

Cloquet City Council Work Session

Tuesday, October 3, 2017

Present: A. Bailey, D. Bjerkness, K. Kolodge, S. Langley, R. Maki, J. Rock, Mayor Hallback

Absent: None

Staff: A. Reeves, J. Barclay, H. Hansen, N. Klassen, C. Peterson

Other: J. Peterson - Pine Journal; D. Randall, C. Ferrell - CPD; CAB Members L. Ketola, A. Korby, L. Herbert

2016 Audit Presentation

Ms. Klassen shared various schedules and reports from the City's 2016 CAFR. The report is once again being submitted to the GFOA for the financial reporting awards program. Highlighted items are as follows:

- The pension liability decreased bottom line \$971,600 in governmental funds and \$570,000 for proprietary funds. Interest earnings for the pension fund rebounded in 2017 and will be reflected during the 2017 financials.
- Cartwright Road was reconstructed by FDL through a BIA grant and added to the City's assets in 2016.
- Ms. Klassen reviewed the General Fund stating the fund balances are on target.
- The Small Cities Development Grant was underbudget.
- Overall results were positive in the governmental funds.
- Ms. Klassen explained the report on compliance, stating the deposits exceeded pledged collateral requirements for 3 days in 2016. The pledged collateral was sufficient to cover deposits but didn't cover them by the 110% required by Statute.
- Ms. Klassen also presented the Fund Balance Plan.

CAHA Funding Discussion

- The Wilderness approached the City regarding their contract with CAHA which expires in 2018. They are considering what other opportunities are available to them before committing to a new contract with CAHA.
- Discussion of options to help CAHA remain financially healthy and in a position to negotiate a new contract with the Wilderness. Mr. Peterson discussed the possibility of changing the ground lease with CAHA to an operating lease. This option would give the city more flexibility when a large maintenance issue arises.
- Discussion of the investment the Wilderness brings to Cloquet by bringing people into town. It is also a quality of life issue as the community uses the facility for health/fitness.
- Council agreed for staff to schedule another meeting with the Wilderness and CAHA to work through other options or an agreement for them to stay in Cloquet. Meeting results will be brought back to Council for review.

Joint Meeting with CAB

- Meeting with CAB members to get a better understanding and clarify what the CAB's role is. There currently is confusion as to what extent they are or should be involved.
- Discussion of what their role is regarding officer complaints. Complaints are not being shared with the CAB for review as in past practice. Currently, only official complaints are being shared. Their involvement in the hiring of officers is not in question.
- A revised policy defining the CAB's role needs to be drafted and reviewed by all parties. Must ensure compliance with MN Data Practices regulations. Agreement was had that past procedure would be followed until the CAB policy guide is implemented.

There being no further business, the meeting adjourned at 6:55 p.m.

Respectfully Submitted,



Aaron Reeves
City Administrator