

Cloquet Council Chambers  
6:00 P.M. July 19, 2022

## **Regular Meeting**

Roll Call

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

Councilors Absent: None

Pledge of Allegiance

## **AGENDA**

**MOTION:** Councilor Wilkinson moved and Councilor Lamb seconded the motion to approve the July 19, 2022 agenda. The motion carried unanimously (7-0).

## **MINUTES**

**MOTION:** Councilor Swanson moved and Councilor Carlson seconded the motion to approve the Regular Meeting minutes of June 21, 2022 as presented. The motion carried unanimously (7-0).

## **PUBLIC COMMENTS**

Kelly Avenue residents Greta Jarvinen, Leah Mrozik, and Erin Lund addressed City Council regarding repeated calls to police over several years and the inadequate results received regarding two homes on Kelly Avenue. Police are frequently called to the two homes where there is suspicious activity, unattended minors, unruly residents/guests, vandalism and blight. The police department and city staff will set up a meeting with Kelly Avenue residents to try and find solutions and address as many of the issues as possible.

John Kromm, resident of 22<sup>nd</sup> Street, an avid skateboarder who spends a lot of time at the skate park, conveyed his concern about the graffiti showing up at the park and suggested more lighting as a deterrent for such activity. Mr. Kromm stated he tries to be a good example to the users of the skatepark by taking care of the space.

## **CONSENT AGENDA**

**MOTION:** Councilor Kolodge moved and Councilor Wilkinson seconded the motion to adopt the Consent Agenda of July 19, 2022, approving the necessary motions and resolutions. The motion carried unanimously (7-0).

- a. Resolution No. 22-48, Authorizing the Payment of Bills and Payroll
- b. Drug and Alcohol Testing Policy for Commercial Drivers and Non-Commercial Drivers
- c. Resolution No. 22-53, Approving Agreement with Carlton Soil and Water Conservation District (CSWCD)
- d. Labor Day Celebration Request

## **PUBLIC HEARINGS**

There were none.

## **PRESENTATIONS**

There were none.

## **CAFD BOARD MEMBER RESIGNATION**

**MOTION:** Councilor Lamb moved and Councilor Carlson seconded the motion to accept the resignation of Doug Wolf from the Cloquet Area Fire District Board effective August 31, 2022. The motion carried unanimously (7-0).

### CAFD BOARD MEMBER APPOINTMENT

**MOTION:** Councilor Jaakola moved and Councilor Swanson seconded the motion to appoint Erik Thorp to the Cloquet Area Fire District Board to replace Doug Wolf, with a term expiring December 31, 2023. The motion carried unanimously (7-0).

### GENERAL OBLIGATION SALES TAX AND WATER REVENUE BONDS, SERIES 2022A

**MOTION:** Councilor Swanson moved and Councilor Lamb seconded the motion to adopt **RESOLUTION NO. 22-51, A RESOLUTION PROVIDING FOR THE SALE OF \$2,790,000 GENERAL OBLIGATION SALES TAX AND WATER REVENUE BONDS, SERIES 2022A.** The motion carried unanimously (7-0).

**WHEREAS**, the City Council of the City of Cloquet, Minnesota has heretofore determined that it is necessary and expedient to issue the City's \$2,790,000 General Obligation Sales Tax and Water Revenue Bonds, Series 2022A (the "Bonds"), to finance the reconstruction of water and sewer along 14th Street; and to upgrade water meters in the City; and

**WHEREAS**, the City has retained Ehlers & Associates, Inc., in Roseville, Minnesota ("Ehlers"), as its independent municipal advisor for the Bonds in accordance with Minnesota Statutes, Section 475.60, Subdivision 2(9);

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

1. Authorization; Findings. The City Council hereby authorizes Ehlers to assist the City for the sale of the Bonds.
2. Meeting; Proposal Opening. The City Council shall meet at 6:00 p.m. on August 16, 2022, for the purpose of considering proposals for and awarding the sale of the Bonds.
3. Official Statement. In connection with said sale, the officers or employees of the City are hereby authorized to cooperate with Ehlers and participate in the preparation of an official statement for the Bonds and to execute and deliver it on behalf of the City upon its completion.

**MOTION:** Councilor Wilkinson moved and Councilor Carlson seconded the motion to adopt **RESOLUTION NO. 22-52, A RESOLUTION AUTHORIZING THE CITY TO ENTER INTO A CREDIT ENHANCEMENT PROGRAM AGREEMENT WITH THE MINNESOTA PUBLIC FACILITIES AUTHORITY.** The motion carried unanimously (7-0).

**WHEREAS**, the City Council of the City of Cloquet, Minnesota (the "City") proposes to issue its General Obligation Sales Tax and Water Revenue Bonds (the "Bonds"), the proceeds of which will be used to finance the costs of construction, improvement or rehabilitation of water, sanitary sewer, and storm sewer facilities; and

**WHEREAS**, the City Council hereby determines it is in the best interests of the City to apply to the Minnesota Public Facilities Authority (the "Authority") for credit enhancement of the Bonds;

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

1. Approval of the Authority's Credit Enhancement Program Agreement. The Authority's Credit Enhancement Program Agreement (the "Agreement") is hereby approved, the same being before the City Council and made a part of this resolution by reference.
2. Authorization to Sign Agreement and Related Forms. The Mayor and the City Administrator are authorized to sign the Agreement on the City's behalf and to execute any other related forms prescribed by the Authority with respect to the Agreement.
3. Agreement to Comply with Minnesota Statutes, Section 446A.086. The City is entering into the Agreement with the Authority pursuant to Minnesota Statutes, Section

446A.086 (the "Act") and the City hereby agrees to comply with and be bound by the provisions of the Act.

4. Submission of the Agreement. The Mayor and the City Administrator are hereby authorized to submit, on the City's behalf, the Agreement to the Authority, together with the nonrefundable application fee in the amount of \$500.

**ORDINANCE NO. 500A, AMENDING CHAPTER 12 OF MUNICIPAL CODE**

Staff recommends the City Council hold the first reading of Ordinance No. 500A, Amending Chapter 12 of the Municipal Code Pertaining to the Financing and Assessment of Public Improvements. No Council action is needed at this time.

The City Council will take the following actions at the August 2, 2022 Council meeting:

1. Move to adopt **ORDINANCE NO. 500A, AN ORDINANCE TO AMEND CHAPTER 12 OF THE MUNICIPAL CODE PERTAINING TO FINANCING AND ASSESSMENT OF PUBLIC IMPROVEMENTS.**

The City Council of the City of Cloquet does hereby ordain as follows:

**Section 1. Sections 12.2.01 thru 12.2.11 are deleted in their entirety.**

**Section 2. Sections 12.201, 12.2.02 and 12.2.03 are adopted as follows:**

**12.2.01. General Policy.** It shall be the policy of the City to finance certain street and utility improvements by the methods prescribed in the Policy for Financing and Assessment of Public Improvements as adopted and periodically updated by City Council. The apportionment of the cost between benefited property and the City at large and the method of levying assessments prescribed in the Assessment Policy shall be followed in each case unless the Council, by resolution, finds that because of special circumstances, as provided for by Statute, a different policy shall be necessary or desirable. Any local improvement described in Minn. Stat., Chapter 429 and not specifically addressed by the Assessment Policy shall be financed as the Council determines to be most feasible and equitable in each case.

**12.2.02. Applicable State Statutes.** All procedures for the construction and financing of local improvements, when at least part of the cost shall be defrayed by special assessments against benefited property, shall conform with the applicable city policy and Minn. Stat., Chapter 429 and the definitions as set forth in the statutes.

**12.2.03. Deferral of Special Assessments for Seniors and Retired, Disabled Homeowners.**

**Subd. 1. Legislative Authority.** Pursuant to Minnesota Statutes Section 435.193, the City Council may defer special assessments levied against the homestead property of a senior citizen or retired, disabled homeowner for whom it would be a hardship to make the annual payments. The City Council will act on all deferral requests once an application, as adopted by the City, has been completed.

**Subd. 2. Termination of Deferral Status:** It shall be the duty of the applicant, his/her heirs or legal representative to notify the City Administrator of any changes in status which affect the eligibility for the deferral. Special assessments deferred pursuant to the eligibility requirements set forth herein shall terminate and become payable, together with accumulated interest, upon the occurrence of any one of the following events:

- a. **Transfer of Ownership:** The property is sold, transferred, subdivided or in any way conveyed to another by the individual for whom the deferral was granted.
- b. **Death of Owner:** The death of the owner qualified for the deferral, unless a surviving joint tenant or tenant in common is eligible for the deferral benefit provided herein.
- c. **Loss of Homestead Status:** The property loses its homestead status for any reason.
- d. **No Hardship:** The City Council determines that there would be no hardship to require an immediate or partial payment.

**Subd. 3. Disability:** Retirement by reason of permanent and total disability shall be deemed prima facie to exist when the applicant presents a sworn affidavit by a licensed medical doctor attesting that the applicant is unable to be gainfully employed because of a permanent and total disability in any occupation for which he/she may be qualified.

**Section 3. Effective Date.** This ordinance shall take effect and be in force from and after its passage and publication in accordance with law.

2. Move to Adopt **RESOLUTION NO. 22-54, A RESOLUTION ADOPTING THE CITY OF CLOQUET POLICY FOR FINANCING AND ASSESSMENT OF PUBLIC IMPROVEMENTS.**

**WHEREAS**, the City Council of the City of Cloquet, Minnesota (the "City") proposes to issue its General Obligation Sales Tax and Water Revenue Bonds (the "Bonds"), the proceeds of which will be used to finance the costs of construction, improvement or rehabilitation of water, sanitary sewer, and storm sewer facilities; and

**WHEREAS**, the City Council hereby determines it is in the best interests of the City to apply to the Minnesota Public Facilities Authority (the "Authority") for credit enhancement of the Bonds;

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

1. Approval of the Authority's Credit Enhancement Program Agreement. The Authority's Credit Enhancement Program Agreement (the "Agreement") is hereby approved, the same being before the City Council and made a part of this resolution by reference.
2. Authorization to Sign Agreement and Related Forms. The Mayor and the City Administrator are authorized to sign the Agreement on the City's behalf and to execute any other related forms prescribed by the Authority with respect to the Agreement.
3. Agreement to Comply with Minnesota Statutes, Section 446A.086. The City is entering into the Agreement with the Authority pursuant to Minnesota Statutes, Section 446A.086 (the "Act") and the City hereby agrees to comply with and be bound by the provisions of the Act.
4. Submission of the Agreement. The Mayor and the City Administrator are hereby authorized to submit, on the City's behalf, the Agreement to the Authority, together with the nonrefundable application fee in the amount of \$500.

**SUPPORTING CONSOLIDATED TELEPHONE COMPANY'S BROADBAND GRANT APPLICATION**

**MOTION:** Councilor Wilkinson moved and Councilor Jaakola seconded the motion to approve **RESOLUTION NO. 22-50, A RESOLUTION IN SUPPORT OF CONSOLIDATED TELEPHONE COMPANY'S APPLICATION FOR A GRANT UNDER MINNESOTA'S BORDER-TO-BORDER BROADBAND DEVELOPMENT GRANT PROGRAM.** The motion carried unanimously (7-0).

**WHEREAS**, Minnesota's Border-to-Border Broadband Development Grant Program funds the expansion of broadband service to areas of Minnesota that are either unserved or underserved; and

**WHEREAS**, the City of Cloquet meets or exceeds the requirements for the Border-To-Border Broadband Development Grant Program as areas of the City are either unserved or underserved; and

**WHEREAS**, Consolidated Telephone Company, a Minnesota cooperative, has agreed to partner with the City of Cloquet to supply the needed fiber optic cable to residents should the state award the requested grant to Consolidated Telephone Company on behalf of its partner, the City of Cloquet.

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

1. That Consolidated Telephone Company shall act as the legal sponsor for the project contained in the Broadband Development Grant Program application to be submitted on or about August 4<sup>th</sup>, 2022 and that Consolidated Telephone Company is hereby authorized to apply to the Department of Employment and Economic Development for funding of this project on behalf of the City of Cloquet.
2. That Consolidated Telephone Company has the legal authority to apply for financial assistance, and the institutional, managerial, and financial capability to ensure adequate project administration.
3. The City of Cloquet supports the project and will contribute \$300,000 towards the funding of the project if awarded Minnesota Border-to Border Grant funding.
4. That the City has no knowledge that Consolidated Telephone Company has violated any Federal, State or local laws pertaining to fraud, bribery, graft, kickbacks, collusion, conflict of interest or other unlawful or corrupt practice related to this project.
5. That upon approval of its application by the State, Consolidated Telephone Company may enter into an agreement with the State of Minnesota for the above referenced project.
6. That Consolidated Telephone Company has agreed that it will comply with all applicable laws and regulations as stated in all contract agreements related to the above referenced project.

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

Councilor Swanson will be resigning as Ward 3 City Councilor as of August 17<sup>th</sup> due to his family moving out of the Ward. City Administrator Peterson explained that it is too late to remove his name from the ballot, which he is running unopposed. This resignation will result in a special election for Ward 3 unless someone runs a write-in campaign and wins. He also reminded the citizens of Ward 3 that Councilor Wilkinson as At-Large Councilor and Mayor Maki will represent them in the interim.

Councilor Wilkinson wants to look further into the Kelly Avenue issue and set up a meeting with the police department, the neighborhood, Councilor Lamb and Mayor Maki.

#### **ADJOURNMENT**

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

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Tim Peterson, City Administrator