



City Administrator's Weekly Update

Week Ending February 20, 2015

MEETING SCHEDULE

February 24, 4:15 pm

Library Board
Cloquet Library

March 2, 4:30 pm

Parks Commission
City Hall

March 3, 5:30 pm

Council Work Session
City Hall

March 3, 7:00 pm

City Council
City Hall

March 4, 8:00 am

EDA
City Hall

March 10, 7:00 pm

Planning Commission
City Hall

March 11, 4:30 pm

Cable Commission
CAT-7 Studio

March 17, 5:30 pm

Council Work Session
City Hall

March 17, 7:00 pm

City Council
City Hall

March 18, 6:00 pm

CAFD
Cloquet City Hall

March 31, 4:15 pm

Library Board
Cloquet Library

ADMINISTRATION

PERSONNEL

The AFSCME bargaining unit voted to ratify the proposed 2015-2017 labor agreement this week. This agreement will be presented to the City Council at its March 3 meeting for consideration.

Job ads for the Engineering Intern and Deputy City Clerk positions were completed this week. Advertising for these positions will start next week.

LEGAL

Staff has been working with the City Attorney on a number of issues that will come forward to Council in the future. These include, amendments to the City's dogs running at large ordinance, tobacco compliance ordinance and alcohol ordinance. We have also been conferring to identify the City's responsibilities in monitoring and responding to the Specialty Minerals labor dispute.

COMMUNITY DEVELOPMENT

SMALL CITIES GRANT

The City Council authorized the submittal of the final grant application to the State for Small Cities monies. If successful these monies would be used for building rehabilitation for commercial, single family, and rental properties. Staff spent a large part of the week working on the application.

PUBLIC WORKS / PARKS

GENERAL

Jim and Caleb spent a day learning about bridge safety with Carlton County.

SKATE PARK

With no definitive direction identified at the City Council meeting on the possible location of the Skate Park, staff will be working with the feedback provided to identify a recommended site. This recommendation will be forthcoming in the near future after additional cost issues can be researched.

WATERFRONT COMMITTEE

The Council appointed approximately 14 individuals to serve on the Waterfront Committee. There is still room for a few additional members if anyone is aware of potential interested individuals.

"Courage is being scared to death and saddling up anyway."

-- John Wayne,
American actor



OTHER INFORMATION ATTACHED

Attached the Council will find the following:

- Letter from FEMA
- January Monthly Financial Report

Brian Fritsinger
1307 Cloquet Ave
Cloquet MN 55720
Ph: 218-879-3347
Fax: 218-879-6555

bfritsinger@ci.cloquet.mn.us



FEMA

February 10, 2015

The Honorable Dave Hallback
Mayor, City of Cloquet
1307 Cloquet Avenue
Cloquet, Minnesota 55720

Dear Mayor Hallback:

As you know, the Discovery process is the first step in determining whether a Risk MAP project is needed within your watershed. Thank you for your participation in the first set of Discovery meetings, in which we focused on identifying flood study and other mapping needs. The Federal Emergency Management Agency's (FEMA) Risk Mapping, Assessment, and Planning (Risk MAP) program, in addition to providing quality flood data, also strives to help communities to reduce risk from floods or other hazards. The FEMA Region V office, in cooperation with the State of Minnesota, is engaging select jurisdictions in additional Discovery discussions about local vulnerability and activities that can result in safer communities.

We would like to work with your community to prioritize local mitigation actions, implementation steps, challenges, and identify Federal and State tools, programs, and technical assistance that may facilitate progress. This effort is intended to promote local mitigation efforts as well as document the technical support you need for funding consideration.

We are scheduling a mitigation-focused Discovery Meeting for March 26, 2015, in the City of Cloquet. Please save this date on your calendar, and we will follow-up with a specific meeting location. We would like to connect with planners, city and emergency managers, zoning officials, and/or other local officials to discuss your community's risks as well as your local mitigation plan (if applicable) and potential projects. We will also identify ways that FEMA and others can support your community in risk reduction, assist in developing an implementation strategy, and document the support you need to progress towards your mitigation goals.

In preparation for the meeting, we will contact your community's floodplain administrator or mitigation planner to schedule a time for a brief phone interview to learn more about local mitigation priorities, so that we can more effectively use our Discovery Meeting to discuss potential solutions.

We thank you for supporting and participating in this effort. Please look for an email from STARR, our consultant, with additional meeting details. If you have any questions, reach out to the Region V FEMA Planner, Tom Smith, at Thomas.Smith6@fema.dhs.gov, or by phone at (312) 408-5220; or contact the STARR Project Manager, Jon Johnson, at jonathan.johnson@atkinsglobal.com, or by phone at (507) 208-8934. We look forward to partnering with you in building a safer community.

Sincerely,

A handwritten signature in cursive script that reads "Christine Stack".

Christine Stack,
Director, Mitigation Division
FEMA Region V

City of Cloquet, Carlton County, Minnesota

February 10, 2015

Page 2

Cc: (distributed electronically)

Jennifer Nelson, State Hazard Mitigation Officer

Suzanne Jiwani, State Cooperating Technical Partners Coordinator

Ceil Strauss, State National Flood Insurance Program Coordinator

Tom Smith, Mitigation Planner, FEMA Region V

John Devine, Floodplain Management Specialist, FEMA Region V

Morgan Holloway, Hazard Mitigation Assistance, FEMA Region V

Bill Heyse, Engineer, FEMA Region V

Jon Johnson, Project Manager, STARR

Roger Denick, Regional Service Center, STARR



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

February 20, 2015

Dear Brian Fritsinger, City Administrator:

Enclosed is the monthly financial report and cash and investment analysis for January 2015.

Cash and Investments

Cash balances are 4% above January 2014. The increase is due to the Cloquet Area Fire District Bush Foundation Grant and City sale tax collections. A narrative and several spreadsheets discussing this month's cash and investment activities, and balances are attached.

Budgets

Revenues/Transfers in – Most are in line with budget. City sales tax is \$7,300 above budget. SAPPI water sales are \$100,300 above budget.

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

Major Revenues and Expenditures/Expenses

Revenues:

State \$75,000 for City Sales Tax. Mediacom \$28,500 for franchise fees. Carlton County \$45,800 for property taxes.

Expenditures/Expenses:

Brown and Caldwell \$13,000 for Big Lake Area Sewer Study. CGMC \$15,500 for annual dues. ISD #94 \$17,000 for quarterly community education fees. Reliable Agency \$252,000 for general and worker's compensation insurance for City and CAFD. City of Superior \$16,000 for personal property taxes for the Lake Superior waterline. Ulland Brothers \$374,000 for White Pine Trail paving. Oakwook Estates \$26,900 for TIF payment. Superior Computer Products \$22,000 for computer maintenance and a new server for City Hall. Woodward Enterprises \$7,200 for TIF payment.

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
2015

| Fund | 2014 Budget | YTD Expend/Expense Budget | YTD Expenditures/ Expenses | Over (Under) Budget | Over (Under) % |
|------------------------|-------------|---------------------------|----------------------------|---------------------|----------------|
| General | | | | | |
| Administration | 334,200 | 25,913 | 28,571 | 2,659 | 10% |
| Finance | 188,150 | 15,404 | 12,421 | (2,983) | -19% |
| Law | 95,000 | 7,917 | - | (7,917) | -100% |
| Planning and Zoning | 209,600 | 18,867 | 19,903 | 1,036 | 5% |
| Police and training | 2,332,400 | 227,283 | 202,711 | (24,573) | -11% 1 |
| Hwy, Streets & Rwy | 926,000 | 112,208 | 198,438 | 86,229 | 77% 2 |
| Library | 501,450 | 44,079 | 37,783 | (6,296) | -14% |
| Park | 556,450 | 58,829 | 43,886 | (14,944) | -25% 1 |
| Water - LSWL | 3,597,250 | 553,509 | 345,751 | (207,758) | -38% 3 |
| Water - In Town | 1,653,600 | 89,188 | 53,573 | (35,615) | -40% 4 |
| Sewer | 1,677,800 | 124,317 | 39,489 | (84,827) | -68% 5 |
| Storm Water | 300,050 | 14,829 | 11,586 | (3,243) | -22% |
| Cable TV | 137,325 | 12,236 | 9,499 | (2,737) | -22% |

Note: Does not include transfers.

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

- 1 - New personnel not hired yet.
- 2 - Gravel crushing for inventory of \$110,000. Lasts several years.
- 3 - Late invoices for electricity and automatic controls project not started,
- 4 - Distribution position not filled yet and late electricity invoice.
- 5 - Late invoice for WLSSD.

City of Cloquet
Select Departmental and Funds Payroll Expenditure/Expense Budget Report as of January
2015
Payroll Overtime

| Fund | 2013 Total | 2014 Total | 2015 Budget | YTD Expend/Expense Budget | YTD Expenditures/Expenses | Over (Under) Budget | (Over) Under % |
|----------------------|------------|------------|-------------|---------------------------|---------------------------|---------------------|----------------|
| General | | | | | | | |
| Police | 145,849.73 | 138,357.25 | 63,000.00 | 5,250.00 | 14,756.02 | 9,506.02 | 181% 1 |
| Hwy & St | 34,049.86 | 51,578.33 | 21,500.00 | 1,791.67 | 2,087.67 | 296.00 | 17% |
| Water - LSWL | 37,473.06 | 49,244.62 | 30,500.00 | 2,541.67 | 5,486.44 | 2,944.77 | 116% 2 |
| Water In Town | 22,206.75 | 29,045.61 | 12,000.00 | 1,000.00 | 1,658.92 | 658.92 | 66% |
| Sewer | 11,303.80 | 12,208.07 | 10,000.00 | 833.33 | 892.15 | 58.82 | 7% |
| Storm Water | 5,473.21 | 6,835.74 | 2,500.00 | 208.33 | 245.81 | 37.48 | 18% |

Explanation of (over) budget

1 - Two new personnel not hired yet to bring down OT.

2 - Water leaks and pumphouse OT.

Filename: Expenditure-expense budget report

*City of Cloquet
Cash and Investments
Management Summary
January 31, 2015*

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 updated forecast will be out early March.

The City’s certified 2015 LGA will be approximately \$44,000 more than 2014 and the City increased its levy by 2.98% for 2015. There is talk in the legislation about diverting LGA for infrastructure projects and the opposite to restore LGA to its 2003 level.

Cloquet’s .5% City sales tax actual receipts are coming in above budget. The City should be collecting approximately \$1 million a year.

Current Activity

During the month of January CDs for \$496,000 and a municipal bond for \$265,000 matured. The proceeds were reinvested in CDs for \$96,000 with the balance being invested in February. Attached is an “Investment Portfolio Analysis” with the detail of investments.

Variance Analysis

Cash and investments are 4% above January 2014.

The federal benchmark interest rate is still 0% to .25%. The Federal Reserve increased the discount rate from .50% to .75% in February 2010. The federal benchmark rate is expected to stay the same through mid-2015. Attached is an “Interest Earnings Analysis” which details the average balances invested, rate of return, and prior year rates.

The budgeted interest earnings are \$282,800 for 2015, which is less than 2014. The City’s investment annualized yield is approximately \$185,000 or 1.32% for 2015. The 2015 budget is based on the economy and interest rates increasing. Yellen is expected to be less adverse to inflation if it helps increase the economy and interest rates.

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 2015 (as time permits).

**City of Cloquet
Cash Balances
January
2015**

| Fund # | Fund | Amount |
|--------|--|----------------------|
| 101 | General | 4,793,192.39 |
| 201 | LDO Loan (EDA) | 162,894.60 |
| 202 | Federal CDBG Loan (EDA) | 823,950.24 |
| 203 | Economic Development Loan (City) | 198,368.43 |
| 204 | State SCDG/MIF (EDA) | 126,857.76 |
| 206 | Revolving SCGP - Committed (EDA) | 6,570.25 |
| 207 | Community Development Operating (City) | 23,839.42 |
| 207 | CD Operating - Committed (City) | - |
| 211 | Library | 138,065.64 |
| 220 | TIF - Daqota/Woodward | 396.57 |
| 221 | TIF - 14th Street Apartments | (1,184.88) |
| 222 | TIF - Oak Street Apartments | 26,774.39 |
| 224 | Building Facilities Planning | 815,800.00 |
| 225 | Permanent Improvement | 1,055,636.53 |
| 226 | Park | 160,084.17 |
| 226 | Park - Restricted - In Lieu | 35,265.61 |
| 226 | Park - Skate Park | 2,640.85 |
| 228 | Senior Center | (982.26) |
| 231 | Public Works Reserve | 621,082.03 |
| 260 | Landfill Host Fee - 25% | 77,166.01 |
| 260 | Landfill Host Fee - 75% | 184,095.55 |
| 368 | Business Park Bonds | 1,388,193.61 |
| 370 | Swimming Pond Bonds | 17,633.06 |
| 403 | Capital Projects - Revolving | (1,917,361.89) |
| 405 | City Sales Tax Capital Projects | 1,657,362.27 |
| 600 | Water - Lake Superior Waterline | 947,312.54 |
| 600 | Water - Lake Superior Waterline Debt | 247,850.90 |
| 600 | Water - Lake Superior Waterline Construction | 385,790.33 |
| 601 | Water | 3,086,734.18 |
| 602 | Sewer | 1,707,909.55 |
| 605 | Storm Water | 220,774.17 |
| 614 | Cable TV | 275,853.68 |
| 701 | Employee severance | 669,802.46 |
| 905 | Cloquet Area Fire District | 1,455,316.73 |
| | Total | <u>19,393,684.89</u> |

City of Cloquet
Cash and Investment Analysis
January 31, 2015

| | Tentative Goals | Current 1/31/2015 | 12/31/2014 | 11/30/2014 | 10/31/2014 | Last Year 1/31/2014 |
|---|-----------------|------------------------|--------------------------------|------------------------|------------------------|------------------------|
| DEMAND ACCOUNTS | | | | | | |
| Checking & MM & Savings | 10%-15% | \$5,345,216.92 28% | \$6,492,477.88 31% | \$3,623,221.94 20% | \$4,052,936.13 22% | \$4,958,551.01 27% |
| INVESTMENTS | | | | | | |
| <u>Invested less than one year</u> | | | | | | |
| Certificates of Deposit | | \$2,634,033.23 | \$3,130,000.00 | \$2,749,000.00 | \$2,749,000.00 | \$2,705,000.00 |
| Municipal Bonds | | \$831,961.67 | \$1,096,794.42 | \$1,096,794.42 | \$1,096,794.42 | \$1,099,000.70 |
| Government Agencies | | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Total invested less than one year | 50%-70% | \$3,465,994.90 18% | \$4,226,794.42 20% | \$3,845,794.42 21% | \$3,845,794.42 21% | \$3,804,000.70 20% |
| <u>Invested one to three years</u> | | | | | | |
| Certificates of Deposit | | \$2,833,000.00 | \$2,833,000.00 | \$2,765,000.00 | \$2,765,000.00 | \$2,169,000.00 |
| Municipals | | \$2,078,838.03 | \$2,078,838.03 | \$1,566,201.78 | \$1,566,201.78 | \$1,720,981.60 |
| Government Agencies* | | \$500,000.00 | \$500,000.00 | \$500,000.00 | \$500,000.00 | \$0.00 |
| Total invested one to three years | 10%-20% | \$5,411,838.03 28% | \$5,411,838.03 26% | \$4,831,201.78 27% | \$4,831,201.78 26% | \$3,889,981.60 21% |
| <u>Invested over three years</u> | | | | | | |
| Certificates of Deposit | | \$1,707,000.00 | \$1,611,000.00 | \$1,679,000.00 | \$1,679,000.00 | \$1,484,000.00 |
| Municipal bonds | | \$1,461,208.87 | \$1,461,208.87 | \$1,973,845.12 | \$1,973,845.12 | \$2,734,514.97 |
| Government Agencies * | | \$2,002,126.17 | \$2,002,126.17 | \$2,002,126.17 | \$2,002,126.17 | \$1,827,126.17 |
| Total invested over three years | 10%-20% | \$5,170,335.04 27% | \$5,074,335.04 24% | \$5,654,971.29 31% | \$5,654,971.29 31% | \$6,045,641.14 32% |
| Total | 100% | \$19,393,384.89 | \$21,205,445.37 | \$17,955,189.43 | \$18,384,903.62 | \$18,698,174.45 |
| Current month variance | | | (\$1,812,060.48) -9% | \$1,438,195.46 16% | \$1,008,481.27 14% | \$695,210.44 4% |

* - 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, 2015

| Brokerage | Purchase Date | Maturity Date | Time Held | Description | Amount | YTM Rate | Annualized Yield | Market Value |
|------------------------------------|---------------|---------------|-----------|-------------------------|------------------------|----------|------------------|-----------------|
| Invested less than one year | | | | | | | | |
| Certificates of Deposit | | | | | | | | |
| UBS Financial | 2/13/2013 | 2/13/2015 | 2 yrs | Key Bank Natl OH | \$240,000.00 | 0.450% | \$1,080.00 | \$240,000.00 |
| Frandsen Bank | 9/5/2013 | 3/5/2015 | 18 months | Frandsen Bank | \$245,000.00 | 0.700% | \$1,715.00 | \$245,000.00 |
| Wells Fargo | 12/10/2014 | 3/10/2015 | 3 months | Citizens Bk of PA | \$245,000.00 | 0.300% | \$735.00 | \$244,965.70 |
| Wells Fargo | 12/10/2014 | 3/10/2015 | 3 months | Everbank FL | \$245,000.00 | 0.300% | \$735.00 | \$244,959.58 |
| Wells Fargo | 12/17/2014 | 3/17/2015 | 3 months | Santander BK | \$245,000.00 | 0.300% | \$735.00 | \$244,958.60 |
| Wells Fargo | 12/16/2014 | 6/16/2015 | 6 months | First Niagara Bk | \$245,000.00 | 0.300% | \$735.00 | \$244,858.39 |
| Wells Fargo | 12/19/2014 | 6/19/2015 | 6 months | Berkshire Bk | \$245,000.00 | 0.450% | \$1,102.50 | \$244,988.98 |
| Smith Barney | 7/18/2012 | 7/20/2015 | 3 yrs | Ally Bank (form GMAC) | \$94,000.00 | 1.100% | \$1,034.00 | \$94,260.38 |
| UBS Financial | 7/25/2012 | 7/27/2015 | 3 yrs | Sallie Mae Bank UT | \$240,000.00 | 1.200% | \$2,880.00 | \$240,799.20 |
| Wells Fargo | 7/29/2013 | 7/29/2015 | 2 yrs | Medallion Bk | \$245,000.00 | 0.650% | \$1,592.50 | \$245,217.56 |
| Wells Fargo | 12/31/2014 | 7/31/2015 | 7 months | Bank of Holland | \$245,033.23 | 0.450% | \$1,102.65 | \$245,261.42 |
| Smith Barney | 8/31/2011 | 8/31/2015 | 4 yrs | CIT Bk UT | \$100,000.00 | 1.450% | \$1,450.00 | \$100,540.00 |
| | | | | | \$2,634,033.23 | | | \$2,635,809.81 |
| Municipals | | | | | | | | |
| Wells Fargo | 2/5/2013 | 4/1/2015 | 2 yrs 2 m | NY NY ULT GO | \$217,589.23 | 0.400% | \$870.36 | \$196,509.30 |
| Wells Fargo | 2/5/2013 | 4/1/2015 | 2 yrs 2 m | NY NY ULT GO | \$340,331.88 | 0.400% | \$1,361.33 | \$307,406.45 |
| Wells Fargo | 8/29/2012 | 7/1/2015 | 3 yrs | Philadelphia PA ISD | \$274,040.56 | 1.500% | \$4,110.61 | \$253,270.00 |
| | | | | | \$831,961.67 | | | \$757,185.75 |
| Invested one to three years | | | | | | | | |
| Certificates of Deposit | | | | | | | | |
| Wells Fargo | 7/21/2014 | 7/21/2016 | 2 yrs | Citizens State Bank | \$245,000.00 | 0.650% | \$1,592.50 | \$244,051.36 |
| Smith Barney | 7/24/2013 | 7/25/2016 | 3 yrs | Discover Bk DE | \$100,000.00 | 1.100% | \$1,100.00 | \$100,376.00 |
| Wells Fargo | 7/31/2014 | 7/29/2016 | 2 yrs | Washington Trust Co | \$245,000.00 | 0.700% | \$1,715.00 | \$244,291.22 |
| Smith Barney | 8/11/2012 | 8/10/2016 | 4 yrs | Firstbank Santurce | \$245,000.00 | 1.250% | \$3,062.50 | \$247,028.60 |
| Smith Barney | 8/31/2011 | 8/31/2016 | 5 yrs | Goldman Sachs - UT | \$150,000.00 | 1.850% | \$2,775.00 | \$152,151.00 |
| UBS Financial | 9/10/2014 | 9/12/2016 | 2 yrs | Peoples United | \$240,000.00 | 0.850% | \$2,040.00 | \$239,061.60 |
| UBS Financial | 9/12/2014 | 9/12/2016 | 2 yrs | Merrick | \$240,000.00 | 0.850% | \$2,040.00 | \$239,169.60 |
| Smith Barney | 9/23/2011 | 9/23/2016 | 5 yrs | GE Money Bk UT | \$35,000.00 | 2.000% | \$700.00 | \$35,587.30 |
| Smith Barney | 7/27/2012 | 9/27/2016 | 4 yrs 2 m | Doral Bank | \$245,000.00 | 1.250% | \$3,062.50 | \$247,305.45 |
| Smith Barney | 9/30/2013 | 9/30/2016 | 3 yrs | BMW Bk - UT | \$80,000.00 | 1.150% | \$920.00 | \$80,291.20 |
| Smith Barney | 11/14/2013 | 11/14/2016 | 3 yrs | Ally Bank (form GMAC) | \$150,000.00 | 1.100% | \$1,650.00 | \$150,456.00 |
| Smith Barney | 6/8/2012 | 6/8/2017 | 5 yrs | World Financial DE | \$200,000.00 | 1.850% | \$3,700.00 | \$203,022.00 |
| Smith Barney | 6/22/2012 | 6/22/2017 | 5 yrs | St Bank of India NY | \$245,000.00 | 2.000% | \$4,900.00 | \$248,444.70 |
| Wells Fargo | 7/24/2014 | 7/24/2017 | 3 yrs | American Express Fed Sv | \$245,000.00 | 1.150% | \$2,817.50 | \$243,633.15 |
| UBS Financial | 10/19/2012 | 10/19/2017 | 5 yrs | Boston Prvt B&T MA | \$100,000.00 | 1.000% | \$1,000.00 | \$98,787.00 |
| Smith Barney | 11/25/2013 | 11/24/2017 | 4 yrs | Comenity Bk UT | \$68,000.00 | 1.400% | \$952.00 | \$68,189.72 |
| | | | | | \$2,833,000.00 | | | \$2,841,845.90 |
| Municipals | | | | | | | | |
| Wells Fargo | 1/30/2014 | 2/15/2016 | 3 yrs | Columbus OH Txbl | \$251,135.00 | 0.500% | \$1,255.68 | \$250,702.50 |
| Wells Fargo | 7/30/2012 | 6/1/2016 | 4 yrs | Des Moines IA | \$180,678.60 | 0.750% | \$1,355.09 | \$180,628.20 |
| Wells Fargo | 12/6/2013 | 12/1/2016 | 3 yrs | Minneapolis MN | \$207,581.33 | 0.750% | \$1,556.86 | \$205,148.00 |
| Wells Fargo | 11/4/2010 | 2/1/2017 | 6 1/2 yrs | Bloomington MN BAB | \$202,324.00 | 2.100% | \$4,248.80 | \$205,836.00 |
| Wells Fargo | 1/7/2009 | 2/1/2017 | 7 yrs | Osseo MN ISD 279 | \$218,141.70 | 5.400% | \$11,779.65 | \$231,094.50 |
| Wells Fargo | 1/31/2014 | 3/1/2017 | 3 yrs | Menomonie WI Txbl | \$340,204.15 | 0.970% | \$3,299.98 | \$333,844.50 |
| Wells Fargo | 9/4/2014 | 4/1/2017 | 2 1/2 yrs | St Francis MN ISD | \$166,137.00 | 0.900% | \$1,495.23 | \$159,465.00 |
| UBS Financial | 12/1/2010 | 12/1/2017 | 7 yrs | Stamford CT | \$512,636.25 | 2.759% | \$14,143.63 | \$531,955.00 |
| | | | | | \$2,078,838.03 | | | \$2,098,673.70 |
| Government Agencies | | | | | | | | |
| Wells Fargo | 7/17/2014 | 7/17/2017 | 3 yrs | FHLMC | \$500,000.00 | 1.125% | \$5,625.00 | \$500,942.00 |
| | | | | | \$500,000.00 | | | \$500,942.00 |
| Invested over three years | | | | | | | | |
| Certificates of Deposit | | | | | | | | |
| Smith Barney | 3/12/2014 | 3/14/2018 | 4 yrs | GE Capital Ret BK UT | \$210,000.00 | 1.500% | \$3,150.00 | \$209,065.50 |
| Smith Barney | 5/8/2013 | 5/8/2018 | 5 yrs | CIT Bk UT | \$145,000.00 | 1.200% | \$1,740.00 | \$143,358.60 |
| Smith Barney | 6/28/2013 | 6/28/2018 | 5 yrs | BMW Bk - UT | \$96,000.00 | 1.650% | \$1,584.00 | \$94,673.28 |
| Smith Barney | 10/2/2013 | 10/2/2018 | 5 yrs | Discover Bk DE | \$145,000.00 | 2.050% | \$2,972.50 | \$145,923.65 |
| Smith Barney | 10/28/2013 | 10/29/2018 | 5 yrs | Bank Baroda NY | \$245,000.00 | 2.050% | \$5,022.50 | \$245,450.80 |
| UBS Financial | 4/16/2014 | 4/16/2019 | 5 yrs | Wells Fargo | \$240,000.00 | 1.000% | \$2,400.00 | \$239,474.40 |
| Smith Barney | 4/29/2014 | 4/29/2019 | 5 yrs | Barclays Bk DE | \$45,000.00 | 1.900% | \$855.00 | \$44,870.40 |
| UBS Financial | 9/19/2012 | 9/19/2019 | 7 yrs | Stockman Bank MT | \$240,000.00 | 1.700% | \$4,080.00 | \$235,154.40 |
| Smith Barney | 10/16/2014 | 10/16/2019 | 5 yrs | Capital One Bank VA | \$245,000.00 | 2.150% | \$5,267.50 | \$244,049.40 |
| Smith Barney | 1/28/2015 | 1/28/2020 | 5 yrs | Goldman Sachs - UT | \$96,000.00 | 2.048% | \$1,966.08 | \$95,781.12 |
| | | | | | \$1,707,000.00 | | | \$1,697,801.55 |
| Municipals | | | | | | | | |
| Wells Fargo | 1/14/2014 | 2/1/2018 | 4 yrs | Anoka County MN | \$567,323.75 | 1.480% | \$8,396.39 | \$549,845.00 |
| 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 | \$111,729.00 |
| Wells Fargo | 10/7/2010 | 8/1/2018 | 8 yrs | U of M Build America | \$260,748.16 | 2.700% | \$7,040.20 | \$264,177.50 |
| UBS Financial | 12/4/2012 | 11/1/2018 | 6 yrs | NY City Transition | \$360,038.40 | 1.280% | \$4,608.49 | \$359,366.40 |
| Wells Fargo | 12/1/2010 | 12/21/2018 | 8 yrs | Weston WS BAB | \$152,058.00 | 3.550% | \$5,398.06 | \$161,107.50 |
| | | | | | \$1,461,208.87 | | | \$1,446,225.40 |
| Government Agencies | | | | | | | | |
| Smith Barney | 7/30/2014 | 7/30/2020 | 6 yrs | FHLB | \$175,000.00 | 1.350% | \$2,362.50 | \$175,437.50 |
| Smith Barney | 9/7/2012 | 9/7/2022 | 10 yrs | FHLB | \$500,000.00 | 1.500% | \$7,500.00 | \$500,675.00 |
| Smith Barney | 12/19/2012 | 12/19/2022 | 10 yrs | FHLB | \$299,997.00 | 1.500% | \$4,499.96 | \$299,619.00 |
| Smith Barney | 3/27/2013 | 3/27/2023 | 10 yrs | FHLB | \$500,000.00 | 2.000% | \$10,000.00 | \$501,395.00 |
| UBS Financial | 12/18/2013 | 5/16/2023 | 9 1/2 yrs | FHLB | \$527,129.17 | 1.000% | \$5,271.29 | \$550,159.50 |
| | | | | | \$2,002,126.17 | | | \$2,027,286.00 |
| Totals | | | | | \$14,048,167.97 | | | \$14,005,770.11 |
| | | | | | | | 1.32% | |

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
2015

| Type | % | Invested Balance | Interest | Rate of Return |
|--------------------------|------|------------------|-------------|----------------|
| Money Markets | 16% | \$3,003,865.88 | \$42.29 | 0.02% |
| Savings | 8% | \$1,566,336.29 | \$199.56 | 0.15% |
| CD's* | 39% | \$7,317,000.97 | \$6,707.92 | 1.08% |
| Municipals* | 24% | \$4,500,153.45 | \$6,439.07 | 1.68% |
| Government agencies* | 13% | \$2,502,126.17 | \$2,959.75 | 1.39% |
| Total Investment Return* | 76% | \$14,319,280.59 | \$16,106.74 | 1.32% |
| Total Return | 100% | \$18,889,482.76 | \$16,348.59 | 1.02% |

| Earnings Comparison | Budget | YTD Budget | YTD Actual |
|------------------------|---------------|--------------|-------------|
| 2015 Interest Earnings | \$ 282,800.00 | \$ 23,566.67 | \$16,348.59 |
| 2014 Interest Earnings | \$ 453,000.00 | \$ 37,750.00 | \$17,345.39 |
| 2013 Interest Earnings | \$ 332,500.00 | \$ 27,708.33 | \$20,158.95 |

| Rate Comparisons | Current | Last Month | Last Year | Two Years |
|----------------------------|--------------|---------------|--------------|--------------|
| | January 2015 | December 2014 | January 2014 | January 2013 |
| Average Total Return | 1.02% | 1.09% | 1.16% | 1.45% |
| Average Investment Return* | 1.32% | 1.37% | 1.51% | 1.75% |

Filename: Monthly Report - Interest Earnings Analysis 2015