

Regular Meeting

Roll Call

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

Councilors Absent: None

Pledge of Allegiance

AGENDA

MOTION: Councilor Kolodge moved and Councilor Lamb seconded the motion to approve the December 1, 2020 agenda. The motion carried unanimously (7-0).

MINUTES

MOTION: Councilor Lamb moved and Councilor Wilkinson seconded the motion to approve the Special Meeting minutes of November 13, 2020 and the Regular Meeting minutes of November 17, 2020 as presented. The motion carried unanimously (7-0).

PUBLIC COMMENTS

There were none.

CONSENT AGENDA

MOTION: Councilor Swanson moved and Councilor Carlson seconded the motion to adopt the Consent Agenda of December 1, 2020, approving the necessary motions and resolutions. The motion carried unanimously (7-0).

- a. Resolution No. 20-88, Authorizing the Payment of Bills and Payroll
- b. Approval of Updates to the Personnel Policies Handbook
- c. Approval of Raffle Permit Application - CAHA

PUBLIC HEARINGS

There were none.

PRESENTATIONS

There were none.

2021-2025 CIP, 2021 BUDGET AND 2021 PROPERTY TAX LEVY

MOTION: Councilor Kolodge moved and Councilor Lamb seconded the motion to approve the 2021-2025 Capital Improvement Plan. The motion carried unanimously (7-0).

MOTION: Councilor Carlson moved and Councilor Swanson seconded the motion to adopt **RESOLUTION NO. 20-84, A RESOLUTION ADOPTING THE 2021 BUDGET.** The motion carried unanimously (7-0).

WHEREAS, The City Administrator has prepared an annual budget and the City Council has reviewed the 2021 budget; and

WHEREAS, Chapter 275, Section 065 of Minnesota Statutes requires that the City adopt a 2021 levy and budget.

NOW, THEREFORE, BE IT RESOLVED, BY THE CITY COUNCIL OF THE CITY OF CLOQUET, MINNESOTA, That there be and is hereby set aside for the year 2021 for the following departments and funds:

<u>Fund</u>	<u>Revenues</u>	<u>Expenditures</u>
General	\$7,840,800	\$7,840,800
LDO Loan (EDA)	33,000	2,200
Federal CDGB Loan (EDA)	10,000	42,500
Economic Development Loan (City)	11,700	3,500
Small Cities Development (EDA)	8,000	10,000
Library	627,000	686,700

Tax Increment – 14 th Street Apartments	41,650	41,650
Tax Increment – Oakwood Estates	55,000	55,000
Tax Increment – Patio Homes	55,000	55,000
Landfill Host Fee	65,000	15,000
Cable Television	103,000	117,500
Swimming Pond Bonds	110,000	102,900
City Sales Tax Bonds	542,750	542,750
Facilities Bonds	98,850	90,500
Permanent Improvement	105,000	31,000
Public Works Reserve	501,000	526,000
City Sales Tax Projects	915,000	1,607,750
Employee Severance Benefits	10,000	5,000
Water – Lake Superior Waterline	2,700,000	2,778,800
Water – In-Town System	1,850,000	2,291,550
Sewer Utility	1,879,000	2,056,150
Stormwater Utility	372,000	531,800
TOTAL:	\$17,933,750	\$19,434,050

MOTION: Councilor Lamb moved and Councilor Wilkinson seconded the motion to adopt **RESOLUTION NO. 20-85, A RESOLUTION ADOPTING SUMS OF MONEY TO BE LEVIED FOR LEVY YEAR 2020, PAYABLE IN 2021.** The motion carried unanimously (7-0).

BE IT RESOLVED, By the City Council of the City of Cloquet, Minnesota, that the following sums of money be levied for the levy year 2020, payable in 2021, upon taxable property in the City of Cloquet, for the following purposes:

<u>Fund</u>	<u>Levy</u>
General	\$2,181,950
Public Works Reserve	340,000
Library	400,000
GO Swimming Pond Debt	110,000
Facilities Bonds	98,850
TOTAL LEVY	\$3,130,800

QUIT CLAIM DEED FOR AIRPORT PROPERTY

MOTION: Councilor Lamb moved and Councilor Kolodge seconded the motion to approve the Quit Claim Deed for the Carlton County Airport for the proper recording of conveyance for the construction of a new hangar on the property. The motion carried unanimously (7-0).

ALLOCATE UNUSED FUNDS TO PURCHASE AND UPGRADE POLICE DEPARTMENT EQUIPMENT

MOTION: Councilor Lamb moved and Councilor Wilkinson seconded the motion to approve unused monies from the 2020 CPD budget to update/upgrade department systems. The motion carried unanimously (7-0).

POLICE DEPARTMENT POLICY UPDATES

Chief Randall provided an informational update on two policy changes that recently occurred based on the 2019 Police Department study by the Novak Group. The first policy change is in regard to patrol sector assignments and the second is regarding meal periods and breaks. No council action is required.

APPROVING THE COLLATERAL ASSIGNMENT OF DEVELOPMENT AGREEMENT AND TAX INCREMENT REVENUE NOTE FOR 14TH III, LLC

MOTION: Councilor Wilkinson moved and Councilor Carlson seconded the motion to approve **RESOLUTION NO. 20-86, APPROVING THE COLLATERAL ASSIGNMENT OF DEVELOPMENT AGREEMENT AND TAX INCREMENT REVENUE NOTE FOR 14TH III, LLC.** The motion carried unanimously (7-0).

WHEREAS, the City of Cloquet (the "City") and 14th III, LLC (the "Developer") entered into a Purchase and Development Agreement, dated July 16, 2019 (the "Development Agreement") in connection with the construction of a 36-unit multifamily rental housing facility (the "Project").

WHEREAS, the City issued a Tax Increment Revenue Note (14th III, LLC) pursuant to the Development Agreement and made payable to the Developer (the "TIF Note"); and

WHEREAS, the Developer is seeking to refinance the Project with Frandsen Bank & Trust (the "Lender"), and the Lender is requiring the execution of a Collateral Assignment of Purchase and Development Agreement and TIF Note (the "Collateral Assignment").

WHEREAS, a draft of the Collateral Assignment has been submitted to the City Council for approval.

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

1. The City Council hereby approves the Collateral Assignment in substantially the form submitted, and the Mayor and the City Administrator are hereby authorized and directed to execute the Collateral Assignment on behalf of the City. In the absence of the Mayor or the City Administrator, any document authorized by this resolution to be executed may be executed by an acting or duly designated official.
2. The approval hereby given to the Collateral Assignment includes approval of such additional details therein as may be necessary and appropriate and such modifications thereof, deletions therefrom and additions thereto as may be necessary and appropriate and approved by the City officials authorized by this resolution to execute the Collateral Assignment. The execution of the Collateral Assignment by the appropriate officer or officers of the City shall be conclusive evidence of the approval of the Collateral Assignment in accordance with the terms hereof.

APPROVING REISSUANCE OF TAX INCREMENT REVENUE NOTE FOR COUNTRY CLUB PATIO HOMES

MOTION: Councilor Carlson moved and Councilor Lamb seconded the motion to **RESOLUTION NO. 20-87, APPROVING THE REISSUANCE OF TAX INCREMENT REVENUE NOTE FOR THE COUNTRY CLUB PATIO HOMES PROJECT**. The motion carried unanimously (7-0).

WHEREAS, the City of Cloquet (the "City") and Country Club Patio Homes LLC (the "Developer") entered into a Development Agreement, dated May 2, 2017, as amended and restated by an Amended and Restated Development Agreement, dated January 9, 2020 (the "Development Agreement") in connection with the construction of owner-occupied single-family patio homes (the "Project"); and

WHEREAS, the City issued a Tax Increment Revenue Note (Country Club Patio Homes Project) pursuant to the Development Agreement and made payable to the Developer (the "TIF Note"); and

WHEREAS, the Developer, as the current Registered Owner (as that term is defined in the TIF Note) of the TIF Note, has requested that the City reissue the TIF Note as two new separate TIF notes (the "New TIF Notes"), one of which to be registered in the name of Mercury Investment Co. ("Mercury"), and the other to be registered in the name of Dynamic Homes, LLC ("Dynamic"); and

WHEREAS, Mercury and Dynamic both have ownership interests in the Developer, and issuing the New TIF Notes, in equal principal amounts and registered directly in their names, will greatly simplify future collection and record keeping, and avoid unnecessary administrative costs; and

WHEREAS, drafts of the New TIF Notes have been submitted to the City Council for approval.

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

1. The City Council hereby approves the New TIF Notes in substantially the forms submitted, including approval of each principal amount, interest rate, and other details as contained therein, and the Mayor and the City Administrator are hereby authorized and directed to execute the New TIF Notes on behalf of the City. In the absence of the Mayor or the City Administrator, any document authorized by this resolution to be executed may be executed by an acting or duly designated official.
2. The approval hereby given to the New TIF Notes includes approval of such additional details therein as may be necessary and appropriate and such modifications thereof, deletions therefrom and additions thereto as may be necessary and appropriate and approved by the City officials authorized by this resolution to execute the New TIF Notes. The execution of the New TIF Notes by the appropriate officer or officers of the City shall be conclusive evidence of the approval of the New TIF Notes in accordance with the terms hereof.

COUNCIL COMMENTS, ANNOUNCEMENTS, AND UPDATES

City Administrator Peterson recognized the utility department and their work on repairing water line breaks at all hours and weather conditions.

City Administrator Peterson next stated polling locations need to be identified for each year. Ward 2 will relocate from Garfield to the library utilizing their new addition Polling locations discussion. Council was asked to let him know their thoughts of potential combining the Ward 5-2 location at FDL Headstart with Ward 4 at the Armory or Ward 5-1 at Our Redeemer Lutheran Church. More discussion and polling site identification will take place at the December 15th Council meeting.

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

Tim Peterson, City Administrator