December 7, 2020

Regular meeting of the City Council of the City of Two Harbors, Minnesota, held on Monday, December 7, 2020, at 6:00 p.m. via zoom video conference.

The meeting was called to order by President Glaser.

Members present, Councilors: Woodruff, Redden, Rennwald, Swanson, Jussila, Erickson, Glaser. 7.

Others present: Administrator Walker
Finance Director, Pietila
City Clerk, Nordean
City Community Development Planner, Sterbenz
City Attorney, Overom

Clerk Nordean requested that Consent Agenda Item No. 10, Hiring Adam Pybas for the position of Mechanic in the Public Works Department be added to the agenda.

Motion by Woodruff and Redden approving the agenda with the change proposed by the clerk. Carried.

Motion by Rennwald and Woodruff adjourning the regular meeting and calling to order a public hearing to receive public input regarding the 2021 Tax Levy & Budget. Carried.

Communications:
Clerk Nordean reported that a communication was received from Nancy Aleff, 924 Eleventh Avenue, inquiring what the increases are based on this year, why all in one year and if Minnesota has a maximum percentage increase for one year. President Glaser noted that some of Ms. Aleff’s questions would likely be addressed in the presentation by Finance Director Pietila, which was the next item on the agenda.

Appearances:
Finance Director, Pietila, was present and provided a presentation reviewing the proposed 2021 budget and subsequent property tax impact, which includes a proposed Levy of 2% for 2021. She discussed factors influencing the recommended budget and provided graphs representing anticipated revenues and expenditures for the General Fund as well as a breakdown of where property tax dollars go. She reported that the proposed 2021 General Fund Budget is $4,878,400 and the proposed 2021 City Tax Levy is $2,251,311 which amounts to an annual increase of $82 or $7 per month, for a median valued home.
Nancy Aleff, 924 Eleventh Avenue, was present and addressed the Council noting that she is aware that the increase in market value for her property when combined with the County, School and City tax levies has created a more significant impact on her property taxes.

Councilor Erickson explained that increases in market value can be due to factors such as property sales in her neighborhood, improvements to her own property or rotational property assessments within the City. She noted that there is an opportunity to address concerns regarding market value in the spring of the year, with the County Board of Review.

Erickson reported that the Finance and Budget Committee was mindful of the effects that the pandemic has had on the local economy when they made their recommendations, keeping the increase to a minimum. She expressed appreciation to Finance Director Pietila for her presentation and all her work with the Finance Committee in preparing the budget and levy.

Councilor Woodruff expressed pride in the work that was done on the budget, noting that he felt that they did all that they could to keep the increase to a minimum. He thanked Pietila for her assistance with this process.

Councilor Redden reported that he was happy that the group was able to keep the increase as low as possible while considering sustainability of the community. He also expressed appreciation for Pietila’s work through the process.

Motion by Redden and Jussila adjourning the public hearing and reconvening the regular meeting. Carried.

Administrator Report:
Administrator Walker reported there will be a public hearing at 6 PM on Monday, December 14 for the purpose of receiving public input on the proposed Capital Improvement Plan. At the regular meeting, the Council will recognize employee milestones. In addition, there will be a meeting at 7 PM that same evening for the purpose of discussing the Wastewater Treatment Plant.

Planning Commission:
President Glaser reported on the December 1 meeting of the Planning Commission where they reviewed plans for 2021, discussed the zoning update and housing.

Finance and Budget Committee:
Councilor Erickson reported that at their meeting of December 2, the committee reviewed the proposed tax levy and budget for 2021.

Utilities Committee:
Councilor Redden reported that at their meeting of December 2, the committee reviewed the Wastewater Treatment Plant Project and 2021 utility projects with department heads. In addition, they discussed proposed water and sewer utility rate increases and recommended a three percent increase.
Library Board:
Councilor Rennwald reported on the December 1 meeting of the Library Board where the group determined which art would be displayed in the building throughout 2021. They discussed making application for grant funding for the installation of a mural in the children’s section of the Library. She noted that the Library Board is in need of an additional member.

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

1. RESOLUTION NO. 12-344-20 ALLOWING CLAIMS AGAINST THE CITY OF TWO HARBORS TO BE PAID ON DECEMBER 8, 2020, IN THE AMOUNT OF $392,755.25.

2. Approving payroll for the second half of November, 2020, in the amount of $217,567.09.

3. A communication from Theresa Sunde, Senior Manager of Government Relations for Mediacom, providing notice of a rate adjustments.

4. RESOLUTION NO. 12-345-20 AUTHORIZING THE HERITAGE DAYS COMMITTEE TO MAKE APPLICATION FOR GRANTS FROM THE TWO HARBORS AREA FUND AND COOPERATIVE LIGHT & POWER FOR THE 2021 HERITAGE DAYS CELEBRATION.

5. Referring the requests of the Heritage Days Committee for the 2021 Heritage Days Celebration to staff for review and recommendation.

6. Recommending that the Public Library remain open unless directed otherwise by State or Federal requirements.


8. RESOLUTION NO. 12-347-20 ADOPTING A TREE REPLACEMENT POLICY.

9. Elect the option to NOT waive the monetary limits on municipal tort liability.

10. RESOLUTION NO. 12-348-20 HIRING ADAM PYBAS FOR THE POSITION OF MECHANIC IN THE PUBLIC WORKS DEPARTMENT.

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

New Business:
Motion by Redden and Erickson that RESOLUTION NO. 12-349-20 ESTABLISHING THE PROPERTY TAX LEVY FOR TAXES PAYABLE IN THE YEAR 2021 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 Rennwald and Swanson that **RESOLUTION NO. 12-350-20 ESTABLISHING THE 2021 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 Jussila and Woodruff that **RESOLUTION NO. 12-351-20 ADOPTING THE 2021 WATER AND SEWER RATES EFFECTIVE JANUARY 1, 2021** be adopted as read. Carried by a unanimous yea vote of all members present on roll call.

**Announcements:**
President Glaser reminded councilors that committees and commissions will carry on with existing members until new members are appointed following the Council’s organizational meeting.

Mayor Swanson expressed appreciation to the City department heads for their presentations at the last meeting. He also stated that the City Charter says that when somebody’s been in that position for a couple of years, it gets to be another person’s turn for Council offices and that he feels that Councilors should not wait until the night of the organizational meeting to discuss who should be selected for those positions.

Councilor Erickson expressed appreciation to Finance Director Pietila, Clerk Nordean, Administrator Walker, City Department Heads and the Finance Committee for their work on the 2021 Budget.

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

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Robin M. Glaser, President, City Council

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Patricia D. Nordean, City Clerk