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May 23, 2022

Regular meeting of the City Council of the City of Two Harbors, Minnesota, held on Monday, May 23, 2022, at 6:00 p.m.

The meeting was called to order by President Redden.

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

Others present: Interim Administrator, Dhein - virtual  
Finance Director, Pietila  
City Clerk, Nordean  
Community Development/Planner, Sterbenz  
City Attorney, Costley  
City Attorney, Charles Nauen – virtual

Clerk Nordean requested the addition of Consent Agenda 22. Authorizing the Mayor and City Clerk to execute and deliver a master lease agreement between the City of Two Harbors and Huntington National Bank for the golf course maintenance equipment, pending the approval of the City Attorney. She also requested that Committee Reports be moved to after New Business.

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

Mayor Swanson requested a point of clarification and asked for the removal of two appearances on the revised agenda, arguing that a policy established by President Rennwald required that appearances be scheduled prior to Thursday night. Redden responded to the Mayor indicating that he had reviewed the email sent to Councilors containing the policy and there was no Thursday deadline established, that they were to be scheduled prior to the start of the agenda meeting.

**Appearances:**

Luann Udenberg, 410 Fourth Avenue, was present and addressed the Council regarding the second petition to recall Mayor Swanson. She reminded the council that she had appeared before them previously because she felt that the Mayor had exhibited a pattern of behavior that showed a stunning lapse of judgement on multiple fronts and going way back, for which he is completely unapologetic and shows no signs of remorse. She reported that she had stated that she can only conclude that his behavior will continue with more collateral damage for the City. of the Mayor She explained that she has heard from many individuals who have told her stories. She stated that the Recall and Resign Committee has followed the charter and done their due diligence and the people have spoken. She continued by stating that the City Charter provides a mechanism for

change and the petition has been submitted and certified. She reported that they are hoping for a resignation, but that they are counting on the Council to do their duty.

She concluded by responding to a comment from a speech made by Swanson at a gathering of the Oakdale Chamber of Commerce last year, stating that we do not celebrate mediocrity in Two Harbors, we were never broken, and when things begin to break, we act to fix them.

Swanson asked Ms. Udenberg who in her group had contacted the Secretary of State's Office and asked that the petition would be confidential. Udenberg responded that she did not know. Swanson responded that she didn't know, but that she told everybody that it was a confidential document. "I'll keep hitting on this, don't worry. It's going to, it's going to be a good night." Swanson said, when a point of order was called by President Redden.

Clayton Anderson, 830 Seventh Avenue, was present and addressed the Council expressing concerns regarding the condition of the City Skate Park, noting that it has been there for about twenty years and it's pretty rough. He asked that the Council to consider providing funding for improvements to it.

Tom Koehler, 814 Fifth Avenue, was present and addressed the Council providing a definition for malfeasance in its most basic form providing some examples of malfeasance and insider trading. He reported that in the case of our Mayor, he has on multiple occasions used knowledge he could only have gotten in his position as Mayor for the gain of himself or his immediate family. He has attempted to leverage relationships with his subordinates by placing such associates on key boards, committees or commissions in the City potentially gaining influence in the form of favorable decisions he would not have had were it not for his position as Mayor.

Judy Olson, 836 Seventh Avenue, was present and addressed the Council regarding the petition for the resignation or recall of Mayor Swanson. She reported that she has been active with the Resign or Recall Committee from its beginning. She stated that people enthusiastically signed the petition and universally stated that they did not care who knew that they had signed. She reported that many individuals commented about what they had found to be most outrageous in the Mayor's behavior. She expressed how she was impressed by the way the community came together, made donations, took signs home and expressed thanks to the committee. She stated that the people have spoken and they will continue to speak. She ended by stating that the people have made it clear, they've had enough of Chris Swanson.

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

1. **RESOLUTION NO. 5-138-22 ALLOWING CLAIMS AGAINST THE CITY OF TWO HARBORS, IN THE AMOUNT OF \$1,018,022.60.**

2. Approving payroll for the first half of May, 2022, in the amount of \$235,022.75.
3. **RESOLUTION NO. 5-139-22 AUTHORIZING PAYMENT TO BOLTON & MENK IN THE AMOUNT OF \$1,370 FOR PROFESSIONAL SERVICES FOR THE 2021 – 2022 STREET & ALLEY IMPROVEMENT PROJECT.**
4. Accepting, with regret, a notice of resignation from Alexander Cavallin, from the Fire Department, and authorizing a letter of appreciation for his service.
5. **RESOLUTION NO. 5-140-22 APPROVING THE MASSAGE THERAPY LICENSE APPLICATIONS OF AMY SPEECE AND JUDITH WICK FOR SALON 507 AT 601 SEVENTH AVENUE.**
6. **RESOLUTION NO. 5-141-22 DECLARING THIRD AND FINAL READING OF ORDINANCE NO. 126, SECOND SERIES, AN ORDINANCE REVISING SECTION 4.42. SHORT-TERM RENTALS OF THE TWO HARBORS CITY CODE.**
7. **RESOLUTION NO. 5-142-22 AUTHORIZING A REQUEST FOR FOOD TRUCK FRIDAYS.**
8. **RESOLUTION NO. 5-143-22 APPROVING THE REQUEST OF MAYOR SWANSON TO APPOINT JOSEPH THORNE AS A MEMBER OF THE AIRPORT COMMISSION.**
9. **RESOLUTION NO. 5-144-22 AUTHORIZING THE MAYOR AND CITY CLERK TO EXECUTE AND DELIVER THE GRANT AGREEMENT BETWEEN THE CITY AND TWO HARBORS AREA FUND FOR THE HERITAGE DAYS GRANT.**
10. Accepting the request of the Two Harbors Moose Lodge to be open on Sunday, May 15, 2022.
11. Approving the request of Amy Carlson, Lounge Manger, American Legion, requesting to be open on Sunday, September 11, 2022.
12. **RESOLUTION NO. 5-145-22 APPROVING A REQUEST FROM JANELLE JONES, PRESIDENT/CEO, LAKE COUNTY CHAMBER OF COMMERCE, REQUESTING PERMISSION FOR USE OF LAKEVIEW PARK FOR THE MS BIKE TRAM PARTICIPANTS TO CAMP OVERNIGHT ON JULY 21, 2022, AS PART OF THEIR MULTI-DAY EVENT AND AUTHORIZING THE MAYOR AND CITY CLERK TO EXECUTE AND DELIVER A LICENSE AGREEMENT BETWEEN THE CITY OF TWO HARBORS AND LAKE COUNTY CHAMBER OF COMMERCE WHICH REQUIRES EVIDENCE OF LIABILITY INSURANCE.**
13. Approving the recommendation of the Personnel Committee to delay the posting of the City Administrator position until November, 2022.
14. Accepting the recommendation of the Personnel Committee to request that the Interim City Administrator remain on contract through February, 2023. (Revised contract/employment agreement to be submitted for approval at a future meeting.)

15. Authorizing expenses for Mayor, City Council or Administrative Staff to attend the Lake County Chamber of Commerce's Breakfast for Heroes to be held on May 24 at 8 AM at the American Legion.
16. **RESOLUTION NO. 5-146-22 APPROVING THE 2021 AUDITED FINANCIAL STATEMENTS FOR THE CITY OF TWO HARBORS.**
17. **RESOLUTION NO. 5-147-22 APPROVING AN AMENDMENT TO THE CONTRACT WITH WSB TO PROVIDE MATERIAL TESTING SERVICES FOR THE WASTEWATER TREATMENT FACILITY IMPROVEMENT PROJECT FOR THE PURPOSE OF PROVIDING ADDITIONAL SOIL AND GEOTECHNICAL TESTING FOR THE BIOSOLIDS TANK AND INCLUDING AN INCREASE IN THE AMOUNT OF \$2,660.**
18. **RESOLUTION NO. 5-148-22 AUTHORIZING THE MAYOR AND CITY ADMINISTRATOR TO EXECUTE AND DELIVER A MEMORANDUM OF AGREEMENT BETWEEN THE CITY OF TWO HARBORS AND TWO HARBORS CONFIDENTIAL EMPLOYEES ASSOCIATION FOR THE PURPOSE OF EXCLUDING THE CITY ADMINISTRATOR POSITION FROM THE BARGAINING UNIT.**
19. **RESOLUTION NO. 5-149-22 APPOINTING JOHN BARTHELL-WAGNER AND AUSTIN JONES AS TEMPORARY EMPLOYEES AT THE LIQUOR STORE AND PUBLIC WORKS DEPARTMENT.**
20. **RESOLUTION NO. 5-150-22 CONFIRMING THE APPOINTMENT OF M. HANNAH WEISHAAR FOR THE POSITION OF LIBRARY AIDE.**
21. **RESOLUTION NO. 5-151-22 CONFIRMING THE APPOINTMENT OF CASSIDY DURAY FOR LIBRARY PROGRAMING VISTA.**
22. **RESOLUTION NO. 5-152-22 AUTHORIZING THE MAYOR AND CITY CLERK TO EXECUTE AND DELIVER A MASTER LEASE AGREEMENT BETWEEN THE CITY OF TWO HARBORS AND HUNTINGTON NATIONAL BANK FOR THE GOLF COURSE MAINTENANCE EQUIPMENT, PENDING THE APPROVAL OF THE CITY ATTORNEY.**

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

**Communications:**

1. Public Access Coordinator's Report for the month of April, 2022.
2. An email from Sean Kelly, Publisher, Unhappy Franchisee, President, Relentless, Inc.
3. A copy of an email from Dave Ellquist, Liquor Store Manager, providing information regarding the Omnibus Liquor Bill Conference Committee.
4. Amended petition in Jezierski V. City of Two Harbors, Et Al Lawsuit.

**New Business:**

Motion by Swanson and Redden that **RESOLUTION NO. 5-153-22 CALLING FOR A RECALL ELECTION OF MAYOR CHRISTOPHER SWANSON** be adopted as read. Carried by the following vote: Yeas: Woodruff, Glaser, Rennwald, Passe, Erickson, Redden. 6. Nays: Swanson. 1.

At approximately 6:55 pm, Councilor Redden left the meeting.

Motion by Erickson and Woodruff that **RESOLUTION NO. 5-154-22 AUTHORIZING AN APPLICATION FOR UP TO \$200,000 IN LCCMR FUNDING FOR WATERFRONT PROPERTY** be adopted as read. Carried by a unanimous yea vote of all members present.

**HRA:**

Vice President Glaser reported that at their last meeting, the HRA reviewed the audit and approved it, they reviewed and approved the Code of Ethics, they discussed the need for additional board members and discussed the housing project and the fact that there was no compensation received from the City for their work on the revitalization mini-grant program.

**Public Works Committee:**

Councilor Passe reported that at their meeting of May 11, 2022, the Public Works Committee discussed the 2021 – 2022 Street Improvement project that is now underway. They also discussed the 2023-2024 Project, noting the potential for stormwater grants for Skunk Creek area as part of that project. They discussed assessments for the 2021 – 2022 Project and sidewalk assessments determining that sidewalks will be billed per square. He reported that the Public Works Department has been working on patching potholes and working on ball fields and the campground.

**Public Safety Committee:**

Mayor Swanson reported that the Safety Committee met and discussed parking and traffic routes for the Tall Ships Festival. He also reported that the DNR is not planning to close the boat launch, so they reviewed safety concerns related to traffic in that area.

**Planning Commission:**

Vice President Glaser reported on the May 3, 2022 meeting of the Planning Commission where they reviewed the Short Term Rental Ordinance.

**Personnel Committee:**

Vice President Glaser reported that all of the items discussed at the Personnel Committee meeting were on the agenda as recommendations under the Consent Agenda.

**Edna G. Commission:**

Councilor Woodruff reported that the Edna G. Commission met recently and are currently working on a presentation with recommendations for the future of the tug. He expressed appreciation to Tom Koehler for his work in taking care of the tug.

**Utilities Committee:**

Vice President Glaser reported that the Utilities Committee discussed the Significant Industrial User Agreement at their last meeting.

**Liquor Store Ad Hoc Committee:**

President Redden reported that the Liquor Store Ad Hoc Committee met and discussed available land and are working to determine which sites would be viable, and what size the building they should be considering so that they can determine a realistic cost for the proposed project.

**Announcements:**

Councilor Woodruff expressed that this has been a difficult year with a lot of conflict for the Council. He stated that he doesn't believe that the Mayor is a bad person or malicious. He encouraged everyone to look at the whole picture. He indicated that he feels it is his responsibility to represent the people. He hopes that we can move beyond this if we just follow our hearts.

Motion by Erickson and Glaser that the meeting adjourn. Carried by a unanimous yeas vote of all members present on roll call.

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Ben Redden, President, City Council

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Patricia D. Nordean, City Clerk