhein and Brian Guldan, Bolton & Menk, providing engineering project updates.
5. Accepting, with regret, a letter from Cassandra Beardsley, providing her resignation from the HRA, and authorizing a letter of appreciation for her service,
6. A letter from Captain Gerald Swanson, US Coast Guard, Retired, expressing pride in City leadership for recent improvements made to the City and noting his excitement for the 2022 Festival of Sails coming to our City.
7. A communication from Joe Rhein, Bolton & Menk providing details of the 2022 engineering budget for 2021 – 2022 Street Improvement Project.
8. **RESOLUTION NO. 3-77-22 AUTHORIZING PAYMENT TO LAKEHEAD CONSTRUCTORS FOR PAY APPLICATION NO. 4 FOR THE WWTP PROJECT IN THE AMOUNT OF \$270,750.**
9. **RESOLUTION NO. 3-78-22 AUTHORIZING THE PURCHASE OF A NEW ELECTRICAL CABINET FROM EMI FOR FUTURE POWER AT VAN HOVEN PARK AND TO USE FOR TEMPORARY POWER AT FESTIVAL OF SAILS FOR AN AMOUNT OF \$12,428.00**
10. Approving the recommendation of the Utilities Committee to authorize the Water and Wastewater Treatment Plant Superintendent to attend the Rural Water Rally in Washington, DC with the MN Rural Water Association.
11. Authorizing expenses for the City Clerk to attend the Minnesota Clerks and Finance Officers Association Annual Conference in St. Cloud.
12. Authorizing an internal bulletin for the position of Full Time Patrol Officer in the Police Department.
13. Designating certain Library materials as discarded equipment and authorizing its disposal.
14. **RESOLUTION NO. 3-79-22 AUTHORIZING THE MAYOR AND CITY CLERK TO EXECUTE AND DELIVER AN AGREEMENT WITH ENVISIONWARE TO**

**PROVIDE PRINT MANAGEMENT SERVICES, HARDWARE AND SOFTWARE FOR THE LIBRARY.**

15. Accepting the recommendation of the Trees & Trails Commission to authorize Friends of the Trees & Trails Commission to perform their annual tree planting in the Lighthouse Point area as well as in Lakeview Park.
16. Approving the request of the Public Works Director to allow Jesse Hennen to attend Class A Truck & Trailer School in Plymouth.
17. Referring to the Public Affairs Committee a proposed amendment to the City Code regarding committee and commission appointments.

Be adopted as read. Carried by a unanimous vote of all members present at the meeting.

**New Business:**

Motion by Glaser and Woodruff that **RESOLUTION NO. 3-80-22 ESTABLISHING WARDS AND POLLING PLACES IN THE CITY OF TWO HARBORS** be adopted as read. Carried by a unanimous ye vote of all members present at the meeting.

Motion by Woodruff and Rennwald that **RESOLUTION NO. 3-81-22 AUTHORIZING AN AGREEMENT BETWEEN THE CITY OF TWO HARBORS AND DRAW EVENTS TO PROVIDE INDEMNIFICATION FOR THE CONTRACT FOR USE OF THE USAED** be adopted as read. Carried by a unanimous ye vote of all members present at the meeting.

Motion by Rennwald and Woodruff that **RESOLUTION NO. 3-82-22 AUTHORIZING THE MAYOR AND CITY CLERK TO EXECUTE AND DELIVER A LETTER OF AGREEMENT BETWEEN THE UNITED STATES OF AMERICA AND THE CITY OF TWO HARBORS AND DRAW EVENTS FOR USE OF THE USAED** be adopted as read. Carried by a the following vote: Yeas: Woodruff, Rennwald, Passe, Redden. Opposed: Glaser. 1.

Motion by Woodruff and Glaser that **RESOLUTION NO 3-83-22 RECEIVING FEASIBILITY REPORT AND CALLING FOR A PUBLIC HEARING FOR 6 PM, OR AS SOON THEREAFTER AS POSSIBLE, ON MARCH 28, 2022 ON THE PROPOSED 2022 SIDEWALK IMPROVEMENT PROJECT** be adopted as read. Carried by a unanimous ye vote of all members present at the meeting.

**Announcements:**

Councilor Rennwald expressed appreciation to the City for allowing her to attend the Capital Days and described her experience as fantastic, eye-opening and educational.

Vice President Glaser expressed appreciation to the members of the public who provided comments earlier in the meeting. She stated that the Council is taking this issue very seriously, listening to their concerns and will continue to do so. She expressed that they are taking them into consideration and the Council will continue to do their due diligence as directed by their oath of

office to continue to review these issues with legal counsel. She asked for patience during this process.

Motion by Glaser and Passe that the meeting adjourn. Carried by a unanimous yea vote of all members present at the meeting.

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Ben Redden, President, City Council

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Patricia D. Nordean, City Clerk