

Council Chambers, Cloquet, Minnesota  
7:00 P.M. April 21, 2020

Regular Meeting

Roll Call

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

Councilors Absent: None

Pledge of Allegiance

### AGENDA

**MOTION:** Councilor Lamb moved and Councilor Swanson seconded the motion to approve the April 21, 2020 agenda with the additions of items 9.f, *Approval of Ice Arena Professional Services Contract* and 9.h, *Approval of Memorial Day, 4<sup>th</sup> of July and Labor Day Car Shows sponsored by the Northeastern*. The motion carried unanimously (7-0).

### MINUTES

**MOTION:** Councilor Carlson moved and Councilor Lamb seconded the motion to approve the Regular Meeting minutes of April 7, 2020 as presented. The motion carried (7-0).

### PUBLIC COMMENTS

City Administrator Peterson read emails submitted for public comment in support and against sidewalk construction as part of the Prospect Avenue project:

- Arthur Wojciehowski – Against sidewalk
- Thomas and Patty Kersting – Against sidewalk
- Ashley Hanhela – In favor of sidewalk
- Jane Boyer – Against sidewalk
- Sarah Buhs, CAFD – In favor of sidewalk
- Ruth Reeves, Community Education – In favor of sidewalk
- Collette Lenarz – In favor of sidewalk
- Washington Elementary School staff members Robbi Mondati, Nicole Waters, Sheri Englund and Sheila Fritsinger – In favor of sidewalk

### CONSENT AGENDA

**MOTION:** Councilor Kolodge and Councilor Wilkinson seconded the motion to adopt the Consent Agenda of April 21, 2020, approving the necessary motions and resolutions. The motion carried unanimously (7-0).

- a. Resolution No. 20-21, Authorizing the Payment of Bills

### PUBLIC HEARINGS

There were none.

### PRESENTATIONS

There were none.

### AWARD BID FOR PROPOSED 2020 IMPROVEMENT OF PROSPECT AVENUE AREA STREETS

**MOTION:** Councilor Swanson moved and Councilor Wilkinson seconded the motion approve **RESOLUTION NO. 20-22, AWARING PROSPECT AVENUE AREA PROJECT**, to Northland Constructors of Duluth, Inc. in the amount of \$3,176,565.00. The motion carried unanimously (7-0).

**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:

No.	Bidder	Base Bid + Alternate A
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.

**REJECTING ALTERNATE C BID FOR PROSPECT AVENUE SIDEWALK**

**MOTION:** Councilor Carlson moved and Councilor Kolodge seconded the motion to approve **RESOLUTION NO. 20-23, REJECTING ALTERNATE C-BID FOR PROSPECT AVENUE SIDEWALK.** The motion carried (5-2), Councilors Swanson and Wilkinson opposed.

**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:

No.	Bidder	Alternate C
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.

**DUMP TRUCK PURCHASES**

**MOTION:** Councilor Lamb moved and Councilor Wilkinson seconded the motion to approve 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. The motion carried unanimously (7-0).

**CLOQUET PUBLIC LIBRARY GIFT AGREEMENT FOR NAMING RIGHTS**

**MOTION:** Councilor Kolodge moved and Councilor Lamb seconded the motion to approve the Cloquet Public Library Gift Agreement for Naming Rights solicited by Shaw Memorial Public Library Foundation, Inc., with Northwoods Credit Union for an initial gift of \$80,000, with \$40,000 payable upon execution of the agreement and the balance of \$40,000 in four annual installments. The motion carried unanimously (7-0).

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

**MOTION:** Councilor Langley moved and Councilor Carlson seconded the motion to approve **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,** with a proposed date of May 5, 2020 at 7:00 p.m. The motion carried unanimously (7-0).

**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.

### **ICE ARENA PROFESSIONAL SERVICES CONTRACT**

**MOTION:** Councilor Carlson moved and Councilor Wilkinson seconded the motion to award a professional services and construction management contract in the amount of \$216,000 to McKinstry Essention, LLC for 2020 ice arena repairs. The motion carried (6-1), Councilor Langley opposed.

### **CAR SHOW ROAD CLOSURE**

**MOTION:** Councilor Kolodge moved and Councilor Carlson approved the request for road closures for Memorial Day, 4<sup>th</sup> of July and Labor Day Car Shows sponsored by the Northeastern. The motion carried unanimously (7-0).

### **COVID-19 PARK CLOSURE UPDATE**

City Administrator Peterson updated Councilors on the recent discussions with Public Works Director Peterson and Interim Chief Randall regarding reopening some of the city's outdoor facilities. Basketball courts, tennis courts and pickle ball courts will reopen with the continued urging of social distancing. Other park structures such as playgrounds and the skate park will remain closed due to the challenge of disinfecting and the inability to maintain social distancing. If issues arise, these facilities will close again. Council agreed to publish a press release opening the various facilities.

### **COUNCIL COMMENTS, ANNOUNCEMENTS, AND UPDATES**

Councilors discussed the status of the Police Chief search and inquired on the interview process. Councilors agreed interviews should be held virtually and the entire council will take part. Councilors also agreed on a second committee made up of community stakeholders. Potential interview dates are May 11<sup>th</sup> or 18<sup>th</sup>.

Councilor Lamb reminded citizens to lock their vehicles due to recent car prowls.

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

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Tim Peterson, City Administrator