

Cloquet City Hall Council Chambers
6:00 P.M. June 6, 2023

Roll Call

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

Councilors Absent: None

Pledge of Allegiance

AGENDA

MOTION: Councilor Lamb moved and Councilor Kolodge seconded the motion to approve the June 6, 2023 agenda. The motion carried unanimously (7-0).

MINUTES

MOTION: Councilor Jaakola moved and Councilor Keller seconded the motion to approve the Regular Meeting minutes of May 16, 2023 as presented. The motion carried unanimously (7-0).

PUBLIC COMMENTS

Joseph Mayasich, resident of Linda Lane, addressed Council regarding parking issues with a group home at 1101 Slate Street, primarily with staff parking. Mr. Mayasich stated issues include parking too close to the stop sign, parking in front of mailboxes, vehicles parked on the road make for narrowing of the street to impede garbage pick-up, snow plowing, school bus safety, and general traffic and pedestrian safety. Mr. Mayasich requests that the City reach out to the owner to increase parking spaces on the property.

CONSENT AGENDA

MOTION: Councilor Lamb moved and Councilor Carlson seconded the motion to adopt the Consent Agenda of June 6, 2023 approving the necessary motions and resolutions. The motion carried unanimously (7-0).

- a. Resolution No. 23-26, Authorizing the Payment of Bills and Payroll
- b. Approve 2023-2024 Liquor and Tobacco License Renewals
- c. Consider Reappointment to WLSSD Board – L. Lilly
- d. Resolution No. 23-29, Approving Exempt Permit to Conduct a Raffle Event for the Cloquet Youth Baseball/Softball Association

PUBLIC HEARINGS

Now is the time and place for the Public Hearing on submission of a Minnesota Investment Fund (MIF) application to the State DEED office by the City of Cloquet in support of a USG equipment reinvestment project at the USG Interiors, LLC Cloquet Plant.

MOTION: Councilor Wilkinson moved and Councilor Lamb seconded the motion to open the Public Hearing. The motion carried unanimously (7-0). The time is 6:17 p.m.

Community Development Director Holly Hansen gave a summary of the details of the MIF application requirements and process as well as USG's intended use of the funds for an equipment reinvestment project.

Also present via telephone was Sean Rooney of Ryan LLC, consultant for USG. Mr. Rooney explained how this project will help the Cloquet USG plant to continue to thrive into the future. He also stated that once the project is started it should be completed within a year's time. Completion is tentative for 2025.

Public Comments:

Jana Peterson from the Pine Knot News asked if there are any financial impacts to the city. Ms. Hansen explained the only impact will be the cost of the financial audit, which is being shared with Ryan LLC, making the city's portion approximately \$1,200.

Joseph Mayasich inquired what the environmental impacts or benefits will be with this equipment upgrade. Ms. Hansen stated sustainability is a priority of USG. The handout shared tonight gives an overview of their sustainability trends, energy costs and water usage. Councilor Lamb stated that various environmental groups have never had an issue with USG.

Councilor Kolodge questioned the permitting process. Ms. Hansen stated they will adhere to state and federal rules and regulations. Mr. Rooney confirmed they will either hire out the permitting work and/or involve USG staff.

Hearing no further comments, a motion was made to close the Public Hearing.

MOTION: Councilor Lamb moved and Councilor Keller seconded the motion to close the Public Hearing. The motion carried unanimously (7-0). The time is 6:35 p.m.

MOTION: Councilor Lamb moved and Councilor Jaakola seconded the motion to approve **RESOLUTION NO. 23-27, A RESOLUTION APPROVING SUBMISSION OF A MINNESOTA INVESTMENT FUND (MIF) APPLICATION TO THE STATE DEED OFFICE BY THE CITY OF CLOQUET IN SUPPORT OF A USG EQUIPMENT REINVESTMENT PROJECT AT THE USG INTERIORS, LLC CLOQUET PLANT.**

WHEREAS the City of Cloquet act as the applicant for the project contained in the Minnesota Investment Fund (MIF) Application to be submitted on or about June 7, 2023 and that the Community Development Director and the City Administrator are hereby authorized to apply to the State of Minnesota Department of Employment and Economic Development (DEED) for funding of this project on behalf of the City of Cloquet.

WHEREAS the City of Cloquet has the legal authority to apply for financial assistance, and the institutional, managerial, and financial capability to administer the proposed project.

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

WHEREAS upon approval of its application by the State, the City of Cloquet may enter into a Grant Contract with the State of Minnesota for the approved project, and that the City of Cloquet will comply with all applicable laws, statutes, regulations and rules as stated in the Grant Contract and described in the Project Compliance Certification of the Application.

WHEREAS the City of Cloquet has obtained credit reports and credit information on USG Interiors, LLC. Upon review by the City of Cloquet, their financial advisors Ehlers, and legal counsel, no adverse findings or concerns regarding, but not limited to, tax liens, judgments, court actions, and filings with state, federal and other regulatory agencies were identified. Failure to disclose any such adverse information could result in revocation or other legal action.

WHEREAS retaining and strengthening the manufacturing base in Cloquet supports the state goals related to manufacturing being critical to the health of our state economy. This proposed \$38.5 million in equipment reinvestment at the USG Interiors, LLC Cloquet Plant will ensure the viability of the plant. The company has requested the form of assistance to the State to be a \$300,000 MIF grant, making the commitment to retain 300 manufacturing jobs in Cloquet, Minnesota and supports company investments in facility equipment upgrades.

WHEREAS the Community Development Director and the City Administrator, or their successors in office, are hereby authorized to execute the MIF Application submission, and any awarded Grant Contracts and amendments, thereto, as are necessary to implement the project on behalf of USG Interiors, LLC.

PRESENTATIONS

There were none.

RESOLUTION IN SUPPORT OF A PROPOSAL BY D.W. JONES

MOTION: Councilor Wilkinson moved and Councilor Jaakola seconded the motion to approve **RESOLUTION NO. 23-28, A RESOLUTION IN SUPPORT OF A PROPOSAL BY D.W. JONES DEVELOPMENT, INC. FOR THE REHABILITATION OF MAPLEWOOD APARTMENTS AS AFFORDABLE HOUSING IN THE CITY OF CLOQUET.** The motion carried unanimously (7-0).

WHEREAS, the City of Cloquet has agreed to support the proposal for the rehabilitation of the twenty-four (24) apartment affordable housing units named Maplewood Apartments in the City of Cloquet, MN on June 5, 2023, submitted by D. W. Jones Development, Inc the Developer; and

WHEREAS, the need to provide affordable family housing in the City of Cloquet is well documented and identified; and the City of Cloquet is in favor of this energy efficient rehabilitation project and subsidized affordable housing; and

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF CLOQUET, MINNESOTA, that the City Council of the City of Cloquet, County of Carlton, State of Minnesota, adopts this resolution expressing its general support for the rehabilitation and preservation of the twenty-four (24) apartment affordable housing units named Maplewood Apartments by D. W. Jones Development, Inc the Developer; and its commitment to bring the rehabilitation project to completion.

APPROVE 4TH OF JULY CELEBRATION ACTIVITIES

Jana Peterson addressed City Council on the status of the July 4th celebration planning stating things are moving along. Monetary donations are still being accepted and can be sent to the Pine Knot News office or City Hall. The fireworks display is the most expensive item for the celebration.

MOTION: Councilor Lamb moved and Councilor Kolodge seconded the motion to approve the 4th of July Celebration activities request. The motion carried unanimously (7-0).

AWARD BRUSH GRINDING CONTRACT

MOTION: Councilor Kolodge moved and Councilor Carlson seconded the motion to award a contract to Rick's Tree Removal for brush grinding in Pine Valley in the amount of \$15,000. The motion carried unanimously (7-0).

COUNCIL COMMENTS, ANNOUNCEMENTS, AND UPDATES

Public Works Director Caleb Peterson gave an update on the city-wide brush pick-up. Crews started in the south end of town and are moving towards the center of town. Residents need to have their brush piles by the side of the road wanted picked up. The brush drop-off location at Carlton Ave/Hwy 45 is open 24 hrs/day and the brush pile at the city garage is open during business hours.

City Administrator Peterson mentioned the water meter replacement project currently taking place. Residents will get either a letter or email regarding scheduling their replacement. If there is no appointment is made, the city will reach out to schedule. Contact City Hall if there are questions.

Next, City Administrator Peterson gave an update on items that have a direct impact to the city that were passed at the recent legislative session. Highlights include: an increase in LGA starting in 2024; approved capital bonding money for the Lake Superior Waterline; a one-time public safety aid of \$556,397; full state funding for health benefits for public safety PTSD; creation of an affordable housing aid of \$65,000 for 2 years; open meeting law change allowing board members to attend meetings virtually up to 3 times per year due to personal or medical reasons.

ADJOURNMENT

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

Tim Peterson, City Administrator