



**CITY OF CLOQUET**  
**City Council Agenda - AMENDED**  
**Tuesday, October 6, 2015**  
**7:00 p.m.**  
**City Hall Council Chambers**

CITY COUNCIL WORK SESSION

5:30 p.m. Highway 33 Landscape Plan – SEH presentation  
6:40 p.m. Strategic Plan Update  
6:55 p.m. Future Work Session Agenda Items

1. **Roll Call**
2. **Approval of Agenda**
  - a. Approval of October 6, 2015 Council Agenda
3. **Approval of Council Minutes**
  - a. Work Session Minutes from the September 15, 2015 meeting
  - c. Regular Council Minutes from the September 15, 2015 meeting
4. **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. 15-77, Authorizing the Payment of Bills and Payroll
  - b. Resolution No. 15-78, Approving Exempt Off-Site Gambling for the North Shore Wrestling Club to Conduct a Raffle at the Cloquet National Guard Armory
5. **Public Hearings**

None.
6. **Presentations**
  - a. Mayor's Proclamation, General Aviation Appreciation Month



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**Tuesday, October 6, 2015**  
**7:00 p.m.**  
**City Hall Council Chambers**

**7. Council Business**

- a. Friends of Animals Funding Request
- b. Group Health Insurance Renewal
- c. Home for the Holidays Celebration
- d. Purchase of a Portable Warming House for Pinehurst Park
- e. Disposal of Public Works Surplus Equipment

**8. 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.*

- a. Matthew Anderson

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

**10. Adjournment**

CLOQUET CITY COUNCIL WORK SESSION  
Tuesday, September 15, 2015, 5:30 p.m.  
Meeting Minutes

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

Absent: Wilkinson

Staff: Fritsinger, Klassen, C. Peterson, J. Prusek

Other: Jamie Lund, Pine Journal

Future Work Session Items

- October 6<sup>th</sup> - SEH will present on the Highway 33 Landscape design.
- October 20<sup>th</sup> - Shamrock Landfill update on new ownership. There is no significant issue with this change.

Strategic Plan

Mr. Fritsinger asked the Council of their preference on communication on progress updates of the strategic plan. Continue to put it on the regular agenda every month to make public aware of new objectives coming out of the budget. Depending on the issue, it may only be a few minutes but could be as long as a 20 minute discussion.

Spring Lake Road

Councilor Rock inquired if there has been any discussion on the Spring Lake Road speeding issue. Mr. Prusak reported that advisory signs have been ordered for hidden intersections and two 30 mph signs that should be here next week. There is not much more that can be done.

Safe Routes to School Churchill Sidewalk Project Review

Assistant City Engineer Caleb Peterson reviewed the history and project map of the Safe Routes to School Slate Street sidewalk project. The intent of the discussion is so everyone is on the same page with the reason for the project. Topics discussed:

- Background on funding - Federally allocated money for safety issues. ARDC put together plans for the Washington and Churchill Elementary Schools and the Middle School (current location). Caleb made it clear that this is a school district/ARDS project.
- In 2014 federal funding was renewed and there was infrastructure dollars made available. The City applied to MnDOT and was awarded funding for construction to begin next year.
- The Council approved the preliminary project in January 2014.
- Question if some of the Middle School project can move with the new school plans. Caleb will research.
- Discussion of sidewalk issues on the Washington Ave corridor. Washington Avenue and 22<sup>nd</sup> Street are County owned, 18<sup>th</sup> Street is City owned.
- Review of the Slate Street sidewalk map. Discussion on feasibility of sidewalks due to steep grades. Power poles, street lights, and mailboxes can be moved if needed.
- Discussion of new crosswalks and their maintenance. No point to put in if they won't be maintained.

- The project memorandum is due in December this year. The federal process consumes a lot of staff time. Would like the Council's thoughts and comments. Also need public input and participation if the project should go forward. SHIP group put together survey to send out in Friday folders with students.
- 80% funding for this program. Estimating \$20,000 in matching grants. Less than budget CIP.
- Can this be done without affecting curbs? Yes. Only cuts into roadways will be the intersections.
- Concern about enough staff to keep the sidewalks clean with only 1 piece of equipment. By accepting the money, we are promising to keep the sidewalks clear.
- Feedback from Council is that it makes sense to move forward with this. However, Councilor Bjerkness doesn't see or hasn't heard of the real need to do it.
- The project cannot move forward without a neighborhood meeting. The meeting would also include representatives from SHIP and school staff. The money has already been allocated to the City, if it's not spent, it will go somewhere else.
- Mr. Fritsinger voiced his opinion as a neighborhood resident, stating Slate Street is heavily used by walkers/strollers/bikers. It would be an improvement even as just a safe route. Part of this is a federal effort to encourage more walking. This is a major neighborhood with many kids.
- Jim noted that with the park improvements, there would be more reason for people to be coming that way.
- Caleb will look into the funding cycle but anticipates it would be ready to go in the spring, depending on when they release the money.
- Councilor Kolodge stated this this would be a safe route to the park 24/7, not just during school hours. Also noted was the amount of wheel chair bound residents in the area that would benefit.
- Jim will put together a notice of a neighborhood meeting for approximately 4 weeks.

#### Miscellaneous

- Council Bjerkness received a letter from a Kelly Ave resident inquiring about the length of time dumpsters can be in a yard at a time and what can be thrown in it. What they want to consider is certain times of year, amount of times dumpsters are allowed and what is dumped. The City Code doesn't clearly address this issue, but it could be looked at as a public nuisance and garbage or garbage hauling. Mr. Fritsinger and Steve Stracek have discussed this issued in the past and Mr. Stracek had some ideas. This is not something the Council wants to jump into, needs to be a process that works for everyone.
- Positive feedback on the Pinehurst project.

There being no further business, the meeting adjourned at 6:55 p.m.

Respectfully Submitted:

Brian Fritsinger  
City Administrator

Council Chambers, Cloquet, Minnesota  
7:00 P.M. September 15, 2015

**DRAFT**

Regular Meeting

Roll Call

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

Councilors Absent: Wilkinson

**AGENDA**

**MOTION:** Councilor Langley moved and Councilor Maki seconded the motion to approve the Amended September 15, 2015 agenda. The motion carried unanimously (6-0).

**MINUTES**

**MOTION:** Councilor Langley moved and Councilor Kolodge seconded the motion to approve the minutes of the work session and regular meeting of September 1, 2015. The motion carried unanimously (6-0).

**CONSENT AGENDA**

**MOTION:** Councilor Bjerckness moved and Councilor Maki seconded the motion to adopt the consent agenda of September 15, 2015 approving the necessary motions and resolutions. The motion carried unanimously (6-0).

- a. Resolution No. 15-73, Authorizing the Payment of Bills
- b. New Therapeutic Massage Therapist License – Li Juan Liu
- c. Resolution No. 15-74, Approving Off-Site Gambling for the Wood City Riders Snowmobile Club to Conduct a Raffle at the Lumberjack Lounge

**PUBLIC HEARINGS**

There were none.

**PRESENTATIONS**

There were none.

**ADOPTING THE PROPOSED 2016 PRELIMINARY BUDGET**

**MOTION:** Councilor Kolodge moved and Councilor Bjerckness seconded the motion to adopt **RESOLUTION 15-71, A RESOLUTION ADOPTING THE PROPOSED 2016 BUDGET**. The motion carried unanimously (6-0).

**WHEREAS,** The City Administrator has prepared an annual budget and the City Council has reviewed the proposed 2016 budget; and

**WHEREAS,** Chapter 275, Section 065 of Minnesota Statutes requires that the City adopt a proposed 2016 levy and budget.

**NOW, THEREFORE, BE IT RESOLVED, BY THE CITY COUNCIL OF THE CITY OF CLOQUET, MINNESOTA,** That there be and is hereby proposed to be set aside for the year 2016 for the following departments and funds:

<u>Fund</u>	<u>Revenues</u>	<u>Expenditures</u>
General	\$5,118,300	\$5,623,050
LDO Loan (EDA)	65,000	2,200
Federal CDGB Loan (EDA)	14,000	3,500
Economic Development Loan (City)	11,200	1,350
State SCDG/MIF (EDA)	3,000	2,650
Community Development Operating (City)	182,900	208,350
Small Cities Development (City)	535,000	535,000
Library	478,000	541,500
Tax Increment – Woodward/Daqota	30,000	30,000
Tax Increment – 14 <sup>th</sup> Street Apartments	20,000	20,000
Tax Increment – Oakwood Estates	55,000	55,000
Park	490,400	546,150
Senior Center	11,300	11,400
Landfill Host Fee	92,000	-
Cable Television	115,450	157,025
Business Park Bonds	36,000	246,950
Swimming Pond Bonds	115,000	108,900
Permanent Improvement	390,000	63,500
Facilities Planning	503,000	-
Public Works Reserve	207,000	105,000
Revolving Capital Projects	1,003,000	1,003,000
City Sales Tax Projects	1,015,000	1,180,000
Employee Severance Benefits	40,000	50,000
Water – Lake Superior Waterline	2,843,100	2,371,550
Water – In-Town System	1,208,800	1,756,500
Sewer Utility	1,652,300	1,642,500
Stormwater Utility	332,000	220,150
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TOTAL:	<u>\$16,566,750</u>	<u>\$16,485,225</u>

**ADOPTING OF SUMS OF MONEY PROPOSED TO BE LEVIED FOR LEVY YEAR 2015, PAYABLE IN 2016**

**MOTION:** Councilor Langley moved and Councilor Rock seconded the motion to adopt **RESOLUTION NO. 15-72, A RESOLUTION ADOPTING SUMS OF MONEY PROPOSED TO BE LEVIED FOR LEVY YEAR 2015, PAYABLE IN 2016.** The motion carried unanimously (6-0).

**BE IT RESOLVED,** By the City Council of the City of Cloquet, Minnesota, that the following sums of money be levied for the levy year 2015, payable in 2016, upon taxable property in the City of Cloquet, for the following purposes:

<u>Fund</u>	<u>Levy</u>
General	\$1,425,000
Park	300,000
Sewer	30,000
Public Works Reserve	175,000
Library	400,000
Permanent Improvement	260,000
GO Swimming Pond Debt	115,000
Community Development	105,000
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TOTAL LEVY	<u>\$2,810,000</u>

**2016-2020 PRELIMINARY CAPITAL IMPROVEMENT PLAN**

MOTION: Councilor Bjerkness moved and Councilor Langley seconded the motion to adopt the Preliminary Five (5) Year Capital Improvement Plan for 2016-2020. The motion carried unanimously (6-0).

**SET DATE FOR ADOPTION OF FINAL 2016 BUDGET AND LEVY**

MOTION: Councilor Rock moved and Councilor Langley seconded the motion to set the date for the adoption of the final 2016 budget and property tax levy for December 1, 2015 at 7:00 p.m. The motion carried unanimously (6-0).

**REVISED DATA PRACTICES POLICY**

MOTION: Councilor Bjerkness moved and Councilor Langley seconded the motion to adopt the revised Data Practices Policy. The motion carried unanimously (6-0).

**CABLE FRANCHISE AGREEMENT**

MOTION: Councilor Langley moved and Councilor Rock seconded the motion to adopt **ORDINANCE NO. 451A, AN ORDINANCE AMENDING CITY CODE 11.8 RENEWING THE CONTRACT OF A FRANCHISE AGREEMENT TO MEDIACOM MINNESOTA, LLC., TO OPERATE AND MAINTAIN A CABLE TELEVISION SYSTEM IN THE CITY OF CLOQUET SETTING FORTH CONDITIONS ACCOMPANYING THE GRANT OF THE FRANCHISE; PROVIDING FOR REGULATION AND USE OF THE SYSTEM; PRESCRIBING PENALTIES FOR THE VIOLATION OF ITS PROVISIONS; AND REPLACING ORDINANCE NO’s 223A AND 389A.** The motion carried unanimously (6-0).

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

**RECITALS**

The City of Cloquet, Minnesota (“Franchising Authority”), pursuant to applicable federal and state law, is authorized to grant one or more non-exclusive cable television franchises to construct, operate, maintain, and reconstruct cable television systems within the City limits.

Mediacom Minnesota LLC, a limited liability company duly organized and validly existing under the laws of the State of Delaware (“Grantee”) has operated a cable system in the City, under a cable television franchise granted pursuant to Ordinance No. 223A.

Negotiations between the Grantee and Franchise Authority have been completed and the franchise renewal process followed in accordance with the guidelines established by City Code, Minnesota Statutes Chapter 238, and the Cable Act (47 U.S.C. 546).

The City reviewed the legal, technical and financial qualifications of Grantee and, after a properly noticed public hearing, has determined that it is the best interest of the City and its residents to renew the Cable Television Franchise with Grantee.

NOW, THEREFORE, the City Council of the City of Cloquet does hereby ordain as follows:

That a franchise is hereby renewed and granted to Mediacom Minnesota, LLC to operate and maintain a cable system in the City upon the following terms and conditions:

**SECTION 1.  
DEFINITIONS**

- 1.1) Definitions. For the purposes of this Franchise, the following terms, phrases, words, and their derivations shall have the meaning given herein. When not inconsistent with the context, words used in the present tense include the future tense, words in the singular number include the plural number, and words in the plural number include the singular number. The word

"shall" is always mandatory and not merely directory. The word "may" is directory and discretionary and not mandatory.

- A. "Basic Cable Service" means any service tier which includes the lawful retransmission of local television broadcast signals and any public, educational, and governmental access programming required by the franchise to be carried on the basic tier. Basic Cable Service as defined herein shall not be inconsistent with 47 U.S.C. § 543(b)(7) (1993).
- B. "Cable Act" means Title VI of the Cable Act of 1934, as amended.
- C. "City" means City of Cloquet, a municipal corporation, in the State of Minnesota, acting by and through its City Council.
- D. "City Council" means the Cloquet, Minnesota City Council.
- E. "Cable Communications System" or "System" means a system of antennas, cables, wires, lines, towers, waveguides, or other conductors, converters, equipment or facilities located in City and designed and constructed for the purpose of producing, receiving, transmitting, amplifying, or distributing audio, video, and other forms of electronic signals in City. System as defined herein shall not be inconsistent with the definition as set forth in Minn. Stat. § 238.02, subd. 3 (1990) and 47 U.S.C. § 522 (6) (1993).
- F. "Cable Communications Service" means the provision of television reception, communications and/or entertainment services regulated pursuant to Minn. Stat. § 238.01 et seq. as may be amended from time to time for direct or indirect compensation, or as otherwise provided by this Franchise ordinance, and distributing the same over a Cable Communications System. This definition shall not include telephone services regulated pursuant to Minn. Stat. § 237.01 et seq. as may be amended from time to time.
- G. "Open Video Services or OVS" means any video programming Services provided to any person by a Franchisee certified by the FCC to operate an Open Video System pursuant to Section 47 U.S.C. 573, as may be amended, regardless of the Facilities used.
- H. "Class IV Cable Communications Channel" means a signaling path provided by a Cable Communications System to transmit signals of any type from a Subscriber terminal to another point in the System.
- I. "Converter" means an electronic device which converts signals to a frequency acceptable to a television receiver of a subscriber and by an appropriate selector permits a subscriber to view all subscriber signals included in the service.
- J. "Drop" means the cable that connects the ground block on the Subscriber's residence to the nearest feeder cable of the System.
- K. "FCC" means the Federal Communications Commission and any legally appointed, designated or elected agent or successor.
- L. "Gross Revenues" means all revenue received from Cable Communications Service, as defined, received directly or indirectly by the Grantee, its affiliates, subsidiaries, parent, or person in which Grantee has financial interest of five percent (5%) or more from the operation of its System including but not limited to Basic Cable Service fees, Cable Programming Service fees, Pay Television fees, Installation and reconnection fees, upgrade and downgrade fees, Converter rental, Lockout Device fees, advertising revenue or other services. The term Gross Revenues shall not include franchise fees, Access Fees, or any taxes or fees on services furnished by Grantee imposed directly on any Subscriber or user by any municipality, state, or other governmental unit and collected by Grantee for such governmental unit nor shall include revenues for signals originating in or passing through the franchise area unless Grantee receives revenue for such signal which has not already otherwise been directly or indirectly subject to a franchise fee or similar tax, in which case said revenues will be considered Gross Revenues for the purpose of this franchise.
- M. "Installation" means the connection of the System from feeder cable to the point of connection, including Standard Installations and custom installations.
- N. "Lockout Device" means an optional mechanical or electrical accessory to a subscriber's terminal which inhibits the viewing of a certain program, certain channel, or certain channels provided by way of the Cable Communications System.



- O. "Multichannel Video Program Distributor or MVPD" means a person such as, but not limited to, a cable operator, a multichannel multipoint distribution service, a direct broadcast satellite service, or a television receive-only satellite program distributor, who makes available for purchase, by subscribers or customers, multiple channels of video programming.
- P. "Pay Television" means the delivery over the System of pay-per-channel or pay-per-program audio-visual signals to Subscribers for a fee or charge, in addition to the charge for Basic Cable Service or Cable Programming Services.
- Q. "Person" is any person, firm, partnership, association, corporation, company, or other legal entity.
- R. "Service Area" means the present boundaries of the Franchising Authority, and shall include any additions thereto by annexation or other legal means.
- S. "Standard Installation" means any residential installation which can be completed using a Drop of one hundred fifty (150) feet or less.
- T. "Street" means the surface of, and the space above and below, any public street, road, highway, freeway, lane, alley, path, court, sidewalk, parkway, or drive, or any easement or right-of-way now or hereafter held by City.
- U. "Subscriber" means any Person who lawfully receives Cable Television Service, In the case of multiple office buildings or multiple dwelling units, the "Subscriber" means the lessee, tenant or occupant.

**SECTION 2.  
GRANT OF AUTHORITY AND GENERAL PROVISIONS**

- 2.1) Franchise Required. It shall be unlawful for any Person to construct, operate or maintain a Cable Communications System in City unless such Person or the Person for who such action is being taken shall have first obtained and shall currently hold a valid Franchise. It shall also be unlawful for any Person to provide Cable Television Service in City unless such Person shall have first obtained and shall currently hold a valid Franchise. All Cable Communications Franchises granted by City shall contain comparable substantive terms and conditions.
- 2.2) Grant of Franchise. This Franchise is granted pursuant to the terms and conditions contained herein.
- 2.3) Grant of Non-exclusive Authority.
  - A. The Grantee shall have the right and privilege to maintain, construct, erect, and operate in, upon, along, across, above, over and under the Streets, alleys, public ways and public places now laid out or dedicated and all extensions thereof, and additions thereto in City, poles, wires, cables, underground conduits, manholes, and other television conductors and fixtures necessary for the maintenance and operation in City of a Cable Communications System as herein defined. The Cable Communications System constructed and maintained by Grantee or its agents shall not interfere with other uses of Streets. Grantee shall make use of existing poles and other facilities available to Grantee to the extent it is technically and economically feasible to do so.
  - B. Notwithstanding the above grant to use Streets, no Street shall be used by Grantee or any other Cable Communications Service, OVS or utility provider if City, in its sole opinion, determines that such use is inconsistent with the terms, conditions, or provisions by which such Street was created or dedicated, or with the present use of the Street, so long as such determination is applied in a generally applicable, non-discriminatory manner.
  - C. This Franchise shall be non-exclusive, and City reserves the right to grant a similar use of said Streets, alleys, public ways and places, to any Person at any time during the period of this Franchise, provided, however, that any additional Cable Franchise grants shall be under the same substantive terms and conditions as this Franchise.
  - D. Grantee shall have the authority to use City easements, public rights-of-way, Streets and other conduits for the distribution of Grantee's System. The City may require all developers of future subdivisions to allow and accommodate the construction of the System as part of any provisions for utilities to serve such subdivisions.

- 2.4) Franchise Term. This Franchise shall be in effect for a period of fifteen (15) years from the date of acceptance by Grantee, unless renewed, revoked or terminated sooner as herein provided.
- 2.5) Previous Franchises. Upon acceptance by Grantee as required by Section 13 herein, this Franchise shall supersede and replace any previous Ordinance or Agreement granting a Franchise to Grantee to own, operate and maintain a Cable Communications System within City. Ordinance No's. 223A and 389A are hereby expressly repealed.
- 2.6) Compliance with Applicable Laws. Resolutions and Ordinances, The Grantee shall at all times during the life of this Franchise be subject to all lawful exercise of the police power, statutory rights and of eminent domain by City. This Franchise shall comply with the Minnesota franchise standards contained in Minn. Stat. § 238.01 and as amended.
- 2.7) Rules of Grantee. The Grantee shall have the authority to promulgate such rules, regulations, terms and conditions governing the conduct of its business as shall be reasonably necessary to enable said Grantee to exercise its rights and perform its obligation under this Franchise and to assure uninterrupted service to each and all of its Subscribers; provided that such rules, regulations, terms and conditions shall not be in conflict with provisions hereto, the rules of the FCC, the laws of the State of Minnesota, City, or any other body having lawful jurisdiction thereof.
- 2.8) Territorial Area Involved. This Franchise is granted for the corporate boundaries of the City, as it exists from time to time. Grantee shall extend service to all areas of the City where there is a minimum of twenty five (25) homes per cable mile. Grantee shall meet with City to review the proposed areas for System extension prior to the commencement of construction. If the proposed areas meet or exceed twenty-five (25) homes per cable mile, Grantee shall add them to the construction schedule and provide service thereto.

After the completion of construction herein and in the event of annexation by City, or as development occurs, any new territory shall become part of the area covered, provided, however, that Grantee shall not be required to extend service beyond its present System boundaries unless there is a minimum of forty (40) homes per cable mile. Access to cable service shall not be denied to any group of potential residential cable Subscribers because of the income of the residents of the area in which such group resides. Grantee shall be given a reasonable period of time to construct and activate cable plant to service annexed or newly developed areas.

- 2.9) Written Notice. All notices, reports, or demands required to be given in writing under this Franchise shall be deemed to be given when delivered personally to any officer of Grantee or City's Administrator of this Franchise or forty-eight (48) hours after it is deposited in the United States mail in a sealed envelope, with registered or certified mail postage prepaid thereon, addressed to the party to whom notice is being given, as follows:

If to City:           City of Cloquet  
1307 Cloquet Avenue  
Cloquet MN 55720-2657  
Attn: City Administrator

With copies to: Rudy, Gassert, Yetka, Pritchett  
& Hellwig, PA  
813 Cloquet Avenue  
Cloquet, MN 55720  
Attn: Cloquet City Attorney

If to Grantee:       Mediacom Minnesota, LLC  
Attn: Legal Department  
One Mediacom Way  
Mediacom Park, NY 10918

With copies to: Mediacom Minnesota, LLC  
Attn: Regional Vice President  
1504 2nd Street SE  
Waseca, MN 56093

Such addresses may be changed by either party upon notice to the other party given as provided in this Section.

- 2.10) Drops to Public Buildings Previously Committed. In prior franchise agreements with the City the Grantee agreed to provide at a minimum Installation of one (1) cable Drop, one (1) cable outlet, and monthly Basic Cable Service without charge to the following institutions and such other public or educational institutions which work has not been completed and which work Grantee now agrees to promptly install:

- Carlton County Historical Society Building (406 Cloquet Avenue, Cloquet, MN 55720)
- Carlton County Human Services Building (30 North 10th Street, Cloquet, MN 55720)
- Cloquet Area Recreation Center (Northwoods Arena) (1102 Olympic Drive, Cloquet, MN 55720)
- Cloquet Public Library (320 14th Street, Cloquet, MN 55720)
- Fond Du Lac Tribal and Community College (2101 14th Street, Cloquet, MN 55720)
- Garfield School Building (302 14th Street, Cloquet, MN 55720)
- Cloquet Public Safety Building (508 Cloquet Avenue, Cloquet, MN. 55720)
- Cloquet Senior Center (1100 Olympic Drive, Cloquet, MN 55720)

In addition, it is understood that the institutions listed above shall be provided return video capability, a digital converter box to facilitate, including audio for local access to the CAT-7 programming channel. It is anticipated by the parties that these would be two-way drops, which capability will be added as soon as practicable. Priority will be given to the Cloquet Area Recreation Center (Northwoods Arena) and Garfield School locations. Grantee shall have one (1) year from the date of the approval of the franchise by the City Council to complete construction of the Drops and outlets listed above.

- 2.11) Additional Drops to Public Buildings. In addition to the drops specifically delineated above, Grantee further agrees to provide at a minimum installation of one (1) cable Drop, one (1) cable outlet and monthly Basic Cable Service without charge to such other public or educational institutions located within two hundred and fifty (250) feet of the System which the City may designate. It is anticipated by the parties that all additional drops will be two-way drops such that they will have local access television transmission capability from the drop site.

No redistribution of the free cable service provided pursuant to this Section shall be allowed. Additional Drops and/or outlets in any of the above locations will be provided by Grantee at the cost of Grantee's time and material. Alternatively, at the institution's request, said institution may add outlets at its own expense, as long as such installation meets Grantee's standards and provided that any fees for Cable Communications Services are paid.

### SECTION 3. CONSTRUCTION STANDARDS

- 3.1) Construction Standards. If the System, or any subsequent rebuilds are proposed for the Franchise area and consist of fewer than one hundred (100) plant miles of cable:
- A. Within ninety (90) days of the granting of the Franchise, the Grantee shall apply for the necessary governmental permits, licenses, certificates, and authorizations;
  - B. The energized trunk cable must be extended substantially throughout the authorized area within one (1) year after receipt of the necessary governmental permits, licenses, certificates, and authorizations and the Persons along the route of the energized cable shall have individual Drops as desired during the same period of time; and
  - C. The above-stated requirements may be waived by City only upon occurrence of acts beyond the reasonable control of Grantee or acts of God.
- 3.2) Construction Codes and Permits.
- A. Grantee shall obtain all necessary permits from City before commencing any construction upgrade or extension of the System, including the opening or disturbance of any Street, or private or public property within City. Grantee shall strictly adhere to all state and local laws and building and zoning codes currently or hereafter applicable to construction, operation or maintenance of the System in City and give due consideration at all times to the aesthetics of the property.
  - B. The City shall have the right to inspect all construction or installation work performed pursuant to the provisions of the Franchise and to make such tests at its own expense as it shall find necessary to ensure compliance with the terms of the Franchise and applicable provisions of local, state and federal law.

- 3.3) Repair of Streets and Property. Any and all Streets or public property or private property, which are disturbed or damaged during the construction, repair, replacement, relocation, operation, maintenance or reconstruction of the System shall be fully restored by Grantee, within 30 days or as soon as possible if weather delays, at its expense, to a condition as good as that prevailing prior to Grantee's work, as approved by City in the case of Streets and other public property. If Grantee shall fail to perform the restoration required herein, City shall have the right to put the streets, public, or private property back into good condition. City reserves its rights to pursue reimbursement for such restoration from Grantee.
- 3.4) Conditions on Street Use.
- A. Nothing in this Franchise shall be construed to prevent City from constructing, maintaining, repairing or relocating sewers; grading, paving maintaining, repairing, relocating and/or altering any Street; constructing, laying down, repairing, maintaining or relocating any water mains; or constructing, maintaining, relocating, or repairing any sidewalk or other public work.
  - B. All System transmission and distribution structures, lines and equipment erected by the Grantee within City shall be located so as not to obstruct or interfere with the proper use of Streets, alleys and other public ways and places, and to cause minimum interference with the rights of property owners who abut any of the said Streets, alleys and other public ways and places, and not to interfere with existing public utility installations. The Grantee shall furnish to and file with City Administrator the maps, plats, and permanent records of the location and character of all facilities constructed, including underground facilities, and Grantee shall file with City updates of such maps, plats and permanent records annually if changes have been made in the System.
  - C. If at any time during the period of this Franchise, City shall elect to alter, or change the grade or location of any Street, alley or other public way, the Grantee shall, at its own expense, upon reasonable notice by City, not to be less than ten (10) business days, remove and relocate its poles, wires, cables, conduits, manholes and other fixtures of the System, and in each instance comply with the standards and specifications of City. If City reimburses other occupants of the Street, Grantee shall be likewise reimbursed.
  - D. The Grantee shall not place poles, conduits, or other fixtures of System above or below ground where the same will interfere with any gas, electric, telephone, water or other utility fixtures and all such poles, conduits, or other fixtures placed in any Street shall be so placed as to comply with all requirements of City.
  - E. The Grantee shall, on request of any Person holding a moving permit issued by City, temporarily move its wires or fixtures to permit the moving of buildings with the expense of such temporary removal to be paid by the Person requesting the same, and the Grantee shall be given not less than ten (10) business days advance notice to arrange for such temporary changes.
  - F. The Grantee shall have the authority to trim any trees upon and overhanging the Streets, alleys, sidewalks, or public easements of City so as to prevent the branches of such trees from coming in contact with the wires and cables of the Grantee.
  - G. Nothing contained in this Franchise shall relieve any Person from liability arising out of the failure to exercise reasonable care to avoid injuring Grantee's facilities.
- 3.5) Undergrounding of Cable.
- A. In all areas of City where all other utility lines are placed underground, Grantee shall construct and install its cables, wires and other facilities underground. Amplifier boxes and pedestal mounted terminal boxes may be placed above ground if existing technology reasonably requires, but shall be of such size and design and shall be so located as not to be unsightly or unsafe.
  - B. In any area of City where there are certain cables, wires and other like facilities of a public utility or public utility district underground and at least one operable cable, wire or like facility of a public utility or public utility district suspended above the ground from poles, Grantee may construct and install its cables, wires and other facilities from the same pole with the consent of the owner of the pole.
  - C. Grantee shall be granted access to any easements granted to a public utility, municipal utility or utility district in any areas annexed by City or new developments.

- D. No poles, conduits, or other wire-holding structures shall be erected or installed by the Grantee without prior approval of City with regard to location, height, type and other pertinent aspects.

3.6) Safety Requirements.

- A. The Grantee shall at all times employ ordinary and reasonable care and shall install and maintain in use nothing less than commonly accepted methods and devices for preventing failures and accidents which are likely to cause damage, injuries, or nuisances to the public.
- B. The Grantee shall install and maintain its System wires, cables, fixtures and other equipment in accordance with the requirements of the National Electric Safety Code and all FCC, state and local regulations, and in such manner that they will not interfere with any installations of City or of any public utility serving City.
- B. All System structures and all System lines, equipment and connections in, over, under and upon the Streets, sidewalks, alleys, and public ways and places of City, wherever situated or located, shall at all times be kept and maintained in good condition, order, and repair so that the same shall not menace or endanger the life or property of any Person.

SECTION 4.  
DESIGN PROVISIONS

- 4.1) Operation and Maintenance of System. The grantee shall render effective service, make repairs promptly, and interrupt service only for good cause and for the shortest time possible. For the purpose of construction, routine repairing or test of the Cable System, Grantee shall use its best efforts to interrupt service only during periods of minimum use. When necessary interruptions of more than twenty-four (24) hours can be anticipated, Grantee shall notify City in accordance with Section 2.9.
- 4.2) Technical Standards. The technical standards used in the operation of the System shall comply, at minimum, with the technical standards promulgated by the FCC relating to cable communications systems pursuant to the Federal Communications Commission's rules and regulations and found in Title 47, Section 76.601 to 76.617, as may be amended or modified from time to time, which regulations are expressly incorporated herein by reference.
- 4.3) Special Testing. City may require special testing of a location or locations within the System if there is a particular matter of controversy or unresolved complaints pertaining to such location (s). Demand for such special tests may be made on the basis of complaints received or other evidence indicating an unresolved controversy or noncompliance. Such test shall be limited to the particular matter in controversy or unresolved complaints. The City shall endeavor to so arrange its request for such special testing so as to minimize hardship or inconvenience to Grantee or to the Subscribers caused by such testing. Before ordering such tests, Grantee shall be afforded thirty (30) days to correct problems or complaints upon which tests were ordered. The City shall meet with Grantee prior to requiring special tests to discuss the need for such and, if possible, visually inspect those locations which are the focus of concern. If, after such meetings and inspections, City wishes to commence special tests and the thirty (30) days have elapsed without correction of the matter in controversy or unresolved complaints, the tests shall be conducted by a qualified engineer selected by City. In the event that special testing is required by City to determine the source of technical difficulties, the cost of said testing shall be borne by the Grantee if the testing reveals the source of the technical difficulty to be within Grantee's reasonable control. If the testing reveals the difficulties to be caused by factors which are beyond Grantee's reasonable control then the cost of said test shall be borne by City.
- 4.4) FCC Reports. Upon written request, Mediacom shall provide to the City, no later than thirty (30) days after such written request, the results of tests required to be filed by Grantee with the FCC.
- 4.5) Lockout Device. Upon the request of a Subscriber, Grantee shall provide by sale or lease a Lockout Device.

SECTION 5.  
SERVICES PROVISIONS

5.1) Regulation of Service Rates.

- A. The City may regulate rates for the provision of Basic Cable service provided over the System to the extent allowed under federal or state law(s). In exercising its jurisdiction to regulate any such rates, City will adhere to regulations adopted by the Federal

Communications Commission at 47 C.F.R. 76.900 et seq. as they may be amended from time to time.

- B. A list of Grantee's current Subscriber rates and charges shall be maintained on file with City and shall be available for public inspection.

Grantee shall give City and Subscribers written notice of any change in a rate or charge no less than thirty (30) days prior to the effective date of the change.

- C. To the extent allowed under federal and/or state law, if the City elects to exercise its jurisdiction over Basic Cable rates, it shall, after notice, hold a public hearing for the consideration of views of interested parties with respect to initial rates filed and any subsequent proposed changes in rates.

- 5.2) Non Standard Installations. Grantee shall install and provide Cable Communications Service to any Person requesting other than a Standard Installation (beyond 150 feet) provided that said Cable Communications Service can meet FCC technical specifications, and, further provided that Grantee may collect full payment for said installation in advance. In such case, Grantee may charge for the incremental increase in material and labor costs incurred beyond the first one hundred fifty (150) feet.
- 5.3) Sales Procedures. Grantee shall comply with all applicable federal and state laws when marketing its Cable Television Services within City. Grantee shall have the right to market its cable services door-to-door during reasonable hours consistent with local ordinances and regulations.
- 5.4) Subscriber Inquiry and Complaint Procedures.
- A. Grantee shall comply with the customer service standards promulgated by the FCC under 47 C.F.R. 76.309.
- B. Grantee shall have a publicly listed toll-free or collect telephone number and be operated so as to receive Subscriber complaints and requests on a twenty-four (24) hour-a-day, seven (7) days-a-week basis.
- 5.5) Subscriber Contracts. Grantee shall submit any Subscriber contract utilized to City. If no written contract exists, Grantee shall file with the City Clerk a document completely and concisely stating the terms of the residential Subscriber contract offered to customers, specifically including the length of the Subscriber contract. The length and terms of any Subscriber contract shall be available for public inspection during normal business hours.
- 5.6) Refund Policy. Mediacom will provide Services in accordance with the terms stated in its Residential Customer and User Agreement, including the terms regarding its refund policy.
- 5.7) Office Policy. In the event the existing Cloquet business office is closed by Grantee, Grantee agrees to maintain a local drop box for receiving Subscriber payments and Grantee agrees to either maintain or arrange for a location where equipment can be dropped off or exchanged as is necessary or, in the alternative, establish a system for having the equipment picked up at the Subscriber residence. In all events, Grantee agrees to maintain a trained cable technician assigned to Cloquet.

## SECTION 6. PUBLIC ACCESS PROVISIONS

- 6.1) Public, Educational and Government Access.
- A. City or its designee is hereby designated to operate, administer, promote, and manage access (public, education, and government programming, hereinafter "PEG access") to the cable system established pursuant to this Section 6. Grantee shall have no responsibility whatsoever for PEG access except as expressly stated in this Section 6.
- B. Grantee shall dedicate two (2) channels for PEG access use as for public and educational access, and government access. All residential Subscribers who receive all or any part of the total services offered on the System shall be eligible to receive all of said three access channels at no additional charge. One (1) channel shall be activated upon the Effective Date of this Franchise and thereafter maintained, with the one (1) additional channel to be activated upon City request after the completion of the System upgrade. However, nothing herein shall be construed to diminish the City's rights pursuant to Minn. Stat. S 238.084, incorporated herein by reference. City shall provide ninety (90) days ' prior written notice to Grantee of City's intent to activate access channels and shall allow Grantee a reasonable time to vacate said channel (s) and/or rearrange program services to accommodate City's request.

- C. Pursuant to Section 6.1(B) herein, Grantee shall provide to each of its Subscribers who receive all, or part of, the total services offered on the System, reception on at least one (1) specially designated access channel available for use by the general public on a first-come, first-served, nondiscriminatory basis. The specially designated access channel may be used by local education authorities and local government on a first-come, first-served, nondiscriminatory basis during those hours when the channel is not in use by the general public. During those hours that the specially designated access channel is not being used by the general public, local educational authorities or local government, the Grantee shall lease time to commercial or noncommercial users on a first-come, first-served, nondiscriminatory basis if the demand for that time arises. The Grantee may also use the specially designated access channel for local origination during those hours when the channel is not in use by the general public, local educational authorities, local government or commercial or noncommercial users who have leased time. The VHF spectrum must be used for the first specially designated access channel required in the section. Grantee shall designate the channel locations of any other access channels. Grantee and City shall mutually agree on reasonable terms and conditions for providing adequate space in Grantee's head-end facility to accommodate playback equipment for cablecasting PEG access programming; provided, however, that Grantee shall not be obligated to expand its headend to accomplish this objective.
- D. Grantee agrees that there will be no change that will move the existing public access channel, CAT-7, from the Channel 7 location unless mutually agreed upon by the Franchising Authority and Grantee and, if offered only on an all digital platform, the channel location would be located at the lowest digital tier or service available.
- 6.2) Access Fee. Grantee shall collect the following fee on behalf of Franchising Authority solely to fund access programming (hereinafter "Access Fees");
- A per Subscriber access fee of Sixty-five Cents (\$.65) per month.
- Payments due Franchising Authority under this provision shall be payable quarterly. The payment shall be made within ninety (90) days of the end of Grantee's fiscal quarters together with a brief report showing the basis for the computation.
- 6.3) Periodic Evaluation. Upon written request from Franchising Authority to Grantee, Grantee and City shall meet to evaluate the effect of Section 6.2, above. Both parties agree to discuss any proposal for modification presented by the other party. Nothing herein shall presume or require consent to any such proposed modification. Modifications may only occur by mutual written consent of both parties. The notice and meeting contemplated herein shall be required to occur no more than every three (3) years after adoption of this Ordinance, however, nothing shall prevent mutually agreed upon negotiations between both parties at any time.

## SECTION 7. OPERATION AND ADMINISTRATION PROVISIONS

- 7.1) Franchise Fee.
- A. Grantee shall pay to Franchising Authority a Franchise Fee equal to five percent (5%) of its annual Gross Revenues (as defined in Section 1(L).
- B. Payments due City under this provision shall be payable quarterly. The payment shall be made within ninety (90) days of the end of each of Grantee's fiscal quarters together with a brief report showing the basis for the computation.
- C. All amounts paid shall be subject to audit and re-computation by Franchising Authority and acceptance of any payment shall not be construed as an accord that the amount paid is in fact the correct amount due. The Franchising Authority shall have the right to audit the Grantee's accounting and financial records solely to calculate the Franchising Authority's franchise fees upon thirty (30) days prior written notice. The Grantee shall file annual reports with the Franchising Authority detailing Gross Revenues and other information the Franchising Authority deems appropriate; provided, however, such information shall be deemed a trade secret under applicable Minnesota law and shall not be disclosed by the Franchising Authority.
- 7.2) Access to Records. The Franchising Authority shall have the right to inspect, upon notice, at any time during normal business hours, those records by Grantee which relate to System operations and to Gross Revenues, the privacy provisions of 47 U.S.C. § 521 et seq, ("Cable Act").

SECTION 8.  
GENERAL FINANCIAL AND INSURANCE PROVISION

8.1) Performance Bond.

- A. At the time the Franchise becomes effective and at all times thereafter, until the Grantee has liquidated all of its obligations with City, the Grantee shall furnish a bond to City in the amount of Ten Thousand Dollars (\$10,000) in a form and with such sureties as reasonably acceptable to City. This bond will be conditioned upon the faithful performance of the Grantee according to the terms of the Franchise and upon the further condition that in the event the Grantee shall fail to comply with any law, ordinance or regulation governing the Franchise, there shall be recoverable jointly and severally from the principal and surety of the bond any damages or loss suffered by City as a result, including the full amount of any compensation, indemnification or cost of removal or abandonment of any property of the Grantee, plus a reasonable allowance for attorneys' fees and costs, up to the full amount of the bond, and further guaranteeing payment by the Grantee of claims, liens and taxes due City which arise by reason of the construction, operation, or maintenance of the System. The rights reserved by City with respect to the bond are in addition to all other rights City may have under the Franchise or any other law. City may, from year to year, in its sole discretion, reduce the amount of the bond.
- B. If at any time Grantee undertakes additional construction of the System in City, by way of a line extension, rebuild, upgrade or otherwise, with a projected cost in excess of Seventy Thousand and no/100 Dollars (\$70,000.00), Grantee shall provide a bond to City in the amount equivalent to fifteen percent (15%) of the projected additional construction cost and shall maintain such bond during the term of said additional construction. Upon completion of said additional construction, Grantee shall provide written notice to City. Within thirty (30) days of receipt of notice of completion of said additional construction, City shall give written notice to Grantee indicating whether City agrees the construction is complete or specifying those items of construction which City determines are not complete. At such time as City and Grantee mutually agree that said additional construction of the System is complete, Grantee shall provide to City a bond in the amount equal to the bond existing immediately before the commencement of said additional construction. Nothing herein shall be construed to require Grantee to maintain more than one (1) bond with City.
- C. The time for Grantee to correct any violation or liability, shall be extended by City if the necessary action to correct such violation or liability is of such a nature or character as to require more than thirty (30) days within which to perform, provided Grantee provides written notice that it requires more than thirty (30) days to correct such violations or liability, commences the corrective action within the thirty (30) days period and thereafter uses reasonable diligence to correct the violation or liability.
- D. In the event this Franchise is canceled by reason of default of Grantee or revoked, City shall be entitled to collect from the performance bond that amount which is attributable to any damages sustained by City pursuant to said default or revocation. Grantee, however, shall be entitled to the return of such performance bond, or portion thereof, as remains at the expiration of the term of the Franchise.
- E. The rights reserved to City with respect to the performance bond are in addition to all other rights of City whether reserved by this Franchise or authorized by law, and no action, proceeding or exercise of a right with respect to the performance bond shall affect any other right City may have.

8.2) Letter of Credit.

- A. At the time of acceptance of this franchise and any renewal, Grantee shall deliver to City an irrevocable and unconditional Letter of Credit, in form and substance acceptable to City, from a National or State bank approved by City, in the amount of Five Thousand and 00/100 (\$5,000.00) Dollars.
- B. The Letter of Credit shall provide that funds will be paid to City, upon written demand of City, and in an amount solely determined by City in payment for penalties charged pursuant to this section, in payment for any monies owed by Grantee pursuant to its obligations under this Franchise, or in payment for any damage incurred as a result of any acts or omissions by Grantee pursuant to this Franchise.



- C. In addition to recovery of any monies owed by Grantee to City or damages to City as a result of any acts or omissions by Grantee pursuant to the Franchise, City in its sole discretion may charge to and collect from the Letter of Credit the following penalties:
1. For failure to complete system upgrade within three (3) years as provided herein, unless City approves the delay, the penalty shall be One Hundred Dollars (\$100) per day for each day, or part thereof, such failure occurs or continues.
  2. For failure to provide data, documents, reports or information or to cooperate with City during an application process or system review or as otherwise provided herein, the penalty shall be Fifty Dollars (\$50) per day for each day, or part thereof, such failure occurs or continues.
  3. For failure to comply with any of the provisions of this Franchise for which a penalty is not otherwise specifically provided pursuant to this paragraph C, the penalty shall be Fifty Dollars (\$50) per day for each day, or part thereof, such failure occurs or continues.
  4. For failure by Grantee to modify the System or to provide additional services within one hundred eighty (180) days after being required by binding arbitration the penalty shall be Fifty Dollars (\$50) per day for each day, or part thereof, such failure occurs or continues.
  5. Forty-five (45) days following notice from City of a failure of Grantee to comply with construction, operation or maintenance standards, the penalty shall be Fifty Dollars (\$50) per day for each day, or part thereof, such failure occurs or continues.
  6. For failure to provide the services Grantee has proposed, including, but not limited to, the implementation and the utilization of the access channels and the making available for use of the equipment and other facilities, the penalty shall be Fifty Dollars (\$50) per day for each day, or part thereof, such failure occurs or continues.
  7. Each violation of any provision of this Franchise shall be considered a separate violation for which a separate penalty can be imposed.
- D. Exclusive of the contractual penalties set out above in this section, a violation by Grantee of any provision of this Franchise is a misdemeanor.
- E. Whenever City finds that Grantee has violated one or more terms, conditions or provisions of this Franchise, a written notice shall be given to Grantee informing it of such violation. At any time after thirty (30) days (or such reasonable time which is necessary to cure the alleged violation) following local receipt of notice, provided Grantee remains in violation of one or more terms, conditions or provisions of this Franchise, in the sole opinion of City, City may draw from the Letter of Credit all penalties and other monies due City from the Date of the local receipt of notice.
- F. Whenever a penalty has been assessed, Grantee may, within thirty (30) days of local receipt of notice, notify City that there is a dispute as to whether a violation or failure has, in fact, occurred. Such notice by Grantee to City shall specify with particularity the matters disputed by Grantee.
1. City shall hear Grantee's dispute at the next regularly scheduled Council meeting. City shall supplement the Council decision with written findings of fact.
  2. Upon determination by City that no violation has taken place, City shall refund to Grantee, with interest and costs to Grantee of drawing on the Letter of Credit, all monies drawn from the Letter of credit by reason of the alleged violation.
- G. If said Letter of Credit or any subsequent Letter of Credit delivered pursuant thereto expires prior to fifteen (15) months after the expiration of the term of this Franchise, it shall be renewed or replaced during the term of this Franchise to provide that it will not expire earlier than fifteen (15) months after the expiration of this Franchise. The renewed or replaced Letter of Credit shall be on the same form and with a bank authorized herein and for the full amount stated in paragraph A of this section.
- H. If City draws upon the Letter of Credit or any subsequent Letter of Credit delivered pursuant hereto, in whole or in part, Grantee shall replace the same within fifteen (15)

days and shall deliver to City a like replacement Letter of Credit for the full amount stated in paragraph A of this section as a substitution of the previous Letter of Credit.

- I. If any Letter of Credit is not so replaced, City may draw on said Letter of Credit for the whole amount thereof and hold the proceeds, without interest, and use the proceeds to pay costs incurred by City in performing and paying for any or all of the obligations, duties and responsibilities of Grantee under this Franchise that are not performed or paid by Grantee pursuant hereof, including attorneys' fees incurred by the City in so performing and paying. The failure to replace any Letter of Credit may also, at the option of the City, be deemed a default by Grantee under this Franchise. The drawing on the Letter of Credit by City, and use of the money so obtained for payment or performance of the obligations, duties and responsibilities of Grantee which are in default, shall not be a waiver or release of such default.
- J. The collection by City of any damages, monies or penalties from the Letter of Credit shall not affect any other right or remedy available to City, nor shall any act, or failure to act, by City pursuant to the Letter of Credit, be deemed a waiver of any right of City pursuant to this Franchise or otherwise.

### 8.3 ) Indemnification of City.

- A. City, its officers, boards, committees, commissions, elected officials, employees and agents shall not be liable for any loss or damage to any real or personal property of any Person, or for any injury to or death of any Person, arising out of or in connection with the construction, operation, maintenance, repair or removal of, or other action or event with respect to the System.
- B. Grantee shall indemnify, defend, and hold harmless City, its officers, boards, committees, commissions, elected officials, employees and agents, from and against all liability, damages, and penalties which they may legally be required to pay as a result of the exercise of the franchise, except claims resulting from City's own programming or for any damages, liability or claims resulting solely from the willful misconduct or negligence of the City, its officers, boards, committees, commissions, elected officials, employees and agents.
- C. Nothing in this Franchise relieves a Person from liability arising out of the failure to exercise reasonable care to avoid injuring the Grantee's facilities while performing work connected with grading, re-grading, or changing the line of a Street or public place or with the construction or reconstruction of a sewer or water system.
- D. In order for City to assert its rights to be indemnified, defended, and held harmless, City must with respect to each claim:
  - 1. Promptly notify Grantee in writing of any claim or legal proceeding which gives rise to such rights;
  - 2. Afford Grantee the opportunity to participate in and fully control any compromise, settlement or other resolution or disposition of any claim or proceeding; and
  - 3. Fully cooperate with reasonable requests of Grantee, at Grantee's expense, in its participation in, and control, compromise, settlement or resolution or other disposition of such claim or proceeding subject to paragraph two (2) above.

### 8.4) Insurance.

- A. As a part of the indemnification provided in Section 8.3, but without limiting the foregoing, Grantee shall file with its acceptance of this Franchise, and at all times thereafter maintain in full force and effect at its sole expense, a comprehensive general liability insurance policy, including contractual liability coverage, in protection of City in its capacity as such, its officers, elected officials, boards, commissions, agents and employees. The policy or policies shall name as additional insured City, and their capacity as such, their officers, agents and employees.
- B. The policies of insurance shall be in the sum of not less than Three Hundred Thousand Dollars (\$300,000) for personal injury or death of any one Person, and One Million Dollars (\$1,000,000) for personal injury or death of two or more persons in any one occurrence Three Hundred Thousand Dollars (\$300,000) for property damage to any one person and One Million Dollars (\$1,000,000) for property damage resulting from any one act or occurrence. The policy or policies of insurance shall be maintained by Grantee in full force and effect during the entire term of the Franchise. Each policy of insurance shall contain a statement on its face that the insurer will not cancel the policy or fail to renew the policy, whether for

nonpayment of premium, or otherwise, and whether at the request of Grantee or for other reasons, except after thirty (30) days advance written notice have been provided to City,

#### SECTION 9.

#### SALE, ABANDONMENT, TRANSFER AND REVOCATION OF FRANCHISE

##### 9.1) City's Right to Revoke.

In addition to all other rights which city has pursuant to law or equity, city reserves the right to revoke, terminate or cancel this Franchise, and all rights and privileges pertaining thereto, if after the hearing required by 9.2B herein, it is determined that:

1. Grantee has violated any material provision of this Franchise; or
2. Grantee has attempted to evade any of the material provisions or the Franchise; or
3. Grantee has practiced fraud or deceit upon City or Subscriber.

##### 9.2 ) Procedures for Revocation.

- A. City shall provide Grantee with written notice of a cause for revocation and the intent to revoke and shall allow Grantee sixty (60) days subsequent to receipt of the notice in which to correct the violation or to provide adequate assurance of performance in compliance with the Franchise. Together with the notice required herein, City shall provide Grantee with written findings of fact which are the basis of the revocation.
- B. Grantee shall be provided the right to a public hearing affording due process before the City Council prior to revocation, which public hearing shall follow the sixty (60) day notice provided in paragraph (A) above. City shall provide Grantee with written notice of its decision together with written findings of fact supplementing said decision.
- C. After the public hearing and upon written determination by City to revoke the Franchise, Grantee may appeal said decision with an appropriate state or federal court or agency.
- D. During the appeal period, the Franchise shall remain in full force and effect unless the term thereof sooner expires.
- E. Upon satisfactory correction by Grantee of the violation upon which said notice was given as determined in the City's sole discretion, the initial notice shall become void.

##### 9.3) Abandonment of Service. Grantee may not abandon the System or any portion thereof without having first given three (3) months written notice to City. Grantee may not abandon the System or any portion thereof without compensating City for damages resulting from the abandonment.

##### 9.4 ) Removal After Termination or Forfeiture.

- A. In the event of termination or forfeiture of the Franchise, City shall have the right to require Grantee to remove all or any portion of the System from all Streets and public property within the City; provided, however, if Grantee is providing services pursuant to Minn. Stat. § 237.01 et seq., City shall not require the removal of the System.
- B. If Grantee has failed to commence removal of System, or such part thereof as was designated by City, within one hundred twenty (120) days after written notice of City's demand for removal is given, or if Grantee has failed to complete such removal within twelve (12) months after written notice of City's demand for removal is given, City shall have the right to declare all right, title, and interest to the System to be in City with all rights of ownership including, but not limited to, the right to operate the System or transfer the System to another for operation by it pursuant to the provisions of 47 U.S.C. § 547 (1989).

##### 9.5) Sale or Transfer of Franchise.

- A. No sale, transfer, or "fundamental corporate change", as defined in Minn. Stat. § 238.083, of this Franchise shall take place until the parties to the sale, transfer, or fundamental corporate change files a written request with City for its approval, provided, however, that said approval shall not be required where Grantee grants a security interest in its Franchise and assets to secure an indebtedness.

- B. City shall have thirty (30) days from the time of the request to reply in writing and indicate approval of the request or its determination that a public hearing is necessary due to potential adverse affect on Grantee's Subscribers resulting from the sale or transfer. Such approval or determination shall be expressed by Council Resolution within thirty (30) days of receipt of said request, or the request shall be deemed approved as a matter of law.
- C. If a public hearing is deemed necessary pursuant to (B.) above, such hearing shall be commenced within thirty (30) days of such determination and notice of any such hearing shall be given in accordance with local law or fourteen (14) days prior to the hearing by publishing notice thereof once in a newspaper of general circulation in City. The notice shall contain the date, time and place of the hearing and shall briefly state the substance of the action to be considered by City.
- D. Within thirty (30) days after the closing of the public hearing, City shall approve or deny in writing the sale or transfer request. City shall set forth in writing with particularity its reason(s) for denying approval. City shall not unreasonably withhold its approval.
- E. The parties to the sale or transfer of the Franchise only, without the inclusion of the System in which substantial construction has commenced, shall establish that the sale or transfer of only the Franchise will be in the public interest.
- F. Any sale or transfer of stock in Grantee so as to create a new controlling interest in the System shall be subject to the requirements of this Section 9.5. The term "controlling interest" as used herein is not limited to majority stock ownership, but includes actual working control in whatever manner exercised.
- G. In no event shall a transfer or assignment of ownership or control be approved without the transferee becoming a signatory to this Franchise and assuming all rights and obligations thereunder, and assuming all other rights and obligations of the transferor to the City.
- H. In the event of any proposed sale or assignment pursuant to paragraph (A.) of this Section City shall have the right of first refusal of any bona fide offer to purchase the System. Bona fide offer, as used in this section, means an offer received by the Grantee which it intends to accept subject to City's rights under this Section. This written offer must be conveyed to City along with the Grantee's written acceptance of the offer contingent upon the rights of City provided for in this Section.

City shall be deemed to have waived its rights under this Section in the following circumstances:

1. If it does not indicate to Grantee in writing, within 30 days of notice of a proposed sale or assignment, its intention to exercise its right of purchase; or
2. It approves the assignment or sale of the Franchise as provided within this Section.

#### SECTION 10. PROTECTION OF INDIVIDUAL RIGHTS

10.1) Discriminatory Practices Prohibited. Grantee shall not deny service, deny access, or otherwise discriminate against Subscribers or general citizens on the basis of race, color, religion, national origin, sex or age. Grantee shall comply at all times with all other applicable federal, state, and city laws, and all executive and administrative orders relating to nondiscrimination.

10.2) Subscriber Privacy.

- A. No signals including signals of a Class IV Channel may be transmitted form a Subscriber terminal for purposes of monitoring individual viewing patterns or practices without the express written permission of the Subscriber. The request for such permission shall be contained in a separate document with a prominent statement that the Subscriber is authorizing the permission in full knowledge of its provisions. Such written permission shall be for a limited period of time not to exceed one (1) year which shall be renewed at the option of the Subscriber. No penalty shall be invoked for a Subscriber's failure to provide or renew such authorization. The authorization shall be revocable at any time by the Subscriber without penalty of any kind whatsoever. Such permission shall be required for each type or classification of Class IV Channel activity planned for the purpose of monitoring individual viewing patterns or practices.

- B. No information or data obtained by monitoring transmission of a signal from a Subscriber terminal, or any other means, including but not limited to lists of the names and addresses of such Subscribers or any lists that identify the viewing habits of subscribers shall be sold or otherwise made available to any party other than to Grantee and its employees for internal business use, and also to the Subscriber subject of that information, unless Grantee has received specific written authorization from the Subscriber to make such data available.
- C. Written permission from the Subscriber shall not be required for the conducting of System wide or individually addressed electronic sweeps for the purpose of verifying System integrity or monitoring for the purpose of billing. Confidentiality of such information shall be subject to the provision set forth in paragraph (B.) of this Section.

SECTION 11.  
UNAUTHORIZED CONNECTIONS AND MODIFICATIONS

- 11.1) Unauthorized Connections or Modifications Prohibited. It shall be unlawful for any firm, Person, group, company, corporation, or governmental body or agency, without the express consent of the Grantee, to make or possess, or assist anybody in making or possessing, any connection, extension, or division, whether physically, acoustically, inductively, electronically or otherwise, with or to any segment of the System.
- 11.2) Removal or Destruction Prohibited. It shall be unlawful for any firm, Person, group, company, corporation, or governmental body or agency to willfully interfere, tamper, remove, obstruct, or damage, or assist thereof, any part or segment of the System for any purpose whatsoever.
- 11.3) Penalty. Any firm, Person, group, company, corporation or governmental body or agency found guilty of violating this section may be fined not less than Twenty Dollars (\$20.00) and the costs of the action nor more than Five Hundred Dollars (\$500.00) and the costs of the action for each and every subsequent offense. Each continuing day of the violation shall be considered a separate occurrence.

SECTION 12.  
MISCELLANEOUS PROVISIONS

- 12.1) Franchise Renewal. Any renewal of this Franchise shall be done in accordance with applicable federal, state and local laws and regulations.
- 12.2) Work Performed by Others . All provisions of this Franchise shall apply to any subcontractor or others performing any work or services pursuant to the provisions of this Franchise. Grantee shall provide notice to City of the name (s) and address(es) of any entity, other than Grantee, which performs substantial services pursuant to this Franchise.
- 12.3) Amendment of Franchise Ordinance. Grantee and City may agree, from time to time, to amend this Franchise. Such written amendments may be made subsequent to review session pursuant to Section 12.7 or at any other time if City and Grantee agree that such an amendment will be in the public interest or if such an amendment is required due to changes in federal, state or local laws. City shall act pursuant to local law pertaining to the ordinance amendment process.
- 12.4) Compliance with Federal, State and Local Laws.
  - A. If any federal or state law or regulation shall require or permit City or Grantee to perform any service or act or shall prohibit City or Grantee from performing any service or act which may be in conflict with the terms of this Franchise, then as soon as possible following knowledge thereof, either party shall notify the other of the point in conflict believed to exist between such law or regulation. Grantee and City shall conform to state laws and rules regarding cable communications not later than one (1) year after they become effective, unless otherwise stated, and to conform to federal laws and regulations regarding cable as they become effective.
  - B. If any term, condition or provision of this Franchise or the application thereof to any Person or circumstance shall, to any extent, be held to be invalid or unenforceable, the remainder hereof and the application of such term, condition or provision to Persons or circumstances other than those as to whom it shall be held invalid or unenforceable shall not be affected thereby, and this Franchise and all the terms, provisions and conditions hereof shall, in all other respects, continue to be effective and complied with provided the loss of the invalid or unenforceable clause does not substantially alter the agreement between the parties. In the event such law, rule or regulation is subsequently repealed, rescinded, amended or otherwise changed so that the provision which had been held invalid or modified is no longer in conflict with the law, rules

and regulations then in effect, said provision shall thereupon return to full force and effect and shall thereafter be binding on Grantee and City.

- 12.5) Non-enforcement by City. Grantee shall not be relieved of its obligations to comply with any of the provisions of this Franchise by reason of any failure or delay of City to enforce prompt compliance. Any waiver by City of a breach or violation of any provision of this Franchise shall not operate as or be construed to be a waiver of any subsequent breach or violation.
- 12.6) Administration of Franchise. The City Administrator or other City designee shall have continuing regulatory jurisdiction and supervision over the System and the Grantee's operation under the Franchise. The City may issue such reasonable rules and regulations concerning the construction, operation and maintenance of the system as are consistent with the provisions of the Franchise and law.
- 12.7) Periodic Evaluation. The field of cable communications is rapidly changing and may see many regulatory, technical, financial, marketing and legal changes during the term of this Franchise. Therefore, in order to provide for a maximum degree of flexibility in this Franchise, and to help achieve a continued advanced and modern System, the following evaluation provisions shall apply:
- A. The City may require evaluation sessions at any time during the term of this Franchise, upon thirty (30) days written notice to Grantee, provided, however, there shall not be more than one review session during each four (4) year period commencing on the Effective Date of this Franchise.
  - B. All evaluation sessions shall be open to the public and notice of sessions published in the same way as a legal notice. Grantee shall notify its Subscribers of all evaluation sessions by announcement on at least one (1) Basic Service channel of the System between the hours of 7:00 p.m. and 9:00 p.m. for five (5) consecutive days preceding each session.
  - C. Topics which may be discussed at any evaluation session may include, but are not limited to, application of new technologies, System performance, programming offered, access channels, facilities and support, municipal uses of cable, customer complaints, amendments to this Franchise, judicial rulings, FCC rulings, line extension policies and any other topics City and Grantee deem relevant.
  - D. As a result of a periodic review or evaluation session, City and Grantee shall develop such changes and modifications to the terms and conditions of the Franchise, as are mutually agreed upon and which are both economically and technically feasible.
- 12.8) Rights Cumulative. All rights and remedies given to City by this Franchise shall be in addition to and cumulative with any and all other rights and remedies, existing or implied, now or hereafter available to City, at law or in equity, and such rights and remedies shall not be exclusive, but each and every right and remedy specifically given by this Franchise or otherwise existing or given may be exercised from time to time and as often and in such order as may be deemed expedient by City and the exercise of one or more rights or remedies shall not be deemed a waiver of the right to exercise at the same time or thereafter any other right or remedy.
- 12.9) Grantee Acknowledgement of Validity of Franchise. Grantee acknowledges that it has had an opportunity to review the terms and conditions of this Franchise and that under current law Grantee believes that said terms and conditions are not unreasonable or arbitrary, and that Grantee believes City has the power to make the terms and conditions contained in this Franchise.
- 12.10) Franchise Term and Effective Date. The Effective Date of this Franchise Agreement is the date of final adoption Of the Franchising Authority as set forth below subject to Grantee's acceptance by countersigning where indicated. This Franchise Agreement shall be for a term of Fifteen (15) years from such Effective Date.
- 12.11) Actions of Parties. With regard to any action that is anticipated, permitted or mandated under the terms of this Agreement, such party will act in a reasonable and timely manner.
- 12.12) Entire Agreement. This Franchise Agreement constitutes the entire agreement between the Grantee and the City and supersedes and replaces all prior agreements written and oral. Any amendments to this Agreement shall be mutually agreed to in writing by both parties to be effective.
- 12.13) Severability. If any Section, subsection, sentence, paragraph, term or provision in this Agreement is subsequently determined to be illegal, invalid, or unconstitutional, by any Court

of competent jurisdiction or by any state, Federal, regulatory authority having jurisdiction thereof, such determination shall have no effect on the validity of any remaining provisions in this Agreement all of which will remain in full force and effect to the extent otherwise legally enforceable for the duration of the Agreement.

SECTION 13.  
PUBLICATION EFFECTIVE DATE; ACCEPTANCE AND EXHIBITS

- 13.1) Publication: Effective Date. This Franchise shall be published in accordance with applicable Minnesota law. The effective date of this Franchise shall be the date official adoption by the Franchising Authority and the publication in accordance with law.

**PUBLICATION OF SUMMARY OF ORDINANCE NO. 451A**

**MOTION:** Councilor Langley moved and Councilor Rock seconded the motion to adopt **RESOLUTION NO. 15-76, A RESOLUTION AUTHORIZING PUBLICATION OF A SUMMARY OF ORDINANCE 451A, AN ORDINANCE AMENDING CHAPTER 11.8 OF THE MUNICIPAL CODE PERTAINING TO CABLE TELEVISION, AND REPLACING ORDINANCE NO. 223A AND 389A.** The motion carried unanimously (6-0).

**WHEREAS,** The City Council of the City of Cloquet has duly adopted Ordinance No. 451A, Amending City Code 11.8 Renewing the Contract of a Franchise Agreement to Mediacom Minnesota, LLC., Replacing Ordinance No.'s 223A and 389A.

**WHEREAS,** Minnesota Statutes 412.191 requires that ordinances shall be published at least once in the official newspaper; and

**WHEREAS,** The City Council has determined that the cost of publishing an entire section of the code as proposed to be adopted by the City Council would be extremely expensive given the number of pages to be published; and

**WHEREAS,** Minnesota Statutes 412.191, Subd. 4, authorizes a municipality to publish only the title and a summary of lengthy ordinances or ordinances which contain charts or maps if the City Council determines that such publications would clearly inform the public of the intent and effect of the ordinance; and

**WHEREAS,** It is the intent of the City Council to act in accordance with all local, state, and federal laws, to inform the public of changes in municipal laws, and to remain responsible financially with public funds.

**NOW, THEREFORE, BE IT RESOLVED, THAT THE CITY COUNCIL OF THE CITY OF CLOQUET, MINNESOTA,** Hereby authorizes the publication of a summary of Ordinance No. 451A; and

**BE IT FURTHER RESOLVED,** That a copy of Ordinance No. 451A shall be available for public viewing online at [www.ci.cloquet.mn.us](http://www.ci.cloquet.mn.us), at City Hall and at the Cloquet Public Library for a period of not less than thirty (30) days from the date of publication; and

**BE IT FINALLY RESOLVED,** That the summary published in the official newspaper shall be in the following form:

**SUMMARY DESCRIPTION**

NOTICE OF SUMMARY  
PUBLICATION OF ORDINANCES

On September 15, 2015, at its regular meeting, the Cloquet City Council adopted Ordinance No. 451A, a 23 page ordinance which authorizes the City to grant one or more non-exclusive cable television franchises to construct, operate, maintain, and reconstruct cable television systems within the City limits. This Ordinance would renew the Franchise for cable

television service with Mediacom Minnesota, LLC.

The specific title of the ordinance is “**AN ORDINANCE AMENDING CITY CODE 11.8 RENEWING THE CONTRACT OF A FRANCHISE AGREEMENT TO MEDIACOM MINNESOTA, LLC., TO OPERATE AND MAINTAIN A CABLE TELEVISION SYSTEM IN THE CITY OF CLOQUET SETTING FORTH CONDITIONS ACCOMPANYING THE GRANT OF THE FRANCHISE; PROVIDING FOR REGULATION AND USE OF THE SYSTEM; PRESCRIBING PENALTIES FOR THE VIOLATION OF**

**ITS PROVISIONS; AND REPLACING ORDINANCE NO’s 223A AND 389A.”** The full ordinance is available to the public for inspection online at [www.ci.cloquet.mn.us](http://www.ci.cloquet.mn.us), or during regular office hours at the Cloquet Public Library or at Cloquet City Hall.

#### **TAX INCREMENT FINANCING APPLICATION FEE INCREASE**

**MOTION:** Councilor Bjerkness moved and Councilor Maki seconded the motion to approve an amendment to the City’s Tax Increment (TIF) Policy to increase the application fee from \$5,000 to \$10,000. The motion carried unanimously (6-0).

#### **PURCHASE OF PRO WALL ICE RINK SYSTEM**

**MOTION:** Councilor Langley moved and Councilor Kolodge seconded the motion to authorize the purchase of a Pro Wall ICE Rink System from Sport Resource Group in the amount of \$29,670.00. The motion carried unanimously (6-0).

#### **WEST TAYLOR AVENUE PAVING PROJECT AWARD**

**MOTION:** Councilor Rock moved and Councilor Langley seconded the motion to accept the proposal from Sinnott Blacktop, LLC., to complete the paving of West Taylor Avenue in the amount of \$68,131.50. The motion carried unanimously (6-0).

#### **HARRIS DECHLORINATION BUILDING BID AWARD**

**MOTION:** Councilor Rock moved and Councilor Maki seconded the motion to adopt **RESOLUTION NO. 15-75, A RESOLUTION AWARDDING THE HARRIS TANK DECHLORINATION BUILDING CONSTRUCTION BID** and accept the proposal from Wench & Associates in the amount of \$19,500 to manage the project. The motion carried unanimously (6-0).

**WHEREAS**, to meet certain water appropriation permit requires by the Minnesota Department of Natural Resources (DNR) regarding the operation of Cloquet’s Lake Superior Waterline, a dechlorination building is proposed to be built at the Harris Reservoir site; and

**WHEREAS**, Sappi Fine Paper (Sappi) contracted to prepare construction plans for this facility; and

**WHEREAS**, Sappi has requested the City of Cloquet construct, operate and maintain this facility as part of Cloquet’s Lake Superior Waterline operations; and

**WHEREAS**, Sappi has agreed to pay for the cost of constructing, operating and maintaining this facility through the monthly water rates charged by Cloquet to Sappi; and

**WHEREAS**, The City of Cloquet advertised and received the following bids for the project:



<b><u>Bidder</u></b>	<b><u>Bid Amount</u></b>
Rice Lake Construction Group	\$174,300.00
Stack Brothers Mechanical Contractors	\$198,000.00
Lakehead Constructions, Inc.	\$220,663.00
Ray Riihiluoma, Inc.	\$242,000.00

**AND WHEREAS,** The apparent low bid from Rice Lake Construction Group was found to meet the minimum bid requirements.

**NOW, THEREFORE, BE IT RESOLVED, BY THE CITY COUNCIL OF THE CITY OF CLOQUET, MINNESOTA,** That the bid from Rice Lake Construction Group in the amount of \$174,300.00 is hereby accepted, with the condition that the City Administrator can come to agreement with Sappi as to how the project costs will be recovered, prior to the final award of a contract for construction.

#### **PURCHASE OF WASHED SAND SUPPLY**

**MOTION:** Councilor Bjerkness moved and Councilor Rock seconded the motion to authorize the purchase of the 2015-2016 washed sand supply from Omar's Sand and Gravel. The motion carried unanimously (6-0).

#### **PUBLIC COMMENTS**

There were none.

#### **COUNCIL COMMENTS/UPDATES**

On 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




**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**

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To: Mayor and City Council  
From: Brian Fritsinger, City Administrator   
Date: October 2, 2015

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**ITEM DESCRIPTION:** Approval of Raffle Permit

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**Proposed Action**

Staff recommends that the City Council move to adopt **RESOLUTION NO. 15-78, A RESOLUTION APPROVING EXEMPT PERMIT TO CONDUCT A RAFFLE EVENT AT CLOQUET ARMORY-MINNESOTA NATIONAL GUARD.**

**Background/Overview**

The City has received an application from the North Shore Wrestling Club for a raffle event to be held on March 19, 2016 at the Cloquet Armory-Minnesota National Guard, 801 Highway 33 South.

**Policy Objectives**

Approval of application by local community is required under MN Statutes.

**Financial/Budget/Grant Considerations**

There is no cost to the City regarding the approval of the application nor does the City retain any fees for its consideration.

**Advisory Committee/Commission Action**

None.

**Supporting Documentation Attached**

- Resolution 15-78
- LG220 Application for Exempt Permit

**LG220 Application for Exempt Permit**

An exempt permit may be issued to a nonprofit organization that:

- conducts lawful gambling on five or fewer days, and
- awards less than \$50,000 in prizes during a calendar year.

If total raffle prize value for the calendar year will be \$1,500 or less, contact the Licensing Specialist assigned to your county by calling 651-539-1900.

**Application Fee (non-refundable)**

Applications are processed in the order received. If the application is postmarked or received 30 days or more before the event, the application fee is **\$100**; otherwise the fee is **\$150**.

Due to the high volume of exempt applications, payment of additional fees prior to 30 days before your event will not expedite service, nor are telephone requests for expedited service accepted.

**ORGANIZATION INFORMATION**

Organization Name: North Shore Wrestling Club Previous Gambling Permit Number: X-92706-15-003

Minnesota Tax ID Number, if any: 30-0647427 Federal Employer ID Number (FEIN), if any: \_\_\_\_\_

Mailing Address: 12578 W. Skyline Pkwy

City: Duluth State: MN Zip: 55810 County: St. Louis

Name of Chief Executive Officer (CEO): Lukas Nordby

Daytime Phone: \_\_\_\_\_ Email: lukas.nordby@mncradio.com

**NONPROFIT STATUS**

Type of Nonprofit Organization (check one):

Fraternal  Religious  Veterans  Other Nonprofit Organization

**Attach a copy of one of the following showing proof of nonprofit status:**

(DO NOT attach a sales tax exempt status or federal employer ID number, as they are not proof of nonprofit status.)

**A current calendar year Certificate of Good Standing**  
 Don't have a copy? Obtain this certificate from:  
 MN Secretary of State, Business Services Division      Secretary of State website, phone numbers:  
 60 Empire Drive, Suite 100      [www.sos.state.mn.us](http://www.sos.state.mn.us)  
 St. Paul, MN 55103      651-296-2803, or toll free 1-877-551-6767

**IRS income tax exemption (501(c)) letter in your organization's name**  
 Don't have a copy? To obtain a copy of your federal income tax exempt letter, have an organization officer contact the IRS toll free at 1-877-829-5500.

**IRS - Affiliate of national, statewide, or international parent nonprofit organization (charter)**  
 If your organization falls under a parent organization, attach copies of both of the following:  
 1. IRS letter showing your parent organization is a nonprofit 501(c) organization with a group ruling, and  
 2. the charter or letter from your parent organization recognizing your organization as a subordinate.

**GAMBLING PREMISES INFORMATION**

Name of premises where the gambling event will be conducted (for raffles, list the site where the drawing will take place): Cloquet Armory - Minnesota National Guard

Address (do not use P.O. box): 801 Minnesota 33

City or Township: Cloquet Zip: 55720 County: Carlton

Date(s) of activity (for raffles, indicate the date of the drawing): March 19, 2015

Check each type of gambling activity that your organization will conduct:

Bingo\*  Paddlewheels\*  Pull-Tabs\*  Tipboards\*

Raffle (total value of raffle prizes awarded for the calendar year: \$10,019 in 2015)

\* **Gambling equipment** for bingo paper, paddlewheels, pull-tabs, and tipboards must be obtained from a distributor licensed by the Minnesota Gambling Control Board. EXCEPTION: Bingo hard cards and bingo number selection devices may be borrowed from another organization authorized to conduct bingo. To find a licensed distributor, go to [www.mn.gov/gcb](http://www.mn.gov/gcb) and click on **Distributors** under **LIST OF LICENSEES**, or call 651-539-1900.

**LOCAL UNIT OF GOVERNMENT ACKNOWLEDGMENT (required before submitting application to the Minnesota Gambling Control Board)**

**CITY APPROVAL  
for a gambling premises  
located within city limits**

\_\_\_ The application is acknowledged with no waiting period.  
 \_\_\_ The application is acknowledged with a 30-day waiting period, and allows the Board to issue a permit after 30 days (60 days for a 1st class city).  
 \_\_\_ The application is denied.

Print City Name: \_\_\_\_\_

Signature of City Personnel: \_\_\_\_\_

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

**The city or county must sign before submitting application to the Gambling Control Board.**

**COUNTY APPROVAL  
for a gambling premises  
located in a township**

\_\_\_ The application is acknowledged with no waiting period.  
 \_\_\_ The application is acknowledged with a 30-day waiting period, and allows the Board to issue a permit after 30 days.  
 \_\_\_ The application is denied.

Print County Name: \_\_\_\_\_

Signature of County Personnel: \_\_\_\_\_

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

**TOWNSHIP (if required by the county)**  
 On behalf of the township, I acknowledge that the organization is applying for exempted gambling activity within the township limits. (A township has no statutory authority to approve or deny an application, per Minn. Statutes, section 349.213.)

Print Township Name: \_\_\_\_\_

Signature of Township Officer: \_\_\_\_\_

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

**CHIEF EXECUTIVE OFFICER'S SIGNATURE (required)**

The information provided in this application is complete and accurate to the best of my knowledge. I acknowledge that the financial report will be completed and returned to the Board within 30 days of the event date.

Chief Executive Officer's Signature: *Lukas Nordby* Date: 9/30/15  
(Signature must be CEO's signature; designee may not sign)

Print Name: Lukas Nordby

**REQUIREMENTS**

**Complete a separate application for:**

- all gambling conducted on two or more consecutive days, or
- all gambling conducted on one day.

Only one application is required if one or more raffle drawings are conducted on the same day.

**Financial report to be completed within 30 days after the gambling activity is done:**

A financial report form will be mailed with your permit. Complete and return the financial report form to the Gambling Control Board.

Your organization must keep all exempt records and reports for 3-1/2 years (Minn. Statutes, section 349.166, subd. 2(f)).

Data privacy notice: The information requested on this form (and any attachments) will be used by the Gambling Control Board (Board) to determine your organization's qualifications to be involved in lawful gambling activities in Minnesota. Your organization has the right to refuse to supply the information; however, if your organization refuses to supply this information, the Board may not be able to determine your organization's qualifications and, as a consequence, may refuse to issue a permit. If your organization supplies the information requested, the Board will be able to process the

application. Your organization's name and address will be public information when received by the Board. All other information provided will be private data about your organization until the Board issues the permit. When the Board issues the permit, all information provided will become public. If the Board does not issue a permit, all information provided remains private, with the exception of your organization's name and address which will remain public. Private data about your organization are available to Board members, Board staff whose work requires access to the information; Minnesota's Depart-

ment of Public Safety; Attorney General; Commissioners of Administration, Minnesota Management & Budget, and Revenue; Legislative Auditor, national and international gambling regulatory agencies; anyone pursuant to court order; other individuals and agencies specifically authorized by state or federal law to have access to the information; individuals and agencies for which law or legal order authorizes a new use or sharing of information after this notice was given; and anyone with your written consent.

**MAIL APPLICATION AND ATTACHMENTS**

**Mail application with:**

\_\_\_ a copy of your proof of nonprofit status, and  
 \_\_\_ application fee (non-refundable). If the application is postmarked or received 30 days or more before the event, the application fee is **\$100**; otherwise the fee is **\$150**. Make check payable to **State of Minnesota**.

**To:** Gambling Control Board  
 1711 West County Road B, Suite 300 South  
 Roseville, MN 55113

**Questions?**  
 Call the Licensing Section of the Gambling Control Board at 651-539-1900.

# MAYOR'S PROCLAMATION

## City of Cloquet

WHEREAS, The City of Cloquet in the State of Minnesota has a significant interest in the continued vitality of general aviation, aircraft manufacturing, aviation educational institutions, aviation organizations and community airports; and

WHEREAS, General aviation and the Cloquet/Carlton County Airport has an immense economic impact on the City of Cloquet; and

WHEREAS, Minnesota is home to 153 public-use airports, serving 12,478 pilots and 4,365 active general aviation aircraft; and

WHEREAS, Minnesota is home to 109 fixed-based operators, 51 repair stations, 522 heliports, 11 FAA-approved pilot schools, 1,933 flight students and 2,500 flight instructors; and

WHEREAS, General aviation in Minnesota contributes over \$5.3 billion to that state's economy annually; and

WHEREAS, General aviation not only supports Minnesota's economy, it improves overall quality of life by supporting emergency medical and healthcare services, law-enforcement, firefighting, disaster relief, and by transporting business travelers to their destinations quickly and safely; and

WHEREAS, The nation's aviation infrastructure represents an important public benefit, and Congressional oversight should be in place to ensure stable funding of this system; and

NOW, THEREFORE, I, Dave Hallback, Mayor of the City of Cloquet, Minnesota, do hereby proclaim general aviation a vital strategic resource to the City of Cloquet and declare October 2015 to be observed as:

### GENERAL AVIATION APPRECIATION MONTH



Dave Hallback, Mayor  
City of Cloquet






## 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

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To: Mayor and City Council  
From: Brian Fritsinger, City Administrator   
Date: September 16, 2015

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**ITEM DESCRIPTION:** Friends of Animals Funding Request

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#### **Proposed Action**

Staff recommends the City Council move to authorize a one-time contribution of \$2,500 to be provided to the Friends of Animals for the purpose of funding the spaying and/or neutering of dogs and cats.

#### **Background/Overview**

In March 2015, the City and Friends of Animals (FOA) entered into a revised contract for services. During this meeting, representatives of FOA made a request seeking a contribution from the City to assist with animal shelter operations. The Council tabled action on this item at that time.

FOA subsequently approached the Council in July with a follow up inquiry and the City Council has reviewed the question a number of times as part of its 2016 budget discussions. The City Council did not allocate any funds to be included in its 2016 budget for future contributions to the organization. Neither did the Council support an offset to utility bills due to the precedent it would create.

The City Council did direct staff to work with FOA on documented support for a one-time contribution in the amount of \$2,500 in 2015. Staff has subsequently met with FOA and identified a need for assistance with the spaying and neutering of dogs and cats. There are numerous reasons that this program is important to the mission of the shelter and the public health and nuisance concerns of the City. Spaying animals eliminates females from going into heat and reduces the howling of an animal seek a mate. Neutered animals roam less thus reducing animals running at large. These efforts also help fight and reduce pet overpopulation and the associated costs of having these animals at the animal shelter.

If the City Council would like to attach any conditions to this approval, it should identify those conditions. Conditions could include:

- The funds be restricted to the purpose identified and not used for the payment of salary for any officer of FOA;
- Provision of year to date financials;
- Evidence FOA is in compliance with IRS regulations as a non-profit agency;
- Evidence that such monies were used for the purpose identified.

#### **Policy Objectives**

Under M.S. 343.11, the Council of any City, in which a society for the prevention of cruelty to animals (SPCA) exist, may, in its discretion, appropriate for the maintenance and support of such societies in the transaction of the work for which they are organized, any sums of money not otherwise appropriated; provided that no part of the appropriation shall be expended for the payment of the salary for any officer of the society.

To Mayor and Council  
FOA Funding Request  
September 16, 2015  
Page 2

**Financial/Budget/Grant Considerations**

The City does not have a line item in its 2015 budget dedicated to a contribution to FOA or any other organization. As a result, a contribution would be considered unbudgeted and the funds would come from General Fund Reserves. The contribution would be accounted within the City Council portion of the General Fund budget.

**Advisory Committee/Commission Action**

None

**Supporting Documentation Attached**

- Public Purpose Expenditure Chart

## Appendix A: Public purpose expenditure chart

This chart provides a summary of tests a public expenditure should meet in order to be valid. If an expenditure does not pass all of the following questions, the expenditure may be doubtful. In this case, a city should consult its city attorney before making the expenditure.

Also see Part I for a discussion of the criteria for public purpose expenditures.

Test	Answer	Public expenditure <u>NOT</u> authorized	Public expenditure authorized
1. Does a statute or charter provision specifically or implicitly authorize the specific expenditure?	Yes		✓
	No	✓	
2. Does the expenditure benefit the community as a whole?	Yes		✓
	No	✓	
3. Is the expenditure directly related to the functions of government?	Yes		✓
	No	✓	
4. Does the expenditure have as its primary objective the benefit of a private interest?	Yes	✓	
	No		✓



# County looks at budget requests

By [Jana Peterson](#) on Aug 9, 2015 at 8:28 a.m.

Not everyone wants more money, but it's safe to assume the Carlton County Board will have some tough financial decisions to make before they set their preliminary budget in September.

Commissioners got a taste of that challenge, as initial presentations ran the gamut at Tuesday's Carlton County Committee of the Whole meeting.

- Although their proposal was not even mentioned during the meeting, [the Friends of Animals Humane Society](#) had a new and fairly novel suggestion in its budget request: that the county collect \$7.50 from each of the approximately 27,000 "taxable units" in the county to help fund FOA, which provides animal shelter services to much of the county but is financially supported by only a few of the cities and townships in the county. If that solution didn't appeal, FOA Executive Director Cindy Haglin said the shelter would be asking for \$75,000 from the county to help fund its operations. The humane society has had a very public struggle over the past year or so to meet its financial obligations, she reminded the board, adding that they had made a number of changes to make FOA more financially stable.

## TRENDING

1. Kids go gaga for new sport
2. Carlton County Court Report: July 23, 2015
3. Carlton County Court Report: July 21, 2015
4. Barbara Jean Dahl
5. Veterans Park is packed for 'night out'

[more >](#)

## LATEST

Carlton County Court Report: July 24, 2015  
1 hour ago

Kids go gaga for new sport  
1 day ago

Carlton County Court Report: July 23, 2015  
1 day ago

Cloquet Public Library celebrates its 120th anniversary  
1 day ago

TasteFest celebrates 25 years of yum  
1 day ago

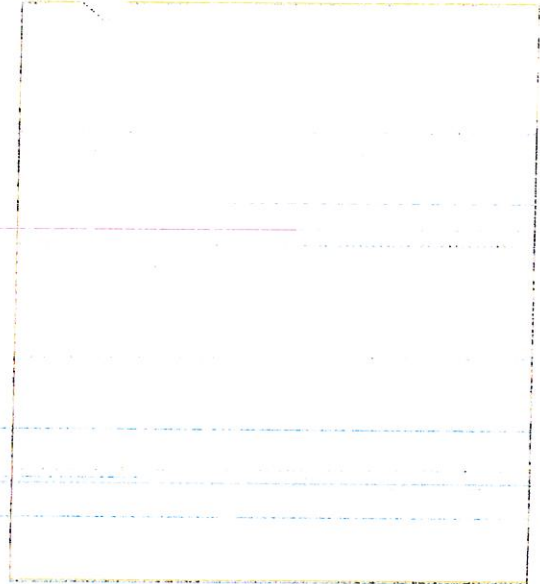
[more >](#)

However, the condition of the FOA building is deteriorating, so the group is looking for another location and recently had its property assessed, although it is not yet for sale.

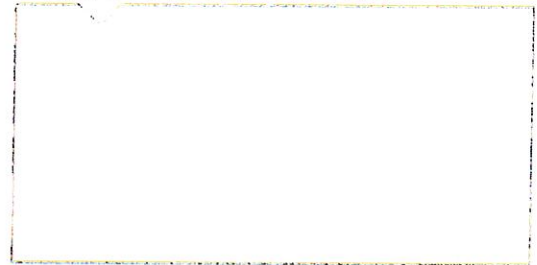
- The Arrowhead Library System requested the same amount from the county – \$149,490 – that it has received for the past two years, but Jim Weikum cautioned that the organization may need a new bookmobile in the near future. ALS is a seven-county regional public library system.
- The Emergency Medical Service Council – which serves as a resource for its members, including first responders and ambulance services throughout the county — again asked for \$80,350. Three quarters of that money goes toward the ambulance subsidy, which helps the Carlton, Cromwell, Cloquet Area Fire District and Mercy Hospital Ambulance Services offset the costs of purchasing new ambulances, which cost approximately \$150,000 each and last approximately 10 years, EMSC treasurer Doug Rotta told board members and county administrators.
- The Carlton County Historical Society would like a slight increase in its allotment from the county, from \$43,260 to \$45,000. New initiatives at CCHS include more advertising and the future development of a brochure to place on advertising racks, as well as a Barn Photography Committee to photograph old barns in the county “before they fall down,” as well as a bus tour of Carlton County farms that staff are trying to develop. Board members and

## HOT JOBS

jobs **HQ**



## FEATURED EMPLOYER



## EMPLOYERS

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Top Ads

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# Friends of Animals Humane Society

## Business Plan 2015

### Objective of the plan

Our business plan goal for 2015 is to reduce our administrative expenses\* (defined below) and costs related to the organization as a whole. We will review our highest expenditures and address how those can be restructured, reduced, or removed.

### Summary

This plan is to create a strategy that we will implement in 2015 to reduce our expenses and increase our revenue. The business plan will be reviewed quarterly to insure that goals are being accomplished, or make changes as needed. Our highest expenditures currently are wages, medical expenses, and office expenses.

### I - 2 Identify Costs to Reduce

#### 1. Reduce wages by 9%.

##### A) Establish a Finance/Budget Committee

- Review monthly financial report
- Oversee request for employee wage and benefits
- Review and approve annual budget to be presented to board

##### B) Establish Volunteer Coordinator position

- Reassign volunteer actives and hours to reduce wages
- Actively recruit volunteers via call list and applications
- Schedule volunteers based on filling in employee hours with volunteer hours
- List all positions that can be done by volunteers: web page, cleaning, grant applications, Facebook, etc.
- Establish volunteer program with high school students; volunteer at shelter for school credit

##### C) Monthly reviews with Director and Shelter Managers

- Review and ensure staffing is running efficiently and cost effectively

- Review employees' use of check off duties list (compliance with policy)
  - Review employee disciplinary procedures
2. Reduce medical expense while achieving full care and maintenance required For healthy facility and animals.

A) Establish an Animal Care Committee

- Review that animal care is running efficiently
- Research where costs can be reduced

B) Enhance grant writing program to reduce medical fees, administrative fees, and office and animal supply expenses

- Focus on grants for medical expenses & spay neuter program assistance
- Pursue grant funds, matches, and donation programs that can reduce medical expenses
- Pursue grants or donation opportunities that will supply food/animal supplies and office supplies

**3 - 5 Summary to increase revenue**

3. Enhance grant writing program to increase revenue opportunities.

A) Pursue educational opportunities for full time grant writer

- Pursue grants for employee education and wage support
- Enhance financial support and revenue of the shelter for all shelter costs, provide computer, technical assistance, community education.

B) Mentor program for new grant writer.

4. Establish a Fundraising Committee

- Organize and participate in fundraising events
- Explore new fundraising opportunities

5. Educate public to enhance support of shelter to reduce total shelter costs

A) Establish an Animal Shelter Coalition Group

- Group focus is to share education, as well as shelter fundamentals to assist in keeping shelter costs down

B) Establish Public Education Committee

- Use media and school programs to educate on city laws & ordinances
- Educate to reduce and eliminate breed discrimination

C) Establish Public Relations Volunteer Position

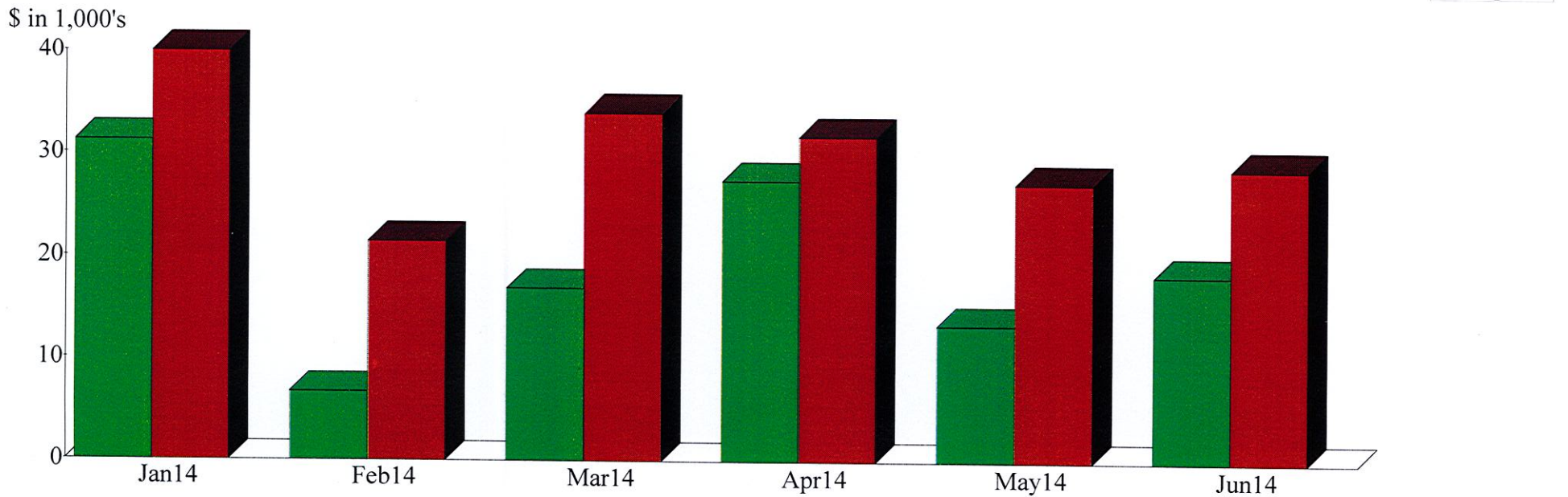
- Develop list of media contacts.
- Write and submit public service announcements to various media outlets
- Educate public education through various media sources; i.e. web page, Facebook, TV, radio, etc.

**\*Administrative Expenses**

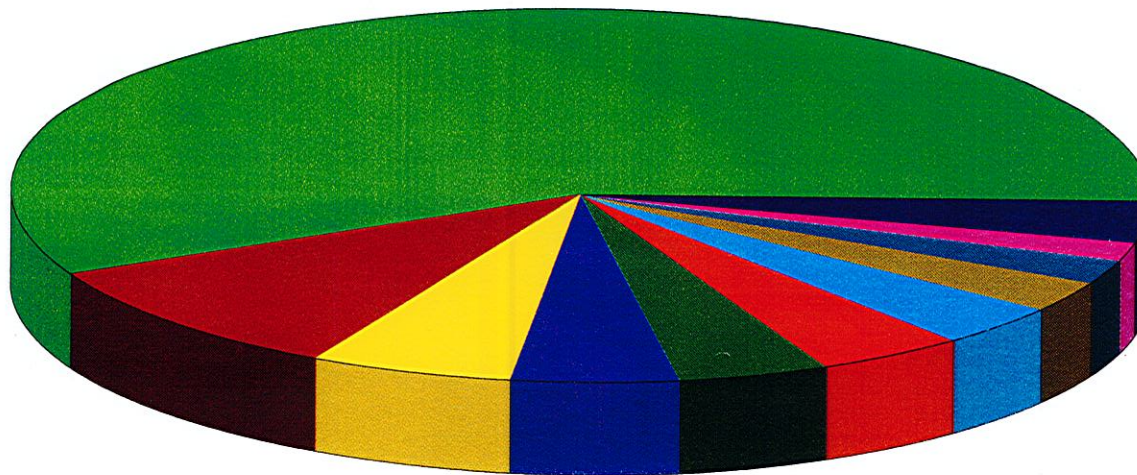
“An expense incurred in controlling and directing an organization, but not directly identifiable with financing, marketing, or production operations. The salaries of senior executives and costs of general services (such as accounting, contracting, and industrial relations) fall under this heading.

Administrative costs are related to the organization as a whole as opposed to expenses related to individual departments, also called administrative expenses.”

### Income and Expense by Month January through June 2014



### Expense Summary January through June 2014

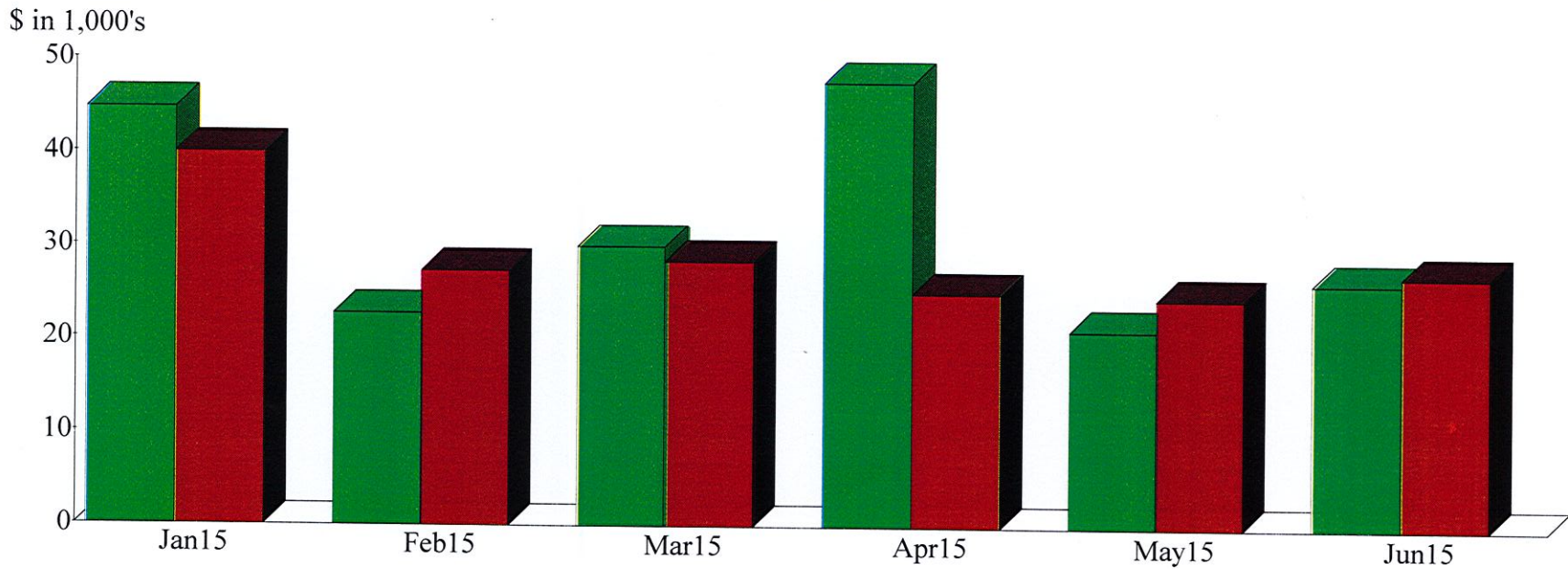


Wages/Benefits	57.52%
Veterinary Expenses	9.94
Animal Supplies & Food	5.83
Repairs & Maintenance	4.87
Utilities	4.31
Depreciation Expense	4.30
Insurance	3.79
Office Expense	2.85
Automobile	2.16
Payroll Taxes	1.59
Other	2.83
<b>Total</b>	<b>\$182,737.10</b>

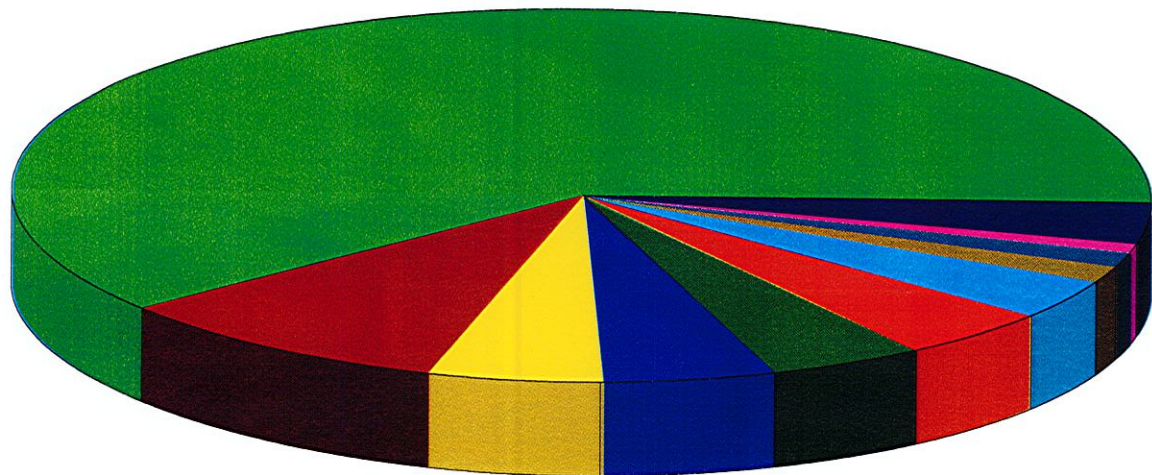
By Account

Income and Expense by Month  
January through June 2015

Income  
Expense



Expense Summary  
January through June 2015



Wages/Benefits	61.05%
Veterinary Expenses	9.72
Animal Supplies & Food	5.03
Office Expense	5.02
Utilities	4.49
Depreciation Expense	4.47
Insurance	3.65
Automobile	1.44
Repairs & Maintenance	1.41
Telephone & Internet	0.88
Other	2.86
<b>Total</b>	<b>\$171,758.64</b>

By Account

## Brian Fritsinger

---

**From:** Brian Fritsinger  
**Sent:** Friday, July 17, 2015 1:13 PM  
**To:** 'Cynthia Haglin'  
**Cc:** Steve Stracek (sstracek@ci.cloquet.mn.us)  
**Subject:** RE: city suppot

Cynthia

Currently the item is scheduled for the Council worksession on Tuesday, July 21. It is the second of two items that the Council is scheduled to discuss at this meeting between 5:30 and 7:00.

I think that it would be important for you to be there to represent the request, to provide more background as to the efforts and status of FOA since you last attended a meeting and requested a financial contribution, and to answer any questions that may be asked. I do not have any formal presentation that I am planning to make to them so for that reason I think your being there will be important.

As I mentioned the meeting will start at 5:30 and I have some other community representatives scheduled to be there first on the agenda and then your item would follow second. I am going to guess around 6:30.

If you have any other questions let me know otherwise I will see you on Tuesday.

Brian

---

**From:** Cynthia Haglin [<mailto:foacindy@yahoo.com>]  
**Sent:** Friday, July 17, 2015 9:51 AM  
**To:** Brian Fritsinger  
**Subject:** Re: city suppot

Hello again,

I am not clear about the Council planning session on Tuesday. Would my presence be helpful? I am happy to attend to be available to answer questions, or make a presentation, whichever is most appropriate. I do not know what else is on the agenda, so if I do not need to be present for any reason, that is fine also.

thank you,

*Cynthia Haglin*  
Director, Friends of Animals Humane Society  
218-879-1655  
[foacindy@yahoo.com](mailto:foacindy@yahoo.com)  
Website: [www.foaonline.org](http://www.foaonline.org)

On Tuesday, June 23, 2015 10:06 AM, Brian Fritsinger <[BFritsinger@ci.cloquet.mn.us](mailto:BFritsinger@ci.cloquet.mn.us)> wrote:

The meeting starts at 5:30 pm and runs until 7.

---

**From:** Cynthia haglin [<mailto:foacindy@yahoo.com>]  
**Sent:** Tuesday, June 23, 2015 9:54 AM



**To:** Brian Fritsinger  
**Subject:** Re: city suppot

Thank you. What time of day is the session?

Sent from my iPhone

On Jun 23, 2015, at 8:25 AM, Brian Fritsinger <[BFritsinger@ci.cloquet.mn.us](mailto:BFritsinger@ci.cloquet.mn.us)> wrote:

Cindy

To date I have not received any more feedback from the City Council. I have tentatively planned for further Council discussion on the matter at the Council's July 21 Work session meeting as they talk about other budget issues. I will let you know for sure if that meeting is a go in the case you would like to attend.

Thanks.

Brian

---

**From:** Cynthia Haglin [<mailto:foacindy@yahoo.com>]  
**Sent:** Friday, June 19, 2015 10:09 AM  
**To:** Brian Fritsinger  
**Subject:** city suppot

Good morning, Brian  
I am just touching base about FOA's previous request for financial support from the city. I believe it was in March when I addressed the council and as I recall, they wanted some time to look at the available funds and consider our request. I have not heard anything since then. Please let me know if there is further information I can provide, and I look forward to any updates you might provide.  
thank you,

*Cynthia Haglin*  
Director, Friends of Animals Humane Society  
218-879-1655  
[foacindy@yahoo.com](mailto:foacindy@yahoo.com)  
Website: [www.foaonline.org](http://www.foaonline.org)

DATE RUN: 07/27/15  
 TIME RUN: 14:41:57  
 ID: UB340000.WOW

CITY OF CLOQUET  
 UTILITY BILLING ACTIVITY

2013 - \$ 2,429.55  
 2014 - \$ 2,652.41  
 2015 To date - \$ 1,249.95

FROM DATE: 01/10/2013  
 TO DATE: 07/27/2015

DATE	ACTIVITY DESCRIPTION	READ TYPE	QUANTITY	AMOUNT
-----				
0126017200-01	FRIENDS OF ANIMALS		1418 HWY 33 S	
-----				
01/10/13	PREVIOUS BALANCE			202.15-
01/10/13	WATER	A	22	48.55
01/10/13	SEWER	A	22	98.05
01/10/13	STORMWATER		2	8.00
01/10/13	SALES TAX			3.34
02/11/13	WATER	A	26	56.55
02/11/13	SEWER	A	26	115.45
02/11/13	STORMWATER		2	8.00
02/11/13	SALES TAX			3.89
02/25/13	PAYMENT: CK CHECK			139.68-
03/08/13	WATER	A	23	50.55
03/08/13	SEWER	A	23	102.40
03/08/13	STORMWATER		2	8.00
03/08/13	SALES TAX			3.48
03/26/13	PAYMENT: CK CHECK			164.43-
04/10/13	WATER	A	26	56.55
04/10/13	SEWER	A	26	115.45
04/10/13	STORMWATER		2	8.00
04/10/13	SALES TAX			3.89
04/22/13	PAYMENT: CK CHECK			183.89-
05/10/13	WATER	A	22	48.55
05/10/13	SEWER	A	22	98.05
05/10/13	STORMWATER		2	8.00
05/10/13	SALES TAX			3.34
05/10/13				.24
06/05/13	PAYMENT: CK CHECK			158.98-
06/10/13	WATER	A	28	60.55
06/10/13	SEWER	A	28	124.15
06/10/13	STORMWATER		2	8.00
06/10/13	SALES TAX			4.16
06/10/13				.30
06/25/13	PAYMENT: CK CHECK			197.16-
07/10/13	WATER	A	29	62.55
07/10/13	SEWER	A	29	128.50
07/10/13	STORMWATER		2	8.00
07/10/13	SALES TAX			4.30
07/10/13				.31
07/26/13	PAYMENT: CK CHECK			203.65-
08/09/13	WATER	A	31	66.55
08/09/13	SEWER	A	31	137.20
08/09/13	STORMWATER		2	8.00
08/09/13	SALES TAX			4.58
08/09/13				.33
08/29/13	PAYMENT: CK CHECK			216.66-

157.94

183.89

164.43

183.89

158.98

197.16

203.65

216.66

GF would actually pay bill at transfer money to water.

Permanent rate vs one time donation

\$2500 in 2015 for ability to pay for 2016

DATE RUN: 07/27/15  
 TIME RUN: 14:41:57  
 ID: UB340000.WOW

CITY OF CLOQUET  
 UTILITY BILLING ACTIVITY

FROM DATE: 01/10/2013  
 TO DATE: 07/27/2015

DATE	ACTIVITY DESCRIPTION	READ TYPE	QUANTITY	AMOUNT
09/10/13	WATER	A	32	68.55
09/10/13	SEWER	A	32	141.55
09/10/13	STORMWATER		2	8.00
09/10/13	SALES TAX			4.71
09/10/13				.34
09/12/13	PAYMENT: CK CHECK			234.04-
10/10/13	WATER	A	29	62.55
10/10/13	SEWER	A	29	128.50
10/10/13	STORMWATER		2	8.00
10/10/13	SALES TAX			4.30
10/10/13				.31
11/06/13	PENALTY ON 10/10/13 BILLING			9.40
11/08/13	WATER	A	35	74.55
11/08/13	SEWER	A	35	154.60
11/08/13	STORMWATER		2	8.00
11/08/13	SALES TAX			5.13
11/08/13				.37
11/14/13	PAYMENT: CK CHECK			750.00-
12/10/13	WATER	A	43	90.55
12/10/13	SEWER	A	43	189.40
12/10/13	STORMWATER		2	8.00
12/10/13	SALES TAX			6.23
12/10/13				.45
01/09/14	WATER	A	31	66.55
01/09/14	SEWER	A	31	137.20
01/09/14	STORMWATER		2	8.00
01/09/14	SALES TAX			4.58
01/09/14				.33
01/16/14	PAYMENT: CK CHECK			206.11-
02/10/14	WATER	A	30	64.55
02/10/14	SEWER	A	30	145.50
02/10/14	STORMWATER		2	8.00
02/10/14	SALES TAX			4.44
02/10/14				.32
03/03/14	PAYMENT: CK CHECK			222.81-
03/10/14	WATER	A	29	62.55
03/10/14	SEWER	A	29	140.75
03/10/14	STORMWATER		2	8.00
03/10/14	SALES TAX			4.30
03/10/14				.31
03/26/14	PAYMENT: CK CHECK			215.91-
04/10/14	WATER	A	32	68.55
04/10/14	SEWER	A	32	155.00
04/10/14	STORMWATER		2	8.00
04/10/14	SALES TAX			4.71
04/10/14				.34
04/23/14	PAYMENT: CK CHECK			236.60-

222.81

203.64

242.65

294.63

FROM DATE: 01/10/2013  
 TO DATE: 07/27/2015

DATE	ACTIVITY DESCRIPTION	READ TYPE	QUANTITY	AMOUNT
05/09/14	WATER	A	36	76.55
05/09/14	SEWER	A	36	174.00
05/09/14	STORMWATER		2	8.00
05/09/14	SALES TAX			5.26
05/09/14				.38
05/20/14	PAYMENT: CK CHECK			264.19-
06/10/14	WATER	A	25	54.55
06/10/14	SEWER	A	25	121.75
06/10/14	STORMWATER		2	8.00
06/10/14	SALES TAX			3.75
06/10/14				.27
07/08/14	PAYMENT: CK CHECK			197.52-
07/08/14	PENALTY ON 06/10/14 BILLING			9.20
07/10/14	WATER	A	30	64.55
07/10/14	SEWER	A	30	145.50
07/10/14	STORMWATER		2	8.00
07/10/14	SALES TAX			4.44
07/10/14				.32
07/21/14	PAYMENT: CK CHECK			221.81-
08/08/14	WATER	A	36	76.55
08/08/14	SEWER	A	36	174.00
08/08/14	STORMWATER		2	8.00
08/08/14	SALES TAX			5.26
08/08/14				.38
08/28/14	PAYMENT: CK CHECK			265.19-
09/10/14	WATER	A	30	64.55
09/10/14	SEWER	A	30	145.50
09/10/14	STORMWATER		2	8.00
09/10/14	SALES TAX			4.44
09/10/14				.32
09/29/14	PAYMENT: CK CHECK			233.70-
10/09/14	WATER	A	27	58.55
10/09/14	SEWER	A	27	131.25
10/09/14	STORMWATER		2	8.00
10/09/14	SALES TAX			4.03
10/09/14				.29
10/29/14	PAYMENT: CK CHECK			191.23-
11/10/14	WATER	A	26	56.55
11/10/14	SEWER	A	26	126.50
11/10/14	STORMWATER		2	8.00
11/10/14	SALES TAX			3.89
11/10/14				.28
11/24/14	PAYMENT: CK CHECK			204.76-
12/10/14	WATER	A	27	58.55
12/10/14	SEWER	A	27	131.25
12/10/14	STORMWATER		2	8.00
12/10/14	SALES TAX			4.03

DATE RUN: 07/27/15  
 TIME RUN: 14:41:57  
 ID: UB340000.WOW

CITY OF CLOQUET  
 UTILITY BILLING ACTIVITY

FROM DATE: 01/10/2013  
 TO DATE: 07/27/2015

DATE	ACTIVITY DESCRIPTION	READ TYPE	QUANTITY	AMOUNT
12/10/14				.29
12/26/14	PAYMENT: CK CHECK			<del>192.58-</del>
01/09/15	WATER	A	24	52.55
01/09/15	SEWER	A	24	117.00
01/09/15	STORMWATER		2	8.00
01/09/15	SALES TAX			3.61
01/09/15				.26
01/20/15	PAYMENT: CK CHECK			181.42-
02/10/15	WATER	A	22	48.55
02/10/15	SEWER	A	22	107.50
02/10/15	STORMWATER		2	8.00
02/10/15	SALES TAX			3.34
02/10/15				.24
02/18/15	PAYMENT: CK CHECK			175.82-
03/10/15	WATER	A	29	62.55
03/10/15	SEWER	A	29	140.75
03/10/15	STORMWATER		2	8.00
03/10/15	SALES TAX			4.30
03/10/15				.31
03/16/15	PAYMENT: CK CHECK			207.72-
04/10/15	WATER	A	28	60.55
04/10/15	SEWER	A	28	136.00
04/10/15	STORMWATER		2	8.00
04/10/15	SALES TAX			4.16
04/10/15				.30
04/27/15	PAYMENT: CK CHECK			209.01-
05/08/15	WATER	A	19	42.55
05/08/15	SEWER	A	19	93.25
05/08/15	STORMWATER		2	8.00
05/08/15	SALES TAX			2.93
05/08/15				.21
05/08/15				.21
05/28/15	PAYMENT: CK CHECK			147.15-
06/10/15	WATER	A	19	42.55
06/10/15	SEWER	A	19	93.25
06/10/15	STORMWATER		2	8.00
06/10/15	SALES TAX			2.93
06/10/15				.21
06/10/15				.21
06/19/15	PAYMENT: CK CHECK			147.15-
07/10/15	WATER	A	24	52.55
07/10/15	SEWER	A	24	117.00
07/10/15	STORMWATER		2	8.00
07/10/15	SALES TAX			3.61
07/10/15				.26
07/10/15				.26
07/17/15	PAYMENT: CK CHECK			181.68-
			BALANCE:	.00 *

## 2015 Minnesota Statutes

[Authenticate](#)

### 343.11 ACQUISITION OF PROPERTY, APPROPRIATIONS.

Every county and district society for the prevention of cruelty to animals may acquire, by purchase, gift, grant, or devise, and hold, use, or convey, real estate and personal property, and lease, mortgage, sell, or use the same in any manner conducive to its interest, to the same extent as natural persons. The county board of any county, or the council of any city, in which such societies exist, may, in its discretion, appropriate for the maintenance and support of such societies in the transaction of the work for which they are organized, any sums of money not otherwise appropriated; provided, that no part of the appropriation shall be expended for the payment of the salary of any officer of the society.

**History:** RL s 3127; 1913 c 31 s 1; 1955 c 366 s 1; 1973 c 123 art 5 s 7; 1973 c 187 s 1; 1975 c 369 s 8; 1985 c 69 s 1; 1987 c 394 s 6; 2005 c 152 art 1 s 5; 2009 c 94 art 1 s 93

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## RELEVANT LINKS:

Minn. Stat. § 465.039.  
Minn. Stat. § 465.037.  
Minn. Stat. § 469.191.  
Sections II-R, *Hospitals and EMS* and II-K, *Economic development*.

Minn. Stat. § 343.11.

Minn. Stat. § 465.90.

A.G. Op. (June 27, 1997)  
(informal letter opinion to Staples).

Minn. Stat. § 471.96.

Minn. Stat. § 465.58.

### 4. Community food shelves

Any city or county may appropriate an amount to provide grants to nonprofit organizations that operate community food shelves and provide food to the needy without charge. There is also authority to provide public money to support hospitals and certain economic development organizations. These circumstances are discussed in more detail in a later part of this memo.

### 5. Prevention of cruelty to animals

If a city contains a society for the prevention of cruelty to animals (SPCA), it may appropriate for the maintenance and support of that SPCA “in the transaction of the work for which they are organized” any sum of money not otherwise appropriated. However, no part of such an appropriation may be expended for the payment of the salary of any officer of the society.

### 6. Solicitation of donations by firefighters

In spite of any law or ordinance to the contrary, any city may by resolution allow full-time firefighters employed by the city while on duty, or volunteer firefighters serving the city while not on duty, to solicit charitable contributions from motorists. A city that wishes to do this must follow certain strict requirements provided in statute.

### J. Dues

According to the attorney general, cities cannot join or become members of “private” organizations, absent specific statutory authority—even if there is specific authority to contribute to the organization. And without authorization for membership, there is no authority to pay for membership. However, as noted previously, instead of paying dues, a council may contract and pay for services generally provided by an organization if doing so achieves one of council’s powers.

All cities, counties, and towns may appropriate money for membership in county, regional, state, and national associations of a civic, educational, or governmental nature. The associations must have as their purpose the betterment and improvement of municipal governmental operations. This authorization also allows these public entities to participate in the meetings and activities of these associations.

All cities and urban towns in Minnesota may appropriate money to pay dues to become members of the League of Minnesota Cities.

**RELEVANT LINKS:**

Minn. Stat. § 471.476.

Minn. Stat. § 412.221, subd. 21.

Minn. Stat. § 465.69.

Minn. Stat. § 412.221, subd. 3.  
LMC information memo, *Purchase and Sale of Real Property*.

Minn. Stat. § 463.152.

Minn. Stat. § 465.01.  
Minn. Stat. ch. 117.

Minn. Stat. § 463.02.

Minn. Stat. § 471.631.

A.G. Op. 355-a (Aug. 23, 1972).

### **3. Ambulance**

All cities, towns, hospital districts, and counties (except for Hennepin County) have the authority to provide ambulance services.

### **4. Animal pounds**

All statutory cities have the authority to establish animal pounds.

### **5. School patrols**

Statutory cities may pay for the cost of training of school patrol members, including attendance at any authorized school patrol camp within Minnesota.

## **DD. Real property**

All statutory cities have the power to buy or lease land and buildings. Charter cities usually have similar powers in their city charters. To receive a copy of the LMC research information memo on city real estate transactions, contact the League.

State statute permits all cities, towns, and counties to spend money to acquire hazardous buildings and real estate using eminent domain. The statute specifically declares this action to be a public purpose.

Any city may acquire private property using eminent domain, whether it is located inside or outside the city limits.

Any city may acquire building line easements by purchase, grant, or condemnation.

## **EE. Rewards**

Any city may offer a reward for information leading to the apprehension, charging, or conviction of an individual who has committed a felony crime within the city's limits. The statute also allows a city to fund the payment of a reward that is offered by a nonprofit organization for the same information. The dollar amount is not set by statute, but must be one deemed appropriate by the council.

In a 1972 attorney general opinion, it was determined a city had the authority to offer a reward for information leading to the arrest and conviction of the person who had shot at animals in the city's zoo. In this opinion, the attorney general concluded that the general welfare clause in the city's charter permitted the city to take reasonable measures of self-protection to preserve its property due to threats.



## 2015 Minnesota Statutes

Authenticate

### 412.221 SPECIFIC POWERS OF COUNCIL.

Subdivision 1. **Books; stationery; printing.** The council shall have power to procure the books to be kept by the officers, and such furniture, property, stationery, printing, and office supplies as are necessary for city purposes.

Subd. 2. **Contracts.** The council shall have power to make such contracts as may be deemed necessary or desirable to make effective any power possessed by the council. The city may purchase personal property through a conditional sales contract and real property through a contract for deed under which contracts the seller is confined to the remedy of recovery of the property in case of nonpayment of all or part of the purchase price, which shall be payable over a period of not to exceed five years. When the contract price of property to be purchased by contract for deed or conditional sales contract exceeds 0.24177 percent of the estimated market value of the city, the city may not enter into such a contract for at least ten days after publication in the official newspaper of a council resolution determining to purchase property by such a contract; and, if before the end of that time a petition asking for an election on the proposition signed by voters equal to ten percent of the number of voters at the last regular city election is filed with the clerk, the city may not enter into such a contract until the proposition has been approved by a majority of the votes cast on the question at a regular or special election.

Subd. 3. **Buildings.** The council shall have power to construct or acquire structures needed for city purposes, to control, protect, and insure the public buildings, property, and records.

Subd. 4. [Repealed, 1963 c 798 s 16]

Subd. 5. **Actions at law.** The council shall have power to provide for the prosecution or defense of actions or proceedings at law in which the city may be interested and it may employ counsel for the purpose.

Subd. 6. **Streets; sewers; sidewalks; public grounds.** The council shall have power to lay out, open, change, widen or extend streets, alleys, parks, squares, and other public ways and grounds and to grade, pave, repair, control, and maintain the same; to establish and maintain drains, canals, and sewers; to alter, widen or straighten watercourses; to lay, repair, or otherwise improve or discontinue sidewalks, paths, and crosswalks. It shall have power by ordinance to regulate the use of streets and other public grounds, to prevent encumbrances or obstructions, and to require the owners or occupants of buildings and the owners of vacant lots to remove any snow, ice, dirt, or rubbish from the sidewalks adjacent thereto and in default thereof to cause such encumbrances, obstructions, or substances to be removed and the cost to be assessed against the property as a special assessment.

Subd. 7. **Lighting streets.** The council shall have power to provide for lighting the streets, buildings, or grounds by gas, electricity or other means, and to contract with anyone engaged in the business of furnishing gas or electric service for the supply of such service to the city and its inhabitants.

Subd. 8. **Parks, trees.** The council shall have power to provide for, and by ordinance regulate, the setting out and protection of trees, shrubs, and flowers in the city or upon its property.

Subd. 9. **Cemeteries.** The council shall have power to acquire by purchase, gift, devise, condemnation or otherwise, hold and manage cemetery grounds, to enclose, lay out and ornament such grounds and sell and convey lots therein. It may by ordinance regulate cemeteries and the disposal of dead bodies.

Subd. 10. **Markets.** The council shall have power to establish markets, provide public scales, and appoint a weighmaster. It may by ordinance regulate markets and the use of scales and restrain sales in streets.

Subd. 11. **Waterworks.** The council shall have power to provide and by ordinance regulate the use of wells, cisterns, reservoirs, waterworks, and other means of water supply.

Subd. 12. **Harbors, docks.** The council shall have power to establish harbor and dock limits and by ordinance regulate the location, construction and use of piers, docks, wharves, and boat houses on navigable waters and fix rates of wharfage. The council may construct and maintain public docks and warehouses and by ordinance regulate their use.

Subd. 13. **Ferries.** The council shall have power to acquire and operate ferries across any river flowing through or by the city.

Subd. 14. **Tourist camps; parking facilities.** The council shall have power to acquire, improve and operate, and by ordinance regulate tourist camps and automobile parking facilities.

Subd. 15. **Music.** The council shall have power to provide free musical entertainment.

Subd. 16. **Hospitals.** The council shall have power to provide hospitals. The council of any city operating a municipal hospital may by ordinance establish a hospital board with such powers and duties of hospital management and operation as the council confers upon it; and the council may, by vote of all five members, abolish any board so established. The board shall consist of five members, each appointed by the mayor with the consent of the council for a term of five years. Terms of the first members shall be so arranged that the term of one member expires each year. Any vacancy shall be filled for the unexpired portion of the term in which it occurs. Any member may be removed by the mayor with the consent of the council for cause after a hearing.

The council may by ordinance authorize the hospital board to establish a separate fund in the city treasury into which all of its revenues shall be deposited. The hospital board shall, in the same manner as the council under section 412.271, subdivision 1, and to the same extent, audit claims to be paid from the fund. The secretary of the board shall draw an order upon the treasurer for the proper amount allowed by the board. Upon counter signature by the president of the board and presentation, orders shall be paid by the treasurer.

Subd. 17. **Fire prevention.** The council shall have power to establish a fire department, appoint its officers and members and prescribe their duties, and provide fire apparatus. It shall have power to adopt such ordinances as are reasonable and expedient to prevent, control, or extinguish fires.

Subd. 18. **Street names, numbers.** The council shall have power by ordinance to name or rename the streets and public places of the city and to number or renumber the lots and blocks of the city, or any part thereof. It may make and record a consolidated plat of the city.

Subd. 19. **Transient commerce.** The council shall have power by ordinance to restrain or license and regulate auctioneers, transient merchants and dealers, hawkers, peddlers, solicitors, and canvassers.

Subd. 20. **Taxis, haulers, car renters.** The council shall have power by ordinance to license and regulate baggage wagons, dray drivers, taxicabs, and automobile rental agencies and liveries. At a minimum, an ordinance to license or regulate taxicabs or small vehicle passenger service must provide for driver qualifications, insurance, vehicle safety, and periodic vehicle inspections.

Subd. 21. **Animals.** The council shall have power by ordinance to regulate the keeping of animals, to restrain their running at large, to authorize their impounding and sale or summary destruction, and to establish pounds, and to license and regulate riding academies.

Subd. 22. **Health.** (a) The council shall have power by ordinance:

(1) to prohibit or regulate slaughterhouses;

(2) to prevent the bringing, depositing, or leaving within the city of any unwholesome

substance or deposit of solid waste within the city not otherwise authorized by law, to require the owners or occupants of lands to remove unwholesome substances or the unauthorized deposit of solid waste and if it is not removed to provide for its removal at the expense of the owner or occupant, which expense shall be a lien upon the property and may be collected as a special assessment;

(3) to provide for or regulate the disposal of sewage, garbage, and other refuse; and

(4) to provide for the cleaning of, and removal of obstructions from, any waters in the city and to prevent their obstruction or pollution.

(b) The council may also seek civil penalties and damages from persons responsible for unauthorized deposit of solid waste under section 115A.99, which, if unpaid, may be imposed as a lien on property owned by the responsible persons and collected as a special assessment.

(c) The council may establish a community health board as defined in section 145A.02, subdivision 5, with all the powers of such boards under the general laws.

Subd. 23. **Nuisances.** The council shall have power by ordinance to define nuisances and provide for their prevention or abatement.

Subd. 24. **Noise and disorder.** The council shall have power by ordinance to regulate and prevent noise or other disorder.

Subd. 25. **Amusements.** The council shall have power by ordinance to prevent or license and regulate the exhibition of circuses, theatrical performances, amusements, or shows of any kind, and the keeping of billiard tables and bowling alleys, to prohibit gambling and gambling devices, and to license, regulate or prohibit devices commonly used for gambling purposes.

Subd. 26. **Vice.** The council shall have power by ordinance to restrain and punish vagrants, prostitutes, and persons guilty of lewd conduct.

Subd. 27. **Dances.** The council shall have power by ordinance to license and regulate the operation of public dance halls and the conduct of public dances.

Subd. 28. **Regulation of buildings.** The council shall have power by ordinance to regulate the construction of buildings.

Subd. 29. [Repealed, 1965 c 670 s 14]

Subd. 30. **Restaurants.** The council shall have power by ordinance to license and regulate restaurants and public eating houses, except that a restaurant or delicatessen in a grocery store is subject only to regulation under chapter 28A.

Subd. 31. **Sewer and water connections.** The council shall have power by ordinance to require the owner of any property abutting on or adjacent to any street in which sewer and water mains have been laid to install a toilet in any dwelling or commercial establishment upon such property and connect it with the sewer and water mains and in default thereof to provide for the installation of such toilet and charging the cost against the property as a special assessment.

Subd. 32. **General welfare.** The council shall have power to provide for the government and good order of the city, the suppression of vice and immorality, the prevention of crime, the protection of public and private property, the benefit of residence, trade, and commerce, and the promotion of health, safety, order, convenience, and the general welfare by such ordinances not inconsistent with the Constitution and laws of the United States or of this state as it shall deem expedient.

Subd. 33. **Advisory elections in certain cases.** When the council has sole authority to decide whether the city should join a special district or similar independent governmental body having taxing powers within the city, the council shall have authority to submit to the voters at a regular or special election the question of whether the municipality should join such a body. The results of the election on the question so submitted shall be advisory to the council only and shall have no binding effect upon its decision to join or withdraw from

the special district or similar independent body.

Subd. 34. **Decorations.** The council shall have the power to provide decorations, signs, plaques, and attached accessories for public streets, buildings, and parks.

**History:** 1949 c 119 s 29; 1955 c 270 s 1; 1961 c 230 s 2, 3; 1967 c 289 s 7; 1973 c 35 s 69; 1973 c 123 art 2 s 1 subd 2; 1975 c 30 s 1; 1986 c 444; 1987 c 309 s 24; 1988 c 719 art 5 s 84; 1989 c 329 art 13 s 20; 1Sp1989 c 1 art 20 s 26; 1990 c 480 art 9 s 17; 1990 c 493 s 1; 1991 c 52 s 5; 1994 c 412 s 5; 1999 c 238 art 2 s 74; 2013 c 143 art 14 s 65; 2014 c 291 art 7 s 28, 29

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**REQUEST FOR COUNCIL ACTION**

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To: Mayor and City Council  
From: Brian Fritsinger, City Administrator   
Date: September 15, 2015

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**ITEM DESCRIPTION:** Group Health Insurance Renewal

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**Proposed Action**

Staff recommends that the City Council move to approve the City's health insurance plan renewal with Blue Cross Blue Shield (BCBS) for the 2016 calendar year.

**Background/Overview**

The City currently provides health insurance to its employees of which are part of the AFSCME bargaining unit and supervisory group through the Northeast Service Cooperative. Under this relationship, the City is part of a larger pool of Cities, Counties and other governmental agencies that collaborate on the provision of health insurance.

BCBS is the current provider of health care coverage through NESC. The Cooperative follows a bid process as required under State Statute to select a provider for its members. The Cooperative completed its most recent bid process in 2013 and continues to work with BCBS as the carrier of choice for the next few years.

The Cities plan operates on a calendar year. Each August the provider supplies each member organization with its renewal data which includes rate changes and other changes to the insurance coverage. The Cities rate renewal is proposed to increase by 7.6% for the two different plans that we offer our employees. Other changes are identified on the group renewal bulletin attached.

The City is required each year to formally accept the renewal or identify issues of concern that need to be addressed. Staff has met with representatives of NESC and BCBS over the past two weeks discussing the plan renewal. Staff has not identified any specific issues of concern that negatively impact the City or negatively impact the staff in terms of the renewal.

**Policy Objectives**

The City obtains its health insurance under the cooperative arrangement as permitted under Minnesota Statute 123A.2 and 471.345 which address the cooperative bidding authority and joint powers arrangements of the cooperatives. The City Council as the employer has, through its labor contracts, agreed to provide its employees with a health insurance plan. The City Council must act to accept the renewal to complete the process for 2016.

**Financial/Budget/Grant Considerations**

The renewal includes a 7.6% increase which has been included in the preliminary and proposed 2016 operating budget.

**Advisory Committee/Commission Action**

- None

**Supporting Documentation Attached**

- Renewal Bulletin

# 2016 Group Renewal Bulletin

Blue Cross and Blue Shield of Minnesota  
Service Cooperatives



Enclosed is your 2016 Group Renewal Bulletin, which outlines benefit clarifications, process modifications and other plan changes that may affect your employees and their covered beneficiaries. You may receive a second bulletin later this year that outlines any pertinent legislative actions, if they impact your health plan.

This bulletin provides a summary of changes or informational items that will be implemented with your health plan renewal, on or after January 1, 2016.

## Action required

Please share this information with your plan members as part of your annual health plan renewal process. The changes will also be reflected in the 2016 Summary Plan Description issued to each employee under the plan. For the most current and detailed medical policy descriptions, members may also be directed online to [bluecrossmn.com](http://bluecrossmn.com).

If you have questions about this bulletin or the information provided in it, please contact your agent or Blue Cross and Blue Shield of Minnesota and Blue Plus account manager.

## Grandfathered plans

Service Cooperative grandfathered plans must complete and sign the Plan Election form each plan year. The form must be received within 10 business days of your next plan year, or your plan will be considered non-grandfathered and all applicable health care reform provisions will be applied to your plan. An electronic copy of the form can be found on our employer portal at [employers.bluecrossmn.com](http://employers.bluecrossmn.com).

The form can be located under Forms and Guides. Please complete the form and email it to your Blue Cross account manager.

Note: Electronic signatures are accepted.

## Summary of Benefit Coverage (SBC)

Reminder, SBCs must be provided to all eligible enrollees at the first day of open enrollment or if no open enrollment, 30 days before the first day of the plan year.

## Affordable Care Act (ACA) assessments

ACA-required fees that apply to your 2016 plan:

The Patient Centered Outcomes Research Institute (PCORI) Fee was established by the Federal Government as a part of the Affordable Care Act. This fee is annually increased based on medical inflation. The PCORI fee will need to be paid directly by the group to the Federal Government. This fee is not included in your 2016 renewal.

# 2016 Group Renewal Bulletin

Blue Cross and Blue Shield of Minnesota  
Service Cooperatives



Temporary reinsurance fee. This fee is a funding mechanism for the ACA that funds a temporary reinsurance pool for the individual market is composed of an assessment of \$27.00 per member that applies for the 2016 benefit year.

This fee also needs to be paid directly by your group to the Federal Government. The Service Cooperatives have included an estimate for the reinsurance fee in this renewal to assist in your budgeting for this fee.

## **Employer shared responsibility**

Large employers must offer affordable health coverage that provides a minimum level of coverage to full-time employees and their dependents, or they may be subject to a penalty. An employer may be subject to an employer shared responsibility penalty if at least one of its full-time employees receives a premium tax credit for purchasing individual coverage through the Health Insurance Marketplace. These rules are commonly known as “pay or play.”

In 2016, the employer responsibility provision will apply to employers with 50 or more full-time/ full-time equivalent employees.

Under the rule employers with 50 or more full-time/ full-time equivalent employees must provide the minimum level of coverage to at least 95 percent of their full-time employees to avoid a penalty for failing to offer health coverage.

## **Information reporting for proof of essential coverage**

Under final ACA information reporting rules published by the IRS, entities (insurers and self-funded plans) providing minimum essential coverage to an individual during the calendar year must file an information return and transmittal to the IRS and furnish statements to individuals under IRS code 6055 by January 31, 2016 for the 2015 coverage year.

Blue Cross does not produce Form 1095 to individuals who are covered under a self-insured plan. Employers can follow their current process for requesting information from Blue Cross or can use the information found in the self-service reporting tools available under the Blue Avenue portal to obtain assistance with data collection for their own reporting.

## **Reporting requirement for applicable large employers**

Self-insured large group employers that are subject to the Employer Shared Responsibility will be required to report information to individuals and as a transmittal to the IRS about health coverage, under IRS code 6056 by January 31, 2016 for the 2015 coverage year.

Blue Cross does not produce reporting on behalf of any large employer for purposes of fulfilling the Information Reporting Requirements by Applicable Large Employers under IRC § 6056. Employers can follow their current process for requesting information from Blue Cross or can use the information found in the self-service reporting tools available under the Blue Avenue portal to obtain assistance with data collection for their own reporting.

# 2016 Group Renewal Bulletin

Blue Cross and Blue Shield of Minnesota  
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## Excise Tax (Cadillac Tax)

Beginning in 2018, a 40% excise tax is set to be imposed on the value of employer sponsored coverage with coverage costs exceeding a specified threshold. The tax will be based on the premium held for your insurance coverage.

## Other Required Changes, Notifications and Reminders

### Blue Distinction Transplant Centers

Blue Cross and its Host Blues maintain contracts with participating providers to make transplant services available to members through the Blue Distinction Centers for Transplant or Blue Distinction Centers for Transplant Plus Networks. These Networks provide members with access to national transplant centers that meet specific quality and/or cost criteria. The applicable usage fee is \$1,700 per transplant claim. This amount will be coordinated through the pool Rate Stabilization Reserve (RSR).

### Creditable coverage disclosure for pharmacy benefits

There are two disclosures relating to creditable coverage: 1) Disclosure to Medicare-eligible members; and 2) Disclosure to Centers for Medicare & Medicaid Services (CMS).

Member notification of creditable coverage status is due each year on October 15, upon member request, upon plan design change or upon termination of coverage. Member notification is the employer's responsibility.

Employers must also disclose creditable coverage status to CMS, which includes information relating to the prior disclosure to members. The CMS disclosure must be provided annually within 60 days after the beginning date of the plan year. Detailed instructions and requirements regarding member notification and CMS disclosure can be found at [cms.hhs.gov/creditablecoverage](http://cms.hhs.gov/creditablecoverage).

Your Blue Cross account manager can provide information regarding the creditable or non-creditable status of your plan.

If an employer does not offer prescription drug benefits to any Medicare-eligible individuals, the employer is not required to fulfill the member disclosure nor the disclosure to CMS in that plan year.

### Out-of-pocket maximum requirements

In the final Notice of Benefit and Payment Parameters for 2016, the Department of Health and Human Services (HHS), clarified that the self-only maximum annual limitation on cost sharing (OOP maximum) applies to each individual, regardless of whether the individual is enrolled in self-only coverage or in coverage other than self-only (i.e. family coverage). On May 26, 2015 the Departments of HHS, Labor, and Treasury (the Departments), jointly released an FAQ clarifying that this requirement also applies to non-grandfathered large group plans.

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January Renewals

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Only  
HSA  
plans  
1/1/16



# 2016 Group Renewal Bulletin

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This requirement affects embedded and non-embedded plans.

## Embedded vs. non-embedded OOP maximum

- Plans with an “embedded” OOP maximum generally begin paying benefits that require cost sharing for a family member once he or she meets his or her own OOP maximum.
- Plans with a “non-embedded OOP maximum generally require the entire family OOP maximum to be met before cost sharing benefits are paid for any given family member.

The regulations have specific requirements regarding family cost sharing accumulations. This impacts the ability for a plan to have an embedded or non-embedded OOP maximum.

The May 26<sup>th</sup> FAQ is available to view at: <http://www.dol.gov/ebsa/fags/faq-aca27.html>

The limitation on cost-sharing (OOP maximum) is an annually determined cap on the amount of cost-sharing a member must pay out-of-pocket for covered health care costs, including:

- Deductibles
- Copays
- Coinsurance

This does not include the premium amount for the plan.

The out-of-pocket (OOP) maximum for the plan can be no greater than the self-only or other than self-only cap established for that year for the relevant coverage type. Cost-sharing accumulates to the OOP max based on:

- Covered Benefits (Essential Health Benefits (EHBs), EHB and other designated benefits or all benefits)
- Network (in-network only or more generous network tiers); and
- Plan design

For plan years beginning on or after January 1, 2016, the max OOP limits are:

- \$6,850 for single coverage (in-network only)
- \$13,700 for family coverage (in-network only)

## Employer Implications:

- Large employers will need to evaluate their OOP maximum and make adjustments to their deductible and OOP maximums for 2016 as needed according to these new guidelines.
- Unless the family OOP amount is \$6,850 or less the plan must have an embedded individual out-of-pocket maximum to meet the requirements outlined in the May 26, 2015 FAQ guidance.
- Group who have a separate OOP maximum for medical and pharmacy must not exceed the OOP maximum when the two separate OOP maximums are combined.

# 2016 Group Renewal Bulletin

Blue Cross and Blue Shield of Minnesota  
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## Minimum Value Plans

- Fully insured and self-insured large groups are also required to have a minimum value of at least 60%.
- Note the federal minimum value (MV) calculator has not been updated since 2014 and only allows an OOP maximum up to \$6,350 single/\$12,700 family. Due to this conflict, Blue Cross only allows large group plans with an embedded OOP maximum of \$6,350 single/\$12,700 family. Large group plans with a non-embedded OOP maximum are not affected by the MV calculator limitation.

## **2016 limits for health savings accounts:**

The Internal Revenue Service (IRS) 2016 contribution limits for health savings accounts (HSAs), out-of-pocket maximums, and minimum deductible levels for high-deductible health plans are as follows:

### 2016 Minimum Deductibles for HSA Compliant HDHPs

- Individual \$1,300 (unchanged from 2015 limit)
- Family \$2,600 (unchanged from 2015 limit)

### 2016 Maximum Out-of-Pockets for HSA Compliant HDHPs

- Individual \$6,550 (2015 limit is \$6,450)
- Family \$13,100 (2015 limit is \$12,900)

### 2016 Maximum Annual Contribution Levels

- Individual \$3,350 (unchanged from 2015 limit)
- Family \$6,750 (2015 limit is \$6,650)
- "Catch up" amount for 55+ account holders is \$1,000 (unchanged)

## **Guidance for designing an HSA-compliant health plan that has 4<sup>th</sup> quarter deductible carryover and/or individual "embedded" deductibles:**

### **4<sup>th</sup> quarter carryover**

If an HSA-compliant HDHP design includes the benefit of 4<sup>th</sup> quarter carryover, the minimum annual deductible must be increased by 25 percent to accommodate the extended deductible period. This means that in 2016, plans with 4<sup>th</sup> quarter carryover must have a deductible of at least \$1,625 for individual coverage and \$3,250 for family coverage.

### **HSA-compliant HDHP with an embedded deductible**

It is permissible to have an individual member (embedded) deductible on family policies as long as the individual deductible is not less than the minimum family deductible amount established by HSA law (\$2,600 in 2016).

1/20/16

# 2016 Group Renewal Bulletin

Blue Cross and Blue Shield of Minnesota  
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## 4<sup>th</sup> quarter carryover and an embedded deductible

If a group wants both an individual “embedded” deductible and 4<sup>th</sup> quarter deductible carryover, the minimum individual deductible required is \$3,250 (\$2,600 based on the embedded deductible rule, plus an additional 25 percent based on the fourth quarter deductible carryover rule).

## Value Based Programs (VBPs)

The Blue Cross and Blue Shield of Minnesota local provider network value based program, previously called Performance Based Provider Reimbursement (PBPR), will now be called Value Based Program Reimbursement (VBPR).

Value Based Program Reimbursement is now integrated across all the national Blue Cross plans. These integrated solutions provide employees access to locally developed, value-based care programs, delivered on a national scale. FBPR providers have access to more information on their attributed patients and can more easily identify gaps in care, develop comprehensive care plans and prevent unnecessary care and avoidable adverse events. VPBRs align healthcare payments with improved member health outcomes to deliver maximum value to employers and their employees, resulting in lower cost trends over time through better coordinated care and performance-based payment using nationally consistent criteria.

Group health plans will pay a per attributed member per month (PaMPM) fee for their members who are attributed to a VBPR program in State outside of Minnesota. On average, The National Blue Cross Association has projected that VBPs should save employers \$10 PaMPM. Note that per attributed member cost would only pertain to members who get the majority of their care in States other than Minnesota.

## Health and Wellness Changes, Updates

### Healthy Start/Maternity Management

Effective January 1, 2016, the Healthy Start Program will be discontinued as it exists today. A new Maternity Management Program will be available for all members at that time.

#### What is the Maternity Management Program?

The Maternity Management Program offers an expectant mother the tools and support needed throughout her pregnancy to help her make better informed decisions about her healthcare, in conjunction with her provider.

#### Who is eligible?

The program is included for any member carrying a current Blue Cross identification card.

# 2016 Group Renewal Bulletin

Blue Cross and Blue Shield of Minnesota  
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## How do members enroll?

Members who Blue Cross identifies as high risk will be active outreach performed by a nurse with specific training in obstetrics. All other lower risk members must contact Blue Cross to opt-in to the program. Members can call toll free number to enroll Monday through Friday, 8:00 a.m. – 4:30 p.m. Central Standard Time. After hours members may leave a message and will receive a return call from a health coach.

## What do members get when they enroll?

By enrolling in the Maternity Management Program, the expectant mother will receive:

- Access to a health coach, Registered Nurse (RN) with expertise in obstetrics and perinatal
- Comprehensive pregnancy and baby health education tools.

## What reporting is available?

Aggregate enrollment reports are available on a quarterly and annual basis at no cost.

## BlueCore Platform Member Migration - Health and Wellness Impact

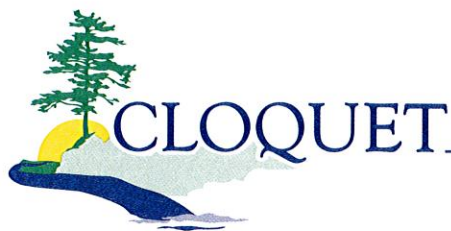
All Blue Cross Blue Shield of Minnesota members will be migrating to a new claims and eligibility platform over the next three years. Once this migration occurs, members will have access to new health and wellness tools.

Minnesota Service Cooperative group will migrate to this new BlueCore claims platform upon renewal in 2017. Group migrating to BlueCore will be required to re-register for online employer and member portals.

The new health and wellness tools will generally provide the current capabilities members have access to today, such as online health coaching, health risk assessment, educational tools and resources. In addition, members will gain access to several new capabilities, including:

- Mobile Apps
- Personal Health Record (PHR)
  - Health Summary Reports
  - Sharing of PHR Data with Providers
  - Health Record Portability / Universal Access
- Device Connection Center
- Message Board Exchanges

In addition to the changes to the health and wellness resources, upon migration, groups who have purchased health and wellness incentives will move to a new platform. This transition will provide a better integrated member experience by utilizing one integrated platform and data source.



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**REQUEST FOR COUNCIL ACTION**

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To: Mayor and City Council  
From: Brian Fritsinger, City Administrator  
Date: September 23, 2015



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**ITEM DESCRIPTION:** Home for the Holidays Celebration

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**Proposed Action**

Staff recommends that the City Council move to approve the closure of Cloquet Avenue from 8<sup>th</sup> Street to 22<sup>nd</sup> Street on December 5, 2015 from 5:00 p.m. to 7:00 p.m. for the Home for the Holidays parade; discuss the recognition of this event as a community event for liability insurance purposes; and the use of the City's parking lot at 1111 Cloquet Avenue.

**Background/Overview**

Enclosed the City Council will find a request from Alyson Leno, representing the Home for the Holidays Celebration, seeking approval to hold the event and related activities again this year. Similar to past years, the event will kick off with the parade.

The remainder of items described are either new this year or planned in new locations. Historically, the events have been held in either Veterans or Pinehurst Parks. Due to the construction project at Pinehurst Park, it is proposed to move most of the events to Dunlap Island/Voyageurs Park.

In addition to the parade, there are two items that require City Council discussion. First, the celebration committee is asking that the City recognize the event as a City sponsored event. Thus, the event and volunteers working on the event would fall under the City's Event Liability coverage. This celebration has historically been sponsored and coordinated by the business community. The City is currently assisting in the preparation for the event by funding the Events Coordinator position. There is no additional cost to the City in regards to its Event Liability insurance if the Council were to designate this as a community event.

Second, the event organizers are asking to utilize the City's parking lot on the corner of 11<sup>th</sup> Street and Cloquet Avenue as a gathering place and with fire barrels placed on the property. The City has previously allowed such activity on this lot prior to it being reconstructed and paved. If allowed, the fire barrels will be arranged in a way that no damage can occur to the lot.

**Policy Objectives**

The support of this type of community event is not directly addressed in any City policy or ordinance. The objective of this event is to promote community pride and encourage both local residents and non-local shoppers to participate. Support would be consistent with the City's decision to ask its Event Coordinator to assist with the event.

**Financial/Budget/Grant Considerations**

Some staff is required for clean-up and barricading of streets. The insurance costs will fall under the City's existing liability coverage. There will be some direct cost to the City as it relates to garbage removal. Finally, the lighting and skating rinks on Dunlap Island will result in some direct costs to the City.

**Advisory Committee/Commission Action**

The Parks Commission will be asked to authorize the use of the parks at a future meeting.

**Supporting Documentation Attached**

- Request from Alyson Leno

September 22, 2015

Cloquet City Council  
1307 Cloquet Avenue  
Cloquet, MN 55720

City Council:

Santa's Home for the Holiday's Celebration is right around the corner and our committee is in the process of putting together an eventful weekend with FREE holiday activities for families and residents from Cloquet and the surrounding communities. Below, you will find a list regarding approvals needed for the Santa's Home for the Holiday's Celebration.

1. Street Closures
  - a. December 5<sup>th</sup>: Industrial Avenue, 4:30-6:00pm (parade line-up)
  - b. December 5<sup>th</sup>: Cloquet Avenue, 6:00-7:00pm (parade)
2. Street Usage
  - a. December 5<sup>th</sup>: We will be offering trailer rides between Daugherty Appliance, MCCU and Cloquet Ford as these three sites will be hosting events.
3. Use of Parks
  - a. October 16 - December 3<sup>rd</sup>: Voyagers Park, all day (Bentley light display set-up. He recommends we get these set up earlier than later due to weather). The light display is planned to be set up along the walking trail in the park.
  - b. December 4<sup>th</sup>: Voyagers Park, all day (lighting of the Christmas Tree/Bentley Lights)
    - i. Presentation of the lights for the community.
  - c. December 4<sup>th</sup>-5<sup>th</sup>: Voyagers Park. We'd like to host a hockey tournament over this weekend, weather permitting. Would the City be able to put together two ice rinks (boards not needed) in the park to host this tournament?
    - i. Throughout the winter months, these ice rinks could be utilized by the community in front of the Bentley and Tree light displays.
  - d. December 5<sup>th</sup> – December 31<sup>st</sup>:
    - i. Every evening, like Spafford Park, we would request that these lights be turned on for the month of December.
    - ii. We'd like to request the walking trail along the river be plowed throughout the winter for community members to walk and see the displays.
    - iii. Would the City pay for the park and electricity for the month?
4. Use of Parking Lot
  - a. City parking lot on Cloquet Avenue, in front of the Carlton County building
    - i. We'd like to have fire barrels to keep people warm before/during/after the parade.
5. Insurance
  - a. Like the July 4<sup>th</sup> Celebration, we would like to request Santa's Home for the Holiday's Celebration be covered under the City of Cloquet's insurance policy.

Thank you for your consideration regarding the Santa's Home for the Holiday's Celebration approvals.

Alyson Leno  
aleno@ci.cloquet.mn.us



## DEPARTMENT OF PUBLIC WORKS

1307 Cloquet Avenue; Cloquet, MN 55720  
Phone: (218) 879-6758 Fax: (218) 879-6555  
Street - Water - Sewer – Engineering - Park  
[www.ci.cloquet.mn.us](http://www.ci.cloquet.mn.us)

### REQUEST FOR COUNCIL ACTION

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To: City Council  
From: Caleb Peterson, Assistant Engineer  
Reviewed By: Brian Fritsinger, City Administrator  
Date: September 28, 2015

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**ITEM DESCRIPTION:** Purchase of Enclosed Trailer/Warming House for Pinehurst Park

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#### **Proposed Action**

Staff recommends that the City Council move to authorize the purchase of an enclosed trailer from Pine River Sales in the amount of \$12,330.40.

#### **Background**

With the implementation of a new rink at Pinehurst Park, the final plan calls for a warming house to be purchased by the City. Due to space restrictions on the site, the recommend option was to use a portable/seasonal structure and preserve the limited open space in the Park's central core.

After exploring a variety of options, Staff feels an enclosed trailer is the best solution. Easily portable, the trailer also allows a means to transport and store the hockey board system during the offseason.

Quotations were solicited from two local dealers for an 8.5'x28' tandem axel enclosed trailer. Each unit comes equipped with insulated walls, lighting, electrical hookups, baseboard heat, and a rubber floor. The pricing received was as follows:

Pine River Sales, Inc.	\$12,330.40
Widdes Trailer Sales	\$12,850.00

#### **Policy Objectives**

N/A

#### **Financial/Budget/Grant Considerations**

The warming house purchase will be funded using sales tax revenues as part of the Pinehurst Park Improvements. The improvement was removed from the construction documents in order save costs on sales tax and contractor mark ups.

#### **Advisory Committee/Commission Action**

The Park Commission was scheduled to review the purchase at their October 5<sup>th</sup> regular meeting, however that date has been postponed with a new date yet to be determined.

#### **Supporting Documents Attached**

- Vendor Quotations





**Sold To**

Pine River Sales, Inc.  
3717 Hwy. 33 North  
Cloquet, MN 55720  
Phone #: 1-218-879-8865  
Fax #: 1-218-878-1999

Model	VIN
ULT-8.528TA50-S	
8.5 x 28- Round Top Tandem Spring Axle	

7201.80

Qty	Description	Details	
<b>Height</b>			
*6 IN	Extra Height	7' 0" Interior Height	516
<b>Axle</b>			
2 EA	5000# -Electric Brake Axle Spring - # 9-S		
<b>Tires</b>			
4 EA	White mod - ST225/75R 15 (E) rated 6 bolt	Radial tire w/ 6 bolt white mod wheel	
<b>Hitch</b>			
1 EA	7-Way Molded Plug		
1 EA	Breakaway kit w/charger		
1 EA	Coupler - 2 5/16in	****UP-GRADE TO ATWOOD COUPLER****	12.-
1 EA	Foot Pad on Std Jack		
1 EA	Jack - Std Top Wind		
2 EA	Safety Chain		
1 EA	Tongue - Third member	3rd member	
<b>Frame</b>			
*1 EA	Beavertail - No Beavertail	NOTE: No beavertail on this unit. - ***THIS IS CORRECT***	
1 EA	Crossmembers - 16in o.c.	NOTE: This trailer has 16in center cross members	
4 EA	D-Rings Heavy Duty Qty ( 4 )	****SHIPPED LOOSE****	
1 EA	I-Beam - 8in I-Beam Frame	8in I-Beam frame	
1 EA	Roof Bows - 24in On Center	NOTE: This trailer has 24in center roof bows.	
1 EA	Wall - 16in On Center Sidewall Posts	NOTE: This trailer has 16in center wall posts.	
<b>Vents</b>			
1 EA	Vent - Roof Vent (non- power)	LOCATION: Centered	
<b>Interior</b>			
*28 EA	Misc Interior	9mm White Walls IPO 5.2mm White Walls	302.40
*1 PTL	Box off sidewalls to keep dust out		
*28 PTL	Ceiling - White Vinyl Ceiling		336.-
4 EA	D-Rings Heavy Duty ( 4 D-Rings )	Location: ***SHIPPED LOOSE***	
1 EA	Floor - 3/4in Plywood Floor		
*28 PTL	Floor - Raised Small Coin Black	Raised small coin flooring - Black	974.40
*235 SF	Insulation - Ceiling		211.20
*436 SF	Insulation - Walls -	1" inch styrofoam	392.40

United Trailers Inc. is not responsible for any code compliance and or permits, including electrical and plumbing requirements.  
Dealer is responsible for final design, layout, and use requirements.

**Packing List**

**Sold To**

Pine River Sales, Inc.  
3717 Hwy. 33 North  
Cloquet, MN 55720  
Phone #: 1-218-879-8865  
Fax #: 1-218-878-1999

Model ULT-8.528TA50-S	VIN
8.5 x 28- Round Top Tandem Spring Axle	

Qty	Description	Details
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**12 Volt Electrical**

1 EA	LED CLEARANCE & TAIL LIGHTS FOR ENTIRE UNIT	COMPLETE SET OF LED TAIL AND CLEARANCE LIGHTS
2 EA	Lights - 12 volt Dome Lights	Location: Centered and evenly spaced
1 PAIR	Lights-LED tail light surface mount w/chrome ring	Lights- LED tail light surface mount with chrome ring
*28 FT	Snake Skin	For 12 volt wiring. Make sure all 12 volt wiring has the snake skin. <span style="float: right;">67.20</span>
1 EA	Switch - 12 volt wall	Location: Just behind side door.

**Exterior**

1 EA	.030 Smooth Aluminum	Color: ?
1 EA	ATP - Stoneguard 24" Tall	
1 PAIR	Brite Aluminum - Front Corners	
1 EA	Cap and Wrap	Color: ?
2 EA	Flares - 1in Aluminum Tandem	
1 EA	Roof - Galvalume	Galvalume roofing
1 EA	Roof - Luaun down center of roof only	Luaun down center of roof ONLY 48" wide
*1 EA	Screwed Exterior	SCREWED EXTERIOR SKIN - **THIS IS CORRECT**
*1 EA	Window - 15W x 30H Vertical Radius Slider	Vertical mount Location: ****INSTALLED IN C/S SIDE DOOR**** <span style="float: right;">116.40</span>

**Door**

1 EA	48" Side Door with bar lock	Location: 48"W X 78"H C/S Side Door. Location: ?
*1 EA	8.5 wide Ramp door with spring and flap	NO BEAVERTAIL
*3 EA	Alum - Grab handle	(1) Installed on C/S Side Door, (2) Installed on Rear Ramp Door <span style="float: right;">39.60</span>
*1 EA	Door Hold Back Aluminum Heavy Duty - 4"inch	4" Aluminum door hold Part # 620-01 4" inch - Installed on C/S Side Door <span style="float: right;">12.-</span>
*1 EA	Flush Lock - RV Lock	Installed in C/S Side Door <span style="float: right;">42.-</span>

**Electrical**

*2 EA	110V Interior Duplex Recepts	Location: ??
*1 EA	110V Wall Switch(es)	Location: Installed at C/S Side Door
*1 EA	50 Amp Panel Box w/ 50 Amp Motor Base	Location of panel box: ? Location of motor base: ? <span style="float: right;">464.40</span>
*1 EA	Electrical Boxes, Switches & Recepts	LOCATIONS MAY VARY DUE TO STEEL IN FRAME, SIDEWALLS AND ROOF
*4 EA	Heater - 4 foot 1000 watt baseboard	1000 watt - 8.33 amps 4 foot baseboard heater - 110 volt / 120 volt. LOCATIONS: ???? <span style="float: right;">345.60</span>
*2 EA	Light - 4ft Thinline Fluorescent Recessed	****4 TOTAL**** Installed in Ceiling. Recessed Light Installed ILO Standard 8ft Fluorescent Lights <span style="float: right;">144.-</span>

United Trailers Inc. is not responsible for any code compliance and or permits, including electrical and plumbing requirements.  
Dealer is responsible for final design, layout, and use requirements.



Order # 148743  
Serial #

**Sold To**

Pine River Sales, Inc.  
3717 Hwy. 33 North  
Cloquet, MN 55720  
Phone #: 1-218-879-8865  
Fax #: 1-218-878-1999

Model	VIN
ULT-8.528TA50-S	
8.5 x 28- Round Top Tandem Spring Axle	

Qty	Description	Details
-----	-------------	---------

<b>Electrical</b>		
*2 EA	Light - 4ft Thinline Fluorescent Recessed	****4 TOTAL**** Installed in Ceiling 370.-

<b>Packages</b>		
*1 EA	110 Volt Electrical Package - A	****LOCATIONS FOR ELECTRICAL ITEMS TO BE IDENTIFIED AT TIME OF ORDER**** 355.20

11907.60  
 Surcharge +120  
 3% Comp discount -361.20  
 Order total 11,666.40  
 Shipping 1064.-  
 Total = 12730.40  
 Pine River Discount -400  
 New total = 12330.40

United Trailers Inc. is not responsible for any code compliance and or permits, including electrical and plumbing requirements.  
Dealer is responsible for final design, layout, and use requirements.

**Packing List**

United Fax #: 574-848-4643

9/28/15 02:27 PM

Page 3 of 3

Widdes Trailer Sales

93 W. Hwy 61  
 PO Box 246  
 Esko, MN 55733  
 218-879-4679

# Estimate

Date	Estimate #
9/18/2015	277

<b>Name / Address</b>
City Of Cloquet 218-879-7762 Les lpeterson@ci.cloquet.mn.us

Terms	Rep

Qty	Description	Rate	Total
1	Look Trailer VIN# 8.5x28' LOOK Element 2/5200# axles 7' interior height Insulated Walls and Ceiling White Vinyl Walls and CEiling 6/4' Electric baseboard heaters w/thermostat on wall 30 amp panel box 30 amp motorbase plug 25' Shoreline cord 4/4' flourescent lights w/ cold weather ballast 1/110 volt wall switch 2/ 110 wall receptacle (15 amp) 15"x30" window in side door White color	11,850.00	11,850.00
1	Rubber floor option	1,000.00	1,000.00
	Sales Tax	6.50%	0.00
Thank you for the opportunity		<b>Total</b>	<b>\$12,850.00</b>



## DEPARTMENT OF PUBLIC WORKS

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### REQUEST FOR COUNCIL ACTION

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To: Mayor and City Council  
From: James R. Prusak, Director of Public Works  
Reviewed by: Brian Fritsinger, City Administrator  
Date: September 29, 2015

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**ITEM DESCRIPTION:** Disposal of Public Works Surplus Equipment

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#### **Proposed Action**

Staff recommends the City Council move to authorize the disposal of Public Works surplus equipment.

#### **Background/Overview**

As a result of recent vehicle and equipment purchases and a general cleaning of the Public Works garage, the Public Works Department has a number of older vehicles, equipment and miscellaneous items in need of disposal. It has been determined that these items are either no longer needed or are in a condition that it is not economically feasible to upgrade to a usable standard. The majority of these items maintain some salvage value, therefore the Department proposes to offer them for sale through an auction service such as “Do Bid” in order to receive a reasonable price.

#### **Policy Objectives**

To dispose of surplus equipment that is no longer needed in accordance with City policy and State statutes.

#### **Financial/Budget/Grant Considerations**

It has been determined that it is no longer financially feasible to maintain these items in inventory or they are no longer needed by the Public Works Department. This surplus equipment does have some salvage value and the proceeds from the sale of them would be returned to the appropriate department fund accounts.

#### **Advisory Committee/Commission Action**

N/A

#### **Attachments**

- Public Works Surplus Equipment List

September 29, 2015

TO: Jim Prusak, City Engineer  
FROM: Les Peterson, Street/Park Supervisor

**SUBJECT: Request authorization to sell the following surplus equipment.**

**Miscellaneous Vehicles and Equipment**

1. 2005 Chevy 2500 Vin#1GCHK24U55E210321
2. 2002 Ford F250 Vin#1FTNX21L22EB56388
3. 2002 Ford F250 Vin#1FTNF21L72EA73252 w/lift gate
4. (6) Strobe Lights
5. (3) Back Racks
6. Weed Wacker parts
7. (1) Husqvarna Chainsaw (pruner)
8. (1) Weed Eater Leaf blower
9. (2) 5.5 HP Briggs & Stratton motors
10. (2) Weather guard van shelves
11. (2) Weather guard drawer units
12. (1) Weather guard lock box
13. (4) Homelite trash pumps
14. (1) Aluminum ladder rack
15. (2) Weather guard truck tool boxes
16. (1) Craftsman metal lathe
17. (1) Tire dolly
18. (1) John Deere TRS32 Snow Blower
19. (2) ATV Tracks
20. Lift Moore L-22 AR Truck Box Crane