



City Administrator's Weekly Update

WEEK ENDING DECEMBER 2, 2016

Upcoming Events:

December 5, 4:30 pm
Parks Commission
City Hall

December 6, 5:30 pm
Work Session
City Hall

December 6, 7:00 pm
City Council
City Hall

December 7, 8:00 am
EDA - **CANCELLED**

December 13, 7:00 pm
Planning Commission
City Hall

December 20, 5:30 pm
Work Session
City Hall

December 20, 7:00 pm
City Council
City Hall

December 23
Christmas Eve
City Hall Closed

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
1307 Cloquet Avenue
Cloquet, MN 55720
(218)879-3347

Administration/Finance

Personnel

For all AFSCME and non-union staff please remember that your enrollment for the City's health insurance plan and flexible spending accounts is due next week!!

Staff met with the IAFF to continue labor negotiations on a new labor agreement for the firefighters. Staff responded to the Teamsters regarding an employee grievance.

Board, Committee and Commission Openings

As we near the end of the year a number of members of our various boards, committees and commissions terms are set to expire. Openings effective January 1 will exist for sure on the City's Parks Commission and Planning Commission. Please encourage your friends and neighbors to consider applying for these openings.

Community Sign

Staff has been working with two different sign companies regarding an electronic community sign proposed to be placed at the National Guard. Our next steps are to firm up some price estimates and to then engage the Guard in more specific conversations regarding a formal agreement allowing the sign to be placed on their property.

Public Works/Parks

Miscellaneous

With the snow melt the crew was able to work on general maintenance issues this week with some focus on getting the Christmas lights working and ready for the Home for the Holidays parade and celebration.

Community Development

SHIP Active Transportation Committee

The City has received notice that grant has expired that funded the staff position for the SHIP program and Carlton County is no longer going to fund the program. As a result staff has discussed this and will instead be looking to the City's various Commissions to proactively incorporate some of the critical elements of this Committee into their future agenda's and discussions.

***"Take action. Success is not guaranteed, but inaction will guarantee failure."
Ken Poirot, writer***

Other Information

Attached:

- * November Building Permit Report
- * November 22, Letter from WLSSD
- * October 2016 Monthly Financial Report
- * November 30, Letter Regarding Freeman Road Landfill

Monthly report of November 2015

City of Cloquet

Type	Permits		
	Number Issued	Value	Amount
ADMIN COMMERCIAL/INDUSTRIAL	1	27 865.00	425.38
ADMINISTRATIVE PERMIT	4	20 242.00	469.12
BUILDING NEW RESIDENTIAL	1	130 000.00	1 816.89
BUILDING PERMIT ADDITION OR REMODEL	1	20 000.00	540.06
BUILDING PERMIT NEW GARAGE	1	10 000.00	186.25
GRADING PERMIT	1	0.00	25.00
MECHANICAL PERMIT	5	0.00	195.00
PLUMBING	4	0.00	370.00
REROOF OR RESIDE	3	0.00	303.00
ZONING - FENCE PERMIT	4	0.00	100.00
Total	25	208 107.00	4 430.70

Printed on December 01, 2016

Monthly report of November 2016

City of Cloquet

Type	Permits		
	Number Issued	Value	Amount
ADMIN COMMERCIAL/INDUSTRIAL	1	6 000.00	128.25
ADMINISTRATIVE PERMIT	8	52 934.00	670.72
BUILDING PERMIT ADDITION OR REMODEL	2	465 000.00	5 192.44
GRADING PERMIT	1	0.00	62.46
MECHANICAL PERMIT	9	0.00	330.00
PLUMBING	3	0.00	285.00
REROOF OR RESIDE	3	0.00	303.00
SIGN	1	0.00	192.00
ZONING - FENCE PERMIT	3	0.00	50.00
Total	31	523 934.00	7 213.87



2626 Courtland Street
Duluth, MN 55806-1894
phone 218.722.3336
fax 218.727.7471
www.wlssd.com



Western Lake Superior Sanitary District

November 22, 2016

City of Cloquet
1307 Cloquet Ave.
Cloquet, MN 55720

Dear Mr. Anderson:

Congratulations, WLSSD has reviewed and approved the City's request for a WLSSD Wastewater Services Grant. The project specifically is to assist the City in determining the feasibility of extending municipal sanitary sewer and water service to currently unserved areas located both within the City of Cloquet and on Fond du Lac Tribal Lands.

Specifically, WLSSD has awarded up to \$10,000 towards completion of the feasibility study as specified in application.

Once the City has completed and approved of the work, please submit a copy of feasibility study and an invoice for payment of \$10,000. Please send these items to WLSSD, 2626 Courtland Street, Duluth, MN 55806 attention: Dan Belden.

We also discussed via email that WLSSD would like to have the opportunity to review and comment on any preliminary results of the study as they relate to the WLSSD Comprehensive Wastewater Services Plan adopted in June of 2016 and its Urban Service Boundary prior to becoming final.

Should you have any questions regarding this letter and the expectations of WLSSD, please feel free to call me at 218-740-4774.

Sincerely,

Dan Belden
Senior Planner

CC: Mark Wallis, SEH, 418 West Superior Street, Suite 200, Duluth, MN 55802-1514



ADMINISTRATIVE OFFICES

1307 Cloquet Avenue • Cloquet, MN 55720
Phone: 218-879-3347 • Fax: 218-879-6555
email: admin@ci.cloquet.mn.us
www.ci.cloquet.mn.us

November 23, 2016

Dear Brian Fritsinger, City Administrator:

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

Cash and Investments

Cash balances are 5% below October 2015. A narrative and several spreadsheets discussing this month's cash and investment activities, and balances are attached.

Budgets

Revenues/Transfers in – Interest is \$118,700 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 starting to track closer to budget.

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

Major Revenues and Expenditures/Expenses

Revenues:

State \$88,800 for City Sales Tax, and \$853,300 for street project funding. Mediacom \$26,100 for quarterly franchise fees.

Expenditures/Expenses:

Century Fence Company \$16,500 for park fencing. George Bougalis & Sons \$260,400 for Fauley & Vets improvements. Hammarlund \$266,200 for 3rd Street reconstruction. S E H \$24,600 for park design. Stack Bros. \$75,000 for Slate Street sidewalk. Northstar Design & Build \$10,700 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 October
2016

Fund	2016 Budget	YTD Expend/Expense Budget	YTD Expenditures/ Expenses	Over (Under) Budget	Over (Under) %	
General						
Administration	346,900	315,834	211,683	(104,150)	-33%	1
Finance	202,300	169,500	143,917	(25,584)	-15%	2
Law	95,000	79,167	101,938	22,771	29%	3
Planning and Zoning	225,300	188,908	168,239	(20,669)	-11%	4
Police	2,560,650	2,148,875	2,085,221	(63,654)	-3%	
Hwy, Streets & Rwy	1,024,600	839,917	784,620	(55,297)	-7%	
Library	541,600	452,334	446,008	(6,325)	-1%	
Park	546,150	415,109	448,802	33,693	8%	
Water - LSWL	2,370,550	1,869,726	2,088,266	218,540	12%	5
Water - In Town	2,015,500	1,225,642	1,181,208	(44,434)	-4%	
Sewer	1,571,000	1,226,900	1,269,915	43,014	4%	
Storm Water	200,050	166,759	130,482	(36,276)	-22%	6
Cable TV	169,225	141,271	120,905	(20,366)	-14%	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 not purchased to date, and microfiche project below budget.
- 2 - Part time position not hired to date.
- 3 - Prosecution costs running higher than expected.
- 4 - Mostly consultant fees and nuisance costs running below 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 October
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	40,000	28,130	(11,870)	-30%	
Regular			22,000	18,333	60,411	42,078	230%	1
Reimbursed			25,000	20,833	7,292	(13,541)	-65%	
Hwy & St	51,578	22,459	25,000	20,833	20,189	(645)	-3%	
Water - LSWL	49,245	26,737	35,500	29,583	18,572	(11,011)	-37%	2
Water In Town	29,046	12,494	16,000	13,333	15,445	2,112	16%	
Sewer	12,208	8,912	10,500	8,750	5,844	(2,906)	-33%	2
Storm Water	6,836	2,569	5,000	4,167	4,421	255	6%	

Explanation of (over) budget

- 1 - Short staffed - new positions hired in May and replacement hired in Nov., one gone and two on FMLA during year.
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
October 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 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 4.9% for October.

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 October investments of \$1.145 million were called. The proceeds were used to purchase a municipal bond for \$509,000 and a CD for \$150,000, the rest was retain for cash flows. Attached is an “Investment Portfolio Analysis” with the detail of investments.

Variance Analysis

Cash and investments are 5% below October 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 \$189,600 or 1.64% 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
October
2016**

Fund #	Fund	Amount
101	General	3,468,683.73
201	LDO Loan (EDA)	317,811.94
202	Federal CDBG Loan (EDA)	841,550.24
203	Economic Development Loan (City)	67,720.42
204	State SCDG/MIF (EDA)	129,557.76
206	Revolving SCGP (EDA)	-
207	Community Development Operating (City)	(43,417.39)
208	SCDP - 2016 (City)	(10,543.29)
211	Library	21,235.35
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	227,463.28
226	Park	79,562.44
226	Park - Restricted - In Lieu	37,924.41
226	Park - Skate Park	2,640.85
228	Senior Center	(9,245.54)
231	Public Works Reserve	439,829.14
260	Landfill Host Fee - 25%	71,082.80
260	Landfill Host Fee - 75%	227,180.32
368	Business Park Bonds	1,417,186.22
370	Swimming Pond Bonds	62,112.54
403	Capital Projects - Revolving	(831,064.87)
405	City Sales Tax Capital Projects	997,885.91
600	Water - Lake Superior Waterline	633,390.73
600	Water - Lake Superior Waterline Construction	429,990.33
601	Water In Town	3,592,992.67
601	Water - Debt Service	233,619.75
602	Sewer	1,032,310.04
605	Storm Water	53,981.98
614	Cable TV	233,213.89
701	Employee severance	615,905.98
905	Cloquet Area Fire District	1,068,887.62
	Total	16,991,032.14

City of Cloquet
Cash and Investment Analysis
October 31, 2016

	Tentative Goals	Current 10/31/2016	9/30/2016	8/31/2016	7/31/2016	Last Year 10/31/2015
<u>DEMAND ACCOUNTS</u>						
Checking & MM & Savings	10%-15%	\$5,399,997.17 32%	\$5,118,034.55 30%	\$6,187,415.79 34%	\$6,754,725.10 36%	\$2,564,763.51 14%
<u>INVESTMENTS</u>						
<u>Invested less than one year</u>						
Certificates of Deposit		\$1,235,000.00	\$1,135,000.00	\$1,975,000.00	\$2,320,000.00	\$4,030,000.00
Municipal Bonds		\$1,858,887.58	\$1,858,887.58	\$1,858,887.58	\$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%	\$3,093,887.58 18%	\$2,993,887.58 17%	\$3,833,887.58 21%	\$3,957,233.18 21%	\$4,461,813.60 25%
<u>Invested one to three years</u>						
Certificates of Deposit		\$1,647,000.00	\$1,647,000.00	\$1,402,000.00	\$1,344,000.00	\$2,144,000.00
Municipal Bonds		\$2,239,851.00	\$2,239,851.00	\$2,239,851.00	\$2,461,505.40	\$3,320,636.30
Government Agencies*		\$0.00	\$500,000.00	\$500,000.00	\$500,000.00	\$500,000.00
Total invested one to three years	10%-20%	\$3,886,851.00 23%	\$4,386,851.00 26%	\$4,141,851.00 23%	\$4,305,505.40 23%	\$5,964,636.30 33%
<u>Invested over three years</u>						
Certificates of Deposit		\$1,501,000.00	\$1,596,000.00	\$1,106,000.00	\$1,214,000.00	\$1,739,000.00
Municipal Bonds		\$824,296.39	\$315,572.50	\$315,572.50	\$0.00	\$512,096.40
Government Agencies *		\$2,285,000.00	\$2,785,541.67	\$2,515,541.67	\$2,592,572.92	\$2,596,830.33
Total invested over three years	10%-20%	\$4,610,296.39 27%	\$4,697,114.17 27%	\$3,937,114.17 22%	\$3,806,572.92 20%	\$4,847,926.73 27%
Total	100%	\$16,991,032.14	\$17,195,887.30	\$18,100,268.54	\$18,824,036.60	\$17,839,140.14

Current month variance	(\$204,855.16) -1%	(\$1,109,236.40) -6%	(\$1,833,004.46) -10%	(\$848,108.00) -5%
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* - Most of 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 October 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								
Morgan Stanley	11/14/2013	11/14/2016	3 yrs	Ally Bank (form GMAC)	\$150,000.00	1.100%	\$1,650.00	\$150,033.00
UBS Financial	8/5/2015	2/6/2017	2 1/2 yrs	Sallie Mae Bank UT	\$245,000.00	0.850%	\$2,082.50	\$245,188.65
Morgan Stanley	6/8/2012	6/8/2017	5 yrs	World Financial DE	\$200,000.00	1.850%	\$3,700.00	\$201,240.00
Morgan Stanley	6/22/2012	6/22/2017	5 yrs	St Bank of India NY	\$245,000.00	2.000%	\$4,900.00	\$247,192.75
Wells Fargo	7/24/2014	7/24/2017	3 yrs	American Express Fed Sv	\$245,000.00	1.150%	\$2,817.50	\$245,909.93
UBS Financial	8/31/2015	8/31/2017	2 yrs	Oriental Bank PR	\$50,000.00	1.250%	\$625.00	\$50,222.00
UBS Financial	10/19/2012	10/19/2017	5 yrs	Boston Prvt B&T MA	\$100,000.00	1.000%	\$1,000.00	\$100,209.00
					\$1,235,000.00		\$16,775.00	\$1,239,995.33
Municipals								
Wells Fargo	12/6/2013	12/1/2016	3 yrs	Minneapolis MN	\$207,581.33	0.750%	\$1,556.86	\$200,206.00
Wells Fargo	11/4/2010	2/1/2017	6 1/2 yrs	Bloomington MN BAB	\$202,324.00	2.100%	\$4,248.80	\$200,824.00
Wells Fargo	1/7/2009	2/1/2017	7 yrs	Osseo MN ISD 279	\$218,141.70	5.400%	\$11,779.65	\$212,709.00
Wells Fargo	6/11/2015	2/1/2017	1 1/2 yrs	St Paul MN ISD	\$502,845.00	1.000%	\$5,028.45	\$500,325.00
Wells Fargo	1/31/2014	3/1/2017	3 yrs	Menomonie WI Txbl	\$340,204.15	0.970%	\$3,299.98	\$330,858.00
Wells Fargo	9/4/2014	4/1/2017	2 1/2 yrs	St Francis MN ISD	\$166,137.00	0.900%	\$1,495.23	\$152,040.00
Wells Fargo	8/19/2015	8/1/2017	2 yrs	State of MN GO	\$221,654.40	0.860%	\$1,906.23	\$220,961.40
					\$1,858,887.58		\$29,315.21	\$1,817,923.40
Invested one to three years								
Certificates of Deposit								
Morgan Stanley	11/25/2013	11/24/2017	4 yrs	Comenity Bk UT	\$68,000.00	1.400%	\$952.00	\$68,607.92
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	\$211,915.20
Morgan Stanley	6/28/2013	6/28/2018	5 yrs	BMW Bk - UT	\$96,000.00	1.650%	\$1,584.00	\$96,717.12
Morgan Stanley	10/2/2013	10/2/2018	5 yrs	Discover Bk DE	\$145,000.00	2.050%	\$2,972.50	\$148,058.05
Morgan Stanley	10/28/2013	10/29/2018	5 yrs	Bank Baroda NY	\$245,000.00	2.050%	\$5,022.50	\$249,757.90
UBS Financial	4/16/2014	4/16/2019	5 yrs	Wells Fargo	\$240,000.00	1.000%	\$2,400.00	\$240,463.20
Morgan Stanley	4/29/2014	4/29/2019	5 yrs	Barclays Bk DE	\$45,000.00	1.900%	\$855.00	\$46,038.15
Morgan Stanley	8/8/2015	8/5/2019	5 yrs	Capital One NA Mclean VA	\$108,000.00	2.050%	\$2,214.00	\$110,641.68
Morgan Stanley	10/16/2014	10/16/2019	5 yrs	Capital One Bank VA	\$245,000.00	2.150%	\$5,267.50	\$252,043.75
					\$1,647,000.00		\$25,152.50	\$1,669,242.97
Municipals								
UBS Financial	12/1/2010	12/1/2017	7 yrs	Stamford CT	\$512,636.25	2.759%	\$14,143.63	\$507,825.00
Wells Fargo	1/14/2014	2/1/2018	4 yrs	Anoka County MN	\$567,323.75	1.480%	\$8,396.39	\$520,135.00
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	\$104,682.00
Wells Fargo	10/7/2010	8/1/2018	8 yrs	U of M Build America	\$260,748.16	2.700%	\$7,040.20	\$259,110.00
UBS Financial	12/4/2012	11/1/2018	6 yrs	NY City Transition	\$360,038.40	1.280%	\$4,608.49	\$362,559.60
Wells Fargo	12/1/2010	12/21/2018	8 yrs	Weston WS BAB	\$152,058.00	3.550%	\$5,398.06	\$157,381.50
UBS Financial	2/25/2016	1/1/2019	3+ yrs	Industry Calif Pub Facs Aut	\$266,005.88	1.447%	\$3,849.11	\$258,495.00
					\$2,239,851.00		\$44,960.99	\$2,170,188.10
Invested over three years								
Certificates of Deposit								
Morgan Stanley	1/28/2015	1/28/2020	5 yrs	Goldman Sachs - UT	\$96,000.00	2.048%	\$1,966.08	\$98,589.12
UBS Financial	2/27/2015	2/27/2020	5 yrs	Private Bank & Tr IL	\$240,000.00	1.750%	\$4,200.00	\$247,252.80
UBS Financial	4/13/2015	4/13/2020	5 yrs	HSBC Bk VA	\$240,000.00	1.125%	\$2,700.00	\$240,297.60
Morgan Stanley	5/7/2015	5/7/2020	5 yrs	Amex Centurion UT	\$185,000.00	1.950%	\$3,607.50	\$189,736.00
Morgan Stanley	9/2/2015	9/2/2020	5 yrs	Capital One MN Mclean VA	\$100,000.00	2.200%	\$2,200.00	\$103,851.00
Morgan Stanley	10/14/2016	10/14/2020	5 yrs	First Bank PR Santurce	\$150,000.00	1.450%	\$2,175.00	\$150,919.50
UBS Financial	9/16/2016	9/16/2021	5 yrs	JPMorgan Chase Bk OH	\$245,000.00	1.500%	\$3,675.00	\$244,713.35
UBS Financial	9/23/2016	9/23/2021	5 yrs	Happy State Bank TX	\$245,000.00	1.500%	\$3,675.00	\$244,860.35
					\$1,501,000.00		\$24,198.58	\$1,520,219.72
Municipals								
UBS Financial	8/1/2016	7/1/2021	5 yrs	Florida St Rev Ser	\$315,572.50	1.583%	\$4,995.51	\$310,116.00
UBS Financial	10/27/2016	7/1/2025	9 yrs	Selma Ala Rfdg	\$508,723.89	2.400%	\$12,209.37	\$496,160.00
					\$824,296.39		\$17,204.89	\$806,276.00
Government Agencies								
Morgan Stanley	3/28/2016	3/28/2024	7 yrs	FNMA	\$640,000.00	1.250%	\$8,000.00	\$640,211.20
Morgan Stanley	6/14/2016	6/14/2024	8 yrs	FHLMC	\$500,000.00	1.500%	\$7,500.00	\$499,265.00
Morgan Stanley	9/30/2016	9/30/2024	8 yrs	FHLMC	\$270,000.00	1.250%	\$3,375.00	\$269,252.10
Morgan Stanley	7/27/2016	7/27/2026	10 yrs	FHLMC	\$500,000.00	1.500%	\$7,500.00	\$492,730.00
Morgan Stanley	8/17/2016	8/17/2026	10 yrs	FHLMC	\$375,000.00	1.500%	\$5,625.00	\$369,622.50
					\$2,285,000.00		\$32,000.00	\$2,271,080.80
Totals					\$11,591,034.97		\$189,607.17	\$11,494,926.32

1.64%

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 October
2016

Type	%	Invested Balance	Interest	Rate of Return
Money Markets	14%	\$1,998,192.00	\$500.35	0.29%
CD's*	31%	\$4,352,838.71	\$5,599.39	1.51%
Municipals*	32%	\$4,496,363.32	\$6,580.04	1.72%
Government agencies*	22%	\$3,108,034.95	\$3,628.77	1.37%
Total Investment Return*	86%	\$11,957,236.98	\$15,808.20	1.56%
Total Return	100%	\$13,955,428.98	\$16,308.55	1.38%

Earnings Comparison	Budget	YTD Budget	YTD Actual
2016 Interest Earnings	\$ 336,000.00	\$ 280,000.00	\$161,277.36
2015 Interest Earnings	\$ 282,800.00	\$ 235,666.67	\$161,156.15
2014 Interest Earnings	\$ 453,000.00	\$ 377,500.00	\$172,908.29

Rate Comparisons	Current	Revised Last Month	Last Year	Two Years
	October 2016	September 2016	October 2015	October 2014
Average Total Return	1.38%	1.34%	1.24%	1.20%
Average Investment Return*	1.56%	1.54%	1.28%	1.37%

Filename: Monthly Report - Interest Earnings Analysis 2016



Landmark Environmental, LLC

2042 West 98th Street

Bloomington, MN 55431

Phone: 952-666-2444

November 30, 2016

www.landmarkenv.com

Mr. Mike Mondloch
Minnesota Pollution Control Agency
520 Lafayette Road N
St. Paul, MN 55155-4194

RE: Cloquet Landfill, SW-160 – 2016 Monitoring System Results

Dear Mr. Mondloch:

This letter is sent on behalf of the City of Cloquet (City) to transmit the analytical results for the environmental monitoring system (EMS) for the Cloquet Landfill for 2016. Closure construction activities were completed at the Site and the Closure Certification Report was submitted on February 21, 2010. A Post-Closure Plan was submitted subsequently in correspondence dated June 9, 2010. The City awaits the final MPCA closure document for the Site.

The water quality sampling and analysis was conducted in accordance with the November 2003 "Sampling and Analysis Plan" (SAP) for the Site as approved by MPCA staff in correspondence dated December 16, 2003. The groundwater monitoring wells at the Site and the Ahlgren residential well were sampled on October 24, 2016. Representatives of Pace Analytic Services, Inc. (Pace) collected the samples using standard MPCA protocols identified in the SAP. The samples were also analyzed by Pace for the list of analytic parameters used for previous sampling events at the Site. The parameter list for volatile organic compounds (VOCs) is consistent with the final version of the approved SAP. The sampling and analytical report is attached.

The water table at the Landfill exists predominantly within the glacial drift and groundwater levels for the October 24, 2016 sampling event were equivalent to levels measured in previous years. The groundwater level data is consistent with previous historic events and varies based on temporal conditions. The groundwater flow interpretation, presented on the attached Figure 1, is consistent with previous analyses. Water level data indicate that groundwater flows toward the southwest. The hydraulic gradient of the water table is relatively steep with a typical gradient of 0.06 ft/ft and a range from 0.004 ft/ft to 0.09 ft/ft. Groundwater is anticipated to discharge into the St. Louis River. Historic groundwater elevation data is presented on the attached table.

The field data log sheets indicate that all samples collected were described as clear and odorless. The length of the water column before purging for MW-3 was 4.6 feet. The relatively low recharge rate for MW-3 resulted in an insufficient recharge to conduct full stabilization procedures; however sufficient water volume was available for analysis of all parameters.

A number of quality assurance/quality control (QA/QC) samples were evaluated with the sampling event, including a travel blank, field blank, method blanks and matrix spikes. The field

and travel blanks (collected at MW-1) did not indicate any positive analytical detections. The SAP indicates that a blind duplicate sample is to be collected every other year and the duplicate sample for 2016 was collected at MW-5. Duplicate sample results compared well and there were no anomalies in this regard. There were no other anomalies for the laboratory QA/QC data presented with the analytic report that would indicate problems with the reliability of the analysis.

Indications of groundwater contamination associated with landfill waste deposits are generally associated with the occurrence of VOCs. The analytical data for the October 24, 2016 groundwater sampling event indicated no VOC detections monitoring wells with the exception of 1.1 ug/l tetrachloroethene at near detection limit (1.0 ug/l) for MW-3. The occurrence of tetrachloroethene at MW-3 at a low level near the detection limit has been reported for MW-3 throughout the history of monitoring at the Site.

There were no VOC detections for the Ahlgren residential well sample.

In 2016, most metal analyses were reported below the method detection limits. No water quality standards were exceeded for any metal or general chemistry parameter with the exception of boron (1.00 mg/l) for monitoring well MW-2 (4.54 mg/l). Manganese was detected at monitoring wells MW-2 (1.96 mg/l) and MW-5 (0.190 mg/l) which is above the tiered drinking water standard of 0.100 mg/l for infants established by the MDH in 2012. The MDH standard for children and adults is 0.300 mg/l, which was not exceeded.

Manganese was detected at the Ahlgren residence at a concentration of 0.102 mg/l which is slightly above the tiered drinking water standard of 0.100 mg/l for infants but below the 0.300 mg/l standard for children and adults. Sampling results over 15 years have indicated an elevated level of Manganese with an average result of 0.097 mg/l. The occurrence of elevated Manganese for the October 24, 2016 sampling event is believed to be associated with the natural groundwater conditions for the drinking water aquifer in the Cloquet area. Analytical results are being supplied to the Ahlgren residence with consultation concerning the drinking water standards.

The expanded data set indicates that concentrations for downgradient wells are higher than the background well (MW-1) for select inorganic parameters such as chloride, sulfate and boron. Concentration trends for downgradient wells are primarily stable and the results of inorganic analyses are generally consistent with the previous sampling events. A historic groundwater quality summary that includes current data for VOC and inorganic parameters is presented in the attached table.

We have previously made a number of observations that suggest that no significant impacts to water resources are occurring. These observations are reinforced by data from the recent water quality sampling event.

- Sporadic, low-level detections of select metals have been observed at monitoring wells between the waste deposit and the St. Louis River and may represent ambient groundwater conditions. It is apparent, however, that the expanded data set indicates that concentrations for downgradient wells are higher than the background well for select inorganic parameters.

- VOCs historically detected have been attributed to laboratory contamination or have been reported near the laboratory method detection limits.
- VOCs attributed to the waste deposit have not been confirmed through sampling events conducted for almost 20 years. The only exception could potentially be for MW-3 results where tetrachloroethene has been reported near the detection limit for multiple years.
- No relevant VOC groundwater quality standards have been exceeded for historic groundwater samples collected at the Site.
- Manganese is known to exist at concentrations exceeding groundwater standards for ambient conditions of the near surface aquifer. Boron concentrations have exceeded groundwater standards for downgradient wells and may possibly be attributed to impacts from the waste deposit.

The landfill has been closed with an engineered final cover for more than seven years. The water quality data which have been collected for monitoring wells at the site for nearly 20 years indicate stable groundwater conditions. Potential impacts from the waste deposit have shown to be limited. We recommend that water quality monitoring be discontinued and that the wells be sealed according to MDH requirements.

Please contact Matt Ledvina at 952 666-2418 or Caleb Peterson at the City of Cloquet, if you have questions or comments regarding the water quality data assessment.

Best regards,

Landmark Environmental, LLC

Matthew L. Ledvina, P.E.

Cc: Caleb Peterson, City of Cloquet