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June 27, 2022

Regular meeting of the City Council of the City of Two Harbors, Minnesota, held on Monday, June 27, 2022, at 6:00 p.m.

The meeting was called to order by President Redden.

Members present, Councilors: Woodruff, Glaser, Rennwald, Redden. 4.

Members absent, Councilors: Swanson, Passe, Erickson. 3.

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

Clerk Nordean requested the addition of New Business 4. [R] Consider authorizing Bolton & Menk to prepare preliminary design concepts for two tunnels to move ATV and snowmobile traffic across Highway 61 at each end of the City for an amount not to exceed \$50,000.

Motion by Woodruff and Glaser approving the agenda with the changes recommended by the clerk. Carried by a unanimous yeas vote of members present on roll call.

**Appearances:**

Paul Iversen, 809 Third Avenue, was present and addressed the Council requesting a report for all expenses related to the lawsuit. Finance Director, Pietila reported that she has not yet received billing from Attorney Nauen, however, the fees to date from Attorney Costley amount to \$6,240.

Lisa Knight, 3452 Drummond Grade, was present and addressed the Council regarding THEDA appointments, expressing concern with the appointment of employees of Mayor Swanson to this commission and the recommendation by a commission member to not acquire the services of SCPDC due to their being in competition with Garage Starts. Mrs. Knight recommended that Mayor Swanson be removed from all City committees and commissions.

Jean Sewell, Executive Director of North Shore Horizons, was present and addressed the Council providing information regarding sexual assault victims, offering contact information to provide guidance and support for Councilors who may have questions regarding legal matters related to public discussion regarding sexual assault victims. She requested that the Council consider allowing sexual assault victims to speak.

Brian Entzion, 287 East First Street, Knife River, was present and addressed the Council regarding Mayor Swanson's abuse of public confidence and lack of honesty.

Deanne Royce, 419 Eleventh Avenue, was present and addressed the Council expressing concern with the Tall Ships Festival being too large for the community. She reported her belief that people who live here don't want to pay for the event and it will be a burden for the community.

**Utilities Committee:**

Vice President Glaser reported that at their meeting held on June 15, the committee reviewed the wastewater treatment project designs and discussed the Significant User Agreement with Castle Danger Brewing.

**Public Affairs Committee:**

Councilor Rennwald and Vice President Glaser reported on the June 16, 2022 meeting of the Public Affairs Committee where they discussed proposed changes to the City Code regarding commission appointments, residency requirements for commission membership, the Neighborhood Revitalization Mini Grant Program, rules for public appearances at City Council meetings, Zoom meetings and compensation for elected officials. They noted that language for the proposed changes is being drafted by Attorney Costley and will be reviewed by the committee before recommendations are made to the Council.

**Liquor Store Ad Hoc Committee:**

Councilor Rennwald reported that the committee met and discussed various parcels which could be considered for the construction of a new liquor store. She indicated that one of the parcels that the City had looked at is located on Seventh Avenue, but when combined with the recently purchased property and the existing store property, would not provide adequate space for a larger store with an increased number of on-site parking spaces. She noted that based on this information, the group was focusing on another site and will continue to investigate other options.

**Finance Committee:**

Council President Redden reported that at their June 20 meeting, they discussed finance options for expenses related to the Festival of Sails.

Motion by Woodruff and Glaser 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 May 9 and 23 and June 13, 2022 Regular City Council meetings.

2. **RESOLUTION NO. 6-164-22 ALLOWING CLAIMS AGAINST THE CITY OF TWO HARBORS TO BE PAID ON JUNE 28, 2022 IN THE AMOUNT OF \$1,890,226.44.**
3. Approving payroll for the first half of June, 2022 in the amount of \$242,363.60.
4. **RESOLUTION NO. 6-165-22 AUTHORIZING PAYMENT TO BOLTON & MENK IN THE AMOUNT OF \$38,347.85 FOR ENGINEERING CONSTRUCTION SERVICES FROM APRIL 16 – MAY 13, 2022 FOR THE WASTEWATER TREATMENT PLANT PROJECT.**
5. **RESOLUTION NO. 6-166-22 AUTHORIZING PAYMENT TO BOLTON & MENK IN THE AMOUNT OF \$1,312.50 FOR ENGINEERING SERVICES FROM APRIL 2 – 29, 2022, FOR GIS MAPPING UPDATES, AUDIT ASSISTANCE WITH PROJECT FINANCIAL INFORMATION AND RUSTIC CREEK CONSTRUCTION PLAN REVIEW AND COMMENTS.**
6. **RESOLUTION NO. 6-167-22 AUTHORIZING PAYMENT TO BOLTON & MENK IN THE AMOUNT OF \$1,947.00 FOR PROFESSIONAL SERVICES FOR THE 2023 – 2024 STREET & ALLEY IMPROVEMENT PROJECT FROM APRIL 26 – 29, 2022.**
7. **RESOLUTION NO. 6-168-22 AUTHORIZING PAYMENT TO BOLTON & MENK IN THE AMOUNT OF \$395.50 TO PROVIDE PROFESSIONAL SERVICES FOR THE MNDOT HIGHWAY 61 RECONSTRUCTION PROJECT.**
8. **RESOLUTION NO. 6-169-22 APPROVING PLANS FOR RESURFACING OF COUNTY STATE-AID HIGHWAY (CSAH) 26.**
9. **RESOLUTION NO. 6-170-22 AUTHORIZING ADDITIONAL PAYMENT IN THE AMOUNT OF \$1,500 TO NORTHERN ELITE EPOXY FOR ADDITIONAL LABOR AND MATERIALS FOR EPOXY FLOOR COATING AT THE CAMPGROUND BATHHOUSE FOR A TOTAL AMOUNT OF \$7,500.**
10. **RESOLUTION NO. 6-171-22 AUTHORIZING PAYMENT TO LAKE COUNTY FOR PAY APPLICATION NO. 15 IN THE AMOUNT OF \$112,200.68 FOR THE 2021 – 2022 STREET IMPROVEMENT PROJECT.**
11. **RESOLUTION NO. 6-172-22 APPROVING CHANGE ORDER NO. 7 FOR THE 2021 – 2022 STREET IMPROVEMENT PROJECT FOR THE MINNEHAHA SCHOOL SEWER SERVICE TO INCREASE THE PROJECT COST BY AN AMOUNT OF \$51,640, WITH THE CITY’S SHARE AT \$13,275.**
12. Accepting with regret, the resignation of Samuel Martinen from the Charter Commission and authorizing a letter of appreciation for his services.
13. **RESOLUTION NO. 6-173-22 CERTIFYING AN ASSESSMENT AGAINST THE PROPERTY LOCATED AT 515 TENTH AVENUE FOR CERTAIN DELINQUENT UTILITY CHARGES IN THE AMOUNT OF \$1,451.**

14. **RESOLUTION NO. 6-174-22 AUTHORIZING THE MAYOR AND CITY CLERK TO EXECUTE AND DELIVER A GRANT AGREEMENT BETWEEN THE CITY OF TWO HARBORS AND TWO HARBORS AREA FUND FOR EXTENSION OF THE GRANT DEADLINE FROM DECEMBER 31, 2022 TO NOVEMBER 1, 2023, FOR THE TWO HARBORS TRAIL PROJECT, DUE TO PROJECT DELAYS.**
15. **RESOLUTION NO. 6-175-22 APPROVING THE RENEWAL OF MASSAGE THERAPY LICENSES FOR JUDY WICK AND AMY SPEECE, AT 601 SEVENTH AVENUE.**
16. Approving the Special Event Permit of Carey Hogenson for the Play Ball Minnesota – Baseball/Softball Clinic put on by the Minnesota Twins to be held at Odegard Park on July 8, 2022 from 10 AM - 6 PM.
17. Moving forward with the Party in the Park event, sponsored by the City, to be held on August 28, 2022 at Thomas Owens Park/Bandshell.

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

**Communications:**

1. A letter from Chuck Hays, 1483 Summit Shores Dr., Burnsville, MN 55306, expressing his displeasure with the condition of City streets.
2. A note from Castle Danger Brewery, expressing appreciation for working with them in approving their off-sale license so that they could begin selling growlers within one week of the adoption of the revised language.
3. A memorandum from Joe Rhein, Bolton & Menk, providing a status update on the 2021 – 2022 Street Improvement Project.
4. A memorandum from Joe Rhein, Bolton & Menk, regarding Lake County CSAH 26 Mill & Overlay Project and City approval of plans.

**Unfinished Business:**

Motion by Rennwald and Woodruff that **RESOLUTION NO. 6-176-22 AUTHORIZING A FUNDING PLAN FOR RECOVERY OF CITY EXPENSES ASSOCIATED WITH THE FESTIVAL OF SAILS, 2022** be adopted as read. Carried by a unanimous yea vote of all members present on roll call.

Other.

**New Business:**

Motion by Woodruff and Rennwald that **RESOLUTION NO. 6-177-22 APPROVING THE REQUEST OF TWIN PORTS ENTERTAINMENT AND LOVIN LAKE COUNTY FOR A SPECIAL EVENT PERMIT WHICH INCLUDES STREET CLOSURES AND ELECTRICAL CONNECTION FOR A SHENANDOAH CONCERT TO BE HELD ON AUGUST 20, 2022, IN THE PARKING LOT LOCATED IN THE 500 BLOCK BETWEEN SOUTH AVENUE AND THE ALLEY SOUTH OF FIRST AVENUE, PENDING THE**

**RECEIPT OF APPROVAL OF 75% OF THE AFFECTED PROPERTY OWNERS AND AUTHORIZATION FROM LAKE COUNTY FOR PERMISSION TO USE AND CONDUCT LIQUOR SALES ON THEIR PROPERTY** be adopted as read. Carried by a unanimous yea vote of all members present on roll call.

Motion by Woodruff and Rennwald that **RESOLUTION NO. 6-178-22 AUTHORIZING A GRANT AGREEMENT BETWEEN THE CITY OF TWO HARBORS AND LOVIN LAKE COUNTY FOR THE PURPOSE OF PROVIDING FUNDING ASSISTANCE FOR CERTAIN COSTS ASSOCIATED WITH THE 2022 FESTIVAL OF SAILS, WHICH INCLUDES A CITY MATCH IN THE AMOUNT OF \$50,000** be adopted as read. Carried by a unanimous yea vote of all members present on roll call.

Motion by Woodruff and Rennwald authorizing the City Attorney to draft an agreement with Draw Events requiring a payment bond covering reimbursement of expenses and payment of vendor fees, and to provide indemnification for the City. Carried.

Motion by Rennwald and Glaser that **RESOLUTION NO. 6-179-22 AUTHORIZING BOLTON & MENK TO PREPARE PRELIMINARY DESIGN CONCEPTS FOR TWO TUNNELS – ONE ON THE WEST END OF TOWN AND ONE ON THE EAST END OF TOWN TO BE USED BY ATV'S AND SNOWMOBILES FOR SAFETY PURPOSES** be adopted as read. Carried by the following vote: Yeas: Glaser, Rennwald, Redden. 3. Nays: Woodruff. 1.

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

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Ben Redden, President, City Council

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Patricia D. Nordean, City Clerk