

Cloquet Council Chambers
6:00 P.M. November 2, 2021

Regular Meeting

Roll Call

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

Councilors Absent: Wilkinson

Pledge of Allegiance

AGENDA

MOTION: Councilor Kolodge moved and Councilor Swanson seconded the motion to approve the November 2, 2021 agenda. The motion carried unanimously (6-0).

MINUTES

MOTION: Councilor Lamb moved and Councilor Carlson seconded the motion to approve the Regular Meeting minutes of October 19, 2021 as presented. The motion carried unanimously (6-0).

PUBLIC COMMENTS

Adam Kiminski, 1504 20th Street, addressed the City Council on the PLA. Mr. Kiminski stated that although his company, Kiminski Paving, is full union, they would not be as successful if all projects had a PLA. Mr. Kiminski compared the wage and benefit difference for workers between PLA and non-PLA projects and said there should be an equal bid opportunity for both union and prevailing wage companies. He stated there is no benefit to the city to have a PLA and thinks it should be a business owner's decision.

CONSENT AGENDA

MOTION: Councilor Jaakola moved and Councilor Lamb seconded the motion to adopt the Consent Agenda of November 2, 2021, approving the necessary motions and resolutions. The motion carried unanimously (6-0).

- a. Resolution No. 21-63, Authorizing the Payment of Bills and Payroll

PUBLIC HEARINGS

There were none.

PRESENTATIONS

- a. Mayor Maki proclaimed November as National Native American Heritage Month.

DECLARING A SLUM AND BLIGHTED AREA

MOTION: Councilor Kolodge moved and Councilor Carlson seconded the motion to approve **RESOLUTION NO. 21-61, DECLARING A SLUM AND BLIGHTED AREA**. The motion carried unanimously (6-0).

WHEREAS, the City of Cloquet is concerned about the economic viability of slum and blighted area within its corporate limits, and

WHEREAS, the slum and blighted area projects a negative visual image of the community, and

WHEREAS, the economic, social, physical, and cultural well-being of the City is adversely affected by the conditions of this slum and blighted area, and

WHEREAS, there exists the opportunity to improve, preserve, and re-develop this slum and blighted area to the benefit of the community, and

WHEREAS, the following detrimental conditions have been identified which qualify the area under State law and Community Development Block Grant Program requirements:

- 1) Public Improvements are in a general state of deterioration; or
- 2) At least 25% of the buildings are deteriorated or deteriorating and have at least one of the following characteristics: Physical deterioration of building or improvement; Abandonment of property; Chronic high turnover or vacancy rate; Significant decline in property value or abnormally low property value in relation to other areas of the community; or Known or suspected environmental contamination.

WHEREAS, of all the parcels within the designated slum and blight area on the attached map, 99 of them are occupied by buildings. Of the 99 buildings in the target area, 97 of them are structurally standard, 2 of them are structurally substandard, and 30 are dilapidated.

NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE CITY COUNCIL OF THE CITY OF CLOQUET THAT IT DECLARES THE ATTACHED MAP AND SELECTED PARCELS TO BE CLOQUET'S DESIGNATED SLUM AND BLIGHT AREA.

AUTHORIZING SUBMISSION OF 2022 PRELIMINARY PROPOSAL FOR PUBLIC WORKS STREETSCAPING GRANT

MOTION: Councilor Lamb moved and Councilor Swanson seconded the motion to approve **RESOLUTION NO. 21-62, AUTHORIZING THE SUBMISSION OF A 2022 PRELIMINARY PROPOSAL TO THE STATE OF MINNESOTA DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT FOR PUBLIC WORKS STREETSCAPING GRANT FUNDING FROM THE SMALL CITIES DEVELOPMENT PROGRAM FOR THE WEST END BUSINESS DISTRICT.** The motion carried unanimously (6-0).

WHEREAS, the City of Cloquet act as the legal sponsor for the project contained in this Application to be submitted by the deadline of 4:00 PM November 17, 2021 and that Holly Hansen, Community Development Director and Caleb Peterson, City Engineer are hereby authorized to apply to the Department of Employment and Economic Development for funding of this project on behalf of the City of Cloquet.

WHEREAS, the City of Cloquet has the legal authority to apply for financial assistance, and the institutional, managerial, and financial capability to ensure adequate construction, operation, maintenance and replacement of the proposed project for its design life.

WHEREAS, the City of Cloquet has not violated any Federal, State, or local laws pertaining to fraud, bribery, graft, kickbacks, collusion, conflict of interest or other unlawful or corrupt practice.

WHEREAS, upon approval of its application by the State, the City of Cloquet may enter into an agreement with the State of Minnesota for the approved project, and that the City of Cloquet certifies that it will comply with all applicable laws and regulations as stated in all contract agreements.

NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE CITY COUNCIL OF THE CITY OF CLOQUET AS FOLLOWS:

Holly Hansen, Community Development Director and Caleb Peterson, City Engineer, or their successors in office, are hereby authorized to execute such agreements, and amendments thereto, as are necessary to implement the project on behalf of the Applicant.

SETTING PUBLIC HEARING DATE ON PROPOSED 2022 14th STREET IMPROVEMENT

MOTION: Councilor Jaakola moved and Councilor Swanson seconded the motion to adopt **RESOLUTION NO. 21-64, SETTING A PUBLIC HEARING DATE ON THE PROPOSED 2022 IMPROVEMENT OF 14TH STREET, PHASE 2.** The motion carried unanimously (6-0).

WHEREAS, In accordance with the City of Cloquet's Capital Improvement Program and approved budget, preliminary plans and a feasibility study have been prepared for the improvement of 14th Street; and

WHEREAS, The feasibility study provides information regarding whether the proposed improvements are necessary, cost-effective, and feasible; and

WHEREAS, It is anticipated that benefitted properties will be assessed for a portion of the project costs, pursuant to Minnesota Statutes, Chapter 429 and Chapter 12 of City Code.

NOW, THEREFORE, BE IT RESOLVED, BY THE CITY COUNCIL OF THE CITY OF CLOQUET, MINNESOTA:

1. That the Council will consider the reconstruction of 14th Street Utility Improvements in accordance with said feasibility study and the possible assessment of abutting property for a portion of the cost of the improvements pursuant to Minnesota Statute, Chapter 429 at an estimated total cost of \$2,414,000
2. A public hearing shall be held on December 7, 2021, at 6:00 p.m.
3. The City Administrator shall give mailed and published notice of such hearing and improvement as required by law.

RESOLUTION TO AMEND PROJECT LABOR AGREEMENT

MOTION: Councilor Swanson moved and Councilor Lamb seconded the motion to approve **RESOLUTION NO. 21-60, A RESOLUTION TO AMEND CITY CODE 9.2 BY APPROVING ORDINANCE NO. 498A**. The motion failed (4-2), Councilors Carlson and Jaakola opposed.

Resolution No. 21-60

BE IT RESOLVED, by the Cloquet City Council and Mayor of the City of Cloquet, Minnesota, as follows:

WHEREAS, pursuant to Cloquet City Code §§ 2.1.01 to 2.1.06 and 3.1.04, and Minn. Stat., the City Council of the City of Cloquet has determined that the Project Labor Agreement form provided for in Ordinance 472A, which were added in Section 9.2 of the City's Code, should be amended; and,

WHEREAS, the City Council intends by this resolution to amend certain provisions of the Project Labor Agreement contract form utilized for Covered Projects as outlined in City Code § 9.2.02; and,

WHEREAS, the City Council intends this resolution to amend certain provisions of the Project Labor Agreement form provided for in Ordinance 472A which were added in Section 9.2 to the City's Code concerning Project Labor Agreements which are used for Covered Projects as that term is defined in the City Code; and,

WHEREAS, four-fifths of all members of the City Council concur in this resolution;

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF CLOQUET, in the County of Carlton, State of Minnesota, that the following amendments be made:

1. All requirements of entering into a Project Labor Agreement with City investment of \$175,000 or more are amended to \$250,000 or more as described fully in Ordinance 498A

BE IT FURTHER RESOLVED, that this resolution and the amendments to the Project Labor Agreement contract form proposed are hereby granted.

BE IT FURTHER RESOLVED, that the Mayor and City Administrator are hereby authorized to sign all documents necessary to effectuate the intent of this resolution.

Ordinance No. 498A

The Mayor and City Council of the City of Cloquet does hereby ordain that Chapter 9.2 of the Cloquet City Code is hereby replaced as provided below:

Section 9.2 Project Labor Agreements

9.2.01 Policy. The City desires to advance or preserve its own proprietary interest in a Project where it acts as an owner, investor or developer. That interest is best served when construction of “Covered Projects” proceed in a timely, cost-effective manner with the highest degree of quality and with minimal delays and disruptions. City contracts should be performed with the highest degree of safety for workers and the public, and in a manner, that provides meaningful training and employment opportunities for residents. Throughout the state and country, public and private construction owners regularly utilize and require project labor agreements for billions of dollars' worth of construction each year. Project labor agreements that establish uniform terms and conditions of employment for the contractors and other parties working on a project have been shown to provide an effective mechanism for construction management because they allow project owners to:

- (1) Predict their labor costs and requirements and more accurately estimate actual total project costs;
- (2) Promote cost-efficient, timely and safe construction project delivery, by providing access to a reliable supply of properly trained and skilled construction craft personnel for all aspects of the project;
- (3) Assure greater productivity and workmanship quality from construction craft personnel, thereby yielding high quality, cost-efficient projects, while also reducing maintenance and repair costs over the life of the project;
- (4) Integrate work schedules and standardize work rules for the project to provide a well-coordinated, efficiently functioning construction worksite that will minimize delays, promote quality, and maintain project safety; and,
- (5) Assure that construction will proceed without interruption from staffing shortages, high employee turnover, safety incidents, and labor disputes by providing reliable project staffing, contractual guarantees against work stoppages and mutually binding procedures for resolving disputes.

9.2.02 Project Labor Agreement Required. A project labor agreement, will be substantially in the form adopted by resolution of the Council from time to time and will be kept by the city administrator as a public document. It shall be required to be used on any Covered Project, as Covered Project is defined below, which involves a project with a total City investment of \$250,000 or more. Any project labor agreement entered into by the City shall be made binding on all contractors and subcontractors working on the Covered Project. The City shall implement the project labor agreement by requiring adherence to the agreement in the bid specifications and in all relevant bid documents. No contractor shall be required to be or become a party to a collective bargaining agreement on any other construction project in order to qualify to work under a project labor agreement implemented for a particular city project.

Project Defined. "Project" shall mean the erection, destruction, demolition, painting, remodeling or repairing of any building, highway, sidewalk, bridge, water or gas line, sewer and sewage treatment facility or other similar work conducted within the City.

Covered Project Defined. "Covered Project" means that the City has a contract for construction services on a Project owned by the City with a total Project cost of \$250,000 or more, or the City has a proprietary interest because one or more of the following conditions are met:

- (1) The City makes a payment or grant of \$250,000 or more to assist the development of a Project.
- (2) The City guarantees loan payments, lease payments or contract for deed payments of \$250,000 or more to assist the development of a Project.
- (3) The City receives ongoing revenue from a Project to repay loans provided by the City to assist the development of said Project, including incremental tax revenues generated by the Project and used directly or indirectly, to repay the loan by the City where the proceeds

of the loan are used for development of that Project and the amount of the loan is \$250,000 or more.

(4) The City receives ongoing revenue from a Project to pay debt service on bonds provided by the City to assist in the development of said Project, including incremental tax revenues generated by the Project and used, directly or indirectly, to pay debt service on bonds by the City where the proceeds of the bonds issued are used for development of the Project and the amount of the bonds are \$250,000 or more.

(5) That the City otherwise has assets at risk equal to or in excess of \$250,000 because it has agreed to underwrite or guarantee the development of a Project.

EFFECTIVE DATE.

Subdivision 1: This Ordinance shall be in full force and in effect from and after its passage, approval, recording and publication as provided by law.

AMENDING PROJECT LABOR AGREEMENT TO INCLUDE PREVAILING WAGE

MOTION: Councilor Kolodge moved and Councilor Carlson seconded the motion to adopt amendments to the Project Labor Agreement by adding prevailing wage for non-union contractors. The motion failed (3-3), Councilors Lamb, Swanson, and Jaakola opposed.

COUNCIL COMMENTS, ANNOUNCEMENTS, AND UPDATES

Councilor Swanson congratulated Cloquet High School teams and athletes who have advanced to state competitions.

Councilor Kolodge commented on the completed first phase of the 14th Street reconstruction project, thanking the engineering department for their good work.

Councilor Lamb reminded citizens that winter parking on city streets is now in effect.

City Administrator Peterson introduced and welcomed Katie Bloom, the new Finance Director.

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