



CITY OF CLOQUET
City Council Agenda - REVISED
Tuesday, August 2, 2016
7:00 p.m.
City Hall Council Chambers

CITY COUNCIL WORK SESSION

5:30 p.m. Coalition of Greater Minnesota Presentation – Bradley Peterson
6:15 p.m. Preliminary Budget / CIP

The City Council will reconvene the Work Session at the conclusion of its Regular Meeting for the purpose of continuing discussion on the 2017 budget.

1. **Roll Call**
2. **Pledge of Allegiance**
3. **Approval of Agenda**
 - a. Approval of August 2, 2016 Council Agenda
4. **Approval of Council Minutes**
 - a. Special Work Session minutes from the May 31, 2016 meeting
 - b. Work Session minutes from the July 19, 2016 meeting
 - b. Regular Council minutes from the July 19, 2016 meeting
5. **Consent Agenda**

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

 - a. Resolution No. 16-61, Authorizing the Payment of Bills and Payroll
6. **Public Hearings**

None.
7. **Presentations**

None.



CITY OF CLOQUET
City Council Agenda - REVISED
Tuesday, August 2, 2016
7:00 p.m.
City Hall Council Chambers

8. **Council Business**

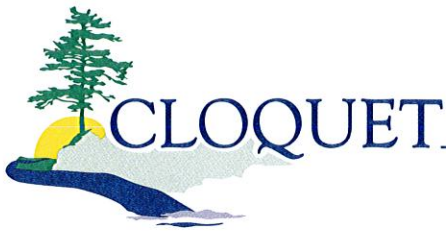
- a. Thomson Township Water Agreement Renewal
- b. Development Attorney & Bond Counsel Appointment
- c. Marketing Plan Request for Proposals

9. **Public Comments**

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

10. **Council Comments, Announcements, and Updates**

11. **Adjournment**



ADMINISTRATIVE OFFICES

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

MEMORANDUM

To: Mayor and City Council
From: Brian Fritsinger, City Administrator
Date: July 27, 2016

ITEM DESCRIPTION: 2017 Preliminary CIP and Budget Discussion Items

The City Council last met on July 19, 2016 for the purpose of discussing the 2017-2021 Capital Improvement Plan. Specifically, the Council focused its discussion on the re-prioritizing of the City's sales tax projects and public facilities plan.

As a result of the feedback provided at that meeting, staff has developed a third version of sales tax projects. In addition to City Council feedback, this version also considers reduced annual revenue stream and other bonding needs of the City. The following is a bullet point overview of changes per Council discussion, its direction and other items.

Staff would also refer the City Council to the City's website to review both the Parks Master Plan and Water Front Improvement Plan. Both contain information and clarity to the park vision that may differ from some of the City Councilors' thoughts presented at the last meeting.

2017 Sales Tax Projects

- Dunlap Island added back
- Dunlap/Spafford landscaping added back
- Riverfront north added back
- Issue larger bond – estimate \$8.4m (debt service about \$550k)
- **Total tax expended to date = \$7.2m**
- What is Dunlap Island Project?
 - Master Plan estimate was \$4.9m
 - Includes:
 - ✓ Playground \$500k
 - ✓ Shoreline Estimate \$400k
 - ✓ Small and large picnic shelter \$460k
 - ✓ Restroom \$250k
 - ✓ Lighting \$150k
 - ✓ Parking lot \$70k
 - ✓ Other \$470k

- ✓ Engineering \$400k
- Does NOT include:
 - ✓ Bridge \$1.4m

Questions:

- What is the right Dunlap project?
- When do we start design? Can design be completed in time for 2017?
- Grant opportunities?

2018 Sales Tax Projects

- Pine Valley Park added back (P.C. priority)
- Cloquet Avenue estimated cost increased to consider aesthetics/other design beyond overlay
- Bonds will have been fully expended (2017-2018 projects)
- **Total tax expended to date = \$11.0m**

Questions:

- Will state of MN cover all of Highway 33 costs?
- Mighty Ducks grant for Pine Valley facility?
- The Pine Valley facility projects adequately vetted to scope and funding sources?

2019 Sales Tax Projects

- Wentworth Park deleted
- Antus / 14th Street utilities added
- **Total tax expended to date = \$11.65m**

Questions:

- Verify Antus extension estimate and project scope (water/sewer/road)
- Does Braun Park irrigation project move to here from 2020?
- Future? Does City have any financial responsibility to relocate high school baseball field? (Lights?) What does lease say?
- How can we leverage other monies to maximize projects? (i.e.: tax levy, utilities, grants, etc)
- Does school district need to be engaged regarding the project? If so, when?

2020

- Issue is that the fund balance is now such that absent an increase in sales tax revenues, we enter a pay-as-you-go period on projects.
- Council discussed Athletic Park as next priority. It cannot be accomplished until fund balance reaches at least a million dollars. This would be estimated to take about 12 years.

Bonding Considerations

Based upon pending projects, the projected need for bonds is tentatively identified as follows:

2017

- Sales Tax Bond \$8.4m (Park Projects)
- Sappi Water Revenue Bond \$1.5m (Electrical Upgrades)

2018

- Water Revenue Bond \$5.2m (Filter Plant)

2019

- Water Revenue Bond \$1.7m (Filter Plant)
- Police Department Facility G.O. Bond \$6.4m
- Water Revenue Bond \$1.5m (Reservoir Painting)

2020

- Water Revenue Bond \$_____ (Water Tower)

2022

- Public Works Facility Bond \$9.0m

Questions

- Can we informally fund any or all of P.D. project?
- Can well exploration replace need for filter plants?
- Water Tower?
- Street Improvement Bonds?
- What are impacts from Private Revenue Bonds?
- Sappi Pipeline Replacement Bonds for 2019 or 2020?
- Can we use State PFA for any water projects to eliminate need for bonding?

Building Schedule

<u>Fire</u>		<u>P.D.</u>	
CAFD it's a go!	12/31/16	City it's a go!	01/01/18
Pre Design (2 months)	02/28/17	Pre Design (20 months)	03/01/18
Owner Review (1 month)	03/28/17	Owner Review (1 month)	04/01/18
Design (4 months)	07/31/17	Design (4 months)	08/01/18
Constructions Docs (3 months)	10/31/17	Construction Docs (3 months)	11/01/18
Bidding/Award (2 months)	12/31/17	Bidding/Award (2 months)	01/01/19
Construction (12 months)	12/31/18	Relocation (1 month)	02/01/19
Move In/Occupy	02/01/19	Issue Bonds?	02/01/19
		Construction (12 months)	02/01/20
		Move In/Occupy	03/01/20

- No assumptions on construction season
- Can't start until they award bid
- 2019 budget needs to include "rent"
- What is viable temporary relocation site, if any?
- BKV schedule was longer (add 3 months)

Cost Estimate:

- BKV 2016 \$5.4m
- 6% inflation \$6.4m

Sales Tax Funding

2017 Projects	Estimated Costs	2018 Projects	Estimated Costs	2019 Projects	Estimated Costs	2020 Projects	Estimated Costs
Dunlap Island	\$2,700,000.00	I-35/Hwy 33 Frontage Road	\$635,000.00	Regional Trail	\$100,000.00	Braun Park Irrigation	\$200,000.00
Hospital Landscaping	\$50,000.00	Pine Valley park	\$600,000.00	Antus/14th Street Utility Ext.	\$550,000.00		
Skate Park & Athletic Park	\$300,000.00	Pine Valley Facility	\$600,000.00				
Athletic Park Fencing	\$50,000.00	Cloquet Avenue	\$2,000,000.00				
Pinehurst Warming House	\$100,000.00	Total Project 2018	\$3,835,000.00	Total Project 2019	\$650,000.00	Total Project 2019	\$200,000.00
Riverfront North	\$150,000.00						
Broadway	\$1,000,000.00						
Dunlap/Spaff Landscaping	\$228,000.00						
Total Project 2017	\$4,578,000.00						
Sales Tax Balance 1/1/2017	\$510,000.00	Sales Tax Balance 1/1/2017	\$4,932,000.00	Sales Tax Balance 1/1/2018	\$1,147,000.00	Sales Tax Balance 1/1/2019	\$547,000.00
Additional Collection	\$600,000.00	Additional Collection	\$600,000.00	Additional Collection	\$600,000.00	Additional Collection	\$600,000.00
Total	\$1,110,000.00	Total	\$5,532,000.00	Total	\$1,747,000.00	Total	\$1,147,000.00
Issue Bond Feb 2017	\$8,400,000.00	Total Projects 2018	\$3,835,000.00	Total Projects 2019	\$650,000.00	Total Projects 2020	\$200,000.00
Total Available W/Bond	\$9,510,000.00	2017 Bond Debt Service	\$550,000.00	2017 Bond Debt Service	\$550,000.00	2017 Bond Debt Service	\$550,000.00
		Total Expense 2018	\$4,385,000.00	Total Expense 2019	\$1,200,000.00	Total Expense 2019	\$750,000.00
Total Expenses 2017	\$4,578,000.00						
Balance as of 12/31/2017	\$4,932,000.00	Balance as of 12/31/2018	\$1,147,000.00	Balance as of 12/31/2019	\$547,000.00	Balance as of 12/31/2020	\$397,000.00

Special Work Session Meeting

Tuesday, May 31, 2016

5:30 p.m.

 **DRAFT**

Present: Mayor Hallback, S. Langley, R. Maki, J. Rock, D. Bjerkness, L. Wilkinson
Absent: K. Kolodge
Staff: B. Fritsinger, N. Klassen, A. Cottingham, H. Butcher, J. Barclay
Scanlon: M. Berthiaume, S. Boedigheimer, Al Wallin , M. Johnson
Other: Ehler's and Associates

Brian gave a brief review of where the merger study is since the last joint meeting in March. The final merger study has been received, focusing on the financial and legal aspects of a potential merger. The recommendation by Ehlers is to move forward with the merger. The Scanlon Council took action at their Council meeting to continue moving forward however, the Cloquet Council has not taken any action at this point waiting for final report. The purpose of tonight's joint meeting is to walk through the final study, provide opportunity to ask Ehler's more questions and for the Cloquet Council to provide Brian with direction on where to go from here. Meeting highlights are as follows:

- Todd from Ehler's provided a Power Point summary of the final plan based on each City's adopted 2016 budgets.
- Both Councils had questions related to home values and property taxes.
- Discussion of Knife Falls being phased in over a six year period as the last piece of the merger.
- Discussion over utilities and cooperative use of water/sewer. Ehler's recommends a formal utility rate study if communities combine.
- Also recommended was a study to determine future street reconstruction needs including water, sewer and storm sewer condition.
- Unknown revenues include local sales taxes and municipal state aid. Ehler's recommends to discuss these issues with the MN Department of Revenue.
- The next step is to refine the plan based on Council direction, mainly focusing on the Knife Falls aspect.
- Concern of the short frame and the amount of unanswered questions. Discussion of an open house to give the public a chance to give feedback, the final decision will be up to the public.
- The majority of the Cloquet Council does not agree with moving forward with the merger based on the amount of unanswered questions remaining, the Knife Falls issue and the importance of getting public input with the short timeframe.
- The Cloquet City Council took no further position on the merger process and will continue discussion at its June 7, 2016 meeting.

With no further discussion, the meeting adjourned at 7:10 p.m.

Respectfully Submitted,

Brian Fritsinger
City Administrator

Work Session
July 19, 2016

Present: Bjerkness, Kolodge, Langley, Maki, Rock, Wilkinson, Mayor Hallback
Absent: None
Staff: Fritsinger, Barclay, Klassen, Cottingham, Peterson
Other: Jamie Lund, Pine Journal, SKB Environmental Representatives Kyle Backstrom, Ryan O'Gara, Steve Opstad, Dave Wiggins

SKB Presentation/Discussion

- Mr. Backstrom gave a brief history of SKB Environmental before presenting the proposed municipal solid waste landfill at the current Shamrock Landfill site on highway 45.
- The municipal waste from Cloquet and surrounding areas currently goes to Superior to the Moccasin Mike landfill which is scheduled to close in 5 years resulting in nowhere for the municipal solid waste to go. SKB is seeking a municipal solid waste permit to provide a place. It is a 3 year process to achieve a permit.
- Discussion of the permit process. SKB stated there are no other local options for a landfill site which will help them receive the certificate of need that must be applied for from the MPCA.
- Overview of the engineering requirements and the modern landfill design which includes a liner that controls bacteria/order and nuisances such as birds and litter. A collection system protects the groundwater which is pumped out and sent to WLSSD.
- If the proposed landfill is successful, it will be used for at least 20 years. There is no design for this location yet.
- Mr. O'Gara stated the goal for this meeting is to make sure the Council understands conceptually how a landfill works and educate as questions are asked. The Council is in agreement they need to see a footprint of the design before any decisions can be made.
- Discussion of financial assurance required by MPCA. Money is set aside for closure, post closure of 20 years, and a contingency action.
- Council questioned environmental hazards and the location of the proposed landfill being next to the St. Louis River. SKB stated they have never had an environmental issue with any of their sites.
- SKB invited the Council to tour their landfill site in Virginia which is similar to what is being proposed here and also tour the St. Louis County landfill.
- Discussion of positive project outcomes over a 20 year period such as more recycling, maintaining low disposal costs, and additional City and County revenue.
- Council questioned if the environmental assessment includes a traffic evaluation. There would be designated roads to get to their facility.

Budget / CIP Discussion

- Mr. Fritsinger asked for feedback related to the CIP discussion at the last meeting of reprioritizing the sales tax projects. Mr. Rock commented that the north side of the river needs attention. Also comments on the dire need for improvement at Athletic Park.

- Mr. Fritsinger asked for thoughts on the Public Safety building renovation vs construction of a new building. The draft McGraff report recommended a 6 month time table for the CAFD to make their decision. While waiting for them to make their decision, the City's time line on projects shifts. Mr. Kolodge recommended the Council reconvene after the Regular Meeting to continue the discussion.

There being no further business, the meeting was adjourned at 6:55 p.m. The Council reconvened at 7:25 p.m. at the conclusion of its Regular Meeting.

Budget/CIP Discussion

- The Council continued discussion on the CIP. The Council inquired to the annual debt service for bonds and questioned whether or not the issuance of a larger sales tax revenue bond would be appropriate. The larger bond would allow some of the prioritized projects to proceed sooner than later. Staff will investigate.
- The Council discussed at length the River Front projects. Staff will revisit the Parks Master Plan and River Front Plan to identify the rationale behind priorities and the priorities themselves. The Council did not support the inclusion of Wentworth Park improvements in the five year plan. Subject to funding, the Council expressed interest in the Dunlap Island improvements still being included in the 2017 budget.
- Discussion of the reclamation of Cloquet Avenue as a new project and supported its inclusion at a higher number in anticipation of broader aesthetic and design considerations.
- In regards to Public Facilities, the members of the Council that serve on the Fire District Board indicated the topic would be discussed by CAFD the following night. There was a great deal of discussion regarding the need to get the CAFD to make both a decision and a decision in a timely manner. Staff was asked to strengthen the verbiage in the letter previously authorized to send to the CAFD Board as soon as possible.

There being no further business, the meeting was adjourned.

Respectfully Submitted,

Brian Fritsinger
City Administrator

Regular Meeting

DRAFT

Roll Call

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

Councilors Absent: None.

Pledge of Allegiance

AGENDA

MOTION: Councilor Rock moved and Councilor Maki seconded the motion to approve the July 19, 2016 agenda. The motion carried unanimously (7-0).

MINUTES

MOTION: Councilor Langley moved and Councilor Bjerkness seconded the motion to approve the minutes of the Work Session and Regular Meeting of July 5, 2016. The motion carried unanimously (7-0).

CONSENT AGENDA

MOTION: Councilor Bjerkness moved and Councilor Kolodge seconded the motion to adopt the consent agenda of July 19, 2016 approving the necessary motions and resolutions. The motion carried unanimously (7-0).

- a. Resolution No. 16-58, Authorizing the Payment of Bills and Payroll
- b. Resolution No. 16-57, Approval of Raffle Permit – Queen of Peace
- c. Approval of 2016-2017 Public Dance Permit – Cloquet National Guard Armory

PUBLIC HEARINGS

There were none.

PRESENTATIONS

There were none.

TEMPORARY FAMILY HEALTH CARE DWELLINGS

MOTION: Councilor Kolodge moved and Councilor Langley seconded the motion to adopt **ORDINANCE NO. 457A, AN ORDINANCE OPTING-OUT OF THE REQUIREMENTS OF MINNESOTA STATUTES, SECTION 462.3593.** The motion carried unanimously (7-0).

LUMBERJACK BLUE LINE CLUB PARKING REQUEST

MOTION: Councilor Rock moved and Councilor Kolodge seconded the motion to approve **RESOLUTION NO. 16-59, A RESOLUTION AUTHORIZING THE LUMBERJACK BLUE LINE CLUB TO RESERVE PARKING SPACES AT NORTHWOODS ARENA DURING BOYS HOME HOCKEY GAMES.** The motion carried unanimously (7-0).

WHEREAS, The Lumberjack Blue Line Club desires to conduct a fundraiser by reserving twenty parking spaces outside Northwood’s Credit Union Arena during boys home hockey games; and

WHEREAS, The City of Cloquet owns and maintains the parking lot servicing the Arena; and

WHEREAS, The Park Commission and City Staff have reviewed the request and found it to be consistent with Park Master Plan Policy and past practice for similar type requests; and

WHEREAS, The City and Blue Line Club mutually agree that the posting of any parking space in the lot as reserved will be temporary in nature; and

WHEREAS, As a condition of approval, all reserved parking signs must be removed from the lot following each game in order to prevent conflict with any other community event or facility serviced by the parking lot; and

WHEREAS, The Blue Line Club further agrees to prepare a report to the Park Commission at the midway point, and finale of season detailing the amount of funds raised and any operational issues encountered.

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

That the reservation of parking spaces at Northwood's Credit Union Arena by the Lumberjack Blue Line Club is hereby approved for the 2016-2017 boys high school hockey season subject to the conditions listed above.

FDLTCC HILLTOP PARK FIELD LEASE AGREEMENT

MOTION: Councilor Rock moved and Councilor Wilkinson seconded the motion to approve the Lease Agreement with FDLTCC for operation and maintenance of Field 4 at Hilltop Park. The motion carried unanimously (7-0).

CONSTRUCTION SERVICES AGREEMENT

MOTION: Councilor Wilkinson moved and Councilor Maki seconded the motion to approve the Supplemental Letter Agreement with SEH Inc. to provide construction services for planned improvements at Veteran's and Fauley Parks. The motion carried unanimously (7-0).

THIRD STREET RECONSTRUCTION CHANGE ORDER

MOTION: Councilor Bjerkness moved and Councilor Langley seconded the motion to adopt **RESOLUTION NO. 16-60, A RESOLUTION APPROVING CHANGE ORDER #1 TO CITY CONTRACT 1058**. The motion carried unanimously (7-0).

WHEREAS, The City awarded a contract to Hammerlund Construction Inc. for the reconstruction of 3rd Street from Cloquet Avenue to Carlton Avenue on May 3, 2016 (City Contract 1058); and

WHEREAS, During the course of construction unforeseen conditions resulted in revisions to the original scope of work as covered by the Contract, Plans and Contract Special Provisions; and

WHEREAS, The Contractor has requested additional payment as a result of these changes; and

WHEREAS, The City Engineer concurs and has determined the Contractor is due additional payment for such work.

NOW, THEREFORE, BE IT RESOLVED, BY THE CITY COUNCIL OF THE CITY OF CLOQUET, MINNESOTA, That Change Order #1 to City Contract 1058, as prepared by the City Engineer, is approved in the amount of \$12,562.35.

PUBLIC COMMENTS

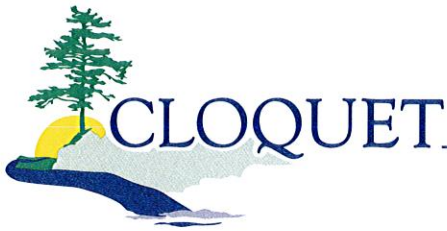
There were none.

COUNCIL COMMENTS, ANNOUNCEMENTS, AND UPDATES

Councilor Langley inquired as to whether or not an additional speed sign by Sunnyside Park on the North Road could be installed.

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


Brian Fritsinger, City Administrator



ADMINISTRATIVE OFFICES

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

REQUEST FOR COUNCIL ACTION

To: Mayor and City Council
From: Brian Fritsinger, City Administrator 
Date: July 26, 2016

ITEM DESCRIPTION: Renewal of Water Agreement with Thomson Township

Proposed Action

Staff recommends that the City Council move to approve the renewal of the Water Agreement between the City of Cloquet and Thomson Township subject to minor revisions as approved by the City Attorney.

Background/Overview

In 1983, the City entered into an agreement with Thomson Township which allowed for the extension of a ten inch waterline into downtown Esko. This line supplies water through its connection to the Lake Superior Water Line. The purpose of this line was exclusively to provide fire protection within the township.

In 1998, the City Council allowed the Township to sell bulk water from the system to area haulers for the purpose of filling swimming pools or flooding skating rinks. In 2007, the fire protection system was expanded to include the Business Park located along Highway 61.

At some point, the Esko School District connected to the system and has been using water to irrigate its athletic complex located on Canosia Road. This use is consistent with it being restricted as non-potable water and language has been added to the agreement for this purpose.

The agreement was last updated in 1998. The only other proposed changes are updates to the rate structure and liability insurance requirements. The City Attorney has reviewed the agreement and has no further changes to purpose.

Policy Objectives

The proposed agreement protects the City and limits the use of the water for non-potable purposes primarily related to fire protection.

Financial/Budget/Grant Considerations

The Township is required to meter all water used and reimburse the City at our current outside water rate of \$3.00/1,000 gallons. The Township also pays \$250 per month per mile of pipeline plus \$10.00 per fire hydrant.

Advisory Committee/Commission Action

None.

Supporting Documentation Attached

- Water Agreement

THOMSON WATER AGREEMENT

THIS AGREEMENT, made and entered into this ____ day of _____, 2016 by and between the City of Cloquet, a municipal corporation under Minnesota law, located in Carlton County, Minnesota, hereinafter called "Cloquet", and The Town of Thomson, a township in Carlton County, Minnesota, hereinafter called "Thomson",

WITNESSETH:

WHEREAS, it is deemed desirable by the governing bodies of the respective communities, parties to this agreement, that Cloquet sell, and Thomson buy, for fire protection, and the limited use of irrigating its athletic complex, surplus raw water produced from Cloquet's Lake Superior Waterline, at a fair, just, reasonable and equitable rate during the term of this contract; and

WHEREAS, the water system of Cloquet's currently produces surplus water in quantities sufficient to meet the obligations of this agreement;

NOW, THEREFORE, it is mutually agreed as follows:

1. Sale of Water. That Cloquet shall sell, furnish and deliver to Thomson, surplus raw water without any obligation for treatment or purification from Cloquet's Lake Superior Waterline, for the use of Thomson within its corporate limits for a period of five (5) years in accordance with the terms and conditions hereinafter provided.
2. Use and Purpose of Water. It is Thomson's intention to install, or have installed, water mains and several fire hydrants connected to Cloquet's water system for the purpose of providing fire protection to the Township. It is fully understood that the water sold and delivered under the terms and conditions of this agreement shall be raw water for the sole purpose of fire protection and irrigation purposes for Thomson's athletic complex. Any other such uses must be specifically approved by Cloquet, in writing, addressed to the City Administrator, 1307 Cloquet Avenue; Cloquet, MN 55720. Under no circumstances will Cloquet approve any uses for domestic consumption and it is strictly understood the water is not represented as potable. In the event of any other use, not approved by Cloquet, Cloquet shall have the absolute right to terminate all water delivery to Thomson as provided for in paragraph 10 below and will be held harmless.
3. Investment in Facilities. Cloquet shall make investment in, and retain title to all facilities necessary to the production, storage and transmission of raw water up to, but not including, any master water meters, pressure reducing valve, fire hydrants or points of delivery of water to Thomson.

Thomson shall make investments in, and retain title to, all facilities necessary for the connection to, metering, and distribution of water from the point or points of delivery of water. This shall include all water mains, fire hydrants, hydrant leads and any necessary isolation valves or water meters.

4. Extension of Waterlines or Fire Lines. All extensions or additions of waterlines, fire lines, fire hydrants or building sprinkler systems connected to the system must be approved by Cloquet in writing.
5. Delivery – Metering. Water shall be furnished and delivered by Cloquet to Thomson in accordance with the rules and regulations of the City of Cloquet insofar as they apply to the operation of its water department. That water shall be measured by a water meter or meters to be furnished and maintained by Thomson at its own expense. Such meters shall be of suitable make and setting and shall be installed and housed properly, subject to the approval of the Cloquet City Engineer. Such meters shall be subject to testing by the City Engineer at any time for verification of proper operation and accuracy of all meters. All necessary repairs or modifications of the meters shall be made at the sole expense of Thomson. In the event the water meters are not working properly and are not repaired within ten (10) days from receipt of written notice mailed or hand delivered to the Clerk of Thomson, then at the option of Cloquet, Cloquet shall have the absolute right to terminate all water delivery to Thomson as provided by the City Engineer of Cloquet. During the period of time that the meter remains unrepaired, Cloquet shall, as liquidated damages for water use, charge an additional \$250.00, monthly charge, for water service. Cloquet shall have the right to prohibit water service until the meter is properly returned to an acceptable operational standard as determined by the Cloquet City Engineer. All water furnished as herein provided shall be transmitted to points of delivery through approved valves, water mains and connections furnished by Thomson which shall be subject to the approval of the Cloquet City Engineer.
6. Maintenance. Thomson shall pay for and maintain, at no expense to Cloquet, its entire water system from the point or points of delivery, to include all water mains, fire hydrants, hydrant leads and necessary isolation valves provided for under this agreement. Thomson shall further operate and maintain all systems in such a manner as not to jeopardize or disrupt the normal operation of Cloquet's water system.
7. Liability of Cloquet. Cloquet shall not be liable for interruptions in service or for failure to deliver water which results from failure of supply, inability to secure necessary processing materials, breakdown or damage to processing, pumping, transmission facilities, work stoppage, routine maintenance, electrical failures or other conditions which result in a shut down or stoppage of the flow of water to Thomson.
8. Indemnification. Thomson agrees to indemnify and save harmless Cloquet from any and all claims or demands, including costs of suit, defense of suit, settlement of claims, and reasonable attorney's fees incurred in negotiating claims prior to suit or after commencement of suit, whether said claims shall be justifiable or sham or frivolous, for damages or claims arising out of or which may result from the use of water supplied or the failure to supply said water pursuant to the terms of this agreement and from the use, installation, maintenance and repair of its facilities as set forth in this contract, or for any other claim whatsoever arising out of this contract, and will assume the defense of any actions arising therefrom in which Cloquet is made a party defendant or through which the City of Cloquet is made a party defendant or through which the City of Cloquet is required to enter into negotiations for settlement prior to the commencement of litigation. Cloquet shall give to Thomson prompt written notice of any claim or actions filed against the City of Cloquet as a result of this contract. Thomson thereafter shall undertake the defense of said claims. Thomson and its legal counsel shall provide copies of all documentation and shall keep the City of Cloquet

Engineer and City Attorney fully apprised of any and all terms and conditions of the proposed litigation or litigation which may be commenced as a result of this contract.

9. Insurance. Thomson hereby agrees to carry liability insurance in an amount equal to or in excess of the existing municipal tort liability limits in effect for the entire duration of this Agreement.
10. Default. Cloquet shall have the right to terminate water service to Thomson in the event Thomson fails to properly maintain its water system or comply with any other term and condition of this agreement, including the payment of lawful charges due Cloquet under the terms of this agreement. In the event such service shall be terminated under the terms and conditions of this paragraph, notice shall be given in writing, or hand delivered, to the Clerk of Thomson. Thomson shall have ten (10) days after delivery of said notice to correct any default set forth in the notice. Failure of Thomson to correct the default set forth in the notice of default shall, at the sole option of Cloquet, entitle Cloquet to terminate all water service under the terms of this agreement.
11. Rate Determination. The rates for water sold by Cloquet to Thomson shall be determined by the City of Cloquet. Thomson shall be given written notice sixty (60) days prior to any change in charges for the monthly fixed charges for the monthly fixed charge or the water commodity rate charges.
12. Initial Rates. Unless modified as described above, the rates for water sold by Cloquet to Thomson under the terms of this agreement shall be as follows:

- a. Water Commodity Rate. The water commodity rate shall be as follows:

<u>Gallons Per Month</u>	<u>Rate per 1,000 Gallons</u>
0 – 1,000	\$3.00
1,100 and over	\$3.00

- b. Monthly Fixed Charge. In addition to the above commodity water rate per one thousand gallons, a monthly fixed charge of \$250.00 per month per mile of pipeline plus \$10.00 per fire hydrant connected to the system shall be billed to Thomson, regardless of the amount of water used.
13. Arbitration. In the event of a dispute under the terms of this agreement, either party may initiate arbitration pursuant to the provisions of Minnesota Statutes, Chapter 572, by appointing an arbitrator and giving written notice thereof to the other party. The other party shall thereupon appoint a second arbitrator, and the two appointed arbitrators shall select a third. In the event such appointments and selections have not been completed within sixty (60) days after delivery of the initial arbitration notice, either party may apply to the District Court of Carlton County to complete the same. It is additionally agreed that Minnesota Law will apply exclusively to the interpretation of any provisions contained in this Agreement.
14. Notices. All communications, demands, notices, or objections permitted or required to be given or served under this agreement shall be in writing and shall be deemed to have been duly given or served if delivered in person to the other party or its duly authorized agent, (Thomson’s Clerk, Rhonda Peleski, P.O. Box 92, Esko, MN 55720; Cloquet’s City

Administrator, Brian Fritsinger, 1307 Cloquet Avenue, Cloquet, MN 55720)) or deposited in the United States Mail, postage prepaid, for mailing by certified or registered mail, return receipt requested, or if telegraphed, by prepaid telegram, and addressed to the other party of this agreement, to the address set forth above. Any party may change its address by giving notice in writing, stating its new address, to any other party as provided in the foregoing manner. Commencing on the tenth day after the giving of such notice, such newly designated address shall be such party's address for the purpose of all communications, demands, notices, or objections permitted or required to be given or served under this agreement.

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

16. Renewal. This agreement shall remain in effect for a period of five years from the date first written. After the initial five year period, it shall renew itself for a one year period, on an annual basis, unless either party serves the other with a sixty (60) day written notice of their intent to cancel the agreement.

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

IN WITNESS WHEREOF, the parties hereto have executed this agreement the day and year first above written.

TOWN OF THOMSON

CLOQUET

BY _____

BY _____

Its _____

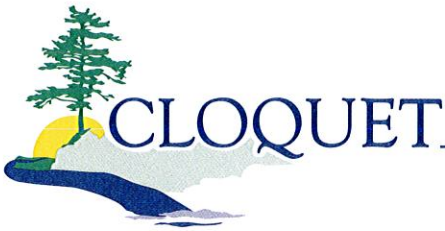
Its _____

BY _____

BY _____

Its _____


Its City Administrator



ADMINISTRATIVE OFFICES

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

REQUEST FOR COUNCIL ACTION

To: Mayor and City Council
From: Brian Fritsinger, City Administrator 
Reviewed By: Holly Butcher, Community Development Director
Date: July 15, 2016

ITEM DESCRIPTION: Official City Development Attorney Appointment

Proposed Action

Staff recommends that the City Council move to appoint Briggs and Morgan as the City's Bond Counsel and Development Attorney for the remainder of 2016.

Background/Overview

On June 30, 2016, the City's long standing Bond Counsel and Development Attorney Robert Deike of Bradley Deike Law Office retired. As a result, staff outreached to Mr. Deike and the City's Financial Advisors Ehlers for other suggestions for Development Attorneys/Bond Counsel. After those detailed discussions, staff narrowed the review to Kennedy and Graven or Briggs and Morgan. Both firms utilize a mixture of attorney and paralegal staff to accomplish client workloads. After telephone interviews with both firms the week of July 11th, specifically interviewing Jenny Boulton and Mary Ippel, staff recommends selecting Briggs and Morgan. This firm formerly served as the City of Cloquet's Bond Counsel and Development Attorney prior to Mr. Deike.

Policy Objectives

While there is no requirement that the City designate the Development Attorney or Bond Counsel, the City has formerly done so to communicate designated engineering consultants, etc.

Financial/Budget/Grant Considerations

Rates charged by Briggs and Morgan are similar to those charged by Kennedy and Graven. Ms. Ippel's hourly rate is \$275/hour and her paralegal team is \$125/hour. The City's former hourly rate charged by Attorney Deike was \$200/hour, a rate that remained unchanged for many years. The proposed rate is in line with what is charged by other legal firms providing this service.

Advisory Committee/Commission Action

None.

Supporting Documentation Attached

- Letter from Briggs and Morgan



2200 IDS Center
80 South 8th Street
Minneapolis MN 55402-2157
tel 612.977.8400
fax 612.977.8650

July 18, 2016

Mary L. Ippel
(612) 977-8122
mippel@briggs.com

VIA E-MAIL

Ms. Holly Butcher
AICP Community Development Director
City of Cloquet
Cloquet City Hall
1307 Cloquet Avenue
Cloquet, MN 55720

Mr. Brian Fritsinger
Administrator
City of Cloquet
Cloquet City Hall
1307 Cloquet Avenue
Cloquet, MN 55720-1656

Re: Bond Counsel and Development Counsel

Dear Ms. Butcher and Mr. Fritsinger:

Holly, it was a pleasure to talk with you last week. I would be pleased to serve the City of Cloquet as bond counsel and development counsel. I know the City has been very pleased with the services of Bob Deike who is retiring and it would be my goal to provide you the same high quality legal services.

I work closely with your financial advisor Ehlers & Associates representing political subdivisions throughout the State of Minnesota.

My hourly rate to be billed to the City as development counsel is \$275 per hour and paralegal time will be billed at \$125 per hour. Bond counsel services are based on the structure and type of the bond issue and I coordinate with Ehlers & Associates and the City as to an appropriate bond counsel fee for the type and structure of bond issue that is proposed to be issued.

I look forward to working with you. If you have additional questions please do not hesitate to contact me.

Very truly yours,


Mary L. Ippel

MLI/jmc



Community Development Department
1307 Cloquet Avenue • Cloquet MN 55720
Phone: 218-879-2507 • Fax: 218-879-6555

To: Mayor and Cloquet City Council
From: Holly Butcher, Community Development Director
Reviewed By: Brian Fritsinger, City Administrator (B)
Date: July 27, 2016

ITEM DESCRIPTION: Request for Proposals (RFP): Cloquet Business and Community Marketing Strategy (Marketing Plan)

Proposed Action

Staff recommends the Council move to approve the release of a Request for Proposals (RFP) for Cloquet Business and Community Marketing Strategy.

Background/Overview

Previously, the City of Cloquet and Cloquet EDA identified a strategic goal of completing a Community Marketing Study. The EDA has discussed on several occasions what the intent of a marketing study would be for the EDA with a wide range of input. The Cloquet EDA reviewed and provided comment on the Marketing RFP during their July meeting.

In 2011 the Cloquet EDA Strategic Plan identified the future need for a Marketing and/or Branding Study. Formerly, the Economic Development Partnership and Chamber hosted the Cloquet Prospect Marketing Committee which also had delved into the importance of crafting a Marketing Plan and message for Cloquet. Due to other workload efforts and needs at the time, the Marketing / Branding Study was slated for 2016. The Council is now asked to review and authorize this study.

The overall goal of the this RFP is to develop a proactive marketing campaign to attract new business investment by identifying key marketing strategies to better recruit and attract new businesses and effectively engage with site selectors and regional decision makers so that Cloquet is recognized by businesses looking to relocate or expand within the Duluth-Superior region. The RFP also has the goal of identifying how to better market or message the opportunities within the Cloquet Business Park.

Policy Objectives

A Marketing / Branding Study was originally identified in the 2011 EDA Strategic Plan and has a placeholder budgetary goal for 2016.



Community Development Department
1307 Cloquet Avenue • Cloquet MN 55720
Phone: 218-879-2507 • Fax: 218-879-6555

Financial/Budget/Grant Considerations

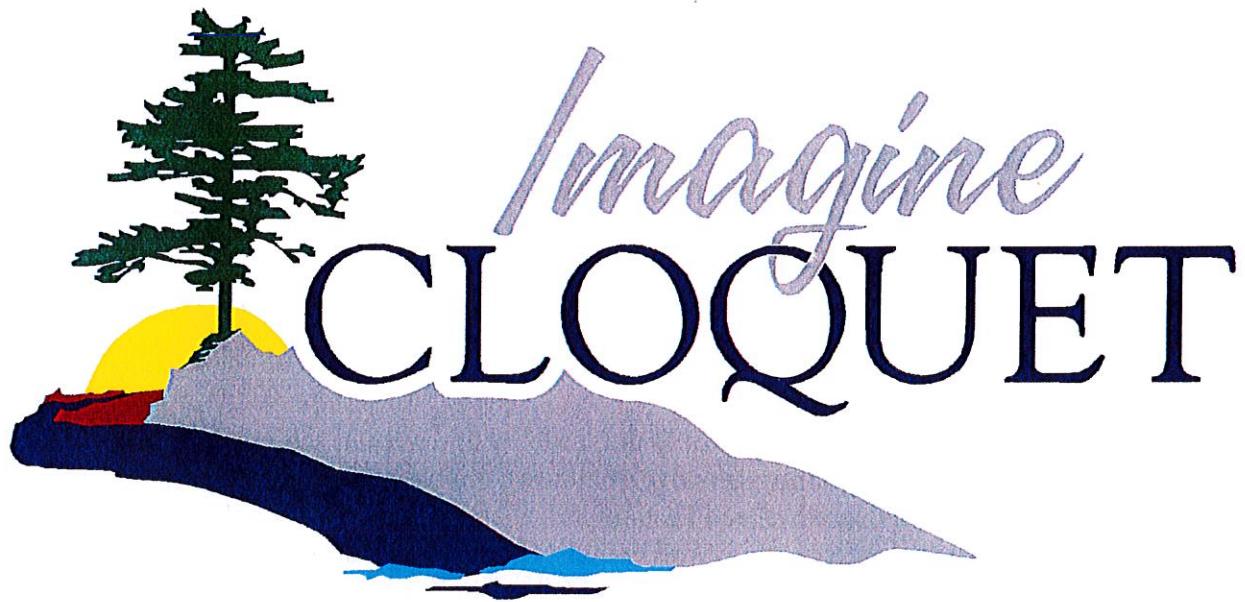
The City Council budgeted \$60,000 as part of its 2016 Budget to fund this activity. A transfer of \$60,000 will be made from the City's General Fund into the Economic Development Fund as part of the 2016 budget reserve for this study effort once a viable firm has been selected by the EDA.

Advisory Committee/Commission Action

The Cloquet EDA met in July and after providing input on the attached Marketing RFP, they recommended approval to the Cloquet City Council.

Supporting Documentation Attached

- Cloquet Business and Community Marketing Strategy (Marketing Plan) RFP



CITY OF CLOQUET

REQUEST FOR PROPOSALS (RFP):

CLOQUET BUSINESS AND COMMUNITY MARKETING STRATEGY

RFP Release Date: August 4, 2016

Responses Due: Friday September 2, 2016

PROJECT CONTACT:

Holly Butcher, Community Development Director

City of Cloquet

1307 Cloquet Avenue

Cloquet, MN 55720

(218) 879-2507 x4

hbutcher@ci.cloquet.mn.us

Cloquet Business and Community Marketing Plan/Strategy RFP

Introduction:

The City of Cloquet Economic Development Authority (EDA) is releasing a request for proposals for the development of a business marketing strategy containing a clear community message about Cloquet. The strategy will propose a campaign to market Cloquet and all there is to offer to external and existing businesses and non-resident audiences in an effort to attract them and create an awareness of the Cloquet community. The strategy should strive to meet all outlined goals including specific strategies to better market opportunities within the Cloquet Business Park.

Cloquet is located just 18 miles southwest of Duluth, MN with excellent schools (new Middle School set to open in 2017) in a family-friendly small town atmosphere, with a high quality of life, offering warmer regional weather, and an economical cost of living within the region. Cloquet has a rich industrial history along with evolving highway development, downtown, and Business Park opportunities. Cloquet was added to the Duluth-Superior Metropolitan Statistical Area (MSA) in 2005 but has remained a quiet third leg of the regional Duluth-Superior-Cloquet stool (Minnesota St. Louis County, Carlton County, and Douglas County, WI MSA). As such, the Cloquet EDA requests the development of appropriate community marketing message to regional businesses and non-residents in an effort to attract and create an awareness of what Cloquet offers. **The goal of the Cloquet Business and Community Marketing Plan is:**

To seek responses to this RFP to develop a plan for a business marketing strategy and development of a community message to target corporate site selectors, business decision makers, and the general business community about why Cloquet is a viable choice for locating and growing a business in the region. The goal is to have Cloquet recognized as a unique and attractive community where people of all ages want to live, learn, work, and enjoy and where businesses choose to locate due to an attractive and positive business and overall community climate.

The endeavor will work to dispel negative regional perceptions to align with positive realities Cloquet has to offer, that sets it apart within the region. The effort will provide a clear message on Cloquet's unique and positive characteristics, highlighting assets and generating positive perceptions among local, regional, and national marketplaces. The marketing strategy and community message will be clear, flexible, creative, and targeted communicating Cloquet's values and business opportunities (e.g. Cloquet Business Park).

Key Marketing Targets:

1. New businesses (attract)
2. Existing businesses (retain)
3. New Residents (attract)

The Marketing Strategy should address the following goals:

GOAL 1: RECRUIT/ATTRACT NEW BUSINESSES BY TARGETING AND ENGAGING CORPORATE BUSINESS SITE SELECTORS AND OTHER REGIONAL DECISION MAKERS.

OUTCOME: Cloquet is recognized by corporate site selectors and business location decision makers. Cloquet as a business location is strongly considered by businesses looking to relocate or expand and is strongly recognized by pronounced marketing that is it part of the Duluth-Superior region. Opportunities in the Cloquet Business Park, Downtown, Highway Corridor and Industrial Riverfront are promoted. The strategy should identify how to better market or message the opportunities within the Cloquet Business Park.

GOAL 2: GROW AND RETAIN EXISTING BUSINESSES.

OUTCOME: Existing businesses realize the benefits of staying and growing within Cloquet and feel a sense of pride and loyalty to remaining in Cloquet. Businesses feel valued and appreciated within the community.

GOAL 3: DIFFERENTIATE CLOQUET FROM OTHER COMMUNITIES/TARGET MARKETS BY PROMOTING DISTINCTIVE ATTRIBUTES THAT DEMONSTRATE VALUE.

OUTCOME: Creation of a unique and creative business and community marketing strategy that is relevant to viable and identified targets that raise the awareness of Cloquet as a place to do business.

GOAL 4: CONVEY A POSITIVE AND RELEVANT MESSAGE ABOUT CLOQUET BOTH INTERNALLY AND EXTERNALLY TO THE BUSINESS COMMUNITY.

OUTCOME: Cloquet is recognized as a desirable place to do business (no new city logo is needed as part of this process).

GOAL 5: IDENTIFY LOCAL COMMUNITY PARTNERS AND STAKEHOLDERS THAT CAN SHARE AND PROMOTE A UNIFIED MESSAGE.

OUTCOME: Multiple partners share a message that is consistently conveyed to both new and existing businesses that partners come into contact with.

Scope of Service:

At a minimum the project deliverable are:

1. A business marketing plan/strategy document that will contain a clear community message about Cloquet. The marketing plan will propose a campaign to market Cloquet and all there is to offer to external and existing businesses and non-resident audiences in an effort to attract them and create a positive awareness of the Cloquet community. The strategy should strive to meet all outlined goals listed above including strategies to better market opportunities within the Cloquet Business Park.

2. Review and critique the city's current marketing methods.
3. Assess with stakeholders relevant input. Stakeholders could include general businesses, business members of the Cloquet Area Chamber of Commerce, Cloquet EDA, etc.
4. Craft a clear community message about Cloquet that conveys unique regional positioning for economic and residential growth to attract into the City.
5. Create a marketing strategy for economic development and new residential growth with graphic design templates.
6. Provide a timeline and budget for plan implementation.

Statement of Qualifications/Proposal:

1. Cover letter.
2. Timeline for the project.
3. Project statement describing the applicants understanding of the goals and objectives and philosophy toward the project.
4. Goals and objectives, and project tasks to demonstrate the responder's view of the project and exhibition of responder's knowledge of local government marketing needs. Demonstrate experience working with public sector marketing and diverse media approaches.
5. Plan Implementation Detail / Strategy Development
6. Timeline
7. Management and Budget
8. Proposed project team members / Individual experience
9. Specific project experience related to examples of similar projects that were successfully executed.
10. List of references – at least 3 clients for similar projects

City Provided Supporting Documentation:

- Web: www.ci.cloquet.mn.us (City Depts: Community Development, Economic Development)
 - Cloquet Business Park Map, Community Development Annual Report, City Map etc.
- Facebook: <https://www.facebook.com/cloquetcommunitydevelopment/>

Characteristics of Cloquet:

- 36 square miles
- 12,124 Population
- 4,959 Households
- Median Income: \$46,383
- High school educational attainment: 93.9%
- Median age: 36.7 years

- Freeway access: Interstate 35 and Highway 33
- Location in the region: 18 miles southwest of Duluth, MN

Requirements and Final Product:

- A business marketing strategy plan document along with a developed community message about Cloquet for new business and residents with graphic templates. The marketing plan will also emphasize and focus on specific marketing techniques for the Cloquet Business Park.
- Coordination meetings with city staff and public presentations to Council and/or other advisory committees
- Detailed marketing implementation plan with short and long-term strategies to utilize Cloquet's marketing message to local and regional audiences.

Evaluation Criteria:

- Proposals will be reviewed by a committee of the Cloquet EDA with the right to reject any or all proposals as necessary.
- The City is not responsible or liable for any costs incurred by the respondent in preparation of a proposal submitted in response to this RFP.

RFP Timeline / Submission Deadline:

- August 4, 2016 – **September 2, 2016**