



City Administrator's Weekly Update

Week Ending April 29, 2016

Upcoming Events

- May 2, 4:30 pm**
Parks Commission
City Hall
- May 3, 9:00 am**
Property Assessment Meeting
Carlton Co. Assessor's Office
- May 3, 5:30 pm**
Council Work Session
City Hall
- May 3, 7:00 pm**
Regular City Council
City Hall
- May 4, 8:00 am**
Special EDA Meeting
City Hall
- May 10, 5:30 p.m.**
Planning Commission
City Hall
- May 10, 6:00 pm**
SKB/Shamrock Landfill Public Meeting
Carlton Co. Transportation Building
- May 11, 8:00 am**
EDA
City Hall
- May 17, 5:15 pm**
Council Work Session
City Hall
- May 17, 7:00 pm**
Regular City Council
City Hall
- March 24, 4:15 pm**
Library Board
Library

Brian Fritsinger
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ADMINISTRATION

Personnel

Staff participated in labor negotiations with the IAFF this week.

I will be out of the office next Wednesday through Friday at the annual City Manager's conference. As always, I will be available by phone and email.

There have been quite a few staff members who have welcomed new additions into their families over the last few weeks. Congratulations to all of them!

Public Facilities

I met with the Fire Chief this week to revisit the status of the CAFD Board's position on the new fire hall facility. We have identified a path forward to finish up some historic background information that will be shared with the CAFD Board in the near future. This will hopefully re-energize the efforts to move forward and also allow the City to re-engage in its facility discussions as well.

SKB/Shamrock Landfill

SKB continues to engage the Council, staff and community on its concepts for change at the landfill facility. Please note the attachment from SKB regarding a public informational meeting to be held on May 10th to further discuss their ideas with the community.

2015 Financial Audit

The City's financial auditors have finished the majority of their work on our annual financial audit at City Hall. There were no major issues identified and they will now work to finish the preparation of the audit itself that will be presented to the Council later this summer.

Scanlon Merger Study

The study has had a series of updates this week and is nearing completion. I have put it on the Work Session agenda for next week in the case it is finished. If it is indeed finished, I will provide the study electronically to the Council as soon as it is available.

Other Information Attached:

- * March Financial Report
- *SKB / Shamrock Landfill informational meeting invitation
- *April 27th Mediacom Letter

COMMUNITY DEVELOPMENT

Housing Development

As noted previously, the housing development projects continue to work through their preliminary design work. Staff continues to be in communication with both developers as they work to make application to the State for financing critical to their projects. Both have made application for actions with the Planning Commission and will also be presenting to the EDA and City Council seeking resolutions of support for those applications for the State financing.

West Side Retaining Wall

Staff has been working with property owners to address a problem retaining wall on the west side of town that is causing some structural problems to buildings. Due to the public safety issues involved, it appears that the City will need to issue corrective orders for repairs to this private wall.

PUBLIC WORKS/PARKS

Concrete Bid Prices

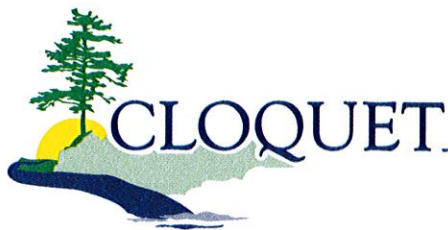
Council may recall that this past year our local concrete suppliers were upset because the City was using concrete from a non-Cloquet business. This year staff has obtained quotes from 3 concrete companies prior to the construction season. Bids received were from Smitty's in Barnum at \$102/yard, Arrowhead at \$108/yard and Duluth Ready Mix at \$109.20/yard. It is our intention to utilize the low bid from Smitty's for miscellaneous concrete work this summer unless the Council wishes to have further discussion at one of its Council meetings.

Lake Superior Water Line Leak

The City has identified a significant leak on the Lake Superior Water Line that is going to need repair. Unfortunately, the leak is in a section of the pipe that is located in a swamp/wetland and immediately adjacent to a rail line. This will make the repair efforts complicated and challenging both in terms of being able to access the site and to work with the railroad on concerns they have about completing work in their area.

"The speed of your success is limited only by your dedication and what you're willing to sacrifice."

- Nathan Morris, Financial Coach & Writer



ADMINISTRATIVE OFFICES

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April 26, 2016

Dear Brian Fritsinger, City Administrator:

Enclosed is the monthly financial report and cash and investment analysis for March 2016. The report is later than usual due to GASB #68 audit reporting.

Cash and Investments

Cash balances are 8% below March 2015. A narrative and several spreadsheets discussing this month's cash and investment activities, and balances are attached.

Budgets

Revenues/Transfers in – Interest is \$35,000 below budget since rates haven't increased as fast as projected by economist. MSA maintenance is \$48,000 above budget mostly since the City received 2014 & 2015 final pay-outs early 2016. SAPPI waterline sales are \$62,000 below budget mostly due to dirty water in March and water from the river was used instead.

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

Major Revenues and Expenditures/Expenses

Revenues:

State \$60,000 for City Sales Tax, which is slightly lower than other months due to capital equipment refunds requested from industrial producers located in Cloquet.

Expenditures/Expenses:

S E H \$22,000 for Vets and Fauley Park design and Hwy 33 corridor project and Hwy 33 trail surveys.

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 March
2016

Fund	2016 Budget	YTD Expend/Expense Budget	YTD Expenditures/ Expenses	Over (Under) Budget	Over (Under) %
General					
Administration	346,900	59,350	67,876	8,526	14%
Finance	202,300	49,450	42,548	(6,902)	-14%
Law	95,000	23,750	29,864	6,113	26%
Planning and Zoning	225,300	57,125	54,095	(3,030)	-5%
Police	2,560,650	662,663	663,727	1,064	0%
Hwy, Streets & Rwy	1,024,600	267,775	242,271	(25,504)	-10% 2
Library	541,600	136,900	135,487	(1,414)	-1%
Park	546,150	131,263	127,662	(3,601)	-3%
Water - LSWL	2,370,550	570,738	642,781	72,042	13% 1
Water - In Town	2,015,500	530,588	505,374	(25,214)	-5%
Sewer	1,571,000	364,351	343,857	(20,494)	-6%
Storm Water	200,050	50,188	37,709	(12,478)	-25% 3
Cable TV	169,225	42,682	37,652	(5,029)	-12%

Note: Does not include transfers.

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

- 1 - Dechlorination building less late MN Power invoices.
- 2 - Seasonal supplies to repair streets not purchased yet.
- 3 - Seasonal supplies to repair streets not purchased yet and project not started yet.

Filename: Expenditure-expense budget report

City of Cloquet
Select Departmental and Funds Payroll Expenditure/Expense Budget Report as of March
2016
Payroll Overtime

Fund	2014 Total	2015 Total	2016 Budget	YTD Expend/Expense Budget	YTD Expenditures/Expenses	Over (Under) Budget	(Over) Under %	
General								
Police	138,357	131,867						
Holiday			48,000	12,000	16,843	4,843	40%	1
Regular			22,000	5,499	15,979	10,480	191%	2
Reimbursed			25,000	6,249	-	(6,249)	-100%	
Hwy & St	51,578	22,459	25,000	6,250	5,267	(983)	-16%	
Water - LSWL	49,245	26,737	35,500	8,875	10,488	1,613	18%	1
Water In Town	29,046	12,494	16,000	4,000	6,391	2,391	60%	3
Sewer	12,208	8,912	10,500	2,625	3,966	1,341	51%	3
Storm Water	6,836	2,569	5,000	1,250	2,774	1,524	122%	3

Explanation of (over) budget

- 1 - Three holiday OT worked in first payroll for 2016.
- 2 - Short staffed.
- 3 - Watermain breaks.

Filename: Expenditure-expense budget report

*City of Cloquet
Cash and Investments
Management Summary
March 31, 2016*

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. Minnesota has fared better than the US averages in the Great Recession. The State has a positive forecast for the future. The February 2016 updated forecast shows a decreased surplus for FY 2016-2017 of \$900 million. Without adjusting for inflation, there is a structural balance of \$1.184 billion for FY 2018-2019. HIS Economics has lowered their forecast for 2016 real GDP growth to 2.4% for 2016. Unemployment is at 5% for March.

The City’s certified 2016 LGA is \$2,356,500 approximately \$13,500 more than 2015 and the City increased its preliminary levy by 2.97% for 2016. There is talk about a one-time increase in 2016 for LGA.

Current Activity

During the month of March agencies of \$595,000 were called. Agencies of \$640,000 were purchased with proceeds plus cash reserves. Attached is an “Investment Portfolio Analysis” with the detail of investments.

Variance Analysis

Cash and investments are 8% below March 2015. The decrease is due to capital spending on projects and vehicles during the summer and fall of 2015.

The federal benchmark interest rate was raised in December 2015 to .25% to .50% from 0% to .25%. Another small increase is possible in April of 2016. Attached is an “Interest Earnings Analysis” which details the average balances invested, rate of return, and prior year rates.

The budgeted interest earnings are \$336,000 for 2016. The City’s investment annualized yield is approximately \$192,000 or 1.44% for 2016. The 2016 budget is based on the economy and interest rates increasing.

Other

Goals for future – Yearly analysis report of cash balances, investments, and interest earnings (partially added to the annual report in 2007). More financial and cash flow planning in 2016 (as time permits).

**City of Cloquet
Cash Balances
March
2016**

Fund #	Fund	Amount
101	General	3,935,502.77
201	LDO Loan (EDA)	275,831.20
202	Federal CDBG Loan (EDA)	835,650.24
203	Economic Development Loan (City)	138,767.70
204	State SCDG/MIF (EDA)	128,657.76
206	Revolving SCGP (EDA)	-
207	Community Development Operating (City)	(33,241.40)
208	SCDP - 2016 (City)	9,312.00
211	Library	17,145.74
220	TIF - Daqota/Woodward	3,217.55
221	TIF - 14th Street Apartments	1,141.10
222	TIF - Oak Street Apartments	31,908.41
224	Building Facilities Planning	1,180,500.00
225	Permanent Improvement	620,479.73
226	Park	185,827.83
226	Park - Restricted - In Lieu	37,924.41
226	Park - Skate Park	2,640.85
228	Senior Center	(4,462.48)
231	Public Works Reserve	399,437.07
260	Landfill Host Fee - 25%	64,483.94
260	Landfill Host Fee - 75%	207,383.79
368	Business Park Bonds	1,424,850.30
370	Swimming Pond Bonds	23,838.85
403	Capital Projects - Revolving	(1,858,438.66)
405	City Sales Tax Capital Projects	1,439,084.02
600	Water - Lake Superior Waterline	803,654.56
600	Water - Lake Superior Waterline Construction	407,890.33
601	Water	3,441,095.88
601	Water	241,038.50
602	Sewer	1,279,064.59
605	Storm Water	257,571.52
614	Cable TV	228,794.44
701	Employee severance	619,480.79
905	Cloquet Area Fire District	1,042,641.20
	Total	17,388,674.53

City of Cloquet
Cash and Investment Analysis
March 31, 2016

	Tentative Goals	Current 3/31/2016	2/28/2016	1/31/2016	12/31/2015	Last Year 3/31/2015
DEMAND ACCOUNTS						
Checking & MM & Savings	10%-15%	\$4,058,684.43 23%	\$4,497,474.57 25%	\$3,405,444.16 19%	\$5,245,061.03 26%	\$5,042,087.54 27%
INVESTMENTS						
Invested less than one year						
Certificates of Deposit		\$2,710,000.00	\$2,710,000.00	\$3,690,000.00	\$3,690,000.00	\$1,414,033.23
Municipals		\$1,311,570.63	\$1,311,570.63	\$639,394.93	\$639,394.93	\$1,083,096.67
Government Agencies		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total invested less than one year	50%-70%	\$4,021,570.63 23%	\$4,021,570.63 23%	\$4,329,394.93 24%	\$4,329,394.93 22%	\$2,497,129.90 13%
Invested one to three years						
Certificates of Deposit		\$1,749,000.00	\$1,749,000.00	\$1,994,000.00	\$1,994,000.00	\$3,043,000.00
Municipals		\$2,967,846.55	\$2,967,846.55	\$3,625,151.37	\$3,625,151.37	\$2,516,067.34
Government Agencies		\$500,000.00	\$500,000.00	\$500,000.00	\$500,000.00	\$500,000.00
Total invested one to three years	10%-20%	\$5,216,846.55 30%	\$5,216,846.55 29%	\$6,119,151.37 34%	\$6,119,151.37 31%	\$6,059,067.34 32%
Invested over three years						
Certificates of Deposit		\$1,499,000.00	\$1,499,000.00	\$1,739,000.00	\$1,739,000.00	\$1,737,000.00
Municipal bonds*		\$0.00	\$0.00	\$0.00	\$0.00	\$772,844.56
Government Agencies *		\$2,592,572.92	\$2,547,569.92	\$2,595,538.67	\$2,595,538.67	\$2,771,830.33
Total invested over three years	10%-20%	\$4,091,572.92 24%	\$4,046,569.92 23%	\$4,334,538.67 24%	\$4,334,538.67 22%	\$5,281,674.89 28%
Total	100%	\$17,388,674.53	\$17,782,461.67	\$18,188,529.13	\$20,028,146.00	\$18,879,959.67
Current month variance			(\$393,787.14) -2%	(\$799,854.60) -4%	(\$2,639,471.47) -13%	(\$1,491,285.14) -8%

* - Some of these investments have call dates less than one year.

Note:

The over three year period exceeds the goals but several investments are priced to call and will not be held over three years.

City of Cloquet
Investment Portfolio Analysis
Detail of Investments March 31, 2016

Brokerage	Purchase Date	Maturity Date	Time Held	Description	Amount	YTM Rate	Annualized Yield	Market Value
Invested less than one year								
Certificates of Deposit								
Wells Fargo	8/11/2015	4/20/2016	9 months	Fidelity Bk	\$245,000.00	0.400%	\$980.00	\$245,000.00
Wells Fargo	8/14/2015	5/16/2016	9 months	Plains Comm Bk SD	\$245,000.00	0.450%	\$1,102.50	\$245,006.37
Wells Fargo	7/21/2014	7/21/2016	2 yrs	Citizens State Bank	\$245,000.00	0.650%	\$1,592.50	\$245,071.54
Morgan Stanley	7/24/2013	7/25/2016	3 yrs	Discover Bk DE	\$100,000.00	1.100%	\$1,100.00	\$100,190.00
Wells Fargo	7/31/2014	7/29/2016	2 yrs	Washington Trust Co	\$245,000.00	0.700%	\$1,715.00	\$245,131.81
Morgan Stanley	8/1/2012	8/10/2016	4 yrs	Firstbank Santurce	\$245,000.00	1.250%	\$3,062.50	\$245,605.15
Morgan Stanley	8/31/2011	8/31/2016	5 yrs	Goldman Sachs - UT	\$150,000.00	1.850%	\$2,775.00	\$150,787.50
Frandsen Bank	3/5/2015	9/5/2016	1 1/2 yrs	Frandsen Bank	\$245,000.00	0.300%	\$735.00	\$245,000.00
UBS Financial	9/10/2014	9/12/2016	2 yrs	Peoples United	\$240,000.00	0.850%	\$2,040.00	\$240,304.80
UBS Financial	9/12/2014	9/12/2016	2 yrs	Merrick	\$240,000.00	0.850%	\$2,040.00	\$240,304.80
Morgan Stanley	9/23/2011	9/23/2016	5 yrs	GE Money Bk UT	\$35,000.00	2.000%	\$700.00	\$35,234.50
Morgan Stanley	9/30/2013	9/30/2016	3 yrs	BMW Bk - UT	\$80,000.00	1.150%	\$920.00	\$80,240.80
Morgan Stanley	11/14/2013	11/14/2016	3 yrs	Ally Bank (form GMAC)	\$150,000.00	1.100%	\$1,650.00	\$150,522.00
UBS Financial	8/5/2015	2/6/2017	2 1/2 yrs	Sallie Mae Bank UT	\$245,000.00	0.850%	\$2,082.50	\$245,169.05
					\$2,710,000.00		\$22,495.00	\$2,713,568.32
Municipals								
Wells Fargo	7/30/2012	6/1/2016	4 yrs	Des Moines IA	\$180,678.60	0.750%	\$1,355.09	\$180,099.00
Wells Fargo	12/6/2013	12/1/2016	3 yrs	Minneapolis MN	\$207,581.33	0.750%	\$1,556.86	\$201,854.00
Wells Fargo	11/4/2010	2/1/2017	6 1/2 yrs	Bloomington MN BAB	\$202,324.00	2.100%	\$4,248.80	\$202,768.00
Wells Fargo	1/7/2009	2/1/2017	7 yrs	Osseo MN ISD 279	\$218,141.70	5.400%	\$11,779.65	\$218,857.80
Wells Fargo	6/11/2015	2/1/2017	1 1/2 yrs	St Paul MN ISD	\$502,845.00	1.000%	\$5,028.45	\$500,530.00
					\$1,311,570.63		\$23,968.86	\$1,304,108.80
Invested one to three years								
Certificates of Deposit								
Morgan Stanley	6/8/2012	6/8/2017	5 yrs	World Financial DE	\$200,000.00	1.850%	\$3,700.00	\$202,030.00
Morgan Stanley	6/22/2012	6/22/2017	5 yrs	St Bank of India NY	\$245,000.00	2.000%	\$4,900.00	\$248,354.05
Wells Fargo	7/24/2014	7/24/2017	3 yrs	American Express Fed Sv	\$245,000.00	1.150%	\$2,817.50	\$245,642.64
UBS Financial	8/31/2015	8/31/2017	2 yrs	Oriental Bank PR	\$50,000.00	1.250%	\$625.00	\$50,160.50
UBS Financial	10/19/2012	10/19/2017	5 yrs	Boston Prvt B&T MA	\$100,000.00	1.000%	\$1,000.00	\$99,975.00
Morgan Stanley	11/25/2013	11/24/2017	4 yrs	Comenity Bk UT	\$68,000.00	1.400%	\$952.00	\$68,624.24
Morgan Stanley	3/12/2014	3/14/2018	4 yrs	GE Capital Ret BK UT	\$210,000.00	1.500%	\$3,150.00	\$211,465.80
Morgan Stanley	5/8/2013	5/8/2018	5 yrs	CIT Bk UT	\$145,000.00	1.200%	\$1,740.00	\$145,073.95
Morgan Stanley	6/28/2013	6/28/2018	5 yrs	BMW Bk - UT	\$96,000.00	1.650%	\$1,584.00	\$96,296.64
Morgan Stanley	10/2/2013	10/2/2018	5 yrs	Discover Bk DE	\$145,000.00	2.050%	\$2,972.50	\$147,833.30
Morgan Stanley	10/28/2013	10/29/2018	5 yrs	Bank Baroda NY	\$245,000.00	2.050%	\$5,022.50	\$249,101.30
					\$1,749,000.00		\$28,463.50	\$1,764,557.42
Municipals								
Wells Fargo	1/31/2014	3/1/2017	3 yrs	Menomonie WI Txbi	\$340,204.15	0.970%	\$3,299.98	\$332,075.70
Wells Fargo	9/4/2014	4/1/2017	2 1/2 yrs	St Francis MN ISD	\$166,137.00	0.900%	\$1,495.23	\$154,746.00
Wells Fargo	8/19/2015	8/1/2017	2 yrs	State of MN GO	\$221,654.40	0.860%	\$1,906.23	\$221,705.00
UBS Financial	12/1/2010	12/1/2017	7 yrs	Stamford CT	\$512,636.25	2.759%	\$14,143.63	\$513,560.00
Wells Fargo	1/14/2014	2/1/2018	4 yrs	Anoka County MN	\$567,323.75	1.480%	\$8,396.39	\$528,745.00
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	\$107,060.00
Wells Fargo	10/7/2010	8/1/2018	8 yrs	U of M Build America	\$260,748.16	2.700%	\$7,040.20	\$260,725.00
UBS Financial	12/4/2012	11/1/2018	6 yrs	NY City Transition	\$360,038.40	1.280%	\$4,608.49	\$361,915.20
Wells Fargo	12/1/2010	12/21/2018	8 yrs	Weston WS BAB	\$152,058.00	3.550%	\$5,398.06	\$158,994.00
UBS Financial	2/25/2016	1/1/2019	3+ yrs	Industry Calif Pub Facs Autl	\$266,005.88	1.447%	\$3,849.11	\$259,500.00
					\$2,967,846.55		\$51,662.43	\$2,899,025.90
Government Agencies								
Wells Fargo	6/1/2015	6/1/2018	3 yrs	FFCB	\$500,000.00	1.120%	\$5,600.00	\$499,487.50
Invested over three years								
Certificates of Deposit								
UBS Financial	4/16/2014	4/16/2019	5 yrs	Wells Fargo	\$240,000.00	1.000%	\$2,400.00	\$240,552.00
Morgan Stanley	4/29/2014	4/29/2019	5 yrs	Barclays Bk DE	\$45,000.00	1.900%	\$855.00	\$45,763.65
Morgan Stanley	8/8/2015	8/5/2019	5 yrs	Capital One NA Mclean VA	\$108,000.00	2.050%	\$2,214.00	\$109,663.20
Morgan Stanley	10/16/2014	10/16/2019	5 yrs	Capital One Bank VA	\$245,000.00	2.150%	\$5,267.50	\$249,412.45
Morgan Stanley	1/28/2015	1/28/2020	5 yrs	Goldman Sachs - UT	\$96,000.00	2.048%	\$1,966.08	\$97,242.24
UBS Financial	2/27/2015	2/27/2020	5 yrs	Private Bank & Tr IL	\$240,000.00	1.750%	\$4,200.00	\$243,784.80
UBS Financial	4/13/2015	4/13/2020	5 yrs	HSBC Bk VA	\$240,000.00	1.125%	\$2,700.00	\$239,635.20
Morgan Stanley	5/7/2015	5/7/2020	5 yrs	Amex Centurion UT	\$185,000.00	1.950%	\$3,607.50	\$186,670.55
Morgan Stanley	9/2/2015	9/2/2020	5 yrs	Capital One MN Mclean VA	\$100,000.00	2.200%	\$2,200.00	\$102,180.00
					\$1,499,000.00		\$25,410.08	\$1,514,904.09
Government Agencies								
Morgan Stanley	9/30/2015	9/30/2022	7 yrs	FHLMC	\$500,000.00	1.375%	\$6,875.00	\$499,585.00
Morgan Stanley	10/14/2015	10/14/2022	7 yrs	FHLB	\$500,000.00	1.500%	\$7,500.00	\$500,010.00
UBS Financial	11/23/2015	10/27/2023	8 yrs	FNMA	\$500,541.67	1.500%	\$7,508.13	\$500,110.00
Morgan Stanley	3/28/2016	3/28/2024	7 yrs	FNMA	\$640,000.00	1.250%	\$8,000.00	\$640,780.80
UBS Financial	2/29/2016	1/30/2025	9 yrs	FNMA	\$452,031.25	1.020%	\$4,610.72	\$445,500.00
					\$2,592,572.92		\$34,493.84	\$2,585,985.80
Totals					\$13,329,990.10		\$192,093.71	\$13,281,637.83
							1.44%	

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 March
2016

Type	%	Invested Balance	Interest	Rate of Return
Money Markets	10%	\$1,464,620.46	\$453.99	0.36%
CD's*	41%	\$5,958,000.00	\$6,482.18	1.28%
Municipals*	29%	\$4,279,417.18	\$6,128.00	1.69%
Government agencies*	20%	\$2,852,087.31	\$3,214.77	1.33%
Total Investment Return*	90%	\$13,089,504.49	\$15,824.95	1.42%
Total Return	100%	\$14,554,124.95	\$16,278.94	1.32%

Earnings Comparison	Budget	YTD Budget	YTD Actual
2016 Interest Earnings	\$ 336,000.00	\$ 84,000.00	\$49,368.39
2015 Interest Earnings	\$ 282,800.00	\$ 70,700.00	\$47,123.71
2014 Interest Earnings	\$ 453,000.00	\$ 113,250.00	\$51,922.34

Rate Comparisons	Current	Revised Last Month	Last Year	Two Years
	March 2016	February 2016	March 2015	March 2014
Average Total Return	1.32%	1.27%	1.09%	1.23%
Average Investment Return*	1.42%	1.38%	1.36%	1.50%

Filename: Monthly Report - Interest Earnings Analysis 2016

You're Invited!



**SKB Environmental/Shamrock Landfill invites you to a
community information meeting.**

When: Tuesday, May 10th

Where: Carlton County Transportation Building

1630 County Rd 61 Carlton, MN

Time: 6pm – 7pm

Topics: SKB Environmental Representatives will be presenting information regarding a planned development to its existing operations at our facility in the City of Cloquet. The proposed development has tremendous potential to positively impact the community and residents of Cloquet and Carlton County.

WE HOPE TO SEE YOU THERE!



Theresa Sunde
Government Relations Manager

April 27 2016

Dear Community Official:

Mediacom is in the process of transforming its TV channel line-up to all-digital. This transition will move channels 2-22 to a permanent digital home.

Enclosed is a sample of the customer letter to Mediacom customers in your area. It includes important information for customers without a digital ready TV on how to obtain the digital adapters needed to ensure uninterrupted service. The back of the letter has a checklist that will help our customers determine whether or not they need an adapter.

Should you have any questions please feel free to contact me at 507-837-4878 or email me at tsunde@mediacomcc.com.

Sincerely,

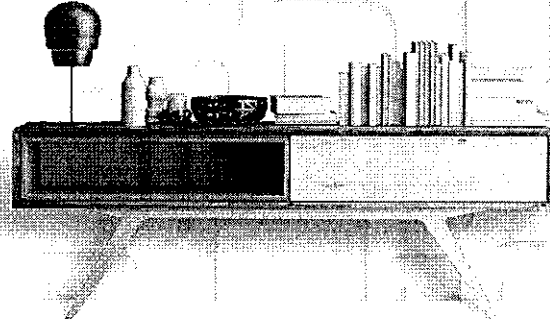
Theresa Sunde

Cloquet Master Headend

Mediacom Communications Corporation
1504 2nd Street SE, Waseca, Minnesota 56093



Customer Service Division
 1504 2nd St. SE
 PO Box 110
 Waseca, MN 56093



IMPORTANT NOTICE FOR:

<Walk Sequence>
 <Customer Name>
 <Address 1> <Address 2>
 <City, State Zip>
 <BARCODE>

<ACCOUNT #>

Dear <First Name> < Last Name>,

In 2015, Mediacom converted most of your channel lineup from analog to digital-only signals. We are now preparing to complete the conversion by moving all remaining analog channels to a 100% digital-only lineup.

On or about June 22, QVC, ION, MC22 and C-SPAN will change to digital-only signals. The remaining analog channels from 2-22 will change to digital-only signals on or about June 29.

As a result, you may need to take action to ensure all of your TVs are equipped to receive the digital signals when ALL of the remaining analog signals go away.

If you already have a Mediacom digital adapter or digital converter box connected to all of your TVs, or if you have a digital-ready TV, you do not need to order any additional equipment.

If you are unsure whether you need to take action, use the Digital Conversion Checklist on the back of this letter to see what action is required.

If you need a digital adapter, Mediacom will provide all Family TV subscribers with one additional digital adapter at no cost through May 31, 2017. Beginning June 1, 2017, a monthly fee of \$0.99 per standard adapter or \$1.99 per HD adapter will be added to your bill. **Adapters must be ordered by July 31, 2016, to qualify for the promotional offer.** Additional digital adapters are available for a monthly fee of \$0.99 per standard adapter and \$1.99 per HD adapter.

To order your digital adapters, please go to www.mediacomcable.com/order and we will send your new digital adapters directly to your home. Please reference your customer account number (listed above) when you order to make the process easier. If you need assistance with placing an order or do not have internet access, please call **1-866-936-2225** or visit your local Mediacom office.

We value you as a customer and look forward to providing you with exciting new services in the future.

Sincerely,

Jason Janesich

Jason Janesich
 Senior Manager, Area Operations

LOCAL OFFICE HOURS

VIRGINIA OFFICE

106 CHESTNUT STREET
 VIRGINIA, MN 55792
 M-F 8 AM - 5 PM
 CLOSED DAILY 11 AM - 12 PM
 CLOSED WEDNESDAYS 9 AM - 10 AM

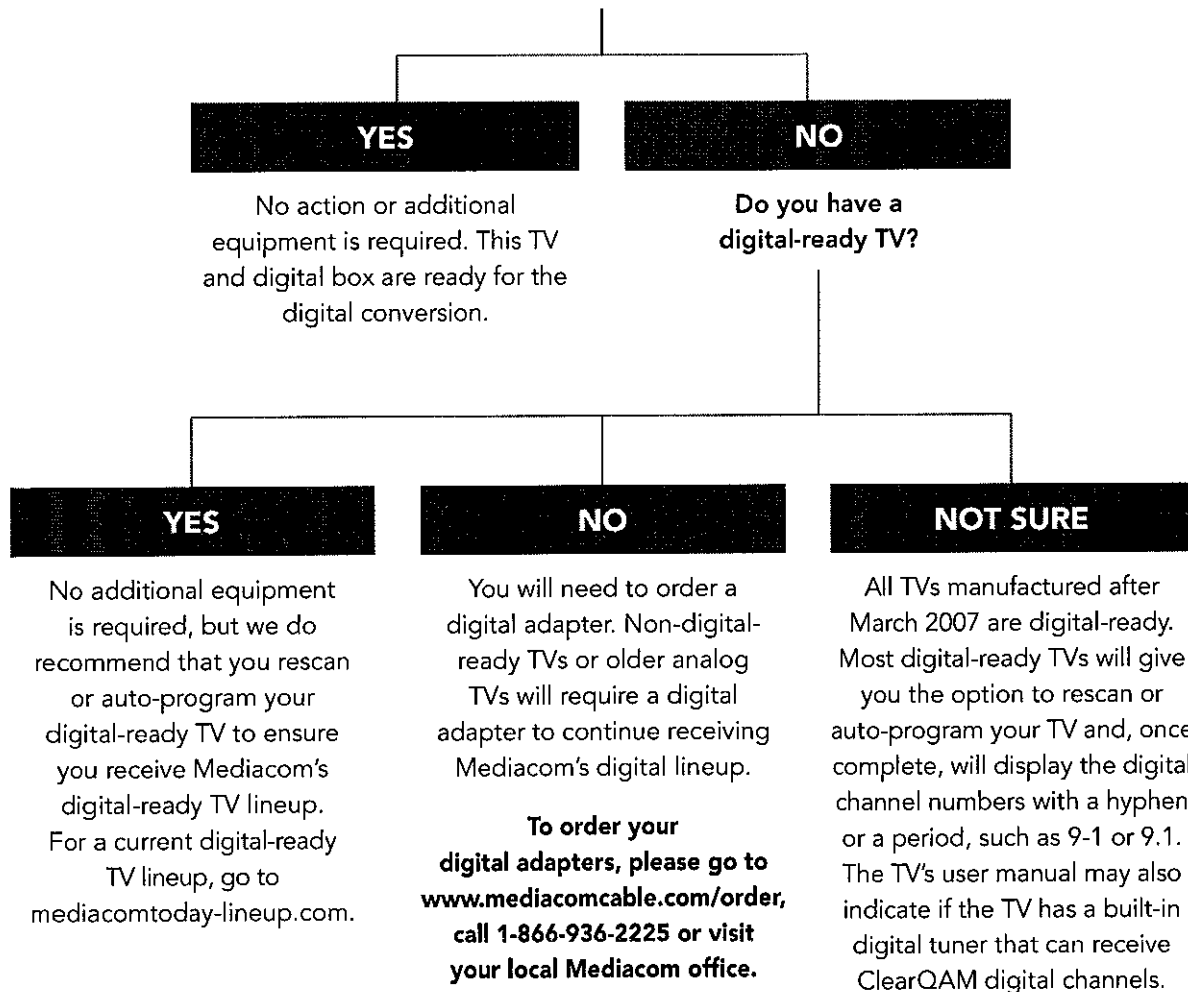
For a current channel lineup, including a digital-ready TV lineup, go to: mediacomtoday-lineup.com.

<BARCODE>

DIGITAL CONVERSION CHECKLIST

Answer the following questions for each TV in your home to determine if you need to order a digital adapter or take any other actions.

Is your TV connected to a Mediacom digital adapter or digital converter box?



For more information on the digital conversion, go to www.mediacomcable.com/getdigital.