



**CITY OF CLOQUET
City Council Agenda
Tuesday, March 7, 2017
7:00 p.m.
City Hall Council Chambers**

CITY COUNCIL WORK SESSION

5:30 p.m. Public Works Update

*The City Council may reconvene the Work Session at the conclusion of the Regular Meeting to discuss the Broadway Avenue and Dunlap Island Construction Projects Design

1. **Roll Call.**
2. **Pledge of Allegiance.**
3. **Approval of Agenda.**
 - a. Approval of March 7, 2017 Council Agenda
4. **Approval of Council Minutes.**
 - a. Work Session minutes from February 21, 2017 meeting
 - b. Regular Council minutes from the February 21, 2017 meeting
5. **Consent Agenda.**

Items in the Consent Agenda are considered routine and will be approved with one motion without discussion/debate. The Mayor will ask if any Council members wish to remove an item. If no items are to be removed, the Mayor will then ask for a motion to approve the Consent Agenda.

 - a. Resolution No. 17-19, Authorizing the Payment of Bills and Payroll
 - b. Approval of New Massage Therapy Business License – Haven of Hope Massage Therapy
6. **Public Hearings.**

None
7. **Presentations.**

None



**CITY OF CLOQUET
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Tuesday, March 7, 2017
7:00 p.m.
City Hall Council Chambers**

8. Council Business.

- a. Fond du Lac Water Service Agreement
- b. WLSSD Board Appointment
- c. City Administrator Hiring Process
- d. Appointment of Interim City Administrator
- e. Resolution No. 17-20, A Resolution Providing for the Sale of \$8,400,000 General Obligation Sales Tax Revenue Bonds, Series 2017A

9. Public Comments.

Please give your name, address, and your concern or comments. Visitors may share their concerns with the City Council on any issue, which is not already on the agenda. Each person will have 3 minutes to speak. The Mayor reserves the right to limit an individual's presentation if it becomes redundant, repetitive, irrelevant, or overly argumentative. All comments will be taken under advisement by the Council. No action will be taken at this time.

10. Council Comments, Announcements, and Updates.


11. Adjournment.



ADMINISTRATIVE OFFICES

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REQUEST FOR COUNCIL ACTION

To: Mayor and City Council
From: Brian Fritsinger, City Administrator 
Date: February 24, 2017

ITEM DESCRIPTION: Future Work Session Agenda Planning

Proposed Action

The City Council is asked to provide input for the upcoming City Council work session meeting agenda.

Background/Overview

The City Council typically meets in a work session format prior to each regular City Council meeting to discuss items not otherwise on the regular meeting. To ensure that the City Council is provided opportunity to give input regarding future work session agenda items, staff is suggesting the Council be given an opportunity at each meeting.

Approximately 5 minutes will be set aside as part of each work session to discuss the next work session meeting. For this purpose, attached the Council will find the tentative agenda and proposed discussion items for the upcoming work session meeting.

Policy Objectives

Does the City Council agree with the agendas as proposed?

Financial/Budget/Grant Considerations

None

Advisory Committee/Commission Action

None

Supporting Documentation Attached

- Upcoming agenda item list

2017
Tentative Upcoming Council
Work Session Agenda Items

March 21

PW.....Police Department Update/Joint CAB

April 4

CD.....Joint Meeting with EDA

Cloquet City Council Work Session

Tuesday, February 21, 2017

 **DRAFT**

Present: A. Bailey, D. Bjerkness, K. Kolodge, S. Langley, R. Maki, J. Rock, Mayor Hallback

Absent: None

Staff: B. Fritsinger, J. Barclay, N. Klassen, C. Peterson

Other: J. Lund, Pine Journal; L. Ketola, L. Hebert, CAB

Law Enforcement Study

Chief Stracek was present to review and clarify items in the Police Department study that was completed in January 2014. Key points discussed:

- Reorganization of command structure establishing the chain of command and rank structure within each department. The development of the Commander positions was one of the key focus areas. Chief Stracek provided job descriptions for Commanders and Sergeants.
- Chief Stracek noted that the positions promoted to Commander were not replaced, but absorbed into their current role.
- Much of the study focused on crime analysis and evidence management, which is now handled by non-sworn staff who received additional training in those areas. The drug/canine unit was transferred back to a regular shift per the study to increase its presence on the streets.
- Discussion regarding lack of promotions into the investigation role in relation to the amount of drug crimes in Cloquet. Chief Stracek feels the current staff has the skill set and is very capable of handling the drug work. The challenge is with amount of staffing and the best course is to use the current officers and rotate junior officers through the investigations unit to give them more experience to be able to conduct investigations as officers. Mr. Fritsinger stated that every job description of the officers contains investigation duties and is expected as part of their duties.
- The Council had numerous questions regarding drug enforcement and methods to increase drug enforcement.
- Mr. Fritsinger noted that at the time the study was completed, there were aspects that didn't match the Cloquet PD. This study is to be used as a guide for how to best make implementations into the organization.
- Chief Stracek reviewed a general summary of sick leave use for 2016 and how it affected staffing. Historically, overtime becomes an issue due to paid time off. Further discussion included an analysis of sick time usage, staffing levels, accrued leave, overtime needs and available manpower per shift.
- Discussion of the new contract for a School Resource Officer with ISD #94. This individual will work on programming within the schools, patrol the school areas, do investigative work involving juveniles, and work cooperatively with the schools to schedule the officer for special school related events.
- Chief Stracek commented that it is important for the police department to adapt to the public expectations, which in addition to policing, is also dealing with people that need resources and help.

Due to the lengthy discussions, Chief Stracek will return for another Work Session meeting in March to continue review of the Law Enforcement Study. In the interim, the Council was encouraged to contact him directly if they have further questions.

There being no further business, the meeting adjourned at 6:55 p.m.

Respectfully Submitted,

Brian Fritsinger
City Administrator

Regular Meeting

Roll Call

Councilors Present: Bailey, Bjerkness, Kolodge, Langley, Maki, Rock, Mayor Hallback

Councilors Absent: None.

Pledge of Allegiance

 **DRAFT**

AGENDA

MOTION: Councilor Bailey moved and Councilor Rock seconded the motion to approve the February 21, 2017 agenda. The motion carried unanimously (7-0).

MINUTES

MOTION: Councilor Langley moved and Councilor Kolodge seconded the motion to approve the minutes of the Work Session and Regular Meeting of February 7, 2017. The motion carried unanimously (7-0).

CONSENT AGENDA

MOTION: Councilor Bjerkness moved and Councilor Bailey seconded the motion to adopt the consent agenda of February 21, 2017 approving the necessary motions and resolutions. The motion carried unanimously (7-0).

- a. Resolution No. 17-15, Authorizing the Payment of Bills
- b. Disposal of Surplus Equipment

PUBLIC HEARING

There were none.

PRESENTATIONS

There were none.

DEVELOPMENT OF RFP FOR COMMUNITY SIGN

MOTION: Councilor Bjerkness moved and Councilor Maki seconded the motion to authorize staff to proceed with the development of a Request for Proposal (RFP) for a community sign. The motion carried unanimously (7-0).

WESTERN LAKE SUPERIOR SANITARY DISTRICT BOARD APPOINTMENT

MOTION: Councilor Bailey moved and Councilor Langley seconded the motion to advertise and post for a potential citizen appointment to the WLSSD Board filling the vacancy with a term expiring July 1, 2017. The motion carried unanimously (7-0).

MOTION: Councilor Langley moved and Councilor Rock seconded the motion to withdraw and table the original motion for two (2) weeks to allow Councilor Bjerkness an opportunity to discuss the vacancy with his employer. The motion carried unanimously (7-0).

OTTER CREEK PROPERTIES, LLC SUBDIVISION VARIANCE

MOTION: Councilor Rock moved and Councilor Kolodge seconded the motion to adopt **RESOLUTION NO. 17-14, A RESOLUTION APPROVING THE VARIANCE TO THE SUBDIVISION CODE REQUIRING TWO ACCESS POINTS FOR A SUBDIVISION IN THE SR-SUBURBAN RESIDENTIAL DISTRICT FOR OTTER CREEK PROPERTIES, LLC.** The motion carried unanimously (7-0).

WHEREAS, Otter Creek Properties LLC is proposing a Variance to the Subdivision Code requiring two access points for a subdivision in the SR – Suburban Residential District; and

WHEREAS, As required by ordinance, notification was advertised in the Pine Journal and property owners within the Otter Creek subdivision and within 350 feet have been notified. A public hearing was held to consider the application at the regular meeting of the Cloquet Planning Commission on February 14, 2017 at which time Zoning Case / Development Review No. 17-01 was heard and discussed; and

WHEREAS, the property of the proposed Variance is located north of Moorhead Road and Otter Creek Drive and is legally described as follows:

All of Otter Creek Subdivision, Carlton County, Minnesota. And,

WHEREAS, the Planning Commission reviewed the staff report and recommends approval of the Variance to allow the subdivision to have only one access to a public road versus the Ordinance required two.

NOW, THEREFORE, BE IT RESOLVED, BY THE CITY COUNCIL OF THE CITY OF CLOQUET, MINNESOTA, that it approves Zoning Case 17-01 for a Variance to the Subdivision Code requiring two access points subject to the following conditions:

1. An easement should be deeded to the City in order to create the entire 66 feet of right of way adjacent to Otter Creek Drive and Cedar Valley Drive in the northerly portion of the plat.
2. The roads will not be taken over by the city until the road right of way has been cleared by the applicant to the Public Works Directors satisfaction which would happen after the snow melt in the spring.
3. The streets will not be taken over by the City until the requirements of Chapter 13.1.13, Street Grades, Curves and Sight Distances meet the City Engineers satisfaction.

SCHOOL RESOURCE OFFICER AGREEMENT WITH ISD #94

MOTION: Councilor Rock moved and Councilor Kolodge seconded the motion to approve a contract with ISD #94 to fund and support a School Resource Officer (SRO) in Cloquet Public Schools and to hire an additional officer to maintain the department's authorized strength of sworn staff supporting current operations. The motion carried unanimously (7-0).

CITY ADMINISTRATOR HIRING PROCESS

MOTION: Councilor Bailey moved and Councilor Langley seconded the motion to authorize the preparation of a Request for Proposals (RFP) for an executive search firm to conduct the hiring process for the City Administrator position. The motion carried unanimously (7-0).

POLICE OFFICER HIRING PROCESS

MOTION: Councilor Bjerkness moved and Councilor Rock seconded the motion to authorize the hiring process for a Police Officer position. The motion carried unanimously (7-0).

SET PUBLIC HEARING DATE ON PROPOSED FINAL ASSESSMENT FOR THE 2016 IMPROVEMENT OF 3RD STREET

MOTION: Councilor Kolodge moved and Councilor Rock seconded the motion to adopt **RESOLUTION NO. 17-17, A RESOLUTION TO SET HEARING DATE ON PROPOSED FINAL ASSESSMENTS FOR THE IMPROVEMENT OF 3RD STREET FROM CLOQUET AVENUE TO CARLTON AVENUE.** The motion carried unanimously (7-0).

WHEREAS, The City made plans to reconstruct 3rd Street as part of the City's 5-Year Capital Improvement Program (CIP) and approved budget for 2016; and

WHEREAS, The Cloquet City Council on March 1, 2016, held a Public Hearing to consider the improvement; and

WHEREAS, Said improvement was subsequently ordered and completed and the City has prepared a proposed assessment roll which is available in the office of the City Administrator for public inspection.

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

1. A hearing shall be held on March 21, 2017 in the City Council Chambers at 7:00 p.m. to pass upon such proposed assessments and at such time and place all persons owning property affected by such improvement will be given an opportunity to be heard with reference to such assessment.
2. The City Administrator is hereby directed to cause a notice of the hearing on the proposed assessment to be published in the official newspaper as required by Minnesota Statutes and he shall state in the notice the total cost of the improvement. He shall also cause mailed notice to be given to the owner of each parcel described in the assessment roll as required by Minnesota Statutes.

LIFT STATION GENERATOR PURCHASE

MOTION: Councilor Bailey moved and Councilor Langley seconded the motion to authorize the purchase of an electrical generator from Total Energy Systems in the amount of \$19,638.00. The motion carried unanimously (7-0).

LAKE SUPERIOR WATERLINE MOTOR REBUILD

MOTION: Councilor Rock moved and Councilor Langley seconded the motion to authorize a change order for Mielke Electric Works to rebuild the stator and rotor of pump motor #1 Lake Superior Waterline System in the amount of \$39,100. The motion carried unanimously (7-0).

AWARDING BID FOR THE 2017 BITUMINOUS OVERLAY PROJECT

MOTION: Councilor Bjerkness moved and Councilor Maki seconded the motion to adopt **RESOLUTION NO. 17-16, A RESOLUTION AWARDING 2017 BITUMINOUS OVERLAY BID.** The motion carried unanimously (7-0).

WHEREAS, The City has completed plans and specifications for the rehabilitation of those streets within the 2017 Bituminous Overlay project; and

WHEREAS, A resolution of the Council adopted on January 10, 2017 authorized Staff to solicit bids; and

WHEREAS, The City of Cloquet advertised and received the following bids for the project:

Bidder	Base	Alternate A	Alternate B	Total Bid
Northland Constructors of Duluth, LLC	\$ 471,640.40	\$ 99,006.75	\$ 37,594.40	\$ 608,241.55
KGM Contractors, Inc.	\$ 524,075.90	\$ 95,269.20	\$ 34,451.70	\$ 653,796.80
Ulland Brothers, Inc.	\$ 593,086.50	\$ 106,801.80	\$ 41,777.24	\$ 741,665.54
Sinnott Contracting, LLC	\$ 617,975.35	\$ 112,662.25	\$ 36,383.90	\$ 767,021.50

AND WHEREAS, The apparent low bid from Northland Constructors LLC, Inc. was found to meet the minimum bid requirements.

NOW, THEREFORE, BE IT RESOLVED, BY THE CITY COUNCIL OF THE CITY OF CLOQUET, MINNESOTA, That the bid from Northland Constructors of Duluth, LLC in the amount of \$608,241.55 is hereby accepted.

LANDSCAPE PARTNERSHIP PROJECT

MOTION: Councilor Langley moved and Councilor Rock seconded the motion to adopt **RESOLUTION NO. 17-18, ENTERING INTO A COOPERATIVE AGREEMENT WITH THE MINNESOTA DEPARTMENT OF TRANSPORTATION FOR THE LANDSCAPE PARTNERSHIP PROGRAM.** The motion carried unanimously (7-0).

WHEREAS, The City included funds in the 2017 Budget and Capital Plan for Highway 33 landscape improvements located along Dunlap Island and North Highway 33 from the St. Louis River to Skyline Boulevard; and

WHEREAS, The proposed improvements were previously identified as a priority of the Riverfront Master Plan and Highway 33 Landscape Study; and

WHEREAS, The Minnesota Department of Transportation (MnDOT) has determined that the planned improvements are eligible for partial funding under the Landscape Partnership Program.

NOW, THEREFORE, BE IT RESOLVED, BY THE CITY COUNCIL OF THE CITY OF CLOQUET, MINNESOTA, That the City of Cloquet hereby agrees to enter into a cooperative agreement with the Minnesota Department of Transportation for the proposed Landscape Partnership Project; and

BE IT FURTHER RESOLVED, The City Engineer is hereby authorized to act as agent on behalf of the City of Cloquet.

DUNLAP ISLAND TRADING POST BID AWARD

MOTION: Councilor Kolodge moved and Councilor Bjerkness seconded the motion to accept the bid from Jerry Manthey for the purchase and removal of one wooden tower structure at Voyagers Park, subject to the required proof of liability insurance and removal date. The motion carried unanimously (7-0).

PUBLIC COMMENTS

There were none.

COUNCIL COMMENTS, ANNOUNCEMENTS, AND UPDATES

Councilor Bjerkness stated the Dunlap Island meeting scheduled for February 28th is open to the public and encouraged attendance.

Councilor Bailey noted work has started on the Ed's Bakery building and Taco Bell is looking to develop on the former Friends of Animals property.

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


Brian Fritsinger, City Administrator



ADMINISTRATIVE OFFICES

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REQUEST FOR COUNCIL ACTION

To: Mayor and City Council
From: Nancy Klassen, Finance Director 
Reviewed/Approved by: Brian Fritsinger, City Administrator
Date: March 2, 2017

ITEM DESCRIPTION: Payment of Bills and Payroll

Proposed Action

Staff recommends the Council move to adopt **RESOLUTION NO. 17-19, A RESOLUTION AUTHORIZING THE PAYMENT OF BILLS AND PAYROLL.**

Background/Overview

Statutory Cities are required to have most claims authorized by the city council.

Policy Objectives

MN State Statute sections 412.271, Claims and disbursements for Statutory Cities.

Financial/Budget/Grant Considerations

See resolution for amounts charged to each individual fund.

Advisory Committee/Commission Action

Not applicable.

Supporting Documents Attached

- a. Resolution Authorizing the Payment of Bills and Payroll.
- b. Vendor Summary Report.
- c. Department Summary Report.

**CITY OF CLOQUET
COUNTY OF CARLTON
STATE OF MINNESOTA**

RESOLUTION NO. 17-19

A RESOLUTION AUTHORIZING THE PAYMENT OF BILLS AND PAYROLL

WHEREAS, The City has various bills and payroll each month that require payment.

NOW, THEREFORE, BE IT RESOLVED, BY THE CITY COUNCIL OF THE CITY OF CLOQUET, MINNESOTA, That the bills and payroll be paid and charged to the following funds:

101	General Fund	\$	330,816.91
207	Community Development Operating		12,270.80
208	Small Cities Development Program		5,084.22
225	Permanent Improvement		148.50
226	Park Fund		23,024.12
228	Senior Center		65.42
231	Public Works Reserve		676.73
405	City Sales Tax Projects		118,336.04
600	Water - Lake Superior Waterline		53,938.76
601	Water - In Town		60,779.33
602	Sewer Fund		104,080.07
605	Storm Water Fund		11,230.77
614	CAT-7		10,447.36
701	Employee Severance Benefits		1,368.94
	TOTAL:	\$	<u>732,267.97</u>

**PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF CLOQUET
THIS 7TH DAY OF MARCH, 2017.**

ATTEST:

Dave Hallback, Mayor

Brian Fritsinger, City Administrator

DATE: 03/02/2017
TIME: 13:46:47
ID: AP442000.WOW

CITY OF CLOQUET
VENDOR SUMMARY REPORT

PAGE: 1

INVOICES DUE ON/BEFORE 03/07/2017

VENDOR #	NAME	PAID THIS FISCAL YEAR	AMOUNT DUE
110950	AARDVARK SEPTIC PUMPING	890.00	405.00
121000	ARROWHEAD SPRINGS INC	212.25	103.00
122955	AUTO VALUE PAINT & BODY	0.00	127.69
125700	BEST OIL COMPANY	26,408.72	6,241.33
134900	CARLTON COUNTY TREASURER	11.00	11.00
137310	CENTURY LINK	5,520.05	1,688.06
137340	CHAMBERLAIN OIL CO., INC.	891.27	1,216.80
139800	CLOQUET AREA CHAMBER OF COMMER	6,458.50	2,503.40
145500	COMPENSATION CONSULTANTS, LTD	916.00	333.00
150100	D A L C O	1,097.66	282.86
156800	DULUTH NEWS TRIBUNE	439.55	397.26
157000	DULUTH PLUMBING SUPPLIES	0.00	442.00
161675	EMC NATIONAL LIFE	3,094.00	1,206.90
162725	ENVIRONMENTAL PRODUCTS	0.00	57.05
175200	GOPHER STATE ONE CALL INC	186.40	33.75
175700	GRAINGER	38.51	143.04
179300	HACH COMPANY	70.17	344.03
179340	HAGENS GLASS & PAINT	1,494.29	323.43
180425	HARRIS COMPUTER SYSTEMS	937.28	229.19
181825	HIGH MARK CONSTRUCTION INC	29,760.00	5,084.22
189500	INTOXIMETERS, INC.	0.00	60.00
189725	ITRON, INC.	3,023.72	190.00
190400	J. H. LARSON COMPANY	0.00	225.43
197300	KRAEMER CONSTRUCTION INC	1,500.00	140.00
197800	L & M SUPPLY CO	2,570.00	1,440.69
198450	LABORATORY SERVICES	0.00	60.00
202300	LEAGUE OF MN CITIES	0.00	2,500.00
204250	LIFTPRO	733.74	298.29
204400	LINCOLN NATIONAL LIFE	8,471.78	2,900.05
206500	M R SIGN CO INC	0.00	2,945.96
207400	MANEY INTERNATIONAL INC	4,041.97	175.86
210450	MEDIACOM LLC.	480.56	81.45
211300	MENARDS	22.94	295.00
211400	MENARDS	365.35	610.71
212400	MICHAUD DIST INC	60.50	27.50
214800	CITY OF MINNEAPOLIS RECIEVABLE	199.80	117.00
215800	MINNESOTA PIPE & EQUIP.	0.00	10,581.57
219067	MN DEPT OF ADMINISTRATION	854.40	676.73
220500	MN DEPT OF HEALTH	32.00	5,852.00
221850	MN HIGHWAY SAFETY & RESEARCH	0.00	1,215.00
233550	COMPASS MINERALS AMERICA	25,818.14	3,466.04
234600	NORTHERN BUSINESS PRODUCTS	2,998.46	127.13
236275	NORTHLAND VEBA TRUST	11,632.00	4,439.00
240000	OMAR'S SAND & GRAVEL	0.00	2,980.00

INVOICES DUE ON/BEFORE 03/07/2017

VENDOR #	NAME	PAID THIS FISCAL YEAR	AMOUNT DUE
240575	OPG-3 INC	10,221.50	1,808.34
240725	O'REILLY AUTO ENTERPRISES LLC	90.17	52.35
242850	PARSONS ELECTRIC LLC	3,414.34	4,061.12
243300	PAW COMMUNICATION, INC.	546.50	877.28
244300	BRENT BELICH	356.50	6,568.80
247250	POWERPLAN	516.55	856.59
247400	396-PRAXAIR DISTRIBUTION, INC.	1,376.01	207.16
248650	THE PROJECT CENTER	0.00	191.92
257925	ROYAL TIRE INC	367.05	393.50
261800	SEH	88,710.91	118,219.16
263400	SIGN PRO	25.00	185.00
269600	SUPER ONE FOODS CLOQUET	101.88	27.88
271325	NANCY GETCHELL	0.00	520.65
271975	TEAMSTER LOCAL 346 HEALTH FUND	53,817.54	26,840.00
272300	TELEPHONE ASSOCIATES	1,498.61	748.07
272600	TERMINAL SUPPLY INC	1,489.18	542.69
275075	TITAN MACHINERY	674.13	52.70
278600	TWIN PORT MAILING	10,474.06	739.26
280390	ULINE	77.98	106.45
281000	UNITED ELECTRIC COMPANY	837.03	25.00
281250	UNITED RENTALS	0.00	525.00
284875	VERIZON WIRELESS	1,686.80	790.86
285275	VIKING AUTOMATIC SPRINKLER CO	0.00	950.00
286900	W L S S D	157,345.20	73,555.00
287800	WAL-MART COMMUNITY	419.96	105.18
287900	WAL-MART COMMUNITY	24.89	19.02
289015	WELLS FARGO CREDIT CARD	24,075.36	5,959.38
290860	WINTER EQUIPMENT COMPANY INC	6,723.63	2,238.03
293700	ZIEGLER INC	0.00	115.40
R0001271	SHRED-N-GO INC	0.00	395.33
R0001277	BURNS MCDONNELL	9,700.00	2,020.00
R0001284	OFFICE OF MN IT SERVICES	224.00	56.00
R0001477	ABRA MN CLOQUET	0.00	1,000.00
R0001478	DATA CONNECT ENTERPRISE INC	0.00	997.00
TOTAL ALL VENDORS:			314,328.54
Less: CAFD			(468.02)
Less: Library			(60.00)
Bills approved			313,800.52
Other:			
Payroll			451,784.46
Payroll - benefits			(33,317.01)
Total Bills and Payroll Approved			<u>732,267.97</u>

DATE: 03/02/2017
 TIME: 13:47:00
 ID: AP443000.WOW

CITY OF CLOQUET
 DEPARTMENT SUMMARY REPORT

PAGE: 1

INVOICES DUE ON/BEFORE 03/07/2017

VENDOR #	NAME	PAID THIS FISCAL YEAR	AMOUNT DUE

GENERAL FUND			
00			
161675	EMC NATIONAL LIFE	3,094.00	506.90
204400	LINCOLN NATIONAL LIFE	8,471.78	2,873.11
236275	NORTHLAND VEBA TRUST	11,632.00	4,439.00
271975	TEAMSTER LOCAL 346 HEALTH FUND	53,817.54	25,498.00
			33,317.01
36	MISCELLANEOUS REVENUE		
156800	DULUTH NEWS TRIBUNE	439.55	-546.01
	MISCELLANEOUS REVENUE		-546.01
41	GENERAL GOVERNMENT		
137310	CENTURY LINK	5,520.05	118.41
139800	CLOQUET AREA CHAMBER OF COMMER	6,458.50	98.00
145500	COMPENSATION CONSULTANTS, LTD	916.00	333.00
150100	D A L C O	1,097.66	188.74
156800	DULUTH NEWS TRIBUNE	439.55	677.89
161675	EMC NATIONAL LIFE	3,094.00	61.00
197800	L & M SUPPLY CO	2,570.00	34.98
212400	MICHAUD DIST INC	60.50	27.50
234600	NORTHERN BUSINESS PRODUCTS	2,998.46	21.85
240575	OPG-3 INC	10,221.50	1,808.34
242850	PARSONS ELECTRIC LLC	3,414.34	311.86
243300	PAW COMMUNICATION, INC.	546.50	792.28
263400	SIGN PRO	25.00	185.00
272300	TELEPHONE ASSOCIATES	1,498.61	374.04
278600	TWIN PORT MAILING	10,474.06	287.49
284875	VERIZON WIRELESS	1,686.80	280.08
285275	VIKING AUTOMATIC SPRINKLER CO		950.00
287800	WAL-MART COMMUNITY	419.96	1.08
289015	WELLS FARGO CREDIT CARD	24,075.36	2,776.76
R0001271	SHRED-N-GO INC		395.33
	GENERAL GOVERNMENT		9,723.63
42	PUBLIC SAFETY		
134900	CARLTON COUNTY TREASURER	11.00	11.00

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CITY OF CLOQUET
DEPARTMENT SUMMARY REPORT

PAGE: 2

INVOICES DUE ON/BEFORE 03/07/2017

VENDOR #	NAME	PAID THIS FISCAL YEAR	AMOUNT DUE

GENERAL FUND			
42	PUBLIC SAFETY		
137310	CENTURY LINK	5,520.05	611.48
150100	D A L C O	1,097.66	66.43
161675	EMC NATIONAL LIFE	3,094.00	250.00
189500	INTOXIMETERS, INC.		60.00
197800	L & M SUPPLY CO	2,570.00	176.94
198450	LABORATORY SERVICES		60.00
202300	LEAGUE OF MN CITIES		2,500.00
214800	CITY OF MINNEAPOLIS RECIEVABLE	199.80	117.00
221850	MN HIGHWAY SAFETY & RESEARCH		1,215.00
234600	NORTHERN BUSINESS PRODUCTS	2,998.46	65.98
242850	PARSONS ELECTRIC LLC	3,414.34	203.33
243300	PAW COMMUNICATION, INC.	546.50	85.00
269600	SUPER ONE FOODS CLOQUET	101.88	27.88
271325	NANCY GETCHELL		520.65
278600	TWIN PORT MAILING	10,474.06	82.14
280390	ULINE	77.98	106.45
281000	UNITED ELECTRIC COMPANY	837.03	25.00
284875	VERIZON WIRELESS	1,686.80	350.10
287900	WAL-MART COMMUNITY	24.89	19.02
289015	WELLS FARGO CREDIT CARD	24,075.36	2,209.44
R0001284	OFFICE OF MN IT SERVICES	224.00	56.00
R0001477	ABRA MN CLOQUET		1,000.00
	PUBLIC SAFETY		9,818.84
43	PUBLIC WORKS		
121000	ARROWHEAD SPRINGS INC	212.25	49.00
122955	AUTO VALUE PAINT & BODY		127.69
125700	BEST OIL COMPANY	26,408.72	3,100.64
137310	CENTURY LINK	5,520.05	169.68
137340	CHAMBERLAIN OIL CO., INC.	891.27	1,216.80
157000	DULUTH PLUMBING SUPPLIES		442.00
161675	EMC NATIONAL LIFE	3,094.00	89.00
175200	GOPHER STATE ONE CALL INC	186.40	16.87
190400	J. H. LARSON COMPANY		225.43
197800	L & M SUPPLY CO	2,570.00	488.03
206500	M R SIGN CO INC		2,945.96
207400	MANEY INTERNATIONAL INC	4,041.97	175.86
211300	MENARDS	22.94	73.75
211400	MENARDS	365.35	332.06
233550	COMPASS MINERALS AMERICA	25,818.14	3,466.04
234600	NORTHERN BUSINESS PRODUCTS	2,998.46	8.74

DATE: 03/02/2017
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CITY OF CLOQUET
DEPARTMENT SUMMARY REPORT

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INVOICES DUE ON/BEFORE 03/07/2017

VENDOR #	NAME	PAID THIS FISCAL YEAR	AMOUNT DUE
GENERAL FUND			
43	PUBLIC WORKS		
240000	OMAR'S SAND & GRAVEL		2,980.00
240725	O'REILLY AUTO ENTERPRISES LLC	90.17	52.35
242850	PARSONS ELECTRIC LLC	3,414.34	1,734.18
244300	BRENT BELICH	356.50	6,568.80
247250	POWERPLAN	516.55	856.59
247400	396-PRAXAIR DISTRIBUTION, INC.	1,376.01	103.58
257925	ROYAL TIRE INC	367.05	393.50
272300	TELEPHONE ASSOCIATES	1,498.61	53.43
272600	TERMINAL SUPPLY INC	1,489.18	542.69
275075	TITAN MACHINERY	674.13	52.70
278600	TWIN PORT MAILING	10,474.06	82.14
281250	UNITED RENTALS		525.00
284875	VERIZON WIRELESS	1,686.80	55.65
289015	WELLS FARGO CREDIT CARD	24,075.36	171.33
290860	WINTER EQUIPMENT COMPANY INC	6,723.63	2,238.03
293700	ZIEGLER INC		115.40
	PUBLIC WORKS		29,452.92
46	COMMUNITY DEVELOPMENT		
139800	CLOQUET AREA CHAMBER OF COMMER	6,458.50	2,405.40
	COMMUNITY DEVELOPMENT		2,405.40
COMMUNITY DEV OPERATING (CITY)			
46	COMMUNITY DEVELOPMENT		
137310	CENTURY LINK	5,520.05	16.92
161675	EMC NATIONAL LIFE	3,094.00	11.00
234600	NORTHERN BUSINESS PRODUCTS	2,998.46	4.37
272300	TELEPHONE ASSOCIATES	1,498.61	53.43
278600	TWIN PORT MAILING	10,474.06	41.07
289015	WELLS FARGO CREDIT CARD	24,075.36	206.15
R0001277	BURNS MCDONNELL	9,700.00	2,020.00
	COMMUNITY DEVELOPMENT		2,352.94
SCDP (CITY)			
00			

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CITY OF CLOQUET
 DEPARTMENT SUMMARY REPORT

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INVOICES DUE ON/BEFORE 03/07/2017

VENDOR #	NAME	PAID THIS FISCAL YEAR	AMOUNT DUE

SCDP (CITY)			
00			
181825	HIGH MARK CONSTRUCTION INC	29,760.00	1,690.22
			1,690.22
46	COMMUNITY DEVELOPMENT		
181825	HIGH MARK CONSTRUCTION INC	29,760.00	3,394.00
	COMMUNITY DEVELOPMENT		3,394.00
LIBRARY FUND			
45	CULTURE AND RECREATION		
161675	EMC NATIONAL LIFE	3,094.00	60.00
	CULTURE AND RECREATION		60.00
PERMANENT IMPROVEMENT			
56	CONSTRUCTION & MAINTENANCE		
156800	DULUTH NEWS TRIBUNE	439.55	148.50
	CONSTRUCTION & MAINTENANCE		148.50
PARK FUND			
45	PARKS/RECREATION		
110950	AARDVARK SEPTIC PUMPING	890.00	405.00
125700	BEST OIL COMPANY	26,408.72	742.10
137310	CENTURY LINK	5,520.05	196.54
150100	D A L C O	1,097.66	27.69
161675	EMC NATIONAL LIFE	3,094.00	36.00
179340	HAGENS GLASS & PAINT	1,494.29	323.43
197800	L & M SUPPLY CO	2,570.00	451.23
211400	MENARDS	365.35	57.40
242850	PARSONS ELECTRIC LLC	3,414.34	1,613.31
248650	THE PROJECT CENTER		191.92
289015	WELLS FARGO CREDIT CARD	24,075.36	34.79
	PARKS/RECREATION		4,079.41

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CITY OF CLOQUET
DEPARTMENT SUMMARY REPORT

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INVOICES DUE ON/BEFORE 03/07/2017

VENDOR #	NAME	PAID THIS FISCAL YEAR	AMOUNT DUE

SENIOR CENTER FUND			
45	CULTURE AND RECREATION		
197800	L & M SUPPLY CO	2,570.00	65.42
	CULTURE AND RECREATION		65.42
PUBLIC WORKS RESERVE			
42	PUBLIC SAFETY		
219067	MN DEPT OF ADMINISTRATION	854.40	676.73
	PUBLIC SAFETY		676.73
CITY SALES TAX CAPITAL			
81	SPECIAL PROJECTS		
156800	DULUTH NEWS TRIBUNE	439.55	116.88
261800	SEH	88,710.91	118,219.16
	SPECIAL PROJECTS		118,336.04
WATER - LAKE SUPERIOR WATERLIN			
51	STATION TWO		
121000	ARROWHEAD SPRINGS INC	212.25	24.00
137310	CENTURY LINK	5,520.05	198.27
161675	EMC NATIONAL LIFE	3,094.00	40.00
179300	HACH COMPANY	70.17	344.03
197800	L & M SUPPLY CO	2,570.00	32.82
R0001478	DATA CONNECT ENTERPRISE INC		997.00
	STATION TWO		1,636.12
52 LAKE SUPERIOR WATERLINE			
125700	BEST OIL COMPANY	26,408.72	585.02
161675	EMC NATIONAL LIFE	3,094.00	20.00
197300	KRAEMER CONSTRUCTION INC	1,500.00	140.00
284875	VERIZON WIRELESS	1,686.80	35.01
	LAKE SUPERIOR WATERLINE		780.03

INVOICES DUE ON/BEFORE 03/07/2017

VENDOR #	NAME	PAID THIS FISCAL YEAR	AMOUNT DUE

WATER - LAKE SUPERIOR WATERLIN			
57	ADMINISTRATION		
161675	EMC NATIONAL LIFE	3,094.00	3.30
	ADMINISTRATION		3.30
WATER - IN TOWN SYSTEM			
49	CLOQUET		
125700	BEST OIL COMPANY	26,408.72	760.53
137310	CENTURY LINK	5,520.05	146.16
161675	EMC NATIONAL LIFE	3,094.00	32.00
175700	GRAINGER	38.51	143.04
197800	L & M SUPPLY CO	2,570.00	150.88
204250	LIFTPRO	733.74	298.29
215800	MINNESOTA PIPE & EQUIP.		10,581.57
220500	MN DEPT OF HEALTH	32.00	5,852.00
247400	396-PRAXAIR DISTRIBUTION, INC.	1,376.01	62.15
284875	VERIZON WIRELESS	1,686.80	35.01
287800	WAL-MART COMMUNITY	419.96	49.16
	CLOQUET		18,110.79
54	BILLING & COLLECTION		
161675	EMC NATIONAL LIFE	3,094.00	12.50
180425	HARRIS COMPUTER SYSTEMS	937.28	229.19
189725	ITRON, INC.	3,023.72	190.00
234600	NORTHERN BUSINESS PRODUCTS	2,998.46	8.74
278600	TWIN PORT MAILING	10,474.06	82.14
289015	WELLS FARGO CREDIT CARD	24,075.36	15.00
	BILLING & COLLECTION		537.57
57	ADMINISTRATION & GENERAL		
137310	CENTURY LINK	5,520.05	101.81
161675	EMC NATIONAL LIFE	3,094.00	6.70
175200	GOPHER STATE ONE CALL INC	186.40	10.13
211300	MENARDS	22.94	73.75
211400	MENARDS	365.35	73.75
234600	NORTHERN BUSINESS PRODUCTS	2,998.46	8.74
242850	PARSONS ELECTRIC LLC	3,414.34	198.44

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CITY OF CLOQUET
 DEPARTMENT SUMMARY REPORT

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INVOICES DUE ON/BEFORE 03/07/2017

VENDOR #	NAME	PAID THIS FISCAL YEAR	AMOUNT DUE

WATER - IN TOWN SYSTEM			
57	ADMINISTRATION & GENERAL		
272300	TELEPHONE ASSOCIATES	1,498.61	160.30
278600	TWIN PORT MAILING	10,474.06	82.14
287800	WAL-MART COMMUNITY	419.96	54.94
289015	WELLS FARGO CREDIT CARD	24,075.36	292.24
	ADMINISTRATION & GENERAL		1,062.94
ENTERPRISE FUND - SEWER			
00			
286900	W L S S D	157,345.20	-4,865.00
			-4,865.00
55	SANITARY SEWER		
125700	BEST OIL COMPANY	26,408.72	585.02
161675	EMC NATIONAL LIFE	3,094.00	20.00
162725	ENVIRONMENTAL PRODUCTS		57.05
197800	L & M SUPPLY CO	2,570.00	40.39
247400	396-PRAXAIR DISTRIBUTION, INC.	1,376.01	41.43
284875	VERIZON WIRELESS	1,686.80	35.01
286900	W L S S D	157,345.20	78,420.00
	SANITARY SEWER		79,198.90
57	ADMINISTRATION & GENERAL		
137310	CENTURY LINK	5,520.05	67.86
161675	EMC NATIONAL LIFE	3,094.00	30.50
175200	GOPHER STATE ONE CALL INC	186.40	6.75
211300	MENARDS	22.94	73.75
211400	MENARDS	365.35	73.75
234600	NORTHERN BUSINESS PRODUCTS	2,998.46	8.71
272300	TELEPHONE ASSOCIATES	1,498.61	106.87
278600	TWIN PORT MAILING	10,474.06	82.14
289015	WELLS FARGO CREDIT CARD	24,075.36	237.50
	ADMINISTRATION & GENERAL		687.83

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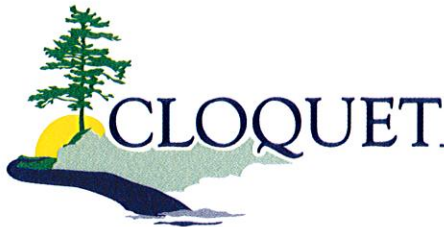
CITY OF CLOQUET
DEPARTMENT SUMMARY REPORT

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INVOICES DUE ON/BEFORE 03/07/2017

VENDOR #	NAME	PAID THIS FISCAL YEAR	AMOUNT DUE


STORM WATER UTILITY			
57	ADMINISTRATION & GENERAL		
161675	EMC NATIONAL LIFE	3,094.00	4.50
211300	MENARDS	22.94	73.75
211400	MENARDS	365.35	73.75
289015	WELLS FARGO CREDIT CARD	24,075.36	16.17
	ADMINISTRATION & GENERAL		168.17
59	OPERATIONS		
161675	EMC NATIONAL LIFE	3,094.00	10.00
	OPERATIONS		10.00
CABLE TELEVISION			
45	PUBLIC TV		
121000	ARROWHEAD SPRINGS INC	212.25	30.00
137310	CENTURY LINK	5,520.05	60.93
161675	EMC NATIONAL LIFE	3,094.00	13.50
210450	MEDIACOM LLC.	480.56	81.45
	PUBLIC TV		185.88
EMPLOYEE SEVERANCE			
45	EMPLOYEE VACATION & SICK		
204400	LINCOLN NATIONAL LIFE	8,471.78	26.94
271975	TEAMSTER LOCAL 346 HEALTH FUND	53,817.54	1,342.00
	EMPLOYEE VACATION & SICK		1,368.94
CLOQUET AREA FIRE DISTRICT			
42	PUBLIC SAFETY		
125700	BEST OIL COMPANY	26,408.72	468.02
	PUBLIC SAFETY		468.02
	TOTAL ALL DEPARTMENTS		314,328.54



ADMINISTRATIVE OFFICES

1307 Cloquet Avenue • Cloquet, MN 55720
Phone: 218-879-3347 • Fax: 218-879-6555
email: admin@ci.cloquet.mn.us
www.ci.cloquet.mn.us

REQUEST FOR COUNCIL ACTION

To: Mayor and City Council
From: Brian Fritsinger, City Administrator 
Date: February 27, 2017

ITEM DESCRIPTION: Approval of New Therapeutic Massage Business License

Proposed Action

Staff recommends the City Council move to approve the Therapeutic Massage Business license for Haven of Hope Massage Therapy, 502 Carlton Avenue.

Background/Overview

The City has received an application from Hope Weber, 8163 Chipmunk Lane, Willow River, for a new Therapeutic Massage Business license. Ms. Weber will be operating at Cloquet Natural Foods, 502 Carlton Avenue.

Policy Objectives

Approval of a Therapeutic Massage Business license is required under Section 6.9 of the Municipal Code. There is no limit on the number of licenses issued in any one year.

Financial/Budget/Grant Considerations

The City's fee schedule requires a \$50 fee for the business license. The applicant has paid all fees.

Advisory Committee/Commission Action

None.

Supporting Documentation Attached

- Application



CITY ADMINISTRATOR'S OFFICE

1307 Cloquet Avenue, Cloquet MN 55720

Phone: 218-879-3347 Fax: 218-879-6555

www.ci.cloquet.mn.us

email: admin@ci.cloquet.mn.us

APPLICATION FOR THERAPEUTIC MASSAGE BUSINESS LICENSE

This application, all required documentation and fees must be submitted by any person desiring to obtain a license to practice therapeutic massage within the City of Cloquet, MN.

APPLICANT INFORMATION		
Name: First <i>Hope</i>	Full Middle <i>Joelle</i>	Last <i>Weber</i>
Current Address: Street / City / State / Zip Code <i>Chipmunk Lane, Willow River, MN 55795</i>		
E-mail address: (if applicable)		
Home Phone:	Cell Phone:	Work Phone:
Date of Birth:	Social Security Number:	

BUSINESS INFORMATION	
Business Name: <i>Haven of Hope Massage Therapy</i>	
Business Street Address: <i>502 Carlton Ave</i>	
Mailing Address (if different from above)	
Phone Number: <i>879-3243</i>	Alternate Number:
Manager of Business: <i>Jodi Christianson</i>	

PREMISE / PROPERTY INFORMATION	
Licenses for a Therapeutic Massage Business will only be issued to businesses which are properly zoned and/or meets the zoning requirements for such location as may be required by the City. For zoning verification, contact the Cloquet Zoning Department at (218) 879-2507 prior to submitting your application.	
Property Parcel ID Number: <i>06-420-0100</i>	Property Complete Legal Description: <i>City of Cloquet Sec: Twp: R6: LOT: 5 Block A ACRES City of Cloquet Woodlawn Addition</i>
Property Zoning District:	

The property at which I am requesting a license for, I			
<input type="checkbox"/> Own	<input checked="" type="checkbox"/> Rent	<input type="checkbox"/> Lease	<input checked="" type="checkbox"/> Other _____
(If you rent or lease the premises, you must attach a copy of your fully executed rental or lease agreement)			
If you are not the property owner, please list property owner information:			
Name: First <i>Jodi</i>	Full Middle <i>Jeanette</i>	Last <i>Christensen</i>	
Address: Street / City / State / Zip Code <i>502 Carlton Avenue Cloquet, MN 55720</i>			
Home Phone:	Cell Phone:	Work Phone: <i>218-879-3243</i>	

BUSINESS OWNERSHIP INFORMATION

Type of Ownership:	<input checked="" type="checkbox"/> Individual	<input type="checkbox"/> Partnership	<input type="checkbox"/> Limited Liability Corporation	<input type="checkbox"/> Corporation
If the above named licensee is a corporation, partnership, or LLC, complete the following for each partner/officer:				
Partner/Officer Name:	First	Full Middle	Last	
	Hope	Joelle	Weber	
Home Address:	Street / City / State / Zip Code			
	Chipmunk Lane, Willow River, MN 55795			
Date of Birth:			Social Security Number:	
Partner/Officer Name:	First	Full Middle	Last	
Home Address:	Street / City / State / Zip Code			
Date of Birth:			Social Security Number:	
Partner/Officer Name:	First	Full Middle	Last	
Home Address:	Street / City / State / Zip Code			
Date of Birth:			Social Security Number:	

FINANCIAL INFORMATION

Real Estate Taxes on property to be licensed are:	<input checked="" type="checkbox"/> Paid current	<input type="checkbox"/> Delinquent
Are there any financial claims to the City of Cloquet owed by the applicant /property owner?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If there are current financial claims owed to the City of Cloquet, please state the amount(s) and type of claim:		
Responsible Party:	Amount:	Type of claim (i.e., utilities, etc.)
NA		
Responsible Party:	Amount:	Type of claim (i.e., utilities, etc.)
NA		

ADDITIONAL INFORMATION

If the application is submitted on behalf of a partnership, LLC or Corporation, you must include the following information for each partner, officer and Director. (Attach additional sheets as necessary)

Have you ever applied for or held a license to conduct a similar activity in any other City or State?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If yes, please provide details; description, date and location:		
Have you ever been denied a license to conduct a similar or like activity or had such licenses suspended, revoked or canceled in any City/State, including Cloquet?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If yes, please provide details; description, date and location:		
List all names, nicknames and aliases by which you have been known:		
List addresses at which you have lived during the preceding five years. Begin with present or last address and work back. Attach additional sheets if necessary.		
Street / City / State / Zip Code		
Chipmunk Lane, Willow River, MN 55795		
Dates at Address:		
2004 - Present		

Street / City / State / Zip Code
Dates at Address:
Street / City / State / Zip Code
Dates at Address:
Name, location and type of every business or occupation you have been engaged in during the preceding five years. Begin with present or last occupation and work back. <i>Attach additional sheets if necessary.</i>
Business or Occupation: Cloquet Natural Foods - Clerk
City / State / Zip Code Willow River, MN 55795
Dates at Address: 10/13/16 - Present
Business or Occupation: Heartland PCA - Personal Care Assistant
City / State / Zip Code Finlayson, MN 55735
Dates at Address: June 2013 - Present
Business or Occupation: Roffler's of Moose Lake - PA Massage Therapist
City / State / Zip Code Moose Lake, MN 55767
Dates at Address: April - June 2015
Please provide the names and addresses of your employers and partners, if any, for the preceding five years. Begin with present or last occupation and work back. <i>Attach additional sheets if necessary.</i>
Employer or Partner: Cloquet Natural Foods - Don Christensen
Street / City / State / Zip Code 502 Carlton Ave. Cloquet, MN 55720
Dates: Oct 13 th 2016 - Present
Employer or Partner: Heartland PCA
Street / City / State / Zip Code P.O. Box 274, 2214 Hwy 18, Suite C, Finlayson, MN 55757
Dates: June 2013 - Present
Have you ever been convicted of any felony, crime or violation of any ordinance, other than traffic? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<i>If yes, give information as to the date, place, and offense for each conviction. Also, specifically state if any such conviction was a felony offense or involved any allegations of physical assault or sexual misconduct.</i>

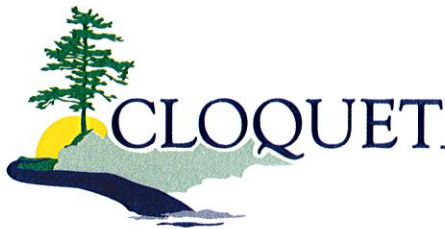
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Business or Occupation:
Canadian Waters Inc. - Clerk
Ely, MN 55731
Summers of 2011 & 2012

Employer or Partner:
Roffler's of Moose Lake Salon & Spa - Sandy Bennett
140 Arrowhead Lane, Moose Lake, MN 55767 & Cassi Zimmerman
April - June 2015


Employer or Partner:
Canadian Waters Inc. Dan & Cathy Waters
111 E. Sheridan Street, Ely, MN 55731
Summers of 2011 & 2012



ADMINISTRATIVE OFFICES

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REQUEST FOR COUNCIL ACTION

To: Mayor and City Council
From: Brian Fritsinger, City Administrator 
Date: February 27, 2017

ITEM DESCRIPTION: Fond du Lac Water Service Agreement

Proposed Action

Staff recommends that the City Council move to approve a one-year extension of the Water Service Agreement between the City of Cloquet and Fond du Lac Band of Lake Superior Chippewa.

Background/Overview

The City of Cloquet and Fond du Lac Band of Lake Superior Chippewa first entered into an agreement in 1995 for the provision of municipal water to the Black Bear Casino Hotel and Golf Course. This agreement was renewed in 2006 for an additional ten-year period which expired in 2016. The parties agreed to a one year extension that is set to expire on March 15, 2017.

Both parties have expressed interest in continuing the cooperative relationship addressed in this agreement. However, there are certain items that both parties agree need continued attention and discussion, and rather than a long term agreement, another one-year extension is proposed. Those items are related to water utilization (increased amounts) and water hammer in the system. As a result, the parties are again proposing a one-year extension of the current agreement with all terms and conditions remaining the same. The only changes to the agreement are in the opening paragraph and the date in Section 7. The agreement has been reviewed by the City Attorney.

Policy Objectives

The City is authorized by Minnesota State Statute to enter Cooperative Agreements related to service provision. The agreement addresses the roles and responsibilities of both parties.

Financial/Budget/Grant Considerations

None.

Advisory Committee/Commission Action

None.

Supporting Documentation Attached

- Water Service Agreement

**WATER SERVICE AGREEMENT
BETWEEN
THE CITY OF CLOQUET, MINNESOTA
AND
THE FOND DU LAC BAND OF LAKE SUPERIOR CHIPPEWA**

THIS AGREEMENT, dated this 15th day of March, 2017, by and between the City of Cloquet, Minnesota, a municipal corporation of Carlton County, Minnesota, hereinafter referred to as "**Cloquet**", and the Fond du Lac Band of Lake Superior Chippewa, hereinafter referred to as "**the Band**";

WITNESSETH:

WHEREAS, in 1995, the governing bodies of the respective parties to this Agreement established an extension of municipal water service from the City of Cloquet to the Black Bear Casino, Hotel and Golf Course, located at the intersection of I-35 and Trunk Highway 210, pursuant to a document entitled the "Water Service Agreement of March 16, 1995; and,

WHEREAS, in 2006, a new "Water Service Agreement" was entered into for a ten-year period; and,

WHEREAS, the water system of Cloquet continues to produce surplus water in quantities sufficient to meet the present needs of the Band and the obligations contemplated by this Agreement and the prior agreements; and,

NOW, THEREFORE, and in consideration of the mutual covenants herein contained, the parties hereto agree as follows:

SECTION 1. SCOPE OF AGREEMENT

That for a one-year period commencing on March 15, 2017, Cloquet agrees to deliver water from the City's municipal water system to the Band, in an amount up to a maximum of two hundred thousand (200,000) U.S. Gallons per day and at a maximum rate of twenty thousand (20,000) U.S. Gallons per hour. The Band agrees to pay for such water in accordance with Sections 4, thru 7 of this Agreement; provided, however, that such rate schedule shall be subject to change by duly adopted resolution of Cloquet's City Council after written notice of the Council's intention to change such rate schedule has been given to the Band pursuant to Section 6 hereof.

Notwithstanding the provisions of the preceding paragraph, the Band may request to purchase water in excess of the two hundred thousand (200,000) U.S. Gallons per day on terms mutually agreeable to the parties. Such request shall be made by the Band to the Director of Public Works of Cloquet. If said Director determines that the sale of the additional water supply requested will not, at the time of the request, or in the future, impair or affect the ability or efficiency of Cloquet's water utility to supply the demands of the City's inhabitants for water, then the Director shall recommend to the City Council that this Agreement be amended to permit the sale of additional water to the Band. The Cloquet City Council's approval or rejection of the Director's recommendation shall be determinative of whether any additional water will be sold to the Band.

SECTION 2. OWNERSHIP

Ownership of the water main extension, as agreed by the parties pursuant to the Water Service Agreement of March 16, 1995, is as follows. Cloquet shall hold all of its right, title, and interest in that portion of the new water main extension and all appurtenances lying within the city

limits of Cloquet. This Section will be from the west side of Highway 33 in the area of the Driftwood Motel, south to the Moorhead Road, the present Cloquet city limits. All of the water main extension, the subject to this Agreement, lying outside and south of the city limits of Cloquet running to the Black Bear Casino and Hotel shall be owned by the Band. The Band shall also own the master metering station described in Section 4 of this Agreement.

SECTION 3. MAINTENANCE AND OPERATION

Cloquet shall be responsible for the maintenance and operation of that portion of the pipeline and all appurtenances lying north of the Moorhead Road within the Cloquet city limits which will become part of Cloquet's municipal water distribution system. The Band, at no expense to Cloquet, shall be responsible for the maintenance and operation of the remaining water main extension outside of the city limits of Cloquet located south of the Moorhead Road to the Black Bear Casino & Hotel located on Trunk Highway 210. The maintenance of this portion of the water main extension shall be performed at the Band's expense by the Band's service crews. This maintenance will include, but not necessarily be limited to the following:

- The repair of water main leaks or breaks.
- The repair or replacement of damaged fire hydrants.
- At least one annual hydrant flushing to take place in coordination with the Cloquet Water Department.
- The repair and maintenance of the water metering station and equipment located at the Moorhead Road.

At the request of the Band, Cloquet may furnish cooperative maintenance services at normal hourly rates for the above items. The Band shall agree to operate and maintain its water main

extension and facilities in such a manner as not to jeopardize or disrupt the normal operation of Cloquet's water system and in such a manner as to conform with all laws, rules, and regulations of the State of Minnesota regarding water facilities.

SECTION 4. MEASUREMENT OR METERING OR WATER

All water furnished and delivered by Cloquet to the Band under this Agreement shall be in accordance with the City of Cloquet rules and regulations. This water shall be measured by and through radio read meters, acceptable to Cloquet, to be furnished and maintained by the Band at the Band's expense. This metering station shall be the point of delivery of the water furnished to the Band, and shall be located in the area of the Moorhead Road where the water main extension crosses the city limits of Cloquet. Such meter shall be of suitable make and setting and shall be equipped with by-pass piping and suitable valves so flow may be maintained during meter maintenance and testing. It shall be properly housed and subject to the approval of Cloquet. Cloquet shall have the right to inspect the meter at any time. Such meter shall be subject to testing by Cloquet at any time for verification of proper operation and accuracy of the meter or meters. All tests shall be conducted under the supervision of a qualified independent testing firm and shall be conducted in accordance with American Water Works Association standards. The Band shall be notified as to the time of meter testing and may, at its own expense, have one of its own representatives present at the time the tests are made. Additional test may be requested by the Band, but such tests and inspections shall be at the Band's expense.

No meters shall be placed in service or allowed to remain in service which have an error in registration in excess of Two Percent (2%) above or below normal operating conditions. Presently

the Band pays the City a fixed monthly charge of \$130 per month on the two meters monitoring the system. That charge may be adjusted from time to time based upon the size of meters required.

All necessary repairs or modifications of the meters shall be made at the sole expense of the Band. In the event the water meters are not working properly and are not repaired within ten (10) days from receipt of written notice mailed or hand delivered to the Clerk of the Band, Cloquet shall have the right to estimate water use until the meters are properly repaired and approved by the Director. During the period of time that the meters remain un-repaired, Cloquet shall charge an additional \$250.00 monthly, as liquidated damages, in addition to the estimated bill. Water rates, billings, and payments shall be in accordance with Sections 4 thru 7 of this Agreement.

SECTION 5. BILLINGS AND PAYMENT

Monthly readings of the master meter and a bill shall be mailed to the Band on or before the tenth day of the following month. Such bill shall be paid by the Band on or before the due date which is the 5th day of the following month. Late payment charges shall be at a rate consistent with Cloquet city policy, (currently 5% of unpaid balance).

SECTION 6. RATE DETERMINATION

The rates for water delivered by Cloquet to the Band shall be as provided in Section 7. Such rate schedule shall be subject to change by Cloquet's City Council, provided, however, that any increase in the rates charged to the Band shall be consistent with rate increases charged by the City to other customers located outside the Cloquet City limits. The Band shall be given written notice sixty (60) days prior to any change to the water commodity rate charges or minimum monthly charge.

SECTION 7. INITIAL RATES

Unless subsequently modified pursuant to Section 6, the rates for water delivered by Cloquet to the Black Bear Casino, Hotel and Golf Course, under the terms of this Agreement shall be \$3.00 for all or any portion of each thousand (\$3.00/1000) gallons used.

SECTION 8. RESALE OF WATER EXPRESSLY PROHIBITED

All water delivered to the Band under the terms of this Agreement shall be for the sole use of the Black Bear Casino, Hotel and Golf Course and shall not be resold or otherwise provided to any other entity, utility, governmental subdivision, or customer.

SECTION 9. CITY NOT LIABLE FOR FAILURE TO SUPPLY WATER UNDER CERTAIN CONDITIONS

Cloquet shall exercise due diligence in the operation of its water utility. However, if it is unable or is prevented from delivering the agreed upon volume of water to the Black Bear Casino, Hotel and Golf Course for any reason including, but not limited to, fire, explosion, flood, strike, unavoidable accident, rupture of pipe, failure of supply, electrical failures, federal or state regulation or interference, or other such conditions which result in a shutdown or stoppage of water flow to the Band, Cloquet shall not be liable to the Band for any loss or damages (including business loss or loss of profits) resulting from such interruption or suspension of service.

In the event of any interruption or suspension of service, Cloquet agrees to take all reasonable steps and such action as is necessary to resume delivery of the agreed upon volume of water to the Band as soon as possible.

SECTION 10. CROSS CONNECTIONS BETWEEN CITY WATER SUPPLY AND OTHER SOURCES OF SUPPLY FORBIDDEN

The Band shall not permit any person to make a direct cross connection or allow the existence of a direct cross connection between their water system and any other source of supply or cause a cross connection to be made or permit one to exist between their water system and any piping system whatsoever. Where required by the laws or regulations of the State of Minnesota, the Band agrees to provide and maintain adequate back flow control for the protection of public health.

SECTION 11. JOINT USE OF FIRE HYDRANTS

The Band agrees to install and permit the use of fire hydrants by any fire department serving the area for the purpose of extinguishing fires.

SECTION 12. MAXIMUM FLOW RESTRICTION

Except for periods of fire emergencies, the Band agrees to limit its consumption of water from Cloquet's water system (at the point of delivery) to hourly rates that will at no time exceed ten percent (10%) of the agreed maximum hourly water demand as set forth under Section 1 of this Agreement. The parties shall mutually confer in the establishment of a maximum hourly water demand, and will take into consideration such data as the Band shall provide, including average flow information, peak day, and peak hour information, in determining the same. The final determination of the maximum hourly water demand shall be made solely by the Cloquet Director of Public Works. Within ninety days of the commencement of delivery of water by Cloquet, the Band may apply to the Cloquet Director of Public Works for re-determination of the maximum hourly water demand

and may provide further data regarding actual consumption. The final determination of the maximum hourly water demand, in the case of an application for re-determination, shall be made solely by the Cloquet Director of Public Works.

The parties have discussed and understand that any consumption of water by the Band which exceeds the agreed maximum hourly water demand as stated under Section 1, by ten percent (10%) or more, may adversely impact Cloquet's delivery of water to its other municipal customers. Accordingly, it is agreed that Cloquet may impose upon the Band a penalty of one hundred dollars (\$100) for each occasion in which the Band's consumption exceeds the agreed maximum hourly water demand as set under Section 1 by ten percent (10%), except in the case of fire emergency. The Band agrees to pay each such penalty within ten days of receipt of written notice from Cloquet that a penalty is due and owing. In addition, if in the sole discretion of the Director of Public Works the excess consumption of water by the Band impacts the water system to such a degree that it adversely affects Cloquet's ability to deliver water to its other municipal customers, the Director of Public Works is authorized to take such steps as are necessary to re-establish proper operation of water service to Cloquet's existing customers. If, as a result of excess consumption of water by the Band, the Director determines that changes are necessary to achieve or maintain conformity with, or avoid adverse impact upon, Cloquet's current water system, the Band shall pay for all such changes or improvements deemed necessary by the Director.

SECTION 13. INDEMNIFICATION

The Band agrees to indemnify and save harmless Cloquet from any and all claims or demands, including costs of suit, settlement of claims, and reasonable attorneys' fees incurred in

negotiating claims prior to suit or resulting in suit, whether said claims shall be justifiable or sham and frivolous, for damages or claims arising out of or which may result from the use of water supplied or the failure to supply said water pursuant to the terms of this Agreement and from the design, construction, inspection, use, installation, maintenance, and repair of its facilities as set forth in this Agreement, or for any other claim whatsoever arising out of this Agreement, without regard to fault or cause, and will assume the defense of any actions arising therefrom in which Cloquet is made a party defendant or thought which Cloquet is required to enter into negotiations for settlement prior to the commencement of litigation. Cloquet shall give the Band prompt written notice of any claims or acts filed against Cloquet as a result of this Agreement. The Band thereafter shall, immediately undertake the defense of said claims and the Band and its legal counsel shall provide copies of all documents and shall keep Cloquet and its City Attorney fully apprised of any and all terms and conditions of the proposed litigation or litigation which may be commenced as a result of this Agreement.

SECTION 14. DEFAULT AND TERMINATION

Cloquet shall have the right to terminate water service to the Band in the event the Band shall fail to properly maintain its water system or comply with any term or condition of this Agreement, including the payment of charges due Cloquet under the terms of this Agreement.

In the event such service shall be terminated under the terms and conditions of this paragraph, notice shall be given in writing, to the business offices of the Band. The Band shall have ten (10) days after delivery of said notice to correct any default set forth in the notice. Failure of the

Band to correct the default set forth in the notice of default shall, at the sole option of Cloquet, entitle Cloquet to terminate all water service under the terms of this Agreement.

SECTION 15. RENEWAL

The Band shall have an option to renew this Agreement on the same conditions and provisions as set forth herein, except that the term of any such renewal shall be subject to negotiation and approval by both parties.

**SECTION 16. ADDITIONAL CONSIDERATION FOR AGREEMENT; POSSIBLE
NEED FOR ADDITIONAL WELL CAPACITY**

As additional consideration for the extension of this Agreement, the Band agrees that should the need arise to create more well capacity for purposes of meeting the mutual needs of the parties that it will permit Cloquet to drill, locate and maintain additional well capacity within the boundaries of the Fond du Lac Reservation at such locations as are permitted by the governing body of the Band upon a fair showing that such a need exists; and such permission will not be unreasonably withheld. It is understood that prior to approval, the parties will negotiate and agree upon the terms, location and the allocation of costs of installation and ongoing maintenance.

SECTION 17. PROVISION FOR FUTURE EXPANSION

The parties agree and understand that the need to consider future expansion and development are a foreseeable consequence of extending public services. To the extent it is mutually agreed that

the system is able to accommodate additional expansion into areas adjacent to or in the proximity to the present system (including the main line running to the casino owned by the Band) the parties agree to cooperate and consider expansion of the system to such areas or municipalities as the parties deem mutually agreeable. It is understood that prior to approval, the governing bodies of the City and the Band must fairly determine an equitable allocation of costs and ongoing maintenance but the both parties agree that approval of such an expansion will not be unreasonably withheld.

SECTION 18. ARBITRATION

It is the expressed desire of both parties to avoid the cost and delay of litigation in the event that a dispute between them results. Accordingly, in the event of a dispute between the Band and Cloquet pursuant to the terms or obligations contained in this Agreement, the parties hereby agree to submit all disputes to binding arbitration. The parties agree that the American Arbitration Association shall be the arbitration service provider and all rules, then in effect, as adopted by the American Arbitration Association shall govern the proceedings. In addition, both the Band and City hereby further mutually agree that with regard to disputes arising between them that they agree to waive forever any and all immunity granted to them under any laws or the Constitution of the United States or any state or otherwise from any suits or claims, whether at law or in equity arising from this agreement or any activity undertaken by the parties pursuant to this agreement.

The parties also agree that this agreement shall be governed by and construed in accordance with the laws of the State of Minnesota and that the rights and obligations created under this agreement shall not be assigned without the prior written consent of both the Band and City.

SECTION 19. NOTICES

All communications, demands, notices, or objections permitted or required to be given or served under this Agreement shall be in writing and shall be deemed to have been duly given or served if delivered in person to the other party or its duly authorized agent, (Fond du Lac Reservation Business Committee, 1720 Big Lake Road, Cloquet, MN 55720; Cloquet City Administrator, 1307 Cloquet Avenue, Cloquet, MN 55720) or deposited in the United States Mail, postage prepaid, for mailing by certified or registered mail, return receipt requested, or if telegraphed, by prepaid telegram, and addressed to the other party of this Agreement, to the addresses set forth above. Any party may change its address by giving notice in writing, stating its new address, to any other party as provided in the foregoing manner. Commencing on the tenth day after the giving of such notice, such newly designated address shall be such party's address for the purpose of all communications, demands, notices, or objections permitted or required to be given or served under this Agreement.

SECTION 20. AMENDMENT, MODIFICATION, OR WAIVER

No amendment, modification, or waiver of any condition, provision, or term of the Agreement shall be valid or of any effect unless made in writing, signed by the party or parties to be bound, or its duly authorized representative, and specifying with particularity the extent and nature of such amendment, modification, or waiver. Any waiver by any party of any default of another party shall not affect or impair any right arising from any subsequent default.

SECTION 21. SEVERABLE PROVISIONS

Each provision, section, sentence, clause, phrase and word of this Agreement is intended to be severable. If any provision, section, sentence, clause, phrase, or word hereof is illegal or invalid for any reasons whatsoever, such illegality or invalidity shall not affect the validity of the remainder of this Agreement.

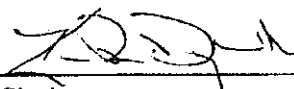
IT WITNESS WHEREOF, the parties have caused this agreement to be executed by their duly authorized representatives on the date(s) indicated below.

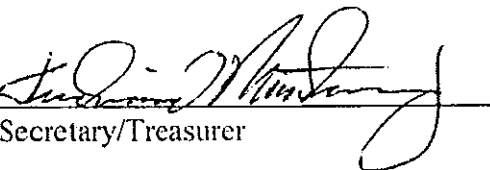
CITY OF CLOQUET:

By: _____ Date: _____
Its Mayor

By: _____ Date: _____
Its City Administrator

FOND DU LAC BAND OF LAKE SUPERIOR CHIPPEWA

By:  _____ Date: 2-21-17
Chairman

By:  _____ Date: 2-22-17
Secretary/Treasurer


39D.2017.02.16



ADMINISTRATIVE OFFICES

1307 Cloquet Avenue • Cloquet, MN 55720
Phone: 218-879-3347 • Fax: 218-879-6555
email: admin@ci.cloquet.mn.us
www.ci.cloquet.mn.us

REQUEST FOR COUNCIL ACTION

To: Mayor and City Council
From: Brian Fritsinger, City Administrator 
Date: February 28, 2017

ITEM DESCRIPTION: City Administrator Succession Process

Requested Action

The City Council is asked to provide direction as to its intentions related to proposals for an executive search firm to conduct the hiring process for the City Administrator position.

Background/Overview

With my resignation effective March 17, 2017, the City will need to begin the process of finding a replacement. The Council recently reached consensus of its intention to follow an open external hiring process. The Council was supportive of the concept of considering the utilization of a professional recruitment firm and staff was asked to pursue proposals specific to Cloquet for these services. Staff is providing three examples of work plans from outside recruitment agencies to follow an external process.

Staff has subsequently spoken with the three firms, DDA Human Resources, Inc., Springsted, Inc. and Huelife, Human Capital Consulting formerly Brimeyer & Associates. All three firms are active in recruitment and have worked with the City in different capacities in the past.

The City Council is asked to review these proposals and determine if in fact it wishes to continue with the executive recruitment process. Assuming that it does, the Council should then determine if it wishes to pursue additional proposals, conduct interviews with the three respondents or select one of these firms based upon the proposals submitted. Staff has reviewed the proposals and spoken with all three firms and can provide additional information at the meeting.

Policy Objectives

The City has a responsibility to the public and to its employees to identify the most qualified candidate to lead the City staff. There is no formal approach identified in either the City Code or personnel policies related to filling a vacancy in this position. The City has used recruit agencies in the past with the hiring of the City Administrator and Chief of Police.

Financial/Budget/Grant Considerations

Costs for the utilization of an outside recruitment firm are expected to range from \$15,000 - \$25,000 depending upon the final scope of services sought by the City and the agency selected. The formal proposals detail these costs.

Costs for the City to conduct its own external hiring process would include the costs for advertising and staff time for preparing materials, responding to applicants and then actually conducting the review and interview process. The cost to conduct some type of psychological or personality exam would be in addition to this and cost several thousand dollars as well. If the City opted to look at any type of testing, in basket exercise or verified screening there would be additional cost to the City.

Advisory Committee/Commission Action

None.

Supporting Documentation Attached


- Proposals



ADMINISTRATIVE OFFICES

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REQUEST FOR COUNCIL ACTION

To: Mayor and City Council
From: Brian Fritsinger, City Administrator 
Date: March 1, 2017

ITEM DESCRIPTION: General Obligation Sales Tax Revenue Bonds,
Series 2017A

Proposed Action

Staff recommends the City Council move to adopt **RESOLUTION NO. 17-20, A RESOLUTION PROVIDING FOR THE SALE OF \$8,400,000 GENERAL OBLIGATION SALES TAX REVENUE BONDS, SERIES 2017A.**

Background/Overview

The City has developed a program of public improvements proposed to be financed with the proceeds of the local option sales tax. These projects include the following:

- Broadway Street Overlay and Streetscape \$1,000,000
- Dunlap Island Redevelopment \$2,700,000
- Cloquet Avenue Streetscape \$2,000,000
- Pine Valley Park and Facility Improvements \$1,150,000
- Skate Park Construction \$ 350,000
- Landscaping, Frontage Road and other Misc. Improvements \$ 350,000+

With several of these projects under design and rapidly moving towards bid, it is appropriate to initiate the bond sale process. The Council took a preliminary step towards this issuance in October of 2016 when it adopted a resolution to reimburse itself for costs associated with the process.

The City is not expecting to issue more than \$10 million in tax exempt debt during the calendar year. As it currently appears, the other issuance being considered by the City related to improvements on the Lake Superior Waterline will be delayed until 2018. Staff believes the \$8.4 million to be appropriate for these projects. The \$8.4 million will be issued in anticipation of projects to be undertaken for the next several years.

The action tonight is to consider a pre-sale of the bonds. Staff will now work with Ehlers on a review of the City's bond rating and competitive bids. It is anticipated that the review of bids and final sale will take place on April 4, 2017.

To Mayor and Council
GO Sales Tax Revenue Bonds
March 1, 2017
Page 2

Policy Objectives

The bonds are being issued pursuant to Minnesota Statutes Chapter 475 and laws of 2011. The bonds will be general obligations of the City for which its full faith, credit and taxing powers are pledged. They will also be issued consistent with the special legislation authorizing the City to enact a local option sales tax.

Financial/Budget/Grant Considerations

The City's most recent bond issues were rated AA+ by Standard and Poors. Annual debt service of this issuance is estimated at approximately \$575,000. Current annual revenues from the sales tax have consistently exceeded this amount. The bonds would be issued for twenty (20) years.

Advisory Committee/Commission Action

None.

Supporting Documentation Attached

- Resolution No. 17-20
- Pre-Sale Report

**CITY OF CLOQUET
COUNTY OF CARLTON
STATE OF MINNESOTA**

RESOLUTION NO. 17-20

**RESOLUTION PROVIDING FOR THE SALE OF
\$8,400,000 GENERAL OBLIGATION SALES TAX REVENUE
BONDS, SERIES 2017A**

WHEREAS, The City Council of the City of Cloquet, Minnesota (the “City”), has heretofore determined that it is necessary and expedient to issue the City’s \$8,400,000 General Obligation Sales Tax Revenue Bond, Series 2017A (the “Bonds”), to finance the construction and completion of various park improvements and infrastructure projects in the City as authorized by special legislation; 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 CLOQUET, MINNESOTA, as follows:

1. Authorized; 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 7:00 p.m. on April 4, 2017, 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.

PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF CLOQUET THIS 7TH DAY OF MARCH, 2017.

Dave Hallback, Mayor

ATTEST:

Brian Fritsinger, City Administrator

March 7, 2017

Pre-Sale Report for

City of Cloquet, Minnesota

\$8,400,000 General Obligation Sales Tax Revenue
Bonds, Series 2017A



Prepared by:

Todd Hagen, CIPMA
VP/Senior Municipal Advisor

And

Brian Reilly, CIPMA
VP/Senior Municipal Advisor

And

Chris Mickelson,
Financial Specialist



Executive Summary of Proposed Debt

Proposed Issue:	\$8,400,000 General Obligation Sales Tax Revenue Bonds, Series 2017A
Purpose:	<p>The proposed issue includes financing for the construction and completion of various park improvements and infrastructure projects in the City as authorized by special legislation.</p> <p>Debt service will be paid from sales tax revenue.</p>
Authority:	<p>The Bonds are being issued pursuant to Minnesota Statutes, Chapter 475 and Laws of 2011, First Special Session, Chapter 7, Article 4, Section 10.</p> <p>The Bonds will be general obligations of the City for which its full faith, credit and taxing powers are pledged.</p>
Term/Call Feature:	<p>The Bonds are being issued for a 20-year term. Principal on the Bonds will be due on February 1 in the years 2018 through 2037. Interest is payable every six months beginning February 1, 2018.</p> <p>The Bonds maturing on and after February 1, 2027 will be subject to prepayment at the discretion of the City on February 1, 2026 or any date thereafter.</p>
Bank Qualification:	<p>Because the City is expecting to issue no more than \$10,000,000 in tax exempt debt during the calendar year, the City will be able to designate the Bonds as “bank qualified” obligations.</p> <p>Bank qualified status broadens the market for the Bonds, which can result in lower interest rates.</p>
Rating:	<p>The City’s most recent bond issues were rated AA+ by Standard & Poor’s.</p> <p>The City will request a new rating for the Bonds.</p> <p>If the winning bidder on the Bonds elects to purchase bond insurance, the rating for the issue may be higher than the City’s bond rating in the event that the bond rating of the insurer is higher than that of the City.</p>
Basis for Recommendation:	<p>Based on our knowledge of your situation, your objectives communicated to us, our advisory relationship as well as characteristics of various municipal financing options, we are recommending the issuance of general obligation bonds as a suitable financing option for the following reasons:</p> <ul style="list-style-type: none"> • The City’s sales tax legislation specifically allows financing municipal projects like this to be financed with this type of debt issue. • This is a cost-effective option among the limited other options available to finance this type of project.



	<ul style="list-style-type: none"> • General obligation bonds provide the lowest possible interest cost.
Method of Sale/Placement:	<p>In order to obtain the lowest interest cost to the City, we will competitively bid the purchase of the Bonds from local and national underwriters/banks.</p> <p>We have included an allowance for discount bidding equal to 0.90% of the principal amount of the issue. The discount is treated as an interest item and provides the underwriter with all or a portion of their compensation in the transaction.</p> <p>If the Bonds are purchased at a price greater than the minimum bid amount (maximum discount), the unused allowance may be used to lower your borrowing amount.</p> <p>Premium Bids: Under current market conditions, most investors in municipal bonds prefer “premium” pricing structures. A premium is achieved when the coupon for any maturity (the interest rate paid by the issuer) exceeds the yield to the investor, resulting in a price paid that is greater than the face value of the bonds. The sum of the amounts paid in excess of face value is considered “reoffering premium.”</p> <p>For this issue of Bonds, we have been directed to use the premium to reduce the size of the issue. The adjustments may slightly change the true interest cost of the original bid, either up or down.</p>
Review of Existing Debt:	<p>We have reviewed all outstanding indebtedness for the City and find that there are no refunding opportunities at this time.</p> <p>We will continue to monitor the market and the call dates for the City’s outstanding debt and will alert you to any future refunding opportunities.</p>
Continuing Disclosure:	<p>Because the City has less than \$10,000,000 in outstanding debt (including this issue) and this issue is over \$1,000,000, the City will be agreeing to provide its Audited Financial Statements annually as well as providing notices of the occurrence of certain reportable events to the Municipal Securities Rulemaking Board (the “MSRB”), as required by rules of the Securities and Exchange Commission (SEC).</p> <p>The City is already obligated to provide such reports for its existing bonds, and has contracted with Ehlers to prepare and file the reports.</p>
Arbitrage Monitoring:	<p>Because the Bonds are tax-exempt securities/tax credit securities, the City must ensure compliance with certain Internal Revenue Service (IRS) rules throughout the life of the issue. These rules apply to all gross proceeds of the issue, including initial bond proceeds and investment earnings in construction, escrow, debt service, and any reserve funds. How issuers spend bond proceeds and how they track interest earnings on funds (arbitrage/yield restriction compliance) are common subjects of IRS inquiries. Your specific responsibilities will be detailed in the Non-Arbitrage Certificate prepared by your Bond Attorney and provided at closing.</p>



	We recommend that you regularly monitor compliance with these rules and/or retain the services of a qualified firm to assist you.
Risk Factors:	Sales Tax Revenue: The debt is being paid with sales tax revenue. It should be noted that the amount of revenue is estimated at this time and the actual amount of sales tax revenue that will be available in the future is subject to legislative changes, economic times, commercial/retail businesses subject to the tax and actual annual sales subject to the sales tax. If sales tax revenue is inadequate and other funding sources are not available, the City may have to levy taxes to pay debt service on the Bonds or appropriate sufficient funds from other sources.
Other Service Providers:	This debt issuance will require the engagement of other public finance service providers. This section identifies those other service providers, so Ehlers can coordinate their engagement on your behalf. Where you have previously used a particular firm to provide a service, we have assumed that you will continue that relationship. For services you have not previously required, we have identified a service provider. Fees charged by these service providers will be paid from proceeds of the obligation, unless you notify us that you wish to pay them from other sources. Our pre-sale bond sizing includes a good faith estimate of these fees, so their final fees may vary. If you have any questions pertaining to the identified service providers or their role, or if you would like to use a different service provider for any of the listed services please contact us. Bond Attorney: Briggs and Morgan Paying Agent: Bond Trust Services Rating Agency: Standard & Poor's
Investment Earnings:	In order to more efficiently segregate funds for this project and maximize interest earnings we recommend using either your local banks or Ehlers Investment Partners, a subsidiary of Ehlers, to assist with the investment of bond proceeds until they are needed to pay project costs.
Summary:	The decisions to be made by the Council are as follows: <ul style="list-style-type: none"> • Accept or modify the finance assumptions described in this report. • Adopt the resolution attached to this report.

This presale report summarizes our understanding of the City's objectives for the structure and terms of this financing as of this date. As additional facts become known or capital markets conditions change, we may need to modify the structure and/or terms of this financing to achieve results consistent with the City's objectives.



Proposed Debt Issuance Schedule

Pre-Sale Review by City Council:	March 7, 2017
Distribute Official Statement:	Week of March 20, 2017
Conference with Rating Agency:	Week of March 27, 2017
City Council Meeting to Award Sale of the Bonds:	April 4, 2017
Estimated Closing Date:	May 1, 2017

Attachments

Sources and Uses of Funds
Proposed Debt Service Schedule
Bond Buyer Index
Refunding Savings Analysis
Resolution Authorizing Ehlers to Proceed with Bond Sale

Ehlers Contacts

Municipal Advisors:	Todd Hagen	(651) 697-8508
	Brian Reilly	(651) 697-8541
	Chris Mickelson	(651) 697-8556
Disclosure Coordinator:	Meghan Lindblom	(651) 697-8549
Financial Analyst:	Alicia Gage	(651) 697-8551

The Official Statement for this financing will be mailed to the City Council at their home address or e-mailed for review prior to the sale date.



City of Cloquet, Minnesota

\$8,400,000 General Obligation Sales Tax Revenue Bonds, Series 2017A

Assumes Current Market BQ AA+ rates plus 25bps

Sources & Uses

Dated 05/01/2017 | Delivered 05/01/2017

Sources Of Funds

Par Amount of Bonds	\$8,400,000.00
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Total Sources	\$8,400,000.00
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Uses Of Funds

Total Underwriter's Discount (0.900%)	75,600.00
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Costs of Issuance	65,000.00
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Deposit to Project Fund	8,259,400.00
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Total Uses	\$8,400,000.00
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City of Cloquet, Minnesota

\$8,400,000 General Obligation Sales Tax Revenue Bonds, Series 2017A

Assumes Current Market BQ AA+ rates plus 25bps

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+i	Fiscal Total
05/01/2017	-	-	-	-	-
02/01/2018	395,000.00	1.200%	156,553.13	551,553.13	551,553.13
08/01/2018	-	-	101,998.75	101,998.75	-
02/01/2019	345,000.00	1.350%	101,998.75	446,998.75	548,997.50
08/01/2019	-	-	99,670.00	99,670.00	-
02/01/2020	350,000.00	1.550%	99,670.00	449,670.00	549,340.00
08/01/2020	-	-	96,957.50	96,957.50	-
02/01/2021	355,000.00	1.700%	96,957.50	451,957.50	548,915.00
08/01/2021	-	-	93,940.00	93,940.00	-
02/01/2022	360,000.00	1.850%	93,940.00	453,940.00	547,880.00
08/01/2022	-	-	90,610.00	90,610.00	-
02/01/2023	370,000.00	2.050%	90,610.00	460,610.00	551,220.00
08/01/2023	-	-	86,817.50	86,817.50	-
02/01/2024	375,000.00	2.150%	86,817.50	461,817.50	548,635.00
08/01/2024	-	-	82,786.25	82,786.25	-
02/01/2025	385,000.00	2.250%	82,786.25	467,786.25	550,572.50
08/01/2025	-	-	78,455.00	78,455.00	-
02/01/2026	395,000.00	2.350%	78,455.00	473,455.00	551,910.00
08/01/2026	-	-	73,813.75	73,813.75	-
02/01/2027	400,000.00	2.450%	73,813.75	473,813.75	547,627.50
08/01/2027	-	-	68,913.75	68,913.75	-
02/01/2028	410,000.00	2.500%	68,913.75	478,913.75	547,827.50
08/01/2028	-	-	63,788.75	63,788.75	-
02/01/2029	420,000.00	2.600%	63,788.75	483,788.75	547,577.50
08/01/2029	-	-	58,328.75	58,328.75	-
02/01/2030	435,000.00	2.700%	58,328.75	493,328.75	551,657.50
08/01/2030	-	-	52,456.25	52,456.25	-
02/01/2031	445,000.00	2.800%	52,456.25	497,456.25	549,912.50
08/01/2031	-	-	46,226.25	46,226.25	-
02/01/2032	460,000.00	2.900%	46,226.25	506,226.25	552,452.50
08/01/2032	-	-	39,556.25	39,556.25	-
02/01/2033	470,000.00	3.000%	39,556.25	509,556.25	549,112.50
08/01/2033	-	-	32,506.25	32,506.25	-
02/01/2034	485,000.00	3.100%	32,506.25	517,506.25	550,012.50
08/01/2034	-	-	24,988.75	24,988.75	-
02/01/2035	500,000.00	3.150%	24,988.75	524,988.75	549,977.50
08/01/2035	-	-	17,113.75	17,113.75	-
02/01/2036	515,000.00	3.250%	17,113.75	532,113.75	549,227.50
08/01/2036	-	-	8,745.00	8,745.00	-
02/01/2037	530,000.00	3.300%	8,745.00	538,745.00	547,490.00
Total	\$8,400,000.00	-	\$2,591,898.13	\$10,991,898.13	-

Yield Statistics

Bond Year Dollars	\$92,220.00
Average Life	10.979 Years
Average Coupon	2.8105597%
Net Interest Cost (NIC)	2.8925376%
True Interest Cost (TIC)	2.8814647%
Bond Yield for Arbitrage Purposes	2.7824223%
All Inclusive Cost (AIC)	2.9676610%

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Net Interest Cost	2.8105597%
Weighted Average Maturity	10.979 Years

Series 2017A GO Sale Tax | SINGLE PURPOSE | 3/1/2017 | 9:03 AM



EHLERS
LEADERS IN PUBLIC FINANCE

City of Cloquet, Minnesota

\$8,400,000 General Obligation Sales Tax Revenue Bonds, Series 2017A

Assumes Current Market BQ AA+ rates plus 25bps

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+i	105% Overlevy
02/01/2018	395,000.00	1.200%	156,553.13	551,553.13	579,130.79
02/01/2019	345,000.00	1.350%	203,997.50	548,997.50	576,447.38
02/01/2020	350,000.00	1.550%	199,340.00	549,340.00	576,807.00
02/01/2021	355,000.00	1.700%	193,915.00	548,915.00	576,360.75
02/01/2022	360,000.00	1.850%	187,880.00	547,880.00	575,274.00
02/01/2023	370,000.00	2.050%	181,220.00	551,220.00	578,781.00
02/01/2024	375,000.00	2.150%	173,635.00	548,635.00	576,066.75
02/01/2025	385,000.00	2.250%	165,572.50	550,572.50	578,101.13
02/01/2026	395,000.00	2.350%	156,910.00	551,910.00	579,505.50
02/01/2027	400,000.00	2.450%	147,627.50	547,627.50	575,008.88
02/01/2028	410,000.00	2.500%	137,827.50	547,827.50	575,218.88
02/01/2029	420,000.00	2.600%	127,577.50	547,577.50	574,956.38
02/01/2030	435,000.00	2.700%	116,657.50	551,657.50	579,240.38
02/01/2031	445,000.00	2.800%	104,912.50	549,912.50	577,408.13
02/01/2032	460,000.00	2.900%	92,452.50	552,452.50	580,075.13
02/01/2033	470,000.00	3.000%	79,112.50	549,112.50	576,568.13
02/01/2034	485,000.00	3.100%	65,012.50	550,012.50	577,513.13
02/01/2035	500,000.00	3.150%	49,977.50	549,977.50	577,476.38
02/01/2036	515,000.00	3.250%	34,227.50	549,227.50	576,688.88
02/01/2037	530,000.00	3.300%	17,490.00	547,490.00	574,864.50
Total	\$8,400,000.00	-	\$2,591,898.13	\$10,991,898.13	\$11,541,493.04

Significant Dates

Dated	5/01/2017
First Coupon Date	2/01/2018

Yield Statistics

Bond Year Dollars	\$92,220.00
Average Life	10.979 Years
Average Coupon	2.8105597%

Net Interest Cost (NIC)	2.8925376%
True Interest Cost (TIC)	2.8814647%
Bond Yield for Arbitrage Purposes	2.7824223%
All Inclusive Cost (AIC)	2.9676610%

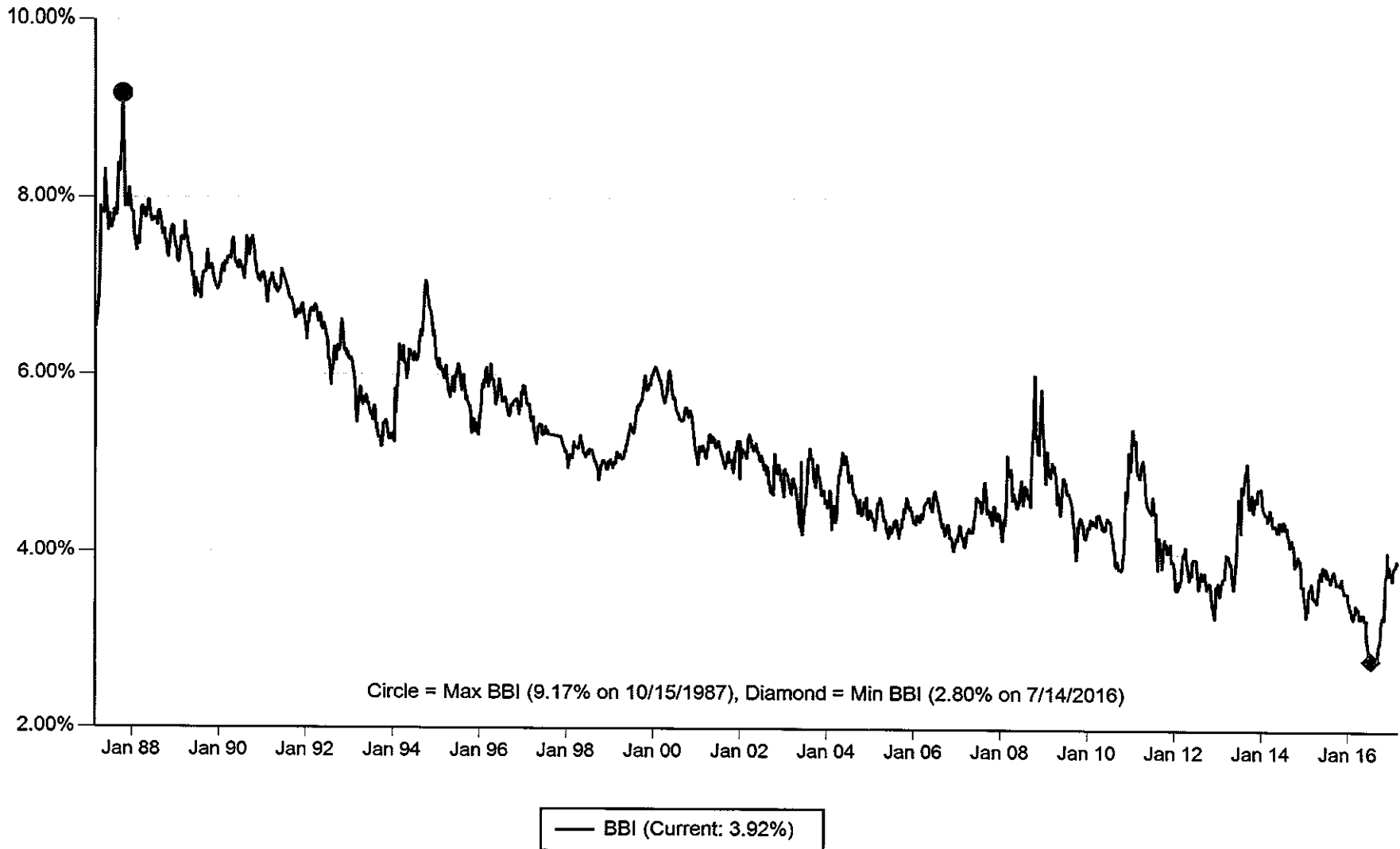
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Net Interest Cost	2.8105597%
Weighted Average Maturity	10.979 Years



30 YEAR TREND IN MUNICIPAL BOND INDICES

Weekly Rates February, 1987 - February, 2017



The Bond Buyer "20 Bond Index" (BBI) shows average yields on a group of municipal bonds that mature in 20 years and have an average rating equivalent to Moody's Aa2 and S&P's AA.

Source: The Bond Buyer

