

## Special Work Session Meeting

Tuesday, May 31, 2016

5:30 p.m.

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