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November 22, 2021

Regular meeting of the City Council of the City of Two Harbors, Minnesota, held on Monday, November 22, 2021, at 6:00 p.m.

The meeting was called to order by President Redden.

Members present, Councilors: Woodruff, Glaser, Rennwald, Swanson, Passe. 5.

Members absent, Councilors: Erickson, Redden. 2.

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

Clerk Nordean requested the addition of Consent Agenda No. 24. Accepting the proposal of Natural Gas Consulting, LLC to provide professional services to provide a complete model of the City's natural gas system, for an amount not to exceed \$7,000; Consent Agenda No. 25. Authorizing the Mayor and City Administrator to execute a Memorandum of Understanding with the City of Silver Bay, City of Beaver Bay and the entity that provides fire department service for Finland and a presentation by Mayor Swanson in recognition of Cheryl Sundstrom's work with the Heritage Days Festival.

Motion by Woodruff and Passe approving the agenda with the changes requested by the clerk. Carried by a unanimous yea vote of all members present on roll call.

Mayor Swanson presented a plaque to Cheryl Sundstrom in recognition of her service to the City serving on the Heritage Days Committee for more than ten years. The Council and staff expressed their appreciation for her dedication to the popular City event. Sundstrom said that she couldn't do it without the assistance of her son, Ricky and daughter, Holly, Ruth and Bill Rabold and Jim Gilbert and his crew. She expressed gratitude for the help she receives each year.

Motion by Woodruff and Swanson Adjourning the regular meeting of the City Council and convening a public hearing for the purpose of considering the proposed assessments for the 2021 sidewalk improvement project. Carried by a unanimous yea vote of all members present on roll call.

Appearances:

Pietila provided a review of the assessment process and the proposed final assessment roll. She reviewed the rights of the property owners including their ability to object to or appeal the assessments. Pietila informed those in attendance that property owners may pay the assessment in

full by December 31, 2021 to avoid paying any interest, or if they pay after December 31, the assessments will be certified to Lake County and be payable with the 2022 property taxes. She noted that the term of payments is five years with an interest rate of 2.5% per year. She reported that any assessments to Lake County require a one-time fee of \$50, payable to Lake County.

Mayor Swanson expressed appreciation to Jim Gilbert, Interim Public Works Director, for his work in coordinating the sidewalk improvement project.

Chairperson, Glaser asked if there was anyone present who wished to speak in favor of or against the proposed assessment. There was no one present who wished to address the hearing.

Motion by Woodruff and Rennwald adjourning the public hearing and reconvening the regular meeting of the Two Harbors City Council. Carried by a unanimous yeas vote of all members present on roll call.

Pietila provided a presentation which included an overview of the proposed utility rate increases. She noted that three percent increases were recommended for both the water and sewer utilities, which would become effective January 1, 2022. The Utilities Committee has reviewed the proposed increases and recommends their approval. She noted that the increases would be used to cover operating costs and the cost of debt for improvement projects.

Communications:

Clerk Nordean reported that there were no communications received regarding the proposed assessments.

Motion by Woodruff and Rennwald Adjourning the public hearing and reconvening the regular meeting of the Two Harbors City Council. Carried by a unanimous yeas vote of all members present on roll call.

Administrator Report:

Pietila reported that the City will conduct its Truth in Taxation hearing on December 6 and a public hearing on the 2022 – 2026 CIP on December 13.

Public Affairs Committee:

Mayor Swanson reported that at their recent meeting, the Public Affairs Committee discussed a proposed policy on public appearances at Council meetings, campground rates, a request by Community Partners for use of the Community Room at the Community Building, the establishment of an online calendar for the Community Building and the City's Conflict of Interest Policy.

Edna G. Commission:

Woodruff reported that there was no meeting of the Edna G. Commission, however the bubblers have been received and will be installed soon. The Friends of the Edna G. are hoping to host tea parties on the Edna G. as a fundraiser.

Finance Committee:

Councilor Woodruff provided a review of the Finance Committee meeting held on November 18 where they discussed the proposed Levy, reviewed the Financial Report for the Second and Third Quarters and the 2022 Budget.

Utilities Committee:

Vice President Glaser reported on the recent Utilities Committee meeting where they discussed rate increases, landscaping designs at the Water Treatment Plant for the Chlorine Contact Tank Replacement Project, the Electric Service Agreement with Minnesota Power, gas mapping and the Fifth Street project.

Public Works Committee:

Councilor Rennwald reported on the November 18 meeting of the Public Works Committee where Joe Rhein, MSA, was present and provided a review of the proposed projects for the CIP, the 22 Sidewalk Project Plan and work to be done in preparation of the Tall Ships Festival.

Personnel Committee:

Vice President Glaser reported that the Personnel Committee discussed new hires, retirements and a policy on vacation carry-over at their last meeting.

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

1. Approving minutes from the November 8, 2021 City Council meeting.
2. **RESOLUTION NO. 11-305-21 ALLOWING CLAIMS AGAINST THE CITY OF TWO HARBORS TO BE PAID ON NOVEMBER 23, 2021, IN THE AMOUNT OF \$1,646,059.29.**
3. Approving payroll for the first half of November, 2021, in the amount of \$1,646,059.28.
4. **RESOLUTION NO. 11-306-21 ACCEPTING THE PROPOSAL OF TYLER TECHNOLOGIES TO PROVIDE ANNUAL SOFTWARE SERVICES FOR AN AMOUNT OF \$41,118.**
5. **RESOLUTION NO. 11-307-21 AUTHORIZING AN APPLICATION FOR A LIBRARY HUMANITIES GRANT IN THE AMOUNT OF \$10,000 FOR THE PURPOSE OF IMPROVING ARCHIVE INFRASTRUCTURE AND CREATING A COLLABORATIVE VIRTUAL ARCHIVES SPACE.**

6. **RESOLUTION NO. 11-308-21 AUTHORIZING THE MAYOR AND CITY CLERK TO EXECUTE AND DELIVER THE AMENDED AND RESTATED ELECTRIC SERVICE AGREEMENT FOR RESALE SERVICE – FULL REQUIREMENTS BETWEEN MINNESOTA POWER AND THE CITY OF TWO HARBORS EFFECTIVE JANUARY 1, 2022.**
7. **RESOLUTION NO. 11-309-21 AUTHORIZING AN AGREEMENT WITH SEH, TO PROVIDE ENGINEERING SERVICES FOR THE ACQUISITION OF NEW SNOW REMOVAL EQUIPMENT FOR THE AIRPORT, FOR AN AMOUNT NOT TO EXCEED \$4,800.**
8. **RESOLUTION NO. 11-310-21 AUTHORIZING SUBMITTAL OF THE AIP GRANT APPLICATION FOR THE RICHARD B. HELGESON AIRPORT FOR THE ACQUISITION OF SNOW REMOVAL EQUIPMENT FOR AN AMOUNT OF \$52,460, WITH A 90% FEDERAL COST SHARE OF \$47,214 AND A 10% CITY COST SHARE OF \$5,246.**
9. **RESOLUTION NO. 11-311-21 AUTHORIZING AN APPLICATION FOR FEDERAL ASSISTANCE THROUGH SF-424, FOR THE RICHARD B. HELGESON AIRPORT FOR AN AMOUNT OF \$32,000, THROUGH THE MN DEPARTMENT OF TRANSPORTATION, OFFICE OF AERONAUTICS.**
10. **RESOLUTION NO. 11-312-21 AUTHORIZING THE TRANSFER OF \$150,000 IN AIRPORT ENTITLEMENT FUNDS TO THE CITY OF LONGVILLE, MN, FOR REPAYMENT OF ENTITLEMENT TRANSFERS IN 2019.**
11. **RESOLUTION NO. 11-313-21 AUTHORIZING SUBMITTAL OF A REAL ESTATE OUTGRANT APPLICATION FOR USE OF FEDERAL REAL PROPERTY UNDER THE JURISDICTION OF THE U.S. ARMY CORPS OF ENGINEERS, FOR A PERMIT TO USE THE TWO HARBORS BREAK WALL, FOR THE PROPOSED FESTIVAL OF SAILS PROPOSED FOR AUGUST 4 – 7, 2022.**
12. **RESOLUTION NO. 11-314-21 AUTHORIZING THE MAYOR AND CITY CLERK TO EXECUTE AND DELIVER A LEASE AGREEMENT BETWEEN THE CITY OF TWO HARBORS AND THE STATE OF MINNESOTA, DEPARTMENT OF ADMINISTRATION ACTING FOR THE BENEFIT OF THE DEPARTMENT OF PUBLIC SAFETY, DRIVER AND VEHICLE SERVICES FOR RENTAL OF THE COMMUNITY CENTER FOR USE AS A DRIVER EXAM STATION.**
13. **RESOLUTION NO. 11-315-21 ADOPTING CAMPGROUND RATES TO BECOME EFFECTIVE JANUARY 1, 2023.**
14. **RESOLUTION NO. 11-316-21 ADOPTING WATER AND SEWER RATES TO BECOME EFFECTIVE JANUARY 1, 2022.**
15. **RESOLUTION NO. 11-317-21 ELECTING TO NOT WAIVE THE MONETARY LIMITS ON MUNICIPAL TORT LIABILITY ESTABLISHED BY MINN. STAT. 466.04.**

16. Accepting the resignation of Pete Almstedt from the City HRA effective December 31, 2021, with regret, and authorizing a letter of appreciation for his service.
17. Accepting the Notice of Retirement from Gerald Luoma effective December 1, 2021, with regret, and authorizing a letter of appreciation for his service.
18. **RESOLUTION NO. 11-318-21 AUTHORIZING A CONDITIONAL OFFER OF EMPLOYMENT TO NICKOLAS DETLEFSEN, FOR THE POSITION OF PART-TIME PATROL OFFICER WITH THE POLICE DEPARTMENT.**
19. **RESOLUTION NO. 11-319-21 APPROVING THE REQUEST OF ADAM PYBAS, FOR PERMISSION TO CARRY OVER 40 HOURS OF VACATION IN ADDITION TO THE 40 HOURS ALLOWED BY CONTRACT DUE TO HIS ANNIVERSARY DATE BEING CLOSE TO THE END OF THE CALENDAR YEAR.**
20. Calling for a public hearing for the purpose of adopting the 2022 – 2026 Capital Improvement Plan on December 13, 2021.
21. **RESOLUTION NO. 11-320-21 APPROVING THE 2ND AND 3RD QUARTER FINANCIAL STATEMENTS FOR THE CITY OF TWO HARBORS.**
22. Authorizing the administrative staff to hire a temporary employee to assist with cable television access.
23. Authorizing the posting of internal and external bulletins for the position of Public Works Specialist III.
24. **RESOLUTION NO. 11-321-21 ACCEPTING THE PROPOSAL OF NATURAL GAS CONSULTING, LLC TO PROVIDE PROFESSIONAL SERVICES TO PROVIDE A COMPLETE MODEL OF THE CITY'S NATURAL GAS SYSTEM, FOR AN AMOUNT NOT TO EXCEED \$7,000.**
25. **RESOLUTION NO. 11-322-21 AUTHORIZING THE MAYOR, CITY CLERK AND CITY ADMINISTRATOR TO EXECUTE A MEMORANDUM OF UNDERSTANDING WITH THE CITY OF SILVER BAY, CITY OF BEAVER BAY AND THE ENTITY THAT PROVIDES FIRE DEPARTMENT SERVICE FOR FINLAND.**

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

New Business:

MOTION BY SWANSON AND WOODRUFF THAT RESOLUTION NO. 11-323-21 ADOPTING THE ASSESSMENTS FOR THE 2021 SIDEWALK IMPROVEMENT PROJECT be adopted as read. Carried by a unanimous yea vote of all members present on roll call.

Motion by Woodruff and Passe to approve the request of Terry Hukriede, of the John Beargrease Sled Dog Marathon, for permission to use a portion of the golf course for the Beargrease Cub

run, pending the approval of the Interim Public Works Director and the THGA and approval of a License Agreement for use of the facility. Carried by a unanimous yea vote of all members present on roll call.

Announcements:

Mayor Swanson expressed appreciation to Interim Public Works Director, Gilbert for his work in coordinating the Sidewalk Project. He also reported that he has many vacant positions on City commissions that he will be looking to fill in the near future.

Vice President Glaser expressed appreciation to the administrative staff for going above and beyond in recent months. She wished everyone a Happy Thanksgiving.

Councilor Rennwald reported that the Winter Frolic is being planned for February 11 – 13 and most events will be held in the City's downtown this year. She expressed appreciation to Gilbert for his work with the committee so far. She noted that the Council has once again been challenged by the Lake County Board for a curling competition during Winter Folic and asked Councilors to sign up for the City's team.

Motion by Rennwald and Woodruff that the meeting adjourn. Carried by a unanimous yea vote of all members present on roll call.

Robin M. Glaser, City Council Vice President

Patricia D. Nordean, City Clerk