



City Administrator's Weekly Update

Week Ending August 28, 2015

Upcoming Events

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

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

September 2, 8:00 am
EDA Meeting
City Hall

September 7
Labor Day—City Hall
Closed

September 8, 7:00 pm
Planning Commission
City Hall

September 9, 6:00 pm
CAFD
District Office

Sept. 15, 5:30 pm
Council Work Session
City Hall

Sept. 15, 7:00 pm
City Council Meeting
City Hall

September 22, 7:00 pm
Planning Commission
City Hall

September 29, 4:15 pm
Library Board
Library

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

ADMINISTRATION

PERSONNEL

Staff met with our insurance rep this week to discuss a program that would provide identity theft and legal service protection to employees. It is an elective insurance offering that could be provided to employees at no cost to the City. We will be evaluating this further.

Staff has also been discussing with Walgreens on the possibility of offering employees a flu shot opportunity. The City has some wellness monies that have been provided by BCBS which we may be able to be use towards this activity.

FIRE DISTRICT

Staff met with City Bond Counsel this week to discuss the financing opportunities available should the Fire District move forward with a building project.

TEAMSTERS LABOR AGREEMENT

Additional work on the Teamsters 2015-2017 Labor Agreement was done this week. This contract has not yet been settled and remains open.

COUNTY EMERGENCY MANAGEMENT

The County is looking to hold a County wide emergency management event and is in the process of working with local communities with the planning. Chief Stracek will be representing the City and participating in a community meeting scheduled for September 1st .

CABLE TELEVISION FRANCHISE

The City has continued to work with Mediacom on the renewal of the Franchise Agreement. Hopefully negotiations will be complete and the Council can finalize the agreement in September.

OTHER INFORMATION ATTACHED

Attached the Council will find the following:

- * USG letter to BSNF Railroad
- * July Financial Report

SCANLON

The City has received a copy of a petition signed by residents of Scanlon seeking discussion on the matter of a potential consolidation/merger. This formal petition was delivered to the State of Minnesota for their consideration as part of the statutory consolidation process. The City has not received any direct communication from Scanlon in regards to the petition as of this date.

PUBLIC WORKS/PARKS

SAPPI WATER RATES

Staff met with Sappi this week to discuss their 2015 -2016 water rates as well as some upcoming capital projects being planned for the Lake Superior Water Line.

HIGHWAY 33/I-35 PUBLIC MEETING

MnDOT has scheduled a public meeting for September 22nd, 6:30 pm at City Hall to discuss some of the preliminary design concepts to address the safety challenges at the Highway 33/I-35 interchange. This includes the closure of the frontage road crossing and the construction of a new frontage road that would connect to Gillette Road.

COMMUNITY DEVELOPMENT

DODDRIDGE AVENUE

Doddridge Avenue was painted and coned for the sharrows/bike lane this week, similar to what was done on Cloquet Avenue over the summer. The project was completed prior to the start of school to help people recognize the pedestrians in the area of Washington School.

"Minds are like parachutes; they work best when open."

*-- Thomas Dewar,
Scottish businessman*



August 25, 2015

Via Email: Allison.Terrell@bnsf.com

Ms. Allison Terrell Halvorson
Field Safety Support Coordinator
BSNF Railway Company
80 - 44th Avenue NE
Minneapolis, MN 55421

Re: Private Grade Crossing at Mile Post 42.22, DOT 061232G

Dear Ms. Terrell:

I write on behalf of USG Interiors, LLC in response to your letter of May 4, 2015 to ask BNSF to reconsider their decision to close the above private rail crossing, also known as the Market Street Crossing, at our Cloquet, Minnesota Plant.

The crossing was in place and maintained by the railroad for decades until last fall. It is the primary route used by about 30 of our employees who exit the Plant and cross the tracks to get to the company parking lot south of the tracks.

I have attached a Site Plan of the Cloquet Plant. The Market Street Grade Crossing is marked as "A"; a second crossing of the rail tracks by way of a tunnel is marked as "B" (DOT 0763485E). The main Plant entrance is marked as "C".

Here are the reasons we ask BNSF to not close this private rail crossing:

1. The grade crossing at "A" is a convenient entrance route for emergency responders such as police and fire departments to get into the Plant building. The tunnel at "B" is too small for most police and fire equipment.

2. The grade crossing at "A" is also a necessary back up to the tunnel crossing at "B". The tunnel crossing is subject to periodic flooding. During the most recent flood in Cloquet in June 2012, more than 3-1/2 feet of water were in the tunnel. See attached photo. It is, of course, precisely during an emergency such as the 2012 flood that alternate emergency ingress and egress at the grade crossing would be most necessary at the Plant.

3. The Plant keeps the employee parking lot south of the tracks clear of snow and ice with a front end loader. With the grade crossing available, the front end loader leaves USG property and crosses the tracks to the parking area, thus staying off the public highways. This is the most direct route. The front end loader is a very large, awkward piece of equipment especially with the box attachment needed to move snow. Without the grade crossing available, the front end loader must go on the public highways and circle the long way around to reach the south parking lot. This is an avoidable safety hazard. As you may know, Cloquet experiences long harsh winters and the need to plow our parking lot is a relatively frequent occurrence.

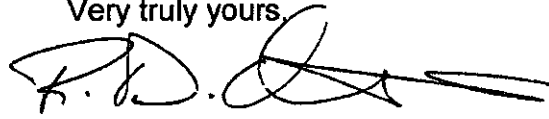
4. In the event of an emergency within the Plant, the emergency exits are at the main entrance at the front of the Plant at "C" and near the tunnel exit at "B". The employees exiting the main entrance at "C" are instructed to congregate at the east parking lot. However, if the "C" main exit or the east parking lot were for any reason not available during an emergency, then the next closest exit is at the grade crossing marked "A" where the employees would cross to the south parking lot.

5. Finally, under the National Labor Relations Act, in the event the plant experiences informational picketing authorized against a contractor doing business with USG Interiors, the Company is allowed to designate particular entrances (secondary gates) to be used by the contractors who are the target of such informational picketing. This has occurred at Cloquet when the Company has been engaged in major construction projects. The designated contractor entrance at USG's Cloquet Plant during past labor actions has been the Plant door immediately opposite the grade crossing at "A" which we are asking you to restore. Without the grade crossing, contractors could not easily access this entrance from the south parking lot.

Ms. Allison Terrell Halvorson
August 25, 2015
Page 4

For all these reasons, we ask you to reestablish the grade crossing plates which
BNSF took out last fall.

Very truly yours,



Rich D. Quintana
Plant Manager
35 Arch Street
Cloquet, MN 55720

Telephone: (218) 878-4020
Email: Rquintana@usg.com

RQ/cw
Attachment
#272151/3

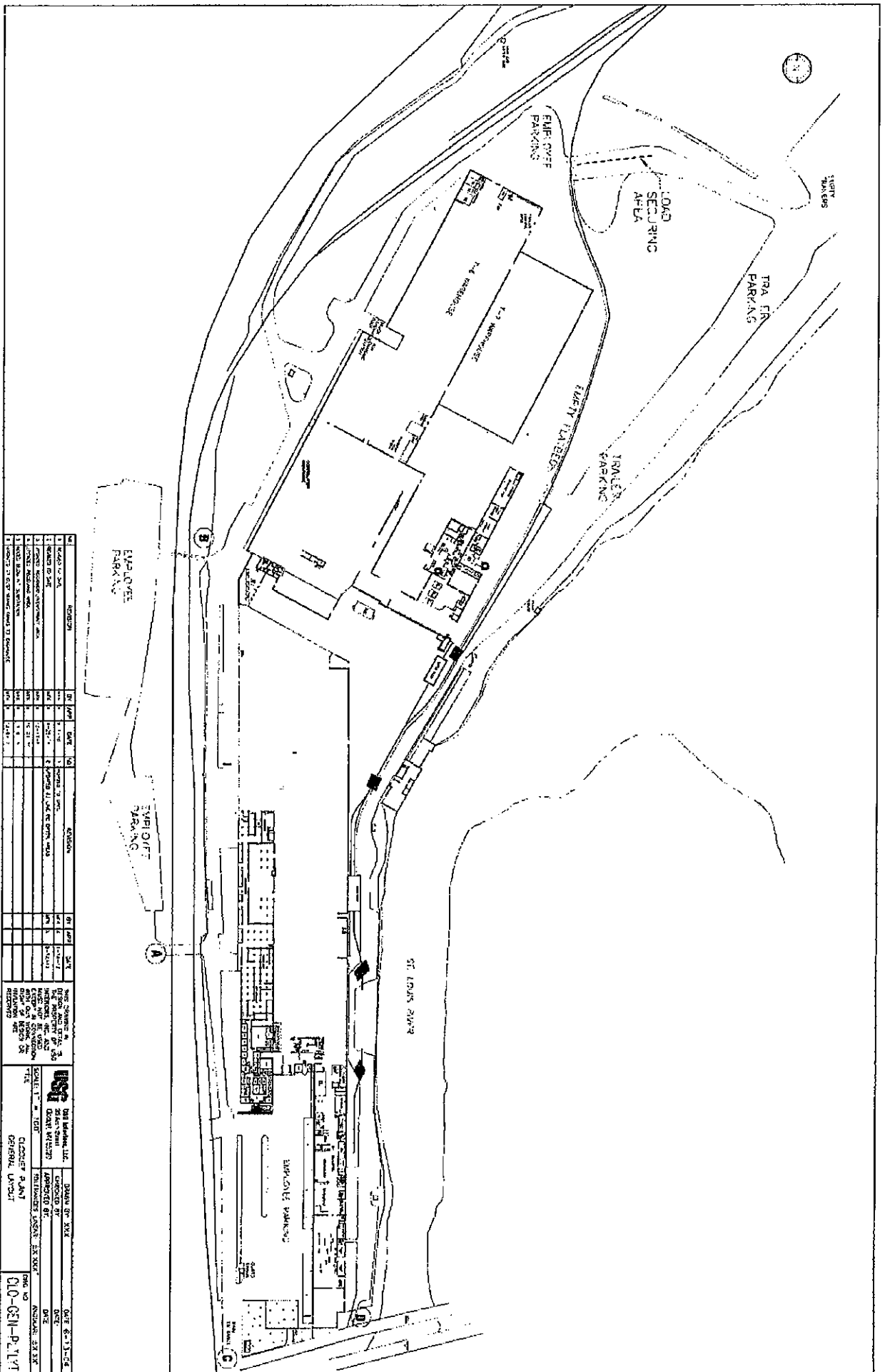
cc: Jim Prusak, City of Cloquet, Director of Public Works, jprusak@ci.cloquet.mn.us

Brian Fritsinger, City Administrator
1307 Cloquet Avenue
Cloquet, MN 55720
bfritsinger@ci.cloquet.mn.us


Kevin Schroeder, District Fire Chief
Cloquet Fire District
2801 Dewey Avenue
Cloquet, MN 55720
kschroeder@cloquetaft.com

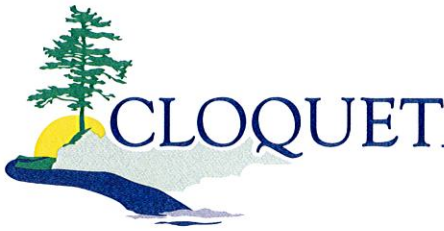
Steve Stracek, Police Chief
Cloquet Police Department
508 Cloquet Avenue
Cloquet, MN 55720
sstracek@ci.cloquet.mn.us

Bruce Baker, Cloquet Terminal Railroad Company, Inc., bruce.baker@cloquet-trc.com



| NO. | REVISION | BY | DATE | DESCRIPTION |
|-----|-------------------------|----|----------|-------------|
| 1 | ISSUED FOR PERMITS | JA | 07-23-98 | |
| 2 | ISSUED FOR CONSTRUCTION | JA | 08-10-98 | |
| 3 | ISSUED FOR CONSTRUCTION | JA | 08-10-98 | |
| 4 | ISSUED FOR CONSTRUCTION | JA | 08-10-98 | |
| 5 | ISSUED FOR CONSTRUCTION | JA | 08-10-98 | |
| 6 | ISSUED FOR CONSTRUCTION | JA | 08-10-98 | |
| 7 | ISSUED FOR CONSTRUCTION | JA | 08-10-98 | |
| 8 | ISSUED FOR CONSTRUCTION | JA | 08-10-98 | |
| 9 | ISSUED FOR CONSTRUCTION | JA | 08-10-98 | |
| 10 | ISSUED FOR CONSTRUCTION | JA | 08-10-98 | |
| 11 | ISSUED FOR CONSTRUCTION | JA | 08-10-98 | |
| 12 | ISSUED FOR CONSTRUCTION | JA | 08-10-98 | |
| 13 | ISSUED FOR CONSTRUCTION | JA | 08-10-98 | |
| 14 | ISSUED FOR CONSTRUCTION | JA | 08-10-98 | |
| 15 | ISSUED FOR CONSTRUCTION | JA | 08-10-98 | |
| 16 | ISSUED FOR CONSTRUCTION | JA | 08-10-98 | |
| 17 | ISSUED FOR CONSTRUCTION | JA | 08-10-98 | |
| 18 | ISSUED FOR CONSTRUCTION | JA | 08-10-98 | |
| 19 | ISSUED FOR CONSTRUCTION | JA | 08-10-98 | |
| 20 | ISSUED FOR CONSTRUCTION | JA | 08-10-98 | |


ENGINEERING FIRM
 PROJECT NO. 010-0211-P-11/17
 SHEET NO. 100
 DESIGNER: [Name]
 CHECKED BY: [Name]
 DATE: [Date]



ADMINISTRATIVE OFFICES

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Phone: 218-879-3347 • Fax: 218-879-6555
email: admin@ci.cloquet.mn.us
www.ci.cloquet.mn.us

August 21, 2015

Dear Brian Fritsinger, City Administrator:

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

Cash and Investments

Cash balances are 3% above July 2014. 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 \$120,000 above budget. SAPPI water sales are \$190,400 above budget.

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

Major Revenues and Expenditures/Expenses

Revenues:

State \$1.17 million for LGA, \$97,300 for municipal state aid, and \$80,000 for city sales tax. Carlton County \$2.68 million for City and CAFD property taxes. Various businesses \$11,500 liquor licenses.

Expenditures/Expenses:

Friends of Animals \$7,750 for quarterly pound services. ISD #94 \$17,000 for quarterly community education services. SEH \$37,700 for park design, Hwy 33 landscape design, and well head protection planning. Ulland Brothers \$26,000 for White Pine Trail paving. Utility Systems \$382,000 for 8th Street reconstruction project. TIF \$11,200 for 14th Street Apartments, \$13,400 for Woodward/Daqota, and \$24,000 for Oakwood Estates. Parson Electric \$17,000 for lighting retrofit project.

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

Respectfully,

A handwritten signature in black ink that reads "Nancy Klassen". The signature is written in a cursive, flowing style.

Nancy M. Klassen, CPA, CPFO
Finance Director

City of Cloquet
Select Departmental and Funds Expenditure/Expense Budget Report for July
2015

| Fund | 2015 Budget | YTD Expend/Expense Budget | YTD Expenditures/ Expenses | Over (Under) Budget | Over (Under) % | |
|------------------------|-------------|---------------------------|----------------------------|---------------------|----------------|---|
| General | | | | | | |
| Administration | 334,200 | 125,513 | 125,681 | 168 | 0% | |
| Finance | 188,150 | 112,129 | 95,915 | (16,214) | -14% | 1 |
| Law | 95,000 | 55,417 | 60,198 | 4,782 | 9% | |
| Planning and Zoning | 209,600 | 123,667 | 121,105 | (2,562) | -2% | |
| Police and training | 2,332,400 | 1,393,484 | 1,333,966 | (59,518) | -4% | |
| Hwy, Streets & Rwy | 926,000 | 577,292 | 594,983 | 17,691 | 3% | |
| Library | 501,450 | 294,805 | 302,230 | 7,426 | 3% | |
| Park | 556,450 | 334,555 | 275,665 | (58,890) | -18% | 2 |
| Water - LSWL | 3,597,250 | 2,135,259 | 1,090,654 | (1,044,605) | -49% | 3 |
| Water - In Town | 1,653,600 | 583,414 | 518,587 | (64,826) | -11% | 4 |
| Sewer | 1,677,800 | 816,967 | 832,016 | 15,049 | 2% | |
| Storm Water | 300,050 | 83,804 | 78,857 | (4,947) | -6% | |
| Cable TV | 137,325 | 80,898 | 75,272 | (5,627) | -7% | |

Note: Does not include transfers.

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

- 1 - Part time staff person not hired to date.
- 2 - One park position not filled for part of year.
- 3 - Late invoices for electricity and automatic controls project not started. Debt moved to Fund 601.
- 4 - Distribution position unfilled for part of year and late electricity invoice.

Filename: Expenditure-expense budget report

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

| Fund | 2013 Total | 2014 Total | 2015 Budget | YTD Expend/Expense Budget | YTD Expenditures/Expenses | Over (Under) Budget | (Over) Under % |
|----------------------|------------|------------|-------------|---------------------------|---------------------------|---------------------|----------------|
| General | | | | | | | |
| Police | 145,850 | 138,357 | 63,000 | 36,750 | 88,926 | 52,176 | 142% |
| Hwy & St | 34,050 | 51,578 | 21,500 | 12,542 | 12,392 | (150) | -1% |
| Water - LSWL | 37,473 | 49,245 | 30,500 | 17,792 | 16,673 | (1,118) | -6% |
| Water In Town | 22,207 | 29,046 | 12,000 | 7,000 | 7,548 | 548 | 8% |
| Sewer | 11,304 | 12,208 | 10,000 | 5,833 | 5,490 | (343) | -6% |
| Storm Water | 5,473 | 6,836 | 2,500 | 1,458 | 1,415 | (44) | -3% |

1

Explanation of (over) budget

1 - Two new personnel and one replacement hired in April. The City has received \$22,000 in Cops grant OT reimbursements and \$5,900 in FDL OT to date. Regular salaries are approximately \$67,300 below budget.

Filename: Expenditure-expense budget report

*City of Cloquet
Cash and Investments
Management Summary
July 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 shows an increased surplus for FY 2016-2017 of \$1.869 billion. Unemployment is at 5.3% for July, the same as June 2015. July economic reports are looking favorable.

The City’s certified 2016 LGA is \$2,356,500 approximately \$13,500 more than 2015 and the City increased its levy by 2.98% for 2015.

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 July investments worth \$1.1 million matured. Proceeds plus local government aid and property tax receipts were held and will be invested in August. Attached is an “Investment Portfolio Analysis” with the detail of investments.

Variance Analysis

Cash and investments are 3% above July 2014, same as June report.

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 \$190,000 or 1.52% 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. There is talk of rate increases for 2015.

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
July
2015**

| Fund # | Fund | Amount |
|--------|--|----------------------|
| 101 | General | 4,305,957.90 |
| 201 | LDO Loan (EDA) | 230,814.42 |
| 202 | Federal CDBG Loan (EDA) | 828,350.24 |
| 203 | Economic Development Loan (City) | 134,585.23 |
| 204 | State SCDG/MIF (EDA) | 127,557.76 |
| 206 | Revolving SCGP (EDA) | - |
| 206 | Revolving SCGP - Committed (EDA) | - |
| 207 | Community Development Operating (City) | 4,287.36 |
| 207 | CD Operating - Committed (City) | - |
| 211 | Library | 157,897.64 |
| 220 | TIF - Daqota/Woodward | 1,827.46 |
| 221 | TIF - 14th Street Apartments | (1.49) |
| 222 | TIF - Oak Street Apartments | 29,382.82 |
| 224 | Building Facilities Planning | 1,170,200.00 |
| 225 | Permanent Improvement | 595,004.92 |
| 226 | Park | 181,177.75 |
| 226 | Park - Restricted - In Lieu | 37,924.41 |
| 226 | Park - Skate Park | 2,640.85 |
| 228 | Senior Center | (1,854.15) |
| 231 | Public Works Reserve | 705,679.57 |
| 260 | Landfill Host Fee - 25% | 73,448.62 |
| 260 | Landfill Host Fee - 75% | 220,345.88 |
| 368 | Business Park Bonds | 1,629,417.76 |
| 370 | Swimming Pond Bonds | 55,227.36 |
| 403 | Capital Projects - Revolving | (810,452.50) |
| 405 | City Sales Tax Capital Projects | 2,065,730.38 |
| 600 | Water - Lake Superior Waterline | 583,537.94 |
| 600 | Water - Lake Superior Waterline Construction | 385,790.33 |
| 601 | Water | 3,903,170.38 |
| 601 | Water | 241,038.50 |
| 602 | Sewer | 1,369,629.89 |
| 605 | Storm Water | 169,255.01 |
| 614 | Cable TV | 238,821.86 |
| 701 | Employee severance | 654,967.66 |
| 905 | Cloquet Area Fire District | 1,596,717.04 |
| | Total | <u>20,888,078.80</u> |

City of Cloquet
Cash and Investment Analysis
July 31, 2015

| | Tentative Goals | Current 7/31/2015 | 6/30/2015 | 5/31/2015 | 4/30/2015 | Last Year 7/31/2014 |
|---|-----------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| DEMAND ACCOUNTS | | | | | | |
| Checking & MM & Savings | 10%-15% | \$8,443,356.57 40% | \$4,236,138.97 24% | \$4,911,746.84 27% | \$5,803,257.00 31% | \$5,450,049.35 27% |
| INVESTMENTS | | | | | | |
| <u>Invested less than one year</u> | | | | | | |
| Certificates of Deposit | | \$690,000.00 | \$924,033.23 | \$1,414,033.23 | \$1,414,033.23 | \$3,134,000.00 |
| Municipal Bonds | | \$431,813.60 | \$705,854.16 | \$525,175.56 | \$525,175.56 | \$1,606,449.35 |
| Government Agencies | | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Total invested less than one year | 50%-70% | \$1,121,813.60 5% | \$1,629,887.39 9% | \$1,939,208.79 11% | \$1,939,208.79 10% | \$4,740,449.35 23% |
| <u>Invested one to three years</u> | | | | | | |
| Certificates of Deposit | | \$2,694,000.00 | \$3,284,000.00 | \$3,188,000.00 | \$3,043,000.00 | \$2,285,000.00 |
| Municipal Bonds | | \$2,838,233.74 | \$2,838,233.74 | \$2,516,067.34 | \$2,516,067.34 | \$1,400,064.78 |
| Government Agencies | | \$500,000.00 | \$500,000.00 | \$0.00 | \$0.00 | \$925,000.00 |
| Total invested one to three years | 10%-20% | \$6,032,233.74 29% | \$6,622,233.74 37% | \$5,704,067.34 32% | \$5,559,067.34 30% | \$4,610,064.78 23% |
| <u>Invested over three years</u> | | | | | | |
| Certificates of Deposit | | \$1,921,000.00 | \$1,921,000.00 | \$2,017,000.00 | \$1,977,000.00 | \$1,534,000.00 |
| Municipal bonds | | \$772,844.56 | \$772,844.56 | \$772,844.56 | \$772,844.56 | \$1,973,845.12 |
| Government Agencies * | | \$2,596,830.33 | \$2,596,830.33 | \$2,596,830.33 | \$2,596,830.33 | \$2,002,126.17 |
| Total invested over three years | 10%-20% | \$5,290,674.89 25% | \$5,290,674.89 30% | \$5,386,674.89 30% | \$5,346,674.89 29% | \$5,509,971.29 27% |
| Total | 100% | \$20,888,078.80 | \$17,778,934.99 | \$17,941,697.86 | \$18,648,208.02 | \$20,310,534.77 |
| Current month variance | | | \$3,109,143.81 17% | \$2,946,380.94 16% | \$2,239,870.78 12% | \$577,544.03 3% |

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

City of Cloquet
Investment Portfolio Analysis
Detail of Investments July 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 | | | | | | | | |
| Morgan Stanley | 8/31/2011 | 8/31/2015 | 4 yrs | CIT Bk UT | \$100,000.00 | 1.450% | \$1,450.00 | \$100,092.00 |
| Wells Fargo | 7/21/2014 | 7/21/2016 | 2 yrs | Citizens State Bank | \$245,000.00 | 0.650% | \$1,592.50 | \$245,082.57 |
| Morgan Stanley | 7/24/2013 | 7/25/2016 | 3 yrs | Discover Bk DE | \$100,000.00 | 1.100% | \$1,100.00 | \$100,542.00 |
| Wells Fargo | 7/31/2014 | 7/29/2016 | 2 yrs | Washington Trust Co | \$245,000.00 | 0.700% | \$1,715.00 | \$245,244.76 |
| | | | | | \$690,000.00 | | \$5,857.50 | \$690,961.33 |
| Municipals | | | | | | | | |
| Wells Fargo | 1/30/2014 | 2/15/2016 | 3 yrs | Columbus OH Txbi | \$251,135.00 | 0.500% | \$1,255.68 | \$250,350.00 |
| Wells Fargo | 7/30/2012 | 6/1/2016 | 4 yrs | Des Moines IA | \$180,678.60 | 0.750% | \$1,355.09 | \$180,478.80 |
| | | | | | \$431,813.60 | | \$2,610.76 | \$430,828.80 |
| Invested one to three years | | | | | | | | |
| Certificates of Deposit | | | | | | | | |
| Morgan Stanley | 8/1/2012 | 8/10/2016 | 4 yrs | Firstbank Santurce | \$245,000.00 | 1.250% | \$3,062.50 | \$247,087.40 |
| Morgan Stanley | 8/31/2011 | 8/31/2016 | 5 yrs | Goldman Sachs - UT | \$150,000.00 | 1.850% | \$2,775.00 | \$151,914.00 |
| Frandsen Bank | 3/5/2015 | 9/5/2016 | 18 months | 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 | \$240,074.40 |
| UBS Financial | 9/12/2014 | 9/12/2016 | 2 yrs | Merrick | \$240,000.00 | 0.850% | \$2,040.00 | \$240,153.60 |
| Morgan Stanley | 9/23/2011 | 9/23/2016 | 5 yrs | GE Money Bk UT | \$35,000.00 | 2.000% | \$700.00 | \$35,516.95 |
| Morgan Stanley | 9/30/2013 | 9/30/2016 | 3 yrs | BMW Bk - UT | \$80,000.00 | 1.150% | \$920.00 | \$80,448.00 |
| Morgan Stanley | 11/14/2013 | 11/14/2016 | 3 yrs | Ally Bank (form GMAC) | \$150,000.00 | 1.100% | \$1,650.00 | \$150,789.00 |
| Morgan Stanley | 6/8/2012 | 6/8/2017 | 5 yrs | World Financial DE | \$200,000.00 | 1.850% | \$3,700.00 | \$203,694.00 |
| Morgan Stanley | 6/22/2012 | 6/22/2017 | 5 yrs | St Bank of India NY | \$245,000.00 | 2.000% | \$4,900.00 | \$248,464.30 |
| Wells Fargo | 7/24/2014 | 7/24/2017 | 3 yrs | American Express Fed Sv | \$245,000.00 | 1.150% | \$2,817.50 | \$244,620.99 |
| UBS Financial | 10/19/2012 | 10/19/2017 | 5 yrs | Boston Prvt B&T MA | \$100,000.00 | 1.000% | \$1,000.00 | \$99,327.00 |
| Morgan Stanley | 11/25/2013 | 11/24/2017 | 4 yrs | Comenity Bk UT | \$68,000.00 | 1.400% | \$952.00 | \$68,386.92 |
| Morgan Stanley | 3/12/2014 | 3/14/2018 | 4 yrs | GE Capital Ret BK UT | \$210,000.00 | 1.500% | \$3,150.00 | \$209,945.40 |
| Morgan Stanley | 5/8/2013 | 5/8/2018 | 5 yrs | CIT Bk UT | \$145,000.00 | 1.200% | \$1,740.00 | \$143,496.35 |
| Morgan Stanley | 6/28/2013 | 6/28/2018 | 5 yrs | BMW Bk - UT | \$96,000.00 | 1.650% | \$1,584.00 | \$95,151.36 |
| | | | | | \$2,694,000.00 | | \$33,766.00 | \$2,704,069.67 |
| Municipals | | | | | | | | |
| Wells Fargo | 12/6/2013 | 12/1/2016 | 3 yrs | Minneapolis MN | \$207,581.33 | 0.750% | \$1,556.86 | \$203,654.00 |
| Wells Fargo | 11/4/2010 | 2/1/2017 | 6 1/2 yrs | Bloomington MN BAB | \$202,324.00 | 2.100% | \$4,248.80 | \$204,702.00 |
| Wells Fargo | 1/7/2009 | 2/1/2017 | 7 yrs | Osseo MN ISD 279 | \$218,141.70 | 5.400% | \$11,779.65 | \$226,260.30 |
| Wells Fargo | 6/11/2015 | 2/1/2017 | 1 1/2 yrs | St Paul MN ISD | \$502,845.00 | 1.000% | \$5,028.45 | \$502,515.00 |
| Wells Fargo | 1/31/2014 | 3/1/2017 | 3 yrs | Menomonie WI Txbi | \$340,204.15 | 0.970% | \$3,299.98 | \$333,075.60 |
| Wells Fargo | 9/4/2014 | 4/1/2017 | 2 1/2 yrs | St Francis MN ISD | \$166,137.00 | 0.900% | \$1,495.23 | \$157,054.50 |
| UBS Financial | 12/1/2010 | 12/1/2017 | 7 yrs | Stamford CT | \$512,636.25 | 2.759% | \$14,143.63 | \$514,240.00 |
| Wells Fargo | 1/14/2014 | 2/1/2018 | 4 yrs | Anoka County MN | \$567,323.75 | 1.480% | \$8,396.39 | \$541,740.00 |
| 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 | \$109,369.00 |
| | | | | | \$2,838,233.74 | | \$51,474.12 | \$2,792,610.40 |
| Government Agencies | | | | | | | | |
| Wells Fargo | 6/1/2015 | 6/1/2018 | 3 yrs | FFCB | \$500,000.00 | 1.120% | \$5,600.00 | \$498,745.00 |
| Invested over three years | | | | | | | | |
| Certificates of Deposit | | | | | | | | |
| Morgan Stanley | 10/2/2013 | 10/2/2018 | 5 yrs | Discover Bk DE | \$145,000.00 | 2.050% | \$2,972.50 | \$146,244.10 |
| Morgan Stanley | 10/28/2013 | 10/29/2018 | 5 yrs | Bank Baroda NY | \$245,000.00 | 2.050% | \$5,022.50 | \$246,075.55 |
| UBS Financial | 4/16/2014 | 4/16/2019 | 5 yrs | Wells Fargo | \$240,000.00 | 1.000% | \$2,400.00 | \$240,288.00 |
| Morgan Stanley | 4/29/2014 | 4/29/2019 | 5 yrs | Barclays Bk DE | \$45,000.00 | 1.900% | \$855.00 | \$44,986.50 |
| Morgan Stanley | 10/16/2014 | 10/16/2019 | 5 yrs | Capital One Bank VA | \$245,000.00 | 2.150% | \$5,267.50 | \$244,385.05 |
| Morgan Stanley | 1/28/2015 | 1/28/2020 | 5 yrs | Goldman Sachs - UT | \$96,000.00 | 2.048% | \$1,966.08 | \$94,441.92 |
| UBS Financial | 2/27/2015 | 2/27/2020 | 5 yrs | Private Bank & Tr IL | \$240,000.00 | 1.750% | \$4,200.00 | \$238,387.20 |
| UBS Financial | 2/27/2015 | 2/27/2020 | 5 yrs | JP Morgan Chase DE | \$240,000.00 | 2.000% | \$4,800.00 | \$237,432.00 |
| UBS Financial | 4/13/2015 | 4/13/2020 | 5 yrs | HABC Bk VA | \$240,000.00 | 1.125% | \$2,700.00 | \$235,934.40 |
| Morgan Stanley | 5/7/2015 | 5/7/2020 | 5 yrs | Amex Centurion UT | \$185,000.00 | 1.950% | \$3,607.50 | \$182,158.40 |
| | | | | | \$1,921,000.00 | | \$33,791.08 | \$1,910,333.12 |
| Municipals | | | | | | | | |
| Wells Fargo | 10/7/2010 | 8/1/2018 | 8 yrs | U of M Build America | \$260,748.16 | 2.700% | \$7,040.20 | \$262,282.50 |
| UBS Financial | 12/4/2012 | 11/1/2018 | 6 yrs | NY City Transition | \$360,038.40 | 1.280% | \$4,608.49 | \$361,018.80 |
| Wells Fargo | 12/1/2010 | 12/21/2018 | 8 yrs | Weston WS BAB | \$152,058.00 | 3.550% | \$5,398.06 | \$160,441.50 |
| | | | | | \$772,844.56 | | \$17,046.75 | \$783,742.80 |
| Government Agencies | | | | | | | | |
| UBS Financial | 2/25/2015 | 2/25/2021 | 6 yrs | FHLB | \$500,000.00 | 1.000% | \$5,000.00 | \$499,745.00 |
| Morgan Stanley | 3/16/2015 | 3/16/2021 | 6 yrs | FHLB | \$250,000.00 | 1.500% | \$3,750.00 | \$250,417.50 |
| Morgan Stanley | 3/18/2015 | 3/16/2021 | 6 yrs | FHLB | \$45,000.00 | 1.500% | \$675.00 | \$45,075.15 |
| Morgan Stanley | 9/7/2012 | 9/7/2022 | 10 yrs | FHLB | \$500,000.00 | 1.500% | \$7,500.00 | \$499,050.00 |
| Morgan Stanley | 12/19/2012 | 12/19/2022 | 10 yrs | FHLB | \$299,997.00 | 1.500% | \$4,499.96 | \$295,509.00 |
| Morgan Stanley | 3/27/2013 | 3/27/2023 | 10 yrs | FHLB | \$500,000.00 | 2.000% | \$10,000.00 | \$498,455.00 |
| UBS Financial | 2/20/2015 | 5/22/2023 | 8 yrs | FHLB | \$501,833.33 | 1.500% | \$7,527.50 | \$500,060.00 |
| | | | | | \$2,596,830.33 | | \$38,952.45 | \$2,588,311.65 |
| Totals | | | | | \$12,444,722.23 | | \$189,098.67 | \$12,399,602.77 |
| | | | | | | | 1.52% | |

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 July
2015

| Type | % | Invested Balance | Interest | Rate of Return |
|--------------------------|------|------------------|-------------|----------------|
| Money Markets | 24% | \$4,574,573.92 | \$149.93 | 0.04% |
| Savings | 7% | \$1,362,550.72 | \$173.59 | 0.15% |
| CD's* | 32% | \$6,022,322.48 | \$6,703.07 | 1.31% |
| Municipals* | 21% | \$4,042,891.90 | \$5,745.69 | 1.67% |
| Government agencies* | 16% | \$3,096,830.33 | \$3,781.58 | 1.44% |
| Total Investment Return* | 69% | \$13,162,044.71 | \$16,230.34 | 1.45% |
| Total Return | 100% | \$19,099,169.35 | \$16,553.86 | 1.02% |

| Earnings Comparison | Budget | YTD Budget | YTD Actual |
|------------------------|---------------|---------------|--------------|
| 2015 Interest Earnings | \$ 282,800.00 | \$ 141,400.00 | \$111,933.64 |
| 2014 Interest Earnings | \$ 453,000.00 | \$ 226,500.00 | \$121,286.27 |
| 2013 Interest Earnings | \$ 332,500.00 | \$ 166,250.00 | \$122,249.83 |

| | Current | Last Month | Last Year | Two Years |
|----------------------------|-----------|------------|-----------|-----------|
| Rate Comparisons | July 2015 | June 2015 | July 2014 | July 2013 |
| Average Total Return | 1.02% | 1.17% | 1.16% | 1.13% |
| Average Investment Return* | 1.45% | 1.39% | 1.45% | 1.57% |

Filename: Monthly Report - Interest Earnings Analysis 2015