



**CITY OF CLOQUET
City Council Agenda
Tuesday, September 4, 2018
7:00 p.m.
City Hall Council Chambers**

CITY COUNCIL WORK SESSION – 6:15 p.m.

- CIP / Budget Review

1. **Roll Call**
2. **Pledge of Allegiance**
3. **Approval of Agenda**
 - a. Approval of September 4, 2018 Council Agenda
4. **Approval of Council Minutes**
 - a. Work Session Minutes from the August 21, 2018 meeting
 - b. Regular Council Minutes from the August 21, 2018 meeting
5. **Consent Agenda**

Items in the Consent Agenda are considered routine and will be approved with one motion without discussion/debate. The Mayor will ask if any Council members wish to remove an item. If no items are to be removed, the Mayor will then ask for a motion to approve the Consent Agenda.

 - a. Resolution No. 18-59, Authorizing the Payment of Bills and Payroll
 - b. Bond Purchase and Project Loan Agreement, Drinking Water State Revolving Fund Loan
 - c. Award Gravel Crushing Contract
 - d. Lake Superior Waterline Pump #7 Rebuild
 - e. CAFD Fiscal Agent and Fleet Maintenance Service Agreement
 - f. Consideration of HRA Appointment – Kathleen Randall
 - g. Approval of Off-Site Gambling – Eagles, Aerie 1163
6. **Public Hearings**

None.
7. **Presentations**

None.



**CITY OF CLOQUET
City Council Agenda
Tuesday, September 4, 2018
7:00 p.m.
City Hall Council Chambers**

8. **Council Business**

None.

9. **Public Comments**

Please give your name, address, and your concern or comments. Visitors may share their concerns with the City Council on any issue, which is not already on the agenda. Each person will have 3 minutes to speak. The Mayor reserves the right to limit an individual's presentation if it becomes redundant, repetitive, irrelevant, or overly argumentative. All comments will be taken under advisement by the Council. No action will be taken at this time.

10. **Closed Meeting**

a. Closed Session, Pursuant to Minnesota Statutes Section 13D.05, Subd. 3(c), to discuss the asking price and to consider offers for the sale of the present City Hall property, with an address of 1307 Cloquet Avenue, Cloquet, Minnesota, and legally described as Lots 1-4, Block 3, Subdivision of outlot 42, Carlton County, Minnesota.

11. **Council Comments, Announcements, and Updates**

12. **Adjournment**



ADMINISTRATIVE OFFICES

1307 Cloquet Avenue • Cloquet MN 55720
Phone: 218-879-3347 • Fax: 218-879-6555
email: areeves@cloquetmn.gov
www.cloquetmn.gov

REQUEST FOR COUNCIL ACTION

To: Honorable Mayor and City Council
From: Aaron S. Reeves, City Administrator *AR*
Date: September 4, 2018

ITEM DESCRIPTION: 2019 CIP and Preliminary Budget Review

Proposed Action

Bring any questions on the proposed 2019 budget and decide on a preliminary levy amount.

Background/Overview

Staff will take Council questions/comments on the budget and then discuss setting a preliminary levy amount.

Supporting Documentation Attached

None

CLOQUET CITY COUNCIL WORK SESSION

Wednesday, August 21, 2018

DRAFT

Present: Bjerkness, Kolodge, Langley, Maki, Wyman, Mayor Hallback

Absent: Rock

Staff: Reeves, Barclay, Peterson

Others: J. Peterson, Pine Journal

City Hall Summer Hours Extension

Mr. Reeves proposed the extension of summer hours for City Hall through September to coincide with Public Works. Council agreed to keep the change in hours seasonal.

Preliminary Budget Review

Mr. Reeves reviewed the updated budget summary explaining that the main change is with the permanent improvement fund and how projects will be funded. Budget discussion highlights are as follows:

- Mr. Reeves is proposing to use cash on hand for the City Hall/Police Department project versus a short-term bond as was first presented. This will eliminate debt for the project. Mr. Reeves stated the anticipated cost will be \$3.6 million but is budgeted at \$4 million to be safe.
- Council reviewed the list of 2019 budget items that were removed for consideration. It was agreed to add the Pickle Ball Courts back into the budget for \$40,000. The courts will be located at the Churchill tennis courts. The recommendation is to use the park dedication fund for the resurfacing. Council agreed to have Mr. Peterson go ahead with the project.
- Library Director Beth Sorenson is working on the grant application for the library expansion.
- Recommendation to replace all six baseball scoreboards. Mr. Reeves has had conversation with the school district and different leagues about assistance.
- Mr. Reeves recommends becoming a member of the Coalition of Greater MN Cities (CGMC) again. The membership was not renewed in 2017.
- Conversation took place on future levies with large capital projects to come, mainly the new public works building in 2020.
- Other items of conversation were the completion of Veterans Park, replacement of the old wooden hockey boards and local bidding.
- Mr. Reeves also noted that the CAFD facility will need to be discussed as the City moves forward with the credit union building.

There being no further business, the meeting adjourned at 6:55 p.m.

Respectfully Submitted,

Aaron Reeves
City Administrator

DRAFT

Regular Meeting

Roll Call

Councilors Present: Bjerkness, Kolodge, Langley, Maki, Wyman, Mayor Hallback

Councilors Absent: Rock

Pledge of Allegiance

AGENDA**MOTION:** Councilor Wyman moved and Councilor Maki seconded the motion to approve the August 21, 2018 agenda. The motion carried unanimously (6-0).**MINUTES****MOTION:** Councilor Kolodge moved and Councilor Langley seconded the motion to approve the minutes of the Work Session and Regular Meeting of August 8, 2018, and the minutes of the Special Meeting of August 16, 2018. The motion carried unanimously (6-0).**CONSENT AGENDA****MOTION:** Councilor Bjerkness moved and Councilor Wyman seconded the motion to adopt the consent agenda of August 21, 2018. The motion carried unanimously (6-0).

- a. Resolution No. 18-57, Resolution Authorizing the Payment of Bills
- b. Update of Purchasing Policy / Competitive Bidding Requirements
- c. Temporary On-Sale Intoxicating Liquor License – Hospital Gala

PUBLIC HEARINGS

There were none.

PRESENTATIONS

There were none.

ORDINANCE AMENDING CITY CODE CHAPTER 8 - ANIMALS**MOTION:** Councilor Wyman moved and Councilor Langley seconded the motion to adopt the Ordinance No. 474A, an ordinance amending City Code Chapter 8 – Animals. The motion carried (5-0), Councilor Kolodge opposed.**Section 1. City Code Amendment.** That the Cloquet City Code, be amended by replacing Subdivision 10, titled "Running at Large." In Section 8.1.01 of Chapter 8, with the following:

Subd. 10 Running at Large. "At Large" shall be intended to mean off the premises of the owner and not under the control of the owner or a member of his or her immediate family either by leash, cord, chain or otherwise. No person owning, keeping or harboring an animal shall permit the animal to run at large. For the purposes of this section, an animal shall be deemed to be running at large:

- A. When the animal commits damage to the property of anyone other than the owner or injury to the person of anyone other than the owner, except in defense of the animal's owner or the owner's family.

Section 2. City Code Amendment. That the Cloquet City Code, be amended by replacing Section 8.2.06, titled "Running at Large Prohibited." In Chapter 8, with the following:

8.2.06 Running at Large Prohibited. No owner or keeper of any dog shall negligently or intentionally permit the animal to run at large, as that term is defined in Subd. 10 of Section 8.1.01, within the City of Cloquet. Given the potentially serious public health and safety concerns, it is the

City's intent that with respect to the application of this section that the standard of negligence to be applied in considering a violation will be that of ordinary negligence as is required in a civil action.

Section 3. City Code Amendment. That the Cloquet City Code, be amended by repealing Section 8.2.01, titled "Dog and Cat Licenses Required." and replacing Section 8.2.02, titled "Tag and Collar.", both of Chapter 8, as follows:

8.2.01 Repealed.

8.2.02 ID Tag/Micro-chip. It is unlawful for any person to keep, harbor or maintain a dog, cat or ferret over the age of four months unless it has an ID tag, to be worn at all times, that has on it the owner's name and contact information, including a valid telephone number, or unless it is micro-chipped with the micro-chip data contact information kept up to date. However, if the animal is harbored or kept on the premises of a recognized Humane Society shelter or pet store it need not have an ID tag or be micro-chipped.

Section 4. Effective Date. This ordinance shall take effect and be in force from and after its passage and publication in accordance with law.

STATEMENT OF PURPOSE: This ordinance amends the definition of "Running at Large" to only apply to animals causing damage to property or injury to persons other than the owner while at large, and changes the requirement for the licensing of dogs and cats to requiring identification information in the form of an ID tag or micro-chip.

PUBLIC COMMENTS

Dan Leslie, Board Chair of Animal Allies, addressed the Council clarifying the number of animals taken in since working with the City and also what services the administrative fee covers. Mr. Leslie also stated he is glad the city is still working to find a solution.

COUNCIL COMMENTS, ANNOUNCEMENTS, AND UPDATES

There were none.

On a motion duly carried by a unanimous yea vote of all members present on roll call, the Council adjourned.


Aaron Reeves, City Administrator



ADMINISTRATIVE OFFICES

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REQUEST FOR COUNCIL ACTION

To: Mayor and City Council
From: Nancy Klassen, Finance Director 
Reviewed/Approved by: Aaron Reeves, City Administrator
Date: August 29, 2018

ITEM DESCRIPTION: Payment of Bills and Payroll

Proposed Action

Staff recommends the Council move to adopt **RESOLUTION NO. 18-59, A RESOLUTION AUTHORIZING THE PAYMENT OF BILLS AND PAYROLL.**

Background/Overview

Statutory Cities are required to have most claims authorized by the city council.

Policy Objectives

MN State Statute sections 412.271, Claims and disbursements for Statutory Cities.

Financial/Budget/Grant Considerations

See resolution for amounts charged to each individual fund.

Advisory Committee/Commission Action

Not applicable.

Supporting Documents Attached

- Resolution Authorizing the Payment of Bills and Payroll
- Vendor Summary Report
- Department Summary Report

**CITY OF CLOQUET
COUNTY OF CARLTON
STATE OF MINNESOTA**

RESOLUTION NO. 18-59

A RESOLUTION AUTHORIZING THE PAYMENT OF BILLS AND PAYROLL

WHEREAS, The City has various bills and payroll each month that require payment.

NOW, THEREFORE, BE IT RESOLVED, BY THE CITY COUNCIL OF THE CITY OF CLOQUET, MINNESOTA, That the bills and payroll be paid and charged to the following funds:

101	General Fund	\$	464,946.95
207	Community Development Operating		21,280.90
225	Permanent Improvement		479,935.15
226	Park Fund		49,506.85
231	Public Works Reserve		7,646.49
403	Revolving Capital Projects		636,873.11
405	City Sales Tax Projects		501,293.03
600	Water - Lake Superior Waterline		77,075.28
601	Water - In Town		97,371.98
602	Sewer Fund		124,047.60
605	Storm Water Fund		22,129.51
614	CAT-7		21,238.37
701	Employee Severance Benefits		1,447.95
	TOTAL:	\$	<u>2,504,793.17</u>

**PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF CLOQUET
THIS 4TH DAY OF SEPTEMBER, 2018.**

ATTEST:

Dave Hallback, Mayor

Aaron Reeves, City Administrator

DATE: 08/29/2018
TIME: 15:15:21
ID: AP442000.WOW

CITY OF CLOQUET
VENDOR SUMMARY REPORT

PAGE: 1

INVOICES DUE ON/BEFORE 09/04/2018

VENDOR #	NAME	PAID THIS FISCAL YEAR	AMOUNT DUE
110950	AARDVARK SEPTIC PUMPING	5,095.00	785.00
112050	ADVANCED SERVICES INC	637.00	245.00
112650	AJ'S LAWN CARE, INC	2,221.90	811.00
113650	AMAZON.COM CREDIT	4,178.33	626.48
120100	ARROWHEAD LIBRARY SYSTEM	2,012.75	27.30
122958	AUTO ZONE, INC.	692.53	178.25
123400	BAKER & TAYLOR	8,535.73	1,511.77
125900	BEST SERVICE	1,322.36	30.00
127400	OSCAR J BOLDT CONSTRUCTION	61,791.16	176,165.91
128400	BRIGGS & MORGAN	500.00	6,500.00
134700	CARLTON COUNTY TREASURER	2,792.61	76.00
136850	CENTER POINT LARGE PRINT	297.78	416.27
137310	CENTURY LINK	18,908.99	1,653.59
137340	CHAMBERLAIN OIL CO., INC.	36,805.47	277.88
139025	CINTAS	2,289.92	52.21
139800	CLOQUET AREA CHAMBER OF COMMER	34,466.04	6,351.70
140200	CITY OF CLOQUET - PETTY CASH	1,419.50	3.01
142800	CLOQUET SANITARY SERVICE	6,675.95	99.24
142950	CLOQUET SHAW MEMORIAL	189.72	12.10
149150	ELXSI	0.00	650.00
150100	D A L C O	8,403.38	528.08
150400	D E M C O	3,881.30	141.02
152775	DELTA DENTAL OF MINNESOTA	6,353.10	3,176.55
153300	DIAMOND DRILLING	553.04	1,076.00
159275	E P C ENGINEERING & TESTING	17,310.00	4,004.00
161675	EMC NATIONAL LIFE	12,668.55	1,217.50
161850	EMERGENCY AUTOMOTIVE TECH, INC	385.00	7,646.49
165375	FERGUSON WATERWORKS #2516	12,948.05	497.06
170975	FRIENDS OF THE CLOQUET LIBRARY	872.17	135.69
171800	GALE/CENGAGE LEARNING	883.77	102.86
172170	GARD SPECIALISTS COMPANY, INC.	311.92	23.28
173575	GEORGE BOUGALIS & SONS INC	498,198.86	634,549.11
174300	GLORY SHINE JANITORIAL CLEAN	8,400.00	1,050.00
175790	GRANICUS, INC.	0.00	6,472.50
175950	GRAPHIC TECHNOLOGIES	5,018.16	535.41
179340	HAGENS GLASS & PAINT	18,050.11	112.00
180500	HAWKINS INC	43,465.41	3,958.85
185900	IDEXX DISTRIBUTION CORP.	239.07	722.56
187500	INGRAM LIBRARY SERVICES	7,393.67	985.82
190580	JAKES COMPANIES LLC	10,384.00	8,200.00
190600	JAKE'S QUALITY TIRE INC	0.00	2,563.59
202100	LAWSON PRODUCTS INC	2,665.00	342.09
203200	LEXISNEXIS	0.00	13.00
206800	MACQUEEN EQUIPMENT INC	1,906.97	818.96

INVOICES DUE ON/BEFORE 09/04/2018

VENDOR #	NAME	PAID THIS FISCAL YEAR	AMOUNT DUE
210450	MEDIACOM LLC.	1,674.57	378.13
211400	MENARDS	5,062.49	121.40
211645	METERING & TECHNOLOGY SOLUTION	5,354.68	1,072.45
211700	METRO SALES, INC.	6,260.38	455.13
212400	MICHAUD DIST INC	187.00	22.00
212625	MIDAMERICA BOOKS	388.95	135.65
213875	MIDWEST TAPE	0.00	419.99
214000	MIELKE ELECTRIC WORKS	18,892.71	2,197.50
214600	MINITEX	58.00	129.00
218400	MN CHIEFS OF POLICE ASSOC	2,463.00	220.00
220500	MN DEPT OF HEALTH	11,739.00	5,830.00
223300	MN POWER	0.00	413.07
224750	MN STATE TREASURER'S OFFICE	1,396.29	137.95
227750	MTI DISTRIBUTING, INC.	19,281.56	237.59
234600	NORTHERN BUSINESS PRODUCTS	5,983.05	324.51
236100	NORTHLAND CONSTRUCTORS	48,559.11	480,698.58
236125	NORTHLAND FIRE & SAFETY, INC	2,351.80	209.60
238950	OCCUPATIONAL DEVELOPMENT CTR.	667.32	233.30
242850	PARSONS ELECTRIC LLC	19,614.98	1,071.90
243500	PENWORTHY COMPANY	1,081.76	159.84
247400	396-PRAXAIR DISTRIBUTION, INC.	6,409.38	225.02
258200	RUDY GASSERT YETKA	140,460.40	9,187.50
260600	WILLIAM SCHLENOG	304.90	200.00
261800	SEH	516,600.36	6,280.76
265050	SMITTY'S READY MIX OF BARNUM	11,799.50	1,010.00
266675	SPRINGSTED WATERS	3,585.85	13,348.00
269600	SUPER ONE FOODS CLOQUET	337.31	432.51
270200	SUPERIOR COMPUTER PRODUCTS INC	58,358.99	8,288.50
271975	TEAMSTERS JOINT COUNCIL 32	228,386.95	30,594.30
275075	TITAN MACHINERY	6,004.07	287.38
278550	TWIN PORTS PAPER & SUPPLY, INC	379.97	124.12
279100	U S BANK EQUIPMENT FINANCE	4,154.06	418.71
280400	ULLAND BROTHERS, INC.	1,043,764.79	322,476.63
280925	UNIQUE MANAGEMENT SERVICES	330.75	47.25
284875	VERIZON WIRELESS	25,653.10	271.92
286900	W L S S D	633,923.80	77,938.00
287600	WALL STREET JOURNAL	0.00	467.88
287800	WAL-MART COMMUNITY	956.10	162.38
288150	WASTE MANAGEMENT NORTHERN MN	293.76	73.44
R0001271	SHRED-N-GO INC	0.00	448.21
R0001556	SWIFTWATER ADVENTURES	0.00	8,434.50
R0001638	1ST AYD CORPORATION	182.40	273.51
R0001656	STEVEN & JAN KORBY	0.00	8,816.41
R0001657	ST LOUIS COUNTY ATTORNEY	0.00	199.91

TOTAL ALL VENDORS: 1,859,819.56

City of Cloquet
Vendor Summary Report Reconciliation
Invoices Due On/Before 9/4/2018

Bills	1,859,819.56
Less: CAFD	(8,434.50)
Less: Library	(16,229.62)
	<hr/>
Bills approved	1,835,155.44
Other:	
Fauley Park land purchase from State	8,100.00
Election Judges (wages and mileage)	9,137.91
Payroll (three payrolls)	685,940.22
Payroll - benefits	(33,540.40)
	<hr/>
Total Bills and Payroll Approved	<u><u>2,504,793.17</u></u>

DATE: 08/29/18
TIME: 15:15:48
ID: AP443000.WOW

CITY OF CLOQUET
DEPARTMENT SUMMARY REPORT

PAGE: 1

INVOICES DUE ON/BEFORE 09/04/2018

VENDOR #	NAME	PAID THIS FISCAL YEAR	AMOUNT DUE

GENERAL FUND			
00			
134700	CARLTON COUNTY TREASURER	2,792.61	76.00
152775	DELTA DENTAL OF MINNESOTA	6,353.10	3,119.25
161675	EMC NATIONAL LIFE	12,668.55	1,217.50
224750	MN STATE TREASURER'S OFFICE	1,396.29	137.95
271975	TEAMSTERS JOINT COUNCIL 32	228,386.95	29,203.65
R0001657	ST LOUIS COUNTY ATTORNEY		199.91
			33,954.26
41	GENERAL GOVERNMENT		
150100	D A L C O	8,403.38	186.52
212400	MICHAUD DIST INC	187.00	22.00
218400	MN CHIEFS OF POLICE ASSOC	2,463.00	220.00
258200	RUDY GASSERT YETKA	140,460.40	9,187.50
260600	WILLIAM SCHLENOG	304.90	200.00
266675	SPRINGSTED WATERS	3,585.85	13,348.00
279100	U S BANK EQUIPMENT FINANCE	4,154.06	157.02
284875	VERIZON WIRELESS	25,653.10	210.06
287800	WAL-MART COMMUNITY	956.10	0.64
R0001271	SHRED-N-GO INC		448.21
	GENERAL GOVERNMENT		23,979.95
42	PUBLIC SAFETY		
137310	CENTURY LINK	18,908.99	664.76
150100	D A L C O	8,403.38	186.52
236125	NORTHLAND FIRE & SAFETY, INC	2,351.80	209.60
269600	SUPER ONE FOODS CLOQUET	337.31	432.51
279100	U S BANK EQUIPMENT FINANCE	4,154.06	209.35
	PUBLIC SAFETY		1,702.74
43	PUBLIC WORKS		
125900	BEST SERVICE	1,322.36	30.00
137310	CENTURY LINK	18,908.99	145.12
137340	CHAMBERLAIN OIL CO., INC.	36,805.47	212.84
153300	DIAMOND DRILLING	553.04	191.13
172170	GARD SPECIALISTS COMPANY, INC.	311.92	23.28

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CITY OF CLOQUET
DEPARTMENT SUMMARY REPORT

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INVOICES DUE ON/BEFORE 09/04/2018

VENDOR #	NAME	PAID THIS FISCAL YEAR	AMOUNT DUE
GENERAL FUND			
43	PUBLIC WORKS		
190600	JAKE'S QUALITY TIRE INC		2,563.59
202100	LAWSON PRODUCTS INC	2,665.00	171.04
223300	MN POWER		413.07
236100	NORTHLAND CONSTRUCTORS	48,559.11	763.43
238950	OCCUPATIONAL DEVELOPMENT CTR.	667.32	233.30
242850	PARSONS ELECTRIC LLC	19,614.98	941.40
247400	396-PRAXAIR DISTRIBUTION, INC.	6,409.38	112.51
261800	SEH	516,600.36	880.00
265050	SMITTY'S READY MIX OF BARNUM	11,799.50	1,010.00
287800	WAL-MART COMMUNITY	956.10	101.97
R0001638	1ST AYD CORPORATION	182.40	273.51
	PUBLIC WORKS		8,066.19
46	COMMUNITY DEVELOPMENT		
139800	CLOQUET AREA CHAMBER OF COMMER	34,466.04	6,351.70
	COMMUNITY DEVELOPMENT		6,351.70
COMMUNITY DEV OPERATING (CITY)			
46	COMMUNITY DEVELOPMENT		
128400	BRIGGS & MORGAN	500.00	6,500.00
287800	WAL-MART COMMUNITY	956.10	7.36
	COMMUNITY DEVELOPMENT		6,507.36
LIBRARY FUND			
00			
170975	FRIENDS OF THE CLOQUET LIBRARY	872.17	135.69
			135.69
45	CULTURE AND RECREATION		
113650	AMAZON.COM CREDIT	4,178.33	626.48
120100	ARROWHEAD LIBRARY SYSTEM	2,012.75	27.30
123400	BAKER & TAYLOR	8,535.73	1,511.77

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CITY OF CLOQUET
DEPARTMENT SUMMARY REPORT

PAGE: 3

INVOICES DUE ON/BEFORE 09/04/2018

VENDOR #	NAME	PAID THIS FISCAL YEAR	AMOUNT DUE
LIBRARY FUND			
45	CULTURE AND RECREATION		
136850	CENTER POINT LARGE PRINT	297.78	416.27
140200	CITY OF CLOQUET - PETTY CASH	1,419.50	3.01
142800	CLOQUET SANITARY SERVICE	6,675.95	99.24
142950	CLOQUET SHAW MEMORIAL	189.72	12.10
150100	D A L C O	8,403.38	64.15
150400	D E M C O	3,881.30	141.02
171800	GALE/CENGAGE LEARNING	883.77	102.86
174300	GLORY SHINE JANITORIAL CLEAN	8,400.00	1,050.00
187500	INGRAM LIBRARY SERVICES	7,393.67	985.82
203200	LEXISNEXIS		13.00
210450	MEDIACOM LLC.	1,674.57	296.68
211700	METRO SALES, INC.	6,260.38	455.13
212625	MIDAMERICA BOOKS	388.95	135.65
213875	MIDWEST TAPE		419.99
214600	MINITEX	58.00	129.00
234600	NORTHERN BUSINESS PRODUCTS	5,983.05	324.51
242850	PARSONS ELECTRIC LLC	19,614.98	130.50
243500	PENWORTHY COMPANY	1,081.76	159.84
270200	SUPERIOR COMPUTER PRODUCTS INC	58,358.99	8,288.50
278550	TWIN PORTS PAPER & SUPPLY, INC	379.97	124.12
280925	UNIQUE MANAGEMENT SERVICES	330.75	47.25
284875	VERIZON WIRELESS	25,653.10	61.86
287600	WALL STREET JOURNAL		467.88
	CULTURE AND RECREATION		16,093.93
PERMANENT IMPROVEMENT			
00			
236100	NORTHLAND CONSTRUCTORS	48,559.11	-25,259.74
			-25,259.74
56	CONSTRUCTION & MAINTENANCE		
236100	NORTHLAND CONSTRUCTORS	48,559.11	505,194.89
	CONSTRUCTION & MAINTENANCE		505,194.89
PARK FUND			
45	CULTURE AND RECREATION		

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CITY OF CLOQUET
DEPARTMENT SUMMARY REPORT

PAGE: 4

INVOICES DUE ON/BEFORE 09/04/2018

VENDOR #	NAME	PAID THIS FISCAL YEAR	AMOUNT DUE

PARK FUND			
45	CULTURE AND RECREATION		
110950	AARDVARK SEPTIC PUMPING	5,095.00	785.00
112050	ADVANCED SERVICES INC	637.00	245.00
112650	AJ'S LAWCARE, INC	2,221.90	811.00
122958	AUTO ZONE, INC.	692.53	178.25
137310	CENTURY LINK	18,908.99	313.91
139025	CINTAS	2,289.92	52.21
150100	D A L C O	8,403.38	90.89
179340	HAGENS GLASS & PAINT	18,050.11	112.00
180500	HAWKINS INC	43,465.41	319.70
211400	MENARDS	5,062.49	121.40
227750	MTI DISTRIBUTING, INC.	19,281.56	237.59
	CULTURE AND RECREATION		3,266.95
PUBLIC WORKS RESERVE			
42	PUBLIC SAFETY		
161850	EMERGENCY AUTOMOTIVE TECH, INC	385.00	7,646.49
	PUBLIC SAFETY		7,646.49
CAPITAL PROJECTS - REVOLVING			
00			
173575	GEORGE BOUGALIS & SONS INC	498,198.86	-33,397.32
			-33,397.32
81	SPECIAL PROJECTS		
159275	E P C ENGINEERING & TESTING	17,310.00	2,324.00
173575	GEORGE BOUGALIS & SONS INC	498,198.86	667,946.43
	SPECIAL PROJECTS		670,270.43
CITY SALES TAX CAPITAL			
00			
127400	OSCAR J BOLDT CONSTRUCTION	61,791.16	-9,271.89
280400	ULLAND BROTHERS, INC.	1,043,764.79	-16,892.16
			-26,164.05

DATE: 08/29/18
 TIME: 15:15:48
 ID: AP443000.WOW

CITY OF CLOQUET
 DEPARTMENT SUMMARY REPORT

INVOICES DUE ON/BEFORE 09/04/2018

VENDOR #	NAME	PAID THIS FISCAL YEAR	AMOUNT DUE

CITY SALES TAX CAPITAL			
81	SPECIAL PROJECTS		
127400	OSCAR J BOLDT CONSTRUCTION	61,791.16	185,437.80
175950	GRAPHIC TECHNOLOGIES	5,018.16	535.41
261800	SEH	516,600.36	3,640.76
280400	ULLAND BROTHERS, INC.	1,043,764.79	337,843.11
	SPECIAL PROJECTS		527,457.08
WATER - LAKE SUPERIOR WATERLIN			
51	STATION 2		
137310	CENTURY LINK	18,908.99	204.00
180500	HAWKINS INC	43,465.41	172.70
185900	IDEXX DISTRIBUTION CORP.	239.07	722.56
214000	MIELKE ELECTRIC WORKS	18,892.71	2,197.50
287800	WAL-MART COMMUNITY	956.10	52.41
288150	WASTE MANAGEMENT NORTHERN MN	293.76	73.44
	STATION 2		3,422.61
52	LAKE SUPERIOR WATERLINE		
159275	E P C ENGINEERING & TESTING	17,310.00	1,680.00
	LAKE SUPERIOR WATERLINE		1,680.00
WATER - IN TOWN SYSTEM			
00			
R0001656	STEVEN & JAN KORBY		8,816.41
			8,816.41
49	CLOQUET		
137310	CENTURY LINK	18,908.99	116.22
137340	CHAMBERLAIN OIL CO., INC.	36,805.47	65.04
153300	DIAMOND DRILLING	553.04	693.74
165375	FERGUSON WATERWORKS #2516	12,948.05	497.06
180500	HAWKINS INC	43,465.41	3,466.45
202100	LAWSON PRODUCTS INC	2,665.00	102.63

DATE: 08/29/18
TIME: 15:15:48
ID: AP443000.WOW

CITY OF CLOQUET
DEPARTMENT SUMMARY REPORT

PAGE: 6

INVOICES DUE ON/BEFORE 09/04/2018

VENDOR #	NAME	PAID THIS FISCAL YEAR	AMOUNT DUE

WATER - IN TOWN SYSTEM			
49	CLOQUET		
211645	METERING & TECHNOLOGY SOLUTION	5,354.68	1,072.45
220500	MN DEPT OF HEALTH	11,739.00	5,830.00
247400	396-PRAXAIR DISTRIBUTION, INC.	6,409.38	67.51
275075	TITAN MACHINERY	6,004.07	287.38
280400	ULLAND BROTHERS, INC.	1,043,764.79	1,525.68
	CLOQUET		13,724.16
54	BILLING & COLLECTION		
279100	U S BANK EQUIPMENT FINANCE	4,154.06	52.34
	BILLING & COLLECTION		52.34
57	ADMINISTRATION & GENERAL		
137310	CENTURY LINK	18,908.99	87.07
261800	SEH	516,600.36	880.00
	ADMINISTRATION & GENERAL		967.07
ENTERPRISE FUND - SEWER			
00			
286900	W L S S D	633,923.80	-3,832.00
			-3,832.00
55	SANITARY SEWER		
149150	ELXSI		650.00
153300	DIAMOND DRILLING	553.04	191.13
202100	LAWSON PRODUCTS INC	2,665.00	68.42
206800	MACQUEEN EQUIPMENT INC	1,906.97	818.96
247400	396-PRAXAIR DISTRIBUTION, INC.	6,409.38	45.00
286900	W L S S D	633,923.80	81,770.00
	SANITARY SEWER		83,543.51

DATE: 08/29/18
TIME: 15:15:48
ID: AP443000.WOW

CITY OF CLOQUET
DEPARTMENT SUMMARY REPORT

PAGE: 7

INVOICES DUE ON/BEFORE 09/04/2018

VENDOR #	NAME	PAID THIS FISCAL YEAR	AMOUNT DUE

ENTERPRISE FUND - SEWER			
57	ADMINISTRATION & GENERAL		
137310	CENTURY LINK	18,908.99	58.04
261800	SEH	516,600.36	880.00
	ADMINISTRATION & GENERAL		938.04
STORM WATER UTILITY			
59	OPERATIONS		
190580	JAKES COMPANIES LLC	10,384.00	8,200.00
	OPERATIONS		8,200.00
CABLE TELEVISION			
45	CULTURE AND RECREATION		
137310	CENTURY LINK	18,908.99	64.47
175790	GRANICUS, INC.		6,472.50
210450	MEDIACOM LLC.	1,674.57	81.45
	CULTURE AND RECREATION		6,618.42
EMPLOYEE SEVERANCE			
45	EMPLOYEE VACATION & SICK		
152775	DELTA DENTAL OF MINNESOTA	6,353.10	57.30
271975	TEAMSTERS JOINT COUNCIL 32	228,386.95	1,390.65
	EMPLOYEE VACATION & SICK		1,447.95
CLOQUET AREA FIRE DISTRICT			
42	PUBLIC SAFETY		
R0001556	SWIFTWATER ADVENTURES		8,434.50
	PUBLIC SAFETY		8,434.50
	TOTAL ALL DEPARTMENTS		1,859,819.56



ADMINISTRATIVE OFFICES

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Phone: 218-879-3347 • Fax: 218-879-6555
email: admin@ci.cloquet.mn.us
www.ci.cloquet.mn.us

REQUEST FOR COUNCIL ACTION

To: Mayor and City Council
From: Nancy Klassen, Finance Director
Reviewed by: Aaron Reeves, City Administrator
Date: August 29, 2018

ITEM DESCRIPTION: MN Public Facilities Authority Bond Purchase and Project Loan Agreement

Proposed Action

Staff recommends the Council move to adopt **RESOLUTION NO. 18-60, A RESOLUTION ACCEPTING THE OFFER OF THE MINNESOTA PUBLIC FACILITIES AUTHORITY TO PURCHASE A \$7,582,911 GENERAL OBLIGATION WATER REVENUE NOTE OF 2018, PROVIDING FOR ITS ISSUANCE AND AUTHORIZING EXECUTION OF A BOND PURCHASE AND PROJECT LOAN AGREEMENT.**

Background/Overview

The council authorized the construction of a water treatment plant. The MN Public Facilities (MN PFA) Bond is used to finance the water treatment plant construction costs.

The debt service is being funded through water rates.

Policy Objectives

Application was submitted and authorized by the State for the City to construct a drinking water treatment plant to remove iron and manganese paid through low interest rate MN PFA Bonds.

Financial Impacts/Budget/Grant Considerations

The 2017 water rate study was conducted with the treatment plant estimated at \$5.6 million at 2% interest rate vs \$7.6 million at 1.128% interest rate. These changes will have to be incorporated into the next scheduled water rate increase.

Advisory Committee/Commission Action

None.

Supporting Document Attached

Resolution 18-60
Bond Purchase and Project Loan Agreement

CITY OF CLOQUET
COUNTY OF CARLTON
STATE OF MINNESOTA
RESOLUTION 18-60

RESOLUTION ACCEPTING THE OFFER OF THE MINNESOTA PUBLIC FACILITIES
AUTHORITY TO PURCHASE A \$7,582,911 GENERAL OBLIGATION WATER REVENUE
NOTE OF 2018, PROVIDING FOR ITS ISSUANCE AND AUTHORIZING EXECUTION OF
A BOND PURCHASE AND PROJECT LOAN AGREEMENT

A. WHEREAS, the City Council of the City of Cloquet, Minnesota (the "City"), has heretofore applied for a loan from the Minnesota Public Facilities Authority (the "PFA") to provide financing pursuant to Minnesota Statutes, Chapters 444 and 475, for constructing a new drinking water treatment plant to remove iron and manganese as detailed in the Minnesota Department of Health's project certification(s), dated June 25, 2018 (the "Project"); and

B. WHEREAS, the PFA is authorized pursuant to Minnesota Statutes, Chapter 446A, as amended, to issue its bonds (the "PFA Bonds") and to use the proceeds thereof, together with certain other funds, to provide loans and other assistance to municipalities to fund eligible costs of construction of publicly owned drinking water systems in accordance with the federal Safe Drinking Water Act and the federal Clean Water Act; and

C. WHEREAS, the City has applied for a loan from the PFA pursuant to such program and the PFA has committed to make a loan to the City in the principal amount of \$7,582,911, to be disbursed and repaid in accordance with the terms of a Minnesota Public Facilities Authority Bond Purchase and Project Loan Agreement dated August 9, 2018 (the "Bond Purchase and Project Loan Agreement"), a copy of which has been presented to the Council and is on file with the Administrator; and

D. WHEREAS, the \$7,582,911 General Obligation Water Revenue Note of 2018 (the "Note") of the City is tax-exempt, and in addition the City will need to assure the tax-exemption of the PFA Bonds; and

E. WHEREAS, in accordance with Minnesota Statutes, Section 475.60, Subdivision 2(4), the City is authorized to issue obligations to a board, department or agency of the State of Minnesota by negotiation and without advertisement for bids and the PFA is, and has represented that it is, a board, department or agency of the State of Minnesota; and

F. WHEREAS, the City owns and operates a municipal water system (the "Water System") as a separate revenue producing public utility; and

G. WHEREAS, the net revenues of the Water System are pledged to the payment of the outstanding General Obligation Water Revenue Note of 2002, in the original principal amount of \$1,913,773, dated October 8, 2002 (the "Outstanding Water Note");

H. WHEREAS, a contract or contracts for the Project have been made by the City with the approval of the PFA and all other state and federal agencies of which approval is required:

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Cloquet, Carlton County, Minnesota, as follows:

1. Acceptance of Offer; Payment. The offer of the PFA to purchase a \$7,582,911 General Obligation Water Revenue Note of 2018 of the City (the "Note"), at the rate of interest hereinafter set forth, and to pay therefor the sum of \$7,582,911 as provided below, is hereby accepted, and the sale of the Note is hereby awarded to the PFA. Payment for the Note shall be disbursed in installments as eligible costs of the Project are reimbursed or paid, all as provided in the Bond Purchase and Project Loan Agreement.

2. Title; Date; Denomination; Interest Rates; Maturities. The Note shall be a fully registered negotiable obligation, shall be titled "General Obligation Water Revenue Note of 2018", shall be dated as of the date of delivery and shall be issued forthwith. The Note shall be in the principal amount of \$7,582,911, or so much thereof as shall be disbursed pursuant to the Bond Purchase and Project Loan Agreement, shall bear interest on so much of the principal amount of the Note as may be disbursed and remains unpaid until the principal amount of the Note has been paid or has been provided for, at the rate of 1.128% per annum (calculated on the basis of a 360-day year of twelve 30-day months). Interest on the Note is payable semi-annually on February 20 and August 20, commencing February 20, 2019. Interest starts accruing as of the date of the initial disbursement. Principal on the Note shall mature on August 20 of the years and in the installments as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2019	\$177,911	2029	\$389,000
2020	352,000	2030	393,000
2021	356,000	2031	398,000
2022	360,000	2032	402,000
2023	364,000	2033	407,000
2024	368,000	2034	411,000
2025	372,000	2035	416,000
2026	376,000	2036	421,000
2027	380,000	2037	425,000
2028	385,000	2038	430,000

Interest shall accrue only on the aggregate amount of the Note which has been disbursed and is unpaid under the Bond Purchase and Project Loan Agreement. The principal installments shall be paid in the amounts scheduled above even if at the time of payment the full principal amount of the Note has not been disbursed; provided that if the full principal amount of the Note is never disbursed, the amount of the principal not disbursed shall be applied to reduce each unpaid principal installment in the proportion that such installment bears to the total of all unpaid principal installments (i.e., the remaining principal payment schedule shall be reamortized to provide similarly level annual installments of total debt service payments). Principal, interest and any premium due under the Note will be paid on each payment date by wire payment, or by check or draft mailed at least five business days prior to the payment date to the person in whose name the Note is registered, in any coin or currency of the United States which at the time of payment is legal tender for public and private debts.

Interest on the Note includes amounts treated by the PFA as service fees.

3. Purpose; Cost. The proceeds of the Note shall provide funds to finance construction of the Project. The total cost of the construction of the Project, including legal and other professional charges, publication and printing costs, interest accruing on money borrowed for the Project before the collection of net revenues pledged and appropriated therefor, and all other costs necessarily incurred and to be incurred from the inception to the completion of the Project, is estimated to be at least equal to the amount of the Note. The City covenants that it shall do all things and perform all acts required of it to assure that work on the Project proceeds with due diligence to completion and that any and all permits and studies required under law for the Project are obtained.

4. Redemption. The Note shall be subject to redemption and prepayment in whole or in part at the option of the City, subject to the written consent of the PFA, or mandatorily as provided in the Bond Purchase and Project Loan Agreement.

5. Registration of Note. At the time of issuance and delivery of the Note, the officer of the City performing the functions of the treasurer (the "Treasurer") shall register the Note in the name of the payee in a note register which the Treasurer and the officer's successors in office shall maintain for the purpose of registering the ownership of the Note. The Note shall be

prepared for execution with an appropriate text and spaces for notation of registration. The force and effect of such registration shall be as stated in the form of Note hereinafter set forth. Payment of principal installments and interest, whether upon redemption or otherwise, made with respect to the Note, may be made to the registered holder thereof or to the registered holder's legal representative, without presentation or surrender of the Note.

6. Form of Note. The Note, together with the Certificate of Registration attached thereto, shall be in substantially the following form:

UNITED STATES OF AMERICA
STATE OF MINNESOTA
COUNTY OF CARLTON
CITY OF CLOQUET

\$7,582,911 GENERAL OBLIGATION WATER REVENUE NOTE OF 2018

The City of Cloquet, Carlton County, Minnesota (the "City"), certifies that it is indebted and for value received promises to pay to the Minnesota Public Facilities Authority or the registered assign, the principal sum of SEVEN MILLION FIVE HUNDRED EIGHTY TWO THOUSAND NINE HUNDRED ELEVEN DOLLARS, or so much thereof as may have been disbursed, on August 20 of the years and in the installments as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2019	\$177,911	2029	\$389,000
2020	352,000	2030	393,000
2021	356,000	2031	398,000
2022	360,000	2032	402,000
2023	364,000	2033	407,000
2024	368,000	2034	411,000
2025	372,000	2035	416,000
2026	376,000	2036	421,000
2027	380,000	2037	425,000
2028	385,000	2038	430,000

and to pay interest on so much of the principal amount of the debt as may be disbursed and remains unpaid until the principal amount hereof is paid or has been provided for, at the rate of 1.128% per annum (calculated on the basis of a 360-day year of twelve 30-day months). Interest on the Note is payable semi-annually on February 20 and August 20, commencing February 20, 2019. Interest starts accruing as of the date of the initial disbursement.

Principal and Interest Payments. Interest shall accrue only on the aggregate amount of this Note which has been disbursed under the Minnesota Public Facilities Authority Bond Purchase and Project Loan Agreement dated as of August 9, 2018, by and between the City and the Minnesota Public Facilities Authority (the "Bond Purchase and Project Loan Agreement"). The principal installments shall be paid in the amounts scheduled above even if at the time of payment the full principal amount of this Note has not been disbursed; provided that if the full

principal amount of this Note is never disbursed, the amount of the principal not disbursed shall be applied to reduce each unpaid principal installment in the proportion that such installment bears to the total of all unpaid principal installments (i.e., the remaining principal payment schedule shall be reamortized to provide similarly level annual installments of total debt service payments). Interest on this Note includes amounts treated by the Minnesota Public Facilities Authority as service fees. Principal, interest and any premium due under this Note will be paid on each payment date by wire payment, or by check or draft mailed at least five business days prior to the payment date to the person in whose name this Note is registered, in any coin or currency of the United States of America which at the time of payment is legal tender for public and private debts.

Redemption. This Note shall be subject to redemption and prepayment in whole or in part at the option of the City, subject to the written consent of the Minnesota Public Facilities Authority, or mandatorily as provided in the Bond Purchase and Project Loan Agreement.

Purpose; General Obligation. This Note has been issued pursuant to and in full conformity with the Constitution and laws of the State of Minnesota for the purpose of providing money to construct improvements to the municipal water system (the "Water System"), for constructing a new drinking water treatment plant to remove iron and manganese as detailed in the Minnesota Department of Health's project certification(s), dated June 25, 2018 (the "Project"); and is payable out of the PFA Debt Service Account of the Water Fund of the City, to which account have been pledged net revenues of the Water System. This Note constitutes a general obligation of the City, and to provide moneys for the prompt and full payment of said principal installments and interest when the same become due, the full faith, credit and taxing powers of the City have been and are hereby irrevocably pledged.

Registration; Transfer. This Note shall be registered in the name of the payee on the books of the City by presenting this Note for registration to the Treasurer, who will endorse his or her name and note the date of registration opposite the name of the payee in the certificate of registration attached hereto. Thereafter this Note may be transferred to a bona fide purchaser only by delivery with an assignment duly executed by the registered owner or the registered owner's legal representative, and the City may treat the registered owner as the person exclusively entitled to exercise all the rights and powers of an owner until this Note is presented with such assignment for registration of transfer, accompanied by assurance of the nature provided by law that the assignment is genuine and effective, and until such transfer is registered on said books and noted hereon by the Treasurer.

Fees Upon Transfer or Loss. The Treasurer may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection with the transfer of this Note and any legal or unusual costs regarding transfers and lost notes.

Bond Purchase and Project Loan Agreement. The terms and conditions of the Bond Purchase and Project Loan Agreement are incorporated herein by reference and made a part hereof. The Bond Purchase and Project Loan Agreement may be attached to this Note, and shall be attached to this Note if the holder of this Note is any person other than the Minnesota Public Facilities Authority.

Tax-Exempt Obligation. The City intends that the interest on this Note will be excluded from gross income for United States income tax purposes or from both gross income and taxable net income for State of Minnesota income tax purposes.

Qualified Tax-Exempt Obligation. This Note has been designated by the City as a "qualified tax-exempt obligation" for purposes of Section 265(b)(3) of the federal Internal Revenue Code of 1986, as amended.

IT IS HEREBY CERTIFIED AND RECITED that all acts, conditions and things required by the Constitution and laws of the State of Minnesota to be done, to happen and to be performed, precedent to and in the issuance of this Note, have been done, have happened and have been performed, in regular and due form, time and manner as required by law; that the City has covenanted and agreed with the holder of this Note that it will impose and collect charges for the service, use and availability of and connection to the Water System at the times and in amounts necessary to produce net revenues adequate to pay all principal and interest when due on this Note; that the City will levy a direct, annual, irrevocable ad valorem tax upon all of the taxable property in the City, without limitation as to rate or amount, for the years and in amounts sufficient to pay the installments of principal and interest on this Note as they respectively become due, if the net revenues from the Water System and any other revenues irrevocably appropriated to said PFA Debt Service Account are insufficient therefor; and that this Note, together with all other debts of the City outstanding on the date hereof, being the date of its actual issuance and delivery, does not exceed any constitutional or statutory limitation of indebtedness.

IN WITNESS WHEREOF, the City of Cloquet, Carlton County, Minnesota, by its City Council has caused this Note to be executed on its behalf by the signatures of its Mayor and of its Administrator, and the corporate seal of the City having been intentionally omitted as permitted by law, all as of (do not date), 2018.

CITY OF CLOQUET, CARLTON COUNTY,
MINNESOTA

(DO NOT SIGN) _____
Mayor

(DO NOT SIGN) _____
Administrator

CERTIFICATE OF REGISTRATION

The transfer of ownership of the principal amount of the attached Note may be made only by the registered owner or his, her or its legal representative last noted below.

<u>DATE OF REGISTRATION</u>	<u>REGISTERED OWNER</u>	<u>SIGNATURE OF TREASURER</u>
(do not date)	Minnesota Public Facilities Authority Saint Paul, Minnesota Federal Employer Identification No. 41-6007162	(DO NOT SIGN)
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

7. Execution. The Note shall be executed on behalf of the City by the signatures of its Mayor and Administrator; the seal of the City has been intentionally omitted as permitted by law. In the event of disability or resignation or other absence of either such officer, the Note may be signed by the manual signature of that officer who may act on behalf of such absent or disabled officer. In case either such officer whose signature shall appear on the Note shall cease to be such officer before the delivery of the Note, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery.

8. Delivery; Application of Proceeds. The Note when so prepared and executed shall be delivered by the Treasurer to the purchaser thereof prior to disbursements pursuant to the Bond Purchase and Project Loan Agreement, and the purchaser shall not be obliged to see to the proper application thereof.

9. Fund and Accounts. There has heretofore been created a separate fund in the City treasury designated the Water Fund (the "Fund"). The Administrator and all municipal officials and employees concerned therewith shall maintain financial records of the receipts and disbursements of the Water System in accordance with the resolutions establishing the Fund. The Operation and Maintenance Account heretofore established by the City for the Water System shall continue to be maintained in the manner heretofore provided by the City. All moneys remaining after paying or providing for the items set forth in the resolution establishing the Operation and Maintenance Account shall constitute and are referred to as "net revenues" until the Note has been paid. There shall be maintained in the Fund the following accounts:

(a) A "PFA Construction Account", to which shall be credited all proceeds received from the sale of the Note. The Note shall be the only source of moneys credited to the PFA Construction Account. It is recognized that the sale proceeds of the Note are received in reimbursement for costs expended on the Project or in direct payment of such costs, and that accordingly the moneys need not be placed in the PFA Construction Account upon receipt but may be applied immediately to reimburse the source from which the expenditure was made. The moneys in the PFA Construction Account shall be used solely for the purpose of paying for the cost of constructing the Project, including all costs enumerated in Minnesota Statutes, Section 475.65, provided that such moneys shall only be expended for costs and expenses which are permitted under the Bond Purchase and Project Loan Agreement. The PFA prohibits the use of proceeds of the Note to reimburse costs initially paid from proceeds of other obligations of the City unless otherwise specifically approved. Upon completion of the Project and the payment of the costs thereof, any surplus shall be transferred to the PFA Debt Service Account.

(b) A "PFA Debt Service Account", to which shall be irrevocably appropriated, pledged and credited: (i) net revenues of the Water System in an amount sufficient to pay the principal of, and interest on, the Note when due; (ii) any collection of taxes which may hereafter be levied in the event the net revenues of the Water System herein pledged for the payment of the Note are insufficient therefor; (iii) all investment earnings on moneys held in the PFA Debt Service Account; (iv) any amounts transferred from the PFA Construction Account; and (v) any other moneys which are properly available and are appropriated by the City Council to the PFA Debt Service Account. The moneys in the PFA Debt Service Account shall be used only to pay or prepay the

principal of, and interest on, the Note and any other general obligation bonds hereafter issued and made payable from the PFA Debt Service Account, and to pay any rebate due to the United States with respect to the PFA Bonds in connection with the Note.

No portion of the proceeds of the Note shall be used directly or indirectly to acquire higher yielding investments or to replace funds which were used directly or indirectly to acquire higher yielding investments, except (1) for a reasonable temporary period until such proceeds are needed for the purpose for which the Note was issued, and (2) in addition to the above in an amount not greater than the lesser of five percent of the proceeds of the Note or \$100,000. To this effect, any proceeds of the Note or any sums from time to time held in the PFA Construction Account, Operation and Maintenance Account or PFA Debt Service Account (or any other City account which will be used to pay principal or interest to become due on the Note) in excess of amounts which under then applicable federal arbitrage regulations may be invested without regard to yield shall not be invested at a yield in excess of the applicable yield restrictions imposed by said arbitrage regulations on such investments after taking into account any applicable "temporary periods" or "minor portion" made available under the federal arbitrage regulations. In addition, moneys in the Fund shall not be invested in obligations or deposits issued by, guaranteed by or insured by the United States or any agency or instrumentality thereof if and to the extent that such investment would cause the Note to be "federally guaranteed" within the meaning of Section 149(b) of the federal Internal Revenue Code of 1986, as amended (the "Code").

The City shall observe the covenants of paragraphs 16, 17 and 18 of this resolution and of Article III of the Bond Purchase and Project Loan Agreement with regard to the Fund.

10. Coverage Test; Pledge of Net Revenues; Excess Revenues. It is hereby found, determined and declared that the net revenues of the Water System are sufficient in amount to pay when due the principal of and interest on the Note and the Outstanding Water Note and a sum at least five percent in excess thereof. The net revenues of the Water System are hereby pledged on a parity lien with the Outstanding Water Note to the payment of the Note, but solely to the extent required to meet, together with other pledged sums, the principal and interest requirements of the Note. Excess net revenues may be used for any proper purpose. Nothing contained herein shall be deemed to preclude the City from making further pledges and appropriations of the net revenues of the Water System for the payment of other or additional obligations of the City, provided that it has first been determined by the City Council that estimated net revenues of the Water System will be sufficient, in addition to all other sources, for the payment of the Note and such additional obligations, and any such pledge and appropriation of net revenues may be made superior or subordinate to, or on a parity with, the pledge and appropriation herein. Net revenues in excess of those required for the foregoing may be used for any proper purpose.

11. Pledge to Produce Revenues. In accordance with Minnesota Statutes, Section 444.075, the City hereby covenants and agrees with the holder of the Note that it will impose and collect charges for the service, use and availability of and connection to the Water System at the times and in the amounts required to produce net revenues adequate to pay, together with other pledged sums, all principal and interest when due on the Note.

12. General Obligation Pledge. The full faith, credit and taxing powers of the City shall be, and are hereby, irrevocably pledged for the prompt and full payment of the principal and interest on the Note as the same respectively become due. If the net revenues of the Water System appropriated and pledged to the payment of principal and interest on the Note, together with other funds irrevocably appropriated to the PFA Debt Service Account, shall at any time be insufficient to pay such principal and interest when due, the City covenants and agrees to levy, without limitation as to rate or amount, an ad valorem tax upon all taxable property in the City sufficient to pay such principal and interest as they become due. If the balance in the PFA Debt Service Account is ever insufficient to pay all principal and interest then due on the Note and any other obligations payable therefrom, the deficiency shall be promptly paid out of any other funds of the City which are available for such purpose, and such other funds may be reimbursed with or without interest, from the PFA Debt Service Account when a sufficient balance is available therein.

13. Certificate of Registration. The Administrator is hereby directed to file a certified copy of this resolution with the County Auditor of Douglas County and the County Auditor of Carlton County, Minnesota, together with such other information as each County Auditor shall require, and to obtain from each County Auditor their respective County Auditor's certificate that the Note has been entered in the County Auditor's Bond Register for each respective County.

14. Bond Purchase and Project Loan Agreement. The Bond Purchase and Project Loan Agreement is hereby approved in substantially the form heretofore presented to the City Council, and in the form executed is hereby incorporated by reference and made a part of this resolution. Each and all of the provisions of this resolution relating to the Note are intended to be consistent with the provisions of the Bond Purchase and Project Loan Agreement, and to the extent that any provision in the Bond Purchase and Project Loan Agreement is in conflict with this resolution as it relates to the Note, that provision shall control and this resolution shall be deemed accordingly modified. The Mayor and Administrator are hereby authorized and directed to execute the Bond Purchase and Project Loan Agreement. The execution of the Bond Purchase and Project Loan Agreement by the appropriate officers shall be conclusive evidence of the approval of the Bond Purchase and Project Loan Agreement in accordance with the terms hereof. The Bond Purchase and Project Loan Agreement may be attached to the Note, and shall be attached to the Note if the holder of the Note is any person other than the PFA.

15. Records and Certificates. The officers of the City are hereby authorized and directed to prepare and furnish to the PFA, and to the attorneys approving the legality of the issuance of the Note, certified copies of all proceedings and records of the City relating to the Note and to the financial condition and affairs of the City, and such other affidavits, certificates and information as are required to show the facts relating to the legality and marketability of the Note as the same appear from the books and records under their custody and control or as otherwise known to them, and all such certified copies, certificates and affidavits, including any heretofore furnished, shall be deemed representations of the City as to the facts recited therein.

16. Negative Covenants as to Use of Proceeds and Project. The City hereby covenants not to use the proceeds of the Note or to use the Project, or to cause or permit them to be used, or to enter into any deferred payment arrangements for the cost of the Project, in such a manner as to cause the Note to be a "private activity bond" within the meaning of Sections 103

and 141 through 150 of the Code. The City reasonably expects that no actions will be taken over the term of the Note that would cause it to be a private activity bond, and the average term of the Note is not longer than reasonably necessary for the governmental purpose of the issue. The City hereby covenants not to use the proceeds of the Note in such a manner as to cause the Note to be a "hedge bond" within the meaning of Section 149(g) of the Code.

The City hereby covenants not to use the proceeds of the Note or to use the Project, or to cause or permit them to be used, or to enter into any deferred payment arrangement for the cost of the Project, in such a manner as to cause the PFA Bonds to be "private activity bonds" within the meaning of Sections 103 and 141 through 150 of the Code. The City reasonably expects that it will take no actions over the term of the Note that would cause the PFA Bonds to be private activity bonds, and the average term of the Note is not longer than reasonably necessary for its governmental purpose.

17. Tax-Exempt Status of the Note; Rebate. The City shall comply with requirements necessary under the Code to establish and maintain the exclusion from gross income under Section 103 of the Code of the interest on the Note, including without limitation (a) requirements relating to temporary periods for investments, (b) limitations on amounts invested at a yield greater than the yield on the Note, and (c) the rebate of excess investment earnings to the United States. The City expects to satisfy the twenty four month expenditure exemption for gross proceeds of the Note as provided in Section 1.148-7(d)(1) of the Regulations. If any elections are available now or hereafter with respect to arbitrage or rebate matters relating to the Note, the Mayor, the Administrator, or either of them, are hereby authorized and directed to make such elections as they deem necessary, appropriate or desirable in connection with the Note, and all such elections shall be, and shall be deemed and treated as, elections of the City.

18. Tax-Exempt Status of the PFA Bonds; Rebate. The City with respect to the Note shall comply with requirements necessary under the Code to establish and maintain the exclusion from gross income under Section 103 of the Code of the interest on the PFA Bonds, including without limitation (a) requirements relating to temporary periods for investments, (b) limitations on amounts invested at a yield greater than the yield on the PFA Bonds, and (c) the rebate of excess investment earnings to the United States. The City covenants and agrees with the PFA and holders of the Note that the investments of proceeds of the Note, including the investment of any revenues pledged to the Note which are considered gross proceeds of the PFA Bonds under the applicable regulations, and accumulated sinking funds, if any, shall be limited as to amount and yield in such manner that the PFA Bonds shall not be arbitrage bonds within the meaning of Section 148 of the Code and any regulations thereunder. On the basis of the existing facts, estimates and circumstances, including the foregoing findings and covenants, the City hereby certifies that it is not expected that the proceeds of the Note will be used in such manner as to cause the PFA Bonds to be arbitrage bonds under Section 148 of the Code and any regulations thereunder. The Mayor and Administrator shall furnish a certificate to the PFA embracing or based on the foregoing certification at the time of delivery of the Note to the PFA. The proceeds of the Note will likewise be used in such manner that the Note is not a private activity bond under Section 103(b) of the Code.

19. Designation of Qualified Tax-Exempt Obligation. In order to qualify the Note as a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3) of the Code, the City hereby makes the following factual statements and representations:

- (a) the Note is issued after August 7, 1986;
- (b) the Note is not a "private activity bond" as defined in Section 141 of the Code;
- (c) the City hereby designates the Note as a "qualified tax-exempt obligation" for purposes of Section 265(b)(3) of the Code;
- (d) the reasonably anticipated amount of tax-exempt obligations (other than private activity bonds, treating qualified 501(c)(3) bonds as not being private activity bonds) which will be issued by the City (and all entities treated as one issuer with the City, and all subordinate entities whose obligations are treated as issued by the City) during this calendar year 2018 will not exceed \$10,000,000;
- (e) not more than \$10,000,000 of obligations issued by the City during this calendar year 2018 have been designated for purposes of Section 265(b)(3) of the Code; and
- (f) the aggregate face amount of the Note does not exceed \$10,000,000.

The City shall use its best efforts to comply with any federal procedural requirements which may apply in order to effectuate the designation made by this paragraph.

20. Severability. If any section, paragraph or provision of this resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this resolution.

21. Headings. Headings in this resolution are included for convenience of reference only and are not a part hereof, and shall not limit or define the meaning of any provision hereof.

The motion for the adoption of the foregoing resolution was duly seconded by member _____ and, after full discussion thereof and upon a vote being taken thereon, the following voted in favor thereof:

and the following voted against the same:

Whereupon the resolution was declared duly passed and adopted.

STATE OF MINNESOTA
COUNTY OF CARLTON
CITY OF CLOQUET

I, the undersigned, being the duly qualified and acting Administrator of the City of Cloquet, Minnesota DO HEREBY CERTIFY that I have compared the attached and foregoing extract of minutes with the original thereof on file in my office, and that the same is a full, true and complete transcript of the minutes of a meeting of the City Council, duly called and held on the date therein indicated, insofar as such minutes relate to the \$7,582,911 General Obligation Water Revenue Note of 2018.

WITNESS my hand and City's seal on September 4, 2018.

Administrator

(SEAL)

**MINNESOTA PUBLIC FACILITIES AUTHORITY
BOND PURCHASE AND PROJECT LOAN AGREEMENT**

This BOND PURCHASE AND PROJECT LOAN AGREEMENT ("the Agreement"), is between the Minnesota Public Facilities Authority (the "Authority") and the City of Cloquet ("Recipient") and is dated August 9, 2018.

The project consists of constructing a new drinking water treatment plant to remove iron and manganese ("the Project"). The Project is further described and detailed the MN Department of Health's certification(s) dated June 25, 2018, in the Recipient's Project application which is incorporated herein.

Program Funding for the Project	Name	Legal citations	Funding IDs	Amounts
Drinking Water State Revolving Fund Loan	("the Loan")	MS 446A.081; MN Rules 7380 .0250-.0297	MPFA-DWRF-L-029-FY19	\$7,582,911
Total Authority project financing				\$7,582,911

ARTICLE 1 – TERMS AND CONDITIONS

Section 1.1 Terms. (a) general: The Authority hereby commits, subject to the availability of funds and the conditions and legal citations herein set forth, to provide SEVEN MILLION FIVE HUNDRED EIGHTY TWO THOUSAND NINE HUNDRED ELEVEN DOLLARS (\$7,582,911) to the Recipient for the purpose of financing eligible costs of the Project.

(b) loan: The Loan shall be evidenced by the Note described in Section 1.4 of this Agreement (the "Note"). The final maturity date of the Loan will be August 20, 2038. The aggregate principal amount of the Loan disbursed and outstanding will bear interest and servicing fees collectively at the rate of 1.128% per annum accruing from and after the date of the Note described in Section 1.4 through the date on which no principal of the Loan remains unpaid and all accrued interest and servicing fees thereon have been paid

(c) grant(s): This subsection is intentionally left blank.

Section 1.2 Authority Sources of Funds. (a) The Recipient acknowledges that the Authority may use the proceeds of one or more series of the Authority's revenue bonds (the "Bonds"), federal capitalization grants, proceeds of state general obligation bonds, state appropriations from the Clean Water Legacy Fund, or other funds of the Authority, or a combination thereof, to fund the Agreement.

(b) At the written request of the Recipient, the Authority will provide information with respect to the funding of the Agreement, from time to time.

(c) allocation and pledging of Loan: The Authority may, at any time, pledge the Loan as security for its Bonds. The Authority in its sole discretion may allocate the Loan to one or more sources of funds and may from time to time reallocate the Loan to one or more different sources of funds, including one or more different series of Bonds (whether or not that series of Bonds refunded the series of Bonds to which the Loan was originally allocated), or may sell the Loan if permitted by the documents relating to its Bonds.

Section 1.3 Disbursements. (a) delivery of Note: No funds will be disbursed by the Authority to the Recipient until the Recipient has delivered its Note to the Authority as set forth in section 1.4.

(b) All Recipient disbursement requests will be subject to Authority approval and will be disbursed on a cost reimbursement basis, consistent with the budget presented in the Recipient's application. The Authority may withhold or disallow all or part of the amount requested if the Authority determines the request is not in compliance with this Agreement, applicable federal and state laws, regulations or rules as then in effect.

(c) The Authority will disburse funds pursuant to approved disbursement requests complying with the provisions of this Agreement. Each disbursement request must be for eligible costs for completed work on the Project and must be submitted on or before the deadlines established by the Authority and on a form prescribed by the Authority. Each disbursement request must include supporting invoices and billing statements and be signed by an employee or elected official of the Recipient.

(d) The Authority will reimburse the Recipient for eligible Project costs incurred prior to the execution of this Agreement only to the extent approved in connection with the Authority's approval of the Recipient's application.

(e) The Authority will make disbursements to the Recipient within 30 days of receipt of the Recipient's request, unless the Authority determines to withhold disbursement in accordance with the provisions of this Agreement. The Authority will endeavor to pay disbursement requests submitted by the Recipient not later than the 15th day of the month by the last day of the same month.

(f) If the entire amount specified in Section 1.1 is not fully disbursed by June 30, 2022 the Authority will not make any further disbursements. In that event or if final eligible Project costs are less than the total financing amount specified in Section 1.1, the undisbursed balance of the Loan will be applied to the outstanding principal installments of the Loan on a pro rata basis or as otherwise determined by the Authority. The Authority will revise Exhibit A to this Agreement to reflect the reduction in principal amount and promptly deliver a copy to the Recipient.

Section 1.4 Security. (a) The Recipient must issue to the Authority its General Obligation Revenue Note to evidence its obligation to repay the Loan. The Authority will not disburse funds to the Recipient under this Agreement until the Recipient delivers to the Authority the executed Note, a certified copy of resolutions or other authority by the appropriate governing body or bodies as have authorized the execution and performance of this Agreement and the Note in accordance with applicable law, and all opinions, certificates and documents requested by, and in a form acceptable to, the Authority.

(b) The Recipient represents and agrees that the Note is a general obligation debt of the Recipient and will be shown as such on its financial statements and be treated in all respects as a general obligation debt of the Recipient. For purposes of permitting sale of the Note to the Authority, the Authority represents that it is a "board, department or agency" of the State of Minnesota within the meaning of Minnesota Statutes, Section 475.60, subdivision 2, clause (4), as amended.

(c) The obligations of the Recipient under the Note evidence amounts payable under the Loan. Each payment made pursuant to the Note will be deemed to be a credit against the corresponding obligation of the Recipient under the Loan and any such payment will fulfill the Recipient's obligation to pay that amount hereunder.

(d) The Recipient agrees to impose and collect rates and charges in compliance with Minnesota Statutes and in accordance with the Recipient's service charge system, so that sufficient gross revenues are available, together with other sources as may be applicable, for the payment of system costs, including operation and maintenance expenses and principal, interest and servicing fees due on any outstanding debt payable from those revenues. The Recipient agrees to annually review and ensure that the gross revenues are sufficient for the payment of all system costs.

Section 1.5 Mandatory Payments. (a) The Recipient must repay the principal amount of the Loan, together with accrued interest and servicing fees, in the amounts and on the dates set forth in Exhibit A attached hereto (notwithstanding the rate of disbursement of the proceeds of the Loan), subject to adjustment as set forth in Section 1.3 or 1.6. The interest payment shown on Exhibit A is for informational purposes only; the actual interest payment will be the amount of interest which has accrued to the date of payment. The Authority will be entitled to retain for its own purposes any interest earnings on Loan proceeds that are not disbursed and will not be obligated to credit any such interest earnings against any required repayment of principal or payment of interest and servicing fees. Any payment of principal or interest received by the Authority in excess of the amounts set forth in Exhibit A, as then in effect, which is not a mandatory payment as designated in paragraph (b), or not expressly designated by the Recipient to be treated as an optional prepayment may, in the sole discretion of the Authority, be (i) held without interest payable by the Authority and applied to a future payment due on the Loan in a manner determined by the Authority, (ii) treated as a prepayment of principal on the Loan, or (iii) returned to the Recipient as an overpayment. Other than prepayments, the Authority will apply any payments received under the Note as follows: first, to the payment of any costs or expenses incurred by the Authority in enforcing any provision of the Note or this Agreement; second, to the payment of accrued and unpaid interest and servicing fees on the Note; and third, to the payment of principal of the Note then due.

(b) If the Recipient has pledged to the repayment of the Loan revenues subject to prepayment or lump-sum payments by a third party, such as special assessments or connection charges from another municipality, the Recipient will notify the Authority immediately upon receipt of any such payment. The Authority, in its sole discretion, may direct the Recipient to use the funds for the payment of eligible construction costs of the Project, or to transmit the funds to the Authority for payment on the Loan, immediately or at a later date. Any such payment received by the Authority may be applied to reduce each unpaid annual principal installment of the Loan in the proportion that such installment bears to the total of all unpaid principal installments, or, in the sole discretion of the Authority, may be applied to one or more future principal payments on the Loan in a manner determined by the Authority.

Section 1.6 Optional Prepayments. (a) The Recipient may not prepay the Loan except upon written consent of the Authority. If the Authority has consented, then upon 45 days' prior written notice to the Authority (or such lesser period as the Authority may accept), the Recipient may prepay the Loan and the Note, in whole or in part, on any February 20 or August 20 at a redemption price equal to the principal amount to be prepaid, together with accrued interest and servicing fees thereon to the redemption date and a premium equal to all fees and expenses of the Authority, if any, in connection with the prepayment, including any fees, expenses or other costs relating to the payment and redemption of the Bonds as determined by the Authority.

(b) The Authority may require that the Recipient, at its sole cost and expense, deliver to the Authority an opinion from a law firm, selected by the Authority, having a national reputation in the field of municipal finance law whose legal opinions are generally accepted by purchasers of municipal bonds ("Bond Counsel") to the effect that such prepayment will not cause the interest on the Note to be included in the gross income of the recipient thereof for federal income tax purposes.

(c) The Authority will apply any amount paid by the Recipient to prepay all or a portion of the Note as follows: first, to the payment of fees, expenses and other costs of the Authority as provided in Subsection (a); second, to the payment of interest and servicing fees on the principal amount of the Note to be prepaid; and, third, to the principal of the Note. The principal amount of a partial prepayment will, in the sole discretion of the Authority, (i) be applied to one or more future principal payments of the Loan in a manner determined by the Authority, or (ii) be applied to reduce each unpaid annual principal installment of the Loan in the proportion that such installment bears to the total of all unpaid principal installments (i.e., the remaining principal payment schedule shall be re-amortized to provide proportionately reduced principal payments in each year).

ARTICLE 2 – RECIPIENT RESPONSIBILITIES AND PROJECT COMPLIANCE

Section 2.1 Recipient Responsibilities with Respect to the Project. (a) The Recipient must meet all requirements in the project application submitted to the Authority as to compliance with federal and state laws, rules and regulations and include in any contract or subcontract related to the Project provisions requiring contractor and subcontractor compliance with applicable state and federal laws. The requirements in that application are hereby incorporated by reference.

(b) The Recipient agrees to commence construction and complete the Project with reasonable diligence, regardless of the sufficiency of loans or grants therefor from the Authority to pay eligible project costs.

(c) The Recipient will not enter into a sale, lease, transfer or other use agreement of any part of the Project, or change the use of the Project, without the prior written approval of the Authority if that sale, lease, transfer, agreement or change in use would (i) violate the covenants set forth in Article 3 or Article 4, or (ii) violate the conditions under which any capitalization grants were furnished by the United States Environmental Protection Agency (the "EPA"), or (iii) otherwise violate any terms or conditions of this Agreement.

(d) The Recipient must maintain adequate property insurance coverage for the Project in those amounts and with those limits as it determines in good faith to be reasonable or in those amounts and with those limits as the Authority may require from time to time. The Recipient may substitute adequate, actuarially sound self-insurance or risk retention program(s) for property insurance coverage, so long as such program(s) are consistent with applicable laws and state and federal regulations.

(e) The Recipient must complete the Project in accordance with all applicable federal, state and local statutes, rules, regulations, ordinances, reporting requirements, approvals, and state agency certifications governing the design and construction of the Project, and operate the Project's system in compliance with all applicable federal and state laws and regulations and permit requirements.

(f) The Recipient agrees to exert all reasonable efforts to investigate claims that the Recipient may have against third parties with respect to the construction of the Project and, in appropriate circumstances, take whatever action, including legal action, the Recipient reasonably determines to be appropriate.

(g) Clean Water Legacy logo: This subsection is intentionally left blank.

Section 2.2 Construction Compliance. (a) state prevailing wages: The Recipient must comply with the provisions of prevailing wage requirements set forth in Minnesota Statutes, Sections 177.41 to 177.44, as then in effect.

(b) federal prevailing wages: In addition to the prevailing wage requirements under Subsection (a), the Recipient must comply with, and require that all laborers and mechanics employed by contractors and subcontractors on the Project be paid wages at rates not less than those prevailing on projects of a similar character in the locality as determined by the Secretary of Labor in accordance with, the Davis-Bacon Act (40 U.S.C., sec. 276a through 276a-5), as amended.

(c) federal American Iron and Steel: The Recipient will comply with the American Iron and Steel requirements of the Consolidated Appropriations Act of 2017, unless the Project is granted a waiver from the EPA.

ARTICLE 3 – TAX COMPLIANCE COVENANTS

The Recipient acknowledges that the Note is intended to bear interest that is excluded from gross income of the owner thereof for federal and State of Minnesota income tax purposes (a "Tax-exempt Note") and may be funded by the Authority from the proceeds of the Authority's Bonds that are intended to bear interest that is excluded from gross income of the owner thereof for federal and State of Minnesota income tax purposes ("Tax-exempt Bonds"). The Recipient also acknowledges that, regardless of the source of funding, the Authority may pledge the Loan and the related Note as security for, and as a source of, the payment of debt service on any or all of its Tax-exempt Bonds. In consideration of these facts, the Recipient covenants and agrees with the Authority, whether or not strict compliance with those agreements is required to maintain the Note as a Tax-exempt Note or the Authority's Bonds as Tax-exempt Bonds, as follows:

(a) The Recipient will not take, or, to the extent under its control, permit to be taken, any action that would cause the Note not to be a Tax-exempt Note or any Authority Bonds not to be Tax-exempt Bonds and will not omit from taking, or cause to be taken, any action required to maintain the Note as a Tax-exempt Note or the Authority's Bonds as Tax-exempt Bonds.

(b) The Recipient will take all actions with respect to the Note necessary to comply with all instructions and requests of the Authority relating to maintaining the Authority's Bonds as Tax-exempt Bonds and the Note as a Tax-exempt Note or compliance with the agreements set forth in this Section or in any Tax Compliance Certificate (hereinafter defined).

(c) The Recipient will comply with all requirements of any certificate or agreement ("Tax Compliance Certificate") executed and delivered by it in connection with the issuance of the Note.

(d) The Recipient will promptly notify the Executive Director of the Authority in writing of any action or event which adversely affects the status of the Note as a Tax-exempt Note or any of the Authority's Bonds as Tax-exempt Bonds.

(e) The Recipient will not use any of the proceeds of the Loan to pay the costs of any facility used or to be used during the term of the Loan for any private business use or to make a private loan within the meaning of Section 141 of the Internal Revenue Code of 1986, as amended (the "Code").

(f) The Recipient will not repay the Loan from, or secure repayment of the Loan by, property used or to be used for a private business use or payments in respect of such property within the meaning of Section 141 of the Code, except as specifically permitted in writing by the Authority.

(g) The Recipient will not establish any fund or account, other than a bona fide debt service fund, securing the payment of the Tax-exempt Note or Tax-exempt Bonds or from which the Recipient reasonably expects to pay debt service on the Loan, or in any other respect create "gross proceeds," within the meaning of the Code, of the Tax-exempt Note or Tax-exempt Bonds, except as specifically permitted in writing by the Authority. In addition, the Recipient will not invest any gross proceeds in obligations or deposits issued by, guaranteed by or insured by the United States or any agency or instrumentality thereof if and to the extent that investment would cause the Tax-Exempt Note or Tax-exempt Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

(h) The Recipient will not invest any moneys constituting "gross proceeds" of the Tax-exempt Note or Tax-exempt Bonds other than in a fair market, arms' length transaction and at a yield, within the meaning of the Code, in excess of the lesser of the yield on the Tax-exempt Note or the Tax-exempt Bonds applicable to the Loan and will apply all Loan proceeds within five days of the receipt thereof by the Recipient consistent with the terms of the Recipient's disbursement request.

(i) Except as permitted under Treasury Regulations, Section 1.150-2, and Section 1.4(d) hereof, the Recipient will not use Loan proceeds to reimburse itself for any payments of project costs that the Recipient made from other funds, if the original payment was made prior to the earlier of the issuance of the Authority Bonds used to fund the Loan or the execution and delivery of this Agreement or if the original payment was made from the proceeds of other debt of the Recipient.

(j) Other than as provided in Section 4.1 hereof, the allocation by the Authority of funds it uses to purchase the Loan, including different series of Tax-exempt Bonds, is at the sole discretion of the Authority and that allocation is binding on the Recipient.

(k) With respect to any gross proceeds of the Tax-exempt Bonds created by the Recipient, the Recipient will be liable to the Authority for any amount the Authority is required to rebate to the United States as excess investment earnings pursuant to Section 148 of the Code.

The Authority may, in its sole discretion and only upon receipt of an opinion of counsel to the Authority, waive any of the agreements set forth in this Article 3.

ARTICLE 4 – COMPLIANCE WITH STATE BOND REQUIREMENTS

Section 4.1 State Bond Financed Property. The Recipient and the Authority acknowledge and agree that the Recipient's ownership interest in the Project, consisting of real property, and, if applicable, all facilities located, or that will be constructed and located, on that real property, and all equipment that is a part thereof, that was purchased with the proceeds of state general obligation bond proceeds constitutes "State Bond Financed Property", as that term is used in Minnesota Statutes, Section 16A.695 and the "Fourth Order Amending Order of the Commissioner of Finance Relating to Use and Sale of State Bond Financed Property" dated July 30, 2012 (the "Order"), as such may be amended, modified, supplemented, or replaced from time to time, and therefore the provisions contained therein with Minnesota Statutes, Section 16A.695 and the Order. The Recipient must file the required state bond financed property declaration as provided in the Order and provide a copy of the filed declaration to the Authority, unless the filing requirement is waived in writing by the Commissioner of Minnesota Management and Budget.

Section 4.2 Lease or Management Contract. The Recipient agrees that any lease or management or similar contract (each a "Use Agreement") it enters into with respect to property constituting all or a part of the State Bond Financed Property must comply with the following requirements:

- (a) It must be for the express purpose of carrying out a governmental program established or authorized by law and established by official action of the Recipient.
- (b) It must be approved, in writing, by the Commissioner of Minnesota Management and Budget.
- (c) It must be for a term, including any renewals that are solely at the option of the lessee or manager, that is substantially less than the useful life of the property subject to that lease or management contract, but may allow renewal beyond that term upon determination by the Recipient that the use continues to carry out the governmental program.
- (d) It must be terminable by the Recipient if the other contracting party defaults under the contract, or if the governmental program is terminated or changed.
- (e) It must provide for oversight by the Recipient of the operation of the property that is the subject of the Use Agreement.
- (f) It must specifically identify the statute that provides the Recipient authority to enter into the Use Agreement.
- (g) It must contain a provision stating that the Use Agreement is being entered into in order to carry out a governmental program and must specifically identify the governmental program.

Section 4.3 Sale. The Recipient must not sell any property constituting all or a part of the State Bond Financed Property unless the sale complies with the following requirements:

- (a) The Recipient determines by official action that the property is no longer usable or needed by the Recipient to carry out the governmental program for which it was acquired or constructed.
- (b) The sale must be made as authorized by law.

(c) The sale must be for fair market value as defined in Minnesota Statutes, Section 16A.695 as then in effect.

(d) The Recipient obtains the prior written consent of the Commissioner of Minnesota Management and Budget.

Section 4.4 Changes to Minnesota Statute 16A.695 or the Order. In the event that Minnesota Statutes Section 16A.695 or the Order is amended in a manner that reduces any requirement imposed upon the Recipient, or if the Recipient's interest in the State Bond Financed Property is exempt from Minnesota Statutes, Section 16A.695 or the Order, then upon written request by the Recipient, the Authority will enter into and execute an amendment to this Agreement to implement that amendment to, or exempt the interest in the Project from, Minnesota Statutes, Section 16A.695 and the Order.

Section 4.5 Waiver. The Authority may waive the requirements of Article 4 at any time upon determination by the Authority, and after notifying the Commissioner of Minnesota Management and Budget, that the Project has not been and will not be funded from the proceeds of state general obligation bonds.

ARTICLE 5 – DISCLOSURE

Section 5.1 Information for Disclosure Documents. (a) The Recipient agrees to provide to the Authority such information with respect to the Recipient, its duties, operations and functions as may be reasonably requested by the Authority, and hereby consents to its inclusion in the Authority's official statement(s) used in connection with issuance and sale or the re-marketing of its Bonds or continuing disclosure with respect to its Bonds (collectively, the "Disclosure Documents"), whether or not all or a portion of the proceeds of Bonds were or will be loaned to the Recipient.

(b) At the request of the Authority, the Recipient will certify and represent that the information with respect to the Recipient in any Disclosure Document does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which they were made, not misleading; provided, however, that in no event will the Authority require the Recipient to make any representation about any other information in the Disclosure Documents or as to any Disclosure Document in its entirety. If for any reason the Recipient determines that it is not able to make that certification and representation, it will provide to the Authority the information for inclusion in the Disclosure Documents necessary for the Recipient to make the certification and representation.

(c) If at any time during the period ending 90 days after the date the Recipient provides information to Authority for inclusion in a Disclosure Document any event occurs that the Recipient believes would cause the information with respect to the Recipient in the Disclosure Document to omit a material fact or make the statements therein misleading, the Recipient agrees to promptly notify the Authority in writing of that event and provide information for inclusion in the Disclosure Document or an amendment thereof or a supplement thereto. At the request of the Authority, the Recipient will also provide the certification and representation required in (b) above with respect to that information.

(d) The Recipient agrees to provide such information as may be reasonably requested by any rating agency in connection with rating the Bonds of the Authority.

Section 5.2 Continuing Disclosure. If the Authority, in its sole discretion, determines, at any time prior to payment of the Loan in full, (i) that the Recipient is a material "obligated person," as the term "obligated person" is defined in Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended or supplemented, including any successor regulation or statute thereto ("Rule 15c2-12") or (ii) that an event has occurred with respect to the Recipient or the Loan that must be disclosed under Rule 15c2-12, or (iii) that any other action of the Recipient has occurred which the Authority determines in its sole discretion is material to an investor in the Bonds, the Recipient covenants that it will authorize and provide to the Authority, for inclusion in a Disclosure Document, all statements and information relating to the Recipient deemed material by the Authority for the purpose of satisfying Rule 15c2-12 as well as Rule 10b-5 promulgated pursuant to the Securities Exchange Act of 1934, as amended or supplemented, including any successor regulation or statute thereto ("Rule 10b-5"), including certificates and written representations of the Recipient evidencing satisfaction of the requirements of Rule 15c2-12 and Rule 10b-5. The Authority, in its sole discretion and as set forth in a resolution or official statement of the Authority, will determine materiality under each of clause (i) and clause (iii) pursuant to criteria established from time to time. The Recipient further covenants that, if determined to be such a material obligated person, it will execute and deliver a continuing disclosure agreement, in that form as the Authority determines to be necessary, desirable or convenient, in its sole discretion, for the purpose of meeting the requirements of Rule 15c2-12. Pursuant to the terms and provisions of that continuing disclosure agreement, the Recipient will thereafter provide ongoing disclosure with respect to all annual and event information and financial statements relating to the Recipient required by a continuing disclosure undertaking under Rule 15c2-12. The Recipient further agrees that the Authority will have the right to disclose any information about the Recipient or the Loan, whether or not received from the Recipient, determined by the Authority in its sole discretion, to be material with respect to any of its Bonds.

ARTICLE 6 – SYSTEM REPLACEMENT FUND

This article is intentionally left blank.

ARTICLE 7 - FINANCIAL RECORDS, AUDITS, REPORTS AND INSPECTIONS

Section 7.1 Financial Recordkeeping. For all expenditures made pursuant to this Agreement, the Recipient must keep financial accounts and records in accordance with generally accepted accounting principles including invoices, contracts, receipts, vouchers and other documents sufficient to evidence in proper detail the nature and propriety of the expenditures and any investments made with proceeds of the Loan or other "gross proceeds" of the Note or the tax-exempt Bonds of the Authority. Such accounts and records must be accessible and available for a minimum of six years from the date of initiation of operation of the Project and for so long as the Note is outstanding for examination by authorized representatives of the Authority, the Office of the Legislative Auditor, the Office of the State Auditor and the EPA Office of Inspector General.

Section 7.2 Annual Financial Reports. (a) The Recipient must annually provide to the Authority for the term of the Loan a copy of an independent audit of its financial statements. All audit reports must be submitted within 30 days after the completion of the audit but no later than one year after the end of the fiscal year to be audited. The audits must be conducted in accordance with generally accepted government auditing standards and in compliance with Subpart F (Audit Requirements) of Title 2 U.S. Code of Federal Regulations Part 200.

(b) The Recipient must describe the Note as general obligation debt of the Recipient in its annual audited financial statements for the term of the Loan.

Section 7.3 Annual Minority and Women Business Enterprise Report. If requested, the Recipient will submit to the Authority, within 20 days of the end of the annual reporting period, EPA Form 5700-52A to report on the award of prime contracts or subcontracts to any certified Minority and Women Business Enterprise (MBE/WBE) firms until the Project is complete.

Section 7.4 General. The Recipient must submit the project reports required by the Authority on forms prescribed by the Authority.

Section 7.5 Inspections. The Recipient, upon reasonable request by the Authority, must allow the Authority and its agents to inspect the Project.

ARTICLE 8 – GOVERNMENT DATA PRACTICES

The Recipient agrees, with respect to any data that it possesses regarding the Project, to comply with all of the provisions and restrictions contained in the Minnesota Government Data Practices Act, Minnesota Statutes, Chapter 13, that exist as of the date of this Agreement and as such may subsequently be amended, modified or replaced from time to time.

ARTICLE 9 - DEFAULT AND REMEDIES

Section 9.1. Events of Default. Any of the following is an event of default under this Agreement:

(a) The Recipient does not make a Loan payment when due;

(b) The Recipient does not comply with any other provision of this Agreement or the Note after written notice from the Authority, and for a three-month period the Recipient does not cure that default or provide a written plan acceptable to the Authority providing for that cure or, if the Authority accepts a plan for cure, the Recipient does not cure that default within the time period specified therein.

Section 9.2 Remedies. (a) If an event of default described in Section 9.1(a) of this Agreement occurs, the Authority will impose an interest penalty as provided in Minn. Rules Part 7830.0296, Subpart 1. The Authority may also exercise one or more of the following remedies: (1) withhold approval of any disbursement request, (2) reject any pending application by the Recipient for financial assistance, (3) to the extent permitted by law, demand immediate payment of the Loan and the Note in full and, upon such demand, the outstanding principal amount of the Loan and Note will be immediately due and payable, with interest accrued thereon to the date of payment, or (4) exercise any other remedy available to the Authority at law or in equity, including under Minnesota Rules, Chapter 7380, as amended.

(b) If an event of default described in Section 9.1(b) of this Agreement occurs, the Authority will impose an immediate increase in the interest rate on the Loan by eliminating all interest rate discounts that were applied in determining the interest rate under Minn. Rules Part 7380.0272. The Authority may also exercise one or more of the following remedies: (1) withhold approval of any disbursement request, (2)

demand repayment of any grant disbursements under this Agreement, (3) reject any pending application by the Recipient for financial assistance, (4) to the extent permitted by law, demand immediate payment of the Loan and the Note in full and, upon such demand, the outstanding principal amount of the Loan and Note will be immediately due and payable, with interest accrued thereon to the date of payment, or (5) exercise any other remedy available to the Authority at law or in equity, including under Minnesota Rules, Chapter 7380, as amended. If the Authority subsequently determines that the Recipient has cured all events of default, the interest rate on any unpaid Loan principal will then revert back to the original interest rate.

ARTICLE 10 – ADMINISTRATION

Section 10.1 Amendments. Any amendments to this Agreement must be in writing and must be executed by the Recipient by the same officials who signed the Agreement, or their successors.

Section 10.2 Termination of Loan. The obligations of the Recipient under this Agreement (except the obligations set forth in Section 2.1 (c), (d) and (e) and Article 4 hereof) will terminate when the Loan is fully paid.

Section 10.3 Fees. (a) Pursuant to Minnesota Statutes, section 446A.04, subdivision 5(a), the Authority may charge application fees and loan repayment servicing fees.

(b) application fee: The application fee is waived by the Authority.

(c) loan repayment servicing fees: The Recipient acknowledges that the Authority may apply up to 2 percent of any loan repayment as a servicing fee and that such fee will not increase the amount of any repayments or extend the period of repayment.

Section 10.4 Notices. In addition to any notice required under applicable law to be given in another manner, any notices required hereunder must be in writing, and will be sufficient if delivered by courier or overnight delivery service or sent by certified mail (return receipt requested), postage prepaid, to the address of the party to whom it is directed. That address must be the address specified below or a different address as may hereafter be specified by either party by written notice to the other:

In the case of the Authority:

Minnesota Public Facilities Authority
Attention: Executive Director
1st National Bank Building
332 Minnesota Street, Suite W820
Saint Paul, MN 55101-1378

In the case of the Recipient:

City of Cloquet
Attention: Mayor
1307 Cloquet Avenue
Cloquet, MN 55720

Recipient name: City of Cloquet
Project Funding ID(s): MPFA-DWRF-L-029-FY19

The Authority and the Recipient have caused this Agreement to be duly executed by their duly authorized undersigned representatives. Statutory Cities must execute this Agreement as provided in Minnesota Statutes, Section 412.201, as amended. Home Rule Charter Cities must execute this Agreement as provided in Minnesota Statutes, Chapter 410, as amended.

RECIPIENT: We have read and we agree to all of the above provisions of this Agreement.

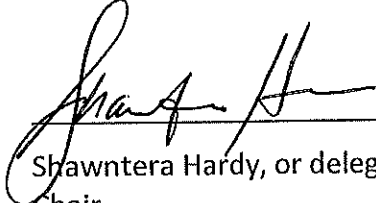
By _____
Title Dave Hallback
Mayor

Date _____

By _____
Title Aaron Reeves
City Administrator

Date _____

MINNESOTA PUBLIC FACILITIES AUTHORITY:

By 
Title Shawntera Hardy, or delegate
Chair

Date 8.10.18

ENCUMBERED: Individual signing certifies that funds have been encumbered as required by Minnesota Statute 16A.

By _____

PO date 08/09/18
PO ID(s) B2401:30000002347

Exhibit A
 Loan Amortization Schedule
 MPFA-DWRF-L-029-FY19

funding dates: 7,582,911.00

Cloquet - dw02

Rate: 1.128%

Date:

Maturity: 08/20/38

private activity:

final loan amount: 7,582,911.00

Date	Effective	Source	Disbursement	Repayment	Interest	Principal	Loan Balance	Annl Debt Srv
projected	08/28/18	Op Res	7,582,911.00				7,582,911.00	
	02/20/19			40,866.83	40,866.83		7,582,911.00	
	08/20/19			220,678.62	42,767.62	177,911.00	7,405,000.00	261,545.45
	02/20/20			41,764.20	41,764.20		7,405,000.00	
	08/20/20			393,764.20	41,764.20	352,000.00	7,053,000.00	435,528.40
	02/20/21			39,778.92	39,778.92		7,053,000.00	
	08/20/21			395,778.92	39,778.92	356,000.00	6,697,000.00	435,557.84
	02/20/22			37,771.08	37,771.08		6,697,000.00	
	08/20/22			397,771.08	37,771.08	360,000.00	6,337,000.00	435,542.16
	02/20/23			35,740.68	35,740.68		6,337,000.00	
	08/20/23			399,740.68	35,740.68	364,000.00	5,973,000.00	435,481.36
	02/20/24			33,687.72	33,687.72		5,973,000.00	
	08/20/24			401,687.72	33,687.72	368,000.00	5,605,000.00	435,375.44
	02/20/25			31,612.20	31,612.20		5,605,000.00	
	08/20/25			403,612.20	31,612.20	372,000.00	5,233,000.00	435,224.40
	02/20/26			29,514.12	29,514.12		5,233,000.00	
	08/20/26			405,514.12	29,514.12	376,000.00	4,857,000.00	435,028.24
	02/20/27			27,393.48	27,393.48		4,857,000.00	
	08/20/27			407,393.48	27,393.48	380,000.00	4,477,000.00	434,786.96
	02/20/28			25,250.28	25,250.28		4,477,000.00	
	08/20/28			410,250.28	25,250.28	385,000.00	4,092,000.00	435,500.56
	02/20/29			23,078.88	23,078.88		4,092,000.00	
	08/20/29			412,078.88	23,078.88	389,000.00	3,703,000.00	435,157.76
	02/20/30			20,884.92	20,884.92		3,703,000.00	
	08/20/30			413,884.92	20,884.92	393,000.00	3,310,000.00	434,769.84
	02/20/31			18,668.40	18,668.40		3,310,000.00	
	08/20/31			416,668.40	18,668.40	398,000.00	2,912,000.00	435,336.80
	02/20/32			16,423.68	16,423.68		2,912,000.00	
	08/20/32			418,423.68	16,423.68	402,000.00	2,510,000.00	434,847.36
	02/20/33			14,156.40	14,156.40		2,510,000.00	
	08/20/33			421,156.40	14,156.40	407,000.00	2,103,000.00	435,312.80
	02/20/34			11,860.92	11,860.92		2,103,000.00	
	08/20/34			422,860.92	11,860.92	411,000.00	1,692,000.00	434,721.84
	02/20/35			9,542.88	9,542.88		1,692,000.00	
	08/20/35			425,542.88	9,542.88	416,000.00	1,276,000.00	435,085.76
	02/20/36			7,196.64	7,196.64		1,276,000.00	
	08/20/36			428,196.64	7,196.64	421,000.00	855,000.00	435,393.28
	02/20/37			4,822.20	4,822.20		855,000.00	
	08/20/37			429,822.20	4,822.20	425,000.00	430,000.00	434,644.40
	02/20/38			2,425.20	2,425.20		430,000.00	
	08/20/38			432,425.20	2,425.20	430,000.00	-	434,850.40
totals			7,582,911.00	8,529,691.05	946,780.05	7,582,911.00		8,529,691.05



DEPARTMENT OF PUBLIC WORKS

1307 Cloquet Avenue; Cloquet, MN 55720
Phone: (218) 879-6758 Fax: (218) 879-6555
Street - Water - Sewer - Engineering - Park
www.ci.cloquet.mn.us

REQUEST FOR COUNCIL ACTION

To: City Council
From: Caleb Peterson, Public Works Director
Reviewed By: Aaron Reeves, City Administrator *AR*
Date: September 4, 2018

ITEM DESCRIPTION: Award 2018 Gravel Crushing Bid

Proposed Action

Staff recommends that the City Council move to adopt **RESOLUTION NO. 18-62, AWARDING 2018 GRAVEL CRUSHING BID.**

Background/Overview

As part of the Public Works Department's operating budget, plans are made to crush and recycle salvaged bituminous pavement and concrete at the Public Works garage every four to five years. Crushing was last completed in 2014 and current stockpiles are to the point where we need to crush again before winter. The material produced is used for a variety of purposes in daily operations including utility repairs, and grading of our various gravel roads.

Specifications were prepared, and sealed bids were received on August 23, 2018 to crush approximately 25,000 cubic yards of material. The table below shows the results of the two bids received.

Bidder	Crushed Gravel	Rock	Total Bid
Upland Brothers, Inc.	\$ 129,600.00	\$ 32,400.00	\$ 162,000.00
DeCaigny Excavating, Inc.	\$ 134,000.00	\$ 33,500.00	\$ 167,500.00

Policy Objectives

To solicit bids for required road and utility maintenance materials in accordance with the City's purchasing policy and state statute.

Financial/Budget/Grant Considerations

This material is used over several years, so the crushing costs are spread over that period using annual inventory adjustments. The funds are budgeted as an annual allocation in the General Fund (\$50,000 in 2019) however, 75% of the use/cost is allocated to utility funds via transfers. Staff estimates a 50% cost savings by recycling this material versus purchase and trucking of equivalent material from a local supplier.

Advisory Committee/Commission Action

N/A.

Supporting Documents Attached

- Resolution No. 18-62

**CITY OF CLOQUET
COUNTY OF CARLTON
STATE OF MINNESOTA**

RESOLUTION NO. 18-62

RESOLUTION AWARDING 2018 GRAVEL CRUSHING BID

WHEREAS, The Public Works Department budgets to crush and recycle salvaged bituminous pavement and concrete every four to five years; and

WHEREAS, Public Works has prepared specifications to complete gravel crushing during 2018; and

WHEREAS, The City of Cloquet advertised and received the following bids to complete this work:

Bidder	Crushed Gravel	Rock	Total Bid
Ulland Brothers, Inc.	\$ 129,600.00	\$ 32,400.00	\$ 162,000.00
DeCaigny Excavating, Inc.	\$ 134,000.00	\$ 33,500.00	\$ 167,500.00

AND WHEREAS, The apparent low bid from Ulland Brothers, Inc. was found to meet the minimum bid requirements.

NOW, THEREFORE, BE IT RESOLVED, BY THE CITY COUNCIL OF THE CITY OF CLOQUET, MINNESOTA, That the bid from Ulland Brothers, Inc. in the amount of \$162,000.00 is hereby accepted.

PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF CLOQUET THIS 4th DAY OF SEPTEMBER 2018.

Dave Hallback, Mayor

ATTEST:

Aaron Reeves, City Administrator



DEPARTMENT OF PUBLIC WORKS

1307 Cloquet Avenue; Cloquet, MN 55720
Phone: (218) 879-6758 Fax: (218) 879-6555
Street - Water - Sewer – Engineering - Park
www.ci.cloquet.mn.us

REQUEST FOR COUNCIL ACTION

To: Mayor and City Council
From: Caleb Peterson, Public Works Director
Reviewed by: Aaron Reeves, City Administrator *AR*
Date: September 4, 2018

ITEM DESCRIPTION: Lake Superior Waterline – Pump #7 Rebuild

Proposed Action

Staff recommends the City Council move to authorize the purchase of a new pump assembly from Dakota Supply Group, Inc., in the amount of \$37,804.49.

Background/Overview

Pump #7 is one of four located at Station Two on the Lake Superior Waterline. In June the decision was made to pull this pump for inspection due high vibration readings during normal operation. Upon further investigation, it was found that the impellers and bowl assembly were worn significantly and require replacement.

The three vertical pumps (5, 6 & 7) located at this facility have a life expectancy of approximately 10 years based on previous installations. Pump #7 was last rebuilt 2009.

Quotes were received from two pump suppliers for purchase of a new pump assembly as follows:

Supplier	Bid Price
Dakota Supply Group, Inc.	\$ 37,804.49
Edelmann & Associates, Inc.	\$ 38,996.00

Policy Objectives

N/A.

Financial/Budget/Grant Considerations

Costs associated with the rebuild of pump #7 include \$37,804.49 for parts and an estimated \$7,500.00 in labor to mount and balance the new pump assembly. \$85,000 was budgeted for pump and motor maintenance in 2018. Approximately \$9,200 has been spent to date.

Advisory Committee/Commission Action

N/A.

Supporting Documentation Attached

N/A.



ADMINISTRATIVE OFFICES

1307 Cloquet Avenue • Cloquet MN 55720
Phone: 218-879-3347 • Fax: 218-879-6555
email: areeves@cloquetmn.gov
www.cloquetmn.gov

REQUEST FOR COUNCIL ACTION

To: Honorable Mayor and City Council
From: Aaron S. Reeves, City Administrator *AR*
Date: September 4, 2018

ITEM DESCRIPTION: Updated CAFD Services Agreement

Proposed Action

Approve the Fiscal Agent and Fleet Maintenance Agreement as presented.

Background/Overview

The CAFD has had a services agreement with the City for a number of years. For 2019 they have notified the City they no longer require Administrative or Human Resources assistance. The new agreement is for Fiscal Agent and Fleet Maintenance Services only. City staff have reviewed the agreement amounts and are comfortable with the fees being charged covering all City costs.

Supporting Documentation Attached

Fiscal Agent & Fleet Maintenance Services Agreement

FISCAL AGENT & FLEET MAINTENANCE SERVICES AGREEMENT

THIS FISCAL AGENT & FLEET MAINTENANCE SERVICES AGREEMENT ("Agreement") is made this 15th day of August 2019, by and between the City of Cloquet, a Minnesota municipal corporation ("the Agent"), and the Cloquet Area Fire District, a Minnesota entity ("the District").

RECITALS:

- A. Minnesota Statute 471.59 authorizes governmental units to exercise joint powers as political subdivisions of the State of Minnesota.
- B. The Agent and the District desire to enter into this Agreement to confirm the terms and conditions of the Agent's retention as fiscal agent and provider of fleet services for the District.

AGREEMENTS:

NOW, THEREFORE, in consideration of the mutual promises, agreements and covenants contained in this Agreement, the parties hereby covenant and agree as follows:

1. **Appointment of the Fiscal Agent, Provider of Fleet Maintenance Services.** Subject to the terms, conditions and restrictions contained in this Agreement, the District hereby engages and appoints the Agent as a fiscal agent of the District. The Agent will be responsible for the performance of accounting, payroll and recordkeeping services, and the Agent accepts such engagement and appointment. Further, the Agent shall be engaged to provide certain fleet service maintenance as required or requested by the District. The Agent hereby agrees to perform the services and duties described in this Agreement for the District during the term of this Agreement.
2. **Term.** The term of this Agreement shall commence on January 1, 2019 and will continue unless extended or terminated earlier in accordance with the terms and provisions of this Agreement or unless either party provides written notice on or before August 15th of any year the Agreement is in effect of their intent to terminate the Agreement at the end of that calendar year.
3. **Authority and Duties of the Fiscal Agent.** The District hereby authorizes the Agent to perform the services set forth in this Agreement, and the Agent hereby agrees to perform the services and duties set forth in this Agreement. The Agent shall:

- (a) Administer all accounting, payroll, record keeping, insurance and general financial matters for the District and maintain all records and forms so as to be easily transferable to any successor fiscal agent;
- (b) Assist, as directed by the Fire Chief, all budget, capital improvement program and audit documents;
- (c) Provide, and maintain sufficient staff to timely and fully perform the Agent's obligations and duties under this Agreement;
- (d) Provide municipal liability coverage and bond coverage through a reputable firm;
- (e) Maintain any accreditation necessary to the proving of services under this Agreement;
- (f) Perform such other services and duties as the District shall reasonably request.

4. **Authority and Duties for Fleet Maintenance Services.**

- (a) Provide labor to maintain all fleet vehicles and mobile equipment owned, operated, or leased by the District. With regard to fleet maintenance, the District shall be solely responsible for, and shall pay all expenses for supplies, parts, equipment, and/or tools necessary to maintain or repair the District fleet vehicles and mobile equipment.
- (b) Provide, and maintain sufficient staff to timely and fully perform the Agent's obligations and duties under this Agreement;
- (c) Perform such other services and duties as the District shall reasonably request.

5. **Limitations on Authority of the Agent.** The Agent shall not have the authority to perform any of the following acts:

- (a) Committing or binding the District to any contract, or the performance of any services; and,
- (b) Acting beyond the scope of the terms of this Agreement.

6. **Fees.** Subject to the terms, conditions and restrictions contained in this Agreement, and in consideration of the services rendered hereunder during the Term, the District agrees to remit and pay to the Agent the total sum of \$36,000 (\$20,000 fleet and \$16,000 fiscal agent). Such payment shall be made in equal quarterly installments of \$9,000. Notwithstanding anything else contained in

this Agreement, upon the renewal of the Agreement the quarterly fee then being paid will be paid while the Agreement remains in effect. The annual fee for service may be adjusted at the time of renewal, or any time thereafter, with the written agreement of both parties.

7. **Expenses.** As part of its compensation, the Agent shall be responsible for, and shall pay, all of the Agent's expenses incurred in performing services or duties for the District, including without limitation, the Agent's office space, employees and staff support (and their employee benefits), out-of-pocket expenses, travel expenses, telephone, equipment and supplies.
8. **Relationship of Parties.** It is understood that the Agent is and shall be deemed to be an independent contractor, and the District and the Agent acknowledge and agree that the relationship created by this Agreement is not that of joint ventures or of employer and employee. The Agent and any employee of the Agent shall not be entitled to participate in any life, disability, accident and health insurance, hospitalization, pension, retirement, or any other employee benefits of the District. The Agent shall not have the authority to bind the District to any contract, agreement or arrangement unless authorized by the District Board.
9. **Termination.** Notwithstanding any provisions of this Agreement to the contrary, this Agreement and the Agent's retention and appointment hereunder may be terminated prior to the expiration of the Term for cause. As used in this Section, the term "cause" shall mean:
 - (a) For termination by the District based upon either:
 - i. The negligence of the Agent in the performance of its services or duties under this Agreement;
 - ii. The willful neglect of the Agent's duties or willful refusal to comply with reasonable requests for services by the District;
 - iii. Dishonesty, theft, fraud or other criminal act on the part of the Agent;
 - iv. The dissolution of the District; or
 - (b) For termination by either the District or the Agent, the other party's breach of its covenants contained herein and the failure by such part to promptly cure such breach or failure within ten (10) days after a written demand for performance is delivered to such party by the other, specifying such cause.

10. **Indemnification.** The District hereby agrees to indemnify, defend and hold harmless the Agent and its representatives from and against any and all claims, causes of action, liability, losses, costs, expenses, demands, suits and damages, and attorney’s fees and disbursements incurred in connection therewith or the defense thereof (collectively, “**Liability**”), caused by or resulting or arising from the Agent’s actions in performing duties under this Agreement, except for Liability arising out the negligent or intentional wrongful acts of the Agent in the performance of its duties under this Agreement.

11. **Dispute Resolution Process.**

(a) If either party believes that there is a misrepresentation or a violation of the specific terms and conditions of this Agreement, that party may initiate the dispute resolution process by submitting to the other party a written statement outlining the dispute or disagreement. This written statement of dispute shall also be forwarded by the aggrieved party to the District Board (the “Board”) at the Board’s next scheduled meeting or to the Cloquet City Council (the “Council”) at the Council’s next scheduled meeting. The Board or Council will then have a three (3) month period to resolve the dispute as to interpretation or application of the terms of this Agreement. If the dispute is not resolved within the three (3) month period, the dispute shall be forwarded by the Board or Council to an appropriate mediation service. The Board or Council may independently call for dispute resolution of any issue by majority vote of its voting members.

(b) If either the Council or the Board cannot mutually agree to a resolution through the mediation process as described above within ninety (90) days after the initiation of the mediation process, either the aggrieved party or the Board may submit the issue to binding arbitration pursuant to the Uniform Arbitration Act.

12. **Notices.** All notices that are required or authorized to be given under the terms of this Agreement shall be given in writing by United States certified or registered mail, with postage prepaid, addressed to the party to whom such notice is given, as follows:

AGENT: City of Cloquet
1307 Cloquet Avenue
Cloquet, MN 55720
Attention: City Administrator

DISTRICT: Cloquet Area Fire District
2801 Dewey Avenue
Scanlon, MN 55720
Attention: Fire Chief

Each party, by written notice to the other party, may change the address to which notices are to be sent pursuant to this Section.

13. **No Waiver.** The failure or delay on the part of any party in exercising any right, power or remedies under this Agreement or available to such party at law or in equity, shall not operate or be construed as a waiver of such right, power or remedy. Any waiver of a right, power or remedy under this Agreement must be in writing and signed by the party granting the waiver. The giving of a waiver in one instance or for one purpose shall not create any implied obligation to give a waiver in another instance or for another purpose.
14. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of Minnesota and any legal action commenced between the parties shall be venued in Carlton County.
15. **Entire Agreement.** The parties hereto agree that this Agreement constitutes the entire understanding of the parties and supersedes and replaces all prior oral or written representations, and that this Agreement shall not be amended, modified or supplemented in any respect except by a subsequent written Agreement signed by both parties hereto.
16. **Successors and Assigns.** The Agreement shall inure to the benefit of and shall be binding upon the parties hereto and their respective successors and permitted assigns. The rights and duties of the Agent hereunder are personal to the Agent, and may not be assigned by the Agent without the prior written consent of the District.
17. **Severability.** Subject to the provisions of applicable law, in the event that any term or provision of this Agreement, or any part of aspect thereof, shall be deemed by a court of competent jurisdiction to be overly broad in scope or duration or both, the court considering the same shall have the power and authority, and the parties hereby direct such court to exercise such power and authority, to modify such term or provision to limit such scope and duration so that such term or provision is no longer overly broad and to enforce the same as so limited. Subject to the foregoing sentence, in the event that any provisions of this Agreement shall be held to be invalid or unenforceable for any reason, such invalidity or unenforceability shall attach only to such provisions and shall not affect or render invalid or unenforceable any other provision of this Agreement, it being the intent of the parties that the terms and provisions of this Agreement shall be deemed to be severable into separate and independent covenants.

IN WITNESS WHEREOF, the undersigned governmental units have caused this Agreement to be executed by their duly authorized officers effective as of the date and year first written above.

AGENT:

CITY OF CLOQUET

Signature: _____

Name: David Hallback

Its: Mayor

Date: _____

Attest: _____

Aaron Reeves, City Administrator

DISTRICT:

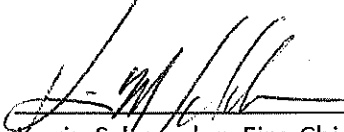
CLOQUET AREA FIRE DISTRICT

Signature: 

Name: Eric Rish

Its: Chair

Date: 8-15-18

Attest: 
Kevin Schroeder, Fire Chief



ADMINISTRATIVE OFFICES

1307 Cloquet Avenue • Cloquet, MN 55720
Phone: 218-879-3347 • Fax: 218-879-6555
email: admin@ci.cloquet.mn.us
www.ci.cloquet.mn.us

REQUEST FOR COUNCIL ACTION

To: Mayor and City Council
From: Aaron Reeves, City Administrator *AR*
Date: August 28, 2018

ITEM DESCRIPTION: Consideration of HRA Appointment

Proposed Action

The City Council is asked to discuss the appointment of Kathleen Randall to serve on the Cloquet Housing and Redevelopment Authority (HRA) with a term expiring June 30, 2021.

Background/Overview

Attached is an application of interest from Kathleen Randall to serve on the HRA fulfilling the remainder of the term held by Diane Barkos, who recently resigned from her seat. The City has been advertising and seeking candidates for this vacancy and to date, Ms. Randall is the only applicant.

The HRA has a five member Board of Directors to oversee operations. The terms are staggered five year terms.

Policy Objectives

To keep the various City Boards, Commissions and Committees at full membership as identified by the City Council or under City Code. Section 2.2.05 of the Code addresses the membership and terms of the HRA. The HRA is further governed by 469 of Minnesota Statute.

Financial/Budget/Grant Considerations

None.

Advisory Committee/Commission Action

None.

Supporting Documentation Attached

- Application



ADMINISTRATIVE OFFICES

1307 Cloquet Avenue, Cloquet MN 55720
 Phone: 218-879-3347 Fax: 218-879-6555
 www.cloquetmn.gov
 email: kstarnold@cloquetmn.gov

**Application for Appointment to
 Advisory Boards and Commissions**

Name: Kathleen E Randall		Date: 8/16/2018
Address		
Email:		
Home Phone:	Work Phone:	Cell Phone:
How long have you lived in Cloquet?	Years/Months: 24 years	Which Ward? 3rd
What Cloquet community activities have you been involved in? I am a member of the VFW auxiliary, also of Union Local 2750		
Please describe any previous experience you have which is similar to serving on a volunteer Advisory Board/Commission. I was a member of a Mental Health Board in Wilkin County, Minnesota back in 1991 - 1994. I was president of the VFW Auxiliary in Cloquet, MN for 2 years, and also president of the 8th District VFW Auxiliary of Minnesota for 2 years.		
Do you have a preferred Board/Commission that you are interested in serving on?		Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
If yes, fill in the name of Board/Commission: Housing & Redevelopment Authority Commission		
Would you consider an alternate appointment?		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
If yes, which one?		
Please describe any schedule conflicts with the regular meeting schedules for the Board/Commissions i.e., routine travel, work schedules and the like. I see no problem, I have permission from my supervisor and director at work.		
Why do you wish to be on a Board/Commission? I feel it is very important role in the city to make sure that there is affordable house for all residents in Cloquet and Carlton County.		
Please describe any other relevant information you would like us to know. I was approached by Cindy Slater, and asked if I would be interested in completing the term of Dianne Barkos. I discussed this with my supervisor and the Director of Human Services, Dave Lee. I was given the okay to apply. I am an employee of Carlton County, in the Public Health and Human Services Department, and have been for 24 years.		

*** Attach Additional Sheets, if necessary ***

THIS INFORMATION WILL BE DISTRIBUTED TO COUNCIL AND IS CLASSIFIED AS PUBLIC DATA

Kristine St.Arnold

From: Aaron S. Reeves
Sent: Thursday, August 16, 2018 9:37 AM
To: Cloquet/Carlton Housing Authority - Shaff
Cc: Kristine St.Arnold
Subject: RE: Board member vacancy

We have to post the vacancy. I'll have Kris do that.

Thanks,

Aaron S. Reeves, ICMA-CM | City Administrator



City of Cloquet | www.ci.cloquet.mn.us
1307 Cloquet Avenue | Cloquet, MN 55720
218-879-3347 | Fax: 218-879-6555

From: Cloquet/Carlton Housing Authority - Shaff <cloquethra2@qwestoffice.net>
Sent: Thursday, August 16, 2018 9:35 AM
To: Aaron S. Reeves <areeves@cloquetmn.gov>
Subject: Board member vacancy

Aaron:

Diane Barkos has indicated to the HA that she has moved outside of the City limits and will no longer be able to serve as a commissioner. Her term expires on 6/30/21. Diane works for Carlton County Human Services.

I would like to suggest Kathy Randall to fill this position. Kathy works in Human Services for Carlton County. Dave Lee, HS Director has expressed his approval of this nomination. Kathy will be submitting an application to the City today.

Thank you,

Debra

Debra A. Shaff

Cloquet/Carlton Housing & Redevelopment Authority
Executive Director

(218) 879-3353 Work
cloquethra2@qwestoffice.net

950 14th Street
Cloquet, MN 55720



ADMINISTRATIVE OFFICES

1307 Cloquet Avenue, Cloquet MN 55720
 Phone: 218-879-3347 Fax: 218-879-6555
 www.cloquetmn.gov
 email: kstarnold@cloquetmn.gov

**Application for Appointment to
 Advisory Boards and Commissions**

Name: Kathleen E Randall		Date: 8/16/2018
Address 28 5th St Cloquet, MN 55720		
Email: kathyrandall218@msn.com		
Home Phone:	Work Phone: 218-878-2578	Cell Phone: 218-213-8148
How long have you lived in Cloquet?	Years/Months: 24 years	Which Ward? 3rd
What Cloquet community activities have you been involved in? I am a member of the VFW auxiliary, also of Union Local 2750		
Please describe any previous experience you have which is similar to serving on a volunteer Advisory Board/Commission. I was a member of a Mental Health Board in Wilkin County, Minnesota back in 1991 - 1994. I was president of the VFW Auxiliary in Cloquet, MN for 2 years, and also president of the 8th District VFW Auxiliary of Minnesota for 2 years.		
Do you have a preferred Board/Commission that you are interested in serving on?		Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
If yes, fill in the name of Board/Commission: Housing & Redevelopment Authority Commission		
Would you consider an alternate appointment?		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
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Please describe any other relevant information you would like us to know. I was approached by Cindy Slater, and asked if I would be interested in completing the term of Dianne Barkos. I discussed this with my supervisor and the Director of Human Services, Dave Lee. I was given the okay to apply. I am an employee of Carlton County, in the Public Health and Human Services Department, and have been for 24 years.		

*** Attach Additional Sheets, if necessary ***

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REQUEST FOR COUNCIL ACTION

To: Mayor and City Council
From: Aaron Reeves, City Administrator *AR*
Date: August 27, 2018

ITEM DESCRIPTION: Approval of Off-Site Gambling for Eagles Aerie #1163 to Conduct a Raffle at the Cloquet VFW

Proposed Action

Staff recommends the City Council move to adopt **RESOLUTION NO. 18-61, A RESOLUTION APPROVING OFF-SITE GAMBLING FOR EAGLES AERIE #1163 TO CONDUCT A RAFFLE AT THE CLOQUET VFW.**

Background/Overview

The City has received an application from Eagles Aerie #1163, PO Box 2202, Cloquet, MN for off-site gambling for a raffle to be held on October 25, 2018, at the Cloquet VFW, 210 Arch Street.

Normally the City is required to approve an exempt permit for a raffle but because Eagles Aerie #1163 holds a premise permit for lawful gambling, the City must approve an application to conduct off-site gambling. There are no legal issues related to off-site raffles that staff is aware.

Policy Objectives

Approval of application by local community is required under MN Statutes.

Financial/Budget/Grant Considerations

There is no cost to the City regarding the approval of the application nor does the City retain any fees for its consideration.

Advisory Committee/Commission Action

None.

Supporting Documentation Attached

- Resolution No. 18-61
- LG230 Application to Conduct Off-Site Gambling

**CITY OF CLOQUET
COUNTY OF CARLTON
STATE OF MINNESOTA**

RESOLUTION NO. 18-61

**A RESOLUTION APPROVING OFF-SITE GAMBLING FOR EAGLES AERIE #1163,
TO CONDUCT A RAFFLE AT THE CLOQUET VFW**

WHEREAS, The City of Cloquet received an application from Eagles Aerie #1163, PO Box 2202, Cloquet, MN 55720, to conduct off-site gambling for a raffle event on October 25, 2018, at the Cloquet VFW, 210 Arch Street, Cloquet, MN 55720.

NOW, THEREFORE, BE IT RESOLVED, BY THE CITY COUNCIL OF THE CITY OF CLOQUET, MINNESOTA, That the City Council has reviewed the application of Eagles Aerie #1163, to conduct off-site gambling for a raffle event on October 25, 2018, at the Cloquet VFW, 210 Arch Street, Cloquet, and has no objection to the Minnesota Gambling Control Board's issuance of such permit.

BE IT FURTHER RESOLVED, That the Cloquet City Council hereby waives the normally required thirty day waiting period for the issuance of said permit.

**PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF CLOQUET
THIS 4TH DAY OF SEPTEMBER 2018.**

Dave Hallback, Mayor

ATTEST:

Aaron Reeves, City Administrator

**CITY OF CLOQUET
COUNTY OF CARLTON
STATE OF MINNESOTA**

RESOLUTION NO. 18-61

**A RESOLUTION APPROVING OFF-SITE GAMBLING FOR EAGLES AERIE #1163,
TO CONDUCT A RAFFLE AT THE CLOQUET VFW**

WHEREAS, The City of Cloquet received an application from Eagles Aerie #1163, PO Box 2202, Cloquet, MN 55720, to conduct off-site gambling for a raffle event on October 25, 2018, at the Cloquet VFW, 210 Arch Street, Cloquet, MN 55720.

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BE IT FURTHER RESOLVED, That the Cloquet City Council hereby waives the normally required thirty day waiting period for the issuance of said permit.

**PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF CLOQUET
THIS 4TH DAY OF SEPTEMBER 2018.**

Dave Hallback, Mayor

ATTEST:

Aaron Reeves, City Administrator

I, Aaron Reeves, City Administrator of the City of Cloquet, MN, hereby certify that the above is a true and exact copy of the resolution dated September 4, 2018, original of which is on file and of record in my office.

Witness my hand and the official seal of the said City this 4th day of September 2018.

City Administrator, City of Cloquet, MN

ORGANIZATION INFORMATION

Organization Name: EAGLES Arena 1163 License Number: 00359
Address: PO Box 2202 City: CLOQUET, MN Zip: 55720
Chief Executive Officer (CEO) Name: JASON SMITH Daytime Phone: (218) 348-3906
Gambling Manager Name: WAYNE POLLEY Daytime Phone: (218) 879-7623

GAMBLING ACTIVITY

Twelve off-site events are allowed each calendar year not to exceed a total of 36 days.

From 10/25/18 to 10/25/18

Check the type of games that will be conducted:

- Raffle Pull-Tabs Bingo Tipboards Paddlewheel

GAMBLING PREMISES

Name of location where gambling activity will be conducted: CLOQUET VFW
Street address and City (or township): 210 Arch ST, CLOQUET, MN Zip: 55720 County: CARLTON
• Do not use a post office box.
• If no street address, write in road designations (example: 3 miles east of Hwy. 63 on County Road 42).

Does your organization own the gambling premises?

- Yes If yes, a lease is not required.
 No If no, the lease agreement below must be completed, and signed by the lessor.

LEASE AGREEMENT FOR OFF-SITE ACTIVITY (a lease agreement is not required for raffles)

Rent to be paid for the leased area: \$ _____ (if none, write "0")

All obligations and agreements between the organization and the lessor are listed below or attached.

- Any attachments must be dated and signed by both the lessor and lessee.
- This lease and any attachments is the total and only agreement between the lessor and the organization conducting lawful gambling activities.
- Other terms, if any:

Lessor's Signature: _____ Date: _____

Print Lessor's Name: _____

LG230 Application to Conduct Off-Site Gambling

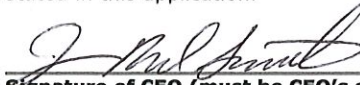
Acknowledgment by Local Unit of Government: Approval by Resolution

CITY APPROVAL for a gambling premises located within city limits	COUNTY APPROVAL for a gambling premises located in a township
City Name: _____	County Name: _____
Date Approved by City Council: _____	Date Approved by County Board: _____
Resolution Number: _____ (If none, attach meeting minutes.)	Resolution Number: _____ (If none, attach meeting minutes.)
Signature of City Personnel: _____	Signature of County Personnel: _____
Title: _____ Date Signed: _____	Title: _____ Date Signed: _____
<div style="border: 1px solid black; padding: 10px; width: fit-content; margin: auto;"> <p>Local unit of government must sign.</p> </div>	<p>TOWNSHIP NAME: _____</p> <p>Complete below only if required by the county. On behalf of the township, I acknowledge that the organization is applying to conduct gambling activity within the township limits. (A township has no statutory authority to approve or deny an application, per Minnesota Statutes 349.213, Subd. 2.)</p> <p>Print Township Name: _____</p> <p>Signature of Township Officer: _____</p> <p>Title: _____ Date Signed: _____</p>

CHIEF EXECUTIVE OFFICER (CEO) ACKNOWLEDGMENT

The person signing this application must be your organization's CEO and have their name on file with the Gambling Control Board. If the CEO has changed and the current CEO has not filed a LG200B Organization Officers Affidavit with the Gambling Control Board, he or she must do so at this time.

I have read this application, and all information is true, accurate, and complete and, if applicable, agree to the lease terms as stated in this application.


08/23/18

Signature of CEO (must be CEO's signature; designee may not sign)
Date

<p>Mail or fax to:</p> <p>Minnesota Gambling Control Board Suite 300 South 1711 West County Road B Roseville, MN 55113 Fax: 651-639-4032</p>	<p>No attachments required.</p> <p>Questions? Contact a Licensing Specialist at 651-539-1900.</p>
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This publication will be made available in alternative format (i.e. large print, braille) upon request.

<p>Data privacy notice: The information requested on this form (and any attachments) will be used by the Gambling Control Board (Board) to determine your organization's qualifications to be involved in lawful gambling activities in Minnesota. Your organization has the right to refuse to supply the information; however, if your organization refuses to supply this information, the Board may not be able to determine your organization's qualifications and, as a consequence, may refuse to issue a permit. If your organization supplies the information requested, the Board will be able to process your organization's application.</p> <p>Your organization's name and address will be public information when received by the Board. All other information provided will be private data about your organization until the Board issues the permit. When the Board issues the permit, all information provided will become public.</p>	<p>If the Board does not issue a permit, all information provided remains private, with the exception of your organization's name and address which will remain public.</p> <p>Private data about your organization are available to: Board members, Board staff whose work requires access to the information; Minnesota's Department of Public Safety; Attorney General; commissioners of Administration, Minnesota Management & Budget, and Revenue; Legislative Auditor; national and international gambling regulatory agencies; anyone pursuant to court order; other individuals and agencies specifically authorized by state or federal law to have access to the information; individuals and agencies for which law or legal order authorizes a new use or sharing of information after this notice was given; and anyone with your written consent.</p>
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