



**CITY OF CLOQUET**  
**City Council Agenda**  
**Tuesday, December 15, 2015**  
**7:00 p.m.**  
**City Hall Council Chambers**

CITY COUNCIL WORK SESSION

5:30 p.m. Citizens Advisory Board Interviews  
6:55 p.m. Future Work Session Agenda Items

1. **Roll Call.**
2. **Pledge of Allegiance.**
3. **Approval of Agenda.**
  - a. Approval of December 15, 2015 Council Agenda.
4. **Approval of Council Minutes.**
  - a. Work Session Minutes from the December 1, 2015 meeting
  - b. Regular Council Minutes from the December 1, 2015 meeting
5. **Consent Agenda.**

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

  - a. Resolution No. 15-99, Authorizing the Payment of Bills
  - b. 2016 Business License Renewals
  - c. Optional 2 A.M. Liquor License - Northeastern Saloon & Grille
  - d. Approval of New Liquor License for 2016-2017 – MUY Pizza Minnesota, LLC (Pizza Hut)
6. **Public Hearings.**

None.



**CITY OF CLOQUET**  
**City Council Agenda**  
**Tuesday, December 15, 2015**  
**7:00 p.m.**  
**City Hall Council Chambers**

**7. Presentations.**

None.

**8. Council Business.**

- a. Citizens Advisory Board Vacancy Appointment
- b. Resolution No. 15-95, A Resolution Establishing City Council Values Statement
- c. Resolution No. 15-96, A Resolution In Support Of Increasing Local Government Aid In The 2016 Legislative Session
- d. Resolution No. 15-97, A Resolution In Support of Amendments To The Cloquet Area Fire District Enabling Legislation As It Relates To Funding
- e. Resolution No. 15-98, A Resolution Opposing the Trans-Pacific Partnership and Disastrous Trade Policies
- f. Avenue C, LLC, Economic Development Loan
- g. Ski Club Lease Agreement
- h. Fauley and Veteran's Parks Design Proposal
- i. Evaluation of Performance of City of Cloquet Employee Pursuant to Minn. Stat. §135D.05, subd.3.

**9. Public Comments.**

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

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

**11. Adjournment.**

## **CLOQUET CITY COUNCIL WORK SESSION**

Tuesday, December 1, 2015, 5:30 p.m.

Meeting Minutes

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

**Absent:** None.

**Staff:** Fritsinger, Klassen

**Other:** J. Lund, Pine Journal

### **City Council Values Statement**

Council requested at the November 17<sup>th</sup> Work Session to continue discussion on a Values Statement Priority. Mr. Fritsinger provided examples of statements from other Cities to get an idea of different approaches. The Values Statement's intent is to tie Council responsibilities with how we function as a unit in general. Discussion highlights are as follows:

- Agreement that the statement needs to be short and to the point.
- L. Wilkinson commented the statement should include the statement as a value and then a description of what it means.
- Discussion of the purpose of the Council in City Code. Cloquet has a Code of Conduct that was adopted and based on LMC.
- This priority was identified at the retreat as a concern of the lack of participation from Council members.
- Mr. Fritsinger asked for thoughts of what Council feels the Values Statement should include:
  - Ethical and responsible
  - Open and transparent
  - Operate openly and honestly
  - Encourage engagement of participation of residents, business, Council and community
  - A Democratic Council. Each member has a voice and vote.
  - Dedication to the community
- L. Wilkinson – Decisions should reflect visions and need to be based on the big picture. The Council needs to step back every once in a while to look at the initial vision.
- Council members agreed that the Grand Rapids Values Statement is a good example of how Cloquet's should look.
- D. Hallback – Once the statement is established, suggestion to put on a plaque in the Council Chambers, put on the City website and include on every council agenda as a reminder.
- K. Kolodge expressed that each Council member needs to challenge themselves to become involved and stay involved. 100% participation is just part of it, the rest is as a group
- Mr. Fritsinger commented that 100% participation is just one piece of the priority, the rest is as a group.
- Mr. Fritsinger will put the Council member thoughts on paper and bring back to council on December 15<sup>th</sup> for feedback.

### Community Vision/Goal discussion

Mr. Fritsinger shared 3 approaches to a community vision: consultant led process; community led process; and City Council led process. The vision process is very important because it looks at the past and where it's going into the future. This will include more community meetings, task forces, studies, etc. As things change around us and are evolving rapidly, we need to understand what the community wants.

- Identify a vision team. What approach does the council want to take?
- D. Bjerkness recalled an Economic Development gathering several years ago that took place at FDLTCC where 80-90 people participated and attended facilitated break-out sessions. Very successful.
- D. Bjerkness questioned the value of doing this by Council alone hand picking community members and Commission/Board members to take part.
- Discussion on doing a community survey and how to get the community to take it. Community members take more ownership when they actually have a voice. How do we develop neutral questions? What is the next step?
- L. Wilkinson commented the need to be thoughtful in this process. How comprehensive do we want the vision to be? Ask the right questions that will show the strengths and weaknesses and where the priorities lie.
- J. Rock stated he feels more time is needed to think about community vision. Ad in the paper asking for community input?
- K. Kolodge – important to know what the people want. What route do we take to cover the broad range of people, electronic? Newspaper? Social Media?
- Mr. Fritsinger clarified that a vision statement should help with decision making. Helps to identify priorities. It's a challenge to hear community ideas. Example of that challenge was the broad and diverse groups for the Waterfront and Master Plan task forces and getting them to provide ideas and participate.
- Issue of a possible merger of Scanlon/Cloquet. What will that change?
- K. Kolodge voiced concern that if money is going to be spent on this, it needs to be done correctly to maximize the participation. Give to boards and commissions, any groups. If spending money to do this right, then it's worth it.
- What does Council need from staff to help figure out where to go with this? A preliminary timeline; more clearly definition of the process; options to do it properly; community survey samples; and cost. None of these options are in the current budget.
- Staff will come back to the Council with options to look at.
- J. Rock asked what is the value in doing this? Will it change our participation or help the City on the path to decision making?
- Mr. Fritsinger stated this is what helps community get what they want and why do we do what we do. But how do we make it an effective tool? There are underlying issues that the Council is faced with and this would help us engage in that. Mr. Fritsinger again reminded Council that this is very time consuming process, don't take it lightly. It takes commitment and energy.

### Budget

D. Bjerkness questioned not having a Truth and Taxation Public Hearing. Mr. Fritsinger said this was a change from several years ago, the City is not required to have one.

Mr. Fritsinger noted there were no changes to the budget other than some minor changes to CIP reflecting some projects being finished this year.

Future Work Session Agenda Items

- CAB interviews on December 15<sup>th</sup>. Four applicants for one vacancy.
- January 5<sup>th</sup> – Andy Hubley will discuss the Safe Routes projects.
- Council pay discussion.
- CAHA Agreement feedback. Need to discuss the historic relationships with some of the agreements the city has.
- Discussion of Council members rotating Boards/Commissions.

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. December 1, 2015

**DRAFT**

Regular Meeting

Roll Call

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

Councilors Absent: None

Pledge of Allegiance

**AGENDA**

**MOTION:** Councilor Kolodge moved and Councilor Langley seconded the motion to approve the December 1, 2015 agenda. The motion carried unanimously (7-0).

**MINUTES**

**MOTION:** Councilor Langley moved and Councilor Rock seconded the motion to approve the minutes of the Work Session and Regular Meeting of November 17, 2015. The motion carried unanimously (7-0).

**CONSENT AGENDA**

**MOTION:** Councilor Bjerckness moved and Councilor Maki seconded the motion to adopt the consent agenda of December 1, 2015 approving the necessary motions and resolutions. The motion carried unanimously (7-0).

- a. Resolution No. 15-93, Authorizing the Payment of Bills
- b. 2016 Business License Renewals

**PUBLIC HEARINGS**

There were none.

**PRESENTATIONS**

There were none.

**2016-2020 CIP, 2016 BUDGET AND 2016 PROPERTY TAX LEVY**

City Administrator Fritsinger began by explaining that the City is no longer required to hold a formal Public Hearing or Truth-In-Taxation Hearing on the budget. However, it must still provide an opportunity for discussion on the budget and levy. Mr. Fritsinger then began by reviewing the proposed 2016 Capital Improvement Plan, the 2016 Operating Budget and changes from 2015 and the proposed 2016 property tax levy. Mayor Hallback asked if anyone in the audience had any questions. Dave Johnson addressed the Council on a couple of items. Hearing no other comments, the Council was asked to take independent action on the CIP, Operating Budget and Property Tax Levy.

**MOTION:** Councilor Kolodge moved and Councilor Bjerckness seconded the motion to approve the 2016-2020 Capital Improvement Plan. The motion carried unanimously (7-0).

**MOTION:** Councilor Langley moved and Councilor Wilkinson seconded the motion to adopt **RESOLUTION NO. 15-91, RESOLUTION ADOPTING THE 2016 BUDGET**. The motion carried unanimously (7-0).

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

**WHEREAS,** Chapter 275, Section 065 of Minnesota Statutes requires that the City adopt a 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 to be set aside for the year 2016 for the following departments and funds:

<u>Fund</u>	<u>Revenues</u>	<u>Expenditures</u>
General	\$5,119,300	\$5,645,950
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	541,600
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	169,225
Business Park Bonds	36,000	246,950
Swimming Pond Bonds	115,000	108,900
Permanent Improvement	390,000	448,500
Facilities Planning	503,000	-
Public Works Reserve	207,000	105,000
Revolving Capital Projects	1,546,000	1,546,000
City Sales Tax Projects	1,015,000	1,327,000
Employee Severance Benefits	40,000	50,000
Water – Lake Superior Waterline	2,843,100	2,415,550
Water – In-Town System	1,208,800	2,090,500
Sewer Utility	1,489,000	1,646,000
Stormwater Utility	332,000	235,050
	<hr/>	<hr/>
TOTAL:	\$16,947,450	\$17,991,825
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**MOTION:** Councilor Maki moved and Councilor Langley seconded the motion to adopt **RESOLUTION NO. 15-92, RESOLUTION ADOPTING SUMS OF MONEY TO BE LEVIED FOR LEVY YEAR 2015, PAYABLE IN 2016.** The motion carried unanimously (7-0).

**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
TOTAL LEVY	<hr/> \$2,810,000 <hr/>

**COOPERATIVE HOCKEY LEASE AGREEMENT**

**MOTION:** Councilor Bjerkness moved and Councilor Rock seconded the motion to approve the revised Cooperative Lease Agreement between the Cloquet Area Hockey Association, Cloquet Independent School District #94 and the City of Cloquet. The motion carried unanimously (7-0).

**SUPPLEMENTAL AGREEMENTS TO CITY CONTRACT NO. 1038**

**MOTION:** Councilor Bjerkness moved and Councilor Maki seconded the motion to adopt **RESOLUTION NO. 15-94, A RESOLUTION APPROVING SUPPLEMENTAL AGREEMENTS #1-2 TO CITY CONTRACT NO. 1038 FOR THE RECONSTRUCTION OF 22<sup>ND</sup> STREET.** The motion carried unanimously (7-0).

**WHEREAS**, The City awarded a contract to Ulland Brothers, Inc. for the reconstruction of 22<sup>nd</sup> Street from Carlton Avenue to Prospect Avenue on April 15, 2014 (City Contract 1038); and

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

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

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

**NOW, THEREFORE, BE IT RESOLVED, BY THE CITY COUNCIL OF THE CITY OF CLOQUET, MINNESOTA**, That Change Orders #1-2 to City Contract 1038, as prepared by the City Engineer, are approved in the amount of \$26,345.60.

#### **HYDRAULIC BREAKER PURCHASE FOR WATER DEPARTMENT**

**MOTION:** Councilor Kolodge moved and Councilor Wilkinson seconded the motion to authorize the purchase of one Hydraulic Breaker for the Water Department from Titan Machinery in the amount of \$15,280.00. The motion carried unanimously (7-0).

#### **ASPHALT PLANER PURCHASE FOR STREET DEPARTMENT**

**MOTION:** Councilor Langley and Councilor Rock seconded the motion to authorize the purchase of one Asphalt Planer (Milling Machine) for the Street Department from Ziegler CAT in the amount of \$6,952.00. The motion carried unanimously (7-0).

#### **PUBLIC COMMENTS**

Dave Johnson addressed the Council regarding the impact of property taxes and desire to see our streets improved.

Scott Konu, Stark Road, expressed his concern over the continual increases in taxes and was interested to learn more about his taxes.

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

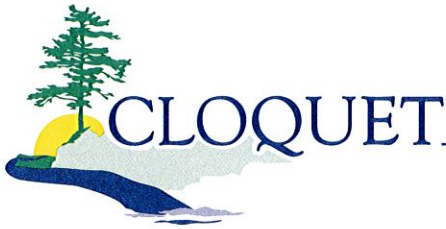
There were none.

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: December 10, 2015

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**ITEM DESCRIPTION:** Approval of 2016 Business License Renewals

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**Proposed Action**

Staff recommends the City Council move to approve the renewal of the various business licenses identified on the attached 2016 license renewal list subject to submittal of all licensing requirements.

**Background/Overview**

Attached the City Council will find the list of the various business license renewals received for 2016. These renewals include Taxi Cab and Therapeutic Massage.

Staff has solicited renewals from each of our current license holders. Most have completed the necessary paperwork and submitted the required information. Staff has found everything in order. Those licenses that are ready to be renewed by the Council are indicated on the attached list.

**Policy Objectives**

Approval of these various licenses is required under Chapter 6 of the Municipal Code. There is no limit on the number of licenses issued in any one year for any of these licenses.

**Financial/Budget/Grant Considerations**

The City's fee schedule varies for each of these licenses as set by the City Council. The applicants have all paid the required fees.

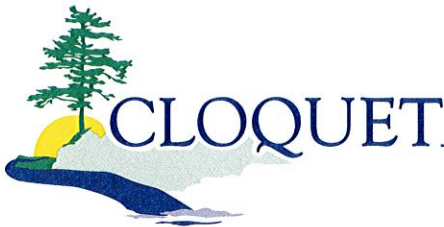
**Advisory Committee/Commission Action**

None.

**Supporting Documentation Attached**

- Business License Listing





**ADMINISTRATIVE OFFICES**

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www.ci.cloquet.mn.us

**REQUEST FOR COUNCIL ACTION**

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To: Mayor and City Council  
From: Brian Fritsinger, City Administrator  
Date: December 8, 2015



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**ITEM DESCRIPTION:** Northeastern Saloon & Grille Optional Liquor 2 A.M. License Renewal

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**Proposed Action**

Staff recommends that the City Council move to approve the renewal of the Optional 2 A.M. Liquor License for the Northeastern Saloon & Grille, 115 St. Louis Avenue.

**Background/Overview**

The City currently has four establishments licensed under the Optional 2 A.M. Liquor License. The license is actually issued by the State, but the City must approve the license. Northeastern Saloon & Grille has held an Optional 2 A.M. license since the State granted this authority several years ago.

There have been no public safety issues at the Northeastern Saloon & Grille associated with the 2AM license that staff is aware.

**Policy Objectives**

M.S. 340A.504, Subd. 7 allows for the sale of intoxicating liquor between the hours of 1:00 a.m. and 2:00 a.m. Section 6.2.10, Subd. 4 of Municipal Code also addresses the sale between these hours.

**Financial/Budget/Grant Considerations**

Currently the City charges no local fees for this license. The fee is based strictly upon the statutory obligations.

**Advisory Committee/Commission Action**

None.

**Supporting Documentation Attached**

- Optional 2 A.M. Application



Renewal Application for Optional Liquor 2AM License

License Type: 2AM-100K

Expires On: December 5, 2015

ID Number: 13163

DBA

Northeastern Saloon & Grille Inc.  
Northeastern Saloon & Grille  
115 St. Louis Ave  
Cloquet MN 55720

Business Phone: 2188799968

If any of the above licensee information is not correct, please make corrections as necessary.

Licensee must report previous 12 month on sale alcoholic beverage gross receipts by checking one of the boxes below. Next to the box you check is your 2 AM license fee. Make check payable to: Alcohol and Gambling Enforcement Division (AGED). Mail this application and check to: AGED, 445 Minnesota St., Suite 222, St. Paul, MN 55101-5133.

- \$300 2 AM license fee - Up to \$100,000 in on sale gross receipts for alcoholic beverages
- \$750 2 AM license fee - Over \$100,000, but not over \$500,000 in on sale gross receipts for alcoholic beverages
- \$1000 2 AM license fee - Over \$500,000 in on sale gross receipts for alcoholic beverages
- \$200 2 AM license fee - 3.2% On Sale Malt Liquor licensees or Set Up license holders
- \$200 2 AM license fee - Did not sell alcoholic beverages for a full 12 months prior to this application

Yes  No Does the city or county that issues your liquor license allow the sale of alcoholic beverages until 2 AM?

City Clerk/County Auditor Signature \_\_\_\_\_ Date \_\_\_\_\_

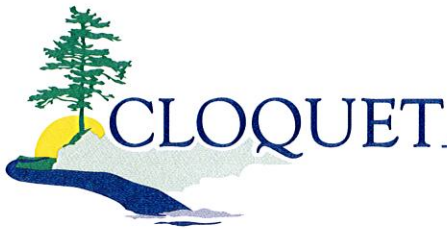
(I certify that the city or county of \_\_\_\_\_ approves the sale of alcoholic beverages until 2AM)

Licensee Signature Bert White Date 28 NOVEMBER 2015  
(I certify that I have answered the above questions truthfully and correctly)

Licensee Minnesota Tax ID Number (Required): 4936609

Licensee: Prior to submitting this application to the Alcohol & Gambling Enforcement Division you must have this form signed by your local city or county licensing official

Minnesota Department of Public Safety  
Alcohol and Gambling Enforcement Division (AGED)  
445 Minnesota Street, Suite 222, St. Paul, MN 55101-5133  
Telephone 651-201-7500 Fax 651-297-5259 TTY 651-282-6555  
dps.mn.gov




## ADMINISTRATIVE OFFICES

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www.ci.cloquet.mn.us

### REQUEST FOR COUNCIL ACTION

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To: Mayor and City Council  
From: Brian Fritsinger, City Administrator   
Date: December 9, 2015

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**ITEM DESCRIPTION:** MUY Pizza Minnesota, LLC., (Pizza Hut) 3.2% Malt Liquor, Sunday Liquor, and On-Sale Wine Licenses

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#### Proposed Action

Staff recommends the City Council move to approve the 3.2% Malt Liquor, Sunday Liquor, and On-Sale Wine Licenses for MUY Pizza Minnesota, LLC., (Pizza Hut), 701 Highway 33 South, consistent with the diagram submitted and contingent upon the inspection of the premises by the City Building Official and State of Minnesota including local approval of licenses.

#### Background/Overview

The City has received an application from MUY Pizza Minnesota, LLC., 701 Highway 33 South, seeking to obtain a new 3.2% Malt Liquor, Sunday On-Sale Liquor and On-Sale Wine Licenses. MUY Pizza recently purchased the business and is looking to add these alcoholic beverages back to the menu. Pizza Hut was initially licensed in the early 1980's and stopped serving alcohol in 2007.

The business currently operates as a restaurant with a medium establishment food license.

- On-Sale Wine License – Under M.S. 340A. 404, a restaurant that seats at least 25 guests within the building may be issued an On-Sale Wine License. The application enclosed indicates that the restaurant has 66 seats within its space inside the building. City Code does not establish a set number of wine licenses that the City can issue in a year, so one would be available.
- On-Sale Malt Liquor License – There are no special conditions to be considered in either City Code or State Statute regarding this license. City Code does not establish a set number of 3.2% licenses that the City can issue in a year, so one would be available.
- Sunday Liquor License – Under M.S. 340A. 404, Subd. 5, a restaurant is authorized to sell wine all days of the week unless the issuing authority restricts such sales. The City has no such restrictions.

If approved, such licenses being sought would expire on June 30, 2016.

#### Policy Objectives

Approval of all On-Sale Liquor Licenses are required under Chapter 6 of the City Code and M.S. 340A. 404 of State law. All other aspects of the applications are in accordance with City Code.

To Mayor and Council  
MUY Pizza Minnesota, LLC., (Pizza Hut)  
December 9, 2015  
Page 2

**Financial Impacts**

The City's fee schedule requires each license holder to pay set fees for each license. The total fees received by the City for alcohol licenses are required to be consistent with the level of service to administer and enforce local liquor laws. The applicant has paid all fees which are required by the City.

**Advisory Committee/Commission Action**

None.

**Supporting Documentation Attached**

- Applications



Minnesota Department of Public Safety  
**Alcohol and Gambling Enforcement Division (AGED)**  
 444 Cedar Street, Suite 222, St. Paul, MN 55101-5133  
 Telephone 651-201-7507 Fax 651-297-5259 TTY 651-282-6555

**Certification of an On Sale Liquor License, 3.2% Liquor license, or Sunday Liquor License**

**Cities and Counties:** You are required by law to complete and sign this form to certify the issuance of the following liquor license types:  
 1) City issued on sale intoxicating and Sunday liquor licenses  
 2) City and County issued 3.2% on and off sale malt liquor licenses

Name of City or County Issuing Liquor License Minnesota License Period From: 11/2015 To: 06/2016

Circle One:  New License License Transfer \_\_\_\_\_ Suspension Revocation Cancel \_\_\_\_\_  
(former licensee name) (Give dates)

License type: (circle all that apply) On Sale Intoxicating  Sunday Liquor  3.2% On sale 3.2% Off Sale

Fee(s): On Sale License fee: \$ \_\_\_\_\_ Sunday License fee: \$ \_\_\_\_\_ 3.2% On Sale fee: \$ \_\_\_\_\_ 3.2% Off Sale fee: \$ \_\_\_\_\_

Licensee Name: MUY Pizza Minnesota, LLC DOB \_\_\_\_\_ Social Security # \_\_\_\_\_  
(corporation, partnership, LLC, or Individual)

Business Trade Name Pizza Hut Business Address 701 Hwy 33 S City Cloquet

Zip Code 55720 County Carlton Business Phone (218) 879-3915 Home Phone \_\_\_\_\_

Home Address: \_\_\_\_\_ City San Antonio Licensee's MN Tax ID # 3305179  
(To Apply call 651-296-6181)

Licensee's Federal Tax ID # 46-4013437  
(To apply call IRS 800-829-4933)

If above named licensee is a corporation, partnership, or LLC, complete the following for each partner/officer:

Partner/Officer Name (First Middle Last)	DOB	Social Security #	Home Address
<u>James H Bodenstedt</u>			
(Partner/Officer Name (First Middle Last))	DOB	Social Security #	Home Address
Partner/Officer Name (First Middle Last)	DOB	Social Security #	Home Address

Intoxicating liquor licensees must attach a certificate of Liquor Liability Insurance to this form. The insurance certificate must contain all of the following:

- 1) Show the exact licensee name (corporation, partnership, LLC, etc) and business address as shown on the license.
- 2) Cover completely the license period set by the local city or county licensing authority as shown on the license.

Circle One: (Yes  No) During the past year has a summons been issued to the licensee under the Civil Liquor Liability Law?

Workers Compensation Insurance is also required by all licensees: Please complete the following:

Workers Compensation Insurance Company Name: Pennsylvania Manufactures Policy # 0461384 201501

I Certify that this license(s) has been approved in an official meeting by the governing body of the city or county.

City Clerk or County Auditor Signature \_\_\_\_\_ Date \_\_\_\_\_  
(title)

**On Sale Intoxicating liquor licensees must also purchase a \$20 Retailer Buyers Card. To obtain the application for the Buyers Card, please call 651-201-7504, or visit our website at [www.dps.state.mn.us](http://www.dps.state.mn.us).**



Print Form

Minnesota Department of Public Safety  
 Alcohol and Gambling Enforcement Division  
 444 Cedar Street, Suite 222, St. Paul, MN 55101  
 651-201-7500 Fax 651-297-5259 TTY 651-282-6555  
**APPLICATION FOR COUNTY/CITY ON-SALE WINE LICENSE**  
 (Not to exceed 14% of alcohol by volume)

**EVERY QUESTION MUST BE ANSWERED.** If a corporation, an officer shall execute this application. If a partnership, LLC, a partner shall execute this application. To apply for MN sales Tax # call 651-296-6181

Workers compensation insurance company name Pennsylvania Manufactures Assn. Policy Number 0461384 201501

Licensee's MN sales and Use Tax ID # 3305179 Licensee's Federal Tax ID # 46-4013437

Applicants Name (Business, Partnerships, Corporation) MUY Pizza Minnesota, LLC		Trade Name or DBA Pizza Hut #30191	
Business Address 701 HWY 33 S		Business Phone (218) 879-3915	Applicant's Home Phone
City Cloquet		County Carlton	State MN
			Zip Code 55720
Is this application <input checked="" type="checkbox"/> New or a <input type="checkbox"/> Transfer	If a transfer, give name of former owner		License Period From To
If a corporation, give name, title, address and date of birth of each officer. If a partnership, LLC, give name, address and date of birth of each partner.			
Partner/Officer Name and title James Bodenstedt / President	Address 11327 Caliza Crest, Boerne, TX 78006	DOB	SSN
Partner/Officer Name and title Jimmy S Mooney	Address 29765 Ancestral Trail, Bulverde, TX 78163	DOB	SSN
Partner/Officer Name and title Steve Adkins	Address 6360 Derby Way, Bulverde, TX 78163	DOB	SSN
Partner/Officer Name and title	Address	DOB	SSN
<b>CORPORATIONS</b>			
Date of incorporation 11/27/2013	State of incorporation Minnesota	Certificate Number 489FLC-468402	Is corporation authorized to do business in Minnesota? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If a subsidiary of another corporation, give name and address of parent corporation			
<b>BUILDING AND RESTAURANT</b>			
Name of building owner Marvin Development III, LLC		Owner's address 5425 Boone Ave N, New Hope, MN 55428	
Are property taxes delinquent <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Has the building owner any connection, direct or indirect with the applicant? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Restaurant seating capacity 66	Hours food will be available 11AM-11PM
Number of restaurant employees 27	Number of months per year restaurant is open 12	Will food service be the principal business? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Describe the premises to be licensed Food establishment			
If the restaurant is in conjunction with another business (resort etc.), describe business			
<b>NO LICENSE WILL BE APPROVED OR RELEASED UNTIL THE \$20 RETAILER ID CARD FEE IS RECEIVED BY AGED</b>			

- Yes  No Has the applicant or associates been granted an on-sale malt liquor (3.2) and/or a "set-up" license in conjunction with this wine license?
- Yes  No Is the applicant or any of the associates in this application a member of the county board or the city council, which will issue this license? If yes, in what capacity? \_\_\_\_\_  
(if the applicant is the spouse of a member of the governing body, or another family relationship exists, the member shall not vote on this application.)
- Yes  No During the past license year, has a summons been issued under the liquor civil liability (Dram Shop)(M.S. 340A.802). If Yes, attach copy of the summons.
- Yes  No Has applicant, partners, officers or employees ever had any liquor law violations in Minnesota or elsewhere. If so, give names, dates, violations and final outcome details.



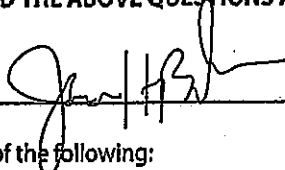
Yes  No Does any person other than the applicants, have any right, title or interest in the furniture, fixtures or equipment in the licensed premises? If yes, give names and details.

Yes  No Have the applicants any interests, directly or indirectly, in any other liquor establishments in Minnesota? If yes, give name and address of establishment.  
Pizza Hut #31298, 1101 Hennepin Ave, Minneapolis, MN 55403

**I CERTIFY THAT I HAVE READ THE ABOVE QUESTIONS AND THAT THE ANSWERS ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE.**

①

Signature of Applicant



December 07, 2015

Date

The licensee must have one of the following:

Liquor liability insurance (Dram Shop) \$50,000 per person; \$100,000 more than one person; \$10,000 property destruction; \$50,000 and \$100,000 for loss of means of support. Attach "CERTIFICATE OF INSURANCE" to this form.

A surety bond from a surety company with minimum coverage as specified above in.

A certificate from the state treasurer that the licensee has deposited with the state, trust funds having a market value of \$100,000 or \$100,000 in cash or securities.

**IF LICENSE IS ISSUED BY THE COUNTY BOARD, REPORT OF COUNTY ATTORNEY**

Yes  No I certify that to the best of my knowledge the applicants named above are eligible to be licensed. If no, state reason.

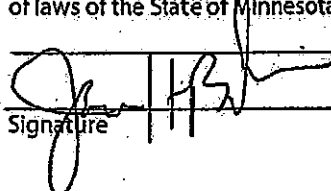
Signature County Attorney

County

Date

**REPORT BY POLICE OR SHERIFF'S DEPARTMENT**

This is to certify that the applicant and the associates, named herein have not been convicted within the past five years for any violation of laws of the State of Minnesota, Municipal or County ordinances relating to intoxicating liquor, except as follows:



Signature

Operations / President

October 19, 2015

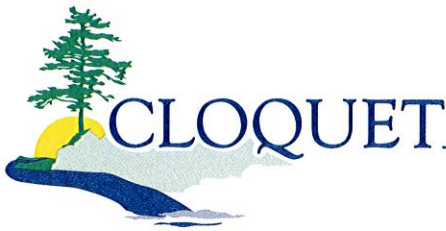
Department and Title

Date

**IMPORTANT NOTICE**

**ALL RETAIL LIQUOR LICENSEES MUST REGISTER WITH THE ALCOHOL, TOBACCO TAX AND TRADE BUREAU.  
FOR INFORMATION CALL 513-684-2979 OR 1-800-937-8864**

A \$30.00 service charge will be added to all dishonored checks. You may also be subjected to a civil penalty of \$100.00 or 100% of the value of the check, whichever is greater, plus interest and attorney fees.



## ADMINISTRATIVE OFFICES

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### REQUEST FOR COUNCIL ACTION

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To: Mayor and City Council  
From: Brian Fritsinger, City Administrator  
Date: December 3, 2015



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**ITEM DESCRIPTION:** City Council Values Statement

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#### **Proposed Action**

Staff recommends that the City Council move to adopt **RESOLUTION NO. 15-95, ESTABLISHING CITY COUNCIL VALUES STATEMENT.**

#### **Background/Overview**

At its 2015 Strategic Planning Retreat, the City Council identified a number of initiatives to enhance effective governance. Specifically, the Council identified the development of a values statement related to its personal accountability as a Council representative.

Creating a Values Statement for an organization involves examining the organization's purpose and goals. Once it is clear where the organization wants to go, a Values Statement guides it while it makes decisions on how to get there. The content of such a guide depends on the members of the organization, their beliefs and what they consider desirable behavior. The ethics of possible courses of action also influence the Values Statement.

In the case of this specific initiative, the City Council is not looking at a statement that applies organizationally, but a statement that is specific to the City Council, even though the process and intent is very similar.

- **What are values?** To create a Values Statement, you have to have a clear idea of what values are and what values the City Council wants to highlight. Values are enduring beliefs or concepts that relate to desirable behavior or results. They are influenced by attitudes, interests, and preferences, but are more stable and less easily changed. They are related to virtues, but are more practical and more easily applicable as a guide for decisions.
- **Ethics.** Implicit in the concept of values is that the articulated values will lead to ethical decisions. Inclusive values that guide members to make decisions that are fair, just, and promote a greater good are appropriate values for a Values Statement. Statements that members can use to justify unethical behavior will weaken the organization. Such statements don't reflect the concept that the application of values results in positive behavior.

The conversations reflected during the retreat were primarily focused on the development of a statement that furthered the participation and role of each City Councilor. As such, the initiative becomes entwined with the broader areas of Values and Ethics.

The City Council briefly reviewed this issue at its November 17 and December 1, 2015 meetings. The Council provided feedback and direction as to the Values Statement. Staff has attempted to capture those items in the attached resolution. The Council should review these for accuracy and identify any changes as it sees appropriate.

**Policy Objectives**

The completion of this initiative was identified as a priority as part of the City Council's 2015 Strategic Planning Retreat. The Council identified a target goal for completion of 12/31/15.

**Financial/Budget/Grant Considerations**

None.

**Advisory Committee/Commission Action**

None.

**Supporting Documentation Attached**

- Resolution No. 15-95

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

**RESOLUTION NO. 15-95**

**A RESOLUTION ESTABLISHING CITY COUNCIL  
VALUES STATEMENT**

**WHEREAS**, in April and May of 2015, the Cloquet City Council and Department Heads engaged in a team building and strategic planning process; and

**WHEREAS**, the City Council and Department Heads discussed the past, present, and future, and responded with certain goals and strategic priorities for the three year period of 2016-2018, and

**WHEREAS**, the City Council and Department Heads developed a shared vision for success by agreeing to develop a City Council Values Statement to enhance effective governance; and

**WHEREAS**, the City Council, at its November 17 and December 1, 2015 meetings, met to discuss and identify those values most important to the Council.

**NOW, THEREFORE, BE IT RESOLVED, BY THE CITY COUNCIL OF THE CITY OF CLOQUET, MINNESOTA**, that it does hereby establish the City Council Value Statement as attached.

**PASSED BY THE CITY COUNCIL OF THE CITY OF CLOQUET THIS 15TH DAY OF DECEMBER, 2015.**

\_\_\_\_\_  
Dave Hallback, Mayor

ATTEST:

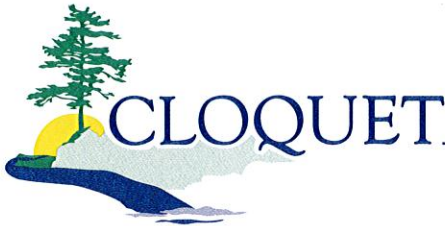
\_\_\_\_\_  
Brian Fritsinger, City Administrator

## **CLOQUET CITY COUNCIL VALUES STATEMENT**

The Cloquet City Council is expected to govern with a commitment to the preservation of the values and integrity of representative local government and democracy. The City Council shall be dedicated to the promotion of efficient and effective governing. To further these objectives, certain values based principles shall govern the conduct of every Council member, who shall:

- Operate openly, honestly, ethically, and with integrity.
- Encourage engagement and increased participation of the City Council and the community.
- Make decisions after prudent consideration of their financial impact, taking into account the long term financial needs of the City.
- Treat all people fairly, equitably, and respectfully.
- Make decisions consistent with the community's vision and its adopted plans and goals while considering the "big picture of the City".
- Encourage open and free communication.
- Respect differences of opinion.
- Prepare for all issues coming before the Council and respect the decisions made.
- Operate in a safe and environmentally sound manner.
- Seek to continually improve in all areas of our business.

Adopted 12/15/15




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**REQUEST FOR COUNCIL ACTION**

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To: Mayor and City Council  
From: Brian Fritsinger, City Administrator   
Date: December 6, 2015

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**ITEM DESCRIPTION:** Supporting Increase in City LGA Appropriation

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**Proposed Action**

Staff recommends that the City Council move to adopt **RESOLUTION NO. 15-96, A RESOLUTION IN SUPPORT OF INCREASING LOCAL GOVERNMENT AID IN THE 2016 LEGISLATIVE SESSION.**

**Background/Overview**

The Coalition of Greater Minnesota Cities (CGMC) has asked its member cities for demonstrated support for legislation related to an increased appropriation of Local Government Aid (LGA). The resolution would support legislation which would increase the total City appropriation in future years.

LGA is a critical component of funding local government operations. LGA is used for a wide variety of local purposes including infrastructure and critical services like police protection, snow removal and libraries.

In 2013, LGA got a much needed boost when the legislature reformed the program's formula and increased funds to aid communities in their recovery from the great recession. However, these changes still have not resulted in the recovery of LGA from the devastating cuts made in the early and mid-2000's. Annually, the City of Cloquet currently receives \$2.3 million as compared to the \$3.6 million it received at that time. The total appropriation for LGA statewide is approximately \$525 million. The CGMC is pursuing legislation that would increase the appropriation by \$45.5 million. With a significant surplus in its fund balance, an increased appropriation is a reasonable accommodation in 2016.

The City Council is under no obligation to pass the attached resolution. The CGMC has asked for our support with the Bill and with our area legislators.

**Policy Objectives**

The City Council has long been supportive of increases in LGA to assist with the implementation of services as identified as priorities by the Council.

**Financial/Budget/Grant Considerations**

None.

**Advisory Committee/Commission Action**

None.

**Supporting Documentation Attached**

- Resolution No. 15-96

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

**RESOLUTION NO. 15-96**

**A RESOLUTION IN SUPPORT OF INCREASING LOCAL  
GOVERNMENT AID IN THE 2016 LEGISLATION SESSION**

**WHEREAS**, Local Government Aid (LGA) is a vital state-funded property tax aid and equalization program that restrains the growth of local property taxes through the distribution of state funding to cities based on an objective formula of needs; and

**WHEREAS**, LGA seeks to equalize the vastly different tax bases of property-poor and property-wealthy cities ensuring Minnesotans have the required city services necessary for a good quality of life and public safety; and

**WHEREAS**, LGA has positively assisted recovery from the Great Recession by allowing critical reinvestments in infrastructure necessary to economic growth and the hiring and maintaining of essential staff positions to ensure effective and efficient administration of local government; and

**WHEREAS**, LGA has favorably affected communities, including the City of Cloquet, by allowing the City to pursue a variety of capital equipment and infrastructure improvements and provides for basic services such as public safety, and

**WHEREAS**, LGA is a critical need for our City; and

**WHEREAS**, LGA provides funding to restrain property taxes on homeowners and business; and

**WHEREAS**, the legislature and state agencies continue to impose unfunded mandates upon local cities; and

**WHEREAS**, an LGA mandate would help the City of Cloquet to address necessary improvement to our various road and utility infrastructure.

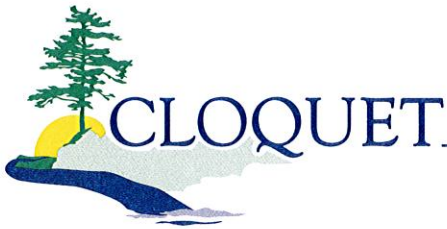
**NOW, THEREFORE, BE IT RESOLVED, BY THE CITY COUNCIL OF THE CITY OF CLOQUET, MINNESOTA**, That the City of Cloquet supports an increase in the base appropriation for Local Government Aid of \$45.5 million effective for aid payable in 2017 and urges adoption of this proposal by the House and Senate.

**PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF CLOQUET THIS 15TH DAY OF DECEMBER, 2015.**

\_\_\_\_\_  
Dave Hallback, Mayor

ATTEST:

\_\_\_\_\_  
Brian Fritsinger, City Administrator




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### REQUEST FOR COUNCIL ACTION

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To: Mayor and City Council  
From: Brian Fritsinger, City Administrator   
Date: December 7, 2015

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**ITEM DESCRIPTION:** Supporting CAFD Enabling Legislative Amendments

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#### **Proposed Action**

Staff recommends that the City Council move to adopt **RESOLUTION NO. 15-97, A RESOLUTION IN SUPPORT OF AMENDMENTS TO THE CLOQUET AREA FIRE DISTRICT ENABLING LEGISLATION AS IT RELATES TO FUNDING.**

#### **Background/Overview**

The enabling legislation creating the Cloquet Area Fire District was enacted by the State of Minnesota in 2009. This legislation was then amended in 2013 adding language that allowed the District to levy a property tax for the communities receiving ambulance services.

In 2015, the CAFD initiated a process to evaluate the District's facility needs. As part of this process, it also sought legal guidance regarding the District's bonding authority which would be necessary if the District were to finance building improvements or construct additional fire facilities. The District specifically engaged Ehlers & Associates and the law firm of Fryberger, Buchanan, Smith & Frederick, P.A. to assist them in this process.

The attached legislation would amend the law with certain technical language changes which would:

- Ensure clarity into the future ability to issue bonds;
- Ensure the responsibility for future debt if a member community withdrew from the District;
- Increase the maximum levy for ambulance services to 0.40% of estimated market value.

The proposed legislation is beneficial to the residents of Cloquet for the following reasons:

- Ensures legal compliance with state law related to bonding authority;
- Ensures that if a community would withdraw its membership in the District that community would continue to be responsible for its share of any debt service associated with previously issued bonds. In other words, Cloquet residents would not see an increase in its levy to cover the costs associated with a withdrawing member;
- The increased ambulance levy allows for a larger share of the actual costs associated with the provision of ambulance services to be shared with these communities which currently do not pay their fair share. If adopted, this should result in a decreased levy for the residents of Cloquet.



As the 2016 legislative session is fast approaching, it is important for the CAFD Board and our legislative representatives to understand the City of Cloquet's position on this issue. There is concern by other representatives of areas serviced only by ambulance that this will increase their costs and as such, they have been contacting the Board and legislators to encourage opposition to the Bill.

**Policy Objectives**

The City has long supported the concept of the Cloquet Area Fire District and legislation which fully allocates the associated costs of such services to those that receive the benefit.

**Financial/Budget/Grant Considerations**

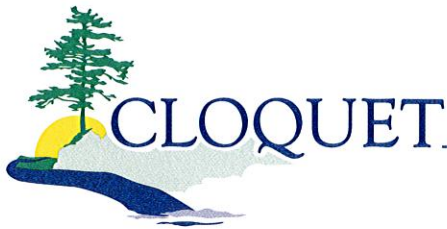
There is no direct cost to the City for supporting this legislation. If adopted and implemented by the District, there could be a decrease in the City's share of property taxes.

**Advisory Committee/Commission Action**

None.

**Supporting Documentation Attached**

- Resolution No. 15-97
- Draft Legislation




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### REQUEST FOR COUNCIL ACTION

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To: Mayor and City Council  
From: Brian Fritsinger, City Administrator   
Date: December 8, 2015

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**ITEM DESCRIPTION:** Opposing the Trans-Pacific Partnership

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#### **Proposed Action**

Councilor Langley is asking the City Council's consideration of the adoption of **RESOLUTION NO. 15-98, OPPOSING THE TRANS-PACIFIC PARTNERSHIP AND DISASTROUS TRADE POLICIES.**

#### **Background/Overview**

The Trans-Pacific Partnership (TPP) is a proposed trade agreement among 12 Pacific Rim nations, including the United States. While the actual text of the proposal is largely unknown, what is known about the deal has caused concerns throughout the labor, environmental and other communities.

Specifically, a number of cities in our region have adopted similar resolutions over concerns that the TPP would encourage or incentivize regional manufacturers to close businesses and move to another country where labor is cheaper, labor rights problematic, and where environmental regulations are almost non-existent. The City has been asked to consider taking a position on this controversial trade agreement.

The City has not historically taken formal positions on issues of national impact. The resolution is focused mainly on the potential labor impacts of the TPP. As such, if to be considered, the Council may wish to carefully review the bullets contained in the second portion of the resolution. Should the Council wish additional information, it could table its consideration of the resolution providing additional opportunity for staff research.

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

None.

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

None.

#### **Supporting Documentation Attached**

- Resolution No. 15-98
- AFL-CIO Fact Sheet

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

**RESOLUTION NO. 15-98**

**A RESOLUTION OPPOSING THE TRANS-PACIFIC  
AND DISASTROUS TRADE POLICIES**

**WHEREAS**, U.S. trade deals for the past 25 years have been corporate-driven, incorporating rules that skew benefits to economic elites while requiring working families to bear the brunt of such policies; and

**WHEREAS**, the growing trade deficits, driven by the North American Free Trade Agreement, China's accession to the World Trade Organization, and the U.S.-Korean Free Trade Agreement, have displaced 700,000 jobs and 3.2 million jobs, and 75,000 jobs respectively; and

**WHEREAS**, U.S. employment in manufacturing dropped by 5 million from 2000 to 2015; and

**WHEREAS**, the Cloquet unemployment rate is 4.7%; and

**WHEREAS**, the City of Cloquet poverty rate is 14.4%, which requires the expenditure of limited public funds to assist families in crisis; and

**WHEREAS**, jobs lost due to trade devastate families and entire communities and can permanently reduce lifetime earnings for hundreds of thousands of workers; and

**WHEREAS**, the long decline of the American manufacturing base, exacerbated by bad trade policies that reward outsourcing, has undermined our economic security and poses a direct threat to our national security; and

**WHEREAS**, the long offshoring of manufacturing and service jobs deprives local and state governments of sorely needed revenues, jeopardizing the livelihoods of millions of public servants as well as construction workers whose jobs depend upon infrastructure building, repair and maintenance; and

**WHEREAS**, under NAFTA-style trade rules, the U.S. annual trade deficit has increased dramatically from 70 billion to 1993, the year before NAFTA went into effect, to more than \$508 billion in 2014; and

**WHEREAS**, the disproportionate voice of powerful global corporations in the formation of U.S. "free trade" agreements has advanced an agenda that undermines the public interest and threatens democracy; and

**WHEREAS**, NAFTA and all but two of the U.S. trade deals that followed it include special legal rights for foreign investors, known as "Investor-To-State Dispute Settlement" or ISDS, that allow foreign firms to bypass state and federal courts to challenge state and local laws, regulations, and administrative and judicial decisions in the international tribunals; and

**WHEREAS**, the TPP includes provisions locking in monopoly protections for expensive specialty drugs called biologics and constrict the government's ability to limit spending on drugs, potentially increasing drug costs for the government and all Americans; and

**WHEREAS**, Foreign investors already have used NAFTA'S ISDS provision to challenge decisions regarding local building permits, state bans on toxic chemicals and decisions of state courts; and

**WHEREAS,** Promoting economic growth with equity in Cloquet requires an approach that reforms the entire trade negotiation process to ensure that voices of workers, farmers, small businesses, families and communities are heard and their interests addressed; and

**WHEREAS,** the Trans-Pacific Partnership (TPP) has been negotiated in secret, effectively shutting state and local governments out of the process, limiting our ability to influence its rules to ensure the people of Cloquet can participate in the benefits of trade; and

**WHEREAS,** given the enactment of fast track trade negotiation authority, states, localities and their citizens will have no opportunity to correct shortcomings in the TPP since its text was not made public until it was final and no longer can be improved; and

**WHEREAS,** Repeating old mistakes in negotiating new trade agreements such as the TPP represents a missed opportunity to strengthen our economy, reduce income inequality and promote sustainable growth; and

**NOW, THEREFORE, BE IT RESOLVED, BY THE CITY COUNCIL OF THE CITY OF CLOQUET, MINNESOTA,** That it calls upon our elected officials in the U.S. Senate and U.S. House of Representatives to oppose the TPP and any similar trade deals if they fail to restructure the misguided and failed policies of the past; and

**BE IT FURTHER RESOLVED,** that the Cloquet City Council calls upon our elected officials in the U.S. Senate and U.S. House of Representatives to support new trade deals such as the TPP only if they will:

- Exclude Investor-To-State Dispute Settlement (ISDS) and other provisions that favor foreign companies over domestic ones and undermine public choices;
- Ensure that countries cannot undercut U.S. based producers with weaker labor and environmental laws and enforcement;
- Ensure that the U.S. will engage in robust enforcement of trade rules, including labor and environmental rules;
- Include strong rules of origin to promote economic growth and job creation in the U.S.;
- Promote high standards of protection for work places, products, and natural resources rather than promoting a race to the bottom; and
- Put the interests of people and the planet over the interests of private profit.

**PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF CLOQUET THIS 15TH DAY OF DECEMBER, 2015.**

\_\_\_\_\_  
Dave Hallback, Mayor

ATTEST:

\_\_\_\_\_  
Brian Fritsinger, City Administrator

**State-Owned Enterprises:** The AFL-CIO continues to be concerned about the ability of the TPP to adequately protect against unfair competition by state-owned and state-subsidized companies. Such companies often operate at a loss simply to drive U.S. competitors out of business. They may also buy U.S. companies simply to take technology to their home country, leaving U.S. workers holding the bag.

**Rules of Origin:** We remain concerned that the rules of origin for the TPP will not be effective at preventing “leakage.” When TPP advocates claim that the TPP will ensure that the U.S. “writes the rules” of trade instead of China, Congress should ask whether China will in fact be able to benefit from the TPP without ever joining. If it can, it can still write its own rules. Weak rules of origin will promote greater use of Chinese inputs, which can be made in contravention of TPP rules, even though the finished products will be eligible for TPP tariff benefits. In particular, weak rules of origin in the auto supply chain will be a job killer.

**Government Procurement:** Government purchasing at the federal, state, and local levels is an important job creation tool that should not be blunted by treating American and foreign firms exactly the same. The AFL-CIO strongly supports the widest possible use of Buy American policies as well as bidding rules that include socially responsible criteria such as “clean hands” and preferences for firms that pay living wages and have better safety records. Public information about the TPP does not indicate that labor’s concerns have been addressed.

**Financial Services:** The AFL-CIO has recommended changes to both the “prudential exception” and the “capital controls” provisions from prior trade agreements, to ensure countries can stabilize their economies without fear of being sued by large international banks trying to free themselves from regulation. Malaysia effectively used capital controls measures in the late 1990s to protect itself from the worst of the Asian financial crisis—and could be deterred from acting in a similar fashion in the future by a poorly written TPP. Congress must carefully consider whether the TPP will increase the likelihood of another global financial meltdown by deterring regulators from acting boldly in the face of an impending crisis.

**Access to Medicines:** The AFL-CIO has recommended that the U.S. preserve—at a minimum—the Bush-era “May 10” provisions on medicines; but leaked TPP text indicates that the TPP will reduce access to medicines. In particular, we urge the omission of provisions (like those in the U.S.-Korea FTA) that can interfere with efforts to keep government spending on drugs and medical devices in check. Quality, affordable, accessible healthcare is not only a human right, it enhances worker attendance and productivity. Trade policy should not interfere with public choices about how to make healthcare available to a nation’s residents, nor should it threaten public health. Congress, therefore, must carefully consider whether the TPP will impede domestic healthcare policy or global development efforts.

**The TPP has many additional problems, but addressing these top ten issues would be a good start to fixing its many flaws.**

**YOU can help!**

- Call your Member of Congress and tell them NO TPP unless it’s drastically reformed!
- Tell a friend or family member about the dangers of the TPP. Ask them to call Congress, too.
- Get more information here: <http://www.aflcio.org/Issues/Trade>
- Watch this video: <https://www.youtube.com/watch?v=zq3ujEx9r5I>
- Text TPP to 235246.

**Currency:** Addressing currency manipulation is probably the single most effective the U.S. can do to create jobs. The fact that enforceable currency rules continue to be absent from the TPP is disturbing: it leaves working people behind and instead benefits companies that off-shore jobs, often producing in sweatshops under abusive conditions. Misaligned currency is an important contributing factor to the U.S. trade deficit with China and other Asian nations. The Economic Policy Institute estimates the **U.S. could add as many as 5.8 million jobs by eliminating currency manipulation.**<sup>1</sup> If the TPP continues to omit currency rules, its tariff benefits could be undermined overnight when trading partners devalue their currency.

**Investment:** To ensure that the TPP achieves shared prosperity for all, it must eliminate investor-to-state dispute settlement (ISDS). ISDS is a private justice system that undermines democratic control over our economy. Foreign investors are currently using ISDS to attack public health policies in Australia and Uruguay, environmental policies in Canada and Peru, and minimum wage laws in Egypt. Global firms are using ISDS to seek compensation for violation of the vague right to “fair and equitable treatment,” which private arbitration panels have interpreted expansively. Domestic companies must use domestic courts, but ISDS allows foreign investors to bypass them. ISDS creates a chilling effect on local, state, and national measures; it poses an unjustifiable risk to our democracy and economy; and it put profits over people.

**Climate:** Currently, U.S. trade policy could undermine both domestic efforts to address climate change and the U.S. government’s bilateral agreement with China to cooperate on climate change and clean energy.<sup>2</sup> Without a border adjustment—to adjust the cost of highly polluting imports—the TPP will do **nothing** to stop manufacturers from closing up shop in the U.S. and moving to TPP countries with no carbon reduction scheme in order to sell cheaper, dirtier goods here and around the globe, undercutting not only our workers but our efforts to address climate change.

**Labor:** The status quo on labor (the so-called “May 10” agreement) is not working—continued worker repression in Colombia and Peru makes that obvious. Past trade deals allow total discretion to unjustifiably delay labor rights complaints (as has happened in cases against Guatemala and Honduras), or ignore them altogether. To address the extensive labor problems that exist in at least four TPP countries (Mexico, Vietnam, Brunei, and Malaysia)<sup>3</sup> the TPP must ensure all countries are in full compliance before TPP benefits are granted; it must eliminate the excessive discretion in enforcement; and it must address key issues such as migrant labor, anti-union violence, and adequate monitoring and enforcement. From what is publicly known about the TPP, these critical labor issues remain completely unaddressed.

**Public Services:** To ensure that the American people retain the right to determine the quantity, quality, type, and nature of public services offered by federal, state, and local governments, the AFL-CIO has insisted public services be totally carved out from the services commitments of the TPP. Governments must retain the right to freely—that is, without compensating foreign firms or trading partners—reverse failed privatization efforts. Neutral evaluators, such as the non-partisan Project on Government Oversight, have already compiled compelling data on wasteful privatization efforts,<sup>4</sup> which underscores the need to keep public services policies out of trade deals.

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<sup>1</sup> See Robert E. Scott, “Stop Currency Manipulation and Create Millions of Jobs,” Economic Policy Institute, February 26, 2014, available at: <http://www.epi.org/publication/stop-currency-manipulation-and-create-millions-of-jobs/>.

<sup>2</sup> See FACT SHEET: U.S.-China Joint Announcement on Climate Change and Clean Energy Cooperation, available at: <http://www.whitehouse.gov/the-press-office/2014/11/11/fact-sheet-us-china-joint-announcement-climate-change-and-clean-energy-c>.

<sup>3</sup> “The Trans-Pacific Partnership: Four Countries that Don’t Comply with U.S. Trade Law,” AFL-CIO, <http://www.aflcio.org/content/download/150491/3811471/file/TPPreport-NO+BUG.pdf>.

<sup>4</sup> In 2011, the Project on Government Oversight (POGO) compared the costs of federal employees and contractors in a seminal study entitled *Bad Business: Billions of Taxpayer Dollars Wasted on Hiring Contractors*, the first to compare service contractor billing rates to the salaries and benefits of federal employees. POGO determined that “on average, contractors charge the government almost twice as much as the annual compensation of comparable federal employees. Of the 35 types of jobs that POGO looked at in its new report, it was cheaper to hire federal workers in all but just 2 cases.” The report is available for download here: <http://www.pogo.org/our-work/reports/2011/co-gp-20110913.html>.



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

## REQUEST FOR COUNCIL ACTION

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To: Mayor and Cloquet City Council  
From: Holly Butcher, Community Development Director  
Reviewed by: Brian Fritsinger, City Administrator  
Date: December 9, 2015

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**ITEM DESCRIPTION:** Rivdogg LLC/DbA Avenue C, LLC Economic Development Loan

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### **Proposed Action**

Staff recommends the City Council move to approve a loan to the Avenue C Restaurant (Rivdogg LLC / DbA Avenue C) in the form of a \$75,000 with a preliminary projected term of 15 years at a rate of 3% from Fund 203, subject to the applicant obtaining primary financing, and those terms being provided to the City to determine the City's final terms and collateral.

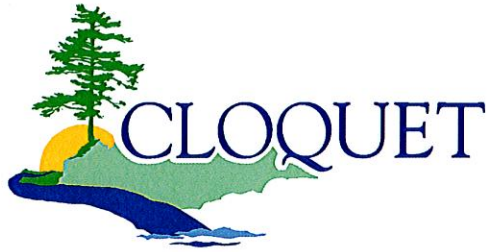
### **Background/Overview**

Doug Smith, owner of the Duluth Green Mill and former owner of McKenzie's in Hermantown, plans to open a new start-up restaurant in Cloquet's West End Historic District at 207 Avenue C (owned by Zach Wehr) in the former Eclipse Paint Studio space. He has applied for gap financing from the City to assist his project.

### **FINANCING REQUESTED**

The request to the City is financing in the amount of \$75,000 to assist with leasehold improvements (building improvements done to the leased building to customize it for the tenant but improvements which stay with the building / Owner and are not collateral e.g. plumbing, electrical, painting, flooring, light fixtures etc.)

The City would secure this loan with a first position on Coca-Cola stock provided as project collateral (valued at \$60,000). The primary lending institution (not yet determined) would most likely secure their loan with a first position on restaurant equipment and a second position on the applicant's home mortgage (unless the primary lender chooses to use SBA financing under which the City could instead purchase a loan participation which affords stronger loan protection).



<b>PROJECT SOURCES FOR LOAN REQUEST</b>			
<b>Source</b>	<b>Amount</b>	<b>%</b>	<b>Uses</b>
City of Cloquet	\$75,000	18.5%	Building Renovations / Equipment
Primary Lender	\$300,000	74%	Building Renovations / Equipment
Equity	\$30,000	7.5%	
	<b>\$405,000</b>	<b>100%</b>	<b>TOTAL</b>

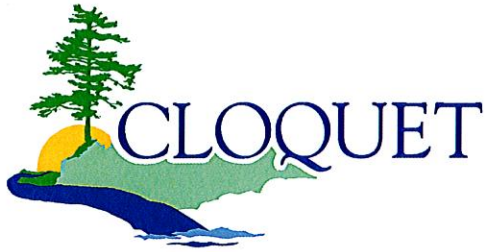
<b>SPECIFIC PROJECT FUNDING USES</b>	
<b>Uses</b>	<b>Amount</b>
Building Renovations & Leaseholds	\$142,000
Furniture & Fixtures	\$78,000
Equipment	\$75,000
Start-up Costs	\$75,000
Working Capital	\$35,000
<b>TOTAL</b>	<b>\$405,000</b>

In summary, the applicant has 20 years of restaurant business experience with 14 years as General Manager with the Green Mill in Canal Park and 3 years as General Manager of McKenzie's in Hermantown. The Cloquet project is a long term investment into the West End Historic District with the plan to provide a restaurant featuring an American menu with appetizers, dinner, and brunch.

The City has utilized the Northspan Group to conduct the financial analysis of the proposed project. That analysis is attached and has identified the project as a viable loan candidate. In general, the review by the Northspan Group for this start-up business shows debt service coverage ratios of 3.41 for year one and 3.00 for year two. Should the Council wish to review the specific project financials, it should request that information from Staff.

As the Council and community are aware, construction of this restaurant has been underway since late this summer. The applicant had financing in place with Lake Superior State Credit Union which was recently bought out by Members Cooperative Credit Union (MCCU). The original project funding was issued as a non-amortized note, as such with the MCCU buy out, structuring appropriate terms and collateral are under review and the applicant needs an amortized loan with terms and rates applied, not a term note.





**Policy Objectives**

This project is eligible for the use of funds from Cloquet EDA Fund 203 (City Fund) which is a loan fund that was established to respond to the needs of the commercial/retail business sector and does not provide more than 25% of project gap financing.

The Council will note policy objectives of Loan Fund 203 as they relate to this project that include the following criterion:

1. “Ineligible use or proceeds”
  - Loans may not be used to service or refinance any existing debt
  - Previously completed or started projects
  
2. “Loan Terms”
  - Terms shall generally be 3-5 years on leasehold improvements
  
3. “Loan Conditions”
  - Minimum equity participation shall be 10-20%

The EDA believes the project qualifies for a loan from Fund 203 and identified the following responses to the above criteria:

- This project is incomplete and still in startup mode. It has been challenging for the applicant to effectively strive towards project completion due to the buyout of the original financier and the note coming due on a non-amortized loan schedule. As such the EDA does not view this as a typical refinance that would be ineligible nor a completed project as it is not complete.
  
- The Council will note that the EDA is recommending a loan amortization of 15 years, not aligned with the typical 3-5 year term for leasehold improvements. The rationale behind this as reviewed by Northspan Group is that the primary financier for this project could chose to use SBA financing for this project under which the City could purchase a loan participation. If indeed that is the most effective and protected loan path forward, SBA criteria allows for 15 years and upwards on leasehold improvements. The intent of the City would be to match the SBA terms/terms of the primary lender.
  
- Lastly, the Council will note the minimum requirement of 10% project equity and that the applicant has 7.5% (\$30,000) at this time. With years of experience in the restaurant business and two successful restaurant ventures (Green Mill and McKenzie’s) having this experience and



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slightly less than required for equity is viewed by Northspan Group and the EDA as an acceptable loan risk.

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

The EDA has recommended that the City Council move to approve a loan in the amount of \$75,000 with a preliminary projected term of 15 years at a rate of 3% from Fund 203 subject to the applicant obtaining primary financing and those primary terms being provided to the City to determine the City's final terms and collateral.

Under the above recommendation, the final terms of the loan would be subject to change depending upon the finality of the primary lender's project structure. The City would then either approve the loan with the terms described above, with the loan re-structured around Option #1 below or restructured around Option #2.

Option #1: The City of Cloquet pursue a pledge of Coca-Cola stock (\$60,000) from a related party to provide collateral on the City's loan and make the loan subject to approval of a primary lender the terms of which are shared with the City for the City to finalize and determine appropriate term, rate, and collateral; or

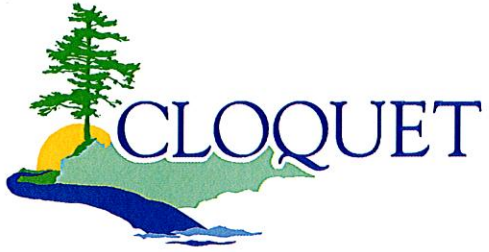
Option #2: Have the primary project lender agree to make a \$375,000 loan with a 75% SBA loan guaranty and sell a \$75,000 loan participation to the City.

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

The applicant has paid the \$250 loan review fee. The amount of the loan would be \$75,000 for a projected term of 15 years at a rate of 3% which represents prime minus 0.25%. The source of the loan would be Fund 203 which has a cash balance of \$137,391.86.

#### **Supporting Documentation Attached**

- Applicant letter
- Northspan Group's Loan Summary
- Cash flow projections
- Fund 203 Criteria Information



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

**Project Location: 207 Avenue C**



November 18, 2015

Project Avenue C

I have been working in the Restaurant business for over 20 years. I have been at Green Mill for 20, and been the General Manager for the past for 14 years. Myself and a partner opened McKenzies Bar and Grill and turned it into a successful establishment in Hermantown back in 2009. I sold my shares to my partner after 3 years. I want to open a nice, family, clean restaurant with a wide variety of food. I believe the restaurant will be unique not only to Cloquet, but to the twin ports. I have a chef with over 10 years experience(just helped open the Tavern on the Hill) and manager that worked with me at the Green Mill all through college and was a manager here the last 6 months. Very competent management which is VERY important in this industry. We will probably have 15 full-time hourly employees and 15 part time hourly.

I grew up in Cloquet and my Father has been part of the community for some 40 years. We have a favorable lease, which will be amended to a year of free rent from opening. We have gotten some real positive word of mouth marketing. Good management. A very healthy relationship with Upper Lakes Foods, which we will be using for all of our food needs. I also have a good bookkeeper, lawyer and accountant. With all of this and 20+ years of experience, I believe we can make a great place for the Cloquet community.

Sincerely,

Douglas E. Smith

**Rivdogg, LLC  
DbA Avenue C  
Due Diligence Report for  
City of Cloquet EDA  
Revolving Loan Fund**

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**APPLICANT**

Rivdogg, LLC  
DbA Avenue C  
207 Avenue C, Suite 110  
Cloquet, MN 55720

Principals: Douglas E. Smith  
Dave Rislov

**GENERAL BACKGROUND AND HISTORY**

This project represents the development of a startup restaurant and bar to be located at 207 Avenue C in the City's west historic district. The owner of the project is Douglas Smith who has over 20 years of experience in the restaurant business. He has been with Green Mill in Duluth for 20 years and their general manager for 14 years. In 2009, he and his business partner opened McKenzies Bar & Grill and turned it into a successful establishment in Hermantown.

Doug has sold his interest in McKenzies and is now focusing on the development of a nice, unique, family restaurant with a wide variety of food in Cloquet. The restaurant name will be Avenue C and will have 130 seats.

**DESCRIPTION OF THE PROJECT**

Doug Smith has entered into a lease agreement with Wehr and Associates to improve and lease 4,800 square feet of space on the first floor of the building located at 207 Avenue C for the new 130 seat bar and restaurant.

See the following Sources and Uses of funds:

<b>Sources</b>		
City of Cloquet	\$ 75,000	Building Renovations & Equipment
Primary Lender	300,000	Building Renovations & Equipment
Equity	<u>30,000</u>	
<b>Total</b>	<b>\$405,000</b>	

<u>Uses</u>	
Building Renovation & Leaseholds	\$142,000
Furniture & Fixtures	78,000
Equipment	75,000
Start Up Costs	75,000
Working Capital	<u>35,000</u>
<b>Total</b>	<b>\$405,000</b>

The proposed City of Cloquet financing would be in the form of a \$75,000 fifteen year term loan having a rate of prime minus .25%, currently 3.00%. The proceeds will be used to assist in funding construction, leasehold improvements and equipment purchases for a new restaurant located at 207 Avenue C.

### **COLLATERAL ANALYSIS**

Collateral will be a subordinated security interest on all furniture, fixtures and equipment and leasehold improvements. The business currently has a \$300,000 loan with Members Cooperative Credit Union and is pursuing a replacement loan through another primary lender. The City's collateral interest would be junior to the primary lender's \$300,000 loan. (Note: primary lending has not yet approved the loan). The loan will also have the personal guaranty of Douglas Smith. Without any additional pledge of collateral the loan as presented is essentially an unsecured loan. Writer recommends obtaining a collateral pledge from a related party (Coca-Cola stock) to secure the loan. (Explore possibility to purchase participation in primary loan if they structure with a SBA loan guaranty.)

### **FINANCIAL ANALYSIS**

The following financial summary is an analysis of Rivdogg, LLC's two years of projections and a current balance sheet dated November 16, 2015.

#### **Projected Income Statements**

The City has received projected income statements for the new restaurant for a two year period. The detail of those projections is shown below.

### Avenue C Income Statement

	Projected Year 1	Projected Year 2
Sales	1,020,000	1,080,000
Cost of Sales	309,200	327,400
Gross Profit	710,800	752,600
Operating Expenses	614,100	676,200
Income From Operations	96,700	76,400
Other Income and Expense		
Miscellaneous	600	600
Gain on Sale of Assets		
Bad Debt Collection		
Interest Expense	600	600
Net Income Before Income Taxes	97,300	77,000
Federal & State Income Taxes	-	-
Net Income before Debt Service	97,300	77,000
Add Depreciation	64,300	64,300
Add Interest	6,000	6,000
Total Cash Flow Available	167,600	147,300
Less Debt Service	49,100	49,100
Excess Cash Flow	118,500	98,200
Debt Service Coverage Ratio	3.41	3.00

The applicant's projections show adequate cash flow to service the project's proposed debt with a debt service coverage ratio projected as 3.41 for year one and 3.00 for year two.

### **Balance Sheet**

The company's interim balance sheet dated November 16, 2015 shows total assets of \$245,200 and is made up of \$75,400 in cash, \$104,200 in leasehold improvements and \$65,600 in machinery & equipment. Total liabilities are \$302,100, primarily a \$300,000 loan from Members Cooperative. Equity is (\$56,900) and represents an operating loss due to the project's start-up expenses and no revenues to date. Equity is negative after the impact of expensing the start-up costs. The owners have contributed \$30,000 total in equity into the project.

## CONCLUSIONS/RECOMMENDATIONS

We view Doug Smith as an experienced and capable owner and manager of the business providing a high probability of success for the new restaurant venture.

We see two loan approach options for the project loan request to the City:

**Option #1:** We suggest that the City of Cloquet pursue a pledge of Coca-Cola stock from a related party to provide collateral on the City's loan and make the loan subject to approval of the primary lender.

**Option #2:** Have the primary lender agree to make a \$375,000 loan with a 75% SBA loan guaranty and sell a \$75,000 loan participation to the City.





# Cloquet, Minnesota Economic Development Loan Program

(Fund 203)

## OVERVIEW

The Cloquet Economic Development Loan Program was created in 2000 to achieve local goals for development in the community. While all businesses are eligible, the program was created to respond to needs from the commercial/retail business sector. This flexible source of loan funds in collaboration with local lenders provides gap financing to businesses on relocation/expansion projects that encourage the creation of quality jobs and increase new property tax opportunities within the City of Cloquet.

## ELIGIBLE BUSINESSES

Any new or expanding manufacturing business, distributing, warehousing, packaging and processing facilities, office, industries (including corporate, professional and technical), and retail that create or retain permanent jobs and demonstrate a significant payroll and other long term economic benefits to the City of Cloquet.

## USE OF PROCEEDS

### Eligible activities for assistance include:

- Equipment and machinery.
- Furniture, fixtures and inventory.
- Land and building acquisitions.
- New building construction or building renovation.
- Building expansion or site improvements.

### Ineligible use of proceeds:

- Loans may not be used to service or refinance any existing debt.
- Not-for-profit businesses are not eligible.
- Personal property items.
- Working capital.
- Previously completed or started projects.

## CONTACT

Additional information and application may be obtained from:

Holly Butcher, Community Development Director  
1307 Cloquet Avenue  
Cloquet MN 55720  
Ph: (218) 879-2507 ext. 4  
Email: hbutcher@ci.cloquet.mn.us

## LOAN TERMS AND CONDITIONS

### Loan Terms

- Final loan terms/rates are determined by agreement between the participating lender and City on a case-by-case basis.
- Interest rates shall generally be at Wall Street Journal prime rate - 1 with a minimum of 2.5%; fixed for the term of loan.
- Terms shall generally be: 3-5 years on leasehold improvements, office equipment and inventory; 5-10 years on manufacturing machinery and equipment; and 15-20 years on real estate (land, buildings, and site improvements) or for terms consistent with and/or required under Federal SBA guidelines or other State and Federal lending requirements.

### Loan Conditions/Amount

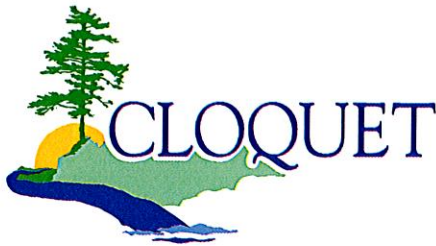
- The loan fund shall not provide gap financing exceeding 25% of the total project cost and total public funding (government) will not exceed 50%.
- Job creation and retention as well as compliance with business subsidy is required.
- Relocation of business outside of Cloquet Area requires immediate and full loan repayment.
- Minimum equity participation shall be 10-20%.

### Loan Security/Collateral

Loans must be secured by collateral sufficient enough to assure repayment. Acceptable security could include a mortgage or land, building and/or equipment; and in some projects assignment of accounts receivable. A personal guarantee from each major principal in the company is a requirement. A life insurance policy matching the City's loan and naming the City of Cloquet as beneficiary may be required from each major principal in the company.

### Origination and Closing Costs

An application fee of \$250 is due on the date of application. There are no service fees. The business must pay all loan administrative and closing costs on the date of the loan closing.



## 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

### REQUEST FOR COUNCIL ACTION

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To: City Council  
From: Caleb Peterson, Assistant Engineer  
Reviewed By: Brian Fritsinger, City Administrator  
Date: December 10, 2015

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**ITEM DESCRIPTION:** Ski Club Agreement

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#### Proposed Action

Staff recommends that the City Council move to adopt **RESOLUTION NO. 15-100, A RESOLUTION ENTERING INTO A LEASE AGREEMENT WITH THE CLOQUET SKI CLUB FOR USE OF THE PINE VALLEY SKI JUMPS.**

#### Background

The lease agreement with the Ski Club addressing use of the jumps at Pine Valley has expired and must be renewed prior to the 2015-2016 season. The proposed three year agreement is unchanged from previous years and has worked well in the past.

The original agreement was drafted by the City Attorney with a primary objective of limiting the City's liability. As part of the agreement, the Club is required to maintain liability insurance naming the City as an additional insured. Insurance coverage is to be equal to Minnesota statutory limits for City liability.

#### Policy Objectives

Park Master Plan Policy 7.1: Partnerships shall be sought to make unique opportunities available to the community and allow for facilities and programs that would otherwise be difficult to achieve by the City alone.

Park Master Plan Policy 7.4: The City shall require formal agreements with those partners providing resources, programs or activities benefiting the community.

#### Financial/Budget/Grant Considerations

Under the terms of the agreement operations and maintenance of the jumps are the sole responsibility of the Club. Long term, the City will need to address some higher dollar repair and maintenance items which were identified as part of a structural analysis completed in 2012 if the jumps are to remain in place.

#### Advisory Committee/Commission Action

At their December meeting, the Park Commission voted unanimously to recommend approval of the Lease Agreement with the Cloquet Ski Club for use of the Pine Valley Ski Jumps for a term of three years.

#### Supporting Documents Attached

- Lease Agreement

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

**RESOLUTION NO. 15-100**

**RESOLUTION ENTERING INTO A LEASE AGREEMENT WITH THE CLOQUET  
SKI CLUB FOR USE OF THE PINE VALLEY SKI JUMPS.**

**WHEREAS**, The goal of the City of Cloquet is to promote recreational opportunities which improve quality of life; and

**WHEREAS**, It is the desire of the Cloquet Ski Club to lease the Ski Jumps located at Pine Valley for said purpose; and

**WHEREAS**, Both the City of Cloquet and Cloquet Ski Club have reviewed the attached Lease Agreement and found the terms acceptable.

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

That the City of Cloquet hereby agrees to enter into the attached Agreement leasing the Pine Valley Ski Jumps to the Cloquet Ski Club for a term of three years.

**PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF CLOQUET  
THIS 15<sup>TH</sup> DAY OF DECEMBER, 2015.**

ATTEST:

\_\_\_\_\_  
Dave Hallback, Mayor

\_\_\_\_\_  
Brian Fritsinger, City Administrator




**DEPARTMENT OF PUBLIC WORKS**

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**REQUEST FOR COUNCIL ACTION**

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To: Mayor and City Council  
From: Caleb Peterson, Assistant Engineer  
Reviewed By: Brian Fritsinger, City Administrator   
Date: December 9, 2015

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**ITEM DESCRIPTION:** Veteran’s and Fauley Park Improvements.

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**Proposed Action**

Staff recommends the City Council move to approve the Supplemental Letter Agreement with SEH Inc. to complete bidding documents for planned improvements at Veteran’s and Fauley Parks.

**Background/Overview**

The recently adopted Capital Improvement Plan calls for 2016 park and highway landscape improvements in Veterans and Fauley Parks. The preliminary scope of proposed improvements were taken directly from the recently adopted Riverfront and Highway 33 Landscape Plans which were completed by SEH over the past two years. Those improvements under consideration for completion in 2016 include the following:

**Veteran’s Park**

- Memorial circle enhancements including a monument/gathering area with water feature.
- Pergola to create symmetry with existing structure.
- Trail loop with pedestrian scale lighting.
- Cloquet Avenue pedestrian entrance.
- Infrastructure improvements to address water service, drainage issues, and electrical service.
- Highway 33 embankment landscaping.

**Fauley Park**

- Landscaping, walk and path enhancements
- Pergola
- Monument signage
- Site furnishings
- ATV access management
- Potential train lighting

Request for Council Action  
Veterans and Fauley Park Improvements  
December 9, 2015

Staff has been working with SEH to prepare a work plan for the coming months with a primary goal of improving communication with the Council, Commission and Veterans groups as the design progresses. In the attached scope of work, Council will note a series of opportunities for input as the project develops. The process will begin with a project scoping exercise, and includes a series of check points along the way where the Council and Commission can weigh in on design elements and finish details. These selections are seen as critical going forward as Veterans and Fauley will set a precedence for all future improvements along the Riverfront and potentially into the Downtown and West End.

**Policy Objectives**

Park Master Plan Policy 1.3 – Improvements to parks shall follow a process that engages park users, stakeholders, and neighbors to ensure changes are aligned with community needs and interests.

Park Master Plan Policy 2.5 – All park resources shall be maintained in a way that ensures they are safe and attractive.

**Financial/Budget/Grant Considerations**

\$950,000 was included as part of the 2016 budget for completion of the four projects as follows:

Veteran's Park Improvements	\$675,000
Fauley Park Improvements	\$180,000
Veteran's Landscaping	\$ 57,000
Fauley Landscaping	\$ 40,000

The proposed design fee of \$89,400 was included as part of the project budget.

**Advisory Committee/Commission Action**

The Park Commission previously took action recommending approval of adopted Capital Plan.

**Supporting Documentation Attached**

- Supplemental Letter Agreement & Scope of Work.

## Supplemental Letter Agreement

In accordance with the Master Agreement for Professional Services between City of Cloquet, Minnesota ("Client"), and Short Elliott Hendrickson Inc. ("Consultant"), effective May 1, 2014, this Supplemental Letter Agreement dated December 2, 2015, authorizes and describes the scope, schedule, and payment conditions for Consultant's work on the Project described as: **2016 City of Cloquet Park Improvements - Veteran's Park and Fauley Park Improvements.**

**Client's Authorized Representative:** James Prusak – City Engineer

**Address:** City of Cloquet, Minnesota  
1307 Cloquet Avenue, Cloquet, Minnesota 55720

**Telephone:** 218.879.3347 **email:** jprusak@ci.cloquet.mn.us

**Project Manager:** Michael Kraemer

**Address:** 3535 Vadnais Center Drive  
St. Paul, MN 55110

**Telephone:** 651.490.2101 **email:** mkraemer@sehinc.com

**Scope:** The Basic Services to be provided by Consultant are generally described to include consulting services for project scope refinement, design, preparation of construction documents, preparation of final opinion of probable costs, and preparation of bidding documents for Veterans Park and Fauley Park Improvements. Construction administration services will be negotiated as a separate supplemental agreement and will be based on scope of project defined during this contract and the amount of construction services engagement requested by the City at the time of construction. Construction is anticipated to begin in 2016 with completion in 2017. See attached Scope of Work documentation for details.

**Payment:** Budget for Basic Services is a Lump Sum budget of \$89,400 including expenses as defined in Exhibit A-2 of the Master Agreement.

**Additional Services Billing:**

- Additional Public and Informational meetings beyond four (4) will be charged at \$1000/meeting.
- Wetland delineation (Lump sum based on agreed upon scope)\*
- Alternative Funding Source Application Preparation (Hourly)\*
- Additional Surveying (Hourly)\*
- Construction Administration Services (Hourly based on requested level of engagement)\*


The payment method, basis, frequency and other special conditions are set forth in attached Exhibit A-1 A-2 OR A-3 of the Master Agreement. Additional work, if required, shall be compensated at the billable hourly rate of the individual performing the work. (\*Billable Rate = Employee Hourly Rate times 3.0 multiplier for overhead and profit.)

**Other Terms and Conditions:** Other or additional terms contrary to the Master Agreement for Professional Services that apply solely to this project as specifically agreed to by signature of the Parties and set forth herein:  
*None*

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Short Elliott Hendrickson Inc.

City of Cloquet, Minnesota

By:   
Title: Principal

By: \_\_\_\_\_  
Title: \_\_\_\_\_

## Scope of Work – 2016 Cloquet Park Improvements (Veterans Park and Fauley Park)

### Phase 1 – Concept Refinement

- 1.1 Conduct Project Scope Refinement. Review previously approved concepts, expand on details for consideration, review budget limitations, and refine project scope and priorities to be considered in final detailed design.
- 1.2 Permit Investigation – Review potential wetland permit implications associated with landscape enhancements, trails and other potential park enhancements at the existing Veteran’s Park pond. Prepare technical memorandum of findings.
- 1.3 MNDOT ROW Investigation - Review potential MNDOT Right-of-Way (ROW) implications associated with Fauley Park enhancements and Veteran’s Park Hwy 33 landscaping, including potential for MNDOT land donation and funding. Prepare technical memorandum of findings.
- 1.4 Geotechnical Investigation of Veteran’s Park to determine suitability for proposed site work and structures. Work will include up to five 10’ deep borings with summary report of findings and recommendations.
- 1.5 Community/Stakeholder Input – Conduct up to four engagement meetings in Cloquet with vested stakeholders (Vets), Council and Parks Committee members. These meetings will be bundled with Council and other Committee meetings at the following project stages with four total trips to Cloquet planned to complete this task:
  - 1.5.1 Project Scope Refinement
  - 1.5.2 30% Design Review
  - 1.5.3 60% Design Review
  - 1.5.4 90% Design Review/Authorization to Bid
- 1.6 Scope and Construction Budget Refinement – Refine and confirm final construction scope and budget based on input from above tasks 1.1, 1.2, 1.3, 1.4 and 1.5. in concert with input from City staff. It is currently anticipated that the following will be included with an overall project budget of \$945,000 (inclusive of consultant fees):
  - Veteran’s Park (\$725,000 estimated project budget)
    - Memorial circle enhancements, including monument/gathering area with water feature
    - Pergola to create symmetry with existing structure
    - Trail loop with pedestrian lighting
    - Cloquet Avenue pedestrian entrance improvement
    - Infrastructure improvements to water service, storm water management, and electrical service
    - Hwy 33 embankment landscaping
    - Misc. landscape clean-up (area between parking lot and pond)
  - Fauley Park (\$220,000 estimated project budget)
    - Landscaping, walks, and path enhancements
    - Pergola
    - Monument Signage (Fauley Park, Fire History, etc.)
    - Site furnishings
    - Site drainage improvements
    - ATV access management (physically move out of park and signage)



- Potential ornamental train lighting

**Phase 2 – Final Design and Preparation of Construction Documents.** The scope, budget, fee, schedule and services to be delivered in this phase are based on the approved concept and scope refinement from task 1.6 above. Work tasks to be included in this phase include, detailed design, preparation of plans, specifications, bidding documents and final estimates of cost, with review submittals at 30%, 60% and 90% per task 1.4 above.

### **Construction Administration Services.**

Construction administration services will be negotiated as a separate supplemental agreement and will be based on scope of project defined during this contract and the amount of construction services engagement requested by the City at the time of construction. Construction is anticipated to begin in 2016 with completion in 2017.

### **Schedule**

The schedule for delivery of services is generally described as follows:

#### **Phase I**

- Concept Refinement – January 2016
- Preliminary Design – February 2016

#### **Phase II**

- Final Design - 60% Review – March 2016
- Finalize Construction Documents and Advertise for Bids – April 2016