



City Administrator's Weekly Update

Week Ending October 23, 2015



Upcoming Events

October 27, 4:15 pm
Library Board
Library

October 27, 7:00 pm
Planning Commission
City Hall

November 2, 4:30 pm
Parks Commission
City Hall

November 3, 5:30 pm
Council Work Session
City Hall

November 3, 7:00 pm
City Council Meeting
City Hall

November 4, 8:00 am
EDA
City Hall

November 4, 4:30 pm
Cable Commission
CAT-7 Studio

Other Information Attached:

- * September Financial Report
- * Excellence in Financial Reporting Award
- * 2014 Water
- * Fluoridation Quality Award

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

ADMINISTRATION

PERSONNEL

The Teamsters met this week and voted to ratify a tentative agreement with the City on a new three year Labor Contract. The City Council will consider the agreement at the November 3rd Council meeting.

BOARD VACANCIES

I continue to ask for your help in reaching out to friends and neighbors in the community to fill the vacancies that remain open for the Citizen's Advisory Board and Shaw Memorial Library Foundation. If someone you know would like more information about what being on these committees entails, please share my contact information.

PUBLIC BUILDINGS

The CAFD Board has received its pre-design study for a possible new facility in the near future. The study focused on the parcel of property located on the corner of Highway 45 and 22nd Street. The Board will now be holding a special meeting in November to discuss all of the various options available to them for addressing their challenges.

Community Development

HOUSING

A meeting was held this week with HRA staff to discuss a variety of issues related to housing as well as roles and responsibilities. We will be meeting again in the near future with follow up discussion.

BUILDING

Staff attended several training events during the week. One topic to note is the MN District Court revoked the building requirements for sprinklers to be added to one and two family units.

PLANNING

Staff has been working with Walmart on their landscaping project, which is now finished. The project was required as part of compliance with their site plan approval by the City.

The landfill audit was completed and reviewed by Staff to ensure that Shamrock is in compliance with our Host Fee Agreement. The audit showed they have met their obligations and are in compliance with maintaining their facility.

ECONOMIC DEVELOPMENT

Staff has been working with Friends of Animals to explore site options within the Cloquet area as they strategically look forward to relocating their facilities.

A number of developers have contacted the City with questions about the Middle School redevelopment project.

Public Works/Parks

CONSULTING ENGINEER

There are a significant number of public improvement projects planned for 2016, therefore, Staff has engaged SEH to start design work on some of these projects. With the positive experience we have had with SEH over the past two years, we will be recommending to the Council in January that we appoint the firm as our consulting engineer.

SAFE ROUTES TO SCHOOL PROJECT

There was an informal meeting with property owners along Slate Street this week to discuss the Safe Routes to School sidewalk project planned for next year. Approximately ten residents were in attendance. Staff will now re-group after hearing resident feedback and plan for further discussion with the City Council on the project.

MISCELLANEOUS

Hydro-Klean has a crew in town cleaning and televising sanitary sewers around town in preparation for the lining project awarded earlier this summer.

The Street and Park Crews were busy preparing for winter, mounting plows on equipment, mixing road sand and installing hockey boards.

"I long to accomplish a great and noble task, but it is my chief duty to accomplish small tasks as if they were great and noble." - Helen Keller



ADMINISTRATIVE OFFICES

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October 22, 2015

Dear Brian Fritsinger, City Administrator:

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

Cash and Investments

Cash balances are 4% below September 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 \$121,000 above budget. SAPPI water sales are \$281,000 above budget. Interest is \$67,500 below budget.

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

Major Revenues and Expenditures/Expenses

Revenues:

State \$80,000 for City Sales Taxes.

Expenditures/Expenses:

Nortrax Equipment Company \$150,000 for grader. Utility Systems \$417,000 for 8th Street project. Minnesota Pipe and Equipment \$12,800 for water and sewer main materials. Harris Computer Systems \$12,000 for annual maintenance of financial software. Kiminski Paving \$126,000 Pinehurst Park improvements. Kolar \$26,600 for ½ ton pick-up for Public Works. LMC \$11,000 for membership dues. St Louis County \$16,900 for Police computer programs. SEH \$19,800 for park design, well head protection plan, and Hwy 33 landscape design. Apple Inc \$9,500 for Library iPads through a Blandin Grant.

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 September
2015

Fund	2015 Budget	YTD Expend/Expense Budget	YTD Expenditures/ Expenses	Over (Under) Budget	Over (Under) %	
General						
Administration	334,200	154,988	157,756	2,768	2%	
Finance	188,150	142,538	125,243	(17,295)	-12%	1
Law	95,000	71,250	75,153	3,903	5%	
Planning and Zoning	209,600	157,700	153,086	(4,614)	-3%	
Police and training	2,332,400	1,769,050	1,685,778	(83,272)	-5%	
Hwy, Streets & Rwy	926,000	716,775	724,548	7,773	1%	
Library	501,450	377,463	388,740	11,277	3%	
Park	556,450	417,713	350,098	(67,615)	-16%	2
Water - LSWL	3,597,250	2,651,176	1,431,373	(1,219,803)	-46%	3
Water - In Town	1,653,600	857,138	859,294	2,156	0%	
Sewer	1,677,800	1,037,101	1,062,594	25,494	2%	
Storm Water	300,050	105,463	101,616	(3,847)	-4%	
Cable TV	137,325	103,469	96,074	(7,395)	-7%	

Note: Does not include transfers.

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

- 1 - Part time staff person not hired to date.
- 2 - Park positions not filled for part of year.
- 3 - Late invoices for electricity and automatic controls project not started. Debt moved to Fund 601.

Filename: Expenditure-expense budget report

City of Cloquet
Select Departmental and Funds Payroll Expenditure/Expense Budget Report as of September
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	47,250	105,138	57,888	123%
Hwy & St	34,050	51,578	21,500	16,125	17,386	1,261	8%
Water - LSWL	37,473	49,245	30,500	22,875	19,034	(3,841)	-17%
Water In Town	22,207	29,046	12,000	9,000	9,521	521	6%
Sewer	11,304	12,208	10,000	7,500	7,080	(420)	-6%
Storm Water	5,473	6,836	2,500	1,875	1,415	(460)	-25%

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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 \$7,600 in FDL OT and other OT to date. Regular salaries are approximately \$89,500 below budget.

Filename: Expenditure-expense budget report

*City of Cloquet
Cash and Investments
Management Summary
September 30, 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. The year to date receipts for fiscal year 2016 are \$143 million (6.2%) more than forecasted. Unemployment is at 5.1% for September, the same as August.

The City’s certified 2016 LGA is \$2,356,500 approximately \$13,500 more than 2015 and the City increased its preliminary levy by 2.97% for 2016.

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 September investments worth \$1.245 million matured. Proceeds were invested in for \$600,000, the rest was retained for cash flows. Attached is an “Investment Portfolio Analysis” with the detail of investments.

Variance Analysis

Cash and investments are 4% below September 2014. The decrease is due to three payrolls charged to cash in September, 8th Street & Pinehurst Park project payments, and a grader and ½ ton pick-up purchase.

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 \$194,000 or 1.31% 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
September
2015**

Fund #	Fund	Amount
101	General	3,482,629.30
201	LDO Loan (EDA)	243,364.48
202	Federal CDBG Loan (EDA)	830,350.24
203	Economic Development Loan (City)	135,547.45
204	State SCDG/MIF (EDA)	127,857.76
206	Revolving SCGP (EDA)	-
207	Community Development Operating (City)	(13,799.69)
211	Library	90,599.53
220	TIF - Daqota/Woodward	1,727.46
221	TIF - 14th Street Apartments	(101.49)
222	TIF - Oak Street Apartments	29,282.82
224	Building Facilities Planning	1,173,000.00
225	Permanent Improvement	549,027.64
226	Park	143,748.84
226	Park - Restricted - In Lieu	37,924.41
226	Park - Skate Park	2,640.85
228	Senior Center	(2,619.02)
231	Public Works Reserve	457,051.55
260	Landfill Host Fee - 25%	76,515.09
260	Landfill Host Fee - 75%	229,545.01
368	Business Park Bonds	1,633,317.76
370	Swimming Pond Bonds	55,227.36
403	Capital Projects - Revolving	(1,495,731.95)
405	City Sales Tax Capital Projects	2,058,293.09
600	Water - Lake Superior Waterline	734,599.48
600	Water - Lake Superior Waterline Construction	385,790.33
601	Water	3,787,153.03
601	Water	241,038.50
602	Sewer	1,385,559.85
605	Storm Water	209,820.14
614	Cable TV	246,992.13
701	Employee severance	631,440.72
905	Cloquet Area Fire District	1,149,948.58
	Total	18,617,741.25

City of Cloquet
Cash and Investment Analysis
September 30, 2015

	Tentative Goals	Current 9/30/2015	8/31/2015	7/31/2015	6/30/2015	Last Year 9/30/2014
DEMAND ACCOUNTS						
Checking & MM & Savings	10%-15%	\$3,843,364.62 21%	\$4,565,411.88 23%	\$8,443,356.57 40%	\$4,236,138.97 24%	\$4,887,297.26 25%
INVESTMENTS						
<u>Invested less than one year</u>						
Certificates of Deposit		\$4,030,000.00	\$3,435,000.00	\$690,000.00	\$924,033.23	\$2,749,000.00
Municipal Bonds		\$431,813.60	\$431,813.60	\$431,813.60	\$705,854.16	\$1,096,794.42
Government Agencies		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total invested less than one year	50%-70%	\$4,461,813.60 24%	\$3,866,813.60 19%	\$1,121,813.60 5%	\$1,629,887.39 9%	\$3,845,794.42 20%
<u>Invested one to three years</u>						
Certificates of Deposit		\$1,754,000.00	\$2,594,000.00	\$2,694,000.00	\$3,284,000.00	\$2,665,000.00
Municipal Bonds		\$3,320,636.30	\$3,059,888.14	\$2,838,233.74	\$2,838,233.74	\$1,566,201.78
Government Agencies*		\$500,000.00	\$500,000.00	\$500,000.00	\$500,000.00	\$925,000.00
Total invested one to three years	10%-20%	\$5,574,636.30 30%	\$6,153,888.14 31%	\$6,032,233.74 29%	\$6,622,233.74 37%	\$5,156,201.78 27%
<u>Invested over three years</u>						
Certificates of Deposit		\$2,129,000.00	\$2,029,000.00	\$1,921,000.00	\$1,921,000.00	\$1,534,000.00
Municipal Bonds		\$512,096.40	\$772,844.56	\$772,844.56	\$772,844.56	\$1,973,845.12
Government Agencies *		\$2,096,830.33	\$2,596,830.33	\$2,596,830.33	\$2,596,830.33	\$2,002,126.17
Total invested over three years	10%-20%	\$4,737,926.73 25%	\$5,398,674.89 27%	\$5,290,674.89 25%	\$5,290,674.89 30%	\$5,509,971.29 28%
Total	100%	\$18,617,741.25	\$19,984,788.51	\$20,888,078.80	\$17,778,934.99	\$19,399,264.75
Current month variance			(\$1,367,047.26) -7%	(\$2,270,337.55) -11%	\$838,806.26 5%	(\$781,523.50) -4%

* - 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, 2015

Brokerage	Purchase Date	Maturity Date	Time Held	CUSIP	Description	Amount	YTM Rate	Annualized Yield	Market Value
Invested less than one year									
Certificates of Deposit									
Wells Fargo	8/19/2015	11/19/2015	3 months	60688MPL2	Mizuho Bk USA	\$245,000.00	0.250%	\$612.50	\$245,003.38
Wells Fargo	8/21/2015	11/23/2015	3 months	898401CN2	Trustmark Natl Bank	\$245,000.00	0.300%	\$735.00	\$245,023.52
Wells Fargo	8/14/2015	2/5/2016	6 months	29367ACW1	Enterprise Bk & Trust	\$245,000.00	0.300%	\$735.00	\$245,027.69
Wells Fargo	8/14/2015	2/12/2016	6 months	29976DZS2	Everbank	\$245,000.00	0.350%	\$857.50	\$245,023.28
Wells Fargo	8/19/2015	2/17/2016	6 months	06278C7A7	Bank of India	\$245,000.00	0.300%	\$735.00	\$245,019.85
Wells Fargo	8/26/2015	2/26/2016	6 months	03784JLM44	Apple Bank	\$245,000.00	0.400%	\$980.00	\$245,031.85
Wells Fargo	8/26/2015	2/26/2016	6 months	80280JHF1	Santander Bk	\$245,000.00	0.400%	\$980.00	\$245,022.30
Wells Fargo	8/11/2015	4/20/2016	9 months	316041CR1	Fidelity Bk	\$245,000.00	0.400%	\$980.00	\$245,061.50
Wells Fargo	8/14/2015	5/16/2016	9 months	72651LAU89	Plains Comm Bk SD	\$245,000.00	0.450%	\$1,102.50	\$245,096.04
Wells Fargo	7/21/2014	7/21/2016	2 yrs	17669WES0	Citizens State Bank	\$245,000.00	0.650%	\$1,592.50	\$245,262.64
Morgan Stanley	7/24/2013	7/25/2016	3 yrs	254671SQ4	Discover Bk DE	\$100,000.00	1.100%	\$1,100.00	\$100,530.00
Wells Fargo	7/31/2014	7/29/2016	2 yrs	940637GL9	Washington Trust Co	\$245,000.00	0.700%	\$1,715.00	\$245,403.03
Morgan Stanley	8/1/2012	8/10/2016	4 yrs	33764JHY4	Firstbank Santurce	\$245,000.00	1.250%	\$3,062.50	\$246,516.55
Morgan Stanley	8/31/2011	8/31/2016	5 yrs	3814264N2	Goldman Sachs - UT	\$150,000.00	1.850%	\$2,775.00	\$151,755.00
Frandsen Bank	3/5/2015	9/5/2016	1 1/2 yrs	Local	Frandsen Bank	\$245,000.00	0.300%	\$735.00	\$245,000.00
UBS Financial	9/10/2014	9/12/2016	2 yrs	71270QGN0	Peoples United	\$240,000.00	0.850%	\$2,040.00	\$240,621.60
UBS Financial	9/12/2014	9/12/2016	2 yrs	59013JBE8	Merrick	\$240,000.00	0.850%	\$2,040.00	\$240,624.00
Morgan Stanley	9/23/2011	9/23/2016	5 yrs	36159C2U9	GE Money Bk UT	\$35,000.00	2.000%	\$700.00	\$35,474.60
Morgan Stanley	9/30/2013	9/30/2016	3 yrs	05568P5L7	BMW Bk - UT	\$80,000.00	1.150%	\$920.00	\$80,462.40
						\$4,030,000.00		\$24,397.50	\$4,036,959.23
Municipals									
Wells Fargo	1/30/2014	2/15/2016	3 yrs	199492HS1	Columbus OH Txbl	\$251,135.00	0.500%	\$1,255.68	\$250,437.50
Wells Fargo	7/30/2012	6/1/2016	4 yrs	250097C26	Des Moines IA	\$180,678.60	0.750%	\$1,355.09	\$180,559.80
						\$431,813.60		\$2,610.76	\$430,997.30
Invested one to three years									
Certificates of Deposit									
Morgan Stanley	11/14/2013	11/14/2016	3 yrs	022006LCE1	Ally Bank (form GMAC)	\$150,000.00	1.100%	\$1,650.00	\$150,852.00
UBS Financial	8/5/2015	2/6/2017	2 1/2 yrs	795450VU6	Sallie Mae Bank UT	\$245,000.00	0.850%	\$2,082.50	\$244,924.00
Morgan Stanley	6/8/2012	6/8/2017	5 yrs	982999JF2	World Financial DE	\$200,000.00	1.850%	\$3,700.00	\$202,050.00
Morgan Stanley	6/22/2012	6/22/2017	5 yrs	856284F58	St Bank of India NY	\$245,000.00	2.000%	\$4,900.00	\$248,579.45
Wells Fargo	7/24/2014	7/24/2017	3 yrs	02587CAG5	American Express Fed Sv	\$245,000.00	1.150%	\$2,817.50	\$245,090.16
UBS Financial	8/31/2015	8/31/2017	2 yrs	686184WA6	Oriental Bank PR	\$50,000.00	1.250%	\$625.00	\$50,036.00
UBS Financial	10/19/2012	10/19/2017	5 yrs	101120CY7	Boston Prvt B&T MA	\$100,000.00	1.000%	\$1,000.00	\$99,545.00
Morgan Stanley	11/25/2013	11/24/2017	4 yrs	20033ADP8	Comenity Bk UT	\$68,000.00	1.400%	\$952.00	\$68,479.40
Morgan Stanley	3/12/2014	3/14/2018	4 yrs	36157QWV5	GE Capital Ret BK UT	\$210,000.00	1.500%	\$3,150.00	\$210,367.50
Morgan Stanley	5/8/2013	5/8/2018	5 yrs	17284CDM3	CIT Bk UT	\$145,000.00	1.200%	\$1,740.00	\$143,890.75
Morgan Stanley	6/28/2013	6/28/2018	5 yrs	05568P3N5	BMW Bk - UT	\$96,000.00	1.650%	\$1,584.00	\$95,409.60
						\$1,754,000.00		\$24,201.00	\$1,759,225.91
Municipals									
Wells Fargo	12/6/2013	12/1/2016	3 yrs	60374Y5S2	Minneapolis MN	\$207,581.33	0.750%	\$1,556.86	\$203,546.00
Wells Fargo	11/4/2010	2/1/2017	6 1/2 yrs	094780VU4	Bloomington MN BAB	\$202,324.00	2.100%	\$4,248.80	\$204,336.00
Wells Fargo	1/7/2009	2/1/2017	7 yrs	688443J27	Osseo MN ISD 279	\$218,141.70	5.400%	\$11,779.65	\$224,244.30
Wells Fargo	6/11/2015	2/1/2017	1 1/2 yrs	792895L93	St Paul MN ISD	\$502,845.00	1.000%	\$5,028.45	\$502,630.00
Wells Fargo	1/31/2014	3/1/2017	3 yrs	587091QX0	Menomonie WI Txbl	\$340,204.15	0.970%	\$3,299.98	\$333,029.40
Wells Fargo	9/14/2014	4/1/2017	2 1/2 yrs	789466PU7	St Francis MN ISD	\$166,137.00	0.900%	\$1,495.23	\$156,603.00
Wells Fargo	8/19/2015	8/1/2017	2 yrs	60412ACM36	State of MN GO	\$221,654.40	0.860%	\$1,906.23	\$222,186.80
UBS Financial	12/1/2010	12/1/2017	7 yrs	852634DP6	Stamford CT	\$512,636.25	2.750%	\$14,143.63	\$513,580.00
Wells Fargo	1/14/2014	2/1/2018	4 yrs	036213S49	Anoka County MN	\$567,323.75	1.480%	\$8,396.39	\$541,380.00
Wells Fargo	7/26/2012	2/1/2018	6 1/2 yrs	657781KU3	North Branch MN ISD 138	\$121,040.56	1.260%	\$1,525.11	\$108,995.00
Wells Fargo	10/7/2010	8/1/2018	8 yrs	914460FPO	U of M Build America	\$260,748.16	2.700%	\$7,040.20	\$262,065.00
						\$3,320,636.30		\$60,420.54	\$3,272,595.50
Government Agencies									
Wells Fargo	6/1/2015	6/1/2018	3 yrs	3133EEN55	FFCB	\$500,000.00	1.120%	\$5,600.00	\$500,101.50
Invested over three years									
Certificates of Deposit									
Morgan Stanley	10/2/2013	10/2/2018	5 yrs	245671XD7	Discover Bk DE	\$145,000.00	2.050%	\$2,972.50	\$146,464.50
Morgan Stanley	10/28/2013	10/29/2018	5 yrs	0606246K4	Bank Baroda NY	\$245,000.00	2.050%	\$5,022.50	\$246,511.65
UBS Financial	4/16/2014	4/16/2019	5 yrs	94986TPZ4	Wells Fargo	\$240,000.00	1.000%	\$2,400.00	\$240,590.40
Morgan Stanley	4/29/2014	4/29/2019	5 yrs	06740KGR2	Barclays Bk DE	\$45,000.00	1.900%	\$855.00	\$45,102.60
Morgan Stanley	8/8/2015	8/5/2019	5 yrs	14042E5J5	Capital One NA Mclean VA	\$108,000.00	2.050%	\$2,214.00	\$107,903.88
Morgan Stanley	10/16/2014	10/16/2019	5 yrs	140420QF0	Capital One Bank VA	\$245,000.00	2.150%	\$5,267.50	\$245,271.95
Morgan Stanley	1/28/2015	1/28/2020	5 yrs	38148JJK8	Goldman Sachs - UT	\$96,000.00	2.048%	\$1,966.08	\$94,852.80
UBS Financial	2/27/2015	2/27/2020	5 yrs	74267GVA2	Private Bank & Tr IL	\$240,000.00	1.750%	\$4,200.00	\$239,366.40
UBS Financial	2/27/2015	2/27/2020	5 yrs	48125T2L8	JP Morgan Chase DE	\$240,000.00	2.000%	\$4,800.00	\$239,418.40
UBS Financial	4/13/2015	4/13/2020	5 yrs	40434ATC3	HABC Bk VA	\$240,000.00	1.125%	\$2,700.00	\$237,381.60
Morgan Stanley	5/7/2015	5/7/2020	5 yrs	02587DXT0	Amex Centurion UT	\$185,000.00	1.950%	\$3,607.50	\$182,985.35
Morgan Stanley	9/2/2015	9/2/2020	5 yrs	14042E6G0	Capital One MN Mclean VA	\$100,000.00	2.200%	\$2,200.00	\$100,086.00
						\$2,129,000.00		\$38,205.08	\$2,125,935.53
Municipals									
UBS Financial	12/4/2012	11/1/2018	6 yrs	64971QH55	NY City Transition	\$360,038.40	1.280%	\$4,608.49	\$361,731.60
Wells Fargo	12/1/2010	12/21/2018	8 yrs	961201MM9	Weston WS BAB	\$152,058.00	3.550%	\$5,398.06	\$160,554.00
						\$512,096.40		\$10,006.55	\$522,285.60
Government Agencies									
UBS Financial	2/25/2015	2/25/2021	6 yrs	3130A3ZE7	FHLB	\$500,000.00	1.000%	\$5,000.00	\$500,580.00
Morgan Stanley	3/16/2015	3/16/2021	6 yrs	3130A4FY3	FHLB	\$250,000.00	1.500%	\$3,750.00	\$250,462.50
Morgan Stanley	3/18/2015	3/16/2021	6 yrs	3130A4FY3	FHLB	\$45,000.00	1.500%	\$675.00	\$45,083.25
Morgan Stanley	9/30/2015	9/30/2022	7 yrs	3134G7VP3	FHLMC	\$500,000.00	1.375%	\$6,875.00	\$500,000.00
Morgan Stanley	12/19/2012	12/19/2022	10 yrs	313381E92	FHLB	\$299,997.00	1.500%	\$4,499.96	\$298,113.00
UBS Financial	2/20/2015	5/22/2023	8 yrs	3133833P4	FHLB	\$501,833.33	1.500%	\$7,527.50	\$500,995.00
						\$2,096,830.33		\$28,327.45	\$2,095,233.75
Totals						\$14,774,376.63		\$193,768.89	\$14,743,334.32
								1.31%	

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
2015

Type	%	Invested Balance	Interest	Rate of Return
Money Markets	6%	\$941,136.08	\$47.41	0.06%
Savings	0%	\$0.00	\$0.00	0.00%
CD's*	51%	\$8,246,500.00	\$7,183.12	1.06%
Municipals*	26%	\$4,264,546.30	\$5,717.02	1.63%
Government agencies*	16%	\$2,646,830.33	\$3,075.68	1.41%
Total Investment Return*	94%	\$15,157,876.63	\$15,975.82	1.28%
Total Return	100%	\$16,099,012.71	\$16,023.23	1.21%

Earnings Comparison	Budget	YTD Budget	YTD Actual
2015 Interest Earnings	\$ 282,800.00	\$ 212,100.00	\$144,588.39
2014 Interest Earnings	\$ 453,000.00	\$ 339,750.00	\$155,743.39
2013 Interest Earnings	\$ 332,500.00	\$ 249,375.00	\$154,316.67

	Current	Last Month	Last Year	Two Years
Rate Comparisons	September 2015	August 2015	September 2014	September 2013
Average Total Return	1.21%	1.15%	1.16%	1.25%
Average Investment Return*	1.28%	1.39%	1.37%	1.56%

Filename: Monthly Report - Interest Earnings Analysis 2015



Government Finance Officers Association
203 N. LaSalle Street - Suite 2700
Chicago, IL 60601

Phone (312) 977-9700 Fax (312) 977-4806

October 13, 2015

Brian Fritsinger
City Administrator
City of Cloquet
1307 Cloquet Avenue
Cloquet MN 55720

Dear Mr. Fritsinger:

We are pleased to notify you that your comprehensive annual financial report for the fiscal year ended **December 31, 2014** qualifies for a Certificate of Achievement for Excellence in Financial Reporting. The Certificate of Achievement is the highest form of recognition in governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management.

An award for the Certificate of Achievement has been mailed to:

Nancy M. Klassen, CPA
Finance Director

We hope that you will arrange for a formal presentation of the Certificate and Award of Financial Reporting Achievement, and that appropriate publicity will be given to this notable achievement. A sample news release is enclosed to assist with this effort. In addition, details of recent recipients of the Certificate of Achievement and other information about Certificate Program results are available in the "Awards Program" area of our website, www.gfoa.org.

We hope that your example will encourage other government officials in their efforts to achieve and maintain an appropriate standard of excellence in financial reporting.

Sincerely,
Government Finance Officers Association

Stephen J. Gauthier, Director

Technical Services Center

SJG/ds


Minnesota
Department
of Health

October 19, 2015

Cloquet City Council
c/o Mr. Brian Fritsinger, Administrator
Cloquet City Hall
1307 Cloquet Avenue
Cloquet, MN 55720

Dear Mr. Fritsinger,

The Minnesota Department of Health Oral Health Program and Drinking Water Protection Section are pleased to present you with the Centers for Disease Control and Prevention (CDC) **2014 Water Fluoridation Quality Award**. This award recognizes those public water systems that adjust the fluoride concentration in drinking water and achieve a monthly average fluoride level that is in the optimal range for 12 consecutive months in a calendar year, as documented in the CDC Water Fluoridation Reporting System (WFRS).

CDC initiated the Water Fluoridation Quality Awards in 2002 to recognize outstanding performance in fluoridation management by public water systems. Over the past few years there has been an increase in the number of states and water systems that have achieved this recognition. For calendar year 2014, all 50 states provided census information to WFRS. In Minnesota, 112 of the 625 fluoridating public water systems received awards for 2014.

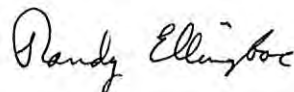
Quality Awards can be a good opportunity to promote community water fluoridation and this award will provide you with an opportunity to highlight the excellent work being done by your water system. To assist you in promoting this achievement, we are providing you with a press release template that can be tailored for your community. An electronic copy of the template is available upon request.

Once again, congratulations on this outstanding effort and thank you for providing safe, dependable drinking water for your community. If you have any questions about the award or the press release, please contact either David Rindal at (651) 201-4660 and david.rindal@state.mn.us or Clare Larkin at (651) 201-4230 and clare.larkin@state.mn.us.

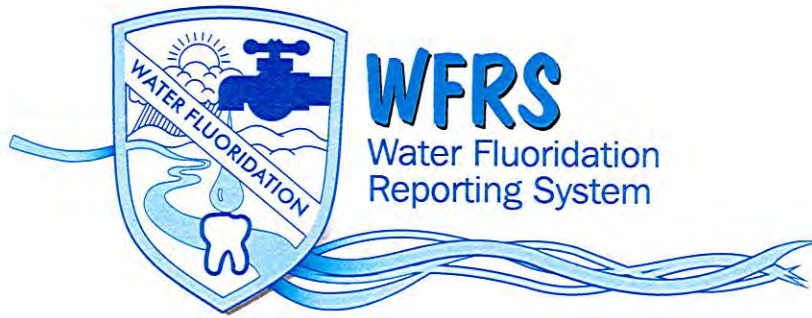
Sincerely,



Merry Jo Thoele, MPH, RDH
Director, Oral Health Program
Minnesota Department of Health
PO Box 64882
St. Paul, MN 55164-0882



Randy Ellingboe
Manager, Drinking Water Protection Section
Minnesota Department of Health
PO Box 64975
St. Paul, MN 55164-0975



2014

Water Fluoridation Quality Award

CLOQUET

STATE OF MINNESOTA

The Centers for Disease Control and Prevention commends this water system for its consistent and professional adjustment of the water fluoride content to the optimum level for oral health for 12 consistent months. Consistent, high-quality water fluoridation practice, as demonstrated by this water system, is a safe and effective method to prevent tooth decay, improving the oral health of community residents of all ages.

Presented by the
Centers for Disease Control and Prevention
United States Department of Health & Human Services

A handwritten signature in blue ink, reading "K. J. Dedmon", is written over a horizontal line.

National Fluoridation Engineer, Division of Oral Health
National Center for Chronic Disease Prevention
and Health Promotion



**Centers for Disease
Control and Prevention**
National Center for Chronic
Disease Prevention and
Health Promotion

Community Water Fluoridation



Tooth decay is one of the most common chronic diseases among American children. One of four children living below the federal poverty level experience untreated tooth decay.¹



Tooth decay and its complications are preventable.²

Community water fluoridation (CWF) is "the controlled addition of a fluoride compound to a public water supply to achieve a concentration optimal for dental caries prevention."²

Safe

- The safety and benefits of fluoride are well documented and have been reviewed comprehensively by several scientific and public health organizations.^{3,5}
- No convincing scientific evidence has been found linking community water fluoridation (CWF) with any potential adverse health effect or systemic disorder such as an increased risk for cancer, Down syndrome, heart disease, osteoporosis and bone fracture, immune disorders, low intelligence, renal disorders, Alzheimer's disease, or allergic reactions.^{4,6}
- Documented risks of CWF are limited to dental fluorosis, a change in dental enamel that is primarily cosmetic in its most common form. In the United States today, most dental fluorosis is of the mildest form, with no effect on how teeth look or function.⁷

Effective

- The US Community Preventive Services Task Force issued a strong recommendation in 2001 and again in 2013 for CWF for the prevention and control of tooth decay.^{6,8}
- Water fluoridation prevents tooth decay by providing frequent and consistent contact with low levels of fluoride, ultimately reducing tooth decay by about 25% in children and adults.⁹⁻¹²
- Schoolchildren living in fluoridated communities on average have 2.25 fewer decayed teeth compared with similar children not living in fluoridated communities.⁶

Reduce Disparities

- CWF has been identified as the most cost-effective method of delivering fluoride to all members of the community regardless of age, educational attainment, or income level.^{13,14}

Cost-Saving

- By preventing tooth decay, CWF has been shown to save money, both for families and the health care system.^{11,15}
- The return on investment for CWF varies with size of the community, increasing as the community size increases. CWF is cost-saving—even for small communities.^{15,16}

Public Health Achievement

- Because of its contribution to the dramatic decline in tooth decay over the past 70 years, CDC named CWF 1 of 10 great public health achievements of the 20th century.¹³
- In 2012, more than 210 million people, or nearly 75% of the U.S. population served by public water supplies, drank water with optimal fluoride levels to prevent tooth decay.¹⁷

International Fluoride Use

- Nearly all developed countries practice fluoridation, just not always through water. Instead, salt is often used as the primary way of providing fluoride to the public.¹⁸
- The World Health Organization supports fluoridation of water, salt, and milk as a way to reduce dental decay.^{19,20}