

Via Teleconference
7:00 P.M. August 18, 2020

Regular Meeting

Roll Call

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

Councilors Absent: Langley

Pledge of Allegiance

AGENDA

MOTION: Councilor Wilkinson moved and Councilor Lamb seconded the motion to approve the August 18, 2020 agenda as presented. The motion carried unanimously (6-0).

MINUTES

MOTION: Councilor Lamb moved and Councilor Carlson seconded the motion to approve the minutes of the Work Session and Regular Meeting of August 4, 2020, and the Special Meeting of August 14, 2020 as presented. The motion carried unanimously (6-0).

PUBLIC COMMENTS

Emily Tracy, 1287 Robert Street, proposed amending City Code to allow chickens. Ms. Tracy has received approximately 1,000 signatures on a petition showing support of an ordinance change to allow chickens. City Administrator Peterson explained that Council has discussed this issue several times over the past seven years, the latest being spring of 2019, with denial each time. Mr. Peterson also stressed the staff time used to pick up this issue again and the importance of ordinance consistency. After much discussion, Council members support another discussion of allowing chickens at the September 1st Work Session.

CONSENT AGENDA

MOTION: Councilor Kolodge moved and Councilor Swanson seconded the motion to adopt the Consent Agenda of August 18, 2020, approving the necessary motions and resolutions. The motion carried unanimously (6-0).

- a. Resolution No. 20-55, Authorizing the Payment of Bills
- b. Prospect Avenue Area Change Order No. 1
- c. Resolution No. 20-52, Approval of Exempt Permit to Conduct a Raffle Event for the Cloquet Community Memorial Hospital Foundation
- d. Resolution Nos. 20-53 and 20-54, Approving Off-Site Gambling for Eagles Aerie #1163 to Conduct Two Raffle Events

PUBLIC HEARINGS

There were none.

PRESENTATIONS

There were none.

ACCEPTANCE OF 2019 AUDIT RESULTS

MOTION: Councilor Carlson moved and Councilor Lamb seconded the motion to accept the 2019 audit results as prepared by Wipfli LLP. The motion carried unanimously (6-0).

APPROVAL OF THE 2020 FUND BALANCE POLICY PLAN

MOTION: Councilor Lamb moved and Councilor Kolodge seconded the motion to approve the 2020 Fund Balance Policy Plan based on the 2019 audited financial statements. The motion carried unanimously (6-0).

2021-2025 CIP DISCUSSION

Public Works Director Caleb Peterson provided an overview of the 2021-2025 CIP. Items reviewed were sales tax projects, pavement management scenarios and review of the 3 CIP drafts.

Fully funded – debt service over initial 5 years creates \$500,000 annual debt payment leaving funding gaps in future years. This requires large levy impact and leaves no flexibility in different budget years.

\$1 million per year was presented. This mostly maintains street condition but again, relies heavily on debt service to pay for projects.

Staff does not recommend a fully funded CIP which assumes all debt for General and Utility Funds, a \$500,000 in debt service per year from the General Fund and limits flexibility in difficult budget years. Staff also does not recommend a \$1 million levy option which is not feasible in the short term without debt. Staff recommends a \$500,000 levy option CIP with no debt issued in the next 5 years, funds primarily come from franchise fees beginning in 2022 or utility rates. Payment condition decreases very slow, but funding is consistent creating a better program.

Council discussed the status of state aid money, street conditions resulting from changing weather trends, and different sales tax options.

2021 PRELIMINARY BUDGET REVIEW

City Administrator Peterson reviewed the proposed budget summaries. Items highlighted include a proposed LGA increase of \$103,100; preliminary estimate of Cloquet's taxable market value increased by 5.12%; preliminary levy increase of 3.58%, assumptions regarding increase in health insurance and wages; park department increases due to the swimming pond and hockey arena cost increases reflective of actuals from previous years and an addition of a part time park employee, and finally, included in the expenditures is a Zoning and Subdivision Ordinance Update.

Mr. Peterson noted the largest change in the 2021 budget compared to previous years is funding for capital projects. For most of the Cloquet's history projects have been funded with cash, rather than debt. Recently, there was a change to this philosophy and projects were planned with bonding dollars rather than cash. This budget draft brings Cloquet back towards cash.

There will be a standing item to discuss the budget on future Council agendas. The Utility fund and rates will be discussed in more detail at the next meeting.

No motion was required by Council.

CAT-7 OPERATIONS AND LETTER OF UNDERSTANDING

MOTION: Councilor Wilkinson moved and Councilor Swanson seconded the motion to approve the Letter of Understanding with Pine Knot, LLC regarding the operation of a public access television station (CAT-7). The motion carried unanimously (6-0).

COUNCIL COMMENTS, ANNOUNCEMENTS, AND UPDATES

There were none.

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

Tim Peterson, City Administrator