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April 11, 2022

Regular meeting of the City Council of the City of Two Harbors, Minnesota, held on Monday, April 11, 2022, at 6:00 p.m.

The meeting was called to order by President Redden.

Members present, Councilors: Woodruff, Glaser, Rennwald (*virtual*), Swanson (*virtual*), Passe, Erickson (*virtual*), Redden. 6.

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

Interim City Administrator, Joel Dhein, was introduced and greeted with a warm welcome. Interim Administrator, Dhein expressed his appreciation for the opportunity to work with the City.

Clerk Nordean proposed the following changes to the agenda: Add the following items to New Business: 4. Consider approving an internal transfer from the General Fund to the Permanent Improvement Fund in the amount of \$200,000 for costs associated with upcoming improvement projects, including the Odegard Trail Project; 5. Consider approving an amendment to the 2021 Budget; and Moving Consent Agenda Item 11. A communication from Thomas Furman, Executive Director of the City HRA, requesting the City's legal counsel work with the HRA to secure land and start a tax levy to further housing initiatives and build more housing opportunities in the community and work with Mia Thibodeaux of Fryberger Law, to iron out land acquisition needs for the development of housing in the Two Harbors area; and move Consent Agenda 5. Calling for a public hearing for 6 PM on Monday, April 25, 2022 to receive public input regarding a proposed amendment to the City's Short-Term Rental Ordinance to New Business 6.

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

Appearances:

Lisa Mitlyng Knight, Knight Vision Development LLC, 3452 Drummond Grade and owner of property at 1503 Seventh Avenue, was present and addressed the Council expressing concern with the Mayor's behavior regarding entrepreneurs such as Brian Entzion and asking him to resign.

Library Board:

Madeline Jarvis, Library Director, was present and addressed the Council reporting that at their most recent meeting, the Library Board discussed plans for additional summer help so that they

can increase their hours of service during the summer. She also stated that there is a new exhibit at the Library, on climate change, in conjunction with the Pollution Control Agency, she encouraged those who may be interested to stop by the Library.

Planning Commission:

Council Vice President Glaser reported that at their meeting of April 5, the Planning Commission reviewed the proposed short-term rental ordinance language and voted to recommend that the City Council approve it.

Public Safety Committee:

Councilor Woodruff reported on the April 7 meeting of the Public Safety Committee where they discussed the purchase of a side-by-side utility vehicle for the Police Department, the Tall Ships Festival as it relates to staffing. He reported that the group also discussed the off-street parking requirements during the winter months with the intention of finding solutions to some of the frequent complaints received.

Finance Committee:

Councilor Erickson reported that the Finance Committee met earlier in the day. Each of the items discussed were on the agenda for City Council consideration. The committee recommended approval for each item.

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

1. Approving minutes from the March 28, 2022 City Council meeting.
2. **RESOLUTION NO. 4-102-22 ALLOWING CLAIMS AGAINST THE CITY OF TWO HARBORS, IN THE AMOUNT OF \$2,284,671.25.**
3. Approving payroll for the second half of March, 2022, in the amount of \$228,075.84.
4. Communications from the following individuals:
 - Stephen Phillips, 401 Third Avenue, expressing is support for Mayor Swanson.
 - Matt Barrett, 784 Larsmont Road, expressing his support for Mayor Swanson.
 - Caleb Waldron, 1522 9th Avenue, expressing his support for Mayor Swanson.
 - Phil Ness, 610 12th Avenue, proclaiming his support for Mayor Swanson.
 - Kyle Koster, unknown address, expressing support for Mayor Swanson.
 - Sarah Koster, unknown address, expressing support for Mayor Swanson.
 - Alan & Sandra Cavallin 734 16th Avenue, expressing their support for Mayor Swanson.
 - Barbara Hamilton, 231 Fourth Avenue, expressing support for Mayor Swanson.
 - Scott Deming, 1719 Seventh Avenue, expressing support for Mayor Swanson.
 - Angela Russeth, address unknown, expressing support for Mayor Swanson.

- Michael and Lisa Cavallin, 2404 20th Avenue, expressing support for Mayor Swanson.
 - Pastor Scott and Julie Nelson, 531 15th Avenue, expressing support for Mayor Swanson.
 - Lou Waters, 306 Fourth Avenue, expressing support for Mayor Swanson.
 - Dennis Moen, 1450 Kane Lake Road, expressing support for Mayor Swanson.
 - Daryl Lindholm, 712 Fourth Avenue, expressing support for Mayor Swanson.
 - Phyllis & Bob Smith, address unknown, expressing support for Mayor Swanson.
 - Zach Keller, 810 10th Avenue, expressing support for Mayor Swanson.
6. **RESOLUTION NO. 4-103-22 AUTHORIZING PAYMENT TO LAKEHEAD CONSTRUCTORS FOR PAY APPLICATION NO. 5 FOR THE WASTEWATER TREATMENT PLANT PROJECT IN THE AMOUNT OF \$398,042.04.**
 7. **RESOLUTION NO. 4-104-22 AUTHORIZING THE PURCHASE OF A REBUILT 750KVA TRANSFORMER FROM T & R ELECTRIC AT A COST OF \$18,237 FOR A NEW TESLA SUPER CHARGER IN SEAGREN'S HARDWARE PARKING LOT.**
 8. **RESOLUTION NO. 4-105-22 ADOPTING NEW SOLAR ELECTRICITY RATES FOR 2022.**
 9. **RESOLUTION NO. 4-106-22 AUTHORIZING THE PURCHASE OF A NEW 1000KVA TRANSFORMER FROM WESCO FOR THE WASTEWATER TREATMENT PLANT AT A COST OF \$37,274.**
 10. **RESOLUTION NO. 4-107-22 AUTHORIZING THE PURCHASE OF A NEW 750KVA TRANSFORMER FROM WESCO AT A COST OF \$32,358.**
 12. **RESOLUTION NO. 4-108-22 APPROVING THE FINAL FAA GRANT APPLICATION FOR THE PURCHASE OF A SNOWBLOWER ATTACHMENT FOR THE AIRPORT IN THE AMOUNT OF \$75,000 AND AUTHORIZING THE APPROPRIATE CITY OFFICIALS TO EXECUTE AND DELIVER THE AGREEMENT ON BEHALF OF THE CITY.**
 13. **RESOLUTION NO. 4-109-22 APPROVING THE AGREEMENT BETWEEN THE CITY OF TWO HARBORS AND FRIENDS OF THE TWO HARBORS DOG PARK FOR OPERATION OF A SEASONAL DOG PARK WITHIN THE OUTDOOR HOCKEY RINK BEHIND LAKE COUNTY ARENA AND AUTHORIZING THE APPROPRIATE CITY OFFICIALS TO EXECUTE AND DELIVER THE AGREEMENT ON BEHALF OF THE CITY.**
 15. Approving the request of the Fire Chief to authorize an interview process for the purpose of establishing a hiring pool for Fire Department positions.
 16. **RESOLUTION NO. 4-110-22 ACCEPTING THE INTERNAL BID OF NICK DETLEFSEN FOR THE POSITION OF FULL TIME PATROL OFFICER IN THE**

POLICE DEPARTMENT AND APPOINTING HIM TO THE POSITION EFFECTIVE APRIL 12, 2022.

17. **RESOLUTION NO. 4-111-22 APPROVING AN INTERNAL TRANSFER FROM THE LOCAL SALES TAX FUND (263) TO THE STREET IMPROVEMENT FUND (402) IN THE AMOUNT OF \$300,000 FOR COSTS ASSOCIATED WITH THE STREET IMPROVEMENT PROJECT.**
18. Accepting, with regret, a letter from Jay Turnquist, announcing his intention to retire effective May 31, 2022, and authorizing a letter of appreciation for his service.
19. **RESOLUTION NO. 4-112-22 AMENDING RESOLUTION NO. 3-86-22 TO AMEND THE COST OF THE 2022 POLARIS RANGER SIDE BY SIDE UTILITY VEHICLE AND ACCESSORIES FOR THE POLICE DEPARTMENT, TO INCREASE THE PURCHASE PRICE BY \$300.**

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

New Business:

Motion by Woodruff and Passe calling for a public hearing for 6 PM or as soon thereafter as reasonably practical for the purpose of considering giving host approval to the issuance by the Duluth Economic Development Authority (the “Issuer” and together with the City, the “Municipalities”) of revenue obligations, in one or more series, under Minnesota Statutes 469.152 through 469.1655 (the Act”), in order to finance, refinance and reimburse certain projects (together, the “Projects”). Carried by a unanimous yea vote of all members present on roll call.

Motion by Erickson and Woodruff that **RESOLUTION NO. 4-113-22 AUTHORIZING PAYMENT TO BOLTON & MENK IN THE AMOUNT OF \$4,277.50 FOR PROFESSIONAL SERVICES FOR THE SIU AGREEMENT FOR CASTLE DANGER BREWING** be adopted as read. Carried by a unanimous yea vote of all members present on roll call.

Motion by Swanson and Passe that **RESOLUTION NO. 4-114-22 ACCEPTING THE PROPOSAL OF THE COSTIN GROUP DATED MARCH 23, 2022, TO PROVIDE CERTAIN PROFESSIONAL CONSULTING SERVICES RELATED TO PLANNING AND FUNDING FOR FUTURE HARBOR DEVELOPMENT, AND EXPANDING THE SUCCESS OF THE TRAILHEAD DEVELOPMENT, AND AUTHORIZING THE APPROPRIATE CITY OFFICIALS TO EXECUTE AND DELIVER AN AGREEMENT FOR SAID SERVICES ON BEHALF OF THE CITY UPON REVIEW AND APPROVAL BY THE CITY ATTORNEY** be adopted as read. Carried by the following vote: Yeas: Woodruff, Glaser, Rennwald, Passe, Erickson, Redden. Nays: Swanson. 1.

Motion by Woodruff and Passe calling for a public hearing for 6 PM on Monday, April 25, 2022 to receive public input regarding a proposed amendment to the City’s Short-Term Rental Ordinance. Carried by the following vote: Yeas: Woodruff, Glaser, Passe, Erickson, Redden. 4. Nays: Rennwald, Swanson. 2.

Announcements:

Mayor Swanson again welcomed Interim Administrator, Dhein.

Councilor Passe reported that the MN Department of Agriculture was in Two Harbors on Friday and have reported the presence of Emerald Ash Borer within the City.

Community Development/Planner Sterbenz reported that the THEDA meeting scheduled for Tuesday,, April 12 will be cancelled due to the lack of a quorum.

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

Ben Redden, President, City Council

Patricia D. Nordean, City Clerk