

**Cloquet City Council Work Session**  
Tuesday, July 5, 2016

Present: Bjerkness, Kolodge, Langley, Maki, Rock, Wilkinson, Mayor Hallback  
Absent: None  
Staff: B. Fritsinger, N. Klassen, J. Barclay, C. Peterson  
Other: Jamie Lund, Pine Journal, Deborah Medlin, Wipfli

**2015 Financial Audit Presentation**

Deborah Medlin from Wipfli, LLP, shared various schedules and reports from the City's 2015 CAFR. Highlighted items are as follows:

- Ms. Medlin reviewed the budget and actual results for the General Fund, noting the fund balances are where they are expected to be.
- The water fund is large due to Sappi's major projects and resulted in a rate increase for them.
- Ms. Medlin next explained the new accounting standard which affects pension plans due to low rates that are set by statute. The City has no control of this liability but it does not affect the City's Government Fund balances.
- Ms. Medlin reviewed the Independent Auditor's report and their responsibility to follow auditing standards resulting in a clean report. Ms. Medlin noted Nancy's excellence in financial reporting.
- The completed CFAR will be available on the City website.

**2017 Preliminary Budget and CIP**

City Administrator Brian Fritsinger stated the sales tax projects continue to be the focus and discussed the changes from the original sales tax project priority list. The largest change is the loss of the I-35 DNR project site. Other items discussed as follows:

- The lack of a decision by CAFD has affected the City's projects timing wise with the funding streaming through bonding.
- 14<sup>th</sup> Street, Cloquet Avenue and Industry Avenue projects have come back to the table.
- The only item left out of the 2016 sales tax eligible projects is the Pinehurst warming house project.
- Mr. Fritsinger then reviewed the 2017 sales tax projects noting the skate park project amount has been raised to \$300,000.
- 2018 is an off year to let the fund balance build up. Mr. Fritsinger is anticipating conversation on the I-35/Hwy 33 Frontage Road projects and CARC improvements.
- Discussion of bond issuing for some of the projects to take place before the facilities projects.
- Discussion of the new filter plant priority and the effect it will have on the budget. Caleb Peterson stated that nothing is required right now because the City's water currently meets all standards. The study will indicate if the filter plant will be needed.

Mr. Fritsinger asked the Council to think about and provide feedback on the sales tax and bonding projects. Feedback is also needed on a new public safety building vs renovations on the current building.

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

Respectfully Submitted,

Brian Fritsinger  
City Administrator