



CITY OF CLOQUET

**City Council Agenda
Tuesday, December 5, 2023
6:00 p.m.
City Hall Council Chambers**

1. **Roll Call**
2. **Pledge of Allegiance**
3. **Approval of Agenda**
 - a. Approval of December 5, 2023 Council Agenda
4. **Approval of Council Minutes**
 - a. Minutes from the November 21, 2023 Regular Council Meeting
5. **Public Comments**

Please give your name, address, and your concern or comments. Visitors may share their concerns with the City Council on any issue of public business. Each person will have 3 minutes to speak. The Mayor reserves the right to limit an individual or successive individual's presentation if they become redundant, repetitive, irrelevant, or overly argumentative. All comments will be taken under advisement by the City Council. No action will be taken at this time.
6. **Consent Agenda**

Items on 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. 23-64, Authorizing the Payment of Bills and Payroll
 - b. Approve 2023 Independent Auditor
7. **Public Hearings**
 - a. Truth in Taxation
 - Adopt Five Year (5) Year Capital Improvement Plan for 2024-2028
 - Resolution No. 23-67, A Resolution Adopting the 2024 Budget
 - Resolution No. 23-68, A Resolution Adopting Money to be Levied for Levy Year 2023, Payable in 2024



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8. Presentations

None.

9. Council Business

- a. Approve Probationary Appointments for Full Time and Part Time Parks Maintenance Positions – Bryce Oslin, Donald Christensen
- b. Second Reading of Ordinance No. 509A, An Ordinance To Amend Chapter 17 of the Municipal Code to Allow Mobile Storage Structures/Shipping Containers in the FR-Farm Residential District
- c. Resolution No. 23-65, Supporting Submittal of Safe Routes to School (SRTS) Funding Applications
- d. Resolution No. 23-66, A Resolution Supporting Pursuit of 2023 Local Road Improvement Program (LRIP) Funding

10. Council Comments, Announcements, and Updates

- a. Ice Arena Lease Negotiating Committee

11. Adjournment

Cloquet City Hall Council Chambers
6:00 P.M. November 21, 2023

Roll Call

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

Councilors Absent: Carlson

Pledge of Allegiance

AGENDA

MOTION: Councilor Lamb moved and Councilor Kolodge seconded the motion to approve the November 21, 2023 agenda. The motion carried unanimously (6-0).

MINUTES

MOTION: Councilor Jaakola moved and Councilor Keller seconded the motion to approve the Regular Meeting minutes of November 7, 2023 as presented. The motion carried unanimously (6-0).

PUBLIC COMMENTS

There were none.

CONSENT AGENDAL

MOTION: Councilor Lamb moved and Councilor Wilkinson seconded the motion to adopt the Consent Agenda of November 21, 2023, approving the necessary motions and resolutions. The motion carried unanimously (6-0).

- a. Resolution No. 23-59, Authorizing the Payment of Bills
- b. Resolution No. 23-60, Certification of Delinquent Utilities and Miscellaneous Bills
- c. Authorize Contract with Sambatek, LLC for Professional Engineering Services
- d. Resolution No. 23-63, Approving Sand and Gravel Excavation Permit Renewals for 2024
- e. Approval of New Massage Therapy Business License – Cailin Deas
- f. Approval of New Massage Therapist License – S. Laveau

PUBLIC HEARINGS

Mayor Maki announced now is the time and place for the public hearing to consider the proposed adoption of the Development Program for Development District No. 6 and the proposed adoption of the Tax Increment Financing Plan for Tax Increment Financing District No. 6.1.

Community Development Director Holly Hansen presented an overview of the application received from Upper Lakes Foods for assistance to expand their warehouse by 7,000 square feet for an addition to their freezer space. This will also allow for the addition of 11 more employees.

MOTION: Councilor Kolodge moved and Councilor Keller seconded the motion to open the public hearing. The motion carried unanimously (6-0). The time is 6:12 p.m.

Hearing no public comments, the public hearing was closed.

MOTION: Councilor Wilkinson moved and Councilor Lamb seconded the motion to close the public hearing. The motion carried unanimously (6-0). The time is 6:13 p.m.

MOTION: Councilor Lamb moved and Councilor Keller seconded the motion to adopt **RESOLUTION NO. 23-61, ESTABLISHING DEVELOPMENT DISTRICT NO. 6 AND ADOPTING THE DEVELOPMENT PROGRAM THEREFOR; ESTABLISHING TAX INCREMENT FINANCING DISTRICT NO. 6-1 WITHIN DEVELOPMENT DISTRICT NO. 6 AND ADOPTING THE TAX INCREMENT FINANCING PLAN THEREFOR; AUTHORIZING THE TERMS OF AN INTERFUND LOAN; AUTHORIZING THE EXECUTION OF A DEVELOPMENT AGREEMENT; AND APPROVING A BUSINESS SUBSIDY LOAN.** The motion carried unanimously (6-0).

WHEREAS:

(a) It has been proposed that the City of Cloquet, Minnesota (the "City"): (1) establish Development District No. 6 (the "Development District"); (2) adopt a Development Program for the Development District; (3) establish Tax Increment Financing District No. 6-1 therein (the "TIF District"); (4) approve and adopt the proposed Tax Increment Financing Plan therefor; (5) authorize the terms of an interfund loan related thereto; (6) authorize the execution of a development agreement; and (7) approve a business subsidy, all pursuant to and under the provisions of Minnesota Statutes, Sections 469.174 to 469.1794, as amended (the "Act"); and

(b) The City Council has investigated the facts and has caused to be prepared a development program for the establishment of the Development District (the "Development Program"), and has caused to be prepared a proposed tax increment financing plan for the TIF District therein (the "TIF Plan"); and

(c) The City has performed all actions required by law to be performed prior to the approval of the establishment of the Development District and the establishment of the TIF District therein, and the adoption of the Development Program and TIF Plan therefor, including, but not limited to, a review of the Planning Commission of the proposed Development Program and establishment of the TIF District, notification of Carlton County and Independent School District No. 94 having taxing jurisdiction over the property to be included in the TIF District and the holding of a public hearing upon published and mailed notice as required by law.

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

1. Development District No. 6. There is hereby established in the City a Development District No. 6, the initial boundaries of which are fixed and determined as described in the Development Program.

2. Development Program. The Development Program for the establishment of the Development District, a copy of which is on file in the office of the City Administrator, is adopted as the development program for the Development District.

3. Tax Increment Financing District No. 6-1. There is hereby established in the City within the Development District, Tax Increment Financing District No. 6-1, an economic development tax

increment financing district, the initial boundaries of which are fixed and determined as described in the TIF Plan.

4. Tax Increment Financing Plan. The TIF Plan is adopted as the tax increment financing plan for the TIF District, and the City Council makes the following findings:

(a) The TIF District is an economic development district as defined in Minnesota Statutes, Section 469.174, Subd. 12, the specific basis for such determination is set forth in Appendix C of the TIF Plan.

(b) The proposed development, in the opinion of the City, would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future. The reasons for such determination are set forth in Appendix C of the TIF Plan.

(c) In the opinion of the City Council, the increased market value of the site that could reasonably be expected to occur without the use of tax increment financing would be less than the increase in the market value estimated to result from the proposed development after subtracting the present value of the projected tax increments for the maximum duration of the TIF District permitted by the TIF Plan. The reasons supporting this finding are set forth in Appendix C of the TIF Plan.

(d) The TIF Plan for the TIF District conforms to the general plan for development or redevelopment of the City as a whole. The reasons for supporting this finding are set forth in Appendix C of the TIF Plan.

(e) The TIF Plan will afford maximum opportunity, consistent with the sound needs of the City as a whole, for the development or redevelopment of the Development District by private enterprise. The reasons supporting this finding are set forth in Appendix C of the TIF Plan.

(f) Appendix C of the TIF Plan is incorporated herein by reference.

5. Public Purpose. The adoption of the Development Program for the Development District, and the adoption of the TIF Plan for the TIF District within the Development District conforms in all respects to the requirements of the Act and will help fulfill a need to develop an area of the State which is already built up to provide employment opportunities, to improve the tax base and to improve the general economy of the State and thereby serves a public purpose.

6. Certification. The Auditor of Carlton County is requested to certify the original net tax capacity of the TIF District as described in the TIF Plan, and to certify in each year thereafter the amount by which the original net tax capacity has increased or decreased in accordance with the Act; and the City Administrator is authorized and directed to forthwith transmit this request to the County Auditor in such form and content as the Auditor may specify, together with a list of all properties within the TIF District for which building permits have been issued during the 18 months immediately preceding the adoption of this Resolution.

7. Filing. The City Administrator is further authorized and directed to file a copy of the Development Program and TIF Plan for the TIF District with the Commissioner of Revenue and the Office of the State Auditor.

8. Administration. The administration of the Development District is assigned to the City Administrator who shall from time to time be granted such powers and duties pursuant to Minnesota Statutes, Sections 469.130 and 469.131 as the City Council may deem appropriate.

9. Interfund Loan. The City has determined to pay for certain costs (the "Qualified Costs") identified in the TIF Plan consisting of certain administrative expenses, which costs may be financed on a temporary basis from the City's general fund or any other fund from which such advances may be legally made (the "Fund"). Under Minnesota Statutes, Section 469.178, Subd. 7, the City is authorized to advance or loan money from the Fund in order to finance the Qualified Costs. The City intends to reimburse itself for the payment of the Qualified Costs, plus interest thereon, from tax increments derived from the TIF District in accordance with the following terms (which terms are referred to collectively as the "Interfund Loan"):

(a) The City shall repay to the Fund from which the Qualified Costs are initially paid, the principal amount of \$23,871 (or, if less, the amount actually paid from such fund) together with interest at 5.00% per annum (which is not more than the greater of (i) the rate specified under Minnesota Statutes, Section 270C.40, or (ii) the rate specified under Minnesota Statutes, Section 549.09) from the date of the payment.

(b) Principal and interest on the Interfund Loan ("Payments") shall be paid annually on each December 31 commencing with the date the tax increments from the TIF District are available and not otherwise pledged to and including the earlier of (a) the date the principal and accrued interest of the Interfund Loan is paid in full, or (b) the date of last receipt of tax increment from the TIF District ("Payment Dates") which Payments will be made in the amount and only to the extent of available tax increments. Payments shall be applied first to accrued interest, and then to unpaid principal.

(c) Payments on the Interfund Loan are payable solely from the tax increment generated in the preceding twelve (12) months with respect to the TIF District and remitted to the City by Carlton County, all in accordance with Minnesota Statutes, Sections 469.174 to 469.1794, as amended. Payments on this Interfund Loan are subordinate to any outstanding or future bonds, notes or contracts secured in whole or in part with tax increment, and are on parity with any other outstanding or future interfund loans secured in whole or in part with tax increments.

(d) The principal sum and all accrued interest payable under this Interfund Loan are pre-payable in whole or in part at any time by the City without premium or penalty. No partial prepayment shall affect the amount or timing of any other regular payment otherwise required to be made under this Interfund Loan.

(e) The Interfund Loan is evidence of an internal borrowing by the City in accordance with Minnesota Statutes, Section 469.178, Subd. 7, and is a limited obligation payable solely from tax increment pledged to the payment hereof under this resolution. The Interfund Loan and the interest hereon shall not be deemed to constitute a general obligation of the State of Minnesota or any political subdivision thereof, including, without limitation, the City. Neither the State of Minnesota, nor any political subdivision thereof shall be obligated to pay the principal of or interest on the Interfund Loan or other costs incident hereto except out of tax increment, and neither the full faith and credit nor the taxing power of the State of Minnesota or any political subdivision thereof is pledged to the payment of the principal of or interest on the Interfund Loan or other costs incident hereto. The City shall have no obligation to pay any principal amount of the Interfund Loan or accrued interest thereon, which may remain unpaid after the termination of the TIF District.

(f) The City may amend the terms of the Interfund Loan at any time by resolution of the City Council, including a determination to forgive the outstanding principal amount and accrued interest to the extent permissible under law.

10. Development Agreement and Business Subsidy.

(a) The Council hereby approves the Development Agreement in substantially the form submitted and the granting of the Business Subsidy as described in the Development Agreement, and the Mayor and the City Administrator are hereby authorized and directed to execute the Development Agreement on behalf of the Council.

(b) The approval hereby given to the Development Agreement includes approval of such additional details therein as may be necessary and appropriate and such modifications thereof, deletions therefrom and additions thereto as may be necessary and appropriate and approved by the City officials authorized by this resolution to execute the Development Agreement. The execution of the Development Agreement by the appropriate officer or officers of the City shall be conclusive evidence of the approval of the Development Agreement in accordance with the terms hereof.

PRESENTATIONS

There were none.

APPROVE VOTER ACCOUNT FUNDS RECEIVED BY CARLTON COUNTY

MOTION: Councilor Keller moved and Councilor Jaakola seconded the motion to approve **RESOLUTION NO. 23-58, APPROVING CARLTON COUNTY TO RETAIL ALL VOTING OPERATIONS, TECHNOLOGY AND ELECTION RESOURCES (VOTER) ACCOUNT FUNDS RECEIVED.** The motion carried unanimously (6-0).

WHEREAS, On July 20, 2023, the Office of the Secretary of State completed the electronic transfer of \$1.25 million in accordance with the requirements of Minnesota Statutes section 5.305; and

WHEREAS, Carlton County is required to work with its local units of government to determine how the funds will be allocated within the county; and

WHEREAS, Carlton County currently administers the absentee and mail balloting for all precincts; and

WHEREAS, Carlton County pays for all maintenance for all election equipment utilized by the local units of government;

NOW, THEREFORE, BE IT RESOLVED, BY THE CITY COUNCIL OF THE CITY OF CLOQUET, MINNESOTA, does hereby agree to allow Carlton County to retain all Voting Operations, Technology, and Election Resources (VOTER) Account Funds received.

PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF CLOQUET THIS 21st DAY OF NOVEMBER 2023.

PERSONNEL POLICY UPDATES

MOTION: Councilor Lamb moved and Councilor Kolodge seconded the motion to approve the changes to the Personnel Handbook incorporating changes approved with the new union contracts, updates incorporating laws passed by the MN Legislature and updates to the General Travel Guidelines for all City Employees. The motion carried unanimously (6-0).

ORDINANCE NO. 508A, AMENDING CHAPTER 17 ZONING MAP

MOTION: Councilor Lamb moved and Councilor Wilkinson seconded the motion to approve **RESOLUTION NO. 23-49, A RESOLUTION DENYING THE COMPREHENSIVE PLAN AMENDMENT (LAND USE PLAN) FROM “MODERATE TO HIGH DENSITY RESIDENTIAL” TO “HIGHWAY COMMERCIAL” FOR KEN MAKI.** The motion carried (5-1), Councilor Kolodge opposed.

MOTION: Councilor Jaakola moved and Councilor Lamb seconded the motion to deny **ORDINANCE NO. 508A, AMENDING CHAPTER 17, BY AMENDING THE ZONING MAP OF THE CITY OF CLOQUET FROM “R1-SINGLE-FAMILY RESIDENCE” TO “RC-REGIONAL COMMERCIAL”.** The motion carried unanimously (5-1), Councilor Kolodge denied.

RESOLUTION NO. 23-49

WHEREAS, Ken Maki is proposing a Comprehensive Plan Amendment (Land Use Plan) from “Moderate to High Density Residential” to “Highway Commercial”; and

WHEREAS, As required by ordinance, notification was advertised in the Pine Knot. A public hearing was held to consider the application at the regular meeting of the Cloquet Planning Commission on October 10, 2023, at which time Zoning Case / Development Review No. 23-10 was heard and discussed; and

WHEREAS, the property of the proposed Comprehensive Plan Amendment (Land Use Plan) is located south of North Road and Sunnyside Lane and is legally described as follows:

Part of the east half of Lot 25 lying northerly of the south line of Lot 33 extended westerly to the west line of said east half of Lot 25 and lying southerly of the north line of Lot 31 extended westerly to the west line of said east half of Lot 25, County Auditors Subdivision No. 4, Carlton County, Minnesota.

WHEREAS, the Planning Commission reviewed the staff report and recommends approval of the Comprehensive Plan Amendment (Land Use Plan).

1. **NOW, THEREFORE, BE IT RESOLVED, BY THE CITY COUNCIL OF THE CITY OF CLOQUET, MINNESOTA,** that it denies Zoning Case 23-10 for a comprehensive plan amendment (land use plan) from “Moderate to High Density Residential” to “Highway Commercial” subject to it not taking effect until a building permit is issued.

ORDINANCE NO. 508A

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

1. **Section 1.** The Zoning Map of the City of Cloquet is hereby amended to change the zoning designation of the following described property from R1 – Single-Family Residence to RC – Regional Commercial subject to a building permit being issued for Ken Maki:

Part of the east half of Lot 25 lying northerly of the south line of Lot 33 extended westerly to the west line of said east half of Lot 25 and lying southerly of the north line of Lot 31 extended westerly to the west line of said east half of Lot 25, County Auditors Subdivision No. 4, Carlton County, Minnesota.

2. **Section 2.** Effective Date. This ordinance shall take effect and be in force from and after its passage and publication in accordance with law.

ORDINANCE NO 509A, AMENDING CHAPTER 17 TO ALLOW MOBILE STORAGE STRUCTURE/SHIPPING CONTAINERS IN THE FR-FARM RESIDENTIAL DISTRICT – FIRST READING

City Council is asked to review **ORDINANCE NO. 509A, AN ORDINANCE TO AMEND CHAPTER 17 OF THE MUNICIPAL CODE TO ALLOW MOBILE STORAGE STRUCTURE/SHIPPING CONTAINERS IN THE “FR-FARM RESIDENTIAL DISTRICT”**. Action will be taken at the December 5, 2023 City Council meeting.

ISSUANCE OF CONDUIT REVENUE BONDS – LARSON COMMONS APARTMENTS

MOTION: Councilor Wilkinson moved and Councilor Keller seconded the motion to approve **RESOLUTION NO. 23-62, A RESOLUTION RELATING TO THE ISSUANCE OF CONDUIT REVENUE BONDS TO FINANCE THE COSTS OF A MULTIFAMILY RENTAL HOUSING FACILITY AND UNDER MINNESOTA STATUTES, CHAPTER 462C, AS AMENDED; GRANTING PRELIMINARY APPROVAL THERETO; CALLING FOR A PUBLIC HEARING; ESTABLISHING COMPLIANCE WITH CERTAIN REIMBURSEMENT REGULATIONS UNDER THE INTERNAL REVENUE CONDE OF 1986, AS AMENDED; AND TAKING CERTAIN OTHER ACTIONS WITH RESPECT THERETO (LARSON COMMONS APARTMENTS)**. The motion carried unanimously (6-0).

Section 1. Recitals.

1.01. The City is a statutory city and political subdivision duly organized and existing under the Constitution and laws of the State of Minnesota.

1.02. Pursuant to Minnesota Statutes, Chapter 462C, as amended (the "Act"), the City is authorized to carry out the public purposes described in the Act by providing for the issuance of revenue bonds to provide funds to finance or refinance multifamily rental housing developments located within the City.

1.03 Steele Acquisitions IV LLC, a Colorado for profit limited liability company (or another entity to be formed by or affiliated with Steele Acquisitions IV LLC, the "Borrower"), has proposed that the City issue its revenue bonds, pursuant to the Act, in an aggregate principal amount not to exceed \$11,000,000, in one or more series at one time or from time to time (the "Bonds").

1.04. The proceeds of the Bonds are proposed to be loaned by the City to the Borrower to be applied by the Borrower to (i) finance the acquisition, renovation, construction and equipping of (a) an existing 85-unit affordable senior housing apartment community, known as Larson Commons, and related amenities located at 810 Cloquet Avenue in the City (the "Project"); (ii) fund one or more reserve funds to secure the timely payment of the Bonds, if necessary; (iii) pay interest on the Bonds during the construction of the Project, if necessary; and (iv) pay certain costs of issuing the Bonds.

1.05. The City desires to facilitate the maintenance and development of multifamily rental housing within the community; encourage the development of affordable housing opportunities for residents of the City; encourage the development and maintenance of housing facilities designed for occupancy by low- and moderate-income households; and encourage the development of blighted or underutilized land and structures within the boundaries of the City; and the Project will assist the City in achieving these objectives.

1.06. No public official of the City has either a direct or indirect financial interest in the Project nor will any public official either directly or indirectly benefit financially from the Project.

1.07. Under Section 146 of the Code, the Bonds must receive an allocation of the bonding authority of the State of Minnesota. An application for such an allocation must be made pursuant to the requirements of Minnesota Statutes, Chapter 474A, as amended (the "Allocation Act") and preliminary approval of the issuance of the Bonds by the Council is sufficient to authorize the submission of an application to the State of Minnesota Management and Budget for an allocation of bonding authority with respect to the Bonds to finance the Project.

1.08. As a condition to the issuance of the Bonds, the City must adopt a housing program providing the information required by Section 462C.03, subdivision 1(a) of the Act (the "Housing Program").

1.09. Under the Act and Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), prior to the issuance of the Bonds, a duly noticed public hearing on the Housing Program and Project must be held by the City Council.

Section 2. Preliminary Findings. Based on representations made by the Borrower to the City to date, the Council hereby makes the following preliminary findings, determinations, and declarations:

(a) The Project consists of the acquisition, renovation, construction, and equipping of a multifamily rental housing development designed and intended to be used for rental occupancy.

(b) The proceeds of the Bonds will be loaned to the Borrower and the proceeds of the loan will be applied to: (i) the acquisition, construction, and equipping of the Project; (ii) the funding of one or more reserve funds to secure the timely payment of the Bonds, if necessary; (iii) the payment of interest on the Bonds during the construction of the Project, if necessary; and (iv) the payment of the costs of issuing the Bonds. The City will enter into one or more loan agreements (or other revenue agreement) with the Borrower requiring loan repayments from the Borrower in amounts sufficient to repay the loan when due and requiring the Borrower to pay all costs of maintaining and insuring the Project, including taxes thereon.

(c) In preliminarily authorizing the issuance of the Bonds and the financing of the acquisition, renovation, construction, and equipping of the Project and related costs, the City's purpose is to further the policies of the Act.

(d) The Bonds will be special, limited obligations of the City payable solely from the revenues pledged to the payment thereof under the loan agreements (or other revenue agreement) referred to above, and will not be a general or moral obligation of the City and will not be secured by or payable from revenues derived from any exercise of the taxing powers of the City.

Section 3. Submission of an Application for an Allocation of Bonding Authority. Under Section 146 of the Code, the Bonds must receive an allocation of the bonding authority of the State of Minnesota. The City Council hereby authorizes the submission of an application for allocation of bonding authority pursuant to Section 146 of the Code and the Allocation Act in accordance with the requirements of the Allocation Act. The Mayor

of the City or the City Administrator and Bond Counsel are hereby authorized and directed to take all actions, in cooperation with the Borrower, as are necessary to submit an application for an allocation of bonding authority to Minnesota Management & Budget.

Section 4. Housing Program. Taft Stettinius & Hollister LLP, acting as bond counsel with respect to the Project and the Bonds ("Bond Counsel"), shall prepare and submit to the Metropolitan Council, for its review, a draft Housing Program to authorize the issuance by the City of up to approximately \$11,000,000 in revenue bonds in one or more series, at one time or from time to time, to finance the acquisition, construction, and equipping of the Project by the Borrower. City staff is hereby authorized to review, approve and submit the Housing Program to the Metropolitan Council for its review on or before the date of publication of the Public Notice. A draft copy of the housing finance program with proposed forms of all attachments and exhibits shall be on file in the office of the City Administrator on the date the Notice of Public Hearing is published.

Section 5. Public Hearing. The City Council will conduct a public hearing on the Housing Program, the Project, and the issuance of the Bonds by the City at a regular or special meeting on a date to be determined by the City staff in order to meet publication requirements in accordance with applicable law. Notice of such hearing (the "Public Notice") will be published as required by Section 462C.04, subdivision 2 of the Act and Section 147(f) of the Code. City staff is hereby authorized to cause the Public Notice, in substantially the form attached hereto as EXHIBIT A, to be published in accordance with applicable law. The Public Notice will provide a general, functional description of the Project, as well as the maximum aggregate face amount of the obligations to be issued for the purposes referenced above, the identity of the initial owner, operator, or manager of the Project, and the location of the Project. The Public Notice is authorized to be published in a newspaper circulating generally in the City on a date at least 15 days before the meeting of the City Council at which the public hearing will take place. At the public hearing reasonable opportunity will be provided for interested individuals to express their views, both orally and in writing, on the Project and the proposed issuance of such revenue obligations.

Section 6. Preliminary Approval. The City Council hereby provides preliminary approval to the issuance of the Bonds in the approximate aggregate principal amount of up to \$11,000,000 to finance all or a portion of the costs of the Project pursuant to the Housing Program of the City, subject to: (i) review of the Housing Program by the Metropolitan Council; (ii) a public hearing as required by the Act and Section 147(f) of the Code; (iii) receipt of an allocation of the bonding authority from the State of Minnesota; (iv) final approval by the City Council following the preparation of bond documents; and (v) final determination by the City Council that the financing of the Project and the issuance of the Bonds are in the best interests of the City.

Section 7. Reimbursement of Costs under the Code.

7.01. The United States Department of the Treasury has promulgated regulations governing the use of the proceeds of tax-exempt bonds, all or a portion of which are to be used to reimburse the City or the Borrower for project expenditures paid prior to the date of issuance of such bonds. Those regulations (Treasury Regulations, Section 1.150-2) (the "Regulations") require that the City adopt a statement of official intent to reimburse an original expenditure not later than 60 days after payment of the original expenditure. The Regulations also generally require that the bonds be issued and the reimbursement allocation made from the proceeds of the bonds occur within 18 months after the later of: (i) the date the expenditure is paid; or (ii) the date the project is placed in service or

abandoned, but in no event more than 3 years after the date the expenditure is paid. The Regulations generally permit reimbursement of capital expenditures and costs of issuance of the bonds.

7.02. To the extent any portion of the proceeds of the Bonds will be applied to expenditures with respect to the Project, the City reasonably expects to reimburse the Borrower for the expenditures made for costs of the Project from the proceeds of the Bonds after the date of payment of all or a portion of such expenditures. All reimbursed expenditures shall be capital expenditures, costs of issuance of the Bonds, or other expenditures eligible for reimbursement under Section 1.150-2(d)(3) of the Regulations and also qualifying expenditures under the Act.

Based on representations by the Borrower, other than (i) expenditures to be paid or reimbursed from sources other than the Bonds, (ii) expenditures permitted to be reimbursed under prior regulations pursuant to the transitional provision contained in Section 1.150-2U(2)(i)(B) of the Regulations, (iii) expenditures constituting preliminary expenditures within the meaning of Section 1.150-2(f)(2) of the Regulations, or (iv) expenditures in a "de minimus" amount (as defined in Section 1.150-2(f)(1) of the Regulations), no expenditures with respect to the Project to be reimbursed with the proceeds of the Bonds have been made by the Borrower more than 60 days before the date of adoption of this resolution of the City.

7.03. Based on representations by the Borrower, as of the date hereof, there are no funds of the Borrower reserved, allocated on a long term-basis, or otherwise set aside (or reasonably expected to be reserved, allocated on a long-term basis, or otherwise set aside), to provide permanent financing for the expenditures related to the Project to be financed from proceeds of the Bonds, other than pursuant to the issuance of the Bonds. This resolution, therefore, is determined to be consistent with the budgetary and financial circumstances of the Borrower as they exist or are reasonably foreseeable on the date hereof.

Section 8. Costs. The Borrower will pay the administrative fees of the City and pay, or, upon demand, reimburse the City for payment of, any and all costs incurred by the City in connection with the Project and the issuance of the Bonds, whether or not the Bonds are issued.

Section 9. Commitment Conditional. The adoption of this resolution does not constitute a guarantee or a firm commitment that the City will issue the Bonds as requested by the Borrower. If, as a result of information made available to or obtained by the City during its review of the Project, it appears that the Project or the issuance of Bonds to finance or refinance the costs thereof is not in the public interest or is inconsistent with the purposes of the Act, the City reserves the right to decline to give final approval to the issuance of the Bonds. The City also retains the right, in its sole discretion, to withdraw from participation and accordingly not issue the Bonds should the City Council, at any time prior to the issuance thereof, determine that it is in the best interests of the City not to issue the Bonds or should the parties to the transaction be unable to reach agreement as to the terms and conditions of any of the documents for the transaction.

Section 10. Effective Date. This Resolution shall be in full force and effect from and after its passage.

COUNCIL COMMENTS, ANNOUNCEMENTS, AND UPDATES

There were none.

CLOSED SESSION

MOTION: Councilor Lamb moved and Councilor Wilkinson seconded the motion to adjourn into a closed session pursuant to MN Statute 13.D.03 regarding the Teamsters labor contract negotiations. The motion carried unanimously (6-0). The time is 6:48 p.m.

MOTION: Councilor Wilkinson moved and Councilor Lamb seconded the motion to reconvene in open session. The motion carried unanimously (6-0). The time is 7:28 p.m.

ADJOURNMENT

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

Tim Peterson, City Administrator



ADMINISTRATIVE OFFICES

101 14th Street • Cloquet MN 55720
Phone: 218-879-3347 • Fax: 218-879-6555
www.cloquetmn.gov

REQUEST FOR COUNCIL ACTION

To: Mayor and City Council
From: Ann Michaud, Assistant Finance Director
Reviewed by: Tim Peterson, City Administrator
Date: December 5, 2023

ITEM DESCRIPTION: Payment of Bills and Payroll

Proposed Action

Staff recommends the Council move to adopt **RESOLUTION NO. 23-64, 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

STATE OF MINNESOTA

RESOLUTION NO. 23-64

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	\$	681,956.30
202	Federal CDBG Loan (EDA)		92.00
231	Public Works Reserve		1,560.06
600	Water - Lake Superior Waterline		89,412.16
601	Water - In Town		76,310.39
602	Sewer Fund		119,831.10
605	Stormwater Fund		555.00
614	Cable Television		1,417.75
701	Employee Severance		1,644.00
	TOTAL:	\$	<u>972,778.76</u>

**PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF CLOQUET
THIS 5TH DAY OF DECEMBER, 2023.**

ATTEST:

Roger Maki, Mayor

Tim Peterson, City Administrator

INVOICES DUE ON/BEFORE 12/05/2023

VENDOR #	NAME	PAID THIS FISCAL YEAR	AMOUNT DUE
112050	ADVANCED SERVICES INC	21,163.09	605.00
112275	ADVANTAGE EMBLEM INC	594.37	366.90
122958	AUTO ZONE, INC.	4,104.35	18.75
124400	BECKER ARENA PRODUCTS	8,097.86	2,160.45
125700	BEST OIL COMPANY	262,539.75	10,894.05
134000	CARLTON COUNTY HIGHWAY DEPT	1,266,358.36	150.22
134300	CARLTON COUNTY RECORDER	1,196.00	92.00
135710	CAYWOOD OIL & PROPANE, LLC	1,070.66	119.20
137310	CENTURY LINK	13,152.89	136.98
137340	CHAMBERLAIN OIL CO., INC.	24,932.47	848.46
139025	CINTAS	9,155.27	200.29
139030	CINTAS CORPORATION NO 2	19,992.63	254.06
139800	CLOQUET AREA CHAMBER OF COMMER	141,412.13	7,322.39
142100	CLOQUET MAIL STATION	1,955.09	17.43
145300	COMMUNITY PRINTING	18,123.99	560.41
147600	EXELON CORPORATION	57,335.30	2,137.08
150100	D A L C O	18,196.06	182.28
153300	DIAMOND DRILLING	1,912.10	240.18
153850	DILIGENT CORPORATION	5,000.00	5,000.00
156300	CITY OF DULUTH	1,450.00	1,100.00
157300	DULUTH READY MIX INC	26,011.63	352.14
158000	DULUTH/SUPERIOR COMMUNICATIONS	47,795.93	730.00
159700	EAST SIDE OIL COMPANIES	90.00	90.00
160600	EHLERS & ASSOCIATES, INC.	21,928.75	5,000.00
165375	FERGUSON WATERWORKS #2516	79,127.05	405.59
166625	FIRST AID CORP	4,497.03	211.10
172300	GARTNER REFRIGERATION COMPANY	101,956.49	562.53
175050	GOODPOINTE TECHNOLOGY LLC	1,995.00	1,995.00
175700	GRAINGER	27,485.32	24.20
175790	GRANICUS	40,791.04	1,417.75
180500	HAWKINS INC	218,847.80	9,635.71
186000	IIA LIFTING SERVICES, INC.	1,105.23	650.00
202100	LAWSON PRODUCTS INC	11,721.02	758.87
205050	LOFFLER COMPANIES INC	4,986.14	17.47
211400	MENARDS INC	17,804.70	297.96
211700	METRO SALES, INC.	14,843.32	56.33
212400	MICHAUD DIST INC	788.74	26.00
212700	MID-STATE TRUCK SERVICE INC	84,652.20	889.98
217300	MIRACLE RECREATION EQUIPMENT	530.21	2,166.30
219067	MN DEPT OF ADMINISTRATION	33,708.66	830.06
220500	MINNESOTA DEPARTMENT	62,976.00	8,465.00
227575	MPOWER TECHNOLOGIES, INC	12,138.50	1,500.00
235450	NORTHERN SAFETY TECHNOLOGY INC	749.09	1,014.81
241400	OXYGEN SERVICE COMPANY	1,553.42	95.81

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CITY OF CLOQUET
VENDOR SUMMARY REPORT

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INVOICES DUE ON/BEFORE 12/05/2023

VENDOR #	NAME	PAID THIS FISCAL YEAR	AMOUNT DUE
241950	PACE ANALYTICAL SERVICES INC	10,523.43	458.00
242850	PARSONS ELECTRIC LLC	139,429.57	458.00
244975	PINE KNOT LLC	199,828.32	160.00
270400	SUPERIOR WATER, LIGHT & POWER	573.34	38.41
271320	T MOBILE	26,961.72	1,437.60
271975	TEAMSTERS JOINT COUNCIL 32	1,117,930.00	94,889.00
279100	U S BANK EQUIPMENT FINANCE	14,314.14	441.44
282900	UPPER LAKES FOODS INC	2,205.48	746.27
283700	HD SUPPLY, INC	16,556.26	216.57
284580	VC3	153,086.06	11,365.05
286900	W L S S D	1,767,891.00	75,848.00
289015	WELLS FARGO CREDIT CARD	215,310.98	5,433.27
R0002381	TONI VERNON	0.00	25.20
TOTAL ALL VENDORS:			261,115.55

City of Cloquet
Vendor Summary Report Reconciliation
Invoices Due On/Before 12/5/2023

Bills	261,115.55
Less: CAFD	(326.83)
Less: Library	(7,945.00)
Bills approved	252,843.72
Other:	
Payroll	784,379.42
Payroll - benefits	<u>(64,444.38)</u>
Total Bills and Payroll Approved	<u><u>972,778.76</u></u>

INVOICES DUE ON/BEFORE 12/05/2023

VENDOR #	NAME	PAID THIS FISCAL YEAR	AMOUNT DUE

GENERAL FUND			
00			
271975	TEAMSTERS JOINT COUNCIL 32	1,117,930.00	64,444.38
			64,444.38
41	GENERAL GOVERNMENT		
139025	CINTAS	9,155.27	62.13
139030	CINTAS CORPORATION NO 2	19,992.63	34.68
145300	COMMUNITY PRINTING	18,123.99	399.71
150100	D A L C O	18,196.06	91.14
153850	DILIGENT CORPORATION	5,000.00	5,000.00
172300	GARTNER REFRIGERATION COMPANY	101,956.49	281.27
279100	U S BANK EQUIPMENT FINANCE	14,314.14	243.75
284580	VC3	153,086.06	3,816.00
289015	WELLS FARGO CREDIT CARD	215,310.98	3,593.10
	GENERAL GOVERNMENT		13,521.78
42	PUBLIC SAFETY		
112275	ADVANTAGE EMBLEM INC	594.37	366.90
125700	BEST OIL COMPANY	262,539.75	6,536.43
139025	CINTAS	9,155.27	40.55
139030	CINTAS CORPORATION NO 2	19,992.63	56.02
142100	CLOQUET MAIL STATION	1,955.09	17.43
150100	D A L C O	18,196.06	91.14
156300	CITY OF DULUTH	1,450.00	1,100.00
172300	GARTNER REFRIGERATION COMPANY	101,956.49	281.26
212400	MICHAUD DIST INC	788.74	26.00
271320	T MOBILE	26,961.72	1,437.60
282900	UPPER LAKES FOODS INC	2,205.48	746.27
284580	VC3	153,086.06	6,260.65
	PUBLIC SAFETY		16,960.25
43	PUBLIC WORKS		
122958	AUTO ZONE, INC.	4,104.35	18.75
125700	BEST OIL COMPANY	262,539.75	1,743.05
134000	CARLTON COUNTY HIGHWAY DEPT	1,266,358.36	150.22
137340	CHAMBERLAIN OIL CO., INC.	24,932.47	848.46

INVOICES DUE ON/BEFORE 12/05/2023

VENDOR #	NAME	PAID THIS FISCAL YEAR	AMOUNT DUE
GENERAL FUND			
43	PUBLIC WORKS		
139025	CINTAS	9,155.27	48.81
139030	CINTAS CORPORATION NO 2	19,992.63	74.14
145300	COMMUNITY PRINTING	18,123.99	35.71
153300	DIAMOND DRILLING	1,912.10	240.18
157300	DULUTH READY MIX INC	26,011.63	352.14
159700	EAST SIDE OIL COMPANIES	90.00	90.00
166625	FIRST AID CORP	4,497.03	211.10
175050	GOODPOINTE TECHNOLOGY LLC	1,995.00	1,995.00
186000	IIA LIFTING SERVICES, INC.	1,105.23	650.00
202100	LAWSON PRODUCTS INC	11,721.02	379.44
211700	METRO SALES, INC.	14,843.32	18.78
212700	MID-STATE TRUCK SERVICE INC	84,652.20	841.28
235450	NORTHERN SAFETY TECHNOLOGY INC	749.09	1,014.81
241400	OXYGEN SERVICE COMPANY	1,553.42	47.91
279100	U S BANK EQUIPMENT FINANCE	14,314.14	38.81
284580	VC3	153,086.06	1,288.40
289015	WELLS FARGO CREDIT CARD	215,310.98	8.70
	PUBLIC WORKS		10,095.69
45	CULTURE AND RECREATION		
112050	ADVANCED SERVICES INC	21,163.09	605.00
124400	BECKER ARENA PRODUCTS	8,097.86	2,160.45
125700	BEST OIL COMPANY	262,539.75	653.64
135710	CAYWOOD OIL & PROPANE, LLC	1,070.66	119.20
137310	CENTURY LINK	13,152.89	136.98
139030	CINTAS CORPORATION NO 2	19,992.63	36.86
147600	EXELON CORPORATION	57,335.30	2,137.08
217300	MIRACLE RECREATION EQUIPMENT	530.21	2,166.30
242850	PARSONS ELECTRIC LLC	139,429.57	458.00
244975	PINE KNOT LLC	199,828.32	160.00
	CULTURE AND RECREATION		8,633.51
46	COMMUNITY DEVELOPMENT		
139800	CLOQUET AREA CHAMBER OF COMMER	141,412.13	7,322.39
145300	COMMUNITY PRINTING	18,123.99	17.86
160600	EHLERS & ASSOCIATES, INC.	21,928.75	5,000.00
279100	U S BANK EQUIPMENT FINANCE	14,314.14	81.25
289015	WELLS FARGO CREDIT CARD	215,310.98	27.43
	COMMUNITY DEVELOPMENT		12,448.93

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CITY OF CLOQUET
DEPARTMENT SUMMARY REPORT

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INVOICES DUE ON/BEFORE 12/05/2023

VENDOR #	NAME	PAID THIS FISCAL YEAR	AMOUNT DUE

FEDERAL CDBG LOAN (EDA)			
46	COMMUNITY DEVELOPMENT		
134300	CARLTON COUNTY RECORDER	1,196.00	92.00
	COMMUNITY DEVELOPMENT		92.00
LIBRARY FUND			
00			
271975	TEAMSTERS JOINT COUNCIL 32	1,117,930.00	7,945.00
			7,945.00
PUBLIC WORKS RESERVE			
42	PUBLIC SAFETY		
158000	DULUTH/SUPERIOR COMMUNICATIONS	47,795.93	730.00
219067	MN DEPT OF ADMINISTRATION	33,708.66	830.06
	PUBLIC SAFETY		1,560.06
WATER - LAKE SUPERIOR WATERLIN			
00			
271975	TEAMSTERS JOINT COUNCIL 32	1,117,930.00	7,317.34
			7,317.34
51	STATION 2		
139030	CINTAS CORPORATION NO 2	19,992.63	19.80
180500	HAWKINS INC	218,847.80	3,691.00
283700	HD SUPPLY, INC	16,556.26	216.57
	STATION 2		3,927.37
52	LAKE SUPERIOR WATERLINE		
125700	BEST OIL COMPANY	262,539.75	544.70
139030	CINTAS CORPORATION NO 2	19,992.63	3.90
270400	SUPERIOR WATER, LIGHT & POWER	573.34	38.41
	LAKE SUPERIOR WATERLINE		587.01

INVOICES DUE ON/BEFORE 12/05/2023

VENDOR #	NAME	PAID THIS FISCAL YEAR	AMOUNT DUE

WATER - IN TOWN SYSTEM			
00			
271975	TEAMSTERS JOINT COUNCIL 32	1,117,930.00	7,420.63
R0002381	TONI VERNON		25.20
			7,445.83
49	CLOQUET		
125700	BEST OIL COMPANY	262,539.75	653.64
139025	CINTAS	9,155.27	29.28
139030	CINTAS CORPORATION NO 2	19,992.63	10.75
165375	FERGUSON WATERWORKS #2516	79,127.05	405.59
175700	GRAINGER	27,485.32	24.20
180500	HAWKINS INC	218,847.80	5,944.71
202100	LAWSON PRODUCTS INC	11,721.02	227.66
205050	LOFFLER COMPANIES INC	4,986.14	17.47
211400	MENARDS INC	17,804.70	297.96
220500	MINNESOTA DEPARTMENT	62,976.00	8,465.00
241400	OXYGEN SERVICE COMPANY	1,553.42	28.74
241950	PACE ANALYTICAL SERVICES INC	10,523.43	458.00
	CLOQUET		16,563.00
54	BILLING & COLLECTION		
145300	COMMUNITY PRINTING	18,123.99	35.71
	BILLING & COLLECTION		35.71
57	ADMINISTRATION & GENERAL		
145300	COMMUNITY PRINTING	18,123.99	35.71
211700	METRO SALES, INC.	14,843.32	18.77
227575	MPOWER TECHNOLOGIES, INC	12,138.50	1,500.00
279100	U S BANK EQUIPMENT FINANCE	14,314.14	38.81
289015	WELLS FARGO CREDIT CARD	215,310.98	520.00
	ADMINISTRATION & GENERAL		2,113.29
ENTERPRISE FUND - SEWER			
00			

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CITY OF CLOQUET
DEPARTMENT SUMMARY REPORT

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INVOICES DUE ON/BEFORE 12/05/2023

VENDOR #	NAME	PAID THIS FISCAL YEAR	AMOUNT DUE

ENTERPRISE FUND - SEWER			
00			
271975	TEAMSTERS JOINT COUNCIL 32	1,117,930.00	6,117.65
286900	W L S S D	1,767,891.00	-14,319.00
			-8,201.35
55	SANITARY SEWER		
125700	BEST OIL COMPANY	262,539.75	435.76
139025	CINTAS	9,155.27	19.52
139030	CINTAS CORPORATION NO 2	19,992.63	17.91
202100	LAWSON PRODUCTS INC	11,721.02	151.77
212700	MID-STATE TRUCK SERVICE INC	84,652.20	48.70
241400	OXYGEN SERVICE COMPANY	1,553.42	19.16
286900	W L S S D	1,767,891.00	90,167.00
	SANITARY SEWER		90,859.82
57	ADMINISTRATION & GENERAL		
145300	COMMUNITY PRINTING	18,123.99	35.71
211700	METRO SALES, INC.	14,843.32	18.78
279100	U S BANK EQUIPMENT FINANCE	14,314.14	38.82
289015	WELLS FARGO CREDIT CARD	215,310.98	729.04
	ADMINISTRATION & GENERAL		822.35
STORM WATER UTILITY			
57	ADMINISTRATION & GENERAL		
289015	WELLS FARGO CREDIT CARD	215,310.98	555.00
	ADMINISTRATION & GENERAL		555.00
CABLE TELEVISION			
45	CULTURE AND RECREATION		
175790	GRANICUS	40,791.04	1,417.75
	CULTURE AND RECREATION		1,417.75

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CITY OF CLOQUET
DEPARTMENT SUMMARY REPORT

INVOICES DUE ON/BEFORE 12/05/2023

VENDOR #	NAME	PAID THIS FISCAL YEAR	AMOUNT DUE

EMPLOYEE SEVERANCE			
00			
271975	TEAMSTERS JOINT COUNCIL 32	1,117,930.00	1,644.00
			1,644.00
CLOQUET AREA FIRE DISTRICT			
42	PUBLIC SAFETY		
125700	BEST OIL COMPANY	262,539.75	326.83
	PUBLIC SAFETY		326.83
	TOTAL ALL DEPARTMENTS		261,115.55



ADMINISTRATIVE OFFICES

101 14th Street • Cloquet MN 55720
Phone: 218-879-3347 • Fax: 218-879-6555
www.cloquetmn.gov

REQUEST FOR COUNCIL ACTION

To: Mayor and City Council
From: Katie Bloom, Finance Director
Reviewed by: Tim Peterson, City Administrator *TP*
Date: November 27, 2023

ITEM DESCRIPTION: Approve 2023 Independent Auditor

Proposed Action

Staff recommends the Council move to accept the engagement letter prepared by Wipfli LLP. to serve as the independent auditors for the year ended December 31, 2023.

Background/Overview

The City of Cloquet is required to have an annual audit performed by an independent auditor. Wipfli LLP has served as the city's auditor for the last number of years.

Policy Objectives

Compliance with Minnesota Statute 412.591

Financial/Budget/Grant Considerations

The fees to perform audit services and financial report preparation are \$29,7000.

Advisory Committee/Commission Action

Not applicable.

Supporting Documents Attached

- Engagement Letter, Wipfli LLP

November 21, 2023

City Council
City of Cloquet
1307 Cloquet Avenue
Cloquet, MN 55720

Dear City Council:

We are pleased to serve as the independent auditors for City of Cloquet ("Client") for the year ended December 31, 2023. This letter, together with the attached Terms and Conditions – Attest Engagements, confirms the terms of our engagement and is collectively referred to herein as the "Letter" or the "Engagement Letter."

Fees

Our fees for this engagement will be billed as work progresses, and progress billings may be submitted. Based upon our discussions with representatives of Client, the fee for this engagement will be \$29,700. Expenses for items such as travel, telephone, postage, clerical time, printing, and reproduction of financial statements are included in the fee. Our fee has been determined based on our understanding obtained through discussions with you regarding your preparation for the engagement and your current business operations. To the extent we encounter circumstances outside of our expectations that warrant additional procedures and time, we will communicate that fact and advise you of options and the additional fees necessary to complete the engagement. We expect payment of our billings within 30 days after submission.

Our fees for the services described below are based upon the value of the services performed and the time required by the individuals assigned to the engagement. Our fee estimate and completion of our work are based upon the following criteria:

1. Anticipated cooperation from Client personnel
2. Timely responses to our inquiries
3. Timely completion and delivery of client assistance requests
4. Timely communication of all significant accounting and financial reporting matters
5. The assumption that unexpected circumstances will not be encountered during the engagement

If any of the aforementioned criteria are not met, then the fees may increase. Interim billings will be submitted as work progresses and as expenses are incurred.

Audit Scope and Objectives

We will audit Client's financial statements and the disclosures, which collectively comprise the basic financial statements, of the governmental activities, business-type activities, each major fund, and aggregate remaining fund information of Client.

The objectives of our audit are to obtain reasonable assurance as to whether Client's financial statements as a whole are free from material misstatement, whether due to fraud or error; issue an auditor's report that includes

our opinion about whether Client's financial statements are fairly presented, in all material respects, in conformity with GAAP and report on the fairness of the supplementary information, referred to in the second paragraph of this section, when considered in relation to the financial statements as a whole. Reasonable assurance is a high level of assurance, but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they could influence the judgment of a reasonable user made based on the financial statements.

The objectives also include reporting on:

- Internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Internal control over compliance related to major programs and an opinion on compliance with federal and state statutes, regulations, and the terms and conditions of federal and state awards that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996; and Title 2 U.S. *Code of Federal Regulations* ("CFR") Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance).

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will include a paragraph that states that (1) the purpose of the report is solely to describe the scope of testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance, and (2) the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance.

The Uniform Guidance report on internal control over compliance will include a paragraph that states that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Both reports will state that the report is not suitable for any other purpose.

Auditor's Responsibilities for the Audit of the Financial Statements

We will conduct our audit in accordance with GAAS, the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act amendments of 1996; and the provisions of the Uniform Guidance; and will include tests of accounting records, a determination of major program(s) in accordance with the Uniform Guidance, and other procedures we consider necessary to enable us to express such opinions. As part of an audit in accordance with GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit.

An audit includes an evaluation of the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as an evaluation of the overall presentation of the financial statements, including the disclosures, to assess whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. To express an opinion, we are

required to plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of waste and abuse is subjective, *Government Auditing Standards* does not expect auditors to provide reasonable assurance of detecting waste or abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or government regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

In performing our audit, we will consider and conclude whether, based on the audit evidence obtained, there are conditions or events, considered in the aggregate, which raise substantial doubt about the government's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts and may include tests of the physical existence of inventories, and direct confirmation of cash, receivables, loan balances, and certain assets and liabilities by correspondence with selected customers, funding sources, creditors, and financial institutions. We may also request written representations from your attorneys as part of the engagement, and they may submit an invoice for responding to this inquiry.

We shall retain the audit workpapers and reports for at least three years from the date of the audit report, unless we are notified in writing by the DPI or by the United States Department of Education ("DOE") to extend the retention period. We shall respond directly to inquiries from the DPI or the DOE, and permit these agencies, upon written request, to review audit workpapers. We shall notify the school board of any such inquiries or requests and of our response.

Audit Procedures – Internal Control

In the conduct of our audit, we will obtain an understanding of the government and its environment, including internal control relevant to the audit, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary

to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control-related matters that are required to be communicated under professional standards.

Audit Procedures – Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of Client's compliance with the provisions of applicable laws, regulations, contracts, and agreements, including grant agreements. However, the objective of our audit will not be to provide an opinion on overall compliance, and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

As required by the Uniform Guidance, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal and state awards program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance.

The Uniform Guidance require that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with federal and state statutes, regulations, and the terms and conditions of federal and state awards applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the *OMB Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of Client's major programs. The purpose of these procedures will be to express an opinion on Client's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

Responsibilities of Management for the Financial Statements

Our audit will be conducted on the basis that management acknowledges and understands its responsibility for (1) designing, implementing, and maintaining internal controls, including internal controls over federal awards, relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including monitoring ongoing activities to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (4) ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. Management is also responsible for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements, schedule of expenditures of federal and state awards, in conformity with GAAP, and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements. Management's responsibilities also include

identifying significant contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information.

Management is also responsible for making available to us drafts of financial statements, all financial records, and related information and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers). Management is also responsible for providing us with (1) access to all information of which it is aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under the Uniform Guidance (3) additional information that we may request for the purpose of the audit; and (4) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from management about the financial statements and related matters.

Management is responsible for adjusting the financial statements to correct material misstatements and for confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Management is responsible for the design and implementation of programs and controls to prevent and detect fraud and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Management is also responsible for informing us of its knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, management is responsible for identifying and ensuring that the government complies with applicable laws and regulations, contracts, and grants. Management is also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements, or abuse that we report. Additionally, as required by the Uniform Guidance, it is management's responsibility to evaluate and monitor noncompliance with federal and state statutes, regulations, and the terms and conditions of federal and state awards; take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings; promptly follow up and take corrective action on reported audit findings; and prepare a summary schedule of prior audit findings and a separate corrective action plan. The summary schedule of prior audit findings should be available for our review.

You are responsible for identifying all federal and state awards received and understanding and complying with the compliance requirements and for the preparation of the schedule of expenditures of federal and state awards (including notes and noncash assistance received) in conformity with the Uniform Guidance. You agree to include our report on the schedule of expenditures of federal and state awards in any document that contains and indicates that we have reported on the schedule of expenditures of federal and state awards. You also agree to make the audited financial statements readily available to intended users of the schedule of expenditures of federal and state awards no later than the date the schedule of expenditures of federal and state awards is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the schedule of expenditures of federal and state awards in

accordance with the Uniform Guidance; (2) you believe the schedule of expenditures of federal and state awards, including its form and content, is stated fairly in accordance with the Uniform Guidance; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal and state awards.

Management is responsible for the preparation of the supplementary information in conformity with GAAP. Management agrees to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. Management also agrees to make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. Management's responsibilities include acknowledging to us in the representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

The audit shall be conducted on Client premises at a mutually agreeable time, and Client shall provide space deemed adequate by the auditor.

We cannot perform management functions or make management decisions on behalf of Client. However, we may provide advice and recommendations to assist management in performing its functions and fulfilling its responsibilities. We may advise management about appropriate accounting principles and their application, but the responsibility for the financial statements remains with management.

Reporting

We will issue written reports, as listed in the following paragraph, upon completion of our audit of Client's financial statements. Our reports will be addressed to the City Council. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor's report or, if necessary, withdraw from this engagement. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or withdraw from this engagement.

We expect to issue the following reports:

- A report on the financial statements including an opinion as to whether the schedule of expenditures of federal and state awards is presented fairly, in all material respects, in relation to the financial statements taken as a whole.
- A report on internal control over financial reporting and compliance based on an audit of financial statements performed in accordance with the standards applicable to financial audits contained in *Government Auditing Standards*.

- A report on compliance with requirements applicable to each major program and report on internal control over compliance in accordance with the Uniform Guidance.
- A schedule of findings and questioned costs.

If Client intends to reproduce or publish these financial statements or any portion thereof, whether in paper or electronic form, subsequent to anticipated year-end filings, and make reference to our firm name in connection therewith, management agrees to provide us with proofs in sufficient time for our review and written approval before printing. If in our professional judgment the circumstances require, we may withhold our approval. Client agrees to compensate Wipfli for the time associated with such review.

Client acknowledges and agrees that any advice, recommendations, information, or work product provided to Client by Wipfli in connection with this engagement is for the sole use of Client and may not be relied upon by any third party. Wipfli has no liability or responsibility to any third parties as a result of this engagement.

Management Assistance

Assistance to be supplied by Client personnel, including the preparation of schedules and analysis of accounts, will be discussed with Katie Bloom. Timely completion of this work will facilitate the completion of our engagement.

Engagement Administration

Michelle Swoboda, CPA will be your audit engagement partner.

Professional and certain regulatory standards require us to be independent in both fact and appearance. Any discussions that you have with Wipfli personnel regarding employment could pose a threat to our independence. Therefore, we request that you inform us immediately prior to any such discussions so that we can implement appropriate safeguards to maintain our independence.

Other Services

We may prepare a draft of your financial statements and related notes. In accordance with *Government Auditing Standards*, Management will be required to review and approve those financial statements prior to their issuance and have a responsibility to be in a position in fact and appearance to make an informed judgment on those financial statements. Further, you are required to designate a qualified management-level individual to be responsible and accountable for overseeing our services.

From information you will provide, we will prepare the fixed asset depreciation schedules for the year ended December 31, 2023.

We will prepare Client's schedule of leases and lease-related disclosures for the year ended December 31, 2023, from information provided by management. Our fee for this additional service will be a combination of a fee calculated based on the number of leases (software cost) plus time and materials, based on the effort necessary to update any lease information and generate lease schedules and related disclosures.

Management agrees to assume all management responsibilities for these services; oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

Conclusion and Approval to Proceed

If the terms above of this Engagement Letter are acceptable to you and the services outlined are in accordance with your requirements, please return a signed copy of this Letter to us.

We look forward to our continued association with you and your staff and appreciate the opportunity to serve you. Please do not hesitate to call us if you have any questions about the work we are to perform or any other aspect of the services we can provide.

Wipfli LLP

Wipfli LLP

ACCEPTED: CITY OF CLOQUET

By: _____

(Print Name and Title)

Date: _____

MS/yy
Enc.

Wipfli LLP

Professional Services Terms and Conditions – Attest Engagements

1. Entire Agreement

These Terms and Conditions, together with the engagement letter (“Engagement Letter”) to which these Terms and Conditions are attached, and the Engagement Letter’s other appendixes and applicable Change Orders, if any, constitute the entire agreement between the parties on the subject matter thereof and supersede and merge all prior proposals (including prior proposals of Wipfli regarding the engagement), understandings, and agreements (oral or written) between the parties relating to the subject matter, including, without limitation, the terms of any request for proposal issued to Client or the standard printed terms on any purchase order issued by Client and any non-disclosure or confidentiality agreement between Wipfli and Client dated prior to the date of the Engagement Letter. No modification, amendment, supplement to, or waiver of these Terms and Conditions or Engagement Letter shall be binding upon the parties unless made in writing and duly signed by both parties. To the greatest extent reasonably possible, the provisions of the Engagement Letter, its Appendixes (including these Terms and Conditions), Implementation Plan, Change Orders, and any other exhibit, attachment, schedule, or other document referenced in or by the Engagement Letter shall be read together and harmonized to give effect to the parties’ intent. In the event of a direct conflict among the express provisions of the foregoing, the Engagement Letter shall be given controlling effect. No provision of these terms and conditions will apply to any attest services that may be performed by Wipfli for Client if such provision would impair Wipfli’s independence from Client requiring pursuant to applicable professional standards, such services being governed exclusively by the Engagement Letters issued with respect thereto. Wipfli may be referred to herein as “we” or “us” or in a similar manner, and Client may be referred to as “you” or in a similar manner, and such references shall be read in context.

2. Commencement and Term

The Engagement Letter shall become effective when signed by duly authorized representatives of both parties and shall remain in full force and effect until the services to be delivered under the Engagement Letter are complete (as reasonably determined by Wipfli) unless earlier terminated by either party as provided in the Engagement Letter or these Terms and Conditions. Each person executing an Engagement Letter on behalf of a party represents and warrants to the other that he or she has all power and authority to bind the party on whose behalf he or she is executing same.

3. Termination of Agreement

The Engagement Letter may be terminated as follows: (i) by either party immediately upon written notice to the other if either party hereto becomes the subject of voluntary or involuntary bankruptcy or other insolvency proceeding, (ii) by Wipfli or Client if either party defaults in the performance of any of its covenants and agreements set forth in the Engagement Letter or Change Order (except when such default is due to a cause beyond the control of the party) and such default is not cured within thirty (30) days after notice from either party specifying the nature of such default, and (iii) by Wipfli or Client with or without cause upon providing thirty (30) days written notice. Termination of the Engagement Letter shall have no effect on either party’s obligation to pay any amount due and owing with respect to such periods prior to the effective date of such termination.

Wipfli has the right to withdraw from this engagement with immediate effect if Client does not provide us with the information we request in a timely manner, refuses to cooperate with our reasonable requests, or misrepresents any facts. Our withdrawal will release us from any obligation to complete the engagement and will constitute completion of our engagement. Client agrees to compensate us for our time and out-of-pocket expenses through the date of our withdrawal.

4. Fee Estimates and Change Orders

Wipfli’s Engagement Letter may set forth certain ranges for Wipfli’s fees charged on any project or services. Wipfli provides fee estimates as an accommodation to Client. These estimates depend on certain assumptions, including: (a) anticipated cooperation from Client personnel, (b) timely responses to our inquiries, (c) timely completion and delivery of Client assistance requests, (d) timely communication of all significant accounting and financial reporting matters, (e) the assumption that unexpected circumstances will not be encountered during the engagement, and (f) where applicable, the assumption that Client’s hardware platform/computer system will, at the commencement of the services, be fully operable as intended and designed, functioning as necessary and available to Wipfli without material restriction for the duration of the services. Unless otherwise indicated in the Engagement Letter, fee estimates shall not be construed as or deemed to be a minimum or maximum fee quotation. Although Wipfli reasonably believes suggested fee ranges are accurate, Wipfli’s actual fees may vary from its fee estimates.

Services that fall outside the agreed-upon scope of Wipfli’s engagement shall be covered by a Change Order, or, if the nature and amount of such services are not material to the overall engagement, shall be delineated and included on Wipfli’s invoice for such services. A “Change Order” means a mutually agreed-upon change in the schedule or the time for Wipfli’s performance of the services on a project, the scope of specifications of a project, and/or the fees chargeable by Wipfli to Client, which is reduced to writing using an agreed-upon form that is executed by an authorized representative of each for Wipfli and Client.

Unless otherwise agreed in the Engagement Letter, miscellaneous expenses incurred by Wipfli in the course of performing the service will be charged in addition to Wipfli’s professional fees. Miscellaneous expenses may include, but are not limited to: travel, lodging, transportation, and meals for projects requiring travel; clerical processing; telecommunications charges; technology fees; delivery expenses; and all sales, use, ad valorem, excise, or other taxes or other governmental charges.

5. Payment of Fees

Unless otherwise agreed, all invoices are due and payable within thirty (30) days of the invoice date. All business or commercial accounts will be charged interest at the lesser of one percent (1%) per month or the maximum rate permitted by law, except where prohibited by law, on Client’s balance due to Wipfli that is outstanding over thirty (30) days. At our discretion, services may be suspended if Client’s account becomes overdue and will not be resumed until Client’s account is paid in full. Client acknowledges and agrees that we are not required to continue services in the event of a failure to pay on a timely basis for services rendered as required. Client further acknowledges and agrees that in the event Wipfli stops services or withdraws from this engagement as a result of Client’s failure to pay on a timely basis for services rendered as required by this Engagement Letter, Wipfli shall not be liable to Client for any damages that occur whether direct or indirect, foreseen or unforeseen, and whether or not the parties have been advised of the possibility of such damages.

In the event Wipfli is required to respond to a subpoena, court order, government regulatory inquiries, or other legal process related to Client or its management (other than a matter in which Wipfli is named as a party) for the production of documents and/or testimony relative to information we obtained and/or prepared during the course of this or any prior engagements, Client agrees to compensate us for all time we expend in connection with such response, at our regular rates, and to reimburse us for all related out-of-pocket costs, including attorney’s fees, that we incur. Any services under this paragraph will be deemed a separate engagement and, to the extent permitted by law and applicable professional standards, we will promptly notify you of the matter.

6. Privacy and Engagement Staffing

Wipfli expressly reserves the right to replace, in its sole discretion, any of our professional project team members, as necessary, to provide quality and timely service to Client. From time to time, and depending upon circumstances, Wipfli may use third-party service providers, such as independent contractors, specialists, or vendors to assist us in providing professional services, including tax services. These parties and their personnel may be located within or outside the United States. We may also use personnel from affiliates of Wipfli and other Wipfli-related entities (including our wholly-owned subsidiary based in India and contractors in the Philippines) or any of their respective affiliates. In addition, Wipfli may utilize third-party service providers, including cloud-based service providers, who may collect, use, transfer, transmit, store, or otherwise process Client information in connection with the delivery of certain services. Wipfli is committed to maintaining the confidentiality and security of Client's information, and accordingly, Wipfli maintains policies, procedures and safeguards to protect the confidentiality of Client information. In addition, our agreements with all service providers appropriately maintain and protect the confidentiality of Client information, provided we may use electronic media to transmit Client information and such use in itself will not constitute a breach of any confidentiality obligation. We remain responsible to Client for the supervision of all service providers, entities, and personnel who assist us in rendering professional services hereunder and for protecting the confidentiality of Client information. Client hereby consents and authorizes us to disclose Client information to the foregoing entities and parties for the purpose of providing professional services, including tax services, to Client.

Wipfli is committed to protecting personal information that can be linked to specific individuals, including health information ("Personal Data") and will maintain such Personal Data in confidence in accordance with professional standards and governing laws. Client will not provide any Personal Data to Wipfli unless necessary to perform professional services described in the Engagement Letter. When providing any Personal Data to us, Client will comply with all applicable laws (both foreign and domestic) and will anonymize, mask, obfuscate, and/or de-identify, if reasonably possible, all Personal Data that is not necessary to perform the professional services described in the Engagement Letter. Any Personal Data provided to us by Client will be kept confidential and not disclosed to any third party not described above (parties providing us assistance in rendering professional services) unless expressly permitted by Client or required by law, regulation, legal process, or to comply with professional standards applicable to Wipfli. Client is responsible for obtaining, pursuant to law or regulation, consents from parties that provided Client with their personal information, which will be obtained, used, and disclosed by Wipfli for its required purposes, and Wipfli may rely on the representation that Client has obtained such consents.

Please see Wipfli's Privacy Statement located at www.wipfli.com/privacy-statement for further information.

Applicable rules in some states require that we advise you that some persons who own an interest in Wipfli may not be licensed as Certified Public Accountants and may provide services related to this engagement.

7. Intellectual Property Rights

Client acknowledges that Wipfli owns all intellectual property rights, title, and interest to all materials and information produced or developed by Wipfli throughout the duration of this engagement, excluding any pre-existing ownership right of Client and without implying any ownership interest in any Client materials, data or other information, all of which shall remain the property of Client. Upon completion of the services contemplated by the Engagement Letter, Wipfli grants to Client a perpetual paid-up license to use or modify, for internal purposes only, any deliverable produced by Wipfli and actually delivered to Client, provided that any use or modification of such deliverable, other

than for the stated purposes in the Engagement Letter, is not authorized. In addition, Client shall not alter or remove any of Wipfli's trademarks, copyright registration marks, patent, or other intellectual property notices applicable to any of Wipfli's goods, marketing material, or advertising media, and shall not in any way alter any of Wipfli's products. Client shall promptly notify Wipfli in writing of any infringement of Wipfli's intellectual property by third parties of which Client becomes aware. Neither party shall acquire any right, title, or interest in or to the other party's code, data, business processes, or other information to which such party may have access during the term of the engagement hereunder. All such code, data, business process and other information shall be solely and exclusively the property of the originating party.

8. Mutual Confidentiality

During the course of performing services, the parties may have access to information that is confidential to one another, including, without limitation, source code, documentation, specifications, databases, system design, file layouts, tool combinations, development methods, or business or financial affairs, which may incorporate business methods, marketing strategies, pricing, competitor information, product development strategies and methods, customer lists, customer information, and financial results (collectively "Confidential Information"). Confidential Information may include information received from third parties, both written and oral, that each party is obligated to treat as confidential.

Confidential Information shall not include any information that (i) is already known by the recipient party or its affiliates, free of any obligation to keep it confidential, (ii) is or becomes publicly known through no wrongful act of the receiving party or its affiliates, (iii) is received by the receiving party from a third party without any restriction on confidentiality, (iv) is independently developed by the receiving party or its affiliates, (v) is disclosed to third parties by the disclosing party without any obligation of confidentiality, or (vi) is approved for release by prior written authorization of the disclosing party.

Without the advance written consent of the other party, except as required by law, regulation, or to comply with professional standards applicable to a party or for the performance of the services, neither party shall disclose to a third party Confidential Information of the other party. Each party agrees to maintain at least the same procedures regarding Confidential Information that it maintains with respect to its own Confidential Information. Each party may use the Confidential Information received from the other party only in connection with fulfilling its obligations under this Agreement. The parties further agree that expiration or termination of this Agreement, for any reason, shall not relieve either party, nor minimize their obligations with respect to Confidential Information, as set forth herein.

9. Independent Contractor

The relationship between Wipfli and Client is solely and exclusively that of independently contracting parties.

10. Non-Exclusivity

No right of exclusivity is granted, guaranteed, or implied by Wipfli and Client entering into any engagement letter. Client acknowledges that Wipfli regularly performs the same or similar services as are being provided hereunder to third parties.

11. Dispute Resolution

If any dispute arises among the parties regarding the subject matter hereof and such dispute cannot be resolved through informal negotiations and discussion, the parties agree to try in good faith to settle the dispute by mediation administered by the American Arbitration Association under its applicable rules for resolving professional accounting and related services disputes before resorting to arbitration or litigation. Costs of any mediation proceeding shall be shared equally by all parties. Except for an action by us to collect payment of our invoices, Wipfli and Client

Wipfli LLP
Professional Services Terms and Conditions – Attest Engagements

agree that no claim arising out of services rendered pursuant to the Engagement Letter or any Change Order shall be filed: (i) in the case of any report or deliverable issued by Wipfli under the Engagement Letter, no later than two years from the date of such report or deliverable (or if no report or deliverable is issued, two years from the date of the Engagement Letter), or (ii) in the case of any tax form or similar governmental filing, no later than two years after the initial due date of such tax form or filing.

12. Governing Law

Any and all claims relating to agreements between Wipfli and Client for any service shall be governed by and construed in accordance with the internal laws of the state in which the Wipfli office which issues the Engagement Letter related to the services is located.

13. Severability

In the event that any term or provision of the Engagement Letter or these Terms and Conditions shall be held to be invalid, void, or unenforceable, then the remainder shall not be affected and each remaining term or condition shall be valid and enforceable to the fullest extent permitted by law.

14. Notices

All notices required to be given to either party under the Engagement Letter shall be in writing and sent by traceable carrier to each party's address indicated on the Engagement Letter, or such other address as a party may indicate by at least ten (10) business days' prior written notice to the other party. Notices shall be effective upon receipt. A copy of such notice should be provided to Wipfli's General Counsel at wipfli-legal@wipfli.com.

15. Electronic Signature

Each party hereto agrees that any electronic signature of a party to the Engagement Letter or any electronic signature to a document contemplated hereby is intended to authenticate such writing and shall be as valid, and have the same force and effect, as a manual signature. Any such electronically signed document shall be deemed (i) to be "written" or "in writing," (ii) to have been signed, and (iii) to constitute a record established and maintained in the ordinary course of business and an original written record when printed from electronic files. Each party hereto also agrees that electronic delivery of a signature to any such document (via email or otherwise) shall be as effective as manual delivery of a manual signature. For purposes hereof, "electronic signature" includes, but is not limited to: (i) a scanned copy (as a "pdf" (portable document format) or other replicating image) of a manual ink signature, (ii) an electronic copy of a traditional signature affixed to a document, (iii) a signature incorporated into a document utilizing touchscreen capabilities, or (iv) a digital signature. Neither party shall contest the admissibility of true and accurate copies of electronically signed documents on the basis of the best evidence rule or as not satisfying the business records exception to the hearsay rule.

16. Record Retention

We will retain records related to this engagement pursuant to our record retention policy. At the end of the relevant time period, we will destroy our records related to this engagement. However, Client's original records will be returned to Client upon the completion of the engagement. When records are returned, it is Client's responsibility to retain and protect the records for possible future use, including potential examination by governmental or regulatory agencies.

17. Assignment

The Engagement Letter to which these Terms and Conditions are attached shall be binding on the parties hereto and their respective successors and assigns. Neither party may assign this Engagement Letter without prior written consent of the other, except that Wipfli may assign its rights and obligations under this Engagement Letter without the approval of Client to an entity that acquires all or substantially all of the assets of Wipfli or to any subsidiary or affiliate or successor in a merger, acquisition, or change of control

of Wipfli; provided that in no event shall such assignment relieve Wipfli of its obligations under this Engagement Letter.

18. Force Majeure

Either party may suspend (or if such suspension continues for more than thirty (30) days, terminate) its obligations (except the obligation to pay for services previously rendered) under the Engagement Letter or any amendment or Change Order, if such obligations are delayed, prevented, or rendered impractical or impossible due to circumstances beyond its reasonable control, including, without limitation, fires, floods, storms, washouts, tsunamis, earthquakes, wars (declared or undeclared), civil disturbances, accidents, terrorist acts (including biochemical attacks), health pandemics, acts of any governmental body, damage to its plants and equipment, computer network problems caused by any Internet Service Provider or telecommunications company servicing Wipfli and/or Client, or acts of God or events beyond a party's control (collectively referred to herein as "Force Majeure"). Each party will use reasonable efforts to promptly minimize the duration and consequences of any failure of or delay in performance resulting from a Force Majeure event. In such event, the affected party will not be liable to the other for delay or failure to perform its obligations under this Engagement Letter.



ADMINISTRATIVE OFFICES

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www.cloquetmn.gov

REQUEST FOR COUNCIL ACTION

To: Mayor and City Council
From: Katie Bloom, Finance Director
Reviewed by: Tim Peterson, City Administrator *TP*
Date: December 5, 2023

ITEM DESCRIPTION: 2024 Final Budget, Capital Improvement Plan, and Property Tax Levy

Proposed Action

Staff recommends the City Council make three (3) separate motions related to the budget and levy:

1. First, staff recommends that the City Council move to adopt the five (5) year Capital Improvement Plan for 2024-2028; and
2. Second, staff recommends that the City Council move to adopt **RESOLUTION NO. 23-67, ADOPTING THE 2024 BUDGET**; and
3. Third, staff recommends that the City Council move to adopt **RESOLUTION NO. 23-68, ADOPTING SUMS OF MONEY TO BE LEVIED FOR LEVY YEAR 2023, PAYABLE IN 2024.**

Background/Overview

Attached the City Council will find summary information related to the 2023 Operating Budget. The City Council should recall that the City utilizes a four (4) year Operating Budget to help it monitor the long-term impact of any service level decisions.

Since the adopting of the preliminary budget in September, adjustments have been made to update for union contract changes including wage increases, health insurance open enrollment changes and actual health insurance cost decreases.

In general, the City is proposing total expenditures of \$24,275,584 and revenues of \$23,221,917. The General Fund, which is responsible for the vast majority of City Services, is projected at expenditures of \$9,288,674 and revenues of \$8,988,674.

To recap, some important items to note are:

- Proposed Local Government Aid (LGA) increase is \$504,524
- Final property tax levy increase is 2.85%, or \$98,110
 - General Operations – (\$159,540)
 - Library - \$81,000
 - GO Swimming Pond Debt – No Change
 - GO Library Facilities Debt – (\$2,050)



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- Public Works Reserve – \$178,700
- Additional details are included in the summary budget documents attached.

Policy Objectives

The City was required by Minnesota Statute to adopt its preliminary property tax levy and budget by September 30th. The final budget and levy is required to be adopted and certified to the County Auditor and State of MN no later than December 30th by the same Statute.

In adopting the final levy, the levy cannot be increased above the level adopted in September, it can only be decreased.

Financial/Budget/Grant Considerations

In September, the City Council approved a preliminary property tax levy of \$3,598,141, a 4.53% increase from 2023. Staff was able to recognize savings for health insurance changes and removed the \$70,000 Permanent Improvement Fund levy, thus reducing the total levy to \$3,540,200, a 2.85% increase from the 2023 levy.

Supporting Documents Attached

- Summary of 2024-2028 Capital Improvement Plan
- Resolution 23-67
- Resolution 23-68
- Summary Budget Documents

City of Cloquet, Minnesota

Capital Plan

2024 thru 2028

PROJECTS BY YEAR

Project Name	Department	Project #	Priority	Project Cost
2024				
Engineering and Administration Server Replacement	Engineering	EE-006	3	30,000
2014 SkiDoo Skandic Grooming Snowmobile	Parks	PE-608	2	18,700
Ice Plant Replacement	Parks	PP-031	2	350,000
Patrol Vehicle - 2021 Ford Interceptor	Police	PD-020	2	55,000
Admin - 2013 Dodge Ram Pick Up	Police	PD-028	3	0
Investigations - 2013 Chevy Malibu	Police	PD-029	4	0
SRO Vehicle - 2018 Dodge Charger	Police	PD-031	3	0
Patrol Vehicle - 2014 Dodge Charger	Police	PD-033	3	55,000
Investigations - 2012 Dodge Charger	Police	PD-034	3	0
2013 International Dump Truck	Street	SE-213	3	300,000
2014 Dodge 2500 Pick-up Truck	Street	SE-222	3	45,000
2012 Ford F-350 One-Ton Dump Truck	Street	SE-226	2	65,000
Emerald Ash Bore Forestry Management	Street	STP-049	2	70,000
22nd Street Utility Infrastructure	Street & Utilities	STUP-023	3	820,000
8th Street Reconstruction	Street & Utilities	STUP-025	2	1,456,000
Total for 2024				3,264,700
2025				
2015 GMC 2500 Pick Up Truck	Engineering	EE-506	3	40,000
2015 GMC Crew Cab Pickup	Parks	PE-605	3	50,000
Ice Plant Replacement	Parks	PP-031	2	3,125,000
Little Peoples Playground	Parks	PP-047	3	65,000
Ped Rive Bridge	Parks	PP-048	2	169,749
Admin - 2013 Dodge Ram PU	Police	PD-022	2	0
Patrol Vehicle - 2023 Dodge Ram PU	Police	PD-025	3	55,000
2015 GMC Pick-Up Truck	Sewer	SWE-407	3	50,000
2013 International Dump Truck	Street	SE-212	3	300,000
2015 GMC K2500 Pick-up	Street	SE-701	4	50,000
Miscellaneous Street Repair and Overlays	Street	STP-010	1	465,000
Armory Road Area	Street	STP-043	3	1,933,000
Emerald Ash Bore Forestry Management	Street	STP-049	2	100,000
2011 Hyundai Tracked Excavator	Water	WE-305	2	220,000
2015 GMC Pickup Truck	Water	WE-307	3	50,000
Lake Superior Waterline Improvement	Water	WP-007	2	10,000,000
Total for 2025				16,672,749
2026				
Replace 2016 Dodge Ram 5500 Dump Truck	Parks	PE-603	3	65,000
Replacement of 2016 Jacobsen Turf Cat Mower	Parks	PE-606	3	50,000
Replacement of 2016 Jacobsen Turf Cat Mower	Parks	PE-607	3	50,000
Patrol Vehicle - 2023 Dodge Durango	Police	PD-024	3	55,000
Sewer Televising Camera w/Trailer	Sewer	SWE-406	2	60,000
Replacement of 2015 Dump Truck	Street	SE-210	4	350,000

Project Name	Department	Project #	Priority	Project Cost
Replace 1996 Caterpillar Vibratory Roller	Street	SE-228	3	80,000
Tall Pine Lane Area	Street & Utilities	STUP-009	3	1,750,000
Replacement of 2016 Hydraulic Breaker	Water	WE-309	2	15,000
Spring Lake Reservoir Rehab	Water	WP-027	2	160,000
Well 11 - Water Main	Water	WP-028	2	140,000
Total for 2026				2,775,000
2027				
2011 John Deere Front Mower	Parks	PE-602	2	50,000
Replacement of Parks Trailer	Parks	PE-613	4	15,000
Patrol Vehicle - 2021 Police Interceptor	Police	PD-021	2	50,000
Patrol Vehicle - 2021 Ford Interceptor	Police	PD-023	2	55,000
Investigations - 2018 Dodge Ram Pick Up	Police	PD-027	3	0
Replace 2012 Engineering Transit Van	Street	SE-503	3	45,000
Carlton Avenue (22nd to Cloquet Ave)	Street	STP-044	3	550,000
Prospect Avenue #2	Street & Utilities	STUP-020	3	1,538,000
Total for 2027				2,303,000
2028				
Admin - 2013 Dodge Ram Pick Up	Police	PD-028	3	55,000
Admin - 2020 Dodge Durango	Police	PD-032	2	55,000
Replacement of 2013 Skidsteer	Street	SE-206	3	58,000
Replacement of 2008 Aerial Lift Truck	Street	SE-207	3	125,000
2018 Dodge Pickup - (2020 Plow Blade)	Street	SE-232	4	40,000
17th Street Reconstruct #2	Street & Utilities	STUP-016	3	816,000
Dodridge Ave Reconstruction	Street & Utilities	STUP-024	3	1,724,000
Total for 2028				2,873,000
GRAND TOTAL				27,888,449

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

RESOLUTION NO. 22-67

A RESOLUTION ADOPTING THE 2024 BUDGET

WHEREAS, The City Administrator has prepared an annual budget and the City Council has reviews the 2024 budget; and

WHEREAS, Chapter 275, Section 065 of Minnesota Statutes requires that the City adopt a 2024 levy and budget.

NOW, THEREFORE, BE IT RESOLVED, BY THE CITY COUNCIL OF THE CITY OF CLOQUET, MINNESOTA, That there be and is hereby set aside for the year 2024 for the following departments and funds:

<u>Fund</u>	<u>Revenues</u>	<u>Expenditures</u>
General	\$8,988,674	\$9,288,674
LDO Loan (EDA)	15,500	2,200
Federal CDBG Loan (EDA)	10,000	10,000
Economic Development Loan (City)	11,550	2,000
Small Cities Development (EDA)	2,250	0
Library	778,000	789,250
Tax Increment – Trails Edge	33,500	33,500
Tax Increment – 14 th Street Apartments	58,300	58,300
Tax Increment – Oakwood Estates	55,000	55,000
Tax Increment – Patio Homes	55,000	55,000
Landfill Host Fee	105,000	25,000
Cable Television	103,000	107,500
Swimming Pond Bonds	83,500	103,750
City Sales Tax Bonds	545,500	545,500
Facility Bonds	98,150	95,000
Permanent Improvement	100,000	6,500
Public Works Reserve	638,700	638,700
Revolving Capital Projects	1,456,000	1,456,000
City Sales Tax Projects	1,015,000	1,480,175
City Sales Tax Pine Valley	1,000,000	350,000
Employee Severance Benefits	10,000	30,000
Water – Lake Superior Waterline	3,000,000	3,435,080
Water – In Town System	2,580,310	2,875,525
Sewer Utility	2,146,983	2,222,730
Stormwater Utility	332,000	610,200
TOTAL:	<u>\$23,221,917</u>	<u>\$24,275,584</u>

**PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF CLOQUET
THIS 5TH DAY OF DECEMBER, 2023.**

Roger Maki, Mayor

ATTEST:

Tim Peterson, City Administrator

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

RESOLUTION NO. 23-68

**A RESOLUTION ADOPTING SUMS OF MONEY
TO BE LEVIED FOR LEVY YEAR 2023, PAYABLE IN 2024**

BE IT RESOLVED, By the City Council of the City of Cloquet, Minnesota, that the following sums of money be levied for the levy year 2023, payable in 2024, upon taxable property in the City of Cloquet, for the following purposes:

<u>Fund</u>	<u>Levy</u>
General	\$2,408,850
Library	561,000
GO Swimming Pond Debt	83,500
GO Facilities Debt	98,150
Public Works Reserve	<u>388,700</u>
 TOTAL LEVY	 <u><u>\$3,540,200</u></u>

**PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF CLOQUET
THIS 5TH DAY OF DECEMBER, 2023.**

Roger Maki, Mayor

ATTEST:

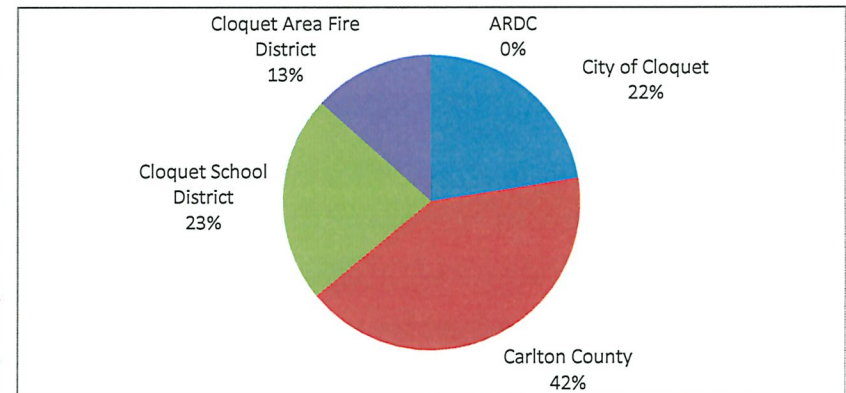
Tim Peterson, City Administrator

**City of Cloquet
Tax Levy Summary
2021 Actual Through 2027 Planning**

	<u>Actual 2021</u>	<u>Actual 2022</u>	<u>Actual 2023</u>	<u>Proposed 2024</u>	<u>Planning 2025</u>	<u>Planning 2026</u>	<u>Planning 2027</u>
General	\$ 2,181,950	\$ 2,362,200	\$ 2,568,390	\$ 2,408,850	\$ 2,617,022	\$ 2,727,681	\$ 2,871,564
Library	400,000	415,000	480,000	561,000	582,000	607,920	635,570
GO Swimming Pond Debt	110,000	105,750	83,500	83,500	83,500	83,500	83,500
GO Facilities Debt-Library	98,850	102,250	100,200	98,150	102,000	102,000	102,000
GO Facilities Debt-PW	-	-	-	-	-	-	-
Permanent Improvement	-	-	-	-	-	-	-
Public Works Reserve	340,000	255,000	210,000	388,700	415,500	615,000	180,000
Tax Levy	<u>\$ 3,130,800</u>	<u>\$ 3,240,200</u>	<u>\$ 3,442,090</u>	<u>\$ 3,540,200</u>	<u>\$ 3,800,022</u>	<u>\$ 4,136,101</u>	<u>\$ 3,872,634</u>
Levy Change (+/-)	2.89%	3.49%	6.23%	2.85%	7.34%	8.84%	-6.37%

<u>Property Tax Rates</u>	<u>2021</u>	<u>2022</u>	<u>Prior Year 2023</u>
City of Cloquet	39.484%	39.542%	34.625%
Carlton County	78.676%	78.824%	64.127%
Cloquet School District	45.562%	42.941%	34.898%
Cloquet Area Fire District	24.195%	23.192%	20.378%
ARDC	0.176%	0.173%	0.138%
Total Direct and Overlapping	<u>188.093%</u>	<u>184.672%</u>	<u>154.166%</u>

Prior Year - 2023 Property Taxes



City of Cloquet
Summary Comparison of All Funds Expenditures & Financing Uses
2021 Actual Through 2027 Planning

FUND		2021	2022	2023	2024	2025	2026	2027	('24 to '23 BUDGET)	
Description	No	ACTUAL	ACTUAL	BUDGET	PROPOSED	PLANNING	PLANNING	PLANNING	Dollars	%
General										
Total General Fund	101	8,270,117	8,729,504	8,560,790	9,288,674	9,343,650	9,528,700	9,761,730	727,884	8.50%
Special Revenue Funds										
LDO Loan (EDA)	201	2,463	-	2,200	2,200	2,200	2,200	2,200	-	-
Federal CDBG Loan (EDA)	202	96,689	42,358	10,000	10,000	10,000	10,000	10,000	-	-
Economic Development Loan (City)	203	-	-	2,000	2,000	2,000	2,000	2,000	-	-
Revolving SCGP (EDA)	206	20,000	20,046	10,000	-	-	-	-	(10,000)	-100.00%
Library	211	684,486	690,919	745,945	789,250	819,500	852,600	886,950	43,305	5.81%
Tax Increment - Trails Edge	215	-	5,283	33,500	33,500	33,500	33,500	33,500	-	-
Tax Increment - 14th St Apartments	221	23,098	73,902	58,300	58,300	58,300	58,300	58,300	-	-
Tax Increment - Oakwood Estates	222	53,180	53,180	55,000	55,000	55,000	55,000	55,000	-	-
Tax Increment - Patio Homes	223	36,806	45,130	55,000	55,000	55,000	55,000	55,000	-	-
Landfill Host Fee	260	42,227	625,811	25,000	25,000	25,000	25,000	25,000	-	-
Cable TV	614	119,839	110,319	110,000	107,500	107,500	107,500	107,500	(2,500)	-2.27%
Total Special Revenue		1,078,788	1,666,949	1,106,945	1,137,750	1,168,000	1,201,100	1,235,450	30,805	2.78%
Debt Service Funds										
Swimming Pond Bonds	370	102,945	101,740	100,400	103,750	101,950	105,075	103,175	3,350	3.34%
City Sales Tax Bonds	372	543,090	547,565	546,500	545,500	544,000	543,500	547,500	(1,000)	-0.18%
Facilities Bonds	374	90,440	93,715	96,900	95,000	94,000	97,000	95,600	(1,900)	-1.96%
Total Debt Service		736,475	743,020	743,800	744,250	739,950	745,575	746,275	450	0.06%
Capital Project Funds										
Permanent Improvement	225	40,866	6,638	6,500	6,500	471,500	1,151,500	761,500	-	-
Public Works Reserve	231	374,845	110,115	286,600	638,700	660,000	650,000	215,000	352,100	122.85%
Revolving Capital Projects	403	-	523,021	350,000	1,456,000	1,933,000	1,750,000	2,088,000	1,106,000	316.00%
City Sales Tax Projects	405	1,507,166	3,506,575	681,860	1,480,175	829,549	660,175	664,175	798,315	117.08%
City Sales Tax Projects - Pine Valley	406	-	-	-	350,000	3,125,000	-	-	350,000	#DIV/0!
Total Capital Project Funds		1,922,877	4,146,349	1,324,960	3,931,375	3,894,049	4,211,675	3,728,675	2,256,415	170.30%
Total Governmental Funds		12,008,257	15,285,822	11,736,495	15,102,049	15,145,649	15,687,050	15,472,130	3,015,554	25.69%
Internal Service										
Employee Severance Benefits	701	105,567	7,180	30,000	30,000	30,000	30,000	30,000	-	-
Total Internal Service		105,567	7,180	30,000	30,000	30,000	30,000	30,000	-	-
Enterprise Funds										
Water - Lake Superior Waterline	600	2,575,103	3,246,135	3,045,510	3,435,080	13,468,835	3,438,510	3,478,285	389,570	12.79%
Water - In Town System	601	1,883,393	3,360,832	3,423,546	2,875,525	2,971,425	2,852,500	2,886,600	(548,021)	-16.01%
Sewer Utility	602	1,731,464	1,948,380	2,001,541	2,222,730	2,381,680	2,464,275	2,351,525	221,189	11.05%
Stormwater Utility	605	305,877	381,179	575,000	610,200	341,950	769,600	485,200	35,200	6.12%
Total Enterprise Funds		6,495,837	8,936,526	9,045,597	9,143,535	19,163,890	9,524,885	9,201,610	97,938	1.08%
Total Proprietary Funds		6,601,404	8,943,706	9,075,597	9,173,535	19,193,890	9,554,885	9,231,610	97,938	1.08%
GRAND TOTAL ALL FUNDS		18,609,661	24,229,528	20,812,092	24,275,584	34,339,539	25,241,935	24,703,740	3,113,492	14.96%

City of Cloquet
Summary Comparison of All Funds Revenues & Financing Sources
2021 Actual through 2027 Planning

FUND		2021 ACTUAL	2022 ACTUAL	2023 BUDGET	2024 PROPOSED	2025 PLANNING	2026 PLANNING	2027 PLANNING	('24 to '23 BUDGET)		
Description	No								Dollars	Percent	
General											
Total General Fund		101	8,363,826	8,784,456	8,444,790	8,988,674	9,268,897	9,462,556	9,666,439	543,884	6.44%
Special Revenue Funds											
LDO Loan (EDA)		201	39,166	4,054	19,650	15,500	12,100	4,700	4,700	(4,150)	-21.12%
Federal CDBG Loan (EDA)		202	300	2,600	10,000	10,000	10,000	10,000	10,000	-	-
Economic Development Loan (City)		203	1,213	1,056	11,550	11,550	11,550	11,550	8,550	-	-
Revolving SCGP (EDA)		206	9,833	21,508	6,750	2,250	-	-	-	(4,500)	-66.67%
Library		211	616,057	635,344	709,000	778,000	799,000	824,920	852,570	69,000	9.73%
Tax Increment - Trails Edge		215	-	10,566	33,500	33,500	33,500	33,500	33,500	-	-
Tax Increment - 14th St Apartments		221	56,320	58,726	58,300	58,300	58,300	58,300	58,300	-	-
Tax Increment - Oakwood Estates		222	53,179	53,181	55,000	55,000	55,000	55,000	55,000	-	-
Tax Increment - Patio Homes		223	37,819	42,573	55,000	55,000	55,000	55,000	55,000	-	-
Landfill Host Fee		260	154,791	155,416	105,000	105,000	105,000	105,000	105,000	-	-
Cable TV		614	99,504	93,122	103,000	103,000	103,000	103,000	103,000	-	-
Total Special Revenue			1,068,182	1,078,145	1,166,750	1,227,100	1,242,450	1,260,970	1,285,620	60,350	5.17%
Debt Service Funds											
Swimming Pond Bonds		370	110,442	106,313	83,500	83,500	83,500	83,500	83,500	-	-
City Sales Tax Bonds		372	542,850	547,600	546,500	545,500	544,000	543,500	547,500	(1,000)	-0.18%
Facilities Bonds		374	98,809	102,326	100,200	98,150	102,000	102,000	102,000	(2,050)	-2.05%
Total Debt Service			752,101	756,239	730,200	727,150	729,500	729,000	733,000	(3,050)	-0.42%
Capital Project Funds											
Permanent Improvement		225	554,498	63,236	100,000	100,000	555,000	555,000	555,000	-	-
Public Works Reserve		231	509,353	276,585	295,000	638,700	660,000	650,000	215,000	343,700	116.51%
Revolving Capital Projects		403	-	475,777	350,000	1,456,000	1,933,000	1,750,000	2,088,000	1,106,000	316.00%
City Sales Tax Projects		405	1,149,620	3,720,927	1,015,000	1,015,000	1,015,000	1,015,000	1,015,000	-	-
City Sales Tax Projects - Pine Valley		406	-	-	-	1,000,000	1,000,000	1,000,000	1,000,000	-	-
Total Capital Project Funds			2,213,471	4,536,525	1,760,000	4,209,700	5,163,000	4,970,000	4,873,000	1,449,700	82.37%
Total Governmental Funds			12,397,580	15,155,364	12,101,740	15,152,624	16,403,847	16,422,526	16,558,059	2,050,884	16.95%
Internal Service Fund											
Employee Severance Benefits		701	2,570	4,565	10,000	10,000	10,000	10,000	10,000	-	-
Total Internal Service			2,570	4,565	10,000	10,000	10,000	10,000	10,000	-	-
Enterprise Funds											
Water Lake Superior Waterline		600	3,271,650	2,788,500	3,000,000	3,000,000	13,000,000	3,000,000	3,000,000	-	-
Water In-Town		601	2,012,683	2,003,232	2,436,680	2,580,310	2,717,559	2,971,289	2,969,539	143,630	5.89%
Sewer Utility		602	2,039,626	2,010,588	2,069,890	2,146,983	2,227,906	2,303,979	2,303,979	77,093	3.72%
Stormwater Utility		605	360,172	389,974	332,000	332,000	332,000	332,000	332,000	-	-
Total Enterprise Funds			7,684,131	7,192,294	7,838,570	8,059,293	18,277,465	8,607,268	8,605,518	220,723	2.82%
Total Proprietary Funds			7,686,701	7,196,860	7,848,570	8,069,293	18,287,465	8,617,268	8,615,518	220,723	2.81%
GRAND TOTAL ALL FUNDS			20,084,281	22,352,224	19,950,310	23,221,917	34,691,312	25,039,794	25,173,577	2,271,607	11.39%

City of Cloquet
All Funds Revenues & Expenditures/Expenses Summary
2024 Budget

Revenues by Source for 2024

FUND		Property Taxes	Other Taxes	Intergovt	Charges	All Others*	Transfers In	Revenues	
Description	No								
Total General Fund		101	2,408,850	55,000	4,103,824	467,500	803,450	1,150,050	8,988,674
Special Revenue Funds									
LDO Loan (EDA)	201	-	-	-	-	15,500	-	-	15,500
Federal CDBG Loan (EDA)	202	-	-	-	-	10,000	-	-	10,000
Economic Development Loan (City)	203	-	-	-	-	11,550	-	-	11,550
Revolving SCDP (EDA)	206	-	-	-	-	2,250	-	-	2,250
Library	211	561,000	-	-	10,000	7,000	200,000	-	778,000
Tax Increment - Trails Edge	215	-	33,500	-	-	-	-	-	33,500
Tax Increment - 14th Street Apart.	221	-	58,300	-	-	-	-	-	58,300
Tax Increment - Oakwood Estates	222	-	55,000	-	-	-	-	-	55,000
Tax Increment - Patio Homes	223	-	55,000	-	-	-	-	-	55,000
Landfill Host Fee	260	-	-	-	-	105,000	-	-	105,000
Cable TV	614	-	103,000	-	-	-	-	-	103,000
Total Special Revenue			561,000	304,800	-	10,000	151,300	200,000	1,227,100
Debt Service Funds									
Swimming Pond Bonds	370	83,500	-	-	-	-	-	-	83,500
City Sales Tax Bonds	372	-	-	-	-	-	545,500	-	545,500
Facility Bonds	374	98,150	-	-	-	-	-	-	98,150
Total Debt Service			181,650	-	-	-	-	545,500	727,150
Capital Project Funds									
Permanent Improvement	225	-	-	-	-	100,000	-	-	100,000
Public Works Reserve	231	388,700	-	70,000	-	35,000	145,000	-	638,700
Revolving Capital Projects	403	-	-	619,000	-	-	837,000	-	1,456,000
City Sales Tax Projects	405	-	1,015,000	-	-	-	-	-	1,015,000
City Sales Tax - Pine Valley	406	-	1,000,000	-	-	-	-	-	1,000,000
Total Capital Project Funds			388,700	2,015,000	689,000	-	135,000	982,000	4,209,700
Total Governmental Funds			3,540,200	2,374,800	4,792,824	477,500	1,089,750	2,877,550	15,152,624
Internal Service									
Employee Severance Benefits	701	-	-	-	-	10,000	-	-	10,000
Enterprise Funds									
Water - Lake Superior Waterline	600	-	-	-	3,000,000	-	-	-	3,000,000
Water - In Town System	601	-	-	-	2,262,755	130,000	187,555	-	2,580,310
Sewer Utility	602	-	-	-	2,091,983	55,000	-	-	2,146,983
Stormwater Utility	605	-	-	-	330,000	2,000	-	-	332,000
Total Enterprise Funds			-	-	7,684,738	187,000	187,555	-	8,059,293
Total Proprietary Funds			-	-	7,684,738	197,000	187,555	-	8,069,293
GRAND TOTAL ALL FUNDS			3,540,200	2,374,800	4,792,824	8,162,238	1,286,750	3,065,105	23,221,917

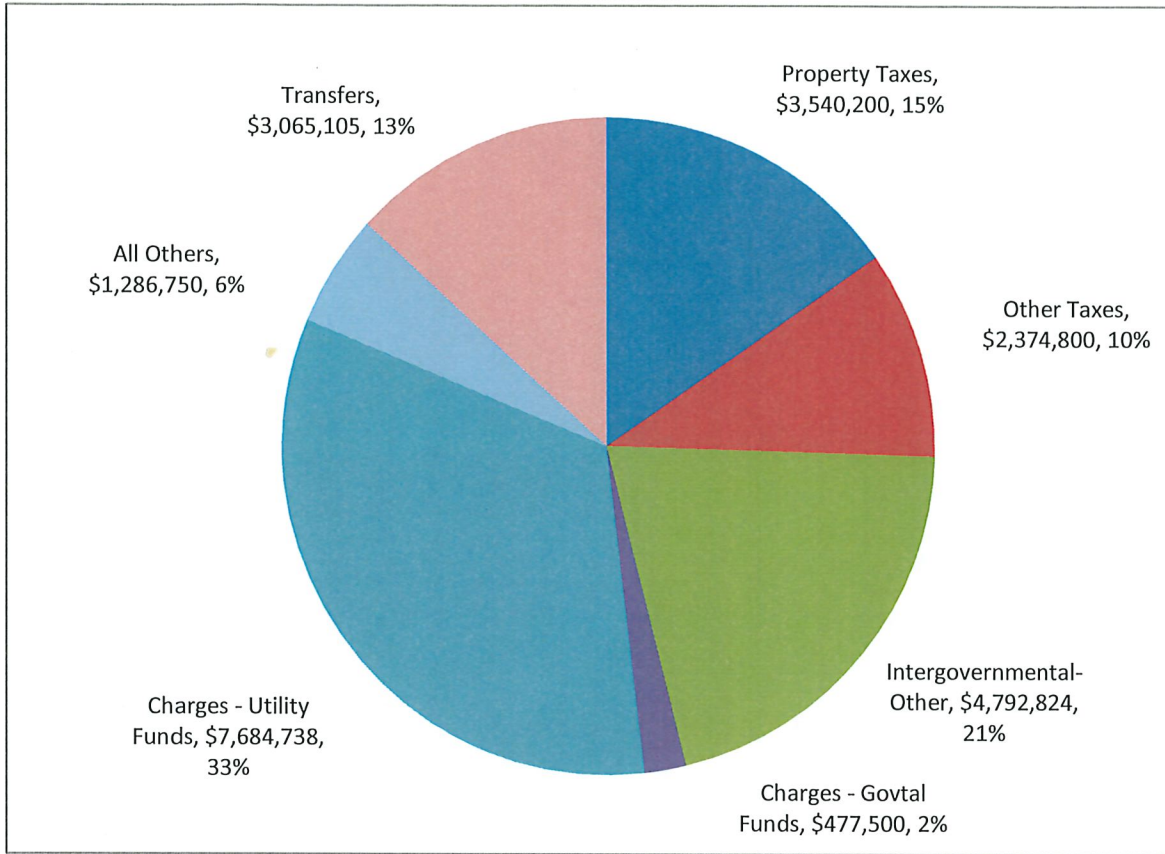
Expenditures/Expenses by Function for 2024

Personal Services	Supplies	Other Services	Debt	Capital	Transfers Out	Expenditure/Expenses
6,292,950	432,950	2,347,774	-	15,000	200,000	9,288,674
-	-	2,200	-	-	-	2,200
-	-	10,000	-	-	-	10,000
-	-	2,000	-	-	-	2,000
-	-	-	-	-	-	-
626,700	56,600	105,950	-	-	-	789,250
-	-	30,150	-	-	3,350	33,500
-	-	52,100	-	-	6,200	58,300
-	-	50,000	-	-	5,000	55,000
-	-	49,500	-	-	5,500	55,000
-	-	-	-	-	25,000	25,000
-	-	92,500	-	-	15,000	107,500
626,700	56,600	394,400	-	-	60,050	1,137,750
-	-	-	103,750	-	-	103,750
-	-	-	545,500	-	-	545,500
-	-	-	95,000	-	-	95,000
-	-	-	744,250	-	-	744,250
-	-	-	-	6,500	-	6,500
-	-	-	-	638,700	-	638,700
-	-	-	-	1,456,000	-	1,456,000
-	-	-	-	820,000	660,175	1,480,175
-	-	-	-	350,000	-	350,000
-	-	-	-	3,271,200	660,175	3,931,375
6,919,650	489,550	2,742,174	744,250	3,286,200	920,225	15,102,049
30,000	-	-	-	-	-	30,000
816,080	117,800	2,218,500	-	107,700	175,000	3,435,080
525,600	121,400	575,950	770,575	-	882,000	2,875,525
437,350	31,550	1,135,450	35,000	-	583,380	2,222,730
-	13,500	51,000	27,700	-	518,000	610,200
1,779,030	284,250	3,980,900	833,275	107,700	2,158,380	9,143,535
1,809,030	284,250	3,980,900	833,275	107,700	2,158,380	9,173,535
8,728,680	773,800	6,723,074	1,577,525	3,393,900	3,078,605	24,275,584

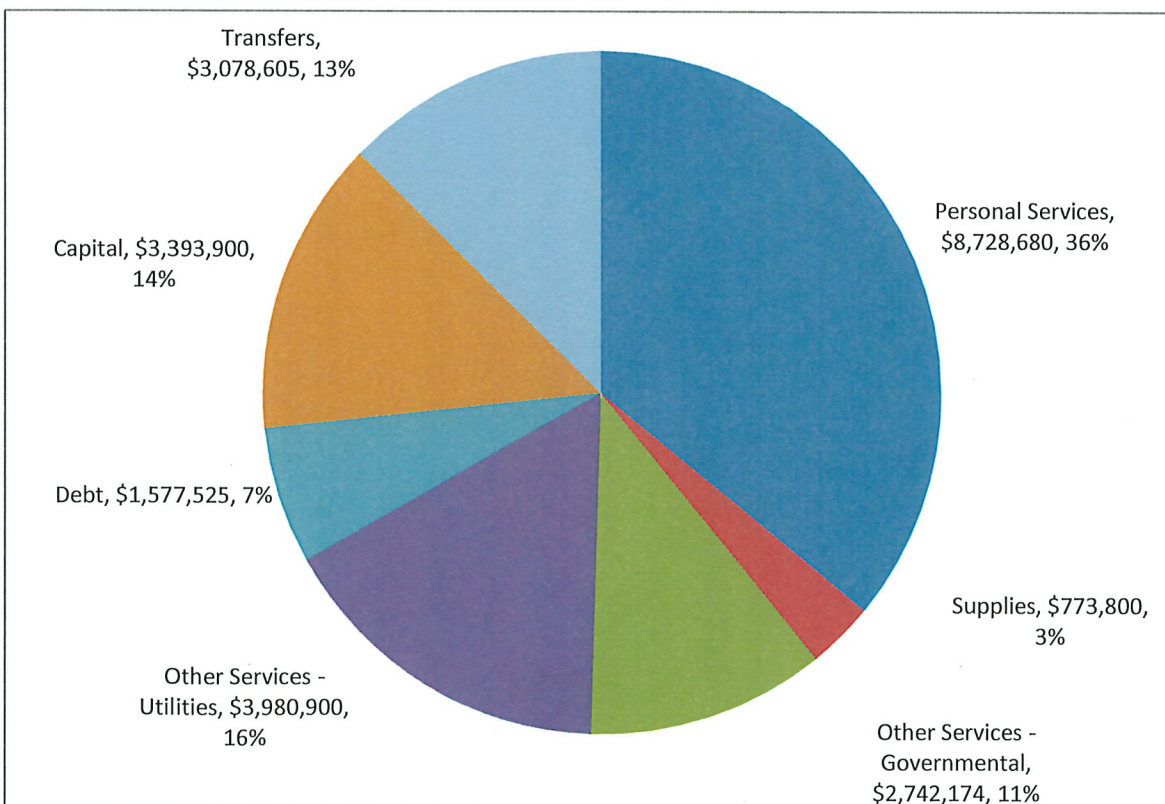
* - License and Permits, Fines & Forfeitures, Special Assessments, and Miscellaneous.

City of Cloquet 2024 Budget - All Funds

Revenues



Expenditures/Expenses

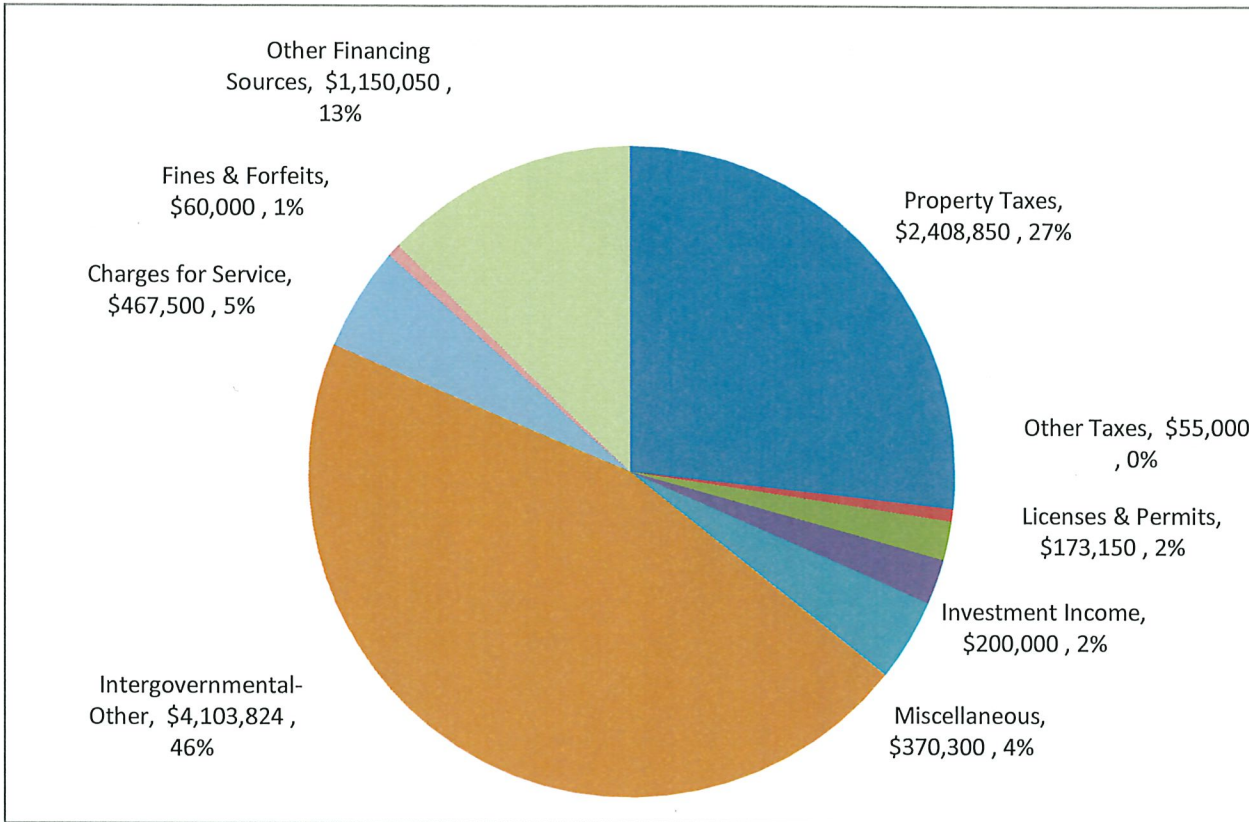


City of Cloquet
Summary Comparison of General Fund Expenditures & Financing Uses, Revenues & Financing Sources
2021 Actual through 2027 Planning

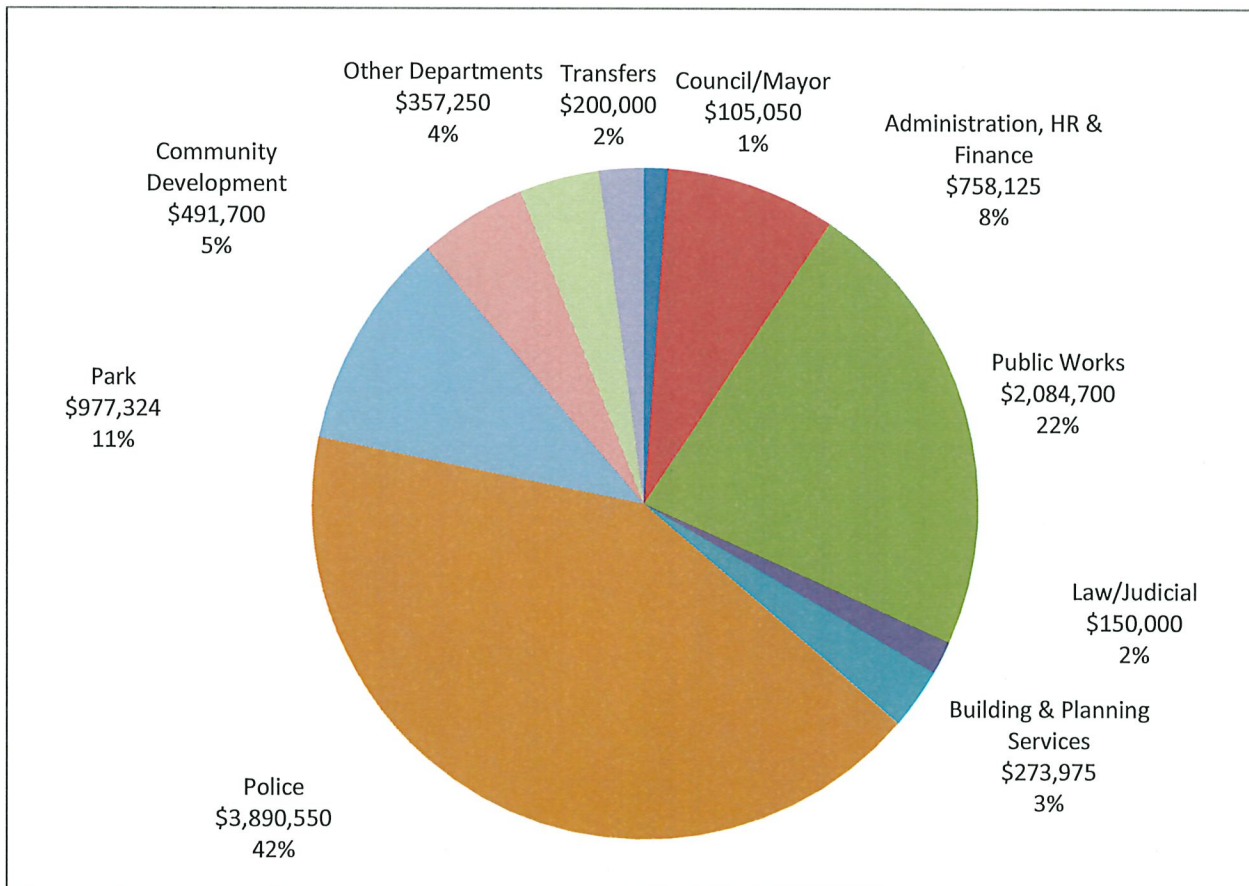
Descriptions	2021 ACTUAL	2022 ACTUAL	2023 BUDGET	2024 PROPOSED	2025 PLANNING	2026 PLANNING	2027 PLANNING	CHANGE (‘24 to ‘23 BUDGET)	
								Dollars	Percent
Expenditures & Financing Uses:									
Council & Mayor	\$ 90,398	\$ 92,160	\$ 116,550	\$ 105,050	\$ 115,050	\$ 105,050	\$ 115,050	\$ (11,500)	-9.87%
Elections	2,448	23,750	-	25,700	-	25,700	-	\$ 25,700	#DIV/0!
Administration	325,347	343,496	352,395	383,050	390,050	400,350	410,500	\$ 30,655	8.70%
Human Resources	154,188	155,886	162,615	166,925	168,075	172,175	176,675	\$ 4,310	2.65%
Finance	247,384	253,481	268,460	208,150	216,200	223,900	231,500	\$ (60,310)	-22.47%
Prosecution	169,184	178,729	120,000	150,000	150,000	150,000	150,000	\$ 30,000	25.00%
Managed Information Technology	68,679	56,067	63,500	63,500	63,500	63,500	63,500	\$ -	-
Building & Planning Services	264,685	258,119	275,545	273,975	361,775	290,225	293,925	\$ (1,570)	-0.57%
General Government Bldgs	112,348	133,849	140,350	150,900	155,450	160,300	165,200	\$ 10,550	7.52%
WLSSD District Wide Allocation	24,501	24,226	24,500	24,500	24,500	24,500	24,500	\$ -	-
Police & Other Public Safety	3,414,158	3,711,266	3,708,075	3,890,550	4,098,400	4,234,550	4,373,930	\$ 182,475	4.92%
Highways, Streets, & Roadways	1,455,718	1,803,139	1,806,025	1,864,700	1,924,300	1,987,100	2,046,500	\$ 58,675	3.25%
Snow Removal	45,185	49,811	60,000	60,000	60,000	60,000	60,000	\$ -	-
Street Lighting	138,530	205,990	137,500	142,500	142,500	142,500	142,500	\$ 5,000	3.64%
Weed Control	22,557	23,309	17,500	17,500	17,500	17,500	17,500	\$ -	-
Parks	853,571	932,253	860,950	977,324	983,650	994,050	1,004,750	\$ 116,374	13.52%
Senior Center	10,532	19,484	19,900	15,400	15,400	15,400	15,400	\$ (4,500)	-22.61%
Community Development Oper	158,090	168,041	159,675	491,700	180,050	184,650	193,050	\$ 332,025	207.94%
Events Coordination	19,000	25,059	15,000	25,000	25,000	25,000	25,000	\$ 10,000	66.67%
Lodging Tax Distribution	58,614	71,390	52,250	52,250	52,250	52,250	52,250	\$ -	-
Other Financing Uses	635,000	200,000	200,000	200,000	200,000	200,000	200,000	\$ -	-
Total	\$ 8,270,117	\$ 8,729,504	\$ 8,560,790	\$ 9,288,674	\$ 9,343,650	\$ 9,528,700	\$ 9,761,730	\$ 727,884	8.50%
Revenues & Financing Sources:									
Taxes	\$ 2,257,150	\$ 2,452,672	\$ 2,623,390	\$ 2,463,850	\$ 2,672,022	\$ 2,782,681	\$ 2,926,564	\$ (159,540)	-6.08%
Licenses & Permits	165,774	140,298	168,150	173,150	173,150	173,150	173,150	\$ 5,000	2.97%
Intergovernmental	3,952,849	4,112,044	3,464,300	4,103,824	4,143,825	4,203,825	4,243,825	\$ 639,524	18.46%
Charges for Service	371,602	380,785	471,450	467,500	473,850	476,850	476,850	\$ (3,950)	-0.84%
Fines & Forfeits	62,135	65,304	60,000	60,000	60,000	60,000	60,000	\$ -	-
Investment Income	2,034	30,549	150,000	200,000	200,000	200,000	200,000	\$ 50,000	33.33%
Miscellaneous	428,297	488,843	364,950	370,300	376,000	376,000	376,000	\$ 5,350	1.47%
Other Financing Sources	1,123,985	1,113,960	1,142,550	1,150,050	1,170,050	1,190,050	1,210,050	\$ 7,500	0.66%
Total	\$ 8,363,826	\$ 8,784,456	\$ 8,444,790	\$ 8,988,674	\$ 9,268,897	\$ 9,462,556	\$ 9,666,439	\$ 543,884	6.44%
NET CHANGE	\$ 93,709	\$ 54,952	\$ (116,000)	\$ (300,000)	\$ (74,753)	\$ (66,144)	\$ (95,291)	\$ (184,000)	

City of Cloquet 2024 General Fund Budget

Revenues



Expenditures



General Fund Budget Changes

Expenditures & Financing Uses:

Elections

2023 Budget	2024 Proposed	Difference	Percentage Change
\$0	\$25,700	\$25,700	100.00%

- Elections were added in for 2024.

Administration

2023 Budget	2024 Proposed	Difference	Percentage Change
\$352,395	\$383,050	\$30,655	8.7%

- Wage and benefit increases.
- Property and liability insurance increase of \$18,500
- Computer equipment increase of \$2,500

Human Resources

2023 Budget	2024 Proposed	Difference	Percentage Change
\$162,615	\$166,925	\$4,310	2.65%

- Wage and benefit increases.

Finance

2023 Budget	2024 Proposed	Difference	Percentage Change
\$268,460	\$208,150	(\$60,310)	-22.47%

- Reallocated staff wages and benefits.

Prosecution

2023 Budget	2024 Proposed	Difference	Percentage Change
\$120,000	\$150,000	\$30,000	20.00%

- Increase to legal fees.

Managed Information Technology

2023 Budget	2024 Proposed	Difference	Percentage Change
\$63,500	\$63,500	\$0	0.00%

- No change.

Building & Planning Services

2023 Budget	2024 Proposed	Difference	Percentage Change
\$275,545	\$273,975	\$1,570.00	0.57%

- Wage and benefit increases for 2024.
- Computer software increase of \$1,000.

General Government Buildings

2023 Budget	2024 Proposed	Difference	Percentage Change
\$140,350	\$150,900	\$10,550	7.52%

- Wage and benefit increases for 2024.

WLSSD District Wide Allocation

2023 Budget	2024 Proposed	Difference	Percentage Change
\$24,500	\$24,500	\$0	0.00%

- No change.

Police & Other Public Safety

2023 Budget	2024 Proposed	Difference	Percentage Change
\$3,708,075	\$3,890,550	\$182,475	4.92%

- Wage and benefit increases of \$128,025 (Teamsters contract not yet settled)
- Disability retired health insurance increase (entire expense to be reimbursed by State of MN - \$135,000).
- Motor fuels increase of \$2,500.
- Electric service increase of \$10,000.
- Property & liability insurance increase of \$30,000.

Highways, Streets & Roads

2023 Budget	2024 Proposed	Difference	Percentage Change
\$1,806,025	\$1,864,700	\$58,675	3.25%

- Wage and benefit increases.
- Operating supplies increase of \$4,500.
- Motor fuels increase of \$5,000.
- Electric service increase of \$3,000.
- Property and liability insurance increase of \$14,750.
- Computer maintenance increase of \$6,000.

Snow Removal

2023 Budget	2024 Proposed	Difference	Percentage Change
\$60,000	\$60,000	\$0	0.00%

- No change.

Street Lighting

2023 Budget	2024 Proposed	Difference	Percentage Change
\$137,500	\$142,500	\$5,000	3.51%

- Electric service increase.

Weed Control

2023 Budget	2024 Proposed	Difference	Percentage Change
\$17,500	\$17,500	\$0	0.00%

- No change.

Swimming Pond

2023 Budget	2024 Proposed	Difference	Percentage Change
\$102,400	\$110,400	\$8,000	7.25%

- Swimming pond contracted labor increase of \$7,500.
- Electric service increase of \$2,500.
- Equipment maintenance decrease of \$5,000.

Hockey Arena

2023 Budget	2024 Proposed	Difference	Percentage Change
\$256,000	\$298,774	\$42,774	16.71%

- Electric service increase of \$30,000.
- Water, sewer, natural gas increase of \$6,000.

Park Areas

2023 Budget	2024 Proposed	Difference	Percentage Change
\$502,550	\$568,150	\$65,600	11.55%

- Wage and benefit increase.
- Operating supplies increase of \$7,000.
- Property and liability insurance increase of \$6,000.
- Electric service increase of \$2,500.
- Water, sewer, natural gas increase of \$5,500.
- Other maintenance and improvement budget added of \$10,000.

Senior Center

2023 Budget	2024 Proposed	Difference	Percentage Change
\$19,900	\$15,400	\$4,500	-29.22%

- Remove air conditioner budget from 2024.
- Electric service increase of \$2,500.

Community Development Operations

2023 Budget	2024 Proposed	Difference	Percentage Change
\$159,675	\$491,700	\$32,025	20.06%

- Wage and benefit increases.
- Broadband budget of \$300,000 carried over to 2024.
- Housing consultant added in 2024 of \$21,500.

Events Coordination

2023 Budget	2024 Proposed	Difference	Percentage Change
\$15,000	\$25,000	\$10,000	40.00%

- Santas Home for the Holiday budget added.

Lodging Tax Distribution

2023 Budget	2024 Proposed	Difference	Percentage Change
\$52,250	\$52,250	\$0	0.00%

- No changes.

Other Financing Uses

2023 Budget	2024 Proposed	Difference	Percentage Change
\$200,000	\$200,000	\$0	0.00%

- No changes.

Revenues & Financing Sources

Taxes – General Fund

2023 Budget	2024 Proposed	Difference	Percentage Change
\$2,623,390	\$2,463,850	(\$159,540)	-6.08%

Licenses & Permits

2023 Budget	2024 Proposed	Difference	Percentage Change
\$168,150	\$173,150	\$5,000	2.89%

Intergovernmental

2023 Budget	2024 Proposed	Difference	Percentage Change
\$3,464,300	\$4,103,824	\$639,524	15.58%

- Local Government Aid increase of \$504,524.
- Duty Disability Health Insurance Reimbursement Added to offset expenses in the police department budget.

Charges for Services

2023 Budget	2024 Proposed	Difference	Percentage Change
\$471,450	\$467,500	(\$3,950)	-0.84%

Fines & Forfeits

2023 Budget	2024 Proposed	Difference	Percentage Change
\$60,000	\$60,000	\$0	0.00%

Investment Income

2023 Budget	2024 Proposed	Difference	Percentage Change
\$150,000	\$200,000	\$50,000	25.00%

Miscellaneous

2023 Budget	2024 Proposed	Difference	Percentage Change
\$364,950	\$370,300	\$5,350	1.44%

- Arena leases increase.

Other Financing Sources

2023 Budget	2024 Proposed	Difference	Percentage Change
\$1,142,550	\$1,150,050	\$7,500	0.65%

Library Budget Changes

Expenditures and Financing Uses:

2023 Budget	2024 Proposed	Difference	Percentage Change
\$745,945	\$789,250	\$43,305	5.81%

- Wage and benefit increases.
- Electric service increase of \$4,000.
- Property and liability insurance increase of \$4,000.

Revenues and Financing Sources:

Taxes

2023 Budget	2024 Proposed	Difference	Percentage Change
\$480,000	\$561,000	\$81,000	14.44%

- Property taxes increased \$81,000 to cover a trending net loss in the Library fund.

Charges for Services:

2023 Budget	2024 Proposed	Difference	Percentage Change
\$22,000	\$10,000	(\$12,000)	-120.00%

- Adjusted library fines and use fees to realistic estimates.

Miscellaneous:

2023 Budget	2024 Proposed	Difference	Percentage Change
\$7,000	\$7,000	\$0	0.00%

- No changes.

Other Financing Sources:

2023 Budget	2024 Proposed	Difference	Percentage Change
\$200,000	\$200,000	\$0	0.00%

- No changes.

General Obligation Swimming Bond Debt Service Budget Changes

Expenditures and Financing Uses:

2023 Budget	2024 Proposed	Difference	Percentage Change
\$100,400	\$103,750	\$3,350	3.23%

- Updated principal and interest expenses.

Revenues and Other Financing Sources:

Taxes:

2023 Budget	2024 Proposed	Difference	Percentage Change
\$83,500	\$83,500	\$0	0.00%

- No changes.

General Obligation Library Facilities Debt Service Budget Changes

Expenditures and Financing Uses:

2023 Budget	2024 Proposed	Difference	Percentage Change
\$96,900	\$95,000	(\$1,900)	-2.00%

- Updated principal and interest expenses.

Revenues and Other Financing Sources:

Taxes:

2023 Budget	2024 Proposed	Difference	Percentage Change
\$100,200	\$98,150	(\$2,050)	-2.09%

Permanent Improvement Budget Changes

Expenditures and Financing Uses:

2023 Budget	2024 Proposed	Difference	Percentage Change
\$6,500	\$6,500	\$0	0.00%

- No Changes

Revenues and Other Financing Sources:

Taxes:

2023 Budget	2024 Proposed	Difference	Percentage Change
\$0	\$70,000	\$70,000	100.00%

- Added to begin saving for future road reconstruction.

Special Assessments:

2023 Budget	2024 Proposed	Difference	Percentage Change
\$100,000	\$100,000	\$0	0.00%

- No changes.

Public Works Reserve Budget Changes

Expenditures and Financing Uses:

2023 Budget	2024 Proposed	Difference	Percentage Change
\$286,600	\$638,700	\$352,100	55.13%

- Police motor vehicles increased.
- Dump truck budgeted for 2024.
- Emerald Ash Bore included but covered by grant revenue.
- Streets department includes two pickups.

Revenues and Other Financing Sources:

Taxes:

2023 Budget	2024 Proposed	Difference	Percentage Change
\$210,000	\$388,700	\$178,700	45,97%

Intergovernmental:

2023 Budget	2024 Proposed	Difference	Percentage Change
\$0	\$70,000	\$70,000	100.00%

- Grant for Emerald Ash Bore

Miscellaneous:

2023 Budget	2024 Proposed	Difference	Percentage Change
\$35,000	\$35,000	\$0	0.00%

- No changes.

Other Financing Sources:

2023 Budget	2024 Proposed	Difference	Percentage Change
\$50,000	\$145,000	\$95,000	65.52%

- 2024 budget includes budgeted transfer from water, sewer, Lake Superior water line, and stormwater for various capital asset purchases.

2024 Property Tax Levy Comparison

	2023 Budget	2024 Proposed	Difference	Percentage Change
General	\$2,568,390	\$2,408,850	(\$159,540)	-6.21%
Library	\$480,000	\$561,000	\$81,000	14.44%
GO Swimming Pond	\$83,500	\$83,500	\$0	0.00%
GO Library	\$100,200	\$98,150	(\$2,050)	-2.09%
Public Works Reserve	\$210,000	\$388,700	\$178,700	45.97%
Total	\$3,442,090	\$3,540,200	\$98,110	
Levy Change	6.23%	2.85%		

Outstanding Items:

- Teamsters Contract Negotiations



DEPARTMENT OF PUBLIC WORKS

101 14th Street; Cloquet, MN 55720
Phone: (218) 879-6758 Fax: (218) 879-6555
Street - Water - Sewer – Engineering - Park
www.cloquetmn.gov

REQUEST FOR COUNCIL ACTION

To: Mayor and City Council
From: Caleb Peterson, Public Works Director
Reviewed By: Tim Peterson, City Administrator *TCP*
Date: December 5, 2023

ITEM DESCRIPTION: Public Works Position Appointments

Proposed Action

Staff recommends the City Council move to approve the probationary appointments of Bryce Oslin to the position of Parks Maintenance Worker and Donald Christensen to the position of Part-time Parks Maintenance Worker.

Background/Overview

Vacancies in the Parks Department have recently been created due to resignations. An internal posting was completed as required under the union contract and the vacancies were then advertised and posted externally. The applicants performed well through the interview process and the selection panel is unanimously recommending the probationary appointment of Bryce Oslin to the position of Parks Maintenance Worker and Donald Christensen to the position of Part Time Parks Maintenance Worker.

Policy Objectives

Keeping a fully staffed department is consistent with the service level directives of the City Council.

The City Council is the hiring authority for the City as determined by City Code and State law. Council must act to appoint applicants to complete the hiring process.

Financial/Budget/Grant Considerations

This position is fully funded as part of the 2024 operating budget.

Advisory Committee/Commission Action

N/A

Supporting Documents Attached

N/A



Community Development Department
101 14th Street • Cloquet MN 55720
Phone: 218-879-2507 • Fax: 218-879-6555

REQUEST FOR COUNCIL ACTION

To: Mayor and City Council
From: Al Cottingham, City Planner/Zoning Administrator
Reviewed By: Tim Peterson, City Administrator *TP*
Date: December 5, 2023

ITEM DESCRIPTION: Ordinance 509A, Mobile Storage – Second Reading

Proposed Action

The Planning Commission recommends the City Council move to adopt **ORDINANCE NO. 509A - AN ORDINANCE TO AMEND CHAPTER 17 OF THE MUNICIPAL CODE TO ALLOW MOBILE STORAGE STRUCTURES/SHIPPING CONTAINERS IN THE FR – FARM RESIDENTIAL DISTRICT.**

Background/Overview

The Planning Commission decided to look at amending the Mobile Storage Structures/Shipping Containers section of the Ordinance and allowing them in the FR – Farm Residential District on a limited basis. The ordinance currently allows these units in all residential districts for a period not to exceed three weeks and not more than twice during a 60-day period.

A public hearing was held on Tuesday, November 14, 2023 to consider possible amendments to the text of the Cloquet Zoning Ordinance. A legal notice was published in the Pine Knot on November 3, 2023, property owners were **not** sent a notice of the hearing since this is a textual amendment. The amendment, if approved, would amend Section 17.5.07 Subd. 2. D. of the Zoning Ordinance to allow a limited number of units in the FR – Farm Residential District.

Policy Objectives

In 2020 the city amended the Ordinance and the requirements for the units in all residential districts. There was no difference made for the larger lots in the Farm Residential District.

Financial Impacts

The Zoning Ordinance Text Amendment fee is \$300. These fees have been waived since the city is the applicant.

Advisory Committee Recommendation

The Planning Commission has recommended approval of the Zoning Ordinance Text Amendment on a 3–0 vote.

Attachments

- Ordinance No. 509A

ORDINANCE NO. 509A

**AN ORDINANCE TO AMEND CHAPTER 17 OF THE MUNICIPAL CODE
TO ALLOW MOBILE STORAGE STRUCTURES/SHIPPING CONTAINERS
IN THE FR – FARM RESIDENTIAL DISTRICT**

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

Section 1. **Section 17.5.07, Mobile Storage Structures/Shipping Containers, Subd. 2, Special Requirements for Residential Properties,** is amended to include the following:

- D. FR – Farm Residential District. On lots larger than 2-acres no more than one mobile storage structure/shipping container up to 40 feet in length or two up to 20 feet in length are allowed. The container(s) must be screened from view from the public right of way.

Section 2. **Effective Date.** This ordinance shall take effect and be in force from and after its passage and publication in accordance with the law.

Passed this 5th day of December 2023.

CITY OF CLOQUET

By: _____
Its Mayor

ATTEST:

By: _____
Its City Administrator

Published this _____ day of _____, 2023.



DEPARTMENT OF PUBLIC WORKS

101 14th Street; Cloquet, MN 55720
Phone: (218) 879-6758 Fax: (218) 879-6555
Street - Water - Sewer – Engineering - Park
www.cloquetmn.gov

REQUEST FOR COUNCIL ACTION

To: Mayor and City Council
From: Caleb Peterson, Public Works Director
Reviewed by: Tim Peterson, City Administrator *TP*
Date: December 5, 2023

ITEM DESCRIPTION: SRTS Funding Application

Proposed Action

Staff recommends the City Council move to adopt **RESOLUTION 23-65, SUPPORTING SUBMITTAL OF SAFE ROUTES TO SCHOOL (SRTS) FUNDING APPLICATION.**

Background/Overview

In coordination with the Cloquet School District and Carlton County, city staff has worked with SRF Consulting to identify possible safe routes to school (SRTS) infrastructure needs around Washington Elementary and the new Middle School/High School. As part of that study, intersection improvements were identified at three locations along 18th Street and Doddridge Avenue. Those intersections identified include:

- 18th Street and Wilson Avenue. – Rapid Flashing Beacon and Curb Extensions (Bump-outs)
- 18th Street and Sahlman Avenue. – Curb Extensions and Crossing Enhancements
- Doddridge Ave and 12th Street. – Rapid Flashing Beacon and Curb Extensions

**Note Intersection improvements were also studied at Doddridge & 18th however they are not eligible for funding under this solicitation as the City has this intersection in our 5-year CIP.*

The State of Minnesota has made a solicitation for state bond funds to be awarded to local agencies for SRTS projects in 2024-2025. Staff has coordinated with district staff to assemble a grant application for construction funding for a potential 2025 project.

The solicitation includes 100% funding for eligible construction costs however the poor condition of Doddridge Avenues underground utilities and pavement warrant a full reconstruction of the intersection as opposed to a crossing retrofit. Under this scenario, the city's utility funds would incur the matching costs. No general fund expenditures are expected as part of the project.

Policy Objectives

To advance proposed capital improvement projects coordinating with other local governmental units to maximize limited resources.

Financial Impacts

The total project cost is estimated at \$663,000 with \$406,000 in funding from the SRTS grant.

To Mayor and Council
SRTS Application
December 5, 2023
Page 2

The city's financial commitment is \$257,000 which would come from the appropriate utility funds. City staff would be required to manage project development and contract administration as non-construction-related costs are not eligible for funding.

Advisory Committee/Commission Action

N/A

Supplemental Documents Attached

- Resolution 23-65

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

RESOLUTION NO. 23-65

**SUPPORTING SUBMITTAL OF SAFE ROUTES TO SCHOOL (SRTS)
FUNDING APPLICATION**

WHEREAS, Safe Routes to School (SRTS) funding is available, with a minimum of \$50,000 and cap of \$1,000,000 for each project; and

WHEREAS, A joint study by SRF Consulting in coordination with the City, County and School District identified needs for intersection improvements along City owned streets including Doddridge Avenue and 18th Street; and

WHEREAS, The total estimated cost to improve adjacent intersections is estimated at \$662,940 with \$256,555 coming from local funding sources; and

WHEREAS, Chapter 13 of City Code requires the construction of Safe Routes to School infrastructure (sidewalks) in new developments, a requirement of SRTS funding.

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

1. The City Council hereby approves submittal of the 2023 SRTS funding application in the amount of \$406,385.
2. The City Council supports the construction of the project and agrees to maintain such improvements.
3. The City Council pledges support to fund engineering, inspection and all other non-SRTS costs as well as SRTS items in excess of the grant amount.

**PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF CLOQUET THIS 5th
DAY OF DECEMBER 2023.**

Roger Maki, Mayor

ATTEST:

Tim Peterson, City Administrator

I HEREBY CERTIFY that the above is a true and correct copy of a resolution presented to and adopted by the City of Cloquet, County of Carlton, State of Minnesota, at a duly authorized Municipal Council Meeting held in the Municipality of Cloquet, Minnesota on the 5th day of December 2023, as shown by the records of said Municipality in my possession.

City Clerk



DEPARTMENT OF PUBLIC WORKS

101 14th Street; Cloquet, MN 55720
Phone: (218) 879-6758 Fax: (218) 879-6555
Street - Water - Sewer – Engineering - Park
www.cloquetmn.gov

REQUEST FOR COUNCIL ACTION

To: Mayor and City Council
From: Caleb Peterson, Public Works Director
Reviewed By: Tim Peterson, City Administrator *TCP*
Date: December 5, 2023

ITEM DESCRIPTION: Armory Road – Local Road Improvement Program Grant Application

Proposed Action

Staff recommends the City Council move to adopt **RESOLUTION NO. 23-66, A RESOLUTION SUPPORTING PURSUIT OF 2023 LOCAL ROAD IMPROVEMENT PROGRAM (LRIP) FUNDING.**

Background/Overview

Minnesota cities, counties and townships can apply for funding support for transportation infrastructure projects on local roads as part of the Minnesota Department of Transportation's Local Road Improvement Program (LRIP). Approximately \$102.967 million in bond funds is available for constructing or reconstructing local roads in 2024, 2025 or 2026. Funding may be requested for projects that will reduce traffic crashes on rural County State Aid Highways, for projects on local roads that have regional significance or for the local share of a trunk highway project.

In review of grant criteria and the previously funded projects list, staff believes a case can be made for Armory Road as a route of regional significance. Specifically, it's function as 10-ton truck route connecting Highway 33 to a number of destinations of regional significance, including commercial shopping, recreational destinations of Pine Valley, Northwoods Credit Arena (home to the Junior League Hockey Team the Minnesota Wilderness and Cloquet Area Hockey Association), and White Pine Ski Trail system and University Forestry Center, Cloquet Public Works Facility, Carlton County Airport, rural housing areas, and Fond du Lac Reservation access.

Policy Objectives

N/A

Financial/Budget/Grant Considerations

The engineer's estimate for these improvements is currently \$1.7 million. Of this \$300K is for sewer and water improvements that would be funded by utility funds. Additionally, \$900K could be funded by Municipal State Aid funds, leaving a \$500K shortfall with no funding source. In recent years, these types of project funding gaps have been filled by Sales Tax monies. The City's Utility and Street Sales Tax revenue is nearing the end and unable to fund this project. Staff plans to apply for \$1.4 million in LRIP for this project to be used in 2025.

To Mayor and Council
LRIP Funding Application
December 5, 2023
Page 2

Advisory Committee/Commission Action

N/A

Supporting Documentation Attached

- Resolution No. 23-66
- Project Location Map

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

RESOLUTION NO. 23-66

**A RESOLUTION SUPPORTING PURSUIT OF 2023 LOCAL
ROAD IMPROVEMENT PROGRAM (LRIP) FUNDING.**

WHEREAS, The Local Road Improvement Program has been established through Statute 174.52 to provide funding assistance to local agencies; and

WHEREAS, The City of Cloquet is currently preparing engineering plans for improvements along Armory Road including pavement reconstruction and pedestrian improvements; and

WHEREAS, Implementation of Armory Road improvements will have a positive regional impact to the area and the TH Highway System, and

WHEREAS, The Armory Road improvements need additional funding in order to be implemented.

NOW, THEREFORE, BE IT RESOLVED, BY THE CITY COUNCIL OF THE CITY OF CLOQUET, MINNESOTA, That the City Council hereby supports the pursuit of Local Road Improvement Program (LRIP) funding and authorizes staff to prepare and submit an application.

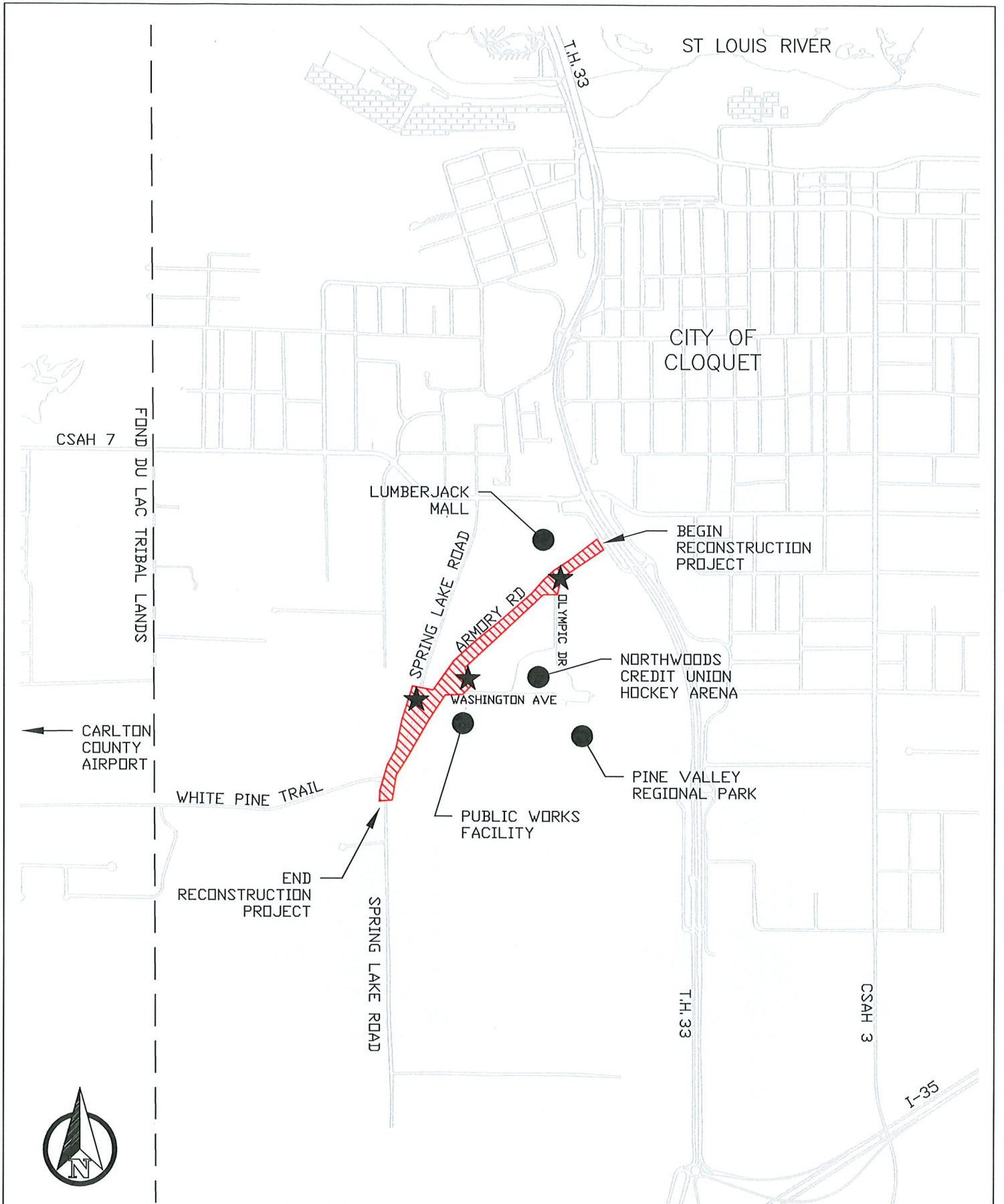
BE IT FURTHER RESOLVED, That the City Council supports the reconstruction of Armory Road and agrees to maintain such improvements

PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF CLOQUET THIS 5TH DAY OF DECEMBER, 2023.

Roher Maki, Mayor

ATTEST:

Tim Peterson, City Administrator



PROJECT LOCATION MAP

 ARMORY RD RECONSTRUCTION PROJECT

 EXISTING SKEWED INTERSECTIONS