

Regular Meeting

Roll Call

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

Councilors Absent: None.

Pledge of Allegiance

### AGENDA

**MOTION:** Councilor Langley moved and Councilor Maki seconded the motion to approve the March 2, 2016 agenda. The motion carried unanimously (7-0).

### MINUTES

**MOTION:** Councilor Bjerckness moved and Councilor Rock seconded the motion to approve the minutes of the Work Session and Regular Meeting of February 16, 2016. The motion carried unanimously (7-0).

### CONSENT AGENDA

**MOTION:** Councilor Wilkinson moved and Councilor Kolodge seconded the motion to adopt the consent agenda of March 2, 2016 approving the necessary motions and resolutions. The motion carried unanimously (7-0).

- a. Resolution No. 16-20, Authorizing the Payment of Bills
- b. Consumption and Display Permit Renewal – The Tap on 33, Inc.

### PUBLIC HEARINGS

#### CARL STREET IMPROVEMENT PROJECT PUBLIC HEARING

Mayor Hallback announced that now is the time and place for the public hearing to consider the Carl Street Overlay Improvement Project from Highway 33 Frontage Road to Walter Street.

Assistant City Engineer Caleb Peterson began by providing an overview of the proposed project. The City Council had a variety of questions for Mr. Peterson. Victor Gaines of 1478 Carl Street questioned if there has been or will be a soil sample before the project. Mr. Peterson responded that some borings have been completed on the adjacent Frontage Road, but none are planned for Carl Street. Mr. Peterson supports the reclaim over the overlay procedure. With no further comments from the public, the hearing was closed.

**MOTION:** Councilor Bjerckness moved and Councilor Wilkinson seconded the motion to adopt **RESOLUTION NO. 16-15A, A RESOLUTION ORDERING THE IMPROVEMENT AND PREPARATION OF PLANS AND SPECIFICATIONS FOR THE RECLAMATION OF CARL STREET FROM THE SOUTH HIGHWAY 33 FRONTAGE ROAD TO WALTER STREET.** The motion carried unanimously (7-0).

**WHEREAS,** On August 21, 2015 the City Administrator's Office received a petition signed by four of seven property owners along Carl Street, requesting a bituminous overlay of their block from the South Highway 33 Frontage Road, west to Walter Street; and

**WHEREAS,** The City has completed an engineering study of the proposed improvements; and

**WHEREAS,** The City Engineer has recommended the Full Depth Reclamation of the aging and deteriorated roadway; and

**WHEREAS,** A resolution of the Council adopted February 2, 2016, set a date for a Council hearing on the proposed improvement; and

**WHEREAS,** Ten days mailed notice and two weeks published notice of the hearing was given and the hearing was held thereon on the 2<sup>nd</sup> day of March 2016, at which time all persons desiring to be heard were given an opportunity to be heard.

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

1. Such improvement is necessary, cost effective, and feasible as detailed in the City's feasibility study.
2. The City Engineer is hereby designated as the engineer for this improvement and shall prepare plans and specifications for the making of such improvement.
3. Such improvement is hereby ordered and the City Engineer is hereby authorized to solicit bids for construction.

**3<sup>rd</sup> STREET BID IMPROVEMENT PROJECT PUBLIC HEARING**

Mayor Hallback announced that now is the time and place for the public hearing to consider the 3<sup>rd</sup> Street Bid Improvement Approval and Bid Authorization. Assistant City Engineer Peterson began by providing an overview of the proposed project.

Craig Swenson, 38 3<sup>rd</sup> Street, addressed the council with two main concerns. The first concern is the impact of the cost of the project to the abutting property owners. Mr. Swenson questioned if there has been a traffic study on 3<sup>rd</sup> Street comparing to the other neighborhood streets? Mr. Peterson replied that no studies have been done on the neighborhood streets as they are not high volume streets. Mr. Swenson agreed the 3<sup>rd</sup> Street is in need of repair, but is concerned about the increased speed of traffic with an improved street. Currently, there is nothing to slow the traffic down other than the potholes. Would the City consider a stop sign at Avenue F, or closing the street making it a dead end? Mr. Peterson responded that traffic is about 400 cars per day. Another concern voiced is which side of the street will be a no parking zone. He would like to see the homeowners have an opportunity to have more input.

Another resident of 3<sup>rd</sup> Street asked how the terms of the assessment works. Mr. Fritsinger explained the assessment payback will most likely occur over a 10 year period. Another concern is the removal of boulevard trees. Mr. Peterson replied the trees will be removed. Another concern is access to driveways during the construction period. Access will be available after work hours and on weekends. Mr. Peterson also stated that temporary water lines will be installed and there will be no impact on the sewer services.

Sharon Obst, 23 3<sup>rd</sup> Street, stated that her property is impacted by the MPCA and contamination issue from the dry cleaners across the street. She shared her concern of digging up the contamination and the possible impact of it on the neighborhood.

Councilor Kolodge questioned the ramifications of not doing the project. Mr. Peterson stated 3<sup>rd</sup> Street is some of the worst infrastructure and highest need for improvement that will you find in Cloquet. The sewer line is crumbling.

With no further comments from the public, the hearing was closed.

**MOTION:** Councilor Kolodge moved and Councilor Maki seconded the motion to adopt **RESOLUTION NO. 16-19, RESOLUTION ORDERING THE IMPROVEMENT AND PREPARATION OF PLANS AND SPECIFICATIONS FOR THE RECONSTRUCTION OF 3<sup>RD</sup> STREET FROM CARLTON AVENUE TO CLOQUET AVENUE.** The motion carried unanimously (7-0).

**WHEREAS,** The City has completed an engineering study to reconstruct 3<sup>rd</sup> Street from Carlton Avenue to Cloquet Avenue; and

**WHEREAS,** As part of the project the City Engineer has identified a need to replace aging and deteriorated roadway, sanitary sewers and water utilities; and

**WHEREAS,** A resolution of the Council adopted February 2, 2016, set a date for a Council hearing on the proposed improvement; and

**WHEREAS,** Ten days mailed notice and two weeks published notice of the hearing was given and the hearing was held thereon on the 2<sup>nd</sup> day of March 2016, at which time all persons desiring to be heard were given an opportunity to be heard.

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

1. Such improvement is necessary, cost effective, and feasible as detailed in the City's feasibility study.

2. The City Engineer is hereby designated as the engineer for this improvement and shall prepare plans and specifications for the making of such improvement.
3. Such improvement is hereby ordered and the City Engineer is hereby authorized to solicit bids for construction at such time that a plan of action to deal with potential contamination is in place.

**PRESENTATIONS**

There were none.

**2016 BOND REFUNDING**

**MOTION:** Councilor Bjerkness moved and Councilor Wilkinson seconded the motion to adopt **RESOLUTION NO. 16-18, A RESOLUTION ACCEPTING PROPOSAL ON THE SALE OF \$1,095,000 GENERAL OBLIGATION TAX ABATEMENT REFUNDING BONDS, SERIES 2016A, PROVIDING FOR THEIR ISUANCE AND PLEDGING FOR THE SECURITY THEREOF CERTAIN REVENUES.** The motion carried unanimously (7-0).

**WHEREAS**, the City has heretofore issued its \$1,500,000 General Obligation Tax Abatement Bonds, Series 2009A, dated August 8, 2009 (the “2009 Bonds”), pursuant to a resolution adopted on July 21, 2009, approving such issuance (the “2009 Bond Resolution”); and

**WHEREAS**, the 2009 Bonds were issued pursuant to Minnesota Statutes, Chapters 469 and 475, to finance the construction of a certain public improvements (the “Project”) in the City; and

**WHEREAS**, the City hereby determines and declares that it is necessary and desirable to issue its \$1,115,000 General Obligation Tax Abatement Refunding Bonds, Series 2016A (the “Bonds”) pursuant to Minnesota Statutes, Chapters 469 and 475, to refund in advance of maturity the 2009 Bonds maturing in the years 2020 through 2030; and

**WHEREAS**, the advance refunding of the 2009 Bonds is consistent with the covenants made with the bondholders thereof and will reduce the debt service cost to the City; and

**WHEREAS**, the City has retained Ehlers & Associates, Inc., in Roseville, Minnesota (“Ehlers”) as its independent financial advisor for the Bonds, and Ehlers has solicited proposals to purchase the bonds pursuant to Minnesota Statutes, Section 475.60 and received the proposals listed on Exhibit B to this Resolution; and

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

1. Sale of Bonds; Purpose.
  - 1.01. The proposal of \_\_\_\_\_ (the “Purchaser) to purchase the Bonds (or individually, a “Bond”) in accordance with the terms established for the Bonds, at the rates of interest hereinafter set forth, and to pay therefor the sum of \$\_\_\_\_\_, plus interest accrued to the date of delivery of the Bonds, is hereby found, determined and declared to be the most favorable proposal received and is hereby accepted, and the Bonds are hereby awarded to said Purchaser. 1.02. The Bonds shall be titled “General Obligation Tax Abatement Refunding Bonds, Series 2016A”, shall be dated March 29, 2016, as the date of original issue and shall be issued forthwith on or after such date as fully registered bonds. The City assumes no obligation for the assignment or printing of CUSIP numbers on the Bonds or for the correctness of any CUSIP numbers printed thereon. The City will permit such numbers to be printed on the Bonds at the expense of the Purchaser, provided; that the City shall not be responsible for any delay in delivery of the Bonds occasioned thereby. The Bonds shall be numbered from R-1 upward in the denomination of \$5,000 each or in any integral multiple thereof of a single maturity (the “Authorized Denominations”). The Bonds shall mature on February 1 in the years and amounts as follows:

| <u>Year</u> | <u>Amount</u> | <u>Year</u> | <u>Amount</u> |
|-------------|---------------|-------------|---------------|
| 2019        | \$80,000      | 2025        | \$90,000      |
| 2020        | \$85,000      | 2026        | \$95,000      |
| 2021        | \$90,000      | 2027        | \$95,000      |
| 2022        | \$85,000      | 2028        | \$100,000     |
| 2023        | \$90,000      | 2029        | \$105,000     |
| 2024        | \$95,000      | 2030        | \$105,000     |

1.03. The Bonds shall provide funds to finance the advance refunding of the 2020 through 2030 maturities of the 2009 Bonds. It is hereby found, determined and declared that the advance refunding of the 2009 Bonds is pursuant to Minnesota Statutes, Section 475.67, is consistent with the covenants made to the Bondholder thereof and shall result in a reduction of debt service cost to the City. The refunding of the 2009 Bonds satisfies the debt service test contained in Minnesota Statute, Section 475.67, subd. 12.

1.04. The Bonds shall bear interest payable semiannually on February 1 and August 1 of each year (each, an “Interest Payment Date”) commencing on February 1, 2017, calculated on the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the Municipal Securities Rulemaking Board, at the respective rates per annum set forth opposite the maturity years as follows:

| <u>Year</u> | <u>Rate</u> | <u>Year</u> | <u>Rate</u> |
|-------------|-------------|-------------|-------------|
| 2019        | _____ %     | 2025        | _____ %     |
| 2020        | _____ %     | 2026        | _____ %     |
| 2021        | _____ %     | 2027        | _____ %     |
| 2022        | _____ %     | 2028        | _____ %     |
| 2023        | _____ %     | 2029        | _____ %     |
| 2024        | _____ %     | 2030        | _____ %     |

True Interest Cost: \_\_\_\_\_ %

Section 2. Book Entry Only System. The Depository Trust Company, a limited purpose trust company organized under the laws of the State of New York, or any of its successors or its successors to its functions hereunder (the “Depository”), will act as securities depository for the Bonds, and to this end:

- (a) The Bonds shall be initially issued and, so long as they remain in book entry form only (the “Book Entry Only Period”), shall at all times be in the form of a separate single fully registered Bond for each maturity of the Bonds; and for purposes of complying with this requirement under Section 6, Authorized Denominations for any Bond shall be deemed to be limited during the Book Entry Only Period to the outstanding principal amount of that Bond.
- (b) Upon initial issuance, ownership of the Bonds shall be registered in a bond register maintained by the Registrar (as hereinafter defined) in the name of Cede & Co., as the nominee (it or any nominee of the existing or a successor Depository, the “Nominee”).
- (c) With respect to the Bonds, neither the City nor the Registrar shall have any responsibility or obligation to any broker, dealer, bank, or any other financial institution for which the Depository holds Bonds as securities depository, (the “Participant”) or the person for which a Participant holds an interest in the Bonds shown on the books and records of the Participant (the “Beneficial Owner”). Without limiting the immediately preceding sentence, neither the City, nor the Registrar, shall have any such responsibility or obligation with respect to (A) the accuracy of the records of the Depository, the Nominee or any Participant with respect to any ownership interest in the Bonds, or (B) the delivery to any Participant, any Owner or any other person, other than the Depository, of any notice with respect to the Bonds, including any notice of redemption, or (C) the payment to any Participant, any Beneficial Owner or any other person, other than the Depository, of any amount with respect to the principal of, premium, if any, or interest on the Bonds, or (D) the consent given or other action taken by the Depository as the Registered Holder of any Bonds (the “Holder”). For purposes of securing the vote or consent of any Holder under this Resolution, the City may, however, rely upon an omnibus proxy under which the Depository assigns its consenting or voting rights to certain Participants to whose accounts the Bonds are credited on the record date identified in a listing attached to the omnibus proxy.
- (d) The City and the Registrar may treat as and deem the Depository to be the absolute owner of the Bonds for the purpose of payment of the principal of and premium, if any, and interest on the Bonds, for the purpose of giving notices of redemption and other matters with respect to the Bonds, for the purpose of obtaining any consent or other action to be taken by Holders for the purpose of registering transfers with respect to such Bonds, and for all purposes whatsoever. The Registrar, as paying agent hereunder, shall pay all principal of and premium, if any, and interest on the Bonds only to or upon the Holder or the Holders of the Bonds as shown on the Bond register, and all such payments shall be valid and effective to fully satisfy and discharge the City’s obligations with respect to the principal of and premium, if any, and interest on the Bonds to the extent of the sum or sums so paid.

- (e) Upon delivery by the Depository to the Registrar of written notice to the effect that the Depository has determined to substitute a new Nominee in place of the existing Nominee, and subject to the transfer provisions in Section 6 hereof, references to the Nominee hereunder shall refer to such new Nominee.
- (f) So long as any Bond is registered in the name of a Nominee, all payments with respect to the principal of and premium, if any, and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, by the Registrar or City, as the case may be, to the Depository as provided in the Letter of Representations to the Depository required by the Depository as a condition to its acting as book-entry Depository for the Bonds (said Letter of Representations, together with any replacement thereof or amendment or substitute thereto, including any standard procedures or policies referenced therein or applicable thereto respecting the procedures and other matters relating to the Depository's role as book-entry Depository for the Bonds, collectively hereinafter referred to as the "Letter of Representations").
- (g) All transfers of beneficial ownership interests in each Bond issued in book-entry form shall be limited in principal amount to Authorized Denominations and shall be effected by procedures by the Depository with the Participants for recording and transferring the ownership of beneficial interests in such Bonds.
- (h) In connection with any notice or other communication to be provided to the Holders pursuant to this Resolution by the City or the Registrar with respect to any consent or other action to be taken by Holders, the Depository shall consider the date of receipt of notice requesting such consent or other action as the record date for such consent or other action; provided, that the City or the Registrar may establish a special record date for such consent or other action. The City or the Registrar shall, to the extent possible, give the Depository notice of special record date not less than 25 calendar days in advance of such special record date to the extent possible.
- (i) Any successor Registrar in its written acceptance of its duties under this Resolution and any paying agency/bond registrar agreement, shall agree to take any actions necessary from time to time to comply with the requirements of the Letter of Representations.
- (j) In the case of a partial prepayment of a Bond, the Holder may, in lieu of surrendering the Bond for a Bond of a lesser denomination as provided in Section 6 hereof, make a notation of the reduction in principal amount on the panel provided on the Bond stating the amount so redeemed.

Section 3. Termination of Book-Entry Only System. Discontinuance of a particular Depository's services and termination of the book-entry only system may be effected as follows:

- (a) The Depository may determine to discontinue providing its services with respect to the Bonds at any time by giving written notice to the City and discharging its responsibilities with respect thereto under applicable law. The City may terminate the services of the Depository with respect to the Bonds if it determines that the Depository is no longer able to carry out its functions as securities depository or the continuation of the system of book-entry transfers through the Depository is not in the best interests of the City or the Beneficial Owners.
- (b) Upon termination of the services of the Depository as provided in the preceding paragraph, and if no substitute securities depository willing to undertake the functions of the depository hereunder can be found which, in the opinion of the City, is willing and able to assume such functions upon reasonable or customary terms, or if the City determines that it is in the best interests of the City or the Beneficial Owners of the Bonds that the Beneficial Owners be able to obtain certificates for the Bonds, the Bonds shall no longer be registered as being registered in the bond register in the name of the Nominee, but may be registered in whatever name or names the Holder of the Bonds shall designate at that time, in accordance with Section 6 hereof. To the extent that the Beneficial Owners are designated as the transferee by the Holders, in accordance with Section 6 hereof, the Bonds will be delivered to the Beneficial Owners.
- (c) Nothing in this Section 3 shall limit or restrict the provisions of Section 6 hereof.

The City Administrator is authorized and directed to execute in the name of the City the Letter of Representations in substantially the form on file in the office of the City. In the event of the disability or the resignation or other absence of the City Administrator of the City, such other officer of the City who may act in his or her behalf shall without further act or authorization of the City do all things and execute all instruments and documents required to be done or to be executed by such absent or disabled official. The provisions in the Letter of Representations are incorporated herein by reference and made a part of this Resolution, and if and to the extent any such provisions are inconsistent with the other provisions of this Resolution, the provisions in the Letter of Representations shall control.

Section 4. Redemption.

- 4.01. At the option of the City, Bonds maturing on or after February 1, 2025, shall each be subject to call and prior payment on February 1, 2024, or on any date thereafter at a price equal to the principal amount thereof to be redeemed plus interest accrued to the date of redemption. Redemption may be in whole or in part of the Bonds subject to prepayment. If redemption is in part, the selection of the Bonds remaining unpaid to be prepaid shall be at the discretion of the City. If only part of the Bonds having a common maturity date are called for prepayment the City will notify the Depository of the particular amount of such maturity to be prepaid. The Depository will determine by lot the amount of participant’s interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interest in such maturity to be redeemed.
- [4.02. Bonds maturing in the years \_\_\_\_\_ (the “Term Bonds”) are subject to mandatory redemption on February 1 in the years and principal amounts as follows:

Mandatory Redemption Schedule

Term Bonds Due \_\_\_\_\_

| <u>Redemption</u><br><u>(February 1)</u> | <u>Amount</u> |
|--|---------------|
|--|---------------|

or, if less than such amount is then outstanding, an amount equal to the aggregate principal amount of the Bonds then outstanding. The City may, at its option, to be exercised on or before the thirtieth day preceding any mandatory redemption date specified above deliver to the Registrar written notice which shall (a) specify a principal amount of Term Bonds previously redeemed (otherwise than pursuant to the above Mandatory Redemption Schedule) or purchased and cancelled by the Registrar and not theretofore applied as a credit against any redemption of Term Bonds pursuant to the above Mandatory Redemption Schedule, and (b) instruct the Registrar to apply the principal amount of such Term Bonds so delivered or previously redeemed or purchased and cancelled for credit against the principal installments to be prepaid pursuant to the Mandatory Redemption Schedule. Each such Term Bond so delivered or previously redeemed or purchased and cancelled shall be credited by the Registrar in the order directed by the Authority at succeeding and future principal installments to be prepaid pursuant to the Mandatory Redemption Schedule.

The specific Term Bonds to be redeemed will be selected by lot by the Registrar. All prepayments will be at a price of par plus accrued interest.]

Section 5. Registration and Payment.

- 5.01. The Bonds shall be issued only in fully registered form. The interest thereon and, upon surrender of each Bond, the principal amount thereof, is payable by check or draft issued by the Registrar described herein.
- 5.02. Each Bond shall be dated as of the last interest payment date preceding the date of authentication to which interest on the Bond has been paid or made available for payment, unless (i) the date of authentication is an interest payment date to which interest has been paid or made available for payment, in which case such Bond shall be dated as of the date of authentication, or (ii) the date of authentication is prior to the first Interest Payment Date, in which case such bond shall be dated as of the date of original issue. The interest on the Bonds shall be payable to the owner of record thereof as of the close of business on the fifteenth day of the month preceding the interest payment date, whether or not such day is a business day.

Section 6. Registration. The City appoints Bond Trust Services Corporation, in Roseville, Minnesota, as bond registrar and paying agent (the “Registrar”). The effect of registration and the rights and duties of the City and the Registrar with respect thereto shall be as follows:

- (a) Register. The Registrar shall keep at its principal office a bond register in which the Registrar shall provide for the registration of ownership of the Bonds and the registration of transfers or exchanges of the Bonds.
- (b) Transfer of Bonds. Upon surrender for transfer of the Bonds duly endorsed by the registered owner thereof or accompanied by a written instrument of transfer, in form satisfactory to the Registrar, duly executed by the registered owner thereof or by an attorney duly authorized by the registered owner in writing, the Registrar shall authenticate and deliver, in the name of the designated transferee or transferees, a new Bond of a like aggregate principal amount and maturity, as requested by the transferor.

The Registrar may close the books for registration of any transfer after the fifteenth day of the month preceding each Interest Payment Date and until such Interest Payment Date.

(c) Cancellation. The Bonds surrendered upon any transfer shall be promptly canceled by the Registrar and thereafter disposed of as directed by the City.

(d) Improper or Unauthorized Transfer. When any Bond is presented to the Registrar for transfer, the Registrar may refuse to transfer the same until it is satisfied that the endorsement on such Bond or separate instrument of transfer is valid and genuine and the requested transfer is legally authorized. The Registrar shall incur no liability for its refusal, in good faith, to make transfers which it, in its judgment, deems improper or unauthorized.

(e) Persons Deemed Owners. The City and the Registrar may treat the person(s) in whose name(s) the Bonds are at any time registered in the bond register as the absolute owners of the Bonds, whether the Bonds shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal of or interest on such Bonds and for all other purposes, and all such payments so made to any such registered owners or upon the owners' order shall be valid and effectual to satisfy and discharge the liability of the City upon such Bonds to the extent of the sum or sums so paid.

(f) Taxes, Fees and Charges. For every transfer or exchange of Bonds, the Registrar may impose a charge upon the owner thereof sufficient to reimburse the Registrar for any tax, fee, or other governmental charge required to be paid with respect to such transfer or exchange.

(g) Mutilated, Lost, Stolen or Destroyed Bonds. In case any Bond shall become mutilated or be lost, stolen, or destroyed, the Registrar shall deliver a new Bond of like amount, maturity dates and tenor in exchange and substitution for and upon cancellation of such mutilated Bond or in lieu of and in substitution for such Bond lost, stolen, or destroyed, upon the payment of the reasonable expenses and charges of the Registrar in connection therewith; and, in the case of a Bond lost, stolen, or destroyed, upon filing with the Registrar of evidence satisfactory to it that such Bond was lost, stolen or destroyed, and of the ownership thereof, and upon furnishing to the Registrar of an appropriate bond or indemnity in form, substance, and amount satisfactory to it, in which both the City and the Registrar shall be named as obligees. All Bonds so surrendered to the Registrar shall be canceled by it and evidence of such cancellation shall be given to the City. If the mutilated, lost, stolen, or destroyed Bond has already matured or been called for redemption in accordance with its terms, it shall not be necessary to issue a new Bond prior to payment.

(h) Redemption. In the event the Bonds are called for redemption, if applicable, notice thereof will be given by the Registrar by mailing a copy of the redemption notice by first class mail (postage prepaid) not less than 30 days prior to the date fixed for redemption to the registered owner of the Bonds to be redeemed at the address shown on the registration books kept by the Registrar. Failure to give notice by publication or by mail to any registered owner, or any defect therein, will not affect the validity of any proceeding for the redemption of the Bonds. The Bonds when so called for redemption will cease to bear interest after the specified redemption date, provided that the funds for the redemption are on deposit with the Registrar at the place of payment at the time.

Section 7. Execution, Authentication and Delivery. The Bonds shall be prepared under the direction of the City Administrator of the City and shall be executed on behalf of the City by the manual signatures, or facsimile thereof, of its Mayor and the City Administrator. In case any officer whose signature, or a facsimile of whose signature, shall appear on the Bonds shall cease to be such officer before the delivery of the Bonds, such signature or facsimile shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery. Notwithstanding such execution, the Bonds shall not be valid or obligatory for any purpose or entitled to any security or benefit under this Resolution unless and until a certificate of authentication on such Bonds has been duly executed by the manual signature of an authorized representative of the Registrar. Certificates of Authentication on different Bonds need not be signed by the same representative. The executed certificate of authentication on the Bond shall be conclusive evidence that it has been authenticated and delivered under this resolution. When the Bond has been so executed and authenticated, it shall be delivered by the City Administrator or Registrar to the Purchaser thereof upon payment of the purchase price, and the Purchaser shall not be obligated to see to the application of the purchase price.

Section 8. Temporary Bonds. The City may elect to deliver, in lieu of printed definitive bonds, one or more typewritten temporary bonds in substantially the form set forth in Section 9, with such changes as may be necessary to reflect more than one maturity in a single temporary bond. Such temporary bonds may be executed with photocopied facsimile signatures of the Mayor and City Administrator. Such temporary bonds shall, upon the printing of the

definitive bonds and the execution thereof, be exchanged therefor and canceled.

Section 9. Form of Bond.

- 9.01. The Bonds, together with the Bond Registrar’s Certificate of Authentication, the form of Assignment and the registration information thereon, shall be in substantially the following form:

**UNITED STATES OF AMERICA  
STATE OF MINNESOTA  
COUNTY OF CARLTON  
CITY OF CLOQUET**

No. R-

**GENERAL OBLIGATION TAX ABATEMENT REFUNDING BONDS, SERIES 2016A**

|             |                 |                          |
|-------------|-----------------|--------------------------|
|             | <u>Date</u>     |                          |
| <u>Rate</u> | <u>Maturity</u> | <u>of Original Issue</u> |
|             |                 | March 29, 2016           |

Registered Owner: \_\_\_\_\_  
Principal Sum: \_\_\_\_\_

KNOW ALL PERSONS BY THESE PRESENTS that the City of Cloquet, Minnesota, a duly organized and existing municipal corporation in Carlton County, Minnesota (the "City") acknowledges itself to be indebted and for value received hereby promises to pay to the registered owner set forth above, or registered assigns, the principal sum set forth above on the maturity date specified above, and to pay interest thereon from the date hereof at the annual rate specified above, payable February 1 and August 1 of each year (each, an "Interest Payment Date") commencing February 1, 2017, (calculated on the basis of a 360-day year of twelve 30-day months and rounded pursuant to the rules of the Municipal Securities Rulemaking Board) to the person in whose name this bond is registered at the close of business on the 15th day of the immediately preceding month. The interest hereon and, upon presentation and surrender hereof, the principal hereof are payable in lawful money of the United States of America by check or draft by Bond Trust Services Corporation, Roseville, Minnesota, Registrar and Paying Agent, or its designated successor under the Resolution described herein. For the prompt and full payment of such principal and interest as the same respectively become due, the full faith, credit and taxing powers of the City have been and are hereby irrevocably pledged. **(So long as this Bond is registered in the name of the Depository or its Nominee as provided in the Resolution hereinafter described, and as those terms are defined therein, payment of principal of and interest on this Bond and notice with respect thereto shall be made as provided in the Letter of Representations, as defined in the Resolution, and surrender of this Bond shall not be required for payment of the redemption price upon a partial redemption of this Bond. Until termination of the book-entry only system pursuant to the Resolution, Bonds may only be registered in the name of the Depository or its Nominee.)\***

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\* **Include only until termination of the book-entry only system.**

At the option of the City, Bonds maturing on or after February 1, 2025, shall each be subject to call and prior payment on February 1, 2024, or on any date thereafter at a price equal to the principal amount thereof to be redeemed plus interest accrued to the date of redemption. Redemption may be in whole or in part of the Bonds subject to prepayment. If redemption is in part, the selection of the Bonds remaining unpaid to be prepaid shall be at the discretion of the City. If only part of the Bonds having a common maturity date are called for prepayment the City will notify the Depository of the particular amount of such maturity to be prepaid. The Depository will determine by lot the amount of participant’s interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interest in such maturity to be redeemed.

[Bonds maturing in the years \_\_\_\_\_ (the "Term Bonds") are subject to mandatory redemption on February 1 in the years and principal amounts as follows:

Mandatory Redemption Schedule

Term Bonds Due \_\_\_\_\_

|                            |               |
|----------------------------|---------------|
| Redemption<br>(February 1) | <u>Amount</u> |
|----------------------------|---------------|



or, if less than such amount is then outstanding, an amount equal to the aggregate principal amount of the Bonds then outstanding. The City may, at its option, to be exercised on or before the thirtieth day preceding any mandatory redemption date specified above deliver to the Registrar written notice which shall (a) specify a principal amount of Term Bonds previously redeemed (otherwise than pursuant to the above Mandatory Redemption Schedule) or purchased and cancelled by the Registrar and not theretofore applied as a credit against any redemption of Term Bonds pursuant to the above Mandatory Redemption Schedule, and (b) instruct the Registrar to apply the principal amount of such Term Bonds so delivered or previously redeemed or purchased and cancelled for credit against the principal installments to be prepaid pursuant to the Mandatory Redemption Schedule. Each such Term Bond so delivered or previously redeemed or purchased and cancelled shall be credited by the Registrar in the order directed by the Authority at succeeding and future principal installments to be prepaid pursuant to the Mandatory Redemption Schedule.

The specific Term Bonds to be redeemed will be selected by lot by the Registrar. All prepayments will be at a price of par plus accrued interest.]

The City Council of the City has designated the Bonds as "qualified tax exempt obligations" within the meaning of Section 265(b)(3) of the Internal Revenue code of 1986, as amended (the "Code"), relating to disallowance of interest expense for financial institutions and within the \$10 million limitation allowed by the Code for the calendar year of issue.

This bond is one of an issue in the aggregate principal amount of \$1,115,000 all of like original issue date and tenor, except as to number, maturity date, and interest rate, all issued pursuant to a resolution adopted by the City Council of the City on March 2, 2016 (the "Resolution"), for the purpose providing funds to finance the advance refunding of the City's General Obligation Tax Abatement Bonds, Series 2009A, which bonds were issued to provide funds to finance the construction of certain public improvements in the City. Pursuant to the Resolution, the City has pledged to the payment of this Bond tax abatements generated from certain designated real property in the City. The full faith and credit of the City are irrevocably pledged for payment of this Bond and the City Council has obligated itself to levy ad valorem taxes on all taxable property in the City in the event of any deficiency in revenues pledged, which taxes may be levied without limitation as to rate or amount. The Bonds of this series are issued only as fully registered bonds in Authorized Denominations (as defined in the Resolution described above).

As provided in the Resolution and subject to certain limitations set forth therein, this Bond is transferable upon the books of the City at the principal office of the Bond Registrar, by the registered owner hereof in person or by the owner's attorney duly authorized in writing upon surrender hereof together with a written instrument of transfer satisfactory to the Bond Registrar, duly executed by the registered owner or the owner's attorney; and may also be surrendered in exchange for Bonds of other authorized denominations. Upon such transfer or exchange the City will cause a new Bond or Bonds to be issued in the name of the transferee or registered owner, of the same aggregate principal amount, bearing interest at the same rate and maturing on the same date, subject to reimbursement for any tax, fee or governmental charge required to be paid with respect to such transfer or exchange.

The City and the Bond Registrar may deem and treat the person in whose name this Bond is registered as the absolute owner hereof, whether this Bond is overdue or not, for the purpose of receiving payment and for all other purposes, and neither the City nor the Bond Registrar shall be affected by any notice to the contrary.

This Bond is not valid or obligatory for any purpose or entitled to any security or benefit under the Resolution until the Certificate of Authentication hereon has been executed by the Bond Registrar by manual signature of one of its authorized representatives.

**IT IS HEREBY CERTIFIED AND RECITED** that all acts, conditions, and things required by the Constitution and laws of the State of Minnesota to be done, to have happened, and to be performed precedent to and in the issuance of this Bond have been done, have happened, and have been performed in regular and due form, time, and manner as required by law; and that this Bond, together with all other indebtedness of the City outstanding on the date hereof and on the date of its actual issuance and delivery, does not cause the indebtedness of the City to exceed any constitutional or statutory limitation thereon.

**IN WITNESS WHEREOF**, the City of Cloquet, Carlton County, Minnesota, by its City Council, has caused this Bond to be executed by the manual signatures, or facsimiles thereof, of the Mayor and the City Administrator and has caused this Bond to be dated March 29, 2016.

City Administrator

Mayor

**CERTIFICATE OF AUTHENTICATION**

This is one of the bonds delivered pursuant to the Resolution mentioned within.

**BOND TRUST SERVICES CORPORATION**

By: \_\_\_\_\_  
Authorized Representative

(Form of certificate to be printed on each Bond, following a full copy of the legal opinion.)

It is certified that the original opinion, of which the foregoing is a true and correct copy, is on file in the office of the Bond Registrar, Bond Trust Services Corporation, Roseville, Minnesota, and is dated as of the date of delivery of the Bonds and payment therefor by the original purchaser.

\_\_\_\_\_  
City Administrator

**ABBREVIATIONS**

The following abbreviations, when used in the inscription on the face of this Bond, shall be construed as though they were written out in full according to applicable laws or regulations:

- TEN COM -- as tenants in common
- TEN ENT -- as tenants by entireties
- JT TEN -- as joint tenants with right of survivorship and not as tenants in common
- UTMA -- \_\_\_\_\_ as custodian for \_\_\_\_\_ under the \_\_\_\_\_ (Cust) \_\_\_\_\_ (Minor) \_\_\_\_\_ Uniform Transfers to Minors Act (State)

**ASSIGNMENT**

**FOR VALUE RECEIVED,** \_\_\_\_\_ ("Transferor"), the undersigned, hereby sells, assigns and transfers unto \_\_\_\_\_ (Social Security or Federal Employer Identification No. \_\_\_\_\_) the within Bond and all rights thereunder, and hereby irrevocably constitute and appoints ("Transferee") as attorney to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises; provided, however, that if any default with respect to the Bond shall have occurred to or to the date of this transfer, the within Bond shall not be registered and the Transferee shall be entitled to receive payment with respect to the within Bond upon presentation thereof as assignee of the Transferor.

Date: \_\_\_\_\_

**NOTICE:** No transfer will be registered and no new Bond will be issued in the name of the Transferee, unless the signature(s) to this assignment correspond(s) with the name(s) as it (they) appear(s) upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever and the Social Security or Federal Employer Identification numbers of the settlor and beneficiaries of the trust, the date of the trust and the name of the trustee should be supplied.

Signature Guaranteed:

\_\_\_\_\_  
NOTICE: Signature(s) must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or a trust company or any other "Eligible Guarantor Institution" as defined in 17 CFR 240.17 Ad-15 (a) (2)

- 9.02. The City Administrator of the City shall obtain a copy of the proposed approving legal opinion of Bradley & Deike, P.A., Edina, Minnesota, which shall be complete except as to dating thereof and shall cause the opinion to be printed on each Bond, together with a certificate to be signed by the facsimile signature of the City Administrator in substantially the form set forth in the form of Bond. The City Administrator is hereby authorized and directed to execute such certificate in the name of the City upon receipt of such opinion and to file the opinion in the City's offices.

Section 10. Funds and Accounts. There is hereby created a special fund to be designated the "General Obligation Tax Abatement Refunding Bonds, Series 2016A Fund" (the "Fund") to be administered and maintained by the City Administrator as a bookkeeping account separate and apart from all other funds maintained in the official financial records of the City. The Fund shall be maintained in the manner herein specified until all of the Bonds and the interest thereon have been fully paid. There shall be maintained in the Fund two (2) separate accounts, to be designated the "Escrow Account" and "Debt Service Account" respectively. \$\_\_\_\_\_ of the proceeds of the sale of the Bonds, together with \$\_\_\_\_\_ of other City funds, is hereby pledged and appropriated and shall be credited to the Escrow Account. Of this amount, \$\_\_\_\_\_ will be deposited as a beginning cash balance in the Escrow Account, \$\_\_\_\_\_ will be used to purchase the securities described in Section 17, and \$\_\_\_\_\_ shall be used by the Escrow Agent to pay the costs of issuance of the Bonds.

- 10.01 Escrow Account. The Escrow Account shall be deposited in escrow with U.S. Bank National Association (the "Escrow Agent") in St. Paul, Minnesota, a suitable banking institution within the State of Minnesota, whose deposits are insured by the Federal Deposit Insurance Corporation and whose combined capital and surplus is not less than \$500,000, and shall be invested in securities maturing or callable at the option of the holder on such dates and bearing interest at such rates as shall be required to provide sufficient funds, together with any cash or other funds retained in the Escrow Account, to pay interest on the Bonds until the redemption of the 2009 Bonds and to pay the principal amount of each of the 2009 Bonds being advanced refunded pursuant to this Resolution on the date on which it has been called for redemption and to pay any premium required for redemption on such date, and the monies in said Escrow Account shall be used solely for the purposes herein set forth and for no other purpose, except that any surplus in said Escrow Account after payment in full of the 2009 Bonds may be remitted to the City, all in accordance with an agreement (the "Escrow Agreement"), between the City and Escrow Agent, a form of which agreement will be on file in the office of the City Administrator.

- 10.02. Debt Service Account. There shall be maintained a Debt Service Account to be designated the "Debt Service Account". There are hereby irrevocably appropriated and pledged to, and there shall be credited to the Debt Service Account: (1) any proceeds of the Bonds not deposited in the Escrow Account or used to pay the cost of issuance of the Bonds; (2) tax abatement revenues pledged to the payment of the Bonds pursuant to Section 12 hereof; (3) any amounts remaining in the Escrow Account after redemption of the 2009 Bonds; and (4) general fund moneys and tax levy receipts in each year sufficient to pay the debt service due on the Bonds in each year. The moneys in the Debt Service Account shall be used solely to pay the principal of and interest on the Bonds until such Bonds are paid in full.

No portion of the proceeds of the Bonds shall be used directly or indirectly to acquire higher yielding investments or to replace funds which were used directly or indirectly to acquire higher yielding investments, except (1) for a reasonable temporary period until such proceeds are needed for the purpose for which the Bonds were issued and (2) in addition to the above, in an amount not greater than the lesser of five percent (5%) of the proceeds of the Bonds, or \$100,000. To this effect, any proceeds of the Bonds and any sums from time to time held in the Escrow Account or Debt Service Account (or any other City account which will be used to pay principal or interest to become due on the bonds payable therefrom) in excess of amounts which under then-applicable federal arbitrage regulations may be invested without regard to yield shall not be invested at a yield in excess of the applicable yield restrictions imposed by said arbitrage regulations on such investments after taking into account any applicable "temporary periods" or "minor portion" made available under the federal arbitrage regulations. Money in the fund shall not be invested in obligations or deposits issued by, guaranteed by or insured by the United States or any agency or instrumentality thereof if and to the extent that such investment would cause the Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the federal Internal Revenue Code of 1986, as amended (the "Code").

Section 11. Refunded Bonds; Security. Until retirement of the 2009 Bonds, all provisions theretofore made for the payment and security thereof shall be observed by the City and all of its officers and agents.

Section 12. Pledge of Property Tax Abatements; Tax Levy. (a) The City in the 2009 Bond Resolution pledged to the payment of the 2009 Bonds certain receipts from property tax

abatements (the “Abatements”) received by the City. The City hereby reaffirms such pledge with respect to the 2009 Bonds until the 2009 Bonds have been paid in full and pledges to use the Abatements to pay the Bonds in an amount necessary to pay debt service on the Bonds in each year. It is estimated that collections of the Abatements will be as shown on Exhibit C attached hereto.

- B. Tax Levy; Coverage Test; Cancellation of Certain Tax Levies. To provide moneys for payment of the principal of and interest on the 2009 Bonds and the Bonds there is hereby levied upon all of the taxable property in the City a direct annual ad valorem tax which shall be spread upon the tax rolls and collected with and as part of other general property taxes in the City for the years and in the amounts as follows:

| <u>Year of Tax<br/>Levy</u> | <u>Year of Tax<br/>Collection</u> | <u>Amount</u> |
|-----------------------------|-----------------------------------|---------------|
|-----------------------------|-----------------------------------|---------------|

See attached Exhibit D

The tax levies are such that if collected in full they, together with the Abatements pledged for the payment of the Bonds, will produce at least five percent (5%) in excess of the amount needed to meet when due the principal and interest payments on the Bonds. The tax levies shall be irrevocable so long as any of the Bonds are outstanding and unpaid, provided, that the City reserves the right and power to reduce the levies in the manner and to the extent permitted by Minnesota Statutes, Section 475.61, Subdivision 3.

Section 13. Defeasance. When all Bonds have been discharged as provided in this paragraph, all pledges, covenants and other rights granted by this Resolution to the registered holders of the Bonds shall, to the extent permitted by law, cease. The City may discharge its obligations with respect to any Bonds which are due on any date by irrevocably depositing with the Bond Registrar on or before that date a sum sufficient for the payment thereof in full; or if any Bond should not be paid when due, it may nevertheless be discharged by depositing with the Bond Registrar a sum sufficient for the payment thereof in full with interest accrued to the date of such deposit. If applicable, the City may also discharge its obligations with respect to any prepayable Bonds called for redemption on any date when they are prepayable according to their terms, by depositing with the Bond Registrar on or before that date a sum sufficient for the payment thereof in full, provided that notice of redemption thereof has been duly given. The City may also at any time discharge its obligations with respect to any Bonds, subject to the provisions of law now or hereafter authorizing and regulating such action, by depositing irrevocably in escrow, with a suitable banking institution qualified by law as an escrow agent for this purpose, cash or securities described in Minnesota Statutes, Section 475.67, Subdivision 8, bearing interest payable at such times and at such rates and maturing on such dates as shall be required, subject to sale and/or reinvestment, to pay all amounts to become due thereon to maturity or, if notice of redemption as herein required has been duly provided for, to such earlier redemption date.

Section 14. General Obligation Pledge. For the prompt and full payment of the principal of and interest on the Bonds as the same respectively become due, the full faith, credit and taxing powers of the City shall be and are hereby irrevocably pledged. The City estimates that the revenues pledged in Section 12 of this Resolution will generate revenues in the amount of at least 105% of the amounts necessary to pay principal and interest on the Bonds in each year. If the balance in the Debt Service Account is ever insufficient to pay all principal and interest then due on the Bonds payable therefrom, the deficiency shall be promptly paid out of any other accounts of the City which are available for such purpose, and such other funds may be reimbursed interest from the Debt Service Account when a sufficient balance is available therein.

Section 15. Redemption of Bonds. The 2009 Bonds refunded hereunder which mature in 2020 and thereafter shall be redeemed and prepaid on February 1, 2018, in accordance with the terms and conditions set forth in the Notice of Call for Redemption attached hereto as Exhibit A, which terms and conditions are hereby approved and incorporated herein by reference.

Said Notice of Call for Redemption for the 2009 Bonds shall be mailed not less than 30 days prior to the date of redemption to the registered owner of each of such bonds at the address shown on the registration books kept by the registrar for such Bonds.

- Section 16. Escrow Agreement. On or prior to the delivery date of the Bonds the Mayor and City Administrator are hereby authorized and directed to execute on behalf of the City an escrow agreement providing for the advance refunding of the 2009 Bonds. All essential terms and conditions of such Escrow Agreement are hereby approved and adopted and made a part of this resolution, and the City covenants that it will promptly enforce all provisions thereof in the event of default thereunder by the Escrow Agent.
- Section 17. Securities. The City Administrator or anyone designated by the City Administrator, is hereby authorized and directed to purchase the appropriate United States Treasury Securities, State and Local Government Series, from the proceeds of the Bonds in accordance with the provisions of this resolution and to execute all such documents required to effect such purchase in accordance with United States Treasury Regulations.
- Securities purchased from the monies in the Escrow Account shall be limited to securities set forth in Minnesota Statutes, section 475.67, subd. 8, and any amendments or supplements thereto. Securities purchased from the Escrow Account shall be purchased simultaneously with the delivery of the Bonds. The City Council has investigated the facts and hereby finds and determines that the Escrow Agent is a suitable bank to act as escrow agent, and is qualified within the meaning of Minnesota Statutes, section 475.67, subd. 5.
- Section 18. Certification of Proceedings. The officers of the City are hereby authorized and directed to prepare and furnish to the purchaser of the Bonds and to Bradley & Deike, P. A., Bond Counsel, certified copies of all proceedings and records of the City, and such other affidavits, certificates, and information as may be required to show the facts relating to the legality and marketability of the Bonds as the same appear from the books and records under their custody and control or as otherwise known to them, and all such certified copies, certificates and affidavits, including any heretofore furnished, shall be deemed representations of the Issuer as to the facts recited therein.
- Section 19. Certificate of Registration. The City Administrator is hereby directed to file a certified copy of this resolution with the County Auditor of Carlton County, Minnesota, together with such other information as he or she shall require, and to obtain the County Auditor's Certificate that the bonds have been entered in the County Auditor's Bond Register.
- Section 20. Tax Covenants.
- 20.01. The City covenants and agrees with the holders from time to time of the Bonds that it will not take or permit to be taken by any of its officers, employees or agents any action which would cause the interest on the Bonds to become subject to taxation under the Internal Revenue Code of 1986, as amended (the Code), and the Treasury Regulations promulgated thereunder, in effect at the time of such actions, and that it will take or cause its officers, employees or agents to take, all affirmative action within its power that may be necessary to ensure that such interest will not become subject to taxation under the Code and applicable Treasury regulations, as presently existing or as hereafter amended and made applicable to the Bonds.
  - 20.02. The City will comply with requirements necessary under the Code to establish and maintain the exclusion from gross income of the interest on the Bonds under Section 103 of the Code, including, without limitation, requirements relating to temporary periods for investments, limitations on amounts invested at a yield greater than the yield on the Bonds, and the rebate of excess investment earnings to the United States.
  - 20.03. The City further covenants not to use the proceeds of the Bonds or to cause or permit them or any of them to be used, in such a manner as to cause the Bonds to be "private activity bonds" within the meaning of Section 103 and 141 through 150 of the Code.
  - 20.04. In order to qualify the Bonds as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code, the City makes the following factual statements and representations:
    - (a) the Bonds are not "private activity bonds" as defined in Section 141 of the Code;
    - (b) the City hereby designates the Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code;
    - (c) the reasonably anticipated amount of tax-exempt obligations which will be issued by the City (and all subordinate entities of the City) during calendar year 2016 will not exceed \$10,000,000; and
    - (d) not more than \$10,000,000 of obligations issued by the City during calendar year 2016 have been designated for purposes of Section 265(b)(3) of the Code.
  - 20.05. The City will use its best efforts to comply with any federal procedural requirements

which may apply in order to effectuate the designations made by this section.

Section 20. Payment of Issuance Expenses. The City authorizes the Purchaser to forward the amount of bond proceeds allocable to the payment of issuance expenses to the Escrow Agent on the closing date for further distribution as described in the Escrow Agreement.

Section 21. Severability. If any provision of this Resolution shall be held or deemed to be or shall, in fact, be inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions or in all cases because it conflicts with any provisions of any constitution or statute or rule or public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative or unenforceable to any extent whatever. The invalidity of any one or more phrases, sentences, clauses or paragraphs in this Resolution contained shall not affect the remaining portions of this Resolution or any part thereof.

Section 22. Headings. Headings in this Resolution are included for convenience of reference only and are not a part hereof, and shall not limit or define the meaning of any provisions hereof.

The motion for the adoption of the foregoing resolution was duly seconded by council member \_\_\_\_\_ and, after a full discussion thereof and upon a vote being taken thereon, the following voted in favor thereof:

and the following voted against the same:

Whereupon said resolution was declared duly passed and adopted.

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

I, the undersigned, being the duly qualified and acting City Administrator of the City of Cloquet, Minnesota, hereby certify that I have carefully compared and attached the foregoing extract of minutes of a meeting of the City Council of said City held March 2, 2016, with the original thereof on file and of record in my office and the same is a full, true and complete transcript therefrom insofar as the same relates to the considering of proposals for and awarding the sale of \$1,115,000 General Obligation Tax Abatement Refunding Bonds, Series 2016A, of said City.

**WITNESS** my hand this \_\_\_ day of \_\_\_\_\_, 2016.

\_\_\_\_\_  
City Administrator

**EXHIBIT A**

**NOTICE OF CALL FOR REDEMPTION**

**GENERAL OBLIGATION TAX ABATEMENT BONDS, SERIES 2009A**

**CITY OF CLOQUET, MINNESOTA**

NOTICE IS HEREBY GIVEN that by order of the City Council of the City of Cloquet, Carlton County, Minnesota, there has been called for redemption and prepayment on

February 1, 2018

the outstanding bonds of the City designated as General Obligation Tax Abatement Bonds, Series 2009A, originally dated August 8, 2009, having stated maturity dates in the years 2020 through 2030, and totaling \$1,035,000 in outstanding principal amount. The bonds are being called at a price of par plus accrued interest to February 1, 2018, on which date all interest on said bonds will cease to accrue. The Holders of the bonds hereby called for redemption are requested to present their bonds for payment, at \_\_\_\_\_, on or before February 1, 2018.

DATED: \_\_\_\_\_.

**BY ORDER OF THE CITY COUNCIL**

\_\_\_\_\_  
City Administrator

Important Notice: Under the Interest and Dividend Compliance Act of 1983, 31% will be withheld if tax identification is not properly certified.

Additional information may be obtained from:

**Ehlers & Associates, Inc.**

3060 Centre Pointe Drive  
Roseville, MN 55113  
Phone: 651-697-8500  
Toll Free: 1-800-552-1171, Fax Number: 651 697-8555

**REVISIONS TO CLOQUET'S MUNICIPAL STATE AID STREET SYSTEM**

**MOTION:** Councilor Langley moved and Councilor Rock seconded the motion to adopt **RESOLUTION NO. 16-17, A RESOLUTION ESTABLISHING AND REVOKING CERTAIN MUNICIPAL STATE AID STREETS.** The motion carried unanimously (7-0).

**WHEREAS,** it appears to the City Council of the City of Cloquet that certain changes to its Municipal State Aid Street system are warranted, and

**WHEREAS,** in accordance with Minnesota Rules, such revisions must be submitted to the Commissioner of Transportation for review and approval.

**NOW, THEREFORE, BE IT RESOLVED:** That the following roadways described as follows, are hereby established, located and designated as Municipal State Aid Streets of the City of Cloquet, subject to the approval of the Commissioner of Transportation of the State of Minnesota:

- Arch Street – From Park Avenue, north to Avenue C
- Park Avenue – From Pinehurst Drive, east to Arch Street
- East TH 33 Frontage Road – From TH 33 (DNR Access to TH 33), north to north access road to TH 33 (at Existing Wal-Mart Traffic Signal)
- Tall Pine Lane – From East TH 33 Frontage Road, east to 14<sup>th</sup> Street
- Holmes Drive – From 8<sup>th</sup> Street, north to Doddridge Avenue

**BE IT FURTHER RESOLVED:** That the following described Municipal State Aid Streets, which are currently part of Cloquet's MSAS system, have their MSAS designation hereby revoked and removed also subject to approval of the Commissioner of Transportation:

- 9<sup>th</sup> Street – From Cloquet Avenue, north to Avenue B
- 15<sup>th</sup> Street – From Cloquet Avenue, north to Avenue B
- Adams Street – From Skyline Boulevard, north to TH 33
- Balsam Street – From Big Lake Road (CSAH 7), north to Carlton Avenue West
- 6<sup>th</sup> Street – From Carlton Avenue, north to Cloquet Avenue
- Agate Street – From Adams Street, east to Arthur Street

**BE IT FURTHER RESOLVED:** That the City Administrator is hereby authorized and directed to forward two certified copies of this resolution to the Commissioner of Transportation for consideration, and that upon his approval of the designations of said roads or portions thereof, that same be constructed, improved and maintained as part of Cloquet's Municipal State Aid Street system.

**PORTABLE LIFT STATION GENERATOR BID AUTHORIZATION**

**MOTION:** Councilor Bjerkness moved and Councilor Kolodge seconded the motion to authorize the purchase of one Portable Lift Station Electrical Generator for the Utilities Department from Ziegler Power Systems in the amount of \$30,125.00. The motion carried unanimously (7-0).

**KWIK TRIP SITE PLAN**

Al Cottingham, City Planner, reviewed the Kwik Trip site plan. The Council asked a variety of questions regarding traffic safety issues. Milt Hagen, Carlton County, addressed the Council and hopes to still meet with Kwik Trip to further discuss road and safety improvement options. Mr. Hagen indicated the County would consider funding 1/3 of the cost of a signal light using State Aid.

Scott Teigen of Kwik Trip stated the main concern of neighbors has been parking on the street. Kwik Trip would support elimination of parking. Diesel is not focused on semi-trucks, but other diesel

users. Prefer it not to be tabled, but will agree with tabling it until the March 15 Council meeting.

Councilor Kolodge inquired if the car wash will be open 24 hours? Mr. Cottingham responded that it will but currently there are no issues with decibels related to blowers.

Bob Nikko, 1201 Washington Avenue, addressed parking, speed, and safety concerns. He does not want parking on the north side of Washington Avenue. Dave Johnson, representing Zion Lutheran Church, stated the church supports the elimination of parking on the north side of Washington Avenue.

Walt Crestman of Taco Johns said they support the project. This development utilizes part of their property but in a positive way. They do support no parking on Washington Avenue as well. Corey Nikko, 1201 Washington Avenue, voiced his concern on semi-truck deliveries to Kwik Trip and proximity to residential homes.

Councilor Rock stated no one in the neighborhood supports the project. There is a lot of concern over the impacts on the intersection from Washington Avenue to Hwy 33. Councilor Bjerkness questioned why the site plan is being reviewed by the City when it is considered a permitted use under zoning. Councilors Wilkinson and Bjerkness both feel safety is the biggest issue. Councilor Kolodge asked how long is Kwik Trip's offer to pay for part of a stop light on the table? Mr. Tiegen's response is everyone should share in the cost and the City could make it condition of the CUP.

**MOTION:** Councilor Rock moved and Councilor Langley seconded the motion to table further discussion on the application to allow time to investigate how the intersection and safety concerns can be better addressed. The motion carried (5-2) with Councilors Kolodge and Maki opposed.

#### **CONSIDERATION OF HRA AND LIBRARY BOARD APPOINTMENTS**

**MOTION:** Councilor Kolodge moved and Councilor Maki seconded the motion to approve the appointments of Stephanie Fredrickson to serve on the HRA Board with a term expiring June 30, 2019, and Cassandra Brissett to serve on the Library Board with a term expiring December 31, 2018. The motion carried unanimously (7-0).

#### **PUBLIC COMMENTS**

There were none.

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

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

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Brian Fritsinger, City Administrator