

Via Teleconference
6:00 P.M. June 15, 2021

Regular Meeting

Roll Call

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

Councilors Absent: None.

Pledge of Allegiance

AGENDA

MOTION: Councilor Lamb moved and Councilor Jaakola seconded the motion to approve the June 15, 2021 agenda. The motion carried unanimously (7-0).

MINUTES

MOTION: Councilor Kolodge moved and Councilor Carlson seconded the motion to approve the amended Regular Meeting minutes of June 1, 2021, reflecting Councilor Lamb as seconding the motion to keep the PLA, not Councilor Kolodge. The motion carried (7-0).

PUBLIC COMMENTS

There were none.

CONSENT AGENDA

MOTION: Councilor Lamb moved and Councilor Wilkinson seconded the motion to adopt the Consent Agenda of June 15, 2021, approving the necessary motions and resolutions. The motion carried unanimously (7-0).

- a. Resolution No. 21-29, Authorizing the Payment of Bills
- b. Approval of Labor Day Celebration Activities

PUBLIC HEARINGS

There were none.

PRESENTATIONS

There were none.

AWARD 2021 GRAVEL CRUSHING BID

MOTION: Councilor Swanson moved and Councilor Jaakola seconded the motion to authorize the purchase of approximately 3,000 cubic yards of Class 5 gravel from D&B Trucking in an amount not to exceed \$50,000. The motion carried unanimously (7-0).

RESCIND SICK LEAVE DURING COVID-19 PANDEMIC POLICY

MOTION: Councilor Kolodge moved and Councilor Wilkinson seconded the motion to rescind the City's temporary "Sick Leave During COVID-19 Policy" as of June 27, 2021. The motion carried unanimously (7-0).

CALLING FOR A PUBLIC HEARING ON THE PROPOSAL OF A HOUSING PROGRAM FOR, AND THE ISSUANCE OF, REVENUE BONDS PROJECT LABOR AGREEMENT DISCUSSION

MOTION: Councilor Lamb moved and Councilor Wilkinson seconded the motion to approve **RESOLUTION NO. 21-30, CALLING FOR A PUBLIC HEARING ON THE PROPOSAL OF A HOUSING PROGRAM FOR, AND THE ISSUANCE OF, REVENUE BONDS** on July 6, 2021. The motion carried unanimously (7-0).

(a) WHEREAS, Minnesota Statutes, Chapter 462C (the "Act"), confers upon cities the power to issue revenue bonds to finance or refinance a program for the purposes of planning, administering, making, or purchasing loans with respect to one or more multifamily housing developments within the boundaries of a city; and

(b) WHEREAS, the City Council of the City of Cloquet, Minnesota (the "City") has received a proposal from HADC Cloquet, LLC, a Minnesota limited liability company (the "Borrower"), whose sole member is Housing Alternatives Development Company, a Minnesota nonprofit corporation and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), that the City assist in financing a Project described in Exhibit A, which will be located in the City, through the issuance of one or more series of taxable or tax-exempt revenue bonds or other obligations pursuant to the Act (the "Bonds"); and

(c) WHEREAS, before proceeding with consideration of the request of the Borrower it is necessary for the City to hold a public hearing on the proposal pursuant to the Act and Section 147(f) of the Code;

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

1. A public hearing on the proposal of the Borrower will be held at the time and place as determined by the City Administrator, which will be set forth in a Notice of Public Hearing substantially in the form attached hereto as Exhibit A (the "Notice").

2. On the basis of information available to the City, the general nature of the Project and an estimate of the principal amount of Bonds to be issued to finance the Project are described in the Notice.

3. The City Administrator is hereby authorized and directed to cause notice of the hearing to be given one publication in the official newspaper of the City and a newspaper of general circulation available in the City, not less than 15 days nor more than 30 days prior to the date fixed for the hearing, substantially in the form of the Notice, with such changes as required or approved by Taft Stettinius & Hollister LLP acting as bond counsel.

4. A draft copy of the housing finance program with proposed forms of all attachments and exhibits will be on file in the office of the City Administrator from the date the Notice of Public Hearing is published.

5. The Borrower has agreed and it is hereby determined that any and all costs incurred by the City in connection with the financing of the Project whether or not the Project is carried to completion will be paid by the Borrower.

6. Taft Stettinius & Hollister LLP, acting as bond counsel, is authorized to assist in the preparation and review of necessary documents relating to the Project, to consult with Borrower and the purchasers of the Bonds as to the maturities, interest rates and other terms and provisions of the Bonds and as to the covenants and other provisions of the necessary documents and submit such documents to the City for final approval.

7. Nothing in this Resolution or the documents prepared pursuant hereto shall authorize the expenditure of any municipal funds on the Project other than the revenues derived from the Project or otherwise granted to the City for this purpose. The Bonds shall not constitute a charge, lien or encumbrance, legal or equitable, upon any property or funds of the City except the revenue and proceeds pledged to the payment thereof, nor shall the City be subject to any liability thereon. The holders of the Bonds shall never have the right to compel any exercise of the taxing power of the City to pay the outstanding principal on the Bonds or the interest thereon, or to enforce payment thereon against any property of the City, except such property as may be expressly pledged for the security of the Bonds. The Bonds shall recite in substance that the Bonds, including the interest thereon, are payable solely from the revenue and proceeds pledged to the payment thereof. The Bonds shall not constitute a debt of the City within the meaning of any constitutional or statutory limitation.

2022 BUDGET

City Administrator Peterson reviewed the budget timeline and process and asked for Council input over the next weeks. A draft budget will be ready for review in August. Mr. Peterson is working with Ms. Klassen and department heads on how to allocate COVID revenue funds that will be received in 2021 and 2022. He also informed Council that Workers Comp insurance has increased substantially which cause initial estimates to show an 8% levy increase.

Councilor Lamb stated she would like to see conversations start between Carlton County and CAFD about a partnership with a community center in the new CAFD building.

FRANCHISE FEE DISCUSSION

Administrator Peterson asked for input from Council on moving forward with franchise fees this year or to wait until 2022. There are no funds going towards streets, utilities or infrastructure projects after 2021 and franchise fees are a way to move forward with budgeting and planning for future CIP projects. Mr. Peterson stated any franchise fee ordinance would specifically outline eligible uses.

Discussion followed on the best way to implement gas and electric utility fees. Councilor Kolodge stated the importance of being transparent on any increased utility fees so the public understands. Council agreed this is the best way to utilize franchise fees and to move ahead with the process of implementing.

COUNCIL COMMENTS, ANNOUNCEMENTS AND UPDATES

Councilor Wilkinson has received calls regarding the possibility of fencing around the Dunlap Island Park. Public Works Director Peterson stated there is no easy way to begin and end a fence and it may create more of a liability if some areas are fenced and others not. This was also a discussed by the Park Commission and decided against. There is an area around Dunlap Island that is not mowed that creates a natural buffer. People want to be by the water so we need to be careful not to block water access.

Mayor Maki stated Sr. Citizen's Day at Veterans Park was a success.

ADJOURNMENT

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

Tim Peterson, City Administrator