



**CITY OF CLOQUET  
City Council Agenda  
AMENDED  
Tuesday, April 21, 2020  
7:00 p.m.  
VIA TELECONFERENCE**

**THERE WILL BE NO WORK SESSION**

1. **Roll Call**
2. **Pledge of Allegiance**
3. **Approval of Agenda**
  - a. Approval of April 21, 2020 Council Agenda
4. **Approval of Council Minutes**
  - a. Regular Council minutes from the April 7, 2020 meeting
5. **Public Comments**

*Please give your name, address, and your concern or comments. Visitors may share their concerns with the City Council on any issue of public business. Each person will have 3 minutes to speak. The Mayor reserves the right to limit an individual or successive individual's presentation if they become redundant, repetitive, irrelevant or overly argumentative. All comments will be taken under advisement by the City Council. No action will be taken at this time.*
6. **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. 20-21, Authorizing the Payment of Bills



**CITY OF CLOQUET  
City Council Agenda  
AMENDED  
Tuesday, April 21, 2020  
7:00 p.m.  
VIA TELECONFERENCE**

**7. Public Hearings**

None.

**8. Presentations**

None.

**9. Council Business**

- a. Resolution No. 20-22, Awarding Bid for Proposed 2020 Improvement of Prospect Avenue Area Streets
- b. Resolution No. 20-23, Rejecting Alternate C Bid for Prospect Avenue Sidewalk
  - Resolution No. 20-24, Awarding Alternate C Bid for Prospect Avenue Sidewalk
- c. Dump Truck Purchase
- d. Cloquet Public Library Gift Agreement for Naming Rights
- e. Resolution No. 20-20, Setting a Public Hearing Date on the Issuance of Revenue Obligations by the Duluth Economic Development Authority to Finance a Project by Essentia Health
- f. Award Professional Services and Construction Management Contract to McKinstry Essention, LLC for 2020 Ice Arena Repairs

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

**11. Adjournment**



**ADMINISTRATIVE OFFICES**

101 14th Street Cloquet, MN 55720-1903  
Phone: 218.879.3347 Fax: 218.879.6555  
www.cloquetmn.gov

**REQUEST FOR COUNCIL ACTION**

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To: Mayor and City Council *N.K.*  
From: Mary Kay Hohensee-Mayer, Assistant Finance Director  
Reviewed/Approved by: Tim Peterson, City Administrator  
Date: April 21, 2020

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**ITEM DESCRIPTION:** Payment of Bills

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**Proposed Action**

Staff recommends the Council move to adopt **RESOLUTION NO. 20-21, A RESOLUTION AUTHORIZING THE PAYMENT OF BILLS.**

**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**

- a. Resolution Authorizing the Payment of Bills.
- b. Vendor Summary Report.
- c. Department Summary Report.

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

**RESOLUTION NO. 20-21**

**A RESOLUTION AUTHORIZING THE PAYMENT OF BILLS**

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

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

|     |                                 |    |                   |
|-----|---------------------------------|----|-------------------|
| 101 | General Fund                    | \$ | 100,429.88        |
| 231 | Public Works Reserve            |    | 37,933.86         |
| 403 | Revolving Capital Projects      |    | 6,849.44          |
| 600 | Water - Lake Superior Waterline |    | 105,889.33        |
| 601 | Water - In Town System          |    | 18,757.21         |
| 602 | Sewer Fund                      |    | 2,070.54          |
| 605 | Stormwater Fund                 |    | 36.80             |
| 614 | CAT-7                           |    | 1,765.00          |
| 701 | Employee Severance Benefits     |    | 88.50             |
|     | TOTAL:                          | \$ | <u>273,820.56</u> |

**PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF CLOQUET  
THIS 21ST DAY OF APRIL, 2020.**

ATTEST:

\_\_\_\_\_  
Roger Maki, Mayor

\_\_\_\_\_  
Tim Peterson, City Administrator

INVOICES DUE ON/BEFORE 04/21/2020

| VENDOR # | NAME                           | PAID THIS<br>FISCAL YEAR | AMOUNT DUE |
|----------|--------------------------------|--------------------------|------------|
| 111350   | LEXISNEXIS RISK DATA MNGMT INC | 600.00                   | 150.00     |
| 112050   | ADVANCED SERVICES INC          | 1,488.00                 | 496.00     |
| 116650   | AMERIGAS - 2306                | 1,437.66                 | 133.73     |
| 116950   | AMERIPRIDE SERVICES INC        | 4,772.85                 | 1,180.00   |
| 121000   | ARROWHEAD SPRINGS INC          | 552.70                   | 93.25      |
| 122000   | A T & T MOBILITY               | 4,346.90                 | 379.06     |
| 129800   | BUREAU CRIMINAL APPREHENSION   | 390.00                   | 390.00     |
| 132375   | CAMPBELL KNOTSON               | 2,981.25                 | 264.00     |
| 134800   | CARLTON COUNTY TREASURER       | 241.75                   | 36.00      |
| 135675   | VORK ENTERPRISES INC           | 2,220.00                 | 1,822.00   |
| 139030   | CINTAS CORPORATION NO 2        | 2,867.27                 | 779.56     |
| 141100   | CLOQUET FORD-CHRYSLER CENTER   | 773.26                   | 1,033.31   |
| 141600   | CLOQUET AMATEUR HOCKEY ASSOC   | 0.00                     | 8,098.44   |
| 142800   | CLOQUET SANITARY SERVICE       | 3,323.40                 | 1,125.68   |
| 145500   | COMPENSATION CONSULTANTS, LTD  | 1,171.00                 | 207.00     |
| 147050   | CONSOLIDATED TELEPHONE COMPANY | 13,096.54                | 3,194.25   |
| 150100   | D A L C O                      | 3,268.03                 | 5,054.00   |
| 152775   | DELTA DENTAL OF MINNESOTA      | 12,490.05                | 3,146.95   |
| 155035   | DODGE OF BURNSVILLE, INC       | 0.00                     | 29,819.00  |
| 156400   | CITY OF DULUTH COMFORT SYSTEMS | 274.52                   | 66.83      |
| 158000   | DULUTH/SUPERIOR COMMUNICATIONS | 11,756.65                | 135.00     |
| 171100   | FRYBERGER, BUCHANAN, SMITH &   | 27,595.55                | 12,634.05  |
| 172300   | GARTNER REFRIGERATION COMPANY  | 18,423.44                | 2,110.84   |
| 175200   | GOPHER STATE ONE CALL INC      | 118.85                   | 18.90      |
| 175700   | GRAINGER                       | 1,187.98                 | 780.57     |
| 175950   | GRAPHIC TECHNOLOGIES           | 469.50                   | 380.00     |
| 178700   | H & L MESABI                   | 2,583.85                 | 66.28      |
| 179300   | HACH COMPANY                   | 230.93                   | 194.22     |
| 180500   | HAWKINS INC                    | 22,821.10                | 5,002.28   |
| 192225   | JOBSEQ                         | 2,795.84                 | 556.86     |
| 197800   | L & M SUPPLY CO                | 6,940.71                 | 1,585.90   |
| 204500   | LITTLE FALLS MACHINE INC       | 1,426.59                 | 569.49     |
| 205050   | LOFFLER COMPANIES INC          | 178.99                   | 103.23     |
| 209875   | MCCOY CONSTRUCTION & FORESTRY  | 3,746.89                 | 195.21     |
| 210300   | MEBULBS                        | 2,168.99                 | 6,772.92   |
| 212055   | MEYER GROUP ARCHITECTURE       | 36,798.42                | 5,492.69   |
| 212400   | MICHAUD DIST INC               | 99.00                    | 16.50      |
| 220150   | MN DEPARTMENT OF HEALTH        | 0.00                     | 480.00     |
| 222275   | MN PEIP                        | 165,765.62               | 54,896.14  |
| 229500   | NAPA AUTO PARTS                | 3,581.58                 | 110.17     |
| 234600   | NORTHERN BUSINESS PRODUCTS     | 2,736.16                 | 131.44     |
| 235800   | NORTHLAND AUTO PARTS           | 287.86                   | 43.03      |
| 260300   | CITY OF SCANLON                | 2,673.47                 | 107.00     |
| 260500   | SCHINDLER ELEVATOR CORPORATION | 794.19                   | 794.19     |

DATE: 04/17/2020  
TIME: 10:48:48  
ID: AP442000.WOW

CITY OF CLOQUET  
VENDOR SUMMARY REPORT

PAGE: 2

INVOICES DUE ON/BEFORE 04/21/2020

| VENDOR # | NAME                           | PAID THIS<br>FISCAL YEAR | AMOUNT DUE |
|----------|--------------------------------|--------------------------|------------|
| 261800   | SEH                            | 75,065.35                | 4,224.78   |
| 270200   | SUPERIOR COMPUTER PRODUCTS INC | 44,611.71                | 12,213.88  |
| 270300   | SWAGIT PRODUCTIONS, LLC        | 3,975.00                 | 1,325.00   |
| 271325   | NANCY GETCHELL                 | 1,120.34                 | 313.02     |
| 276225   | KANDI KOUNTRY EXPRESS LTD      | 192.08                   | 627.22     |
| 278600   | TWIN PORT MAILING              | 19,105.39                | 252.39     |
| 279100   | U S BANK EQUIPMENT FINANCE     | 2,458.59                 | 274.46     |
| 283700   | USA BLUEBOOK                   | 1,742.27                 | 115.29     |
| 284875   | VERIZON WIRELESS               | 7,205.69                 | 1,661.42   |
| 285400   | VIKING ELECTRIC SUPPLY         | 308.91                   | 168.00     |
| 285500   | VIKING INDUSTRIAL CENTER       | 729.85                   | 90.00      |
| 289015   | WELLS FARGO CREDIT CARD        | 18,496.34                | 3,737.07   |
| 293000   | ZARNOTH BRUSH WORKS, INC.      | 0.00                     | 268.00     |
| R0001284 | OFFICE OF MN IT SERVICES       | 74.00                    | 37.00      |
| R0001339 | CAMPION BARROW & ASSOCIATES    | 0.00                     | 880.00     |
| R0001774 | DULUTH AV LOGISTICS            | 0.00                     | 440.00     |
| R0001873 | BAKER TILLY VIRCHOW KRAUSE,LLP | 8,606.54                 | 6,900.00   |
| R0001911 | BENNA FORD SUPERIOR, LLC       | 0.00                     | 2,677.56   |
| R0001912 | UTILITY LOGIC                  | 0.00                     | 811.50     |

TOTAL ALL VENDORS: 187,662.56

City of Cloquet  
Vendor Summary Report Reconciliation  
Invoices Due On/Before 4/21/2020

|                               |                          |
|-------------------------------|--------------------------|
| Total                         | 187,662.56               |
| <b>Less:</b>                  |                          |
| Library                       | (515.05)                 |
| Cloquet Area Fire<br>District | 0.00                     |
| Total City Bills              | <u>187,147.51</u>        |
| <b>Less:</b>                  |                          |
| Payroll benefits              | (57,954.59)              |
| <b>Plus:</b>                  |                          |
| Credit card/PSN fees          | 1,867.60                 |
| MN Energy Auto Pay            | 5,682.88                 |
| MN Power Auto Pay             | 135,921.23               |
| MN Sales Tax                  | 1,155.93                 |
| Total Bills                   | <u><u>273,820.56</u></u> |

DATE: 04/17/20  
TIME: 10:50:29  
ID: AP443000.WOW

CITY OF CLOQUET  
DEPARTMENT SUMMARY REPORT

PAGE: 1

INVOICES DUE ON/BEFORE 04/21/2020

| VENDOR #     | NAME                           | PAID THIS<br>FISCAL YEAR | AMOUNT DUE |
|--------------|--------------------------------|--------------------------|------------|
| -----        |                                |                          |            |
| GENERAL FUND |                                |                          |            |
| 00           |                                |                          |            |
| 152775       | DELTA DENTAL OF MINNESOTA      | 12,490.05                | 3,058.45   |
| 222275       | MN PEIP                        | 165,765.62               | 54,896.14  |
|              |                                |                          | 57,954.59  |
| 32           | LICENSES & PERMITS             |                          |            |
| 260300       | CITY OF SCANLON                | 2,673.47                 | 107.00     |
|              | LICENSES & PERMITS             |                          | 107.00     |
| 34           | CHARGES FOR SERVICES           |                          |            |
| 142800       | CLOQUET SANITARY SERVICE       | 3,323.40                 | 262.23     |
|              | CHARGES FOR SERVICES           |                          | 262.23     |
| 36           | MISCELLANEOUS REVENUE          |                          |            |
| 212055       | MEYER GROUP ARCHITECTURE       | 36,798.42                | -1,356.75  |
|              | MISCELLANEOUS REVENUE          |                          | -1,356.75  |
| 41           | GENERAL GOVERNMENT             |                          |            |
| 132375       | CAMPBELL KNUTSON               | 2,981.25                 | 264.00     |
| 139030       | CINTAS CORPORATION NO 2        | 2,867.27                 | 55.41      |
| 142800       | CLOQUET SANITARY SERVICE       | 3,323.40                 | 52.51      |
| 145500       | COMPENSATION CONSULTANTS, LTD  | 1,171.00                 | 207.00     |
| 147050       | CONSOLIDATED TELEPHONE COMPANY | 13,096.54                | 408.46     |
| 171100       | FRYBERGER, BUCHANAN, SMITH &   | 27,595.55                | 12,634.05  |
| 212400       | MICHAUD DIST INC               | 99.00                    | 16.50      |
| 234600       | NORTHERN BUSINESS PRODUCTS     | 2,736.16                 | 31.03      |
| 270200       | SUPERIOR COMPUTER PRODUCTS INC | 44,611.71                | 4,253.88   |
| 278600       | TWIN PORT MAILING              | 19,105.39                | 98.16      |
| 279100       | U S BANK EQUIPMENT FINANCE     | 2,458.59                 | 72.37      |
| 284875       | VERIZON WIRELESS               | 7,205.69                 | 245.07     |
| 289015       | WELLS FARGO CREDIT CARD        | 18,496.34                | 1,329.00   |
| R0001873     | BAKER TILLY VIRCHOW KRAUSE,LLP | 8,606.54                 | 6,900.00   |
|              | GENERAL GOVERNMENT             |                          | 26,567.44  |



INVOICES DUE ON/BEFORE 04/21/2020

| VENDOR #     | NAME                           | PAID THIS<br>FISCAL YEAR | AMOUNT DUE |
|--------------|--------------------------------|--------------------------|------------|
| -----        |                                |                          |            |
| GENERAL FUND |                                |                          |            |
| 42           | PUBLIC SAFETY                  |                          |            |
| 111350       | LEXISNEXIS RISK DATA MNGMT INC | 600.00                   | 150.00     |
| 122000       | A T & T MOBILITY               | 4,346.90                 | 379.06     |
| 129800       | BUREAU CRIMINAL APPREHENSION   | 390.00                   | 390.00     |
| 135675       | VORK ENTERPRISES INC           | 2,220.00                 | 1,822.00   |
| 139030       | CINTAS CORPORATION NO 2        | 2,867.27                 | 126.76     |
| 141100       | CLOQUET FORD-CHRYSLER CENTER   | 773.26                   | 83.18      |
| 142800       | CLOQUET SANITARY SERVICE       | 3,323.40                 | 52.51      |
| 147050       | CONSOLIDATED TELEPHONE COMPANY | 13,096.54                | 800.56     |
| 150100       | D A L C O                      | 3,268.03                 | 5,054.00   |
| 158000       | DULUTH/SUPERIOR COMMUNICATIONS | 11,756.65                | 135.00     |
| 197800       | L & M SUPPLY CO                | 6,940.71                 | 122.22     |
| 270200       | SUPERIOR COMPUTER PRODUCTS INC | 44,611.71                | 120.00     |
| 271325       | NANCY GETCHELL                 | 1,120.34                 | 313.02     |
| 278600       | TWIN PORT MAILING              | 19,105.39                | 28.04      |
| 284875       | VERIZON WIRELESS               | 7,205.69                 | 1,416.35   |
| 289015       | WELLS FARGO CREDIT CARD        | 18,496.34                | 1,524.14   |
| R0001284     | OFFICE OF MN IT SERVICES       | 74.00                    | 37.00      |
| R0001339     | CAMPION BARROW & ASSOCIATES    |                          | 880.00     |
| R0001911     | BENNA FORD SUPERIOR, LLC       |                          | 2,677.56   |
|              | PUBLIC SAFETY                  |                          | 16,111.40  |
| 43           | PUBLIC WORKS                   |                          |            |
| 121000       | ARROWHEAD SPRINGS INC          | 552.70                   | 73.00      |
| 139030       | CINTAS CORPORATION NO 2        | 2,867.27                 | 303.18     |
| 142800       | CLOQUET SANITARY SERVICE       | 3,323.40                 | 63.23      |
| 147050       | CONSOLIDATED TELEPHONE COMPANY | 13,096.54                | 259.15     |
| 175200       | GOPHER STATE ONE CALL INC      | 118.85                   | 9.45       |
| 178700       | H & L MESABI                   | 2,583.85                 | 66.28      |
| 192225       | JOBHQ                          | 2,795.84                 | 556.86     |
| 197800       | L & M SUPPLY CO                | 6,940.71                 | 1,029.49   |
| 204500       | LITTLE FALLS MACHINE INC       | 1,426.59                 | 569.49     |
| 205050       | LOFFLER COMPANIES INC          | 178.99                   | 20.65      |
| 209875       | MCCOY CONSTRUCTION & FORESTRY  | 3,746.89                 | 195.21     |
| 229500       | NAPA AUTO PARTS                | 3,581.58                 | 110.17     |
| 234600       | NORTHERN BUSINESS PRODUCTS     | 2,736.16                 | 28.69      |
| 276225       | KANDI KOUNTRY EXPRESS LTD      | 192.08                   | 627.22     |
| 278600       | TWIN PORT MAILING              | 19,105.39                | 28.04      |
| 279100       | U S BANK EQUIPMENT FINANCE     | 2,458.59                 | 43.24      |
| 285400       | VIKING ELECTRIC SUPPLY         | 308.91                   | 168.00     |
| 285500       | VIKING INDUSTRIAL CENTER       | 729.85                   | 90.00      |
| 293000       | ZARNOTH BRUSH WORKS, INC.      |                          | 268.00     |
|              | PUBLIC WORKS                   |                          | 4,509.35   |

INVOICES DUE ON/BEFORE 04/21/2020

| VENDOR #             | NAME                           | PAID THIS FISCAL YEAR | AMOUNT DUE |
|----------------------|--------------------------------|-----------------------|------------|
| -----                |                                |                       |            |
| GENERAL FUND         |                                |                       |            |
| 45                   | CULTURE AND RECREATION         |                       |            |
| 112050               | ADVANCED SERVICES INC          | 1,488.00              | 496.00     |
| 116650               | AMERIGAS - 2306                | 1,437.66              | 133.73     |
| 116950               | AMERIPRIDE SERVICES INC        | 4,772.85              | 1,180.00   |
| 134800               | CARLTON COUNTY TREASURER       | 241.75                | 36.00      |
| 139030               | CINTAS CORPORATION NO 2        | 2,867.27              | 52.85      |
| 141100               | CLOQUET FORD-CHRYSLER CENTER   | 773.26                | 950.13     |
| 141600               | CLOQUET AMATEUR HOCKEY ASSOC   |                       | 8,098.44   |
| 142800               | CLOQUET SANITARY SERVICE       | 3,323.40              | 653.04     |
| 147050               | CONSOLIDATED TELEPHONE COMPANY | 13,096.54             | 580.03     |
| 172300               | GARTNER REFRIGERATION COMPANY  | 18,423.44             | 2,110.84   |
| 175950               | GRAPHIC TECHNOLOGIES           | 469.50                | 380.00     |
| 197800               | L & M SUPPLY CO                | 6,940.71              | 290.38     |
| 210300               | MEBULBS                        | 2,168.99              | 6,772.92   |
| 220150               | MN DEPARTMENT OF HEALTH        |                       | 480.00     |
| 260500               | SCHINDLER ELEVATOR CORPORATION | 794.19                | 794.19     |
| 289015               | WELLS FARGO CREDIT CARD        | 18,496.34             | 135.00     |
|                      | CULTURE AND RECREATION         |                       | 23,143.55  |
|                      |                                |                       |            |
| 46                   | COMMUNITY DEVELOPMENT          |                       |            |
| 147050               | CONSOLIDATED TELEPHONE COMPANY | 13,096.54             | 58.35      |
| 234600               | NORTHERN BUSINESS PRODUCTS     | 2,736.16              | 14.34      |
| 278600               | TWIN PORT MAILING              | 19,105.39             | 14.03      |
| 289015               | WELLS FARGO CREDIT CARD        | 18,496.34             | 23.10      |
|                      | COMMUNITY DEVELOPMENT          |                       | 109.82     |
|                      |                                |                       |            |
| LIBRARY FUND         |                                |                       |            |
| 45                   | CULTURE AND RECREATION         |                       |            |
| 139030               | CINTAS CORPORATION NO 2        | 2,867.27              | 7.00       |
| 147050               | CONSOLIDATED TELEPHONE COMPANY | 13,096.54             | 508.05     |
|                      | CULTURE AND RECREATION         |                       | 515.05     |
|                      |                                |                       |            |
| PUBLIC WORKS RESERVE |                                |                       |            |
| 41                   | GENERAL GOVERNMENT             |                       |            |
| 270200               | SUPERIOR COMPUTER PRODUCTS INC | 44,611.71             | 7,800.00   |
|                      | GENERAL GOVERNMENT             |                       | 7,800.00   |

DATE: 04/17/20  
TIME: 10:50:29  
ID: AP443000.WOW

CITY OF CLOQUET  
DEPARTMENT SUMMARY REPORT

PAGE: 4

INVOICES DUE ON/BEFORE 04/21/2020

| VENDOR #                       | NAME                           | PAID THIS<br>FISCAL YEAR | AMOUNT DUE |
|--------------------------------|--------------------------------|--------------------------|------------|
| -----                          |                                |                          |            |
| PUBLIC WORKS RESERVE           |                                |                          |            |
| 42                             | PUBLIC SAFETY                  |                          |            |
| 155035                         | DODGE OF BURNSVILLE, INC       |                          | 29,819.00  |
| 289015                         | WELLS FARGO CREDIT CARD        | 18,496.34                | 314.86     |
|                                | PUBLIC SAFETY                  |                          | 30,133.86  |
| CAPITAL PROJECTS - REVOLVING   |                                |                          |            |
| 81                             | SPECIAL PROJECTS               |                          |            |
| 212055                         | MEYER GROUP ARCHITECTURE       | 36,798.42                | 6,849.44   |
|                                | SPECIAL PROJECTS               |                          | 6,849.44   |
| WATER - LAKE SUPERIOR WATERLIN |                                |                          |            |
| 51                             | STATION 2                      |                          |            |
| 121000                         | ARROWHEAD SPRINGS INC          | 552.70                   | 20.25      |
| 139030                         | CINTAS CORPORATION NO 2        | 2,867.27                 | 40.86      |
| 175700                         | GRAINGER                       | 1,187.98                 | 780.57     |
| 180500                         | HAWKINS INC                    | 22,821.10                | 2,079.74   |
|                                | STATION 2                      |                          | 2,921.42   |
| 52                             | LAKE SUPERIOR WATERLINE        |                          |            |
| 139030                         | CINTAS CORPORATION NO 2        | 2,867.27                 | 65.57      |
| 197800                         | L & M SUPPLY CO                | 6,940.71                 | 35.95      |
|                                | LAKE SUPERIOR WATERLINE        |                          | 101.52     |
| 57                             | ADMINISTRATION                 |                          |            |
| 156400                         | CITY OF DULUTH COMFORT SYSTEMS | 274.52                   | 66.83      |
| 205050                         | LOFFLER COMPANIES INC          | 178.99                   | 20.65      |
|                                | ADMINISTRATION                 |                          | 87.48      |
| WATER - IN TOWN SYSTEM         |                                |                          |            |
| 49                             | CLOQUET                        |                          |            |

DATE: 04/17/20  
TIME: 10:50:29  
ID: AP443000.WOW

CITY OF CLOQUET  
DEPARTMENT SUMMARY REPORT

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INVOICES DUE ON/BEFORE 04/21/2020

| VENDOR #                | NAME                           | PAID THIS<br>FISCAL YEAR | AMOUNT DUE |
|-------------------------|--------------------------------|--------------------------|------------|
| -----                   |                                |                          |            |
| WATER - IN TOWN SYSTEM  |                                |                          |            |
| 49                      | CLOQUET                        |                          |            |
| 139030                  | CINTAS CORPORATION NO 2        | 2,867.27                 | 53.96      |
| 179300                  | HACH COMPANY                   | 230.93                   | 194.22     |
| 180500                  | HAWKINS INC                    | 22,821.10                | 2,922.54   |
| 197800                  | L & M SUPPLY CO                | 6,940.71                 | 71.91      |
| 235800                  | NORTHLAND AUTO PARTS           | 287.86                   | 43.03      |
| 261800                  | SEH                            | 75,065.35                | 4,224.78   |
| 283700                  | USA BLUEBOOK                   | 1,742.27                 | 115.29     |
| 289015                  | WELLS FARGO CREDIT CARD        | 18,496.34                | 394.80     |
| R0001912                | UTILITY LOGIC                  |                          | 405.75     |
|                         | CLOQUET                        |                          | 8,426.28   |
|                         |                                |                          |            |
| 54                      | BILLING & COLLECTION           |                          |            |
| 270200                  | SUPERIOR COMPUTER PRODUCTS INC | 44,611.71                | 40.00      |
| 278600                  | TWIN PORT MAILING              | 19,105.39                | 28.04      |
| 279100                  | U S BANK EQUIPMENT FINANCE     | 2,458.59                 | 72.37      |
|                         | BILLING & COLLECTION           |                          | 140.41     |
|                         |                                |                          |            |
| 57                      | ADMINISTRATION & GENERAL       |                          |            |
| 142800                  | CLOQUET SANITARY SERVICE       | 3,323.40                 | 21.08      |
| 147050                  | CONSOLIDATED TELEPHONE COMPANY | 13,096.54                | 405.97     |
| 175200                  | GOPHER STATE ONE CALL INC      | 118.85                   | 5.67       |
| 205050                  | LOFFLER COMPANIES INC          | 178.99                   | 20.65      |
| 234600                  | NORTHERN BUSINESS PRODUCTS     | 2,736.16                 | 28.69      |
| 278600                  | TWIN PORT MAILING              | 19,105.39                | 28.04      |
| 279100                  | U S BANK EQUIPMENT FINANCE     | 2,458.59                 | 43.24      |
|                         | ADMINISTRATION & GENERAL       |                          | 553.34     |
|                         |                                |                          |            |
| ENTERPRISE FUND - SEWER |                                |                          |            |
| 55                      | SANITARY SEWER                 |                          |            |
| 139030                  | CINTAS CORPORATION NO 2        | 2,867.27                 | 73.97      |
| 197800                  | L & M SUPPLY CO                | 6,940.71                 | 35.95      |
| R0001912                | UTILITY LOGIC                  |                          | 405.75     |
|                         | SANITARY SEWER                 |                          | 515.67     |

DATE: 04/17/20  
TIME: 10:50:29  
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CITY OF CLOQUET  
DEPARTMENT SUMMARY REPORT

PAGE: 6

INVOICES DUE ON/BEFORE 04/21/2020

| VENDOR #                | NAME                           | PAID THIS<br>FISCAL YEAR | AMOUNT DUE |
|-------------------------|--------------------------------|--------------------------|------------|
| -----                   |                                |                          |            |
| ENTERPRISE FUND - SEWER |                                |                          |            |
| 57                      | ADMINISTRATION & GENERAL       |                          |            |
| 142800                  | CLOQUET SANITARY SERVICE       | 3,323.40                 | 21.08      |
| 147050                  | CONSOLIDATED TELEPHONE COMPANY | 13,096.54                | 173.68     |
| 175200                  | GOPHER STATE ONE CALL INC      | 118.85                   | 3.78       |
| 205050                  | LOFFLER COMPANIES INC          | 178.99                   | 20.65      |
| 234600                  | NORTHERN BUSINESS PRODUCTS     | 2,736.16                 | 28.69      |
| 278600                  | TWIN PORT MAILING              | 19,105.39                | 28.04      |
| 279100                  | U S BANK EQUIPMENT FINANCE     | 2,458.59                 | 43.24      |
|                         | ADMINISTRATION & GENERAL       |                          | 319.16     |
| STORM WATER UTILITY     |                                |                          |            |
| 57                      | ADMINISTRATION & GENERAL       |                          |            |
| 205050                  | LOFFLER COMPANIES INC          | 178.99                   | 20.63      |
| 289015                  | WELLS FARGO CREDIT CARD        | 18,496.34                | 16.17      |
|                         | ADMINISTRATION & GENERAL       |                          | 36.80      |
| CABLE TELEVISION        |                                |                          |            |
| 45                      | CULTURE AND RECREATION         |                          |            |
| 270300                  | SWAGIT PRODUCTIONS, LLC        | 3,975.00                 | 1,325.00   |
| R0001774                | DULUTH AV LOGISTICS            |                          | 440.00     |
|                         | CULTURE AND RECREATION         |                          | 1,765.00   |
| EMPLOYEE SEVERANCE      |                                |                          |            |
| 45                      | EMPLOYEE VACATION & SICK       |                          |            |
| 152775                  | DELTA DENTAL OF MINNESOTA      | 12,490.05                | 88.50      |
|                         | EMPLOYEE VACATION & SICK       |                          | 88.50      |
|                         | TOTAL ALL DEPARTMENTS          |                          | 187,662.56 |

Council Chambers, Cloquet, Minnesota  
7:00 P.M. April 7, 2020

Regular Meeting

**DRAFT**

Roll Call

Councilors Present: Carlson, Lamb, Swanson, Kolodge, Langley, Wilkinson, Mayor Maki

Councilors Absent: None

Pledge of Allegiance

### **AGENDA**

**MOTION:** Councilor Langley moved and Councilor Wilkinson seconded the motion to approve the April 7, 2020 agenda. The motion carried unanimously (6-0).

### **MINUTES**

**MOTION:** Councilor Kolodge moved and Councilor Swanson seconded the motion to approve the Work Session minutes and Regular Meeting minutes of March 17, 2020 as presented. The motion carried (7-0).

### **PUBLIC COMMENTS**

There were none.

### **CONSENT AGENDA**

**MOTION:** Councilor Langley and Councilor Wilkinson seconded the motion to adopt the Consent Agenda of April 7, 2020, approving the necessary motions and resolutions. The motion carried unanimously (7-0).

- a. Resolution No. 20-19, Authorizing the Payment of Bills and Payroll

### **PUBLIC HEARINGS**

There were none.

### **PRESENTATIONS**

There were none.

### **APPOINTMENT TRUCK DRIVER/UTILITY MAINTENANCE PERSON**

**MOTION:** Councilor Wilkinson moved and Councilor Lamb seconded the motion to approve the probationary appointment of Tyler Kaspari to the position of Truck Driver/Utility Maintenance Person effective April 8, 2020. The motion carried unanimously (7-0).

### **APPOINTMENT OF POLICE OFFICERS**

**MOTION:** Councilor Lamb moved and Councilor Carlson seconded the motion to approve the probationary appointments of Kevin Holshouser to Police Officer effective April 8, 2020 and Brodie Nordquist to the position of Police Officer effective April 9, 2020. The motion carried unanimously (7-0).

### **PUBLIC WORKS TRUCK PURCHASES**

**MOTION:** Councilor Kolodge moved and Councilor Carlson seconded the motion to approve the purchase of one RAM 1500 from Mike Motors in the amount of \$30,800. The motion carried unanimously (7-0).

**MOTION:** Councilor Swanson moved and Councilor Wilkinson seconded the motion to approve the purchase of one RAM 4500 from Hibbing Chrysler Center in the amount of \$33,200 and one FSS Series contractor truck body from Townmaster in the amount of \$17,859.00. The motion carried unanimously (7-0).

**STREET SWEEPING CONTRACT**

**MOTION:** Councilor Carlson moved and Councilor Wilkinson seconded the motion to approve the supplemental spring street sweeping contract with Kiminski Paving for an amount not to exceed \$17,000. The motion carried unanimously (7-0).

**HIGHWAY 33 DITCH MOWING CONTRACT**

**MOTION:** Councilor Lamb moved and Councilor Swanson seconded the motion to award a contract to the Smith Company for base bid only Highway 33 mowing in the amount of \$13,946. The motion carried unanimously (7-0).

**COVID-19 UPDATE**

City Administrator Peterson gave the following updates:

- City staff continue to work from home during the Stay at Home Order. All indications are it is going well.
- A March 30<sup>th</sup> COVID-19 Press Conference Press took place at City Hall. Participants included the Mayor, Police Chief, Fire Chief, ISD 94 Superintendent, Carlton County and Community Memorial Hospital.
- CAT 7 is back up and running with a COVID-19 PowerPoint presentation containing important COVID information running in between scheduled shows.
- The state has set up a department for reporting businesses violating the Stay at Home Order. The phone number and email address to report violations are on the City's website and Police Department's Facebook page.
- City parks and all athletic structures are closed. Trails remain open for now but with urging to continue practicing social distancing.
- The City will waive late fees and any fines during the COVID crisis.
- Mr. Peterson commended the community for pulling together.

**COUNCIL COMMENTS, ANNOUNCEMENTS, AND UPDATES**

Councilor Lamb shared resources that are available for those in need.

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

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Tim Peterson, City Administrator



**DEPARTMENT OF PUBLIC WORKS**

101 14<sup>th</sup> Street; Cloquet, MN 55720  
 Phone: (218) 879-6758 Fax: (218) 879-6555  
 Street - Water - Sewer – Engineering - Park  
[www.cloquetmn.gov](http://www.cloquetmn.gov)

**REQUEST FOR COUNCIL ACTION**

To: Mayor and City Council  
 From: John Anderson, Assistant City Engineer  
 Reviewed by: Tim Peterson, City Administrator *TCP*  
 Date: April 21, 2020

**ITEM DESCRIPTION:** Award Prospect Avenue Area Project Bid

**Proposed Action**

Staff recommends the City Council move to adopt **RESOLUTION NO. 20-22, AWARDING BID FOR THE PROPOSED 2020 IMPROVEMENT OF PROSPECT AVENUE AREA STREETS.**

**Background/Overview**

On March 5, 2020 the City Council authorized staff to solicit bids for the Prospect Avenue Area Project. Staff has obtained bids for the project. The table below shows the results of the three bids compared to the engineers estimate.

| Bidder                           | Base Bid Amount       | Alternate A<br>DIP<br>Watermain | Alternate B<br>PVC<br>Watermain | Alternate C<br>Prospect<br>Sidewalk |
|----------------------------------|-----------------------|---------------------------------|---------------------------------|-------------------------------------|
| Northland Constructors of Duluth | \$2,777,000.00        | \$399,565.00                    | \$323,619.00                    | \$90,432.00                         |
| TNT Aggregates, LLC              | \$2,738,000.00        | \$458,658.00                    | \$358,988.00                    | \$98,054.50                         |
| <b>Engineers Estimate</b>        | <b>\$2,265,151.20</b> | <b>\$383,580.00</b>             | <b>\$354,167.00</b>             | <b>\$80,175.00</b>                  |

The bids include a base bid and three alternates. The base bid includes all sanitary sewer, storm sewer, street and sidewalk (except the sidewalk along Prospect Avenue from 14<sup>th</sup> Street to 22<sup>nd</sup> Street). Alternate A includes watermain work consisting of the standard materials typically used on previous projects, namely ductile iron pipe (DIP) and copper water service pipe. In order for staff to analyze potential cost savings, Alternate B was bid utilizing polyvinyl chloride (PVC) for watermain material and polyethylene (PE) water service pipe materials. Lastly, the sidewalk along Prospect Avenue from 14<sup>th</sup> Street to 22<sup>nd</sup> Street was included in Alternate C.

Staff has reviewed the bids and recommends that award includes **Alternate A**, the standard watermain materials (DIP). Although there is a cost savings associated with Alternate B (PVC), staff does not feel the savings is sufficient to justify non-standard installations that require maintaining inventory of additional repair parts.



Alternate C was bid at City Council direction and will require a super majority (6/7) to award, as such, the decision on Alternate C will be covered as a separate standalone agenda item. Therefore, for the purposes of this item, the staff recommendation is to include the Base bid and Alternate A in the award.

**Policy Objectives**

To advance proposed capital improvement projects.

**Financial/Budget/Grant Considerations**

The approved 2020 budget includes an estimated cost for this project of \$3,780,000. The breakdown of funding sources for the project are as follows:

|                     |              |
|---------------------|--------------|
| Sales Tax           | \$ 1,600,000 |
| Sanitary Sewer Fund | \$ 100,000   |
| Water Fund          | \$ 100,000   |
| Storm Sewer Fund    | \$ 100,000   |
| Bond Proceeds       | \$ 1,880,000 |

It is worth noting that the project limits are slightly different in the project due to the need to coordinate utility reconstruction. The three projects included in the budget continued reconstruction of Prospect Avenue from 14<sup>th</sup> Street to 10<sup>th</sup> street but did not include 21<sup>st</sup> Street from Selmsler Avenue to the dead end. Therefore, the scope is slightly different but the limits of construction do match the project limits identified in the feasibility study prepared for this project.

The low bid that includes The Base Bid and Alternate A (DIP) was submitted by Northland Constructors of Duluth for a total of \$ 3,176,565.00. This bid is \$527,833 more than the engineers estimate or 20% over the estimate. Staff has looked at several bid results coming out his spring and found prices are running higher than expected due to a number of factors including uncertainty surrounding COVID-19, and uncompleted work from a wet fall in 2019.

As the intent was to bond for the bulk of the utility portions of the project and there is some capacity for increasing the sales tax contribution to cover the street costs, staff believes while not ideal the overrun in this bid is manageable. The project cost would include the construction contract of \$3,176,565 to which 15% of engineering and contingency is added making the total project cost to be \$3,653,049 which is \$126,951 under budget. The project is proposed to be funded as follows:

|                             |              |
|-----------------------------|--------------|
| Sales Tax                   | \$ 1,869,033 |
| Sanitary Sewer Fund (Bonds) | \$ 579,847   |
| Water Fund (Bonds)          | \$ 757,691   |
| Storm Sewer Fund (Bonds)    | \$ 446,477   |

A second hearing will be held at the end of construction that will deal with the details of the assessments and take public input on the cost of the assessment. Based on the bids received and the contingencies built in, staff believes the assessment rates will be at or below the levels previously discussed at the public hearing.

To Mayor and Council  
Award Bid Prospect Avenue Area  
April 21, 2020  
Page 3

**Advisory Committee/Commission Action**

N/A

**Supporting Documents Attached**

- Resolution No. 20-22
- Written comments from Prospect Avenue Residents (if any received)

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

**RESOLUTION NO. 20-22**

**RESOLUTION AWARDING PROSPECT AVENUE AREA PROJECT**

**WHEREAS**, A resolution of the Council adopted on March 5, 2020, authorized advertising the project for bid.

**WHEREAS**, The City of Cloquet advertised and received the following bids for the project:

| <b>No.</b> | <b>Bidder</b>                         | <b>Base Bid + Alternate A</b> |
|------------|---------------------------------------|-------------------------------|
| 1          | Northland Constructors of Duluth Inc. | \$ 3,176,565.00               |
| 2          | TNT Aggregates LLC                    | \$ 3,196,658.00               |
|            | Engineer's Estimate                   | \$ 2,648,731.20               |

**AND WHEREAS**, The apparent low bid from Northland Constructors of Duluth 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 base bid plus alternate A from Northland Constructors of Duluth Inc. in the amount of \$3,176,565.00 is hereby accepted.

**PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF CLOQUET THIS 21<sup>st</sup> DAY OF APRIL 2020.**

\_\_\_\_\_  
Roger Maki, Mayor

ATTEST:

\_\_\_\_\_  
Tim Peterson, City Administrator



**DEPARTMENT OF PUBLIC WORKS**

101 14<sup>th</sup> Street; Cloquet, MN 55720  
Phone: (218) 879-6758 Fax: (218) 879-6555  
Street - Water - Sewer – Engineering - Park  
[www.cloquetmn.gov](http://www.cloquetmn.gov)

**REQUEST FOR COUNCIL ACTION**

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To: Mayor and City Council  
From: John Anderson, Assistant City Engineer  
Reviewed by: Tim Peterson, City Administrator *TCP*  
Date: April 21, 2020

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**ITEM DESCRIPTION:** Reject Bids – Alternate C Prospect Avenue Sidewalk

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**Proposed Action**

Staff recommends the City Council move to adopt **RESOLUTION NO. 20-23, RESOLUTION REJECTING ALTERNATE C - BID FOR PROSPECT AVENUE SIDEWALK** (requires a regular majority to pass).

Alternatively should the Council wish to construct the sidewalk, the City Council should adopt **RESOLUTION NO. 20-24, RESOLUTION AWARDED ALTERNATE C - BID FOR PROSPECT AVENUE SIDEWALK** (requires a super majority to pass).

**Background/Overview**

On March 5, 2020 the City Council authorized staff to solicit bids for the Prospect Avenue Area Project. Staff has obtained bids for the project. The table below shows the results of the three bids compared to the engineers estimate.

| <b>Bidder</b>                    | <b>Alternate C Prospect Sidewalk</b> |
|----------------------------------|--------------------------------------|
| Northland Constructors of Duluth | \$ 90,432.00                         |
| TNT Aggregates, LLC              | \$ 98,054.50                         |
|                                  |                                      |
| <b>Engineers Estimate</b>        | <b>\$ 80,175.00</b>                  |

Alternate C involves the construction of a 5-foot concrete sidewalk along Prospect Avenue from 14<sup>th</sup> Street to 22<sup>nd</sup> Street. Due to site constraints the sidewalk is proposed to be built immediately behind the curb and on the south side from 14<sup>th</sup> Street to 18<sup>th</sup> Street and along the north from 18<sup>th</sup> Street to 22<sup>nd</sup> Street.

A public hearing was held on the project on March 5, 2020. The City Council heard testimony in favor and opposed to construction of this sidewalk. At the conclusion of the public hearing motions were made to include the sidewalk in the project and to leave out the sidewalk from the project. Both motions failed due to a lack of a super majority support. At the conclusion of the discussion a motion was made and passed unanimously to order the project to proceed with out the sidewalk but to bid the sidewalk on Prospect as an alternate giving the City Council the opportunity to revisit the issue when the project is awarded.

### **Policy Objectives**

To advance proposed capital improvement projects, but prior to approval affected property owners shall be provided an opportunity to make comments in reference to the proposed improvement in accordance with State Statutes. Property owners have had multiple opportunities to be involved in the decision making process including a neighborhood meeting, and a public hearing.

Staff sent out a letter to residents notifying them this item would be discussed at the City Council meeting on April 21, 2020. Residents were asked to comment in writing or register to speak at public comment via conference call. A number of correspondences were submitted prior to the public hearing held on March 5, 2020 those are attached as well as any written correspondence received by staff in time to be included in the council packet.

Given the strained project funding as a result of higher than expected bids and the lack of unanimous support for the construction of the sidewalk, staff is recommending reject the bid for Alternate C (Prospect Avenue Sidewalk). Staff has provided two resolutions, one rejecting the bid, which would require a simple majority to pass and one awarding the bid, which would require a super majority to pass.

### **Financial/Budget/Grant Considerations**

The low bid received for Alternate C was \$90,432 submitted by Northland Constructors of Duluth. This is the same contractor that was low for the base bid plus alternate A combination. The Engineers Estimate for Alternate C was \$80,175.00. The sidewalk if awarded would be funded out of sales tax funds which are stretch already to cover the overrun in the base bid

This sidewalk would typically be assessed according to the City's assessment code. Staff has treated this sidewalk as serving regional benefit similar to a Municipal State Aid (MSA) route and shown in assessment calculation to not be included as having a portion of the cost assessed to property owners.

### **Advisory Committee/Commission Action**

N/A

### **Supplemental Documents Attached**

- Resolution No. 20-23
- Resolution No. 20-24
- Written comments from Prospect Avenue Residents

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

**RESOLUTION NO. 20-23**

**RESOLUTION REJECTING ALTERNATE C  
PROSPECT AVENUE AREA PROJECT**

**WHEREAS**, A resolution of the Council adopted on March 5, 2020, authorized advertising the project for bid.

**WHEREAS**, The City of Cloquet advertised and received the following bids for the Alternate C:

| <b>No.</b> | <b>Bidder</b>                         | <b>Alternate C</b> |
|------------|---------------------------------------|--------------------|
| 1          | Northland Constructors of Duluth Inc. | \$ 90,432.00       |
| 2          | TNT Aggregates LLC                    | \$ 98,054.50       |
|            | Engineer's Estimate                   | \$ 80,175.00       |

**AND WHEREAS**, The City Council does not have sufficient support to authorize the construction of the Sidewalk along Prospect Avenue from 14<sup>th</sup> Street to 22<sup>nd</sup> Street.

**NOW, THEREFORE, BE IT RESOLVED, BY THE CITY COUNCIL OF THE CITY OF CLOQUET, MINNESOTA**, That the City Council rejects the bid for Alternate C – Prospect Avenue Area Bid.

**PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF CLOQUET THIS 21<sup>st</sup> DAY OF APRIL 2020.**

\_\_\_\_\_  
Roger Maki, Mayor

ATTEST:

\_\_\_\_\_  
Tim Peterson, City Administrator

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

**RESOLUTION NO. 20-24**

**RESOLUTION AWARDED ALTERNATE C  
PROSPECT AVENUE AREA PROJECT**

**WHEREAS,** A resolution of the Council adopted on March 5, 2020, authorized advertising the project for bid.

**WHEREAS,** The City of Cloquet advertised and received the following bids for the Alternate C:

| <b>No.</b> | <b>Bidder</b>                         | <b>Alternate C</b> |
|------------|---------------------------------------|--------------------|
| 1          | Northland Constructors of Duluth Inc. | \$ 90,432.00       |
| 2          | TNT Aggregates LLC                    | \$ 98,054.50       |
|            | Engineer's Estimate                   | \$ 80,175.00       |

**AND WHEREAS,** The apparent low bid from Northland Constructors of Duluth 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 Alternate C bid from Northland Constructors of Duluth Inc. in the amount of \$90,432.00 is hereby accepted.

**PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF CLOQUET THIS 21<sup>st</sup> DAY OF APRIL 2020.**

\_\_\_\_\_  
Roger Maki, Mayor

ATTEST:

\_\_\_\_\_  
Tim Peterson, City Administrator

**From:** Arthur Wojciehowski

**Sent:** Sunday, February 23, 2020 7:51 PM

**To:** [tpeterson@cloquetmn.gov](mailto:tpeterson@cloquetmn.gov) <[tpeterson@cloquetmn.gov](mailto:tpeterson@cloquetmn.gov)>

**Cc:** [cpeterson@cloquetmn.gov](mailto:cpeterson@cloquetmn.gov) <[cpeterson@cloquetmn.gov](mailto:cpeterson@cloquetmn.gov)>; [rmaki@cloquetmn.gov](mailto:rmaki@cloquetmn.gov) <[rmaki@cloquetmn.gov](mailto:rmaki@cloquetmn.gov)>; [slamb@cloquetmn.gov](mailto:slamb@cloquetmn.gov) <[slamb@cloquetmn.gov](mailto:slamb@cloquetmn.gov)>; [cswanson@cloquetmn.gov](mailto:cswanson@cloquetmn.gov) <[cswanson@cloquetmn.gov](mailto:cswanson@cloquetmn.gov)>; [kkolodge@cloquetmn.gov](mailto:kkolodge@cloquetmn.gov) <[kkolodge@cloquetmn.gov](mailto:kkolodge@cloquetmn.gov)>; [slangley@cloquetmn.gov](mailto:slangley@cloquetmn.gov) <[slangley@cloquetmn.gov](mailto:slangley@cloquetmn.gov)>; [lwilkinson@cloquetmn.gov](mailto:lwilkinson@cloquetmn.gov) <[lwilkinson@cloquetmn.gov](mailto:lwilkinson@cloquetmn.gov)>; [news@pineknotnews.com](mailto:news@pineknotnews.com) <[news@pineknotnews.com](mailto:news@pineknotnews.com)>; [news@pinejournal.com](mailto:news@pinejournal.com) <[news@pinejournal.com](mailto:news@pinejournal.com)>; mary ann johnson <[polekeeper@aol.com](mailto:polekeeper@aol.com)>

**Subject:** Prospect Ave reconstruction

Tim Peterson

City administrator

I received a notice on the hearing for Prospect Ave. improvements and reconstruction. I am unable to attend the hearing as I am out of state at this time. I have several comments I would like to be read into the record at this meeting.

My first concern is the proposed sidewalk to be located on the south side of Prospect Ave. from 14<sup>th</sup> street to 18<sup>th</sup> street. It is specified to be a 5-foot-wide sidewalk. I have been a resident on Prospect Ave. for 18 plus year, during that time I have observed from 0 - 4 pedestrians per day maximum walking along the street during the summer and virtually none in the winter To put a sidewalk let alone a 5 foot wide one along this ave. with the historically low pedestrian traffic is a waste of resources and money this savings would be fiscally responsible and allow for additional improvements of all the other failing streets in the city. If it is allowed to be installed then it should be on the north side of the ave. adjacent to the park so people that would access the park safely to get into the park and would not be crossing the street. It also would preserve the limited lawn areas of the homes along this area.As it is the park has 2 entrances and a parking area by the ball field along with access from 14th street, so again a sidewalk would not be a benefit along this avenue as the only entrance to the park along Prospect ave.is at the parking lot adjacent to the ball field. Avenues in the past have not had sidewalks as there are only 3-4 houses on each block compared to 12-14 along streets. The only avenues that have sidewalks are those that border or lead to a commercial area, schools and churches etc such as Carlton ave, Doddridge and Washington Ave whereas Prospect Ave. dead ends at 2nd street and in Scanlon. So in conclusion I am against the inclusion of sidewalks in this project for this reason also for the elimination of green areas "lawns" by the sidewalk and the additional stormwater drainage caused by the sidewalk into the river, etc contributing to more pollution

As for the assessment's I assume we would receive an itemized cost, listing the individual costs of the bituminous costs etc. per residence, the costs of storm sewers, sanitary sewers and water lines are covered by the .5% sales tax. Also why is the assessment 40% higher than the 3<sup>rd</sup> street reconstruction which was more labor intensive? I can't believe that there has been a 40% increase in labor and bituminous In around 3 years. The current estimated assessment is around 10% of the market value of the homes in this area which in affect lowers the market value of the homes due to the assessment and the loss of green area "lawns"

I would also point out that funds from the .5% sales tax are stipulated to be used for parks and engineering and construction of infrastructure improvements, including, but not limited to storm sewer, sanitary sewer and water In areas identified as part of the city's comprehensive land use plan. See Minnesota Statutes, 2.32 section 645.021, subdivisions 2 and 3.





March 4, 2020

To whom it may concern:

ARDC Planning, a Division of the Arrowhead Regional Development Commission, recently learned about the City of Cloquet's Prospect Avenue project, which would add sidewalks to Prospect Avenue between 14<sup>th</sup> Street and 22<sup>nd</sup> Street. Representing an agency that recently facilitated Safe Routes to School planning in Cloquet, I am writing this letter to report about findings from this process related to Prospect Avenue.

During the 2018-19 academic year, a team of more than 20 Cloquet Schools stakeholders developed a Safe Routes to School plan to guide the group's work in empowering children and families to safely walk and bike to school. From this process, these stakeholders expressed the following desire:

Strategy: In 2021, enhance safety for pedestrians and bicyclists along the Prospect Avenue corridor.

Action Step: Construct a concrete sidewalk along the street from 14th Street to 22nd Street.

While the primary basis of this plan strategy is to make connections to Cloquet Middle School and Cloquet High School, sidewalk along Prospect Avenue would also support access to Washington Elementary and, especially, to Athletic Park.

Sidewalk along Prospect Avenue would also contribute to the neighborhood's developing pedestrian safety network. Recently, Carlton County applied for and was awarded federal funding to construct sidewalk along CSAH 55 (22<sup>nd</sup> Street) between Washington Avenue and Prospect Avenue. This project was also a strategy identified in the 2018-19 Safe Routes to School plan.

Thank you for the opportunity to report on findings of our recent planning process.

Sincerely,

Andy Hubley  
Director  
ARDC Planning, A Division of ARDC  
218-529-7512  
[ahubley@ardc.org](mailto:ahubley@ardc.org)



Independent School District No. 84  
Cloquet, Minnesota 55720

**Central Administration**  
509 Carlton Avenue • 218-879-6721 • FAX-879-6724  
**Cloquet Senior High School**  
1000 18th Street • 218-879-3393 • FAX-879-6494  
**Cloquet Middle School**  
509 Carlton Avenue • 218-879-3328 • FAX-879-4175  
**Churchill Elementary School**  
515 Granite Street • 218-879-3308 • FAX-879-7034  
**Washington Elementary School**  
801 12th Street • 218-879-3369 • FAX-879-3360  
**Community Education**  
302 14th Street • 218-879-1261 • FAX-879-6941  
**Cloquet Area Alternative Education Programs**  
302 14th Street • 218-879-0115 • FAX-879-6941  
<http://www.cloquet.k12.mn.us>

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## Memorandum

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**TO:** Cloquet City Council

**FROM:** Dr. Michael Cary, Superintendent

**DATE:** 03/03/2020

**RE:** Safe Routes to School/Prospect Avenue Reconstruction

Council Members,

Our school leaders are conscientious of the need to have safe routes for students who walk and bike to and from our schools on a daily basis. We have recently completed a Safe Routes to School plan for our middle and high schools that supplements previous plans for our elementary schools. In those plans, we identified issue and concern areas where students lack off street pathways to walk or bike to school.

With the reconstruction of Prospect Avenue, there is opportunity to add needed sidewalks to allow safe corridors for our students to walk or bike to and from school. Prospect Avenue's lack of sidewalks or paths was identified as an area of concern in our plan. While our schools respect the individual property owners of the city and their concerns, we ask that the council give serious consideration to adding a sidewalk, or sidewalks, along Prospect Avenue.

While the addition of a sidewalk would improve pathways for students, it's also important to note that it provides safe walking routes for area residents as well. I thank the council for considering our request and the safety of our students when reviewing the plan.

Sincerely,

Dr. Michael Cary, Superintendent  
Cloquet Public Schools



**DEPARTMENT OF PUBLIC WORKS**

101 14<sup>th</sup> Street; Cloquet, MN 55720  
Phone: (218) 879-6758 Fax: (218) 879-6555  
Street - Water - Sewer – Engineering - Park  
[www.cloquetmn.gov](http://www.cloquetmn.gov)

**REQUEST FOR COUNCIL ACTION**

To: Mayor and City Council  
From: Caleb Peterson, Director of Public Works  
Reviewed by: Tim Peterson, City Administrator *TCP*  
Date: April 21, 2020

**ITEM DESCRIPTION:** Dump Truck Purchase

**Proposed Action**

Staff recommends the City Council move to authorize the purchase of a single axle dump truck chassis from Mid-State Truck Service of Duluth in the amount of \$87,991.52 including trade.

**Background/Overview/Feasibility**

As part of the 2020 Capital Improvement Program (CIP) and annual budget, a new Single Axle Dump Truck is scheduled to be purchased by the Public Works Department. We are proceeding with the ordering of the truck chassis now to get the price locked in. An additional Council action request for the box build and plow equipment will be presented in the near future. From the numbers we have seen so far, the price for entire unit will come in under budget.

Under a Cooperative Purchase Agreement with the State of Minnesota, local governments are allowed to purchase such equipment directly off a previously awarded state contract. After reviewing available equipment and developing specifications for this truck purchase, staff is recommending purchase from Mid-State Truck Service of Duluth. The truck to be traded in will be our single axle sanding truck, Vin#IFDYK82EOTVA21650 (City Unit #208). At the time of trade Unit 208 will be 25 years old. The following is a summary of bids received:

|                            |  |                     |
|----------------------------|--|---------------------|
| <b>Maney International</b> | Truck Chassis & Warrantee<br>(State Bid Price/ No Trade) | \$97,433.00         |
| <b>Mid-State of Duluth</b> | Truck Chassis & Warrantee                                | \$ 93,991.52        |
|                            | Less Trade-In  | \$ (6,000.00)       |
|                            | <b>Net Truck Chassis Purchase</b>                        | <b>\$ 87,991.52</b> |

**Policy Objectives**

To replace necessary equipment in accordance with the approved Capital Improvement Plan.

**Financial/Budget/Grant Considerations**

The 2020 budget includes \$200,000 for this purchase. Preliminary bids for the box and plow equipment are under \$100,000.

**Advisory Committee/Commission Action**

N/A

**Supporting Documentation Attached**

None.



**ADMINISTRATIVE OFFICES**

101 14<sup>th</sup> Street • Cloquet MN 55720  
Phone: 218-879-3347 • Fax: 218-879-6555  
email: [admin@cloquetmn.gov](mailto:admin@cloquetmn.gov)  
[www.cloquetmn.gov](http://www.cloquetmn.gov)

**REQUEST FOR COUNCIL ACTION**

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To: Mayor and City Council  
From: Tim Peterson, City Administrator  
Date: January 21, 2020

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**ITEM DESCRIPTION:** Library Foundation – Gift Agreement for Naming Rights

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**Proposed Action**

Staff recommends that the City Council move to approve “The Cloquet Public Library Gift Agreement for Naming Rights” solicited by the Cloquet Shaw Memorial Public Library Foundation, Inc with Northwoods Credit Union.

**Background/Overview**

As part of its fundraising campaign the Library Foundation along with the Library Board has been raising money to off-set the \$250,000 donation they provided the City to support construction of the Library addition. One mode of fundraising they have used is to offer naming rights to components of the Library extension for donations.

The Library foundation has worked out an agreement with Northwoods Credit Union (attached) for the opportunity to name the Meeting Hall of the library extension in exchange for an initial gift of \$80,000, with \$40,000 payable upon execution of the attached agreement and the balance of \$40,000 in four annual installments.

Monies raised by the Library Foundation will be used to support the purchase of furnishings within the Library.

**Policy Objectives**

N/A

**Financial/Budget/Grant Considerations**

None. This money is being granted to the Library Foundation not the City.

**Advisory Committee/Commission Action**

Approved by the Library Foundation and Library Board

**Supporting Documents Attached**

Gift Agreement

# The Cloquet Shaw Memorial Public Library Foundation, Inc.

320 14th Street, Cloquet, MN 55720

(218) 879-1531 A tax-exempt not-for-profit 501(c)(3) corporation. EIN: 41-1460284

## The Cloquet Public Library Gift Agreement for Naming Rights

### For the *Meeting Hall*

The Cloquet Shaw Memorial Public Library Foundation, Inc. (Foundation), along with the Library Board (Board), and the City Council of Cloquet, MN (Council), have worked to add an additional 7,000 square feet of space to the existing library building. In support of that project and the furnishing of the same, the Northwoods Credit Union, 1702 Avenue B, Cloquet, Minnesota, (the undersigned donor) intends to establish by a gift of \$80,000, with \$40,000 payable upon execution of agreement and the balance of \$40,000 in four (4) equal annual installments beginning in 2021, as a naming opportunity for the Meeting Hall. In years six through twenty, the donor agrees to provide additional support of \$1,000 per year.

It is the donor's wish that the room or area above be named and marked with appropriate signage. All signage related to this contract naming rights are at the cost of Northwoods Credit Union and subject to the design approval of both Northwoods Credit Union and the Library Foundation Board, prior to purchase.

This agreement shall not preclude other donations, grants, naming, or recognition of other areas of the library facility in either the original building or the addition and shall only apply to the designated meeting hall.

This Naming Right will remain in place for twenty years, or the normal life of the room or area whichever is shorter. The rights may be renewed. A plaque will remain in the library in perpetuity acknowledging the name and the donation. In the event the flow of funds that was agreed to for the naming opportunity stops before the agreed time, the Council, Foundation, and Board may discontinue the use of the benefactor's name for the room.

When a named meeting hall has reached the end of its useful life and will be replaced or substantially renovated, the replaced or renovated space may be renamed in recognition of a new donor or honoree. Appropriate recognition of earlier donors or honorees shall be included in or adjacent to new, renovated or redeveloped facilities. Should the useful life of the room or the space be re-purposed before the end of the first ten years of this agreement, moneys paid shall be prorated based on the term and the time in use.

It is further understood that the donor shall have occasional use of said meeting hall or the conference room from time to time for its meeting purposes. It is anticipated that this use shall be for up to four (4) times per year. Such use shall be based on the availability of the room(s) with no priority assigned to the donor and shall be of no cost to this donor except for charges related to the use of the kitchen or use of the facility outside normal business hours. The donor shall schedule such use well in advance with library personnel and provide for any needed extra services.

The Cloquet City Council, the Cloquet Shaw Memorial Library Foundation, the Library Board, and the Northwoods Credit Union acknowledge this gift and the terms stated within by the signature of their duly authorized representatives on duplicate copies of this agreement.

**Northwoods Credit Union**

Douglas C. Wolf, President/CEO

Printed Name, Title

Douglas C. Wolf

Signature

4/9/2020

Date

**City of Cloquet**

\_\_\_\_\_  
Printed Name of Mayor

\_\_\_\_\_  
Mayor, City of Cloquet

\_\_\_\_\_  
Date

**Cloquet Shaw Memorial Library Foundation, Inc.**

Terry M. Anderson, President

Printed Name, title of Officer

Terry M. Anderson

Signature of Officer

Apr 9th 2020

Date

**Library Board**

Kathy Blas, Secretary

Printed Name, title of Officer

Kathy Blas

Signature of Officer

04/09/2020

Date



## DEPARTMENT OF PUBLIC WORKS

101 14<sup>th</sup> Street; Cloquet, MN 55720  
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### REQUEST FOR COUNCIL ACTION

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To: Mayor and City Council  
From: Tim Peterson, City Administrator *tcp*  
Date: April 21, 2020

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**ITEM DESCRIPTION:** Set Public Hearing Date on the Issuance of Revenue Obligations by the Duluth Economic Development Authority to Finance a Project by Essentia Health

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#### Proposed Action

Staff recommends the City Council move to adopt **RESOLUTION 20-20, SETTING A PUBLIC HEARING DATE ON THE ISSUANCE OF REVENUE OBLIGATIONS BY THE DULUTH ECONOMIC DEVELOPMENT AUTHORITY TO FINANCE A PROJECT BY ESSENTIA HEALTH**, with a proposed hearing date of May 5, 2020 at 7:00 p.m.

#### Background/Overview

Essentia Health desires to finance constructing and equipping an approximately 7,800-square foot outpatient clinic building in the City of Cloquet. Financing the Cloquet project will be included in an issue of revenue obligations proposed to be issued by the Duluth Economic Development Authority, which will also finance health care projects located in Duluth, Park Rapids, and Pine River.

The proposed obligations and the interest will in no event be payable from or charged upon any funds other than the revenue pledged to their payment. The City of Cloquet will not be subject to any liability on the proposed obligations. No holder of the proposed obligations will ever have the right to compel any exercise of the taxing power of the City of Cloquet.

Due to the fact that a portion of the proposed obligation issuance is to fund projects in Cloquet, the Cloquet City Council is required to hold a public hearing on the proposal to approve the issuance by the Duluth Economic Development Authority of revenue obligations.

#### Financial Impacts

Essential Health has agreed that it will pay the administrative fees of the City and pay or reimburse the City for payment of any and all costs incurred by the City in connection with the issuance of the obligations, whether or not the projects are completed.

#### Advisory Committee/Commission Action

N/A

#### Supplemental Documentation Attached

- Resolution No. 20-20

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

**RESOLUTION NO. 20-20**

**RESOLUTION SCHEDULING A PUBLIC HEARING ON THE ISSUANCE OF  
REVENUE OBLIGATIONS BY THE DULUTH ECONOMIC DEVELOPMENT  
AUTHORITY TO FINANCE A PROJECT BY ESSENTIA HEALTH**

**BE IT RESOLVED**, by the City Council of the City of Cloquet, Carlton County, Minnesota (the “City”), as follows:

Section 1.       Recitals. The City makes the following recitals of fact:

1.01     Representatives of Essentia Health (the “Borrower”) have represented to the City that the Borrower is a Minnesota nonprofit corporation and organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, engaged in providing health care related services.

1.02     Representatives of the Borrower have advised the City that:

      (a)     it desires to finance constructing and equipping an approximately 7,800-square foot, one-story outpatient clinic building to be located at 1413 Hwy. 33 S. in the City to be owned and operated by the Borrower or one of its affiliates (the “Cloquet Project”) in an amount not exceeding \$4,400,000 (the “Cloquet Financing”);

      (b)     the Cloquet Financing will be included in an issue of revenue obligations proposed to be issued by the Duluth Economic Development Authority, St. Louis County, Minnesota (the “Issuer”), which will also finance health care projects located in jurisdictions of the Issuer and the Cities of Park Rapids and Pine River, Minnesota, described as: financing or reimbursing all or a portion of the costs of constructing, renovating, remodeling, expanding, rehabilitating, acquiring and equipping certain health facilities owned by the Borrower and one or more of its affiliates, including (i) constructing and equipping an approximately 17,200-square foot, one-story outpatient clinic building to be located at 280 Barclay Ave. W., Pine River, MN (not to exceed \$6,500,000), (ii) renovating and equipping approximately 88,000-square feet of space within the Miller Hill Mall, 1600 Miller Trunk Hwy., Building C, Duluth, MN, to house a fitness and therapy center (not to exceed \$25,000,000), (iii) remodeling an existing approximately 102,000 square-foot structure located at 1600 Miller Trunk Hwy., Duluth, MN, at which ambulatory surgical services, outpatient clinical services and/or support services will be provided (not to exceed \$50,000,000), (iv) constructing and equipping an approximately 24,000-square foot, one-story outpatient clinic building to be located at 1103 First St. E., Park Rapids, MN (not to exceed \$8,000,000) and (v) routine capital expenditures located and to be located within the Borrower’s Medical Campus (as defined below) (not to exceed \$10,000,000) (together with the Cloquet Project, the “Projects”);

      (c)     costs of issuing the proposed revenue obligations, together with a portion of the interest payable on the proposed revenue obligations during the construction, acquisition and initial occupancy of the Projects, will also be financed, if deemed necessary or desirable by the Borrower;



(d) for purposes of the description of the Projects, "Medical Campus" refers to the area described as follows in Duluth, Minnesota: starting at the west side of Third Avenue East from its intersection with the south side of the alley above Superior Street, north to the north side of Fourth Street; then east to the intersection of the west side of Fourth Avenue East, then north to the north side of the alley above Fourth Street; then east to the east side of Fifth Avenue East; then south to the intersection of east side of Fifth Avenue East and the north side of the alley above Third Street; then east along the north side of the alley to the east side of Sixth Avenue East, then south to the north side of Second Street; then east approximately ½ block; then south to the north side of First Street; then east approximately ½ block to the east side of Seventh Avenue East, then south along the east side of Seventh Avenue East to Superior Street; then west along Superior Street to the east side of Fourth Avenue East; then north along the east side of Fourth Avenue East to the south side of the alley above Superior Street; then west to the west side of Third Avenue East as its intersection with the alley above Superior Street; and

(e) the total amount to be issued by the Issuer for the Projects is not expected to exceed \$70,000,000 (the "Obligations").

1.03 Fryberger, Buchanan, Smith & Frederick, P.A., bond counsel ("Bond Counsel") has advised the City as follows:

(a) The legal authority for the issuance of the Obligations is Minnesota Statutes, Sections 469.152 through 469.165, as amended (the "Act").

(b) The Act authorizes the City to issue revenue obligations to finance indebtedness incurred by an organization engaged in providing health care related activities and social services.

(c) In order for interest on the Obligations to be exempt from federal income taxation, the tax-exempt bond rules of the Internal Revenue Code of 1986, as amended, require that each jurisdiction in which a portion of the Projects is located must hold a public hearing on its portion of the Projects and approve the issuance of the Obligations.

(d) In order for the Obligations to be legally issued by the Issuer, Minnesota State law (Minnesota Statutes, Section 471.656) requires that the City consent to the issuance of the Obligations by the Issuer.

## Section 2. Public Hearing.

2.01 The City agrees to hold a public hearing on the issuance of the Obligations by telephone or other electronic means. In accordance with Minnesota Statutes, Section 13D.021, the Minnesota Open Meeting Law, the Mayor has determined that public attendance at the hearing is either not prudent or not feasible due to the COVID-19 Virus Health Pandemic. As a result, the public hearing will be held by telephone.

2.02 The Administrator, or Bond Counsel at the direction of the Administrator, is authorized and directed to publish the notice substantially in the form attached hereto as Exhibit A (the "Notice") in the *Pine Knot News*, the official newspaper of the City and a newspaper of general circulation in the City, not less than seven days nor more than 30 days prior to the date set for the public hearing. In the event the hearing cannot be held at the date and time specified in the Notice, the Administrator, in consultation with Bond Counsel is authorized to select such other date and time for the public hearing which is convenient for the City Council and in accordance with its regular meeting schedule.

Section 3. City Costs. The Borrower has agreed that it will pay the administrative fees of the City and pay, or, upon demand, reimburse the City for payment of any and all costs incurred by the City in connection with the issuance of the Obligations, whether or not the Projects are carried to completion or the Obligations are issued.

**PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF CLOQUET THIS 21<sup>st</sup> DAY OF APRIL 2020.**

\_\_\_\_\_  
Roger Maki, Mayor

Attest:

\_\_\_\_\_  
Tim Peterson, City Administrator

## EXHIBIT A

### NOTICE OF PUBLIC HEARING ON PROPOSED PROJECT AND THE ISSUANCE OF PRIVATE ACTIVITY BONDS

#### CITY OF CLOQUET, MINNESOTA

Notice is hereby given that the City Council of the City of Cloquet, Minnesota (the "City"), will hold a public meeting by telephone on Tuesday, May 5, 2020, at 7:00 p.m. on the proposal to approve the issuance by the Duluth Economic Development Authority, St. Louis County, Minnesota (the "Issuer"), of revenue obligations, in one or more series, under Minnesota Statutes, Sections 469.152 through 469.165 (the "Act"), in order to finance the cost of a project located in the City as described below (the "Project"). All persons interested may monitor and participate in the hearing by calling 1 (646) 749-3112 and using participant code 309-315-237, promptly at 7:00 p.m. on Tuesday, May 5, 2020. Participants are advised to consult the City's website at <https://www.cloquetmn.gov/> and related meeting notice for any additional information, changes, limitations or requirements, including changes to the dial in number, any required participant code or capacity limitations.

The Project will be owned and operated by Essentia Health, a Minnesota nonprofit corporation (the "Borrower"), or an affiliate thereof. The Borrower and each of its affiliates are organizations described in, or treated as described in, Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"). The Project consists of constructing and equipping an approximately 7,800-square foot, one-story outpatient clinic building to be located at 1413 Hwy. 33 S. in the City. The estimated total amount of the proposed revenue obligations to be issued for the Project will not exceed \$4,400,000. Costs of issuing the proposed revenue obligations, together with a portion of the interest payable on the proposed revenue obligations during the construction, acquisition and initial occupancy of the Project will also be financed, if deemed necessary or desirable by the Borrower. The proposed revenue obligations will be qualified 501(c)(3) bonds as defined in Section 145 of the Code.

The Borrower has proposed combining the financing for the Project with the financing of other projects under the Act which are located in the jurisdictions of the Issuer and the Cities of Park Rapids and Pine River, Minnesota (together with the City, the "Host Municipalities"), with the total amount of the obligations to be issued for all projects presently being estimated at not to exceed \$70,000,000.

The proposed obligations and the interest thereon will be limited obligations of the Issuer and will in no event be payable from or charged upon any funds other than the revenue pledged to their payment. Neither the Issuer nor the other Host Municipalities will be subject to any liability on the proposed obligations. No holder of the proposed obligations will ever have the right to compel any exercise of the taxing power of the Issuer or the other Host Municipalities to pay the obligations or the interest thereon, or to enforce payment of them against any property of the Issuer or the other Host Municipalities except those projects, or portions thereof, mortgaged or otherwise encumbered. The Issuer has no taxing power.

Written comments may be submitted to the Administrator of the Issuer at City Hall, 101 - 14<sup>th</sup> Street, Cloquet, Minnesota 55720 or via email at [kstarnold@cloquetmn.gov](mailto:kstarnold@cloquetmn.gov) and include "Council Agenda" in the subject line, your name and address and the agenda item you are speaking to, in advance of the hearing.

The regular meeting place of the City Council is City Hall, 101 - 14<sup>th</sup> Street, Cloquet, Minnesota 55720. At this time members of the City Council do not intend to attend the meeting in person; due to continually evolving restrictions and guidance from state and federal officials and agencies, the members of the City Council will attend the meeting remotely via telephone or other electronic means pursuant to Minnesota Statutes, Section 13D.021.

**EXTRACT OF MINUTES OF A REGULAR MEETING OF THE  
CITY COUNCIL OF THE  
CITY OF CLOQUET, MINNESOTA**

Pursuant to due call and notice thereof, a regular meeting of the City Council of the City of Cloquet, Minnesota, was duly called and held at the City Hall located at 101 - 14<sup>th</sup> Street, Cloquet, Minnesota, on Tuesday, April 21, 2020, at 7:00 p.m.

The following members were present: \_\_\_\_\_

and the following members were absent: \_\_\_\_\_

MOTION: Member \_\_\_\_\_ moved to adopt Resolution No. \_\_\_\_\_, entitled "Resolution Scheduling a Public Hearing on the Issuance of Revenue Obligations by the Duluth Economic Development Authority to Finance a Project by Essentia Health," the reading of which had been dispensed with by unanimous consent.

SECOND: Member \_\_\_\_\_

RESULT: On a roll call vote the motion was carried.

Ayes:  
Nays:  
Not Voting:  
Absent:



## DEPARTMENT OF PUBLIC WORKS

101 14<sup>th</sup> Street; Cloquet, MN 55720  
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### REQUEST FOR COUNCIL ACTION

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To: Mayor and City Council  
From: Caleb Peterson, Public Works Director  
Reviewed By: Tim Peterson, City Administrator  
Date: April 21, 2020

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**ITEM DESCRIPTION:** Ice Area Professional Services Contract

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#### **Proposed Action**

Staff recommends the City Council move to award a professional services and construction management contract to McKinstry Essention, LLC for 2020 ice area repairs.

#### **Background**

In the fall of 2019, the City was informed a coolant leak at the Pine Valley Arena resulted in the loss of approximately \$50,000 of R-22 refrigerant from the ice plant and area floor. Council approved the purchase of replacement coolant at that time but directed staff to pursue a long-term solution for this aging infrastructure. By federal law, the production of R-22 was prohibited effective January of 2020. It can still be sourced on the secondary market however limited supplies will lead to cost escalation and supply shortages over time. This proposed project represents a chance to deal with immediate needs at both ice arenas while progressing towards a long term need to transition away from the R-22 based systems currently serving both rinks.

Multiple studies have been conducted to evaluate the needs and existing conditions at both arenas over the past few years. Upon discovery of the 2019 leak, a recommendation was brought forward by McKinstry to implement a multiphase repair process. The first phase is proposed to be completed during the summer of 2020 including: replacement of the existing sand floor with underlying plumbing, conversion of the ice plant to an indirect system and replacement of the Northwoods Area's existing dehumidification system with an appropriately sized unit. This structure would allow the City to address critical repair needs with funds already reserved from sales tax proceeds. The new floor would be compatible with a future conversion of both ice plants to a single indirect system utilizing a readily available coolant.

#### **Policy Objectives**

N/A.

#### **Financial/Budget/Grant Considerations**

The total estimated cost of this project is estimated at \$1,140,000. The McKinstry contract is estimated at \$216,000 for design and construction management. The improvements would be funded utilizing sales tax proceeds which were previously reserved by Council for future use at the Arenas.

#### **Advisory Committee/Commission Action**

N/A.

#### **Supporting Documents Attached**

- Scope of Work

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## SCHEDULE A. SCOPE OF SERVICES

The Contract is amended and supplemented to include the following. McKinstry shall provide Services as set forth below.

### PART A – DESIGN/ENGINEERING SERVICES

#### A.1.1 *Assessment Phase*

A. McKinstry shall:

1. Consult with Client to define and clarify Client's requirements for the Project and available data.
2. Identify, consult with, coordinate and analyze the requirements of governmental authorities having jurisdiction to approve the portions of the Project designed or specified by McKinstry.
3. Foster and coordinate any further survey and assessment of existing conditions to allow design to proceed.

#### A.1.2 *Preliminary Design Phase*

A. After selection and approval by Client of the recommended solutions and indication of any specific modifications or changes in the scope, extent, character, or design requirements of the Project desired by Client, and upon written authorization from Client, McKinstry shall:

1. Foster and coordinate any required Preliminary Design Phase documents consisting of final design criteria, preliminary drawings, outline specifications, and written descriptions of the Project.
2. Advise Client if additional reports, data, information, or services that are necessary and assist Client in obtaining such reports, data, information, or services.
3. Based on the information contained in the Preliminary Design Phase documents, prepare a revised opinion of probable Construction Cost (based on any changes from the original schematic plan), and assist Client in collating the various cost categories which comprise Total Project Costs.
4. Furnish copies of the Preliminary Design Phase documents and any other deliverables to Client and review them with Client. Client shall submit to McKinstry any comments regarding the Preliminary Design Phase documents and any other deliverables.
5. Revise the Preliminary Design Phase documents and any other deliverables in response to Client's comments, as appropriate, and supply to Client revised Preliminary Design Phase documents revised opinion of probable Construction Cost, and other deliverables as deemed necessary by McKinstry.

B. McKinstry's services under the Preliminary Design Phase will be considered complete on the date when the revised Preliminary Design Phase documents, revised opinion of probable Construction Cost, and other deliverables deemed necessary by McKinstry have been delivered to Client.

#### A.1.3 *Final Design Phase*

A. After acceptance by Client of the Preliminary Design Phase documents, revised opinion of probable Construction Cost as determined in the Preliminary Design Phase, and other deliverables subject to Client-directed modifications or changes in the scope, extent, character, or design requirements of or for the Project, and upon written authorization from Client, McKinstry shall:

1. Provide, coordinate and review the final Drawings and Specifications indicating the scope, extent, and character of the Work to be performed and furnished by Contractor.
2. Provide, coordinate, review, comment and assist in technical criteria, written descriptions, and design data for Client's use in filing applications for permits from or approvals of governmental authorities having jurisdiction to review or approve the final design of the Project; assist Client in consultations with such authorities; and revise the Drawings and Specifications in response to directives from such authorities.
3. Advise Client of any adjustments to the opinion of probable Construction Cost known to McKinstry.
4. Provide, coordinate, review, comment, and assist with the development of the Bidding Documents for review by Client. Client shall submit to McKinstry any comments and instructions for revisions.

- 
5. Provide and coordinate the revision of the Bidding Documents in accordance with comments and instructions from the Client, as probable Construction Cost, and any other deliverables to Client.
- B. McKinstry's services under the Final Design Phase will be considered complete on the date when the final Bidding Documents and a revised opinion of probable costs have been delivered to Client.

#### A.1.4 *Bidding Phase*

- A. After acceptance by Client of the Bidding Documents and the most recent opinion of probable Construction Cost as determined in the Final Design Phase, and upon written authorization by Client to proceed, McKinstry shall:
1. Assist Client in advertising for and obtaining public bids or proposals for the Work and, where applicable, maintain a record of prospective bidders to whom Bidding Documents have been issued, attend pre-Bid conferences, and receive and process contractor deposits or charges for the Bidding Documents.
  2. Furnish for distribution by others Addenda as appropriate to clarify, correct, or change the Bidding Documents.
  3. Provide information or assistance to Client in the course of any bidding with prospective contractors.
  4. Consult with Client as to the acceptability of subcontractors, suppliers, and other individuals and entities proposed by prospective contractors for those portions of the Work as to which such acceptability is required by the Bidding Documents.
  5. Attend the Bid opening, prepare Bid tabulation sheets, and assist Client in evaluating Bids or proposals and in assembling and awarding contracts for the Work.
- B. The Bidding or Negotiating Phase will be considered complete upon the bid recommendation to the Board.

## **PART B – CONSTRUCTION MANAGEMENT (AGENCY) SERVICES**

### C.1.1 *Construction Phase*

- A. Upon successful completion of the Public Bidding, and upon written authorization from Client, McKinstry shall:
1. *General Administration of Construction Contract.* Consult with Client and act as Client's representative as provided in the General Conditions of the Construction Documents. The extent and limitations of the duties, responsibilities, and authority of McKinstry as assigned in the General Conditions shall not be modified, except as McKinstry may otherwise agree in writing. All of Client's instructions to Contractors will be issued through McKinstry, which shall have authority to act on behalf of Client in dealings with Contractors to the extent provided in this Contract and the General Conditions except as otherwise provided in writing.
  2. *Construction Manager (agency) (CMA).* Provide site project management at appropriate intervals to monitor construction activities in conjunction with the following provided by others: architectural, engineering, construction and close out phases of the project. The CMA shall provide recommendations and information to the Client regarding the allocation of responsibilities for safety programs among the contractors, provide administration of the contract for construction documents, coordinate scheduling activities, conduct regularly scheduled construction meetings, prepare and distribute meeting minutes, monitor work done by contractors to ensure schedule and contractual compliance, and assist in the monitoring of budget expenditure accounting records.
  3. *Pre-Construction Conference.* Participate, coordinate, and lead a Pre-Construction Conference prior to commencement of Work at the Site. Provide and distribute meeting minutes.
  4. *Schedules.* Receive, review, and determine the acceptability of any and all schedules that Contractor is required to submit to McKinstry, including the Progress Schedule, Schedule of Submittals, and Schedule of Values. If a schedule update indicates that a previously agreed schedule may not be met, McKinstry shall furnish corrective recommendations to Client.
  5. *Baselines and Benchmarks.* As appropriate, establish baselines and benchmarks for locating the Work which in McKinstry's judgment are necessary to enable Contractor to proceed.
  6. *Visits to Site and Observation of Construction.* In connection with observations of Contractor's Work while it is in progress:

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- a. Make visits to the Site at intervals appropriate to the various stages of construction, as McKinstry deems necessary, to observe as an experienced and qualified professional the progress and quality of Contractor's executed Work. Based on information obtained during such visits and observations, McKinstry will determine in general if the Work is proceeding in accordance with the Contract Documents, and McKinstry shall keep Client informed of the progress of the Work.
  - b. The purpose of McKinstry's visits to, and representation by the Construction Manager, will be to enable McKinstry to better carry out the duties and responsibilities assigned to and undertaken by McKinstry during the Construction Phase, and, in addition, by the exercise of McKinstry's efforts as an experienced and qualified professional, to provide for Client a greater degree of confidence that the completed Work will conform in general to the Contract Documents and that Contractor has implemented and maintained the integrity of the design concept of the completed Project as a functioning whole as indicated in the Contract Documents. McKinstry shall not, during such visits or as a result of such observations of Contractor's Work in progress, supervise, direct, or have control over Contractor's Work, nor shall McKinstry have authority over or responsibility for the means, methods, techniques, sequences, or procedures of construction selected or used by Contractor, for security or safety on the Site, for safety precautions and programs incident to Contractor's Work, nor for any failure of Contractor to comply with Laws and Regulations applicable to Contractor's furnishing and performing the Work. Accordingly, McKinstry neither guarantees the performance of any Contractor nor assumes responsibility for any Contractor's failure to furnish and perform the Work in accordance with the Contract Documents.
7. *Defective Work.* Recommend to Client that Contractor's Work be rejected while it is in progress if, on the basis of McKinstry's observations, McKinstry believes that such Work will not produce a completed Project that conforms generally to the Contract Documents or that it will threaten the integrity of the design concept of the completed Project as a functioning whole as indicated in the Contract Documents.
  8. *Clarifications and Interpretations; Field Orders.* Issue necessary clarifications and interpretations of the Contract Documents in conjunction with the Architect and/or Engineer as appropriate to the orderly completion of Contractor's work. Such clarifications and interpretations will be consistent with the intent of and reasonably inferable from the Contract Documents. McKinstry may issue Field Orders authorizing minor variations in the Work from the requirements of the Contract Documents.
  9. *Change Orders and Work Change Directives.* Recommend Change Orders and Work Change Directives to Client, as appropriate, and prepare Change Orders and Work Change Directives as required.
  10. *Shop Drawings and Samples.* Review, coordinate or take other appropriate action in respect to Shop Drawings and Samples and other data which Contractor is required to submit, but only for conformance with the information given in the Contract Documents and compatibility with the design concept of the completed Project as a functioning whole as indicated by the Contract Documents. Such reviews or other action will not extend to means, methods, techniques, sequences, or procedures of construction or to safety precautions and programs incident thereto.
  11. *Substitutes and "or-equal."* Evaluate and determine the acceptability of substitute or "or-equal" materials and equipment proposed by Contractor. Provide actionable recommendations concerning the proposed substitution to the Client for review and action.
  12. *Inspections and Tests.* Require such special inspections or tests of Contractor's work as deemed reasonably necessary, and receive and review all certificates of inspections, tests, and approvals required by Laws and Regulations or the Contract Documents. McKinstry's review of such certificates will be for the purpose of determining that the results certified indicate compliance with the Contract Documents and will not constitute an independent evaluation that the content or procedures of such inspections, tests, or approvals comply with the requirements of the Contract Documents. McKinstry shall be entitled to rely on the results of such tests. With the Client's maintenance personnel, McKinstry may observe the contractors final testing and start-up of utilities, operational systems and equipment.
  13. *Disagreements between Client and Contractor.* Render formal written decisions on all duly submitted issues relating to the acceptability of Contractor's work or the interpretation of the requirements of the Contract Documents pertaining to the execution, performance, or progress of Contractor's Work; review each duly submitted Claim by Client or Contractor, and in writing either deny such Claim in whole or in part, approve such Claim, or decline to resolve such Claim if McKinstry in its discretion concludes that to do so would be inappropriate. In rendering such decisions, McKinstry shall be fair and not show partiality to Client or Contractor and shall not be liable in connection with any decision rendered in good faith in such capacity.
  14. *Applications for Payment.* Based on McKinstry's observations as an experienced and qualified professional and on review of Applications for Payment and accompanying supporting documentation:



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- a. Determine the amounts that McKinstry recommends Contractor are paid. Such recommendations of payment will be in writing and will constitute McKinstry's representation to Client, based on such observations and review, that, to the best of McKinstry's knowledge, information and belief, Contractor's Work has progressed to the point indicated, the quality of such Work is generally in accordance with the Contract Documents (subject to an evaluation of the Work as a functioning whole prior to or upon Substantial Completion, to the results of any subsequent tests called for in the Contract Documents, and to any other qualifications stated in the recommendation), and the conditions precedent to Contractor's being entitled to such payment appear to have been fulfilled in so far as it is McKinstry's responsibility to observe Contractor's Work. In the case of unit price work, McKinstry's recommendations of payment will include final determinations of quantities and classifications of Contractor's Work (subject to any subsequent adjustments allowed by the Contract Documents).
  - b. By recommending any payment, McKinstry shall not thereby be deemed to have represented that observations made by McKinstry to check the quality or quantity of Contractor's Work as it is performed and furnished have been exhaustive, extended to every aspect of Contractor's Work in progress, or involved detailed inspections of the Work beyond the responsibilities specifically assigned to McKinstry in this Contract and the Contract Documents. Neither McKinstry's review of Contractor's Work for the purposes of recommending payments nor McKinstry's recommendation of any payment including final payment will impose on McKinstry responsibility to supervise, direct, or control Contractor's Work in progress or for the means, methods, techniques, sequences, or procedures of construction or safety precautions or programs incident thereto, or Contractor's compliance with Laws and Regulations applicable to Contractor's furnishing and performing the Work. It will also not impose responsibility on McKinstry to make any examination to ascertain how or for what purposes Contractor has used the moneys paid on account of the Contract Price, or to determine that title to any portion of the Work in progress, materials, or equipment has passed to Client free and clear of any liens, claims, security interests, or encumbrances, or that there may not be other matters at issue between Client and Contractor that might affect the amount that should be paid.

15. *Contractor's Completion Documents.* Receive, review, and transmit to Client maintenance and operating instructions, schedules, guarantees, bonds, certificates or other evidence of insurance required by the Contract Documents, certificates of inspection, tests and approvals, Shop Drawings, Samples and other data approved and the annotated record documents which are to be assembled by Contractor in accordance with the Contract Documents to obtain final payment.

16. *Substantial Completion.* Promptly after notice from Contractor that Contractor considers the entire Work ready for its intended use, in company with Client and Contractor, conduct an inspection to determine if the Work is substantially complete. If after considering any objections of Client, McKinstry considers the Work substantially complete; McKinstry shall deliver a certificate of Substantial Completion to Client and Contractor.

17. *Final Notice of Acceptability of the Work.* Conduct a final inspection to determine if the completed Work of Contractor is acceptable so that McKinstry may recommend, in writing, final payment to Contractor. Accompanying the recommendation for final payment, McKinstry shall also provide a notice of recommendation that the Work is acceptable to the best of McKinstry's knowledge, information, and belief and based on the extent of the services provided by McKinstry under this Contract.

B. *Duration of Construction Phase.* The Construction Phase will commence with the execution of the first construction Contract for the Project or any part thereof and will terminate upon written recommendation by McKinstry for final payment to Contractors.

B. *Limitation of Responsibilities.* McKinstry shall not be responsible for the acts or omissions of any Contractor, or of any subcontractors, suppliers, or other individuals or entities performing or furnishing any of the Work. McKinstry shall not be responsible for the failure of any Contractor to perform or furnish the Work in accordance with the Contract Documents.

#### C.1.2 *Post-Construction Phase*

A. Upon written authorization from Client, McKinstry, during the Post-Construction Phase, shall:

1. Provide and or coordinate assistance in connection with the adjusting of Project equipment and systems provided and through Client's Contractor.
2. Receive, review, coordinate, schedule and assist Client in training Client's staff to operate and maintain Project equipment and systems through Client's Contractor.

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3. Assist, suggest, consult, and recommend Client in developing procedures for control of the operation and maintenance of, and record keeping for Project equipment and systems.
  4. Together with Client, visit the Project to observe any apparent defects in the Work, assist Client in consultations and discussions with Contractor concerning correction of any such defects, and make recommendations as to replacement or correction of Defective Work, if present.
  5. Be a resource to the Client for commissioning activities performed.
- B. The Post-Construction Phase services may commence during the Construction Phase and, if not otherwise modified in this Schedule A, will terminate at the end of the Construction Contract's correction period.

*C.1.3 Contingent or Optional Services*

- A. McKinstry may provide (at a to be determined fee) and at the Client's request, additional Contingent or Optional services which are not included in McKinstry's initial Scope of Services, and may include but not be limited to the following
1. Consultation for or services required to coordinate replacement of work caused by fire or others during construction.
  2. Services necessary due to default or termination of contractor.
  3. Services in connection with public hearings, arbitration proceedings, or legal proceedings (except if McKinstry is a party of).
  4. Services for coordination of construction performed by Client's own work forces and connection with equipment supplied by the customer.
  5. Services in connection with separate consultants retained by Client.
  6. Services of professional consultants.
  7. Other services required that are not part of the base Contract or identified in Schedule A.

**PART C – COMMISSIONING SERVICES**

*D.1.1 Commissioning Phase*

- A. Document the Client's building criteria, needs, etc. for a programming report.
1. Design Development Phase. Document the design intent for general building design and function.
  2. Construction Documents Phase.
    - a. Coordinate the development of the design intent by all design team members.
    - b. Document the design intent, design narrative and design parameters.
    - c. Include appropriate system inspection sections into the specification, including specialty systems such as food service, etc.
  3. Construction and Acceptance Phase.
    - a. Coordinate resolution of system deficiencies identified during the system inspection process, according to the contract documents.
    - b. Receive, review and submit final record drawings for inclusion in the operation and maintenance (O&M) manuals. Review and recommend acceptance of the O&M manuals.
    - c. Coordinate the review of Contractor's applications for payment with McKinstry and system inspector.
  4. One-Year Correction Period.
    - a. Coordinate resolution of design nonconformance and design deficiencies identified during the one-year correction period.
- B. HVAC Mechanical and Electrical Review. Document the owner's mechanical and electrical system requirements.
1. Design Development. Document design intent and general operating parameters.
  2. Construction Documents Phase.
    - a. Complete the documentation of the design intent and operating parameters.

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**PART D – PROGRAM MANAGEMENT / OVERHEAD**

A.1.1 *Solution Development Phase*

- B. McKinstry shall:
  - 1. Coordinate and facilitate any documentation, details or meetings required by other entities working with the Client in areas that may be impacted by this project.
  - 2. Assist the Client with information needed to educate the public regarding the project and/or authority having jurisdiction.

A.1.2 *Contingent or Optional Services*

- A. McKinstry will provide at a to be determined fee and at the Client’s request, additional Contingent or Optional services which are not included in McKinstry’s initial Scope of Services, and may include but not be limited to the following

*Long-Term Facility Management Plan Post-Implementation Phase*

- A. After the complete installation of the project McKinstry shall continue to support the Client as follows at a to be determined fee and at the Client’s request:
  - 1. Provide budgetary information for implementation of future phases of work identified in the original Comprehensive Study.
    - a. Advise the Client as it pertains to the long-term facility management plan on life cycle cost of the facilities, energy and environmental concerns, building code and performance issues, and operational efficiencies of the capital equipment.
    - b. Provide continuing support and consultation as new technologies and new standards evolve that would impact the Client’s long-term facility management plan and objectives.
    - c. Assist the Client in updating their long-term comprehensive facility management plan as Client’s goals, vision and needs change.
    - d. Provide engineering support to evaluate future facility improvement measures (FIMs), including cost-benefit analysis development and attending meetings as deemed necessary by the Client.
    - e. Assist the Client in evaluating future service work requiring contracted outside labor.

**PART E – EXCLUSIONS**

The following are excluded from the scope of services:

- 1. Performance Contracting
- 2. Self-Performance
- 3. Design-Build
- 4. General Construction or Contracting
- 5. Constructing or putting work in place of any kind
- 6. Energy Guarantee or Utility Savings
- 7. Removal or identification of Asbestos Containing Materials or other hazardous waste
- 8. Location of buried or concealed utilities
- 9. Directing or approving the means, methods or technics of Client provided contractors, material suppliers, or Client provided professional consultants
- 10. Construction materials testing
- 11. All other services not expressly include within this agreement

**PART F - Insurance**

McKinstry shall maintain insurance coverage in the following minimum amounts:

| Type of Insurance      | Coverage  |
|------------------------|---|
| General Liability      | \$3,000,000 General Aggregate / \$1,000,000 Each Occurrence |
| Professional Liability | \$3,000,000 Policy Aggregate / \$1,000,000 Each Claim       |

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|                      |                                   |
|----------------------|-----------------------------------|
| Automobile Liability | \$1,000,000 Combined Single Limit |
| Workers Compensation | Statutory                         |

Insurer provider shall have a rating of A- or higher.

**End of Schedule A.**

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**SCHEDULE B. COMPENSATION FOR SERVICES**

The Compensation for Services shall be paid in the currency of the United States of America by the Client to McKinstry on a progress payment basis identified below. This Schedule applies only to the Services identified in Schedule A, Scope of Services.

**1. Compensation for Services.** The Compensation for Services to be paid by the Client for the Services provided by McKinstry shall be as follows:

A. Owner shall pay McKinstry for the Services set forth in Schedule A, as follows:

1. *General.* The estimated total project costs are \$1,140,000. McKinstry’s costs for providing the Services is included in that total and will be billed according to the following fee schedule, which fees will be based on this estimated project costs. This amount includes the cost for McKinstry’s services and services of McKinstry’s consultants, if any and is as follows:

- a. Design/Engineering 6% of total project costs
- b. Construction Management 4.5% of total project costs
- c. Commissioning 1.5% of total project costs
- d. Program Management 3% of total project costs
- e. Overhead & Profit 4% of total project costs

2. *Total compensation:* Total Compensation to McKinstry for providing the Services: \$216,600

3. *Reimbursable Expenses.* This includes and is limited to the following categories: reproduction of reports, drawings, specifications, bidding documents, and similar project-related items in addition to those required under Schedule A, and, if authorized in advance by Client, overtime work requiring higher than regular rates. In addition, if authorized in advance by Owner, Reimbursable Expenses will also include expenses incurred for computer time and the use of other highly specialized equipment. The amounts payable to McKinstry for Reimbursable Expenses will be expenses actually incurred multiplied by a factor of 1.1.

4. *Basis for Payments.* As a basis for payment to McKinstry, Project Costs will be based on one or more of the following determinations with precedence in the order listed for Work designed or specified by McKinstry:

- a. For Work designed or specified and incorporated in the completed Project, the actual final cost of the work and services performed by Contractor and McKinstry and paid by Owner.
- b. For Work designed or specified but not constructed, the actual cost of the work performed by McKinstry pursuant to the fee schedule set forth (and Reimbursable Expenses).
- c. No deduction is to be made from McKinstry’s compensation on account of any penalty, liquidated damages, or other amounts withheld from payments to Contractor(s).

5. *Progress Payments:*

- a. The portion of the amounts billed for McKinstry’s services which is on account of the Percentage of Construction Cost will be based upon McKinstry’s estimate of the proportion of the total services actually completed during the billing period to the Percentage of Construction Cost.
- b. Upon conclusion of each phase of Services, Owner shall pay such additional amount, if any, as may be necessary to bring total compensation paid during such phase on account of the Percentage of Construction Cost to the following estimated percentages of total compensation payable on account of the Percentage of Construction Cost for all phases of Services:

|   |                  |
|---|------------------|
| Design Document Phase .....             | <u>\$129,960</u> |
| Construction Implementation Phase ..... | <u>\$75,810</u>  |
| Post Construction .....                 | <u>\$10,830</u>  |
| TOTAL:.....                             | <u>\$216,600</u> |

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- c. McKinstry may alter the distribution of compensation between individual phases of the work noted herein but shall not exceed the total percent fee unless approved in writing by the Client.
6. *Additional Services.* McKinstry may furnish additional services as requested by the Owner that are beyond the services as identified in Schedule A on an 'as needed basis'. Customer and McKinstry agree to determine a mutually agreeable fee for additional services prior to McKinstry commencing work for said additional services.

**End of Schedule B.**

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**SCHEDULE C: TIME / SCHEDULE**

CONCEPTUAL PROJECT SCHEDULE – The outlined project schedule be shall be refined as the project develops and shall be coordinated and finalized with Client.

1. Design Phase
  - a. April 21, 2020 through May 8, 2020
2. Bidding Phase
  - a. May 11, 2020 through May 22, 2020
3. Pre-Construction
  - a. May 25, 2020 through May 29, 2020
4. Construction
  - a. June 1, 2020 through October 16, 2020
5. Post Construction
  - a. October 19, 2020 through October 30, 2020

**End of Schedule C.**