



City Administrator's Weekly Update

WEEK ENDING OCTOBER 28, 2016

Upcoming Events:

November 1, 5:30 pm
Council Work Session
City Hall

November 1, 7:00 pm
City Council Meeting
City Hall

November 7, 4:30 pm
Parks Commission
City Hall

November 8th
ELECTION DAY

November 9, 8:00 am
EDA
City Hall

November 15, 5:30 pm
Council Work Session
City Hall

November 15, 7:00 pm
City Council Meeting
City Hall



Administration/Finance

Personnel

Al and Holly were both out this week attending training to keep up and gain new certifications.

Proposed Personnel Policy Manual discussions continue as well as more work on the renewal of the City's various benefit programs. There will be an "open enrollment meeting" on November 14th at 10:30 a.m. at City Hall to assist you with the benefit selection process. Representatives from our Health Care Provider, Flex Benefit Administrator, and Life Insurance Provider will present this year's options, answer any questions you may have and help you complete enrollment/re-enrollment applications.

Elections

The last of the training for election judges took place this week. Right now, depending on voter turnout, it looks like we have an adequate number of election judges. Something for Council consideration is that the County has encouraged the City to look at reducing the number of polling sites it uses for the next election in 2018. There is some merit to the concept if adequate notification to the public can be met.

Alcohol Licensing/Code

Staff finished up on a draft of proposed changes to Section 6.2 of City Code as it relates to the licensing of alcohol in the community. This draft has now been presented to the City Attorney for legal review and subject to that, will come before the Council hopefully in December.

Public Works/Parks

Source Water Protection Grant

Recently, the City made application to the State of Minnesota for grant funding to be used towards the well exploration study. We received notification this past week that our application for the Implementation Grant was approved. The Health Department will pay for 100% of the cost (\$6,300) of our well siting study due to the manganese issue. We were able to apply because we listed this as a work plan item in our Wellhead Protection Program.

Lake Superior Water Line

Staff met with representatives of Enbridge, Calumet and Plains Midstream this week to discuss the request made to make a connection to the Lake Superior Water Line only to be used in the case of emergency for fire protection at the refinery. Sappi has expressed support for the connection as long as the water contract between the City and company adequately addresses this new connection.

Skate Park

The second workshop on the design of the proposed skate park was held on Thursday night. Approximately 15 people attended and they reached consensus on a conceptual plan design. The City's consultant will now work to refine the concept design to better define cost estimates and grant opportunities.

Dave Hallback, Mayor

City Council Members:

Jeff Rock, Ward 1
David Bjerkness, Ward 2
Roger Maki, Ward 3
Kerry Kolodge, Ward 4
Steve Langely, Ward 5
Lara Wilkinson, At Large

**Brian Fritsinger,
City Administrator
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Visit Our Website at:
www.ci.cloquet.mn.us



Sewer Collapse

We have a sanitary sewer main under the 2300 block of Selmser Avenue that has failed resulting in a sink hole in the middle of the roadway. Unfortunately, the main is 16 feet deep and includes two service connections so the repair will likely require a sizeable excavation. With winter quickly approaching this will require immediate attention.

Pinehurst Pond

The final numbers for this summer's use of the Pond shows attendance was down from 14,989 to 13,617 as were the number of days the Pond was open for service from 70 to 67. The good news was that even with this decline our "profit" for the year was \$7,210 compared to \$2,353 in 2015.

Veterans Park

The contractor was back this week working on the installation of the various trees and landscaping components of the project. It does not appear that the Memorial Wall panels will be completed in time to be installed yet this year, so that will likely have to wait until spring. Stabilization of the various surface areas disturbed by construction also took place.

2017 Construction Projects

Design work has begun on the various improvement projects planned for 2017. Staff invested time this week speaking with the State regarding a possible Coastal Grant application to assist with a small part of the Riverfront improvements. There is additional work to do before a decision can be made whether to formally apply or not.

Community Development

Miscellaneous

Kwik Trip held its Grand Opening and ribbon cutting this week at its new Washington Avenue location. I spoke on behalf of the City Council and congratulated the company for their continued investment in our community.

Med Express Urgent Care is expected to have a building permit next week. This new business will be operating at the Pine Tree Plaza. Miners Inc. has been undertaking some related site improvements in the vicinity of the space to be used by Med Express.

*"Let us not seek to fix the blame for the past,
let us accept our own responsibility for the future."*

*- John F. Kennedy,
35th US president*

Other Information Attached:

*September Financial Report

*October 25th Enbridge Letter

*Home for the Holidays Schedule of Events



ADMINISTRATIVE OFFICES

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October 20, 2016

Dear Brian Fritsinger, City Administrator:

Enclosed is the monthly financial report and cash and investment analysis for September 2016.

Cash and Investments

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

Budgets

Revenues/Transfers in – Interest is \$107,000 below budget since rates haven't increased as fast as predicted 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 \$105,600 below budget mostly due to dirty water in March and April and the recent railroad leak, so 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 \$94,200 for City Sales Tax, \$73,600 for CAFD fire aid, and \$166,750 police aid. CYBSA \$15,250 donation for Sunnyside playground equipment.

Expenditures/Expenses:

George Bougalis & Sons \$84,400 Fauley & Vets improvements. Hammarlund \$146,400 for 3rd Street reconstruction. Harris Computer Systems \$12,400 for finance software maintenance. Kiminski Paving \$63,750 for park improvements. LMC \$11,300 for dues. Per Mar Security \$25,400 for City Hall security system. Progressive Consulting \$25,500 for water treatment plant study. Ziegler \$29,800 for portable generator for sewer department. Northstar Design & Build \$12,900 for SCDP grant/project.

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 September
2016

Fund	2016 Budget	YTD Expend/Expense Budget	YTD Expenditures/ Expenses	Over (Under) Budget	Over (Under) %	
General						
Administration	346,900	300,300	185,950	(114,350)	-38%	1
Finance	202,300	153,100	131,553	(21,548)	-14%	2
Law	95,000	71,250	92,325	21,075	30%	3
Planning and Zoning	225,300	169,775	154,010	(15,765)	-9%	
Police	2,560,650	1,942,988	1,914,745	(28,243)	-1%	
Hwy, Streets & Rwy	1,024,600	765,075	705,580	(59,496)	-8%	
Library	541,600	407,700	405,361	(2,339)	-1%	
Park	546,150	366,838	425,255	58,417	16%	4
Water - LSWL	2,370,550	1,690,913	1,880,229	189,316	11%	5
Water - In Town	2,015,500	1,145,088	1,125,228	(19,861)	-2%	
Sewer	1,571,000	1,095,601	1,140,986	45,386	4%	
Storm Water	200,050	150,163	114,617	(35,546)	-24%	6
Cable TV	169,225	127,294	104,667	(22,627)	-18%	7

Note: Does not include transfers.

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

- 1 - Furniture for Assistant City Administrator and new fixed fee computer maintenance contract charged to admin. less community sign and microfiche not purchase to date.
- 2 - Part time position not hired to date.
- 3 - Prosecution costs running higher than expected.
- 4 - Miscellaneous park improvements and community education. Mostly timing of cost to budget.
- 5 - Mostly dechlor building and railroad leak labor, equipment and supply costs less late MN Power invoices.
- 6 - Improvements not started yet.
- 7 - Equipment not purchased yet.

Filename: Expenditure-expense budget report

City of Cloquet
 Select Departmental and Funds Payroll Expenditure/Expense Budget Report as of September
 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	36,000	28,130	(7,870)	-22%	
Regular			22,000	16,500	57,942	41,442	251%	1
Reimbursed			25,000	18,750	6,047	(12,703)	-68%	
Hwy & St	51,578	22,459	25,000	18,750	18,894	144	1%	
Water - LSWL	49,245	26,737	35,500	26,625	18,026	(8,599)	-32%	2
Water In Town	29,046	12,494	16,000	12,000	14,183	2,183	18%	
Sewer	12,208	8,912	10,500	7,875	5,844	(2,031)	-26%	2
Storm Water	6,836	2,569	5,000	3,750	4,421	671	18%	

Explanation of (over) budget

1 - Short staffed. New positions hired in May. One gone and two on FMLA during year. Also covering vacations. Regular salaries running below budget.

2 - Overtime for LSW railroad leak charged to leak line item.

Filename: Expenditure-expense budget report

*City of Cloquet
Cash and Investments
Management Summary
September 30, 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 latest 2016 update to the State of Minnesota February forecast shows revenues are below budget by \$97 million or 2.1%. The Bureau of Economic Analysis shows that the U.S. economic growth was weak in late 2015 and early 2016. Economic growth picked up in the second quarter of 2016. Unemployment is at 5% for September.

The City’s certified 2017 LGA is \$2,363,635 approximately \$7,100 more than 2016 and the City increased its preliminary levy by 2.97% for 2016. The talks of a special session were dead but are back on the table due to the MNSure premium costs. The possibility of the one-time increase of LGA for \$97,000 is not likely. 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 September \$840,000 CDs matured. The proceeds plus addition funds were used to purchase an agency for \$270,000 and CDs for \$735,000. Attached is an “Investment Portfolio Analysis” with the detail of investments.

Variance Analysis

Cash and investments are 8% below September 2015. The decrease is due to capital spending on sales tax and infrastructure projects.

The federal benchmark interest rate was raised in December 2015 to .25% to .50% from 0% to .25%. It is expected another increase will not happen until the presidential election is over. Attached is an “Interest Earnings Analysis” which details the average balances invested, rate of return, and prior year rates. There is talk of a possible rate increase in December 2016.

The budgeted interest earnings are \$336,000 for 2016. The City’s investment annualized yield is approximately \$185,000 or 1.53% 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
September
2016**

Fund #	Fund	Amount
101	General	3,720,537.88
201	LDO Loan (EDA)	310,025.74
202	Federal CDBG Loan (EDA)	841,550.24
203	Economic Development Loan (City)	142,155.00
204	State SCDG/MIF (EDA)	129,557.76
206	Revolving SCGP (EDA)	-
207	Community Development Operating (City)	(34,959.07)
208	SCDP - 2016 (City)	(310.29)
211	Library	60,916.46
220	TIF - Daqota/Woodward	6,184.09
221	TIF - 14th Street Apartments	22.70
222	TIF - Oak Street Apartments	34,476.10
224	Building Facilities Planning	1,540,900.00
225	Permanent Improvement	225,715.20
226	Park	98,150.38
226	Park - Restricted - In Lieu	37,924.41
226	Park - Skate Park	2,640.85
228	Senior Center	(9,140.97)
231	Public Works Reserve	427,422.53
260	Landfill Host Fee - 25%	70,304.71
260	Landfill Host Fee - 75%	224,846.06
368	Business Park Bonds	1,417,186.22
370	Swimming Pond Bonds	62,112.54
403	Capital Projects - Revolving	(1,339,204.16)
405	City Sales Tax Capital Projects	1,229,468.58
600	Water - Lake Superior Waterline	612,557.89
600	Water - Lake Superior Waterline Construction	429,990.33
601	Water In Town	3,546,456.87
601	Water - Debt Service	233,619.75
602	Sewer	999,125.38
605	Storm Water	40,798.72
614	Cable TV	217,224.35
701	Employee severance	615,764.66
905	Cloquet Area Fire District	1,301,866.39
	Total	17,195,887.30

City of Cloquet
Cash and Investment Analysis
September 30, 2016

	Tentative Goals	Current 9/30/2016	8/31/2016	7/31/2016	6/30/2016	Last Year 9/30/2015
DEMAND ACCOUNTS						
Checking & MM & Savings	10%-15%	\$5,118,034.55 30%	\$6,187,415.79 34%	\$6,754,725.10 36%	\$3,041,964.17 19%	\$3,843,364.62 21%
INVESTMENTS						
<u>Invested less than one year</u>						
Certificates of Deposit		\$1,135,000.00	\$1,975,000.00	\$2,320,000.00	\$2,665,000.00	\$4,030,000.00
Municipal Bonds		\$1,858,887.58	\$1,858,887.58	\$1,637,233.18	\$1,637,233.18	\$431,813.60
Government Agencies		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total invested less than one year	50%-70%	\$2,993,887.58 17%	\$3,833,887.58 21%	\$3,957,233.18 21%	\$4,302,233.18 27%	\$4,461,813.60 24%
<u>Invested one to three years</u>						
Certificates of Deposit		\$1,647,000.00	\$1,402,000.00	\$1,344,000.00	\$1,589,000.00	\$1,754,000.00
Municipal Bonds		\$2,239,851.00	\$2,239,851.00	\$2,461,505.40	\$2,461,505.40	\$3,320,636.30
Government Agencies*		\$500,000.00	\$500,000.00	\$500,000.00	\$1,000,000.00	\$500,000.00
Total invested one to three years	10%-20%	\$4,386,851.00 26%	\$4,141,851.00 23%	\$4,305,505.40 23%	\$5,050,505.40 32%	\$5,574,636.30 30%
<u>Invested over three years</u>						
Certificates of Deposit		\$1,596,000.00	\$1,106,000.00	\$1,214,000.00	\$1,214,000.00	\$2,129,000.00
Municipal Bonds		\$315,572.50	\$315,572.50	\$0.00	\$0.00	\$512,096.40
Government Agencies *		\$2,785,541.67	\$2,515,541.67	\$2,592,572.92	\$2,092,572.92	\$2,096,830.33
Total invested over three years	10%-20%	\$4,697,114.17 27%	\$3,937,114.17 22%	\$3,806,572.92 20%	\$3,306,572.92 21%	\$4,737,926.73 25%
Total	100%	\$17,195,887.30	\$18,100,268.54	\$18,824,036.60	\$15,701,275.67	\$18,617,741.25
Current month variance			(\$904,381.24) -5%	(\$1,628,149.30) -9%	\$1,494,611.63 10%	(\$1,421,853.95) -8%

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

Note:

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

City of Cloquet
Investment Portfolio Analysis
Detail of Investments September 30, 2016

Brokerage	Purchase Date	Maturity Date	Time Held	Description	Amount	YTM Rate	Annualized Yield	Market Value
Invested less than one year								
Certificates of Deposit								
Morgan Stanley	11/14/2013	11/14/2016	3 yrs	Ally Bank (form GMAC)	\$150,000.00	1.100%	\$1,650.00	\$150,120.00
UBS Financial	8/5/2015	2/6/2017	2 1/2 yrs	Sallie Mae Bank UT	\$245,000.00	0.850%	\$2,082.50	\$245,227.85
Morgan Stanley	6/8/2012	6/8/2017	5 yrs	World Financial DE	\$200,000.00	1.850%	\$3,700.00	\$201,360.00
Morgan Stanley	6/22/2012	6/22/2017	5 yrs	St Bank of India NY	\$245,000.00	2.000%	\$4,900.00	\$247,442.65
Wells Fargo	7/24/2014	7/24/2017	3 yrs	American Express Fed Sv	\$245,000.00	1.150%	\$2,817.50	\$245,930.27
UBS Financial	8/31/2015	8/31/2017	2 yrs	Oriental Bank PR	\$50,000.00	1.250%	\$625.00	\$50,220.50
					\$1,135,000.00		\$15,775.00	\$1,140,301.27
Municipals								
Wells Fargo	12/6/2013	12/1/2016	3 yrs	Minneapolis MN	\$207,581.33	0.750%	\$1,556.86	\$200,430.00
Wells Fargo	11/4/2010	2/1/2017	6 1/2 yrs	Bloomington MN BAB	\$202,324.00	2.100%	\$4,248.80	\$201,104.00
Wells Fargo	1/7/2009	2/1/2017	7 yrs	Osseo MN ISD 279	\$218,141.70	5.400%	\$11,779.65	\$213,519.60
Wells Fargo	6/11/2015	2/1/2017	1 1/2 yrs	St Paul MN ISD	\$502,845.00	1.000%	\$5,028.45	\$500,305.00
Wells Fargo	1/31/2014	3/1/2017	3 yrs	Menomonie WI Txbl	\$340,204.15	0.970%	\$3,299.98	\$331,105.50
Wells Fargo	9/4/2014	4/1/2017	2 1/2 yrs	St Francis MN ISD	\$166,137.00	0.900%	\$1,495.23	\$152,404.50
Wells Fargo	8/19/2015	8/1/2017	2 yrs	State of MN GO	\$221,654.40	0.860%	\$1,906.23	\$221,115.40
					\$1,858,887.58		\$29,315.21	\$1,819,984.00
Invested one to three years								
Certificates of Deposit								
UBS Financial	10/19/2012	10/19/2017	5 yrs	Boston Prvt B&T MA	\$100,000.00	1.000%	\$1,000.00	\$100,019.00
Morgan Stanley	11/25/2013	11/24/2017	4 yrs	Comenity Bk UT	\$68,000.00	1.400%	\$952.00	\$68,639.20
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	\$211,976.10
Morgan Stanley	5/8/2013	5/8/2018	5 yrs	CIT Bk UT	\$145,000.00	1.200%	\$1,740.00	\$145,008.70
Morgan Stanley	6/28/2013	6/28/2018	5 yrs	BMW Bk - UT	\$96,000.00	1.650%	\$1,584.00	\$96,723.84
Morgan Stanley	10/2/2013	10/2/2018	5 yrs	Discover Bk DE	\$145,000.00	2.050%	\$2,972.50	\$148,134.90
Morgan Stanley	10/28/2013	10/29/2018	5 yrs	Bank Baroda NY	\$245,000.00	2.050%	\$5,022.50	\$249,863.25
UBS Financial	4/16/2014	4/16/2019	5 yrs	Wells Fargo	\$240,000.00	1.000%	\$2,400.00	\$240,511.20
Morgan Stanley	4/29/2014	4/29/2019	5 yrs	Barclays Bk DE	\$45,000.00	1.900%	\$855.00	\$46,060.65
Morgan Stanley	8/8/2015	8/5/2019	5 yrs	Capital One NA Mclean VA	\$108,000.00	2.050%	\$2,214.00	\$110,691.36
					\$1,647,000.00		\$22,625.00	\$1,662,628.20
Municipals								
UBS Financial	12/1/2010	12/1/2017	7 yrs	Stamford CT	\$512,636.25	2.759%	\$14,143.63	\$508,845.00
Wells Fargo	1/14/2014	2/1/2018	4 yrs	Anoka County MN	\$567,323.75	1.480%	\$8,396.39	\$521,515.00
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	\$104,938.00
Wells Fargo	10/7/2010	8/1/2018	8 yrs	U of M Build America	\$260,748.16	2.700%	\$7,040.20	\$259,640.00
UBS Financial	12/4/2012	11/1/2018	6 yrs	NY City Transition	\$360,038.40	1.280%	\$4,608.49	\$363,193.20
Wells Fargo	12/1/2010	12/21/2018	8 yrs	Weston WS BAB	\$152,058.00	3.550%	\$5,398.06	\$158,014.50
UBS Financial	2/25/2016	1/1/2019	3+ yrs	Industry Calif Pub Facs Autl	\$266,005.88	1.447%	\$3,849.11	\$259,447.50
					\$2,239,851.00		\$44,960.99	\$2,175,593.20
Government Agencies								
Wells Fargo	4/26/2016	10/26/2018	2 1/2 yrs	FHLMC	\$500,000.00	1.100%	\$5,500.00	\$500,019.50
					\$500,000.00		\$5,500.00	\$500,019.50
Invested over three years								
Certificates of Deposit								
Morgan Stanley	10/16/2014	10/16/2019	5 yrs	Capital One Bank VA	\$245,000.00	2.150%	\$5,267.50	\$252,139.30
Morgan Stanley	1/28/2015	1/28/2020	5 yrs	Goldman Sachs - UT	\$96,000.00	2.048%	\$1,966.08	\$98,597.76
UBS Financial	2/27/2015	2/27/2020	5 yrs	Private Bank & Tr IL	\$240,000.00	1.750%	\$4,200.00	\$247,284.00
UBS Financial	4/13/2015	4/13/2020	5 yrs	HSBC Bk VA	\$240,000.00	1.125%	\$2,700.00	\$240,256.80
Morgan Stanley	5/7/2015	5/7/2020	5 yrs	Amex Centurion UT	\$185,000.00	1.950%	\$3,607.50	\$189,728.60
Morgan Stanley	9/2/2015	9/2/2020	5 yrs	Capital One MN Mclean VA	\$100,000.00	2.200%	\$2,200.00	\$103,863.00
UBS Financial	9/16/2016	9/16/2021	5 yrs	JPMorgan Chase Bk OH	\$245,000.00	1.500%	\$3,675.00	\$244,522.25
UBS Financial	9/23/2016	9/23/2021	5 yrs	Happy State Bank TX	\$245,000.00	1.500%	\$3,675.00	\$244,666.80
					\$1,596,000.00		\$27,291.08	\$1,621,058.51
Municipals								
UBS Financial	8/1/2016	7/1/2021	5 yrs	Florida St Rev Ser	\$315,572.50	1.583%	\$4,995.51	\$311,127.00
					\$315,572.50		\$4,995.51	\$311,127.00
Government Agencies								
UBS Financial	11/23/2015	10/27/2023	8 yrs	FNMA	\$500,541.67	1.500%	\$7,508.13	\$500,160.00
Morgan Stanley	3/28/2016	3/28/2024	7 yrs	FNMA	\$640,000.00	1.250%	\$8,000.00	\$640,659.20
Morgan Stanley	6/14/2016	6/14/2024	8 yrs	FHLMC	\$500,000.00	1.500%	\$7,500.00	\$500,150.00
Morgan Stanley	9/30/2016	9/30/2024	8 yrs	FHLMC	\$270,000.00	1.250%	\$3,375.00	\$269,122.50
Morgan Stanley	7/27/2016	7/27/2026	10 yrs	FHLMC	\$500,000.00	1.500%	\$7,500.00	\$496,685.00
Morgan Stanley	8/17/2016	8/17/2026	10 yrs	FHLMC	\$375,000.00	1.500%	\$5,625.00	\$372,633.75
					\$2,785,541.67		\$39,508.13	\$2,779,410.45
Totals					\$12,077,852.75		\$184,975.40	\$12,010,122.13
							1.53%	

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 September
2016

Type	%	Invested Balance	Interest	Rate of Return
Money Markets	17%	\$2,380,366.97	\$693.09	0.35%
CD's*	31%	\$4,354,833.33	\$5,276.29	1.47%
Municipals*	31%	\$4,414,311.08	\$6,208.70	1.71%
Government agencies*	21%	\$3,024,541.67	\$3,430.48	1.38%
Total Investment Return*	83%	\$11,793,686.08	\$14,915.47	1.54%
Total Return	100%	\$14,174,053.05	\$15,608.56	1.34%

Earnings Comparison	Budget	YTD Budget	YTD Actual
2016 Interest Earnings	\$ 336,000.00	\$ 252,000.00	\$144,968.81
2015 Interest Earnings	\$ 282,800.00	\$ 212,100.00	\$144,588.39
2014 Interest Earnings	\$ 453,000.00	\$ 339,750.00	\$155,743.39

Rate Comparisons	Current	Revised Last Month	Last Year	Two Years
	September 2016	August 2016	September 2015	September 2014
Average Total Return	1.34%	1.30%	1.21%	1.16%
Average Investment Return*	1.54%	1.52%	1.28%	1.37%

Filename: Monthly Report - Interest Earnings Analysis 2016



October 25, 2016

Mr. Brian Fritsinger
Administrator
City of Cloquet
1307 Cloquet Ave
Cloquet, MN 55720

Dear Mr. Fritsinger,

You are receiving this letter as an update on the Sandpiper Pipeline Project, a project we have been in contact with you about during the last few years.

More than three years ago, Enbridge Pipelines (North Dakota) LLC ("Enbridge") proposed to build Sandpiper from Tioga, North Dakota to our terminals in Clearbrook, MN and Superior, WI. Sandpiper was developed to transport North Dakota crude petroleum to various other pipelines, eventually providing crude oil to refineries in the United States and eastern Canada. As part of the regulatory process in Minnesota, we filed applications with the Minnesota Public Utilities Commission (MPUC).

Enbridge recently filed a petition to withdraw its Sandpiper Pipeline Project applications before the MPUC. Regulatory delays have pushed the in-service date out several years beyond our initial anticipated timeline. Meanwhile, it became apparent that an alternative solution existed to help our customer transport crude oil out of North Dakota.

Enbridge will retain the easements it has secured with landowners along the Sandpiper Pipeline route.

Our focus now is on moving the Line 3 Replacement Project through the Minnesota regulatory process in a timely manner. We will continue to work with agencies and stakeholders at all levels to complete this maintenance project. Those landowners who live along the Line 3 route will continue to receive notifications and updates on the project.

If you have any questions about the withdrawal of our Sandpiper application or about the Line 3 Replacement Project, please call our toll-free informational line at 1-855-788-7805, and one of our representatives working in the area will get back to you.

Sincerely,

A handwritten signature in black ink that reads "Lorraine Little".

Lorraine Little
Senior Manager, Public Affairs (U.S. Liquids Operations & Projects)



EVENT CALENDAR

THURSDAY, DECEMBER 1ST

- 1 "Winter Fest" Gift and Craft Show 10:00 am – 6:00 pm
Cloquet Armory | 801 Highway 33 South, Cloquet
- 2 Holiday Open House with Santa 3:30 pm – 5:30 pm
Pine Journal | 122 Avenue C, Cloquet - Photos with Santa for Pine Journal's Letter to Santa edition and refreshments.

FRIDAY, DECEMBER 2ND

- 1 "Winter Fest" Gift and Craft Show 9:00 am – 5:00 pm
Cloquet Armory | 801 Highway 33 South, Cloquet
- 4 Make a Holiday Ornament 3:30 pm – 5:00 pm
Cloquet Public Library | 320 14th Street, Cloquet - Make holiday ornaments on our 3D printer, and more!
- 5 *Photos with Santa and Spaghetti Dinner 5:00 pm – 7:00 pm
Queen of Peace | 102 4th Street, Cloquet - Dinner, holiday shop, live children's holiday music, Christmas crafts, free photos with Santa by Alan Johnson Photography (\$7- ages 13 and up, \$5- ages 3 to 12, and FREE- ages 2 and under)

SATURDAY, DECEMBER 3RD

- 5 *Pancake Breakfast 8:30 am – 10:30 am
Churchill Elementary - Cafeteria | 515 Granite Street, Cloquet - Pancake breakfast sponsored by Boy Scout Troop #171 (\$5- ages 13 and up, \$3- ages 12 and under) Please enter on Arthur Street.
- 6 Cookie Walk and Country Store 9:00 am – 11:00 am
Our Redeemer Lutheran Church | 515 Skyline Boulevard, Cloquet
- 5 Holiday Expo Craft Fair 9:00 am – 3:00 pm
Churchill Elementary | 515 Granite Street, Cloquet - Holiday Expo, local entertainment, over 100 vendors, Scholastic Book Fair, FREE admission
- 7 *Holiday Country Store 9:00 am – 4:00 pm
Cloquet VFW | 210 Arch Street, Cloquet - Vendors/crafters, bake sale, hot soup for purchase of \$5.00 (variety of flavors).
- 8 *Home for the Holiday's Reception 1:00 pm – 3:00 pm
Carlton County Historical Society | 406 Cloquet Avenue, Cloquet - Seasonal exhibit "Katharine Dahlman, Cromwell Artist". Refreshments will be served with live holiday music. (\$2 for adults, \$1 for children under 12, and free admission for children under 5 and Carlton County Historical Society members.)
- 9 **Cloquet Ford Chrysler Center Magic Show 1:00 pm – 4:00 pm
701 Washington Ave, Cloquet - Decorate and eat a Christmas cookie, magic shows (1:15 & 3:00), soda fountain, trolley/hayrides
- 10 **Members Cooperative Credit Union Holiday Event 1:00 pm – 4:00 pm
101 14th Street, Cloquet - LIVE REINDEER from 2:00 pm – 4:00 pm, visit with Santa, Stories with Mrs. Claus, face painting by Maura, "Santa's Spa" kids' nail painting, holiday crafts, trolley/hayrides, cookies, hot dogs, and chips.
- 11 **Chili Cook-Off 3:00 pm – 4:30 pm
Daugherty Appliance | 1114 Cloquet Ave, Cloquet - Chili Cook-off - dig in to a variety of tasty chilis from area restaurants. Music from the Cloquet Madrigals at 4:00. (Cost: \$3/\$2 with a non-perishable food item)
- 12 Fire Rings & S'mores 4:00 pm
Cloquet Area Fire District | 508 Cloquet Avenue, Cloquet - Get toasty! Fire pits and s'mores are on deck. (Note: this location is a non-perishable food item drop-off site)
- 13 Cloquet Holiday Hustle One-Mile Run 4:30 pm
Downtown Cloquet Avenue. Pre-register at Community Education or sign-up at the event. Cost: donation of \$10 or unwrapped toy. All profits/toys will go to The Salvation Army.
- 13 Santa's Home for the Holidays Parade 5:00 pm (Line up at 4:00 pm)
Downtown Cloquet Avenue.
- 13 Fireworks After the Parade (appx 5:45 pm)
Fireworks are being shot off from Veteran's Park, so they'll be visible right from your parade spot!
- 14 ALUMNI Hockey Game 7:00 pm
Northwoods Credit Union Arena | 1102 Olympic Drive, Cloquet - Christmas Clash! Cloquet Lumberjacks vs. Duluth East ALUMNI hockey game. Hosted by the Cloquet Area Chamber of Commerce.
- 15 CEC Younglife Teen Dance 7:00 pm – 11:00pm
CEC Younglife | 1804 Washington Avenue, Cloquet - Sponsored by Cloquet Ford Chrysler Center

*Cost associated

**Hop on a tractor-pulled hayride or trolley that will be traveling between Members Cooperative Credit Union, Daugherty Appliance, and Cloquet Ford Chrysler Center on Saturday, 1:45-4:00 pm. (Indicated on map by dashed line)

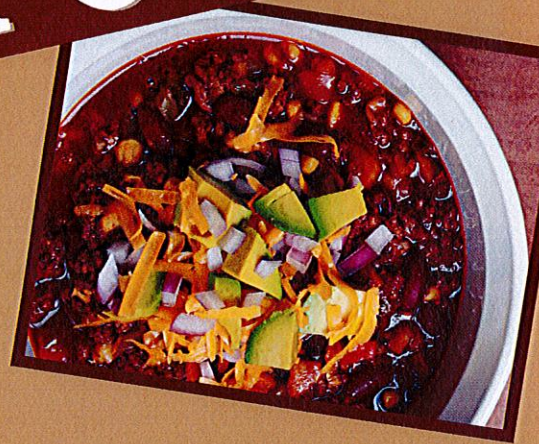


NEW EVENTS!



www.santashomefortheholidays.com 

2nd Annual Santa's Home for the Holiday's Chili Cook-Off



Date: Saturday, December 3

Time: 3:00—4:30 p.m.

Location: Daugherty Appliance, 1114 Cloquet Avenue

Fee: \$3.00 OR \$2.00 with a non-perishable food item

Dig into a Variety
of Tasty Chili's!

A fun holiday
atmosphere, with
Holiday Music from
the CHS Madrigals
at 4:00pm!

Alumni Hockey Game



VS.



Cloquet Lumberjacks ALUMNI

VS Duluth East ALUMNI

Join the Cloquet Area Chamber of Commerce at the competitive alumni hockey game where the long-time rivals will battle for the coveted Alumni Cup!

Saturday, December 3

7:00 pm

NWCU Arena

1102 Olympic Drive, Cloquet

Tickets sold at:

Cloquet Area Chamber
of Commerce
OR at game.

\$8.00 Adults

\$5.00 Students

Sponsors:

