



# City Administrator's Weekly Update

WEEK ENDING FEBRUARY 17, 2017

## Upcoming Events:

February 20

President's Day

**CITY HALL CLOSED**

February 21, 5:30 pm

Council Work Session

City Hall

February 21, 7:00 pm

City Council Meeting

City Hall

February 28, 4:15 pm

Library Board

Public Library

February 28, 7:00 pm

Planning Commission

City Hall

March 1, 8:00 am

EDA

City Hall

March 6, 4:30 pm

Parks Commission

City Hall

March 7, 5:30 pm

Council Work Session

City Hall

March 7, 7:00 pm

City Council Meeting

City Hall

## Administration/Finance

### Miscellaneous

It was a fairly quiet week in terms of activity. Spring has returned and we all welcomed the warm weather as the week concluded.

Staff met with the County this week to discuss public building projects. As the Council is aware the County also has a variety of building projects being considered for future construction. The County expressed a willingness to meet early in the process so that all parties can focus on impacts on the taxpayers and to explore any collaborative options that might be available in the City.

The CAFD Board met this week for their monthly meeting. Representatives of the District then met with Thomson Township on Thursday night to discuss the proposed legislation being pursued by the District.

### Mayor's State of City

Attached the Council will find the Mayor's State of the City address. We have posted this on the City website and the Pine journal is expected to publish it in some form or fashion in the newspaper next week.

## Public Works/Parks

### Bike Trail at Pine Valley

The City did not receive any bids for the proposed mountain bike trail at Pine Valley. Follow up with the contractors that perform this kind of work revealed that they are all booked for the 2017 construction season. As a result, it looks like we might be recommending that this project be pushed out to 2018 and re-bid later this year.

### Miscellaneous

We finally had a chance to open the tubing hill last week for the first time in a long period of time. Unfortunately the weather turned warm and caused things to get icy. Folks using it had a blast, but we did have a few injuries with the quick track. About 35 people that came out on Saturday.

## Community Development

### Development

Ady Advantage has completed a large portion of the work related to the economic development marketing exercise. The consultant will be in town on March 6 to meet with a variety of people to continue their work on this important project.

Spring has sprung in the sense that staff had a number of contacts with prospective business development projects this week. Taco Bell has submitted a site plan proposal for the former Friends of Animals location.

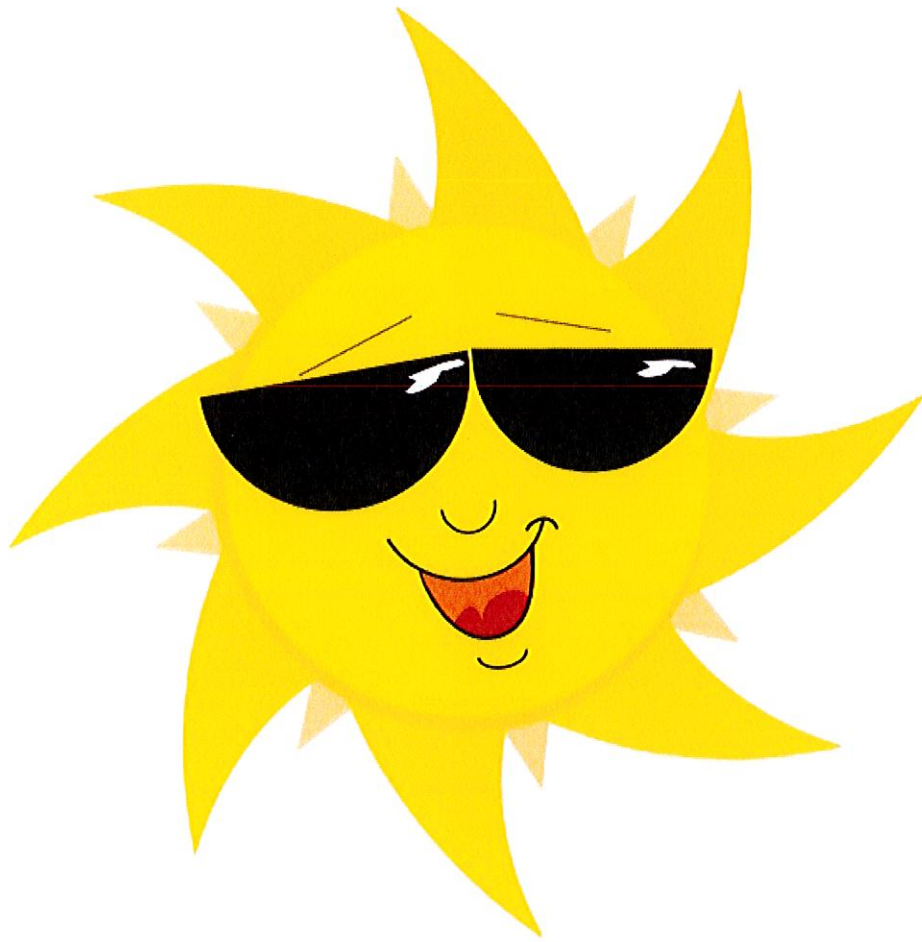
**Dave Hallback, Mayor**

**City Council Members:**

Jeff Rock, Ward 1  
David Bjerkness, Ward 2  
Roger Maki, Ward 3  
Kerry Kolodge, Ward 4  
Steve Langley, Ward 5  
Adam Bailey, At Large

Brian Fritsinger,  
City Administrator  
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**Visit Our Website at:**  
[www.ci.cloquet.mn.us](http://www.ci.cloquet.mn.us)



*"The best day of your life is the one on which you decide your life is your own.  
No apologies or excuses. No one to lean on, rely on, or blame.  
The gift is yours -- it is an amazing journey -- and you alone are responsible  
for the quality of it. This is the day your life really begins."  
- Bob Moawad, Author*

**Other Information Attached:**

- \* January Financial Report
- \* February 13, 2017 Letter Regarding SKB/Shamrock Landfill
- \* 2017 Mayor's State of the City Address
- \* County Hwy Projects Open House Notice
- \* City Administrator Resignation Letter





**ADMINISTRATIVE OFFICES**

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February 16, 2017

Dear Brian Fritsinger, City Administrator:

Enclosed is the monthly financial report and cash and investment analysis for January 2017.

**Cash and Investments**

Cash balances are 2% below January 2016. A narrative and several spreadsheets discussing this month's cash and investment activities, and balances are attached.

**Budgets**

Revenues/Transfers in – City Sale Taxes are \$35,600 above budget and SAPPI waterline sales are \$72,300 above budget. Most other revenues are in line with budget.

Expenditures/Expenses – Selected department and fund expenditures/expenses are analyzed on the following worksheets.

**Major Revenues and Expenditures/Expenses**

Revenues:

State \$85,600 for City Sales Tax. Mediacom \$26,600 for quarterly franchise fees. Carlton County \$72,800 for City and CAFD delinquent property taxes.

Expenditures/Expenses:

14<sup>th</sup> Street Apartments \$10,200 and Oakwood Estates \$23,600 for TIF. ISD #94 \$17,700 for quarterly community education. Reliable \$197,300 for City first half insurance. City of Superior \$16,600 for waterline personal property taxes. Hansen Pressure Pipe \$36,700 for LSW Repair piping inventory. Persaud Construction \$12,600 for small cities development project. Kemble Inc. \$13,800 for grinding wood waste pile.

If you have questions, please feel free to let me know.

Respectfully,

Nancy M. Klassen, CPA, CPFO  
Finance Director

**City of Cloquet**  
**Select Departmental and Funds Expenditure/Expense Budget Report for January**  
**2017**

Fund	2017 Budget	YTD Expend/Expense Budget	YTD Expenditures/ Expenses	Over (Under) Budget	Over (Under) %
<b>General</b>					
Administration	269,050	32,421	32,710	289	1%
Human Resources	74,550	6,338	3,017	(3,321)	-52%
Finance	178,550	14,654	11,084	(3,571)	-24%
Law	110,000	9,167	-	(9,167)	-100%
Building & Planning	217,200	20,600	17,893	(2,707)	-13%
Police	2,712,800	268,983	270,636	1,653	1%
Hwy, Streets & Rwy	1,037,850	122,113	113,826	(8,287)	-7%
<b>Community Development</b>	161,200	15,517	22,106	6,589	42%
<b>Library</b>	572,600	50,425	47,588	(2,838)	-6%
<b>Park</b>	599,570	68,873	61,012	(7,861)	-11%
<b>Water - LSWL</b>	3,913,850	207,788	197,556	(10,231)	-5%
<b>Water - In Town</b>	1,140,750	88,188	76,674	(11,514)	-13% 1
<b>Sewer</b>	1,602,400	133,492	127,618	(5,874)	-4%
<b>Storm Water</b>	189,850	19,188	16,860	(2,328)	-12%
<b>Cable TV</b>	165,950	14,871	12,670	(2,201)	-15%

**Note: Does not include transfers.**

**Explanation of (over) budget \$10,000 & 10%.**

1 - Leak repairs under budget in January.

**City of Cloquet**  
**Select Departmental and Funds Payroll Expenditure/Expense Budget Report as of January**  
**2017**  
**Payroll Overtime**

Fund	2015 Total	2016 Total	2017 Budget	YTD Expend/Expense Budget	YTD Expenditures/Expenses	Over (Under) Budget	(Over) Under %	
<b>General</b>								
Police	131,867							
Holiday		39,353	50,000	4,167	12,169	8,002	192%	1
Regular		65,994	45,000	3,750	3,578	(172)	-5%	
Reimbursed		8,550	5,000	417	214	(203)	-49%	
Hwy & St	22,459	28,205	25,000	2,083	5,107	3,024	145%	2
<b>Water - LSWL</b>	26,737	22,664	35,500	2,958	6,237	3,278	111%	2
<b>Water In Town</b>	12,494	19,466	16,000	1,333	5,812	4,478	336%	2
<b>Sewer</b>	8,912	7,410	10,500	875	2,669	1,794	205%	2
<b>Storm Water</b>	2,569	6,197	5,000	417	1,421	1,005	241%	2

**Explanation of (over) budget**

- 1 - Three holidays in the first payroll of the year.
- 2 - Seasonable snowplowing.

Filename: Expenditure-expense budget report

*City of Cloquet  
Cash and Investments  
Management Summary  
January 31, 2017*

**Analysis of Portfolio**

Attached is a “Cash and Investment Analysis” which shows the type of accounts and values that make up the City’s cash and investment portfolio.

**Current Economics**

The economy is still on the slow but steady pace. The State’s budget outlook remains stable. The November 2016 forecast projects a \$1.4 billion balance for the FY 2018-19. The current biennium surplus is projected at \$678 million, after the statutory allocation of \$334 million to the budget reserve. Unemployment is at 4.8% for January.

The City’s certified 2017 LGA is \$2,363,635 approximately \$7,100 more than 2016 and the City increased its levy by 5.69% for 2017. There will be a health insurance premium increase for the City for 2017 of 27.4%. This is almost \$150,000 more per year for the employer (70%) and employee (30%) combined.

**Current Activity**

During the month of January there were no investment changes. Attached is an “Investment Portfolio Analysis” with the detail of investments.

**Variance Analysis**

Cash and investments are 2% below January 2016. The decrease is due to capital spending on projects in 2016.

The federal benchmark interest rate was raised in December 2016 to .50% to .75% from .25% to .50%. It is expected there will be three more increases in 2017. Attached is an “Interest Earnings Analysis” which details the average balances invested, rate of return, and prior year rates.

The budgeted interest earnings are \$327,000 for 2017. The City’s investment annualized yield is approximately \$205,300 or 1.51% for 2017. The actual interest receipts for 2016 were \$230,700. The 2017 budget is based on the economy and interest rates increasing.

**City of Cloquet  
Cash Balances  
January  
2017**

Fund #	Fund	Amount
101	General	4,389,171.47
201	LDO Loan (EDA)	335,773.12
202	Federal CDBG Loan (EDA)	843,450.24
203	Economic Development Loan (City)	126,098.56
204	State SCDG/MIF (EDA)	129,857.76
206	Revolving SCDP (EDA)	-
207	Community Development Operating (City)	(53,137.08)
208	Small Cities Development Program (City)	8,621.23
211	Library	81,282.07
220	TIF - Daqota/Woodward	7,100.66
221	TIF - 14th Street Apartments	1,154.27
222	TIF - Oak Street Apartments	37,101.74
224	Building Facilities Planning	1,544,300.00
225	Permanent Improvement	351,826.25
226	Park	114,510.11
226	Park - Restricted - In Lieu	37,924.41
226	Park - Skate Park	2,640.85
228	Senior Center	(9,728.05)
231	Public Works Reserve	501,344.71
260	Landfill Host Fee - 25%	74,929.49
260	Landfill Host Fee - 75%	230,958.76
368	Business Park Bonds	1,200,764.22
370	Swimming Pond Bonds	31,121.83
403	Capital Projects - Revolving	(1,099,385.73)
405	City Sales Tax Capital Projects	600,256.04
600	Water - Lake Superior Waterline	684,173.30
600	Water - Lake Superior Waterline Construction	429,990.33
601	Water	3,550,690.98
601	Water	233,619.75
602	Sewer	1,061,190.85
605	Storm Water	66,150.96
614	Cable TV	218,150.64
701	Employee severance	602,489.53
905	Cloquet Area Fire District	1,574,827.58
	Total	<u>17,909,220.85</u>



**City of Cloquet**  
**Cash and Investment Analysis**  
**January 31, 2017**

	Tentative Goals	Current 1/31/2017	12/31/2016	11/30/2016	10/31/2016	Last Year 1/31/2016
<b>DEMAND ACCOUNTS</b>						
Checking & MM & Savings	10%-15%	\$4,309,251.07 24%	\$4,967,989.27 27%	\$4,677,179.25 29%	\$5,399,997.17 32%	\$3,405,444.16 19%
<b>INVESTMENTS</b>						
<b><u>Invested less than one year</u></b>						
Certificates of Deposit		\$2,133,000.00	\$2,133,000.00	\$1,153,000.00	\$1,235,000.00	\$3,690,000.00
Municipal Bonds		\$2,667,468.64	\$2,667,468.64	\$1,858,887.58	\$1,858,887.58	\$639,394.93
Government Agencies		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total invested less than one year	50%-70%	\$4,800,468.64 27%	\$4,800,468.64 26%	\$3,011,887.58 19%	\$3,093,887.58 18%	\$4,329,394.93 24%
<b><u>Invested one to three years</u></b>						
Certificates of Deposit		\$1,675,000.00	\$1,579,000.00	\$1,579,000.00	\$1,647,000.00	\$1,994,000.00
Municipals		\$1,727,214.75	\$1,727,214.75	\$2,239,851.00	\$2,239,851.00	\$3,625,151.37
Government Agencies*		\$497,990.00	\$497,990.00	\$0.00	\$0.00	\$500,000.00
Total invested one to three years	10%-20%	\$3,900,204.75 22%	\$3,804,204.75 20%	\$3,818,851.00 23%	\$3,886,851.00 23%	\$6,119,151.37 34%
<b><u>Invested over three years</u></b>						
Certificates of Deposit		\$1,405,000.00	\$1,501,000.00	\$1,501,000.00	\$1,501,000.00	\$1,739,000.00
Municipal bonds		\$824,296.39	\$824,296.39	\$824,296.39	\$824,296.39	\$0.00
Government Agencies *		\$2,670,000.00	\$2,670,000.00	\$2,445,000.00	\$2,285,000.00	\$2,595,538.67
Total invested over three years	10%-20%	\$4,899,296.39 27%	\$4,995,296.39 27%	\$4,770,296.39 29%	\$4,610,296.39 27%	\$4,334,538.67 24%
<b>Total</b>	<b>100%</b>	<b>\$17,909,220.85</b>	<b>\$18,567,959.05</b>	<b>\$16,278,214.22</b>	<b>\$16,991,032.14</b>	<b>\$18,188,529.13</b>
<b>Current month variance</b>			<b>(\$658,738.20)</b> -4%	\$1,631,006.63 16%	\$918,188.71 14%	<b>(\$279,308.28)</b> -2%

\* - These investments have call dates less than one year.

**Note:**

The over one year and over three year period exceeds the goals but several investments are priced to call and will be called in the next year.



City of Cloquet  
Investment Portfolio Analysis  
Detail of Investments January 31, 2017

Brokerage	Purchase Date	Maturity Date	Time Held	Description	Amount	YTM Rate	Annualized Yield	Market Value
<b>Invested less than one year</b>								
<b>Certificates of Deposit</b>								
UBS Financial	8/5/2015	2/6/2017	2 1/2 yrs	Sallie Mae Bank UT	\$245,000.00	0.850%	\$2,082.50	\$245,009.80
Wells Fargo	12/16/2016	3/16/2017	3 months	Merchants Bank IND	\$245,000.00	0.650%	\$1,592.50	\$245,035.53
Morgan Stanley	6/8/2012	6/8/2017	5 yrs	World Financial DE	\$200,000.00	1.850%	\$3,700.00	\$200,792.00
Wells Fargo	12/19/2016	6/14/2017	6 months	Bank of India NY	\$245,000.00	0.800%	\$1,960.00	\$245,115.15
Morgan Stanley	6/22/2012	6/22/2017	5 yrs	St Bank of India NY	\$245,000.00	2.000%	\$4,900.00	\$246,269.10
Wells Fargo	7/24/2014	7/24/2017	3 yrs	American Express Fed Sv	\$245,000.00	1.150%	\$2,817.50	\$245,506.66
UBS Financial	8/31/2015	8/31/2017	2 yrs	Oriental Bank PR	\$50,000.00	1.250%	\$625.00	\$50,133.50
Wells Fargo	12/21/2016	9/20/2017	9 months	Beal Bank	\$245,000.00	0.900%	\$2,205.00	\$245,218.05
UBS Financial	10/19/2012	10/19/2017	5 yrs	Boston Prvt B&T MA	\$100,000.00	1.000%	\$1,000.00	\$100,073.00
Morgan Stanley	11/25/2013	11/24/2017	4 yrs	Comenity Bk UT	\$68,000.00	1.400%	\$952.00	\$68,406.64
Wells Fargo	12/15/2016	12/14/2017	1 yr	Safa National Bank	\$245,000.00	0.900%	\$2,205.00	\$244,958.35
					<b>\$2,133,000.00</b>		\$24,039.50	\$2,136,517.78
<b>Municipals</b>								
Wells Fargo	11/4/2010	2/1/2017	6 1/2 yrs	Bloomington MN BAB	\$202,324.00	2.100%	\$4,248.80	\$200,000.00
Wells Fargo	1/7/2009	2/1/2017	7 yrs	Osseo MN ISD 279	\$218,141.70	5.400%	\$11,779.65	\$210,000.00
Wells Fargo	6/11/2015	2/1/2017	1 1/2 yrs	St Paul MN ISD	\$502,845.00	1.000%	\$5,028.45	\$500,000.00
Wells Fargo	1/31/2014	3/1/2017	3 yrs	Menomonie WI Txbl	\$340,204.15	0.970%	\$3,299.98	\$330,155.10
Wells Fargo	9/4/2014	4/1/2017	2 1/2 yrs	St Francis MN ISD	\$166,137.00	0.900%	\$1,495.23	\$150,783.00
Wells Fargo	8/19/2015	8/1/2017	2 yrs	State of MN GO	\$221,654.40	0.860%	\$1,906.23	\$220,433.40
Wells Fargo	12/13/2016	8/15/2017	8 months	Columbus OH Txbl	\$503,526.14	0.850%	\$4,279.97	\$501,310.00
UBS Financial	12/1/2010	12/1/2017	7 yrs	Stamford CT	\$512,636.25	2.759%	\$14,143.63	\$504,725.00
					<b>\$2,667,468.64</b>		\$46,181.95	\$2,617,406.50
<b>Invested one to three years</b>								
<b>Certificates of Deposit</b>								
Frandsen Bank	9/5/2016	3/5/2018	1 1/2 yrs	Frandsen Bank	\$245,000.00	0.300%	\$735.00	\$245,000.00
Morgan Stanley	3/12/2014	3/14/2018	4 yrs	GE Capital Ret BK UT	\$210,000.00	1.500%	\$3,150.00	\$211,022.70
Morgan Stanley	6/28/2013	6/28/2018	5 yrs	BMW Bk - UT	\$96,000.00	1.650%	\$1,584.00	\$96,242.88
Morgan Stanley	10/2/2013	10/2/2018	5 yrs	Discover Bk DE	\$145,000.00	2.050%	\$2,972.50	\$146,912.55
Morgan Stanley	10/28/2013	10/29/2018	5 yrs	Bank Baroda NY	\$245,000.00	2.050%	\$5,022.50	\$247,802.80
UBS Financial	4/16/2014	4/16/2019	5 yrs	Wells Fargo	\$240,000.00	1.000%	\$2,400.00	\$240,172.80
Morgan Stanley	4/29/2014	4/29/2019	5 yrs	Barclays Bk DE	\$45,000.00	1.900%	\$855.00	\$45,584.10
Morgan Stanley	8/8/2015	8/15/2019	5 yrs	Capital One NA Mclean VA	\$108,000.00	2.050%	\$2,214.00	\$109,419.12
Morgan Stanley	10/16/2014	10/16/2019	5 yrs	Capital One Bank VA	\$245,000.00	2.150%	\$5,267.50	\$248,961.65
Morgan Stanley	1/28/2015	1/28/2020	5 yrs	Goldman Sachs - UT	\$96,000.00	2.048%	\$1,966.08	\$97,329.60
					<b>\$1,675,000.00</b>		\$26,166.58	\$1,688,448.20
<b>Municipals</b>								
Wells Fargo	1/14/2014	2/1/2018	4 yrs	Anoka County MN	\$567,323.75	1.480%	\$8,396.39	\$515,770.00
Wells Fargo	7/26/2012	2/1/2018	6 1/2 yrs	North Branch MN ISD 138	\$121,040.56	1.260%	\$1,525.11	\$103,624.00
Wells Fargo	10/7/2010	8/1/2018	8 yrs	U of M Build America	\$260,748.16	2.700%	\$7,040.20	\$257,190.00
UBS Financial	12/4/2012	11/1/2018	6 yrs	NY City Transition	\$360,038.40	1.280%	\$4,608.49	\$357,829.20
Wells Fargo	12/1/2010	12/21/2018	8 yrs	Weston WS BAB	\$152,058.00	3.550%	\$5,398.06	\$155,866.50
UBS Financial	2/25/2016	1/1/2019	3+ yrs	Industry Calif Pub Facs Autl	\$266,005.88	1.447%	\$3,849.11	\$255,760.00
					<b>\$1,727,214.75</b>		\$30,817.36	\$1,646,039.70
<b>Government Agencies</b>								
Wells Fargo	12/19/2016	12/19/2019	3 yrs	FFCB	\$497,990.00	1.638%	\$8,157.08	\$499,543.00
<b>Invested over three years</b>								
<b>Certificates of Deposit</b>								
UBS Financial	2/27/2015	2/27/2020	5 yrs	Private Bank & Tr IL	\$240,000.00	1.750%	\$4,200.00	\$243,902.40
UBS Financial	4/13/2015	4/13/2020	5 yrs	HSBC Bk VA	\$240,000.00	1.125%	\$2,700.00	\$240,096.00
Morgan Stanley	5/7/2015	5/7/2020	5 yrs	Amex Centurion UT	\$185,000.00	1.950%	\$3,607.50	\$186,994.30
Morgan Stanley	9/2/2015	9/2/2020	5 yrs	Capital One MN Mclean VA	\$100,000.00	2.200%	\$2,200.00	\$102,041.00
Morgan Stanley	10/14/2016	10/14/2020	5 yrs	First Bank PR Santurce	\$150,000.00	1.450%	\$2,175.00	\$148,402.50
UBS Financial	9/16/2016	9/16/2021	5 yrs	JPMorgan Chase Bk OH	\$245,000.00	1.500%	\$3,675.00	\$239,708.00
UBS Financial	9/23/2016	9/23/2021	5 yrs	Happy State Bank TX	\$245,000.00	1.500%	\$3,675.00	\$239,830.50
					<b>\$1,405,000.00</b>		\$22,232.50	\$1,400,974.70
<b>Municipals</b>								
UBS Financial	8/1/2016	7/1/2021	5 yrs	Florida St Rev Ser	\$315,572.50	1.583%	\$4,995.51	\$305,760.00
UBS Financial	10/27/2016	7/1/2025	9 yrs	Selma Ala Rfdg	\$508,723.89	2.400%	\$12,209.37	\$475,170.00
					<b>\$824,296.39</b>		\$17,204.89	\$780,930.00
<b>Government Agencies</b>								
UBS Financial	12/30/2016	12/30/2021	5 yrs	FHLB	\$225,000.00	2.000%	\$4,500.00	\$224,950.50
Morgan Stanley	11/22/2016	11/22/2023	7 yrs	FHLB	\$160,000.00	1.375%	\$2,200.00	\$157,019.20
Morgan Stanley	3/28/2016	3/28/2024	8 yrs	FNMA	\$640,000.00	1.250%	\$8,000.00	\$638,515.20
Morgan Stanley	6/14/2016	6/14/2024	8 yrs	FHLMC	\$500,000.00	1.500%	\$7,500.00	\$491,765.00
Morgan Stanley	9/30/2016	9/30/2024	8 yrs	FHLMC	\$270,000.00	1.250%	\$3,375.00	\$265,099.50
Morgan Stanley	7/27/2016	7/27/2026	10 yrs	FHLMC	\$500,000.00	1.500%	\$7,500.00	\$477,795.00
Morgan Stanley	8/17/2016	8/17/2026	10 yrs	FHLMC	\$375,000.00	1.500%	\$5,625.00	\$359,501.25
					<b>\$2,670,000.00</b>		\$38,700.00	\$2,614,645.65
Totals					<b>\$13,599,969.78</b>		<b>\$205,342.78</b>	<b>\$13,384,505.53</b>
							1.51%	

Note: Market value fluctuates based on current rates being offered. No principal is at risk if securities are held to maturity.

Filename: Monthly Report - Investment Detail



**City of Cloquet**  
**Interest Earnings Analysis**  
**Month Ending January**  
**2017**

Type	%	Invested Balance	Interest	Rate of Return
Money Markets	13%	\$1,944,748.53	\$758.14	0.46%
CD's*	34%	\$5,213,000.00	\$6,179.62	1.40%
Municipals*	34%	\$5,218,979.78	\$7,671.28	1.73%
Government agencies*	20%	\$3,167,990.00	\$3,981.76	1.48%
Total Investment Return*	87%	\$13,599,969.78	\$17,832.66	1.54%
Total Return	100%	\$15,544,718.31	\$18,590.80	1.41%

Earnings Comparison	Budget	YTD Budget	YTD Actual
2017 Interest Earnings	\$ 327,000.00	\$ 27,250.00	\$18,590.80
2016 Interest Earnings	\$ 336,000.00	\$ 28,000.00	\$17,240.49
2015 Interest Earnings	\$ 282,800.00	\$ 23,566.67	\$16,348.59

Rate Comparisons	Current	Last Month	Last Year	Two Years
	January 2017	December 2016	January 2016	January 2015
Average Total Return	1.41%	1.40%	1.19%	1.02%
Average Investment Return*	1.54%	1.64%	1.33%	1.32%

Filename: Monthly Report - Interest Earnings Analysis 2017

ACTIVITY FOR FISCAL PERIOD 01

PER.	JOURNAL #	ENTRY DATE	ITEM	TRANSACTION DESCRIPTION	VENDOR	CHECK	INVOICE	DEBIT	CREDIT
01	GJ-AP010517	01/09/2017	28	ACCOUNTS PAYABLE OFFSET					3,608.47
	CR-C170103	01/03/2017	15	CASH RECEIPTS OFFSET				3,289.78	
	CR-C170104	01/04/2017	37	CASH RECEIPTS OFFSET				10,822.64	
	CR-C170106	01/06/2017	08	CASH RECEIPTS OFFSET				62.80	
	CR-C170109	01/09/2017	15	CASH RECEIPTS OFFSET				2,436.06	
	AR-C170111	01/11/2017	02	ACCOUNTS RECEIVABLE OFFSET				211.68	
	CR-C170111	01/11/2017	09	CASH RECEIPTS OFFSET				1,444.00	
	CR-C170112	01/12/2017	10	CASH RECEIPTS OFFSET				274.33	
	CR-C170113	01/13/2017	47	CASH RECEIPTS OFFSET				5,078.45	
	CR-C170117	01/17/2017	20	CASH RECEIPTS OFFSET				25.00	
	CR-C170118	01/18/2017	13	CASH RECEIPTS OFFSET				231.00	
	CR-C170119	01/19/2017	29	CASH RECEIPTS OFFSET				4,762.73	
	CR-C170123	01/23/2017	12	CASH RECEIPTS OFFSET				77.00	
	CR-C170124	01/24/2017	37	CASH RECEIPTS OFFSET				27,515.49	
	CR-C170125	01/25/2017	26	CASH RECEIPTS OFFSET				474.25	
	CR-C170127	01/27/2017	08	CASH RECEIPTS OFFSET				3,409.66	
	CR-C170130	01/30/2017	18	CASH RECEIPTS OFFSET				1,412.85	
	CR-C170131	01/31/2017	04	CASH RECEIPTS OFFSET				6,199.22	
	GJ-CAFQ0117	01/10/2017	07	QUARTER ONE 2017 FEES					11,500.00
	GJ-DTDF0117	02/01/2017	22	PAYROLL INTERFUND					174,059.45
	GJ-MNEN0117	01/27/2017	18	NATURAL GAS AUTO-PAY					622.41
	GJ-MNPN0117	01/27/2017	29	ELECTRIC AUTO-PAY					966.19
	GJ-RVAP0119	01/19/2017	04	REVERSE ENTRY POSTED TWICE					4,671.00
	GJ-TAXQ0416	01/09/2017	02	QTR 4 PROVIDER TAX PAYMENT					107.75
	GJ-UB0117	01/26/2017	21	AUTOPAY UTILITIES				49,861.97	
				TOTAL PERIOD 01 ACTIVITY				214,791.97	295,478.15
				ENDING BALANCE				1,574,827.58	

PER.	JOURNAL #	ENTRY DATE	ITEM	TRANSACTION DESCRIPTION	VENDOR	CHECK	INVOICE	DEBIT	CREDIT
01				BEGINNING BALANCE				0.00	
				ENDING BALANCE				0.00	
				GRAND TOTAL				19,071,471.71	1,162,250.86
				TOTAL DIFFERENCE				17,909,220.85	0.00



**COMMUNITY DEVELOPMENT DEPARTMENT**

1307 Cloquet Avenue • Cloquet MN 55720

Phone: 218-879-2507 • Fax: 218-879-6555

[www.ci.cloquet.mn.us](http://www.ci.cloquet.mn.us)

February 13, 2017

Re: SKB Environmental/Shamrock Landfill

To Whom It May Concern:

The application for SKB Environmental/Shamrock Landfill and their Conditional Use Permit Amendment request is currently scheduled to be heard by the City Council at their meeting on Tuesday, March 7<sup>th</sup> at 7:00 pm. If for some reason this changes again I will let you know that in advance of the meeting.

If you have any questions regarding this matter please feel free to contact me at (218) 879-2507 ex 3.

Sincerely,

A handwritten signature in black ink that reads "Al Cottingham". The signature is written in a cursive style with a long, sweeping tail on the final letter.

Al Cottingham  
City Planner/Zoning Administrator





## State of the City 2017

### **Introduction**

After my first two years as your Mayor, it is my honor to provide you with the 2017 State of the City report.

In beginning this report, I would like to acknowledge and thank my colleagues on the City Council with whom I have been very proud to serve. Council members Steve Langley, Kerry Kolodge, Roger Maki, Dave Bjerkness and Jeff Rock. They continue to do a wonderful job in representing the residents of their Wards and the citizens of the community as a whole. I'd also like to thank former Council member Lara Wilkinson for her dedication and insights during her time on the Council.

They have been extremely helpful in providing advice and guidance as I have taken on the role as Mayor. My comments in fact address what we have accomplished together as a group, not as individuals, but as a team. I believe we have continued the City's long standing tradition of working together for the City's best interests.

I also want to thank City staff for their day to day service to Cloquet. Their dedication to public service and devotion to always putting the needs of our residents first continue to help our community be great.

Last, but not least, I want to thank the many volunteers of the City including our Fire District, Committees, Commissions, boards, and other critical service organizations for their tireless efforts on behalf of the City. The many hours, energy, and talents you all so selfishly give to our community are very much appreciated.

### **Where We Have Been - Review of 2016**

It is often said that the only constant in life is change. At the same time the pace of change we see today seems to be even greater given society's trends and expectations. This is especially true in the area of city government.

Operationally, 2016 brought us a number of changes and additions to our City staff. Most significant was the retirement of Jim Prusak, our long time Public Works Director. Jim oversaw much of the community's improvements in parks and public works over the past 40 years and his knowledge of the City and skills will be missed.

The City explored the concept of merging with the City of Scanlon. A great deal of time and resources were invested in analyzing the merits of this change. While not closing the door on this cooperative venture, the City has opted to put it on the back burner until further consideration can be given to the topic in the future.

The City has also seen significant change in our infrastructure. As it ages and deteriorates it has required significantly more investment of public monies. Unfortunately, the cost to repair these critical items is greater than the City can afford. However we continue to reinvest in projects and initiatives to give a facelift to many of our parks, streets, and utilities that contribute to our quality of life. In 2016, the City repaired more than 2.8 miles of roadway expending \$1.6 million for improvements to Third Street,

Holmes Drive, Carl Street, West Taylor and the I-35 frontage road. The City also continues to reinvest in its park system as over the past year it spent over \$1.4 million in Fauley, Veteran's and Hilltop Parks. We also added a Safe Routes to School sidewalk along Slate Street to Churchill School after receiving a federal grant of close to \$150,000.

### **Moving Forward Into 2017**

Much of the progress of change within the community over the past several years has been due to the City Council's commitment to engage in goal setting and strategic planning exercises. During the first quarter of this year we will begin meeting to discuss the strengths and weakness of our City organization and the City as a whole, and identify specific plans to implement in order for the City to achieve success over the next 24 months. When complete, action plans will be developed and a complete copy of the goal setting report will be made available on the City's website for all to see.

- **Budget** - We have a commitment at the City to be good stewards of the public's money. We continue to maintain a balanced operating budget and currently prepare a 4 year budget to help us understand the future impact of our decisions and to help us stay fiscally responsible.
- **Community Investment** - We must invest in our businesses, promote economic development, improve recreation and replace and repair our infrastructure. The community is over 100 years old and unfortunately the cost to make these investments is not cheap. There is no doubt that we have deferred maintenance issues throughout town and the City is committed to developing a plan to fix our infrastructure issues. In 2017 the City will be working to develop a pavement management plan to help us with the challenge of road repairs. With this plan the Council can then better evaluate creative alternatives for financing those repairs.

Economic growth is a component that can't be understated. There are opportunities throughout the community ranging from the Highway 33 corridor, downtown commercial areas and the business park. We need to diversify our economic footprint to attract new business ventures. We need to focus on collaboration and the development of a community marketing plan to help us grow our community. The development of new affordable housing is also critical to allow for new families to move to and raise their families here in the City.

Major projects planned for 2017 include the rehabilitation of Broadway Avenue, \$600,000 of street repairs, and the redevelopment of Dunlap Island into a major destination park, new skate park at Athletic Park and bike path at Pine Valley.

- **Veterans Memorial Dedication** - The City undertook a major renovation of Veterans Park this past year and will complete the project this spring with the final improvements to the new Memorial Wall. I need to thank the many veterans and veteran organizations in the community for their efforts over the past 20 years to see this park renovated. While the plan has not yet been fully implemented, the vision is well underway and I look forward to its dedication later this spring/summer.
- **Public Safety** - Public Safety continues to be a priority for our City and citizens. Over the past year we have added 3 officers to our staff in the Police Department and after almost a 10 year hiatus we hope to reach agreement with the School District to collaboratively share a School Resource Officer which will work exclusively within the School buildings.

The law enforcement community is subjected to more scrutiny than a few decades ago due to advances in information and communication technologies, a more aggressive and intrusive media,

and elevated standards of public accountability. It is imperative for the City to consistently maintain a culture of integrity and community trust with law enforcement. The Council, Police Chief and Officers will continue to implement change, consistent with the expectations of the community, to maintain the public's trust in everything we do.

Establishing public safety is among local government's fundamental obligations to its citizens. The safety of one's person and security of one's property are widely viewed as basic human rights and are essential to the community's overall quality of life. In short, a community's reputation for public safety heavily influences its appeal as a place to raise a family or open a business. Unfortunately, drug trafficking and drug use within the community threatens the quality of life in our community and our officers will be expected to be forever vigilant to the enforcement of drug laws.

The City hopes to expand and grow our local National Night Out Program. National Night Out is an annual nationwide event that encourages residents to get out in the community, holding block parties and getting to know their neighbors as a way to encourage crime prevention. It's a great way to promote community-police partnerships and enjoy a Minnesota summer evening surrounded by friends and family. For information about this event to be held on August 1, 2017, contact our Police Department.

- Community Events - In our efforts to attract business, we must find some innovative ways to move our City forward. We must encourage more activities, festivals and community events like the 4th of July celebration, Home for the Holidays, Labor Day celebration and Wood City Music Festival. Alyson Leno and her Events Committee have done a wonderful job growing our events and are always looking for volunteer help.
- Other Items - In 2017 we will continue to strengthen our efforts of cleaning up blighted properties; investigate opportunities for a new municipal well and water filter plant; collaborate with the Fond du Lac community on issues of mutual interest; work with MnDOT to identify a solution to the dangerous intersection at Highway 33 and I-35; and, develop a new City website to enhance our communication and engagement with our residents.

### **In Closing**

I know that to just want greatness for Cloquet will not result in great things for our City. It takes hard work, collaboration, courage and strong leadership. I look forward to continuing efforts with our City Council, including our newest member Adam Bailey, to continue to work in the best interests of each and every member of our community. It is imperative that the Council and our staff remember that we serve at the desire of the public and that first and foremost is our responsibility to protect our citizens. We will have their best interests in mind with everything we do and every decision we make.

A quote that I was recently provided which I find very relevant to our work as City Councilors is as follows, "We must work together and focus on the what, not the who. It means that our path forward must focus on our hope and ideas, and not our fears and our limitations. It means that we must continue to march forward with courage for our community." I am proud to be Mayor of Cloquet and the fact that so many of our residents take pride in living here is a large part of why I maintain that pride.

Lastly, I want to thank you for your continued support. It is my honor and privilege to serve you as your Mayor. I am confident and committed and looking forward to the future. I look forward to the coming year as we work together to continue to make Cloquet a great place to live, work and conduct business.

# **PUBLIC OPEN HOUSE MEETING**

## **LOCAL OPTION SALES TAX**

### **FOR COUNTY HIGHWAY PROJECTS**

Date: Tuesday, March 7, 2017

Time: 6:00 p.m.-7:00 p.m.

Location: Carlton County Transportation Building  
1630 County Road 61  
Carlton, MN 55718

Purpose: To present the local option sales tax for County Highway projects. Minnesota Statute 297A.993, passed during the 2013 legislative session, provides for a local option half cent sales tax to fund County highway projects. The proposed projects must be presented at a public meeting and identified in a County Board resolution. The list of projects includes the following:

County Road 101, County Road 102, County Road 103, County Road 107, County Road 113, County Road 114, County Road 116, County Road 118, County Road 120, County Road 121, County Road 123, County Road 128, County Road 129, County Road 134, County Road 137, County Road 138, County Road 139, County Road 140, County Road 141, County Road 142, County Road 144, County Road 150, County Road 151, County Road 152, County Road 157 and County Road 696.

The following County State Aid Highways (CSAH) may be funded by state aid and/or the County local option half cent sales tax:

CSAH 1, CSAH 2, CSAH 3, CSAH 4, CSAH 5, CSAH 6, CSAH 7, CSAH 8, CSAH 10, CSAH 11, CSAH 13, CSAH 16, CSAH 21, CSAH 25, CSAH 26, CSAH 54, CSAH 55, CSAH 61 and CSAH 73.



# Brian Fritsinger

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1504 Slate Street, Cloquet, MN | 218-391-5077 | [fritsinger1985@msn.com](mailto:fritsinger1985@msn.com)

February 14, 2017

Mayor Hallback and City Councilors,

It has been my distinct pleasure and honor to represent you, our employees and this community and serve as your City Administrator over the past 17+ years. I have recently been provided a tremendous opportunity to join an organization where I can expand my professional management skills and continue to reside in an area that my family and I have come to love. In light of this opportunity, I am hereby tendering my resignation as City Administrator, effective March 17, 2017.

I greatly appreciate the opportunity and privileges I have enjoyed leading such a talented and dedicated team of city employees. I will truly miss my associations here. I am proud of the work we completed during my tenure as your City Administrator and I hope that I have added some value and have gotten things done that have mattered to the citizens of Cloquet. I have tried mightily to leave the city organization and this wonderful community better for my years of service in Cloquet.

During this thirty day period, I will be working with you and our department heads to plan for a smooth transition of projects, initiatives and responsibilities in advance of my departure. In recognition of the impact this decision will have on the organization, I strongly encourage you to rely upon the recommendations of the talented senior staff of this organization, as they are your in-house experts and are also esteemed leaders in their areas of expertise.

I am grateful for your friendship, support, and the tireless efforts of the all of the men and women who have worked for the City and served on the Council which whom have allowed me to be successful during my tenure with the City.

Thank you again from the bottom of my heart for allowing me to serve the staff and citizens as your City Administrator, and I wish you, our employees, and the great community the best of success going forward!

Very Truly Yours,



Brian Fritsinger

City Administrator

cc/Department Heads