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September 28, 2020

Regular meeting of the City Council of the City of Two Harbors, Minnesota, held on Monday, September 28, 2020, at 6:07 p.m. via Zoom video conference.

The meeting was called to order by President Glaser.

Members present, Councilors: Woodruff, Redden, Rennwald, Jussila, Erickson, Glaser. 6.

Members absent, Councilor: Swanson. 1.

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

At 6:08 PM, Mayor Swanson joined the meeting.

Motion by Woodruff and Jussila approving the agenda. Carried.

**Appearances:**

Finance Director, Pietila, was in attendance and presented a review of the proposed 2021 Preliminary Tax Levy. She provided background including requirements and statutory deadlines for certification to the County, explained that the preliminary levy is the base for budget work that will be brought back to the Council for budget discussions in October and November. She noted that the preliminary levy is the maximum levy that can be certified to the County Auditor in December, but the amount can be reduced prior to that time, just not increased.

Pietila reported that the public will have an opportunity to discuss the 2021 Budget and Levy at the City's Truth and Taxation Hearing, which is scheduled for 6 PM on Monday, December 7, 2020. She provided a property tax levy comparison between 2020 and 2021 for a median value home, reviewed General Fund revenues and expenditures by source, and provided an overview of where our property tax dollars go. Finally, she reported that the proposed 2021 City Tax Levy is \$2,251,311, which is an increase of \$46,282 or a 2% increase from 2020, noting the process which will be used to arrive at the final budget.

**Administrator Report:**

Administrator Walker reported that the City will begin negotiating labor contracts in the next few weeks.

**Edna G. Commission:**

Councilor Woodruff reported that the Edna G. Commission did not meet, however, committee members have been busy preparing for the arrival of Northern Bedrock, who will be completing some repair and maintenance work on the Tug in the next few weeks.

**Public Arts Commission:**

Mayor Swanson reported that at their meeting held on September 24, the commission focused on a simplified plan for the downtown area. Economic Development Planner Sterbenz reported that the simplified plan will align with the City's Comprehensive Plan. The group also discussed short and long-term goals and how they can collaborate with other committees and commissions of the City.

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

1. Approving minutes from the September 14, 2020 City Council meeting.
2. **RESOLUTION NO. 9-279-20 ALLOWING CLAIMS AGAINST THE CITY OF TWO HARBORS, IN THE AMOUNT OF \$2,124,160.07.**
3. Approving payroll for the first half of September, 2020, in the amount of \$229,036.16.
4. A letter from AFSCME, Local 1123, providing notice of their intention to re-open the current labor agreement for the purpose of collective bargaining.
5. **RESOLUTION NO. 9-280-20 AUTHORIZING AN APPLICATION TO THE DULUTH SUPERIOR AREA COMMUNITY FOUNDATION FOR A RUDBERG GRANT IN THE AMOUNT OF \$2,000 TO PURCHASE MATERIALS FOR THE JUVENILE AND TEEN AREAS OF THE LIBRARY.**
6. **RESOLUTION NO. 9-281-20 AUTHORIZING PAYMENT TO HUFFCUT IN THE AMOUNT OF \$287,500, FOR THE FINAL PAYMENT OF THE CAMPGROUND BATHHOUSE PROJECT.**
7. **RESOLUTION NO. 9-282-20 AUTHORIZING PAYMENT TO VIET & COMPANY IN THE AMOUNT OF \$66,076.06 FOR THE CASTLE DANGER MONITORING STATION PROJECT.**
8. **RESOLUTION NO. 9-283-20 AUTHORIZING PAYMENT TO BOLTON & MENK IN THE AMOUNT OF \$25,020 FOR PROFESSIONAL SERVICES FOR THE 2021 & 2022 STREET & ALLEY IMPROVEMENT PROJECT.**
9. **RESOLUTION NO. 9-284-20 AUTHORIZING PAYMENT TO BOLTON & MENK IN THE AMOUNT OF \$3,645 FOR PROFESSIONAL SERVICES FOR THE 2019 STREET & ALLEY IMPROVEMENT PROJECT.**
10. **RESOLUTION NO. 9-285-20 AUTHORIZING PAYMENT TO BOLTON & MENK IN THE AMOUNT OF \$29,850 FOR PROFESSIONAL SERVICES FOR THE**

**CHLORINE TANK AND BUILDING REPAIRS AT THE WATER TREATMENT PLANT.**

11. **RESOLUTION NO. 9-286-20 AUTHORIZING PAYMENT TO ZAHL PETROLEUM MAINTENANCE CO. IN THE AMOUNT OF \$11,839.45 FOR PAY APPLICATION NO. 5 FOR THE 2018 JET-A-FUEL SYSTEM PROJECT AT THE AIRPORT.**
12. **RESOLUTION NO. 9-287-20 AUTHORIZING PAYMENT TO KRAUSE ANDERSON IN THE AMOUNT OF \$255,138.70, FOR PAY APPLICATION NO. 5 FOR THE T-HANGAR CONSTRUCTION PROJECT AT THE AIRPORT.**
13. **RESOLUTION NO. 9-288-20 AUTHORIZING THE PURCHASE OF A USED 2007 INTERNATIONAL DURASTAR FROM MEYERS TRUCK SALES INC., FOR AN AMOUNT OF \$36,520 FOR THE PUBLIC WORKS DEPARTMENT.**
14. **RESOLUTION NO. 9-289-20 AUTHORIZING THE PURCHASE AND INSTALLATION OF A NEW SALT SANDER FOR THE PUBLIC WORKS DEPARTMENT FROM BILL'S DIESEL REPAIR FOR AN AMOUNT OF \$15,748.**
15. **RESOLUTION NO. 9-290-20 AUTHORIZING PAYMENT TO EMERGENCY APPARATUS MAINTENANCE, INC. IN THE AMOUNT OF \$2,451.87 FOR THE CITY'S PORTION OF REPAIRS TO THE T26 FIRE TRUCK RELATED TO MECHANICAL SEAL REPLACEMENT.**
16. **RESOLUTION NO. 9-291-20 ACCEPTING THE ESTIMATE OF SINNOT CONTRACTING FOR AN ADA TRAIL FROM THE STREET TO THE PAVILION AT LAKEVIEW PARK FOR AN AMOUNT OF \$3,100.**
17. Approving an updated Hangar Lease Agreement Form for the Airport.
18. **RESOLUTION NO. 9-292-20 AUTHORIZING THE EXECUTION OF A SUBORDINATION AGREEMENT WITH RESPECT TO THE REHABILITATION OF THE PROPERTY LOCATED AT 614 FIRST AVENUE, TWO HARBORS, MN.**
19. Scheduling the City Council meetings in December of 2020 for the 7<sup>th</sup> and 14<sup>th</sup>.
20. **RESOLUTION NO. 9-293-20 ACCEPTING THE RECOMMENDATION OF THE FIRE CHIEF TO APPOINT DUKE GILBERT TO THE POSITION OF VOLUNTEER FIREFIGHTER, PENDING APPROPRIATE HIRING PROTOCOLS.**
21. Authorizing the internal posting of up to two Public Works Specialist II. positions in the Public Works Department.
22. **RESOLUTION NO. 9-294-20 ACCEPTING THE INTERNAL BID OF KYLE KRULL FOR THE POSITION OF PARKS, GROUNDS AND BUILDING MAINTENANCE IN THE PUBLIC WORKS DEPARTMENT.**

23. **RESOLUTION NO. 9-295-20 APPOINTING ELECTION JUDGES FOR THE CITY OF TWO HARBORS 2020 GENERAL ELECTION.**
24. Declaring second reading of An Ordinance Enacting and Adopting a Supplement to the Code of Ordinances for the City of Two Harbors.
25. **RESOLUTION NO. 9-296-20 APPROVING AND RENEWING THE FOLLOWING LIQUOR LICENSES: NEW ON-SALE & SUNDAY ON-SALE LIQUOR FOR AMF TWO HARBORS LLC, MCQUADE'S PUB AND GRILL, ON-SALE WINE AND STRONG BEER: SPOKENGEAR GBC AND 3.2 OFF-SALE FOR HOLIDAY COMPANIES, PENDING THE APPROVAL OF THE CHIEF OF POLICE, AND THE STATE OF MN.**

Carried by a unanimous yea vote of all members present on roll call.

At approximately 6:35 PM, Mayor Swanson left the meeting.

**New Business:**

Motion by Woodruff and Jussila that **RESOLUTION NO. 9-297-20 ADOPTING THE 2021 PROPOSED PROPERTY TAX LEVY FOR THE CITY OF TWO HARBORS AND SCHEDULING THE TRUTH IN TAXATION HEARING FOR 6 PM, ON DECEMBER 7, 2020 VIA ZOOM ELECTRONIC VIDEO CONFERENCE** be adopted as read. Carried by a unanimous yea vote of all members present on roll call.

Motion by Jussila and Rennwald that **RESOLUTION NO. 9-298-20 DECLARING THE OFFICIAL INTENT OF THE CITY OF TWO HARBORS TO REIMBURSE CERTAIN EXPENDITURES PAID FROM TH STREET IMPROVEMENT FUND FOR THE 2021-2022 STREET IMPROVEMENT PROJECT FROM THE PROCEEDS OF BONDS TO BE ISSUED BY THE CITY** be adopted as read. Carried by a unanimous yea vote of all members present on roll call.

Motion by Jussila and Redden that **RESOLUTION NO. 9-299-20 APPROVING ZITO TWO HARBORS CABLE SYSTEM NEEDS ASSESSMENT REPORT FOR CITY OF TWO HARBORS FRANCHISE RENEWAL PROCEEDINGS WITH ZITO** be adopted as read. Carried by a unanimous yea vote of all members present on roll call.

At approximately 6:39 PM, Mayor Swanson joined the meeting.

Motion by Redden and Jussila that **RESOLUTION NO. 9-300-20 ACCEPTING THE RECOMMENDATION OF MAYOR SWANSON TO APPOINT SAM P. MARTTINEN AS A MEMBER OF THE CHARTER COMMISSION** be adopted as read. Carried by a unanimous yea vote of all members present on roll call.

**Announcements:**

Mayor Swanson announced that he has called a special meeting for 6 PM on Wednesday, October 7, 2020.

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