



City Administrator's Update

WEEK ENDING APRIL 19, 2019



Upcoming Events:

April 23, 4:15 pm
Library Board Meeting
Library

May 6, 4:30 pm
Parks Commission
City Hall

May 7, 5:30 pm
Council Work Session
City Hall

May 7, 7:00 pm
City Council Meeting
City Hall

May 14, 7:00 pm
Planning Commission
City Hall

May 21, 5:30 pm
Council Work Session
City Hall

May 21, 7:00 pm
City Council Meeting
City Hall

Administration/Finance

The City Hall/Police Department construction project is well underway. Boldt was able to begin the interior construction the Monday after MCCU moved out and it didn't take long before we could start to see the transformation into our new City Hall/PD. The plan is still on track for moving in the end of May.

Finance

With the upcoming retirement of our UB Billing Clerk, Anne Kolodge, we've posted the position internally with a deadline for any signatures today at 4:30 p.m.

The annual audit is coming up the week of May 6th and staff is keeping busy preparing for the auditors to have everything they need.

Human Resources

A true sign that summer is on its way is Summer Seasonal employment opportunities are posted and applications are coming in.

Welcome to the new part time Administrative Police Secretary, Marlaina Moulding. Marlaina started on Wednesday and hit the ground running with training at the BCA. Welcome to Marlaina!

Public Works/Parks

Pot holes, pot holes and more pot holes. It's that time of year again. Please bear with us as we continue to fill holes during the spring freeze thaw cycle. The crew has been out consistently attempting to keep up, but relief is in sight as the frost is almost gone and more permanent patching materials should be available soon.

With spring upon us, construction season is soon to follow. Engineering and Utility staff have been busy preparing for our 2019 projects executing contracts, designing temporary water services and attending a refresher training on trench safety ahead of the busy construction season.

Community Development

Economic Development

At Tuesday's Council meeting, Council approved the purchase agreement for city owned land for Unit 3 at the 14th Street Apartments complex and Tax Increment Financing for the project.

Staff has met and had phone conversations this week with various developers answering inquiries on city programs and potential development sites.

Roger Maki, Mayor

City Council Members:

Bun Carlson, Ward 1
Sheila Lamb, Ward 2
Dakota Koski, Ward 3
Kerry Kolodge, Ward 4
Steve Langley, Ward 5
Lara Wilkinson, At Large

Aaron Reeves,
City Administrator
1307 Cloquet Avenue
Cloquet, MN 55720
(218)879-3347
areeves@cloquetmn.gov

Visit Our Website at:
www.cloquetmn.gov

Planning & Zoning

Staff addressed Council at the Work Session again this week about allowing chickens in residential zoning districts other than the currently allowed district of Farm Residential.

Staff also met with developers and answered a variety of development zoning inquiries.

Building and Housing Code Inspections

Inspections were busy this week and included the McDonalds remodel, the City's Water Treatment Plant, White Pine Apartments, Middle School Apartments, and liquor licensing inspections. Matt also attended the Arrowhead Chapter of Building Officials meeting this week in Chisholm.

Library

Planning is continuing for the upcoming library expansion. Architects recently met with library staff and City officials showing the latest draft of drawings.

Upcoming events at the library include:

- Tinker Club Monday at 4 p.m. Crayon sorting party. Help us sort the donated crayons into colors to get ready to donate to the Crayon Initiative which supplies crayons to children in hospitals.
- Teen Tech Wednesday at 4 p.m. Teens will work on a technology project with the youth services librarian.
- Music Relaxation Thursday at 10 a.m. Learn how music can help you relax and improve your sense of well-being. Session led by Jodie White, Board Certified Music Therapist.
- Healthy Teen Snacks at 4 p.m. Teens learn about nutrition and prepare snacks. Presented by the University of MN Extension Service.
- Food Sovereignty Efforts at Fond du Lac Thursday at 6 p.m. Learn what food sovereignty is, what current projects are underway at Fond du Lac, and how these efforts can be supported. Presented by Jessica Murray, AmeriCorps Vista Fellow.

Other Information Attached:

- * February and March 2019 Financial Reports
- * March Permits Report





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

March 15, 2019

Dear Aaron Reeves, City Administrator:

Enclosed is the monthly financial report and cash and investment analysis for February 2019.

Cash and Investments

Cash balances are 34% below February 2018, mostly due to the City Sales Tax Bond issued in May 2017 being spent on projects, the bond call, and the purchase of the MCCU building. A narrative and several spreadsheets discussing this month's cash and investment activities, and balances are attached.

Budgets

Revenues/Transfers in – Most revenues are in line with budget.

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

Major Revenues and Expenditures/Expenses

Revenues:

State \$91,600 for City Sales Tax, \$135,500 for MSA maintenance, and \$20,500 other various grants.

Expenditures/Expenses:

Magnay Construction \$442,200 for water treatment plant. McCoy Construction & Forestry \$226,900 for 2019 John Deere grader. MN DNR Eco-Waters \$37,800 for 2018 water usage. Superior Computer Products \$10,100 for server upgrade. Ulland \$77,600 Cloquet Avenue streetscape.

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 February
2019

Fund	2019 Budget	YTD Expend/Expense Budget	YTD Expenditures/ Expenses	Over (Under) Budget	Over (Under) %
General					
Administration	314,350	64,725	59,283	(5,442)	-8%
Human Resources	152,650	25,775	24,907	(868)	-3%
Finance	236,350	39,725	38,926	(799)	-2%
Law	125,000	20,833	11,856	(8,977)	-43% 1
Building & Planning	237,450	40,075	47,698	7,623	19%
Police	3,037,900	543,317	644,898	101,581	19% 2
Hwy, Streets & Rwy	1,546,300	285,417	294,789	9,372	3%
Park	449,750	79,125	107,712	28,587	36% 3
Community Development	140,650	23,775	22,447	(1,328)	-6%
Library	663,850	113,809	134,419	20,611	18% 4
Water - LSWL	2,487,100	404,734	446,421	41,687	10%
Water - In Town	1,353,100	215,759	944,849	729,091	338% 5
Sewer	1,536,075	264,263	253,257	(11,006)	-4%
Storm Water	68,800	11,467	7,272	(4,195)	-37%
Cable TV	71,650	12,775	15,583	2,808	22%

Note: Does not include transfers.

Explanation of significant variances

- 1 - February legal bill not received yet.
- 2 - Due to three pay periods in January (timing), general insurance allocation increase, uniforms, and annual subscriptions paid in January and February (timing).
- 3 - Hockey Arena costs - revenue and expend not budgeted in 2019, expected to offset each other.
- 4 - Computer equipment reimbursed by grant and computer IT services.
- 5 - Water Treatment Plant construction.

City of Cloquet
Select Departmental and Funds Payroll Expenditure/Expense Budget Report as of February
2019
Payroll Overtime

Fund	2017 Total	2018 Total	2019 Budget	YTD Expend/ Expense Budget	YTD Expenditures/ Expenses	Over (Under) Budget	(Over) Under %	
General								
Police								
Holiday	44,975	39,884	45,000	7,500	19,356	11,856	158%	1
Regular	77,729	102,223	70,000	11,667	9,036	(2,631)	-23%	
Reimbursed	12,706	16,084	5,000	833	11,980	11,147	1338%	2
Hwy & St	31,216	26,545	52,500	8,750	18,163	9,413	108%	3
Park	15,076	12,159	12,000	2,000	1,250	(750)	-37%	
Water - LSW	30,906	44,554	35,000	5,833	10,895	5,062	87%	3
Water In Town	21,280	28,308	17,000	2,833	6,590	3,756	133%	3
Sewer	8,972	11,243	10,500	1,750	7,119	5,369	307%	3

Explanation of (over) budget

- 1 - Three holidays paid in January and one in February.
- 2 - State grants for Anti Heroin & Vehicle Enforcement.
- 3 - Snowplowing and water leaks - seasonal.

Filename: Expenditure-expense budget report

*City of Cloquet
Cash and Investments
Management Summary
February 28, 2019*

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. The State’s budget and economic outlook remains sound. The budget horizon shows slower growth. The current biennium is estimated to leave \$1.052 billion available for the FY 2020-21 budget based on the February 2019 economic forecast which is \$492 million less than the November forecast. Unemployment is at 3.8% for February.

The City’s certified 2019 LGA is \$2,485,000 approximately \$7,000 more than 2018. The Governor is talking about restoring LGA to the 2012 level. The formula would change but the City’s high point was \$3.5 million. The City decreased its levy by 1.5% for 2019. The 2019 health insurance rates are 3.06% more than 2018.

Current Activity

During the month there were no investment changes. The money market accounts are accumulating a large amount of cash for the MCCU remodeling. The City also has large capital projects this summer/fall. Attached is an “Investment Portfolio Analysis” with the detail of investments.

Variance Analysis

Cash and investments are 34% below February 2018. The decrease is mostly due to the spending of the City Sales Tax Bond issued in May 2017, the bond called, and the purchase of the MCCU building.

The federal benchmark interest rate was raised for the fourth time in 2018 during the December meeting to 2.25% to 2.50%. The Fed announced there is likely going to be two increases in 2019. Attached is an “Interest Earnings Analysis” which details the average balances invested, rate of return, and prior year rates.

The budgeted interest earnings are \$242,000 for 2019. The City’s investment annualized yield is approximately \$163,000 or 1.7% plus another \$80,000 in money market interest for 2019. Interest receipts were \$324,000 for 2018.

**City of Cloquet
Cash Balances
February
2019**

Fund #	Fund	Amount
101	General	4,469,995.42
201	LDO Loan (EDA)	530,722.07
202	Federal CDBG Loan (EDA)	827,125.24
203	Economic Development Loan (City)	161,485.76
206	Revolving SCGP (EDA)	52,861.42
211	Library	(10,200.41)
220	TIF - Daqota/Woodward	6,493.18
221	TIF - 14th Street Apartments	6,405.88
222	TIF - Oak Street Apartments	44,783.12
223	TIF - Patio Homes	-
224	Building Facilities Planning	47,845.89
225	Permanent Improvement	4,592.67
231	Public Works Reserve	(71,280.24)
260	Landfill Host Fee - 25%	99,171.61
260	Landfill Host Fee - 75%	366,943.08
368	Business Park Bonds	65,301.93
370	Swimming Pond Bonds	38,753.26
372	City Sales Tax Bonds	107,378.87
403	Capital Projects - Revolving	(1,224,505.02)
405	City Sales Tax Capital Projects	3,459,978.88
600	Water - Lake Superior Waterline	1,430,739.90
600	Water - Lake Superior Waterline Construction	429,990.33
601	Water In Town	2,230,500.89
602	Sewer	730,653.13
605	Storm Water	96,669.61
614	Cable TV	86,841.52
701	Employee severance	433,558.79
905	Cloquet Area Fire District	456,124.82
	Total	14,878,931.60

City of Cloquet
Cash and Investment Analysis
February 28, 2019

	Tentative Goals	Current 2/28/2018	1/31/2019	12/31/2018	11/30/2018	Last Year 2/28/2018
DEMAND ACCOUNTS						
Checking & MM & Savings	10%-15%	\$5,315,076.44 36%	\$6,782,491.23 42%	\$8,899,249.59 48%	\$6,154,499.50 38%	\$6,480,497.73 29%
INVESTMENTS						
Invested less than one year						
Certificates of Deposit		\$1,469,000.00	\$1,129,000.00	\$1,133,000.00	\$1,133,000.00	\$5,596,000.00
Municipal Bonds		\$0.00	\$0.00	\$266,005.88	\$418,063.88	\$1,038,850.44
Government Agencies		\$1,002,405.78	\$1,002,405.78	\$504,415.78	\$0.00	\$0.00
Total invested less than one year	50%-70%	\$2,471,405.78 17%	\$2,131,405.78 13%	\$1,903,421.66 10%	\$1,551,063.88 10%	\$6,634,850.44 30%
Invested one to three years						
Certificates of Deposit		\$1,555,000.00	\$1,795,000.00	\$1,891,000.00	\$1,891,000.00	\$1,804,000.00
Municipals		\$825,672.50	\$825,672.50	\$825,672.50	\$825,672.50	\$0.00
Government Agencies		\$505,826.81	\$505,826.81	\$1,003,816.81	\$1,508,232.59	\$1,508,232.59
Total invested one to three years	10%-20%	\$2,886,499.31 19%	\$3,126,499.31 19%	\$3,720,489.31 20%	\$4,224,905.09 26%	\$3,312,232.59 15%
Invested over three years						
Certificates of Deposit		\$375,000.00	\$375,000.00	\$375,000.00	\$375,000.00	\$1,350,000.00
Municipal bonds		\$1,385,950.07	\$1,385,950.07	\$1,385,950.07	\$1,385,950.07	\$2,211,622.57
Government Agencies *		\$2,445,000.00	\$2,445,000.00	\$2,445,000.00	\$2,445,000.00	\$2,445,000.00
Total invested over three years	10%-20%	\$4,205,950.07 28%	\$4,205,950.07 26%	\$4,205,950.07 22%	\$4,205,950.07 26%	\$6,006,622.57 27%
Total	100%	\$14,878,931.60	\$16,246,346.39	\$18,729,110.63	\$16,136,418.54	\$22,434,203.33
Current month variance			(\$1,367,414.79) -8%	(\$3,850,179.03) -21%	(\$1,257,486.94) -8%	(\$7,555,271.73) -34%

Note:

* - Investments have call dates that are in the less than one year range.

City of Cloquet
Investment Portfolio Analysis
Detail of Investments February 28, 2019

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	12/20/2017	4/29/2019	18 months	Bank of Ozards AR	\$245,000.00	1.700%	\$4,165.00	\$242,089.40
RBC	4/29/2014	4/29/2019	5 yrs	Barclays Bk DE	\$45,000.00	1.900%	\$855.00	\$44,980.65
UBS Financial	11/30/2017	5/30/2019	18 months	Univest Natl B&T PA	\$245,000.00	1.650%	\$4,042.50	\$244,610.45
RBC	8/8/2015	8/5/2019	5 yrs	Capital One NA Mclean VA	\$108,000.00	2.050%	\$2,214.00	\$107,829.36
Frandsen Bank	3/5/2018	9/5/2019	1 1/2 yrs	Frandsen Bank	\$245,000.00	0.300%	\$735.00	\$245,000.00
RBC	10/16/2014	10/16/2019	5 yrs	Capital One Bank VA	\$245,000.00	2.150%	\$5,267.50	\$244,551.65
RBC	1/28/2015	1/28/2020	5 yrs	Goldman Sachs - UT	\$96,000.00	2.048%	\$1,966.08	\$95,584.32
UBS Financial	2/27/2015	2/27/2020	5 yrs	Private Bank & Tr IL	\$240,000.00	1.750%	\$4,200.00	\$238,996.80
					\$1,469,000.00		\$23,445.08	\$1,463,642.63
Government Agencies								
Wells Fargo	9/1/2017	12/9/2019	2+ yrs	FFCB	\$504,415.78	1.411%	\$7,117.31	\$496,699.00
Wells Fargo	12/19/2016	12/19/2019	3 yrs	FFCB	\$497,990.00	1.638%	\$8,157.08	\$495,998.00
					\$1,002,405.78			\$992,697.00
Invested one to three years								
Certificates of Deposit								
RBC	5/7/2015	5/7/2020	5 yrs	Amex Centurion UT	\$185,000.00	1.950%	\$3,607.50	\$183,643.95
RBC	12/5/2017	6/5/2020	2 1/2 yrs	American Exp UT	\$145,000.00	2.000%	\$2,900.00	\$143,908.15
RBC	9/2/2015	9/2/2020	5 yrs	Capital One MN Mclean VA	\$100,000.00	2.200%	\$2,200.00	\$98,729.00
RBC	10/14/2016	10/14/2020	5 yrs	First Bank PR Santurce	\$150,000.00	1.450%	\$2,175.00	\$147,189.00
RBC	6/28/2017	6/28/2021	4 yrs	Sallie Mae BK UT	\$245,000.00	2.150%	\$5,267.50	\$241,699.85
UBS Financial	9/16/2016	9/16/2021	5 yrs	JPMorgan Chase Bk OH	\$245,000.00	1.500%	\$3,675.00	\$237,093.85
UBS Financial	9/23/2016	9/23/2021	5 yrs	Happy State Bank TX	\$245,000.00	1.500%	\$3,675.00	\$237,103.65
UBS Financial	10/27/2017	10/27/2021	5 yrs	Third Fed S&L Ass	\$240,000.00	2.050%	\$4,920.00	\$235,416.00
					\$1,555,000.00		\$28,420.00	\$1,524,783.45
Municipals								
UBS Financial	8/1/2016	7/1/2021	5 yrs	Florida St Rev Ser	\$315,572.50	1.583%	\$4,995.51	\$300,063.00
Wells Fargo	2/21/2017	10/1/2021	4 yrs	Royal Oak MI TXBL	\$510,100.00	2.150%	\$10,967.15	\$497,225.00
					\$825,672.50		\$15,962.66	\$797,288.00
Government Agencies								
Wells Fargo	9/1/2017	9/11/2020	3 yrs	FHLB	\$505,826.81	1.490%	\$7,536.82	\$493,060.00
Invested over three years								
Certificates of Deposit								
Morgan Stanley	6/14/2017	6/14/2022	5 yrs	Comenity Bank Jumbo	\$200,000.00	2.400%	\$4,800.00	\$194,837.73
UBS Financial	11/17/2017	11/17/2022	5 yrs	KS State Bank	\$175,000.00	2.200%	\$3,850.00	\$170,341.50
					\$375,000.00		\$8,650.00	\$365,179.23
Municipals								
UBS Financial	7/17/2017	5/1/2022	5 yrs	Clintondale Mich Schools	\$258,532.69	2.250%	\$5,816.99	\$250,522.50
Wells Fargo	2/23/2017	8/1/2022	5 yrs	Wyandotte Cnty KS	\$129,447.50	2.300%	\$2,977.29	\$123,798.75
UBS Financial	4/17/2017	8/1/2023	6 1/2 yrs	Victor Valley Cal CC	\$239,562.27	2.305%	\$5,521.91	\$233,880.00
UBS Financial	2/6/2017	12/1/2023	6 yrs	Cook Cnty Cmnty College	\$249,683.72	2.724%	\$6,801.38	\$245,210.70
UBS Financial	10/27/2016	7/1/2025	9 yrs	Selma Ala Rfdg	\$508,723.89	2.400%	\$12,209.37	\$473,865.00
					\$1,385,950.07		\$33,326.95	\$1,327,276.95
Government Agencies								
RBC	11/22/2016	11/22/2023	7 yrs	FHLB - Stepped	\$160,000.00	1.750%	\$2,800.00	\$155,995.20
RBC	3/28/2016	3/28/2024	8 yrs	FNMA - Stepped	\$640,000.00	2.000%	\$12,800.00	\$637,235.20
RBC	6/14/2016	6/14/2024	8 yrs	FNMA - Stepped	\$500,000.00	2.000%	\$10,000.00	\$495,165.00
RBC	9/30/2016	9/30/2024	8 yrs	FHLMC - Stepped	\$270,000.00	1.750%	\$4,725.00	\$260,631.00
RBC	7/27/2016	7/27/2026	10 yrs	FHLMC - Stepped	\$500,000.00	1.750%	\$8,750.00	\$481,225.00
RBC	8/17/2016	8/17/2026	10 yrs	FHLMC - Stepped	\$375,000.00	1.750%	\$6,562.50	\$363,213.75
					\$2,445,000.00		\$45,637.50	\$2,393,465.15
Totals					\$9,563,855.16		\$162,979.01	\$9,357,392.41
							1.70%	

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 February
2019**

Type	%	Invested Balance	Interest	Rate of Return
Money Markets	10%	\$1,313,452.93	\$2,482.97	2.30%
Money Market - bond fund	16%	\$2,147,325.85	\$4,059.33	2.30%
CD's*	26%	\$3,399,000.00	\$4,666.91	1.79%
Municipals*	17%	\$2,211,622.57	\$3,746.07	2.21%
Government agencies*	30%	\$3,953,232.59	\$4,375.06	1.44%
Total Investment Return*	73%	\$9,563,855.16	\$12,788.04	1.74%
Total Return	100%	\$13,024,633.94	\$19,330.33	1.93%

Earnings Comparison	Budget	YTD Budget	YTD Actual
2019 Interest Earnings	\$ 242,000.00	\$ 20,166.67	\$44,773.51
2018 Interest Earnings	\$ 326,000.00	\$ 27,166.67	\$52,297.74
2017 Interest Earnings	\$ 327,000.00	\$ 27,250.00	\$34,748.48

Rate Comparisons	Current	Last Month	Last Year	Two Years
	February 2019	January 2019	February 2018	February 2017
Average Total Return	1.93%	1.96%	1.57%	1.37%
Average Investment Return*	1.74%	1.74%	1.65%	1.55%

Filename: Monthly Report - Interest Earnings Analysis 2019



ADMINISTRATIVE OFFICES

1307 Cloquet Avenue • Cloquet, MN 55720
Phone: 218-879-3347 • Fax: 218-879-6555
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April 17, 2019

Dear Aaron Reeves, City Administrator:

Enclosed is the monthly financial report and cash and investment analysis for March 2019.

Cash and Investments

Cash balances are 30% below March 2018, mostly due to the City Sales Tax Bond issued in May 2017 being spent on projects, the bond call, and the purchase of the MCCU building. A narrative and several spreadsheets discussing this month's cash and investment activities, and balances are attached.

Budgets

Revenues/Transfers in – Most revenues are in line with budget. Building Permits are higher than normal for this time of year due to the Middle School apartment project.

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

Major Revenues and Expenditures/Expenses

Revenues:

State \$77,800 for City Sales Tax, and \$1,154,600 for Water Treatment Plant loan. ISD#94 \$125,800 for use of the Hockey Arena. BNSF \$19,200 for police overtime reimbursement. Blackhoof Development \$10,000 for 14th Street Apartment III TIF application.

Expenditures/Expenses:

Magney Construction \$301,100 for water treatment plant. CAHA \$25,000 for building repairs at the old arena. Gartner Refrigeration \$16,100 for Pine Valley refrigerant. ISD#94 \$18,400 for quarterly community education contract. LMCIT \$133,200 for first half of general insurance. Nevco \$41,400 for Braun Park scoreboards. S E H \$57,800 for PCCP leak location services. Zuercher Technologies \$22,000 for police dispatch software annual fee.

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 March
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Administration	314,350	87,838	79,531	(8,306)	-9%
Human Resources	152,650	38,413	35,454	(2,958)	-8%
Finance	236,350	59,338	55,442	(3,896)	-7%
Law	125,000	31,250	21,038	(10,212)	-33%
Building & Planning	237,450	59,738	63,779	4,041	7%
Police	3,037,900	787,225	881,115	93,890	12% 1
Hwy, Streets & Rwy	1,546,300	407,351	400,144	(7,207)	-2%
Park	394,750	94,438	275,942	181,504	192% 2
Community Development	140,650	35,413	38,316	2,903	8%
Library	663,850	168,338	186,749	18,411	11%
Water - LSWL	2,487,100	598,226	591,794	(6,432)	-1%
Water - In Town	1,353,100	294,463	1,178,687	884,224	300% 3
Sewer	1,536,075	389,644	285,213	(104,431)	-27% 4
Storm Water	51,800	12,950	7,280	(5,671)	-44%
Cable TV	88,650	22,788	18,635	(4,153)	-18%

Note: Does not include transfers.

Explanation of significant variances

- 1 - Due to three pay periods in January (timing), general insurance allocation increase, uniforms, and annual subscriptions paid in January and February (timing).
- 2 - Hockey Arena costs - revenue and expend not budgeted in 2019, expected to offset each other. Zamboni transferred to City and loan forgiven.
- 3 - Water Treatment Plant construction.
- 4 - Late invoice for WLSSD fees for sewer treatment.

Filename: Expenditure-expense budget report

City of Cloquet
Select Departmental and Funds Payroll Expenditure/Expense Budget Report as of March
2019
Payroll Overtime

Fund	2017 Total	2018 Total	2019 Budget	YTD Expend/Expense Budget	YTD Expenditures/Expenses	Over (Under) Budget	(Over) Under %	
General								
Police								
Holiday	44,975	39,884	45,000	11,250	19,356	8,106	72%	1
Regular	77,729	102,223	70,000	17,500	14,475	(3,025)	-17%	
Reimbursed	12,706	16,084	5,000	1,250	21,308	20,058	1605%	2
Hwy & St	31,216	26,545	52,500	13,125	24,142	11,017	84%	3
Park	15,076	12,159	12,000	3,000	1,250	(1,750)	-58%	
Water - LSW	30,906	44,554	35,000	8,750	11,304	2,554	29%	3
Water In Town	21,280	28,308	17,000	4,250	7,166	2,916	69%	3
Sewer	8,972	11,243	10,500	2,625	9,516	6,891	263%	3

Explanation of (over) budget

- 1 - Three holidays paid in January and one in February.
- 2 - State grants for Anti Heroin & Vehicle Enforcement, also received reimbursement from BNSF derailment.
- 3 - Snowplowing and water leaks - seasonal.

Filename: Expenditure-expense budget report

*City of Cloquet
Cash and Investments
Management Summary
March 31, 2019*

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. The State’s budget and economic outlook remains sound. The budget horizon shows slower growth. The current biennium is estimated to leave \$1.052 billion available for the FY 2020-21 budget based on the February 2019 economic forecast which is \$492 million less than the November forecast. The State’s net general fund receipts for February and March are 3.2% more than the February Budget and Economic Forecast. Unemployment remains at 3.8% for March.

The City’s certified 2019 LGA is \$2,485,000 approximately \$7,000 more than 2018. The Governor is talking about restoring LGA to the 2012 level. The formula would change but the City’s high point was \$3.5 million. The City decreased its levy by 1.5% for 2019. The 2019 health insurance rates are 3.06% more than 2018.

Current Activity

During the month there were no investment changes. The money market accounts are accumulating a large amount of cash for the MCCU remodeling. The City also has large capital projects this summer/fall. Attached is an “Investment Portfolio Analysis” with the detail of investments.

Variance Analysis

Cash and investments are 30% below March 2018. The decrease is mostly due to the spending of the City Sales Tax Bond issued in May 2017, the bond called, and the purchase of the MCCU building.

The federal benchmark interest rate was raised for the fourth time in 2018 during the December meeting to 2.25% to 2.50%. The Fed announced there is likely going to be two increases in 2019. Attached is an “Interest Earnings Analysis” which details the average balances invested, rate of return, and prior year rates.

The budgeted interest earnings are \$242,000 for 2019. The City’s investment annualized yield is approximately \$159,000 or 1.7% plus another \$80,000 in money market interest for 2019. Interest receipts were \$324,000 for 2018.

City of Cloquet
Cash Balances
March
2019

Fund #	Fund	Amount
101	General	3,698,379.00
201	LDO Loan (EDA)	534,625.68
202	Federal CDBG Loan (EDA)	830,825.24
203	Economic Development Loan (City)	162,918.86
206	Revolving SCGP (EDA)	53,777.01
211	Library	(78,733.82)
220	TIF - Daqota/Woodward	6,493.18
221	TIF - 14th Street Apartments	6,405.88
222	TIF - Oak Street Apartments	44,783.12
223	TIF - Patio Homes	-
224	Building Facilities Planning	47,845.89
225	Permanent Improvement	(46,786.41)
231	Public Works Reserve	(73,929.36)
260	Landfill Host Fee - 25%	100,131.02
260	Landfill Host Fee - 75%	370,221.30
368	Business Park Bonds	65,301.93
370	Swimming Pond Bonds	38,753.26
372	City Sales Tax Bonds	107,378.87
403	Capital Projects - Revolving	(1,224,655.02)
405	City Sales Tax Capital Projects	3,562,422.38
600	Water - Lake Superior Waterline	1,361,989.94
600	Water - Lake Superior Waterline Construction	429,990.33
601	Water In Town	3,221,919.99
602	Sewer	751,539.18
605	Storm Water	131,535.77
614	Cable TV	82,429.24
701	Employee severance	434,099.28
905	Cloquet Area Fire District	143,941.88
	Total	<u>14,763,603.62</u>

City of Cloquet
Cash and Investment Analysis
March 31, 2019

	Tentative Goals	Current 3/31/2019	2/28/2019	1/31/2019	12/31/2018	Last Year 3/31/2018
DEMAND ACCOUNTS						
Checking & MM & Savings	10%-15%	\$5,444,748.46 37%	\$5,315,076.44 36%	\$6,782,491.23 42%	\$8,899,249.59 48%	\$5,045,380.86 24%
INVESTMENTS						
Invested less than one year						
Certificates of Deposit		\$1,224,000.00	\$1,469,000.00	\$1,129,000.00	\$1,133,000.00	\$5,375,000.00
Municipals		\$0.00	\$0.00	\$0.00	\$266,005.88	\$1,038,850.44
Government Agencies		\$1,002,405.78	\$1,002,405.78	\$1,002,405.78	\$504,415.78	\$0.00
Total invested less than one year	50%-70%	\$2,226,405.78 15%	\$2,471,405.78 17%	\$2,131,405.78 13%	\$1,903,421.66 10%	\$6,413,850.44 31%
Invested one to three years						
Certificates of Deposit		\$1,555,000.00	\$1,555,000.00	\$1,795,000.00	\$1,891,000.00	\$2,049,000.00
Municipals		\$825,672.50	\$825,672.50	\$825,672.50	\$825,672.50	\$0.00
Government Agencies		\$505,826.81	\$505,826.81	\$505,826.81	\$1,003,816.81	\$1,508,232.59
Total invested one to three years	10%-20%	\$2,886,499.31 20%	\$2,886,499.31 19%	\$3,126,499.31 19%	\$3,720,489.31 20%	\$3,557,232.59 17%
Invested over three years						
Certificates of Deposit		\$375,000.00	\$375,000.00	\$375,000.00	\$375,000.00	\$1,350,000.00
Municipal bonds*		\$1,385,905.07	\$1,385,950.07	\$1,385,950.07	\$1,385,950.07	\$2,211,622.57
Government Agencies *		\$2,445,000.00	\$2,445,000.00	\$2,445,000.00	\$2,445,000.00	\$2,445,000.00
Total invested over three years	10%-20%	\$4,205,905.07 28%	\$4,205,950.07 28%	\$4,205,950.07 26%	\$4,205,950.07 22%	\$6,006,622.57 29%
Total	100%	\$14,763,558.62	\$14,878,931.60	\$16,246,346.39	\$18,729,110.63	\$21,023,086.46
Current month variance			(\$115,372.98) -1%	(\$1,482,787.77) -9%	(\$3,965,552.01) -21%	(\$6,259,527.84) -30%

* - Some of these investments have call dates less than one year.

Note:

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

City of Cloquet
Investment Portfolio Analysis
Detail of Investments March 31, 2019

Brokerage	Purchase Date	Maturity Date	Time Held	Description	Amount	YTM Rate	Annualized Yield	Market Value
Invested less than one year								
Certificates of Deposit								
RBC	4/29/2014	4/29/2019	5 yrs	Barclays Bk DE	\$45,000.00	1.900%	\$855.00	\$44,989.20
UBS Financial	11/30/2017	5/30/2019	18 months	Univest Natl B&T PA	\$245,000.00	1.650%	\$4,042.50	\$244,728.05
RBC	8/8/2015	8/5/2019	5 yrs	Capital One NA Mclean VA	\$108,000.00	2.050%	\$2,214.00	\$107,846.64
Frandsen Bank	3/5/2018	9/5/2019	1 1/2 yrs	Frandsen Bank	\$245,000.00	0.300%	\$735.00	\$245,000.00
RBC	10/16/2014	10/16/2019	5 yrs	Capital One Bank VA	\$245,000.00	2.150%	\$5,267.50	\$244,573.70
RBC	1/28/2015	1/28/2020	5 yrs	Goldman Sachs - UT	\$96,000.00	2.048%	\$1,966.08	\$95,637.12
UBS Financial	2/27/2015	2/27/2020	5 yrs	Private Bank & Tr IL	\$240,000.00	1.750%	\$4,200.00	\$239,172.00
					\$1,224,000.00		\$19,280.08	\$1,221,946.71
Government Agencies								
Wells Fargo	9/1/2017	12/9/2019	2+ yrs	FFCB	\$504,415.78	1.411%	\$7,117.31	\$497,535.84
Wells Fargo	12/19/2016	12/19/2019	3 yrs	FFCB	\$497,990.00	1.638%	\$8,157.08	\$496,917.25
					\$1,002,405.78			\$994,453.09
Invested one to three years								
Certificates of Deposit								
RBC	5/7/2015	5/7/2020	5 yrs	Amex Centurion UT	\$185,000.00	1.950%	\$3,607.50	\$183,901.10
RBC	12/5/2017	6/5/2020	2 1/2 yrs	American Exp UT	\$145,000.00	2.000%	\$2,900.00	\$144,145.95
RBC	9/2/2015	9/2/2020	5 yrs	Capital One MN Mclean VA	\$100,000.00	2.200%	\$2,200.00	\$98,981.00
RBC	10/14/2016	10/14/2020	5 yrs	First Bank PR Santurce	\$150,000.00	1.450%	\$2,175.00	\$147,694.50
RBC	6/28/2017	6/28/2021	4 yrs	Sallie Mae BK UT	\$245,000.00	2.150%	\$5,267.50	\$242,998.35
UBS Financial	9/16/2016	9/16/2021	5 yrs	JPMorgan Chase Bk OH	\$245,000.00	1.500%	\$3,675.00	\$238,416.85
UBS Financial	9/23/2016	9/23/2021	5 yrs	Happy State Bank TX	\$245,000.00	1.500%	\$3,675.00	\$238,429.10
UBS Financial	10/27/2017	10/27/2021	5 yrs	Third Fed S&L Ass	\$240,000.00	2.050%	\$4,920.00	\$236,580.00
					\$1,555,000.00		\$28,420.00	\$1,531,146.85
Municipals								
UBS Financial	8/1/2016	7/1/2021	5 yrs	Florida St Rev Ser	\$315,572.50	1.583%	\$4,995.51	\$301,596.00
Wells Fargo	2/21/2017	10/1/2021	4 yrs	Royal Oak MI TXBL	\$510,100.00	2.150%	\$10,967.15	\$500,710.00
					\$825,672.50		\$15,962.66	\$802,306.00
Government Agencies								
Wells Fargo	9/1/2017	9/11/2020	3 yrs	FHLB	\$505,826.81	1.490%	\$7,536.82	\$494,733.56
Invested over three years								
Certificates of Deposit								
Morgan Stanley	6/14/2017	6/14/2022	5 yrs	Comenity Bank Jumbo	\$200,000.00	2.400%	\$4,800.00	\$195,629.89
UBS Financial	11/17/2017	11/17/2022	5 yrs	KS State Bank	\$175,000.00	2.200%	\$3,850.00	\$171,176.25
					\$375,000.00		\$8,650.00	\$366,806.14
Municipals								
UBS Financial	7/17/2017	5/1/2022	5 yrs	Clintondale Mich Schools	\$258,532.69	2.250%	\$5,816.99	\$252,700.00
Wells Fargo	2/23/2017	8/1/2022	5 yrs	Wyandotte Cnty KS	\$129,447.50	2.300%	\$2,977.29	\$125,000.00
UBS Financial	4/17/2017	8/1/2023	6 1/2 yrs	Victor Valley Cal CC	\$239,562.27	2.305%	\$5,521.91	\$236,978.40
UBS Financial	2/6/2017	12/1/2023	6 yrs	Cook Cnty Cmnty College	\$249,683.72	2.724%	\$6,801.38	\$246,445.50
UBS Financial	10/27/2016	7/1/2025	9 yrs	Selma Ala Rfdg	\$508,723.89	2.400%	\$12,209.37	\$482,780.00
					\$1,385,950.07		\$33,326.95	\$1,343,903.90
Government Agencies								
RBC	11/22/2016	11/22/2023	7 yrs	FHLB - Stepped	\$160,000.00	1.750%	\$2,800.00	\$157,568.00
RBC	3/28/2016	3/28/2024	8 yrs	FNMA - Stepped	\$640,000.00	2.000%	\$12,800.00	\$639,379.20
RBC	6/14/2016	6/14/2024	8 yrs	FNMA - Stepped	\$500,000.00	2.000%	\$10,000.00	\$497,750.00
RBC	9/30/2016	9/30/2024	8 yrs	FHLMC - Stepped	\$270,000.00	1.750%	\$4,725.00	\$263,466.00
RBC	7/27/2016	7/27/2026	10 yrs	FHLMC - Stepped	\$500,000.00	1.750%	\$8,750.00	\$487,625.00
RBC	8/17/2016	8/17/2026	10 yrs	FHLMC - Stepped	\$375,000.00	1.750%	\$6,562.50	\$367,095.00
					\$2,445,000.00		\$45,637.50	\$2,412,883.20
Totals					\$9,318,855.16		\$158,814.01	\$9,168,179.45
							1.70%	

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 March
2019

Type	%	Invested Balance	Interest	Rate of Return
Money Markets	3%	\$323,023.75	\$612.00	2.31%
Money Market - bond fund	16%	\$1,851,105.38	\$3,520.00	2.31%
CD's*	28%	\$3,304,161.29	\$5,030.00	1.79%
Municipals*	19%	\$2,211,622.57	\$4,147.44	2.21%
Government agencies*	34%	\$3,953,232.59	\$4,843.81	1.44%
Total Investment Return*	81%	\$9,469,016.45	\$14,021.25	1.74%
Total Return	100%	\$11,643,145.58	\$18,153.25	1.84%

Earnings Comparison	Budget	YTD Budget	YTD Actual
2019 Interest Earnings	\$ 242,000.00	\$ 60,500.00	\$62,926.76
2018 Interest Earnings	\$ 326,000.00	\$ 81,500.00	\$79,211.71
2017 Interest Earnings	\$ 327,000.00	\$ 81,750.00	\$53,006.32

Rate Comparisons	Current	Last Month	Last Year	Two Years
	March 2019	February 2019	March 2018	March 2017
Average Total Return	1.84%	1.93%	1.60%	1.29%
Average Investment Return*	1.74%	1.74%	1.65%	1.64%

Filename: Monthly Report - Interest Earnings Analysis 2019

City of Cloquet

Permits Issued & Fees Report - Condensed w/LY'S

Issued Date From: 3/1/2019 To: 3/31/2019
 Permit Type: All Property Type: All Construction Type: All
 Include YTD: Yes Status: Not Voided

Permit Kind	Permit Count	Valuation	Revenue	Plan Check	State Surcharge	Total Fees	LY Count	LY Valuation
Permit Type: BUILDING								
COMMERCIAL ALTERATION/REMODEL	1	2,500.00	83.25	0.00	1.25	84.50		
	YTD	2,500.00	83.25	0.00	1.25	84.50		
COMMERCIAL HISTORICAL	0	0.00	0.00	0.00	0.00	0.00	3	119,000.00
	YTD	0.00	0.00	0.00	0.00	0.00	7	176,200.00
COMMERCIAL SIGN	1	0.00	57.00	0.00	0.00	57.00		
	YTD	0.00	279.00	0.00	0.00	279.00		
DUPLEX ALTERATION/REMODEL	1	12,000.00	209.25	0.00	6.00	215.25		
HISTORICAL HISTORICAL	0	0.00	0.00	0.00	0.00	0.00	4	20,290.00
	YTD	0.00	0.00	0.00	0.00	0.00	10	45,690.00
HISTORICAL REROOF OR RESIDE	0	0.00	0.00	0.00	0.00	0.00	2	0.00
	YTD	0.00	0.00	0.00	0.00	0.00	5	0.00
MULTI FAMILY ALTERATION/REMODEL	1	10,096,596.00	34,264.30	22,271.80	1,754.83	58,290.93		
	YTD	10,096,596.00	34,264.30	22,271.80	1,754.83	58,290.93		
RESIDENTIAL NEW CONSTRUCTION	0	0.00	0.00	0.00	0.00	0.00	1	120,000.00
SINGLE FAMILY ALTERATION/REMODEL	3	27,258.00	499.25	0.00	13.63	512.88		
	YTD	33,680.00	729.25	0.00	16.84	746.09		
SINGLE FAMILY GARAGE	1	15,600.00	265.25	40.00	7.80	313.05		
	YTD	15,600.00	265.25	40.00	7.80	313.05		
SINGLE FAMILY NEW CONSTRUCTION	1	300,000.00	2,013.75	1,308.94	150.00	3,472.69		
	YTD	300,000.00	2,013.75	1,308.94	150.00	3,472.69		
SINGLE FAMILY REPAIR	1	2,800.00	83.25	0.00	1.40	84.65		
	YTD	2,800.00	83.25	0.00	1.40	84.65		
SINGLE FAMILY ROOF	1	0.00	100.00	0.00	1.00	101.00		
	YTD	0.00	200.00	0.00	2.00	202.00		
SINGLE FAMILY SIDING	2	0.00						

Permit Kind	Permit Count	Valuation	Revenue	Plan Check	State Surcharge	Total Fees	LY Count	LY Valuation
Permit Type: BUILDING								
SINGLE FAMILY WINDOWS	YTD 2	0.00	200.00	0.00	2.00	202.00		
	Period 3	8,500.00	216.25	0.00	4.25	220.50		
	YTD 3	8,500.00	216.25	0.00	4.25	220.50		
Permit Type: BUILDING - Totals								
	Period 13	10,453,254.00	37,582.30	23,620.74	1,934.16	63,137.20	9	139,290.00
	YTD 23	10,471,676.00	38,543.55	23,620.74	1,946.37	64,110.66	23	341,890.00
Permit Type: MECHANICAL								
COMMERCIAL ALTERATION/REMODEL	Period 2	0.00	115.00	0.00	2.00	117.00		
	YTD 3	0.00	155.00	0.00	3.00	158.00		
COMMERCIAL NEW CONSTRUCTION	Period 1	0.00	70.00	0.00	1.00	71.00		
	YTD 3	0.00	455.00	0.00	3.00	458.00		
COMMERCIAL REPAIR	YTD 1	0.00	40.00	0.00	1.00	41.00		
HISTORICAL HISTORICAL	Period 0	0.00	0.00	0.00	0.00	0.00	5	0.00
	YTD 0	0.00	0.00	0.00	0.00	0.00	21	0.00
SINGLE FAMILY ALTERATION/REMODEL	Period 4	0.00	160.00	0.00	4.00	164.00		
	YTD 6	0.00	240.00	0.00	6.00	246.00		
SINGLE FAMILY NEW CONSTRUCTION	Period 1	0.00	40.00	0.00	1.00	41.00		
	YTD 2	0.00	95.00	0.00	2.00	97.00		
SINGLE FAMILY REPAIR	YTD 9	0.00	370.00	0.00	9.00	379.00		
Permit Type: MECHANICAL - Totals								
	Period 8	0.00	385.00	0.00	8.00	393.00	5	0.00
	YTD 24	0.00	1,355.00	0.00	24.00	1,379.00	21	0.00
Permit Type: PLUMBING								
COMMERCIAL ALTERATION/REMODEL	Period 2	0.00	4,340.00	0.00	2.00	4,342.00		
	YTD 2	0.00	4,340.00	0.00	2.00	4,342.00		
COMMERCIAL NEW CONSTRUCTION	YTD 1	0.00	2,435.00	0.00	1.00	2,436.00		
COMMERCIAL REPAIR								

Permit Kind	Permit Count	Valuation	Revenue	Plan Check	State Surcharge	Total Fees	LY Count	LY Valuation
Permit Type: PLUMBING								
DUPLEX ALTERATION/REMODEL	YTD 1	0.00	25.00	0.00	1.00	26.00		
DUPLEX NEW CONSTRUCTION	YTD 1	0.00	35.00	0.00	1.00	36.00		
HISTORICAL HISTORICAL	YTD 1	0.00	205.00	0.00	1.00	206.00		
	Period 0	0.00	0.00	0.00	0.00	0.00	2	0.00
	YTD 0	0.00	0.00	0.00	0.00	0.00	8	0.00
INDUSTRIAL ADDITION	Period 1	0.00	65.00	0.00	1.00	66.00		
	YTD 1	0.00	65.00	0.00	1.00	66.00		
SINGLE FAMILY ALTERATION/REMODEL	YTD 3	0.00	195.00	0.00	3.00	198.00		
SINGLE FAMILY NEW CONSTRUCTION	Period 1	0.00	165.00	0.00	1.00	166.00		
	YTD 2	0.00	360.00	0.00	2.00	362.00		
Permit Type: PLUMBING - Totals								
	Period 4	0.00	4,570.00	0.00	4.00	4,574.00	2	0.00
	YTD 12	0.00	7,660.00	0.00	12.00	7,672.00	8	0.00
Permit Type: ZONING								
COMMERCIAL SIGN	Period 0	0.00	0.00	0.00	0.00	0.00	1	0.00
	YTD 0	0.00	0.00	0.00	0.00	0.00	2	0.00
Permit Type: ZONING - Totals								
	Period 0	0.00	0.00	0.00	0.00	0.00	1	0.00
	YTD 0	0.00	0.00	0.00	0.00	0.00	2	0.00
Report Total								
	Period 25	10,453,254.00	42,537.30	23,620.74	1,946.16	68,104.20	17	139,290.00
	YTD 59	10,471,676.00	47,558.55	23,620.74	1,982.37	73,161.66	54	341,890.00

City of Scanlon
 Permits Issued & Fees Report - Condensed
 Issued Date From: 3/1/2019 To: 3/31/2019
 Permit Type: All Property Type: All Construction Type: All
 Include YTD: Yes Status: Not Voided

Permit Kind	Permit Count	Valuation	Revenue	Plan Check	State Surcharge	Total Fees
Permit Type: BUILDING						
SINGLE FAMILY ALTERATION/REMODEL	Period 2	5,000.00	134.25		2.50	136.75
	YTD 3	18,393.00	371.50		9.20	380.70
SINGLE FAMILY ROOF	Period 1		100.00		1.00	101.00
	YTD 1		100.00		1.00	101.00
Permit Type: BUILDING - Totals						
	Period 3	5,000.00	234.25		3.50	237.75
	YTD 4	18,393.00	471.50		10.20	481.70
Permit Type: MECHANICAL						
SINGLE FAMILY ALTERATION/REMODEL	Period 0					
	YTD 1		40.00		1.00	41.00
Permit Type: MECHANICAL - Totals						
	Period 0					
	YTD 1		40.00		1.00	41.00
Permit Type: PLUMBING						
SINGLE FAMILY ALTERATION/REMODEL	Period 0					
	YTD 1		55.00		1.00	56.00
Permit Type: PLUMBING - Totals						
	Period 0					
	YTD 1		55.00		1.00	56.00
Permit Type: ZONING						
SINGLE FAMILY FENCE	Period 1		25.00			25.00
	YTD 1		25.00			25.00
Permit Type: ZONING - Totals						
	Period 1		25.00			25.00
	YTD 1		25.00			25.00

Permit Kind	Permit Count	Valuation	Revenue	Plan Check	State Surcharge	Total Fees
Report Totals	Period	\$5,000.00	259.25		3.50	262.75
	YTD	\$18,393.00	591.50		12.20	603.70