



CITY OF GRAND RAPIDS

Meeting Agenda Full Detail City Council

Monday, July 9, 2018

5:00 PM

City Hall Council Chambers

5:00 PM CALL TO ORDER: Pursuant to due notice and call thereof a Regular Meeting of the Grand Rapids City Council will be held on Monday, July 9, 2018 at 5:00 p.m. in City Hall Council Chambers, 420 North Pokegama Avenue, Grand Rapids, Minnesota.

CALL OF ROLL

MEETING PROTOCOL POLICY

Please be aware that the Council has adopted a Meeting Protocol Policy which informs attendees of the Council's desire to conduct meetings in an orderly manner which welcomes all civil input from citizens and interested parties. If you are unaware of the policy, copies (orange color) are available in the wall file by the Council entrance.

5:01 PM PUBLIC FORUM

5:06 PM COUNCIL REPORTS

5:08 PM APPROVAL OF MINUTES

18-0426 Consider approving minutes for Monday, June 25, 2018 Worksession & Regular meetings and July 2, 2018 Special meeting.

Attachments: [June 25, 2018 Regular Meeting.pdf](#)
[June 25, 2018 Worksession.pdf](#)
[July 2, 2018 Special Council meeting.pdf](#)

VERIFIED CLAIMS

18-0445 Consider approving the verified claims for the period June 19, 2018 to June 29, 2018 in the total amount of \$527,670.21.

Attachments: [COUNCIL BILL LIST 07-09-18.pdf](#)

5:10 PM CONSENT AGENDA

Any item on the consent agenda shall be removed for consideration by request of any one Councilmember, City staff, or the public and put on the regular agenda for discussion and consideration.

1. 18-0419 Consider accepting the 2017 Comprehensive Annual Financial Report, the Report on Internal Controls, and the Report on Compliance with Minnesota Legal Compliance Audit Code.
Attachments: [City of Grand Rapids Final Issued CAFR 12-31-2017](#)
[City of Grand Rapids Final Issued IC 12-31-2017](#)
[City of Grand Rapids Final Issued LC 12-31-2017](#)
[GR Final Issued AML 12.31.17 \(1\)](#)

2. 18-0420 Consider adopting a resolution appointing election judges for the 2018 Primary and General elections.
Attachments: [18- - Election Judges.pdf](#)

3. 18-0421 Consider accepting resignation from David Dobbs from the Arts & Culture Commission and authorize staff to advertise the vacancy.

4. 18-0424 Consider approving the School Resource Officer Agreement for the 2018 - 2019 school year with School District #318.
Attachments: [2018-2019 school SRO contract](#)

5. 18-0442 Consider adopting a resolution accepting a donation of \$3,250 from MacRostie Art Center for the Arts & Culture Commission.
Attachments: [Resolution - Grant for donation to Arts & Culture.pdf.pdf](#)

6. 18-0447 Consider approving temporary liquor licenses for MacRostie Art Center for August through December, 2018.
Attachments: [MacRostie Art Center - Aug - Dec \(8-12 12\).pdf](#)

**5:11 SETTING OF REGULAR AGENDA
PM**

This is an opportunity to approve the regular agenda as presented or add/delete by a majority vote of the Council members present an agenda item.

ACKNOWLEDGE BOARDS & COMMISSIONS

7. 18-0443 Acknowledge minutes for Boards & Commissions
Attachments: [April 18, 2018 HRA Minutes.pdf](#)
[May 16, 2018 HRA Minutes.pdf](#)
[May 30, 2018 Human Rights Minutes.pdf](#)
[June 5, 2018 Arts & Culture Minutes.pdf](#)

**5:12 CIVIC CENTER, PARKS & RECREATION
PM**

8. 18-0438 Consider a motion entering into a Memorandum of Understanding (MOU) with ISD 318 relating to the development and operations of Legion Field.
Attachments: 7-9-18 ISD 318 MOU

**5:17 FINANCE DEPARTMENT
PM**

9. 18-0422 Consider entering into an Amended Contract for Auditing Services with Redpath and Company, Ltd. for the fiscal years 2018 and 2019.
Attachments: Amended Contract for Auditing Services

**5:22 POLICE DEPARTMENT
PM**

10. 18-0444 Consider a request by the Police Department to purchase one (1) 2018 Ford SUV Police Interceptor from Hibbing Ford, new equipment, and the installation of the equipment.
Attachments: ford of hibbing

ADJOURNMENT

NEXT REGULAR MEETING IS SCHEDULED FOR JULY 23, 2018, AT 5:00 P.M.

NOTE: These times are approximate only and are subject to change. If you are interested in a topic of discussion you should appear at least 10 minutes before its scheduled time.

Hearing Assistance Available: This facility is equipped with a hearing assistance system.

Attest: Kimberly Gibeau, City Clerk



CITY OF GRAND RAPIDS

Legislation Details (With Text)

File #: 18-0426 **Version:** 1 **Name:** Council minutes
Type: Agenda Item **Status:** Approval of Minutes
File created: 6/27/2018 **In control:** City Council
On agenda: 7/9/2018 **Final action:**
Title: Consider approving minutes for Monday, June 25, 2018 Worksession & Regular meetings and July 2, 2018 Special meeting.
Sponsors:
Indexes:
Code sections:
Attachments: [June 25, 2018 Regular Meeting.pdf](#)
[June 25, 2018 Worksession.pdf](#)
[July 2, 2018 Special Council meeting.pdf](#)

Date	Ver.	Action By	Action	Result
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Consider approving minutes for Monday, June 25, 2018 Worksession & Regular meetings and July 2, 2018 Special meeting.

Background Information:

Attached are draft minutes for pervious Council meeting.

Staff Recommendation:

Review, recommend changes and approve.

Requested City Council Action

Make a motion to approve Council minutes as presented.



CITY OF GRAND RAPIDS

Minutes - Final - Draft City Council

Monday, June 25, 2018

5:00 PM

City Hall Council Chambers

5:00 PM CALL TO ORDER: Pursuant to due notice and call thereof a Regular Meeting of the Grand Rapids City Council was held on Monday, June 25, 2018 at 5:00 p.m. in City Hall Council Chambers, 420 North Pokegama Avenue, Grand Rapids, Minnesota.

CALL OF ROLL

Present 4 - Councilor Dale Christy
Mayor Dale Adams
Councilor Rick Blake
Councilor Tasha Connelly

Absent 1 - Councilor Bill Zeige

Staff present:

Tom Pagel, Chad Sterle, Eric Trast, Barb Baird, Rob Mattei, Lynn DeGrio, Dale Anderson, Steve Schaar, Scott Johnson

MEETING PROTOCOL POLICY

5:01 PM PUBLIC FORUM

None.

5:06 PM COUNCIL REPORTS

Mayor Adams noted that the Independence Day Fireworks will be conducted on June 30th this year. The Project Grand Rapids kickoff at the Chamber of Commerce board meeting was Monday, July 25th. More information will follow throughout the year.

Councilor Connolly notes that the fireworks is a collaborative effort between various communities and organizations.

5:10 PM APPROVAL OF MINUTES

Consider approving Council minutes for Monday, June 11, 2018 Regular meeting.

A motion was made by Councilor Tasha Connelly, seconded by Councilor Dale Christy, to approve Council minutes as presented. The motion PASSED by unanimous vote.

VERIFIED CLAIMS

Consider approving the verified claims for the period June 5, 2018 to June 18, 2018 in the total amount of \$805,948.34.

A motion was made by Councilor Blake, seconded by Councilor Connelly, to approve the verified claims as presented. The motion carried by the following vote.

Aye 4 - Councilor Dale Christy
Mayor Dale Adams
Councilor Rick Blake
Councilor Tasha Connelly

5:11 PM CONSENT AGENDA

1. Completion of Introductory Period for Police Officer Jeffrey Roerick.
Approved by consent roll call
2. Consider approving temporary liquor license for Klockow Brewing Co., to host the beer garden at the annual Car Show event.
Approved by consent roll call
3. Consider awarding a contract for the 2018 Apron Reconstruction Project at the GPZ Airport.
Approved by consent roll call
4. Terminate temporary part-time employees for the IRA Civic Center, Grand Rapids Sports Complex and Parks & Recreation
Approved by consent roll call
5. Consider adopting a resolution accepting a \$3,750 donation from the City of Cohasset and a \$1,000 donation from the Blandin Foundation for the Independence Day Fireworks at Pokegama Lake.
Adopted Resolution 18-47 by consent roll call
6. Consider approving the Grand Rapids / Itasca County Airport DBE Program and Goals
Approved by consent roll call
- 6a. Consider proposed changes to the checks that can be issued by prior approval.
Approved by consent roll call

Approval of the Consent Agenda

A motion was made by Councilor Christy, seconded by Councilor Connelly, to approve the Consent agenda with the addition of item #6a from the regular agenda. The motion carried by the following vote

Aye 4 - Councilor Dale Christy
Mayor Dale Adams
Councilor Rick Blake
Councilor Tasha Connelly

**5:13 SETTING OF REGULAR AGENDA
PM**

A motion was made by Councilor Rick Blake, seconded by Councilor Tasha Connelly, to approve the Regular agenda, noting item #12 was moved to Consent as 6a. The motion PASSED by unanimous vote.

ACKNOWLEDGE BOARDS & COMMISSIONS

7. Board & Commission minutes:

Acknowledged:
GREDA Minutes - April 26, 2018
Planning Commission Minutes - May 3, 2018
Arts & Culture Minutes - May 1, 2018
PUC Minutes - May 2, 16 & 30, 2018

**5:15 DEPARTMENT HEAD REPORT
PM**

8. IRA Civic Center, Parks & Recreation - Dale Anderson

Dale Anderson, updated the Council on department activities, changes in programming and staff, specifically noting the transfer of recreation programming to the YMCA; location & Installation for recently purchased ADA swing; upcoming ice install; dry floor events; participation with the Project Grand Rapids communications team and the picnic table installation at the Angel of Hope park. A full text of the report is available in the Administration Department.

Received and Filed

**5:25 CIVIC CENTER, PARKS & RECREATION
PM**

9. Consider entering into a Project Labor Agreement (PLA) with the Iron Range Building & Construction Trades Council for Project Grand Rapids located at American Legion Memorial Park.

City Administrator Pagel provides information on the proposed Project Labor Agreement, its intent and included the estimated economic impact of Project Grand Rapids.

A motion was made by Councilor Christy, seconded by Councilor Blake, to approve the Project Labor Agreement with Iron Range Building & Construction Trades Council for Project Grand Rapids. The motion carried by the following vote.

Aye 4 - Councilor Dale Christy
Mayor Dale Adams
Councilor Rick Blake
Councilor Tasha Connelly

**6:00 ADMINISTRATION DEPARTMENT
PM**

13. Consider changing status of Ron Edminster, Facilities Maintenance.

Ms. DeGrio advises the Council that with the resignation of Travis Cole, and the interim appointment of Nate Morlan as Building Official, Nate will be unavailable for some tasks that fall under the Facilities Maintenance responsibilities. Staff propose utilizing Mr. Ron Edminster, currently in phased retirement status, to fill the need on a part time basis until a replacement Building Official is hired.

A motion was made by Councilor Connelly, seconded by Councilor Christy, to approve the status change for Ron Edminster during the time he will assist in the managing of City owned facilities. The motion carried by the following vote.

Aye 4 - Councilor Dale Christy
Mayor Dale Adams
Councilor Rick Blake
Councilor Tasha Connelly

14. Consider the appointment of Tony Clifton to the Building/Fire Inspector position.

A motion was made by Councilor Rick Blake, seconded by Councilor Tasha Connelly, to appoint Tony Clifton to the position of Building/Fire Inspector. The motion PASSED by unanimous vote.

15. Consider appointments to Boards & Commissions.

Councilor Christy reviews need for members on the Housing & Redevelopment Authority and the Economic Development Authority, as well as applications received, and makes a recommendation for appointment.

A motion was made by Councilor Tasha Connelly, seconded by Councilor Dale Christy, to appoint Kathleen Blake to the HRA, term to expire March 1, 2019 and Mike Korte to the EDA, term to expire March 1, 2024. The motion carried by the following vote.

Aye 3 - Councilor Dale Christy
Mayor Dale Adams
Councilor Tasha Connelly

Abstain 1 - Councilor Rick Blake

**5:30 PUBLIC HEARINGS
PM**

10. Conduct a public hearing to consider the vacation of a portion of platted Jones Avenue right-of-way within to Block 8, Syndicate Division of Grand Rapids.
- Mayor Adams states the reason for the public hearing, noting that all those who wish to speak will have opportunity.*
- Director of Community Development, Rob Mattei, provided background information on the vacation request made by Mr. & Mrs. Smith and the recommendation by the Grand Rapids Planning Commission.*
- City Clerk Gibeau confirms that all required notices have been made and the Clerk's office has not received any correspondence in regards to this matter.*
- A motion was made by Councilor Rick Blake, seconded by Councilor Dale Christy, to open the public hearing. The motion PASSED by unanimous vote.**
- Richard Libby, 18603 Hale Lake Drive, Grand Rapids, expresses concerns over vacating public access to the lake and discusses possible alternatives.*
- No one else wished to speak, therefore the following motion was made.*
- A motion was made by Councilor Tasha Connelly, seconded by Councilor Dale Christy, to close the public hearing. The motion PASSED by unanimous vote.**

**5:45 COMMUNITY DEVELOPMENT
PM**

11. Consider the adoption of a resolution either approving or denying the vacation of a portion of platted Jones Avenue right-of-way within to Block 8, Syndicate Division of Grand Rapids.
- Councilmembers discussed concerns expressed by Mr. Libby, asking City Attorney Sterle to address these issues prior to moving forward. Mr. Sterle gave greater clarity to court cases and legal decisions cited by Mr. Libby.*
- Ultimately, by granting the requested vacation, there will still be public access to Forest Lake. In addition, there are several points of public access to this body of water.*
- A motion was made by Councilor Christy, seconded by Councilor Connelly, to adopt Resolution 18-48, vacating portion of platted Jones Avenue right-of-way within Block 8, Syndicate Division of Grand Rapids. The motion carried by the following vote.**
- Aye** 4 - Councilor Dale Christy
Mayor Dale Adams
Councilor Rick Blake
Councilor Tasha Connelly

**5:55 FINANCE DEPARTMENT
PM**

Item #12 moved to Consent as item #6a.

**6:20 ADJOURNMENT
PM**

A motion was made by Councilor Tasha Connelly, seconded by Councilor Rick Blake, to adjourn the meeting at 6:18 PM. The motion PASSED by unanimous vote.

Respectfully submitted:

Kimberly Gibeau
Kimberly Gibeau, City Clerk



CITY OF GRAND RAPIDS

Minutes - Final - Draft City Council Work Session

Monday, June 25, 2018

4:00 PM

Conference Room 2A

CALL TO ORDER: Pursuant to due notice and call thereof a Special Meeting/Worksession of the Grand Rapids City Council was held on Monday, June 25, 2018 at 4:02 p.m. in City Hall Conference Room 2A, 420 North Pokegama Avenue, Grand Rapids, Minnesota.

CALL OF ROLL:

Present 4 - Mayor Dale Adams, Councilor Dale Christy, Councilor Rick Blake, and Councilor Tasha Connelly
Absent 1 - Councilor Bill Zeige

Others present:

Tom Pagel, Chad Sterle, Scott Johnson, Matt Wegwerth, Steve Schaar, Rob Mattei, Dale Anderson, Barb Baird

Discussion Items

1. Legislative update - Representative Sandy Layman & Senator Justin Eichorn

Representative Layman and Senator Eichorn reviewed the recent legislative session efforts and outcomes.
2. Review 5:00 PM Regular Meeting

After review, item #12 under Finance is moved to Consent agenda as #6a. No other changes are noted.

ADJOURN

There being no further business, the meeting adjourned at 4:52 PM.

Respectfully submitted:

Kimberly Gibeau
Kimberly Gibeau, City Clerk



CITY OF GRAND RAPIDS

Meeting Minutes 3 - Draft City Council

Monday, July 2, 2018

7:30 AM

Conference Room 2A

CALL TO ORDER: Pursuant to due notice and call thereof a Special Meeting of the Grand Rapids City Council will be held on Monday, July 2, 2018 at 7:30 a.m. in City Hall Conference Room 2A, 420 North Pokegama Avenue, Grand Rapids, Minnesota.

CALL OF ROLL

Present 5 - Councilor Dale Christy
Mayor Dale Adams
Councilor Bill Zeige
Councilor Rick Blake
Councilor Tasha Connelly

Others present:

Tom Pagel, Chad Sterle, Steve Schaar, Matt Wegwerth, Scott Johnson, Lynn DeGrio

1. Consider authorizing the submittal of a grant application to Target for a 2018 Community Engagement Funds Grant to be used for National Night Out.
Target approached the Grand Rapids Police Department and advised of a grant that was available. The funds, if awarded, would be used for the annual National Night Out event.
A motion was made by Councilor Rick Blake, seconded by Councilor Bill Zeige, authorizing Police to submit grant application to Target Corporation. The motion PASSED by unanimous vote.

2. Consider approving a professional services agreement with SEH Inc. for construction services related to the 2018 GA Apron Reconstruction Project at the GPZ Airport.
Engineer, Matt Wegwerth, provided background information, noting that the project is set to begin mid to late August, 2018.
A motion was made by Councilor Christy, seconded by Councilor Connelly, approving agreement with SEH Inc. for construction services for the 2018 GA Apron Reconstruction Project. The motion carried by the following vote.
Aye 5 - Councilor Dale Christy
Mayor Dale Adams
Councilor Bill Zeige
Councilor Rick Blake
Councilor Tasha Connelly

3. Consider approving change orders 1 and 2 for CP 2010-5, Mississippi River Pedestrian Bridge
Mr. Wegwerth explains the changes including reduction of cost in change order 1 due

to work being done in house and the specifics in change order 2 relative to bearings and re-decking.

A motion was made by Councilor Connelly, seconded by Councilor Zeige, approving change orders for CP 2010-5 as requested. The motion carried by the following vote.

Aye 5 - Councilor Dale Christy
Mayor Dale Adams
Councilor Bill Zeige
Councilor Rick Blake
Councilor Tasha Connelly

4. Consider approving a grant agreement and resolution with the State of Minnesota for CP 2010-5, Mississippi River Pedestrian Bridge

Mr. Wegwerth notes that this project is set to begin in August 2018.

A motion was made by Councilor Zeige, seconded by Councilor Blake, adopting Resolution 18-49, approving grant agreement with State of Minnesota for CP 2010-5. The motion carried by the following vote.

Aye 5 - Councilor Dale Christy
Mayor Dale Adams
Councilor Bill Zeige
Councilor Rick Blake
Councilor Tasha Connelly

ADJOURNMENT

A motion was made by Councilor Tasha Connelly, seconded by Councilor Dale Christy, to adjourn the meeting at 7:51 am. The motion PASSED by unanimous vote.

Respectfully submitted:

Kimberly Gibeau
Kimberly Gibeau, City Clerk



CITY OF GRAND RAPIDS

Legislation Details (With Text)

File #: 18-0445 **Version:** 1 **Name:** VERIFIED CLAIMS
Type: Agenda Item **Status:** Verified Claims
File created: 7/5/2018 **In control:** City Council
On agenda: 7/9/2018 **Final action:**
Title: Consider approving the verified claims for the period June 19, 2018 to June 29, 2018 in the total amount of \$527,670.21.

Sponsors:

Indexes:

Code sections:

Attachments: [COUNCIL BILL LIST 07-09-18.pdf](#)

Date	Ver.	Action By	Action	Result
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Consider approving the verified claims for the period June 19, 2018 to June 29, 2018 in the total amount of \$527,670.21.

Requested City Council Action

Make a motion approving the verified claims for the period June 19, 2018 to June 29, 2018 in the total amount of \$527,670.21.

DATE: 07/05/2018
 TIME: 13:25:01
 ID: AP443000.CGR

CITY OF GRAND RAPIDS
 DEPARTMENT SUMMARY REPORT

INVOICES DUE ON/BEFORE 07/09/2018

VENDOR #	NAME	AMOUNT DUE
GENERAL FUND		
CITY WIDE		
1915248	SOFTWARE HARDWARE INTEGRATION	353.00
1920240	CHAD B STERLE	798.15
TOTAL CITY WIDE		1,151.15
ADMINISTRATION		
0102660	ABRAMS & SCHMIDT LLC	30.00
0718060	GRAND RAPIDS HERALD REVIEW	65.00
1506265	NORTHERN OFFICE OUTFITTER INC	358.32
TOTAL ADMINISTRATION		453.32
BUILDING MAINTENANCE-CITY HALL		
0113233	AMERIPRIDE SERVICES INC	47.70
0301685	CARQUEST AUTO PARTS	6.95
0315455	COLE HARDWARE INC	29.98
0805107	HEARTLAND PAPER COMPANY	29.04
0920060	ITASCA COUNTY TREASURER	3,225.40
1405725	NETWORK SERVICE COMPANY	15.45
1801555	RAPID PEST CONTROL INC	66.00
1801610	RAPIDS PLUMBING & HEATING INC	857.30
2018680	TRU NORTH ELECTRIC LLC	1,435.25
TOTAL BUILDING MAINTENANCE-CITY HALL		5,713.07
COMMUNITY DEVELOPMENT		
1309332	MN STATE RETIREMENT SYSTEM	1,205.70
1920555	STOKES PRINTING & OFFICE	12.00
TOTAL COMMUNITY DEVELOPMENT		1,217.70
FIRE		
0218350	BRIER CLOTHING	137.40
0221650	BURGGRAF'S ACE HARDWARE	42.97
0513235	EMERGENCY RESPONSE SOLUTIONS	2,004.00
0701650	GARTNER REFRIGERATION CO	892.31
1309180	MN STATE FIRE CHIEFS ASSOC	378.00
TOTAL FIRE		3,454.68
INFORMATION TECHNOLOGY		

DATE: 07/05/2018
 TIME: 13:25:01
 ID: AP443000.CGR

CITY OF GRAND RAPIDS
 DEPARTMENT SUMMARY REPORT

PAGE: 2

INVOICES DUE ON/BEFORE 07/09/2018

VENDOR #	NAME	AMOUNT DUE

GENERAL FUND		
INFORMATION TECHNOLOGY		
1309332	MN STATE RETIREMENT SYSTEM	968.51
	TOTAL INFORMATION TECHNOLOGY	968.51
PUBLIC WORKS		
0100027	AAA STRIPING	5,917.36
0103325	ACHESON TIRE INC	410.00
0104799	ADVANCED SERVICES INC	1,990.00
0121721	AUTO VALUE - GRAND RAPIDS	41.05
0201737	BATTERY WHOLESALE INC	97.88
0221650	BURGGRAF'S ACE HARDWARE	727.01
0301685	CARQUEST AUTO PARTS	130.77
0315455	COLE HARDWARE INC	190.34
0400720	D&S STUMP GRINDING LLC	1,625.00
0409125	DIAMOND VOGEL	1,180.00
0421125	JOHN P DUBOVICH	598.00
0501650	EARL F ANDERSEN	174.40
0718032	GRAND RAPIDS GREENHOUSE	1,138.60
0718215	GREEN AGAIN LAWN & AERATION	1,647.92
1200500	L&M SUPPLY	269.66
1205110	LEASE LANDSCAPING	3,055.87
1303039	MCCOY CONSTRUCTION & FORESTRY	15.84
1415484	NORTHERN LIGHTS TRUCK	76.95
1421155	NUCH'S IN THE CORNER	259.20
1421700	NUSS TRUCK GROUP INC	3,459.75
1615427	POKEGAMA LAWN AND SPORT	529.14
1621125	PUBLIC UTILITIES COMMISSION	426.31
1801610	RAPIDS PLUMBING & HEATING INC	322.50
1801899	RAYS SPORT & CYCLE	119.68
1813125	RMB ENVIRONMENTAL	84.00
1908248	SHERWIN-WILLIAMS	183.65
2018560	TROUT ENTERPRISES INC	150.00
	TOTAL PUBLIC WORKS	24,820.88
FLEET MAINTENANCE		
0201737	BATTERY WHOLESALE INC	248.28
0301685	CARQUEST AUTO PARTS	233.11
0315455	COLE HARDWARE INC	15.48
1201850	LAWSON PRODUCTS INC	371.53
2209421	VIKING ELECTRIC SUPPLY INC	182.00
	TOTAL FLEET MAINTENANCE	1,050.40

DATE: 07/05/2018
 TIME: 13:25:01
 ID: AP443000.CGR

CITY OF GRAND RAPIDS
 DEPARTMENT SUMMARY REPORT

INVOICES DUE ON/BEFORE 07/09/2018

VENDOR #	NAME	AMOUNT DUE
GENERAL FUND		
POLICE		
0301685	CARQUEST AUTO PARTS	1,153.39
0409501	JOHN P. DIMICH	4,583.33
0421470	DSC COMMUNICATIONS	336.00
0715447	GOLDEN RULE CREATION INC	350.43
1200500	L&M SUPPLY	36.99
1301025	MAKI BODY & GLASS	269.52
1309167	MN BUREAU OF CRIMINAL	390.00
1415030	NAPA SUPPLY OF GRAND RAPIDS	6.29
1421155	NUCH'S IN THE CORNER	45.05
1920233	STREICHER'S INC	745.90
1920240	CHAD B STERLE	736.25
1920555	STOKES PRINTING & OFFICE	20.97
2000400	T J TOWING	455.00
	TOTAL POLICE	9,129.12
RECREATION		
0221650	BURGGRAF'S ACE HARDWARE	23.98
	TOTAL RECREATION	23.98
CENTRAL SCHOOL		
0609457	FILTHY CLEAN INC	2,400.00
0701650	GARTNER REFRIGERATION CO	3,667.00
1801555	RAPID PEST CONTROL INC	63.25
	TOTAL	6,130.25
AIRPORT		
0112100	ALAMO GROUP COMPANY	1,589.71
0315455	COLE HARDWARE INC	18.97
2018680	TRU NORTH ELECTRIC LLC	480.00
	TOTAL	2,088.68
CIVIC CENTER		
GENERAL ADMINISTRATION		
0118230	ARENA WAREHOUSE, LLC	6,229.50
0221650	BURGGRAF'S ACE HARDWARE	35.29
0308103	CHAMPION FIRE PROTECTION	400.00

DATE: 07/05/2018
 TIME: 13:25:01
 ID: AP443000.CGR

CITY OF GRAND RAPIDS
 DEPARTMENT SUMMARY REPORT

INVOICES DUE ON/BEFORE 07/09/2018

VENDOR #	NAME	AMOUNT DUE

CIVIC CENTER		
GENERAL ADMINISTRATION		
0701650	GARTNER REFRIGERATION CO	512.75
1201730	LATVALA LUMBER COMPANY INC.	17.09
1405725	NETWORK SERVICE COMPANY	66.81
1421155	NUCH'S IN THE CORNER	86.78
1909510	SIM SUPPLY INC	51.36
TOTAL GENERAL ADMINISTRATION		7,399.58
CEMETERY		
0221650	BURGGRAF'S ACE HARDWARE	171.71
1200500	L&M SUPPLY	44.88
1421155	NUCH'S IN THE CORNER	329.88
1612045	PLAGEMANNS LANDSCAPING INC	513.00
1615427	POKEGAMA LAWN AND SPORT	328.00
1915248	SOFTWARE HARDWARE INTEGRATION	374.00
2009725	TITAN MACHINERY INC	42.84
TOTAL		1,804.31
DOMESTIC ANIMAL CONTROL FAC		
0100034	A&D APPLIANCE REPAIR INC	335.39
1415048	NORTH COUNTRY VET CLINIC	299.70
TOTAL		635.09
2018 INFRASTRUCTURE BONDS		
2018 NE IMPROVEMENTS		
0301705	CASPER CONSTRUCTION INC	64,865.77
TOTAL 2018 NE IMPROVEMENTS		64,865.77
10TH AVENUE NE		
0301705	CASPER CONSTRUCTION INC	120,697.59
TOTAL 10TH AVENUE NE		120,697.59
STORM WATER UTILITY		
0218115	BRAUN INTERTEC CORPORATION	5,312.60

DATE: 07/05/2018
 TIME: 13:25:02
 ID: AP443000.CGR

CITY OF GRAND RAPIDS
 DEPARTMENT SUMMARY REPORT

INVOICES DUE ON/BEFORE 07/09/2018

VENDOR #	NAME	AMOUNT DUE

STORM WATER UTILITY		
0301685	CARQUEST AUTO PARTS	76.30
0315330	COHASSET CONCRETE PRODUCTS	167.00
0315455	COLE HARDWARE INC	79.98
1001495	THE JAMAR COMPANY	1,061.33
1415484	NORTHERN LIGHTS TRUCK	288.32
1421155	NUCH'S IN THE CORNER	71.14
1621125	PUBLIC UTILITIES COMMISSION	2,200.00
1809154	RICHARD RYSAVY	220.00
2018560	TROUT ENTERPRISES INC	50.00

TOTAL 9,526.67

TOTAL UNPAID TO BE APPROVED IN THE SUM OF: \$ 261,130.75

CHECKS ISSUED-PRIOR APPROVAL
 PRIOR APPROVAL

0100053	AT&T MOBILITY	879.91
0305530	CENTURYLINK QC	56.35
0312104	TONY CLAFTON	275.54
0315105	COALITION OF GREATER MN CITIES	70.00
0315543	CONSTELLATION NEWENERGY -GAS	641.26
0400029	DVS RENEWAL	17.00
0405505	JAMES DENNY	433.00
0504610	RON EDMINSTER	70.85
0609650	FIRE INSTRUCTION & RESCUE ED	700.00
0718015	GRAND RAPIDS CITY PAYROLL	247,540.53
0718070	GRAND RAPIDS STATE BANK	824.78
0809115	HIBBING COMMUNITY COLLEGE	660.00
0815440	HOLIDAY STATIONSTORES LLC	167.71
1201402	LAKE COUNTRY POWER	44.95
1209516	LINCOLN NATIONAL LIFE	1,200.29
1305046	MEDIACOM LLC	115.90
1309149	MN CHIEFS OF POLICE ASSOC	135.00
1309199	MINNESOTA ENERGY RESOURCES	979.19
1309266	MN DEPT OF LABOR & INDUSTRY	50.00
1309332	MN STATE RETIREMENT SYSTEM	6,645.74
1315650	ANDY MORGAN	1,500.00
1405550	NEOPOST USA INC	1,000.00
1502645	GARY O'BRIEN	120.00
1601305	THOMAS J. PAGEL	939.34
1601750	PAUL BUNYAN COMMUNICATIONS	276.50
1815225	JEFF DAVID ROERICK	925.00
2000100	TASC	30.60
2114360	UNITED PARCEL SERVICE	9.50
2114375	DEPARTMENT OF TREASURY	230.52

TOTAL PRIOR APPROVAL ALLOWED IN THE SUM OF: \$ 266,539.46

TOTAL ALL DEPARTMENTS 527,670.21



CITY OF GRAND RAPIDS

Legislation Details (With Text)

File #: 18-0419 **Version:** 1 **Name:** Accepting 2017 CAFR
Type: Agenda Item **Status:** Consent Agenda
File created: 6/25/2018 **In control:** City Council
On agenda: 7/9/2018 **Final action:**
Title: Consider accepting the 2017 Comprehensive Annual Financial Report, the Report on Internal Controls, and the Report on Compliance with Minnesota Legal Compliance Audit Code.

Sponsors:

Indexes:

Code sections:

Attachments: [City of Grand Rapids Final Issued CAFR 12-31-2017](#)
[City of Grand Rapids Final Issued IC 12-31-2017](#)
[City of Grand Rapids Final Issued LC 12-31-2017](#)
[GR Final Issued AML 12.31.17 \(1\)](#)

Date	Ver.	Action By	Action	Result
------	------	-----------	--------	--------

Consider accepting the 2017 Comprehensive Annual Financial Report, the Report on Internal Controls, and the Report on Compliance with Minnesota Legal Compliance Audit Code.

Background Information:

It has been the past practice for the City Council to accept the Comprehensive Annual Financial Report (CAFR) and other related reports. The City Council met on April 23, 2018 to discuss and review the 2017 draft CAFR, the draft Report on Internal Controls, the draft Report on Compliance with Minnesota Legal Compliance Guide, and the Management Report. Mr. David Mol, Redpath and Company, Ltd., presented an overview of the City's financial health to the City Council at that meeting. The only difference in the draft Report presented then, and this final Report is that the Public Utilities financial information is included on Statements 1 and 2 of the CAFR.

Staff Recommendation:

Staff is recommending accepting the 2017 Comprehensive Annual Financial Report, the Report on Internal Controls, and the Report on Compliance with Minnesota Legal Compliance Audit Code.

Requested City Council Action

Make a motion accepting the 2017 Comprehensive Annual Financial Report, the Report on Internal Controls, and the Report on Compliance with Minnesota Legal Compliance Audit Code.

Embedded Secure Document

The file <https://grandrapids.legistar.com/View.ashx?M=F&ID=6340991&GUID=CBF4A9FC-36CF-4DB6-9D83-231EBD7DC1C3> is a secure document that has been embedded in this document. Double click the pushpin to view.

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CITY OF GRAND RAPIDS, MINNESOTA

AUDIT MANAGEMENT LETTER

December 31, 2017

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To the Honorable Mayor and
Members of the City Council
City of Grand Rapids, Minnesota

We have substantially completed the 2017 audit of the financial statements of the City of Grand Rapids, Minnesota (the City) and the Economic Development Authority (EDA). The Public Utilities Commission (PUC) is considered a “component unit” of the City. As such, the financial statements of the PUC are included in the City’s Annual Financial Report. The audit of the PUC will begin in early May. Therefore, we have issued draft financial statements pending completion of the PUC audit.

Following this introduction letter is a Report Summary and Executive Summary with page references to the areas discussed. Thank you for the opportunity to serve the City. We are available to discuss this report with you.

A handwritten signature in cursive script that reads "Redpath and Company, Ltd.".

REDPATH AND COMPANY, LTD.
St. Paul, Minnesota

April 17, 2018

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REPORT SUMMARY

Several reports are issued in conjunction with the audit. The Comprehensive Annual Financial Report (CAFR) and Report on Internal Control and Legal Compliance Report have been issued in draft form. Accounting standards require the financial statements of the Public Utilities Commission be included in the City’s financial statements. At the time of issuance of this Management Letter, the PUC’s audited financial statements were not available. Upon the issuance of the PUC’s financial statements, the City’s financial statements will be updated and issued in final form. A summary is as follows:

Report Name	Elements of Report	Overview
<i>Comprehensive Annual Financial Report (CAFR)</i>	<ul style="list-style-type: none"> • Auditor’s opinion • Management’s Discussion and Analysis • Financial statements • Footnotes • Supplemental information 	<ul style="list-style-type: none"> • It is anticipated that an unmodified (“clean”) opinion will be issued on the Basic Financial Statements
<i>Report on Internal Control Over Financial Reporting and on Compliance and Other Matters</i>	<i>Results of testing</i> <ul style="list-style-type: none"> • Internal controls over financial reporting • Compliance with laws, regulations, contracts and grants 	<ul style="list-style-type: none"> • No findings of noncompliance • No internal control findings
<i>State Legal Compliance Report</i>	<ul style="list-style-type: none"> • Results of testing certain provisions of Minnesota Statutes 	<ul style="list-style-type: none"> • No findings of noncompliance
<i>Audit Management Letter</i>	<i>Analysis of financial condition and other issues</i> <ul style="list-style-type: none"> • Comparisons and trend analysis • Policies and procedures • Audit committee communications 	<ul style="list-style-type: none"> • See page 3 of this report for Executive Summary

EXECUTIVE SUMMARY

Several areas highlighted for your reference include the following:

Awards:

- The City of Grand Rapids has been awarded the Certificate of Achievement for Excellence in Financial Reporting for the past 25 years. See page 6

Key Financial Indicators:

- The City’s property tax collection rate in 2017 was over 99%. The special assessment collection rate was 99% for 2017. See page 10
- The fund balance of the City’s General Fund increased \$31,641 during 2017. The General Fund has met the desired cash flow reserve needs. However, the emergency reserve requirements were not met at December 31, 2017. Page 15
- A comparison of Debt Service Fund assets and outstanding debt is shown herein. Page 25

2017 Highlights:

- The City issued the 2017B bonds to refund five Bond Issues. The refunding will result in a debt service savings of \$215,000.

For the Future:

- We recommend the City continue to monitor actual results of the Debt Service Funds with the projected amounts to ensure adequate funding of the Debt Service Funds. Page 26
- Governmental accounting standards affecting future years are summarized. Page 35

Required auditor communications are included in this report. Page 36

GOVERNMENT ACCOUNTING VS. PRIVATE SECTOR ACCOUNTING

The City’s financial statements are presented in a format that is significantly different than financial statements of a private business.

The key differences that impact accounting and financial reporting include the following:

- A. Service motive vs. profit motive
- B. Stewardship vs. return on investment
- C. Appropriated budget vs. financial plan

Service Motive vs. Profit Motive

In the private-sector, there generally is a direct relationship between what an individual pays and what that same individual receives. A customer that purchases two rolls of paper from Blandin Paper would expect to pay more than a customer purchasing one roll of paper. This is referred to as an “exchange-type” transaction.

The situation is different for most goods and services provided by the City of Grand Rapids, Minnesota. Generally, there is not a direct relationship between what a resident pays in taxes and the specific services that same resident receives from the City. This is referred to as a “non-exchange” transaction.

Stewardship vs. Return on Investment

Users of private-sector financial statements are investors and creditors. Investors interested in financial information that enables them to evaluate a business’s ability to generate a return on their investment. Stock holders are concerned about earnings and earnings per share.

Governmental Accounting and Financial Reporting

Citizens and creditors of the City need financial information that allows them to assess the City’s stewardship of the financial resources provided. In other words, the financial statements need to demonstrate accountability. This accountability is a foundation of fund accounting. Maintaining separate funds demonstrates accountability to taxpayers, creditors and grantors.

Budget vs. Financial Plan

Budgets are prepared by both private sector businesses and governments. The private-sector budgets often serve as a management tool for financial planning. In a government, a budget serves as authorization to spend resources for the provision of goods and services. For the City of Grand Rapids, there are annual budgets and project budgets. The Annual Budget Report includes the budget for thirteen individual funds. Additionally, the budget process uses multiple internal meetings, several meetings with the City Council, and public meetings.

Summary

Financial reporting of budgetary performance serves as an accountability/compliance tool for the City Council and taxpayers.

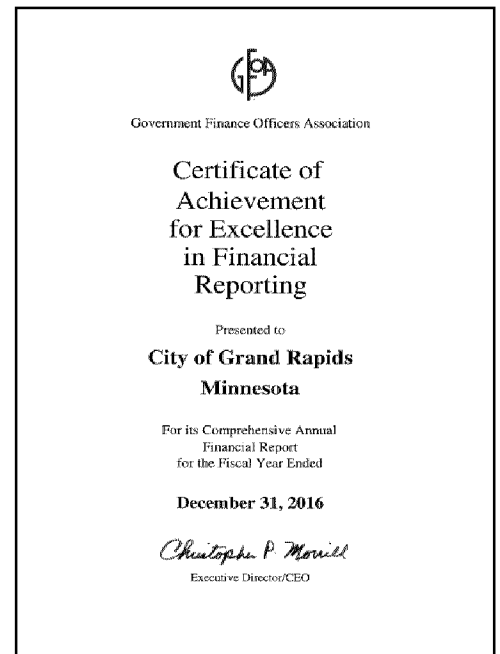
In summary, the City’s financial statements serve to demonstrate accountability and compliance to taxpayers, creditors and grantors of council action, regulations, and grant agreements.

**NATIONAL RECOGNITION FOR
EXCELLENCE IN FINANCIAL REPORTING**

The “Certificate of Achievement for Excellence in Financial Reporting” is an award program offered by the Government Finance Officers Association of the United States and Canada (GFOA). This Award Program has three key objectives:

- Recognize governments that issue a high-quality CAFR.
- Easily readable and understandable Financial Report.
- Providing educational materials, comments, and suggestions for improvements to program participants.

The City of Grand Rapids, Minnesota has been awarded the Certificate of Achievement for Excellence in Financial Reporting for twenty-five consecutive years (every year since 1992).



FINANCIAL REPORTING ENTITY

The Governmental Accounting Standards Board (GASB) is the standard setting body for accounting principles and financial reporting. The foundation of financial reporting is the distinction between the *primary government* and *component units*.

A primary government consists of all organizations that make up its legal entity. Characteristics of a primary government are a) it has a separately elected governing body, b) it is legally separate, and c) it is fiscally independent of other governments. All funds, organizations, institutions, agencies and departments that are not legally separate are, for financial reporting purposes, part of a primary government.

Component units are legally separate organizations for which the elected officials of the primary government are financially accountable.

The City's finance department has evaluated all of the entities related to the City. A summary of this analysis is as follows:

<u>Entity</u>	<u>Relationship</u>
Library Board	Part of Primary Government
Arts and Culture Advisory Board	Part of Primary Government
Pokegama Golf Course Board	Part of Primary Government
Civic Center/Park & Recreation Board	Part of Primary Government
Human Rights Commission	Part of Primary Government
Planning Commission	Part of Primary Government
Airport Advisory Board	Part of Primary Government
Public Utilities Commission	Component Unit – included in CAFR
E.D.A.	Component Unit – included in CAFR
H.R.A.	Excluded - Related Organization
Fire Relief Association	Excluded

ACCOUNT BALANCE ANALYSIS OF THE FUND FINANCIAL STATEMENTS

Summary of Financial Activity

The schedule below presents a condensed financial summary of all funds:

<u>Fund Type</u>	<u>Revenues</u>	<u>Expenditures</u>	<u>Interfund Transfers (Net)</u>	<u>Increase (Decrease) in Fund Balance</u>	<u>Fund Balance 12/31/2017</u>	<u>Cash Balance 12/31/2017</u>
General Fund	\$9,002,000	\$8,186,000	(\$785,000)	\$31,000	\$6,271,000	\$4,599,000
Special Revenue Funds	2,332,000	2,560,000	250,000	22,000	768,000	926,000
Debt Service Funds	6,467,000	3,730,000	124,000	2,861,000	9,777,000	11,036,000
Capital Project Funds	3,980,000	4,802,000	415,000	(407,000)	689,000	1,071,000
Enterprise Funds	1,172,000	1,365,000	(4,000)	(197,000)	2,979,000	320,000
Total	<u>\$22,953,000</u>	<u>\$20,643,000</u>	<u>\$ -</u>	<u>\$2,310,000</u>	<u>\$20,484,000</u>	<u>\$17,952,000</u>

Additional detail by fund is presented on the next page.

City of Grand Rapids, Minnesota

Audit Management Letter

Fund Financial Statements

All Funds Financial Summary - 2017						
	Fund	Revenue and Other Sources	Expenditures and Other Uses	Interfund Transfers (Net)	Increase (Decrease) in Fund Balance/ Net Position	Fund Balance/ Net Position 12/31/17
1	General	\$9,001,899	\$8,185,619	(\$784,639)	\$31,641	\$6,270,571
	Special Revenue Funds:					
2	Public Library	892,507	861,257	-	31,250	514,909
3	Central School	63,652	121,971	63,839	5,520	56,871
4	Airport Operations	204,664	215,047	20,000	9,617	196,614
4	IRA Civic Center	737,927	907,179	145,067	(24,185)	(163,033)
5	Recreation Programs	61,389	63,652	-	(2,263)	1,924
6	Haz-Mat	87,515	87,515	-	-	973
7	Police Forfeiture	16,431	18,725	-	(2,294)	63,683
8	Cemetery	231,905	227,989	-	3,916	88,794
9	Domestic Animal Control Facility	36,017	56,217	20,200	-	7,621
	Debt Service Funds:					
10	Debt Service Reserve	44	-	-	44	4,965
11	Equipment Certificates of 2009D	148,352	140,454	-	7,898	202,497
12	Improvement Bonds	2,279,019	2,326,022	1,764,491	1,717,488	6,772,757
13	Street Reconstruction Bonds	261,064	434,546	605,000	431,518	1,570,350
14	G.O. State-Aid Street Bonds	322,892	323,163	-	(271)	365
15	Refunding Bonds	3,013,290	59,693	(2,950,000)	3,597	3,597
16	Tax Increment 1-6 Old Hospital Housing	58,070	53,747	705,000	709,323	770,095
17	Tax Increment 1-6 Old Hospital Housing Paygo	32,809	29,441	-	3,368	7,252
18	Tax Increment 1-5 Black Bear Homes	24,575	91,380	-	(66,805)	-
19	Tax Increment 1-4 Oakwood Terrace	33,248	85	-	33,163	367,906
20	Tax Increment 1-7 Block 37 Redevelopment	15,784	14,257	-	1,527	11,962
21	Tax Increment 1-8 Lakewood Heights	35,639	32,093	-	3,546	13,953
22	Tax Increment 1-9 Majestic Pines	166,657	152,767	-	13,890	23,720
22	Tax Increment 1-10 River Hills	32,564	29,423	-	3,141	3,141
23	Tax Abatement - 1st Ave Condo	43,150	42,881	-	269	24,242
	Capital Project Funds:					
24	General Capital Improvement Projects	99,945	237,356	81,562	(55,849)	73,367
25	Municipal State Aid	49,072	258,004	-	(208,932)	169,894
26	Park Acquisition and Development	309	-	-	309	34,503
27	Arts and Culture Capital Project	-	-	27,030	27,030	27,030
28	Capital Equipment Replacement	136,327	690,074	150,000	(403,747)	(420,552)
29	Infrastructure Bonds	3,085,528	2,888,142	(27,030)	170,356	197,331
30	Airport Capital Fund	454,827	470,037	-	(15,210)	41,646
31	7th Avenue Bridge Rehabilitation	-	-	(122,529)	(122,529)	455,652
32	IRA Civic Center Project	135,444	252,237	280,000	163,207	(231,462)
33	Permanent Improvement Revolving	18,745	5,864	25,509	38,390	342,015
	Enterprise Funds:					
34	Golf Course	577,179	674,937	(3,500)	(101,258)	2,523,740
35	Storm Water	594,826	689,836	-	(95,010)	455,418
	Total	\$22,953,265	\$20,641,610	\$0	\$2,311,655	\$20,484,311

Property Taxes

Property tax collections (excluding tax increment levies) were as follows for the past four years:

	2014	2015	2016	2017
Property tax levy ⁽¹⁾	<u>\$6,281,859</u>	<u>\$6,845,166</u>	<u>\$6,951,560</u>	<u>\$7,258,674</u>
Receipts:				
Current year levy	6,201,927	6,774,792	6,847,996	7,169,418
Delinquent (prior year levy)	<u>70,464</u>	<u>32,403</u>	<u>63,396</u>	<u>70,312</u>
Total receipts	<u>6,272,391</u>	<u>6,807,195</u>	<u>6,911,392</u>	<u>7,239,730</u>
Collection rates:				
Collections of current year levy as a percent of levy	<u>98.73%</u>	<u>98.97%</u>	<u>98.51%</u>	<u>98.77%</u>
Total receipts as percent of current year levy	<u>99.85%</u>	<u>99.45%</u>	<u>99.42%</u>	<u>99.74%</u>

⁽¹⁾Includes annexation portion of levy for 2012 through 2014

Fiscal Disparities (Property Tax Revenue Sharing)

The Iron Range Fiscal Disparities program consists of Cook County, Lake County and portions of St. Louis, Itasca, Aitkin and Crow Wing Counties. Under the program, 40 percent of the growth in commercial, industrial, and public utility value since the base year (1995) is contributed to the Pool.

The tax capacity contributed to the Pool is then distributed to all participants based on market value and population of each jurisdiction.

For 2018, the City of Grand Rapids contributed \$1,216,383 of tax capacity and received a distribution of \$691,411 in cash for a net contribution of approximately \$312,023 of cash to other LGU's in the program.

Special Assessments

Special assessment collections have been as follows:

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Current portion due	<u>\$633,916</u>	<u>\$607,197</u>	<u>\$525,555</u>	<u>\$512,628</u>
Receipts:				
Current	609,576	551,895	514,410	503,676
Delinquent	<u>69,706</u>	<u>30,821</u>	<u>8,963</u>	<u>10,012</u>
Total receipts	<u>679,282</u>	<u>582,716</u>	<u>523,373</u>	<u>513,688</u>
Collection rates:				
Collection of amounts due	<u>96.2%</u>	<u>90.9%</u>	<u>97.9%</u>	<u>98.3%</u>
Total collections as a percent of amount due	<u>107.2%</u>	<u>96.0%</u>	<u>99.6%</u>	<u>100.2%</u>

As shown above, the City experienced an increase in its collection rates for 2017. The delinquent special assessment receivable balance was \$180,222 at December 31, 2017. We recommend the City continue to monitor the special assessment collection rate and consider the impact on the funding of debt service payments.

Pension Liability

In 2015, the City implemented GASB Statement No. 68, which required the reporting of the City of Grand Rapids’s proportionate share of the PERA Net Pension Liability (NPL). During 2017, the City’s share of PERA’s NPL decreased. The schedule below presents the components of the change in NPL. During 2017, the City paid it’s required contribution to the Plan. The required contribution is a percentage of eligible wages.

	General Employees Plan	Police and Fire Plan	Total
Change in net pension liability:			
Change in actuarial assumptions ⁽¹⁾	(\$334,075)	(\$2,511,053)	(2,845,128)
Change in proportion ⁽²⁾	42,627	(434,761)	(392,134)
Experience difference ⁽³⁾	109,826	40,711	150,537
Earnings difference ⁽⁴⁾	(565,818)	(561,221)	(1,127,039)
Grand Rapids' share of 2017 pension expense	150,898	(314,310)	(163,412)
Contributions to the plan by City of Grand Rapids	(252,589)	(217,891)	(470,480)
Contributions to the plan by State of Minnesota	-	(11,790)	(11,790)
Increase in net pension liability	<u>(849,131)</u>	<u>(4,010,315)</u>	<u>(4,859,446)</u>
Beginning net pension liability	<u>4,181,545</u>	<u>5,778,971</u>	<u>9,960,516</u>
Ending net pension liability	<u><u>\$3,332,414</u></u>	<u><u>\$1,768,656</u></u>	<u><u>\$5,101,070</u></u>

1. The assumed investment return was changed from 5.6% to 7.5% for Police and Fire. The assumed post-retirement benefit increase was reduced.
2. The City's proportionate share of the total NPL decreased.
3. This is the change between expected and actual experience in the measurement of the pension liability.
4. This is the difference between projected and actual earnings on plan investments.

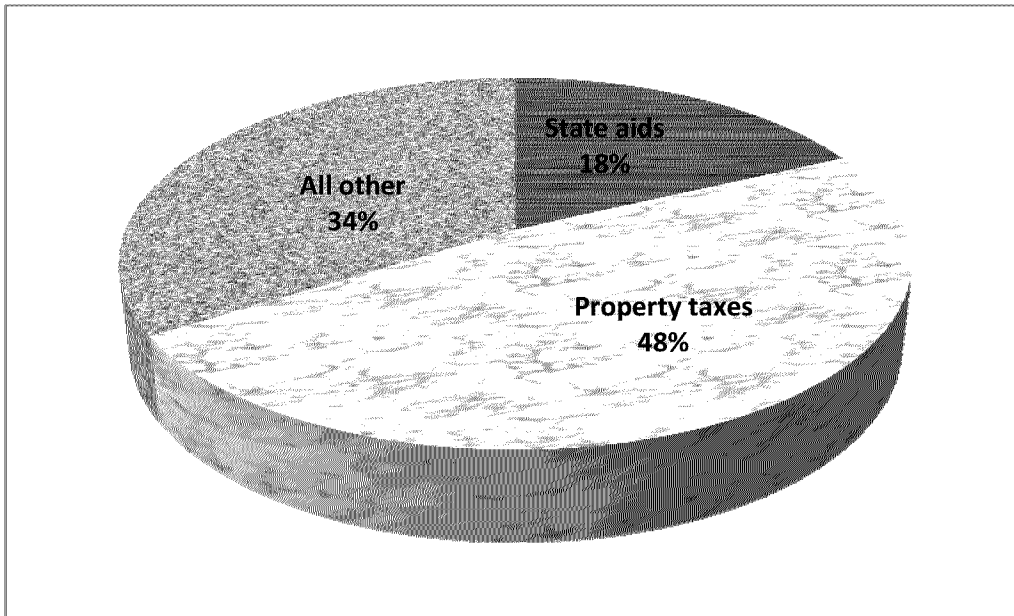
GENERAL FUND

The General Fund of the City is maintained to account for the current operating and capital outlay expenditures common to all cities. These basic services include (but are not limited to) public safety, public works, parks, culture and recreation and general government. A summary of the revenue sources of the General Fund of the City of Grand Rapids is as follows:

General Fund Revenue By Source								
Year	Property Taxes		State Tax Relief (LGA, MVHC and Supplemental Aid)		All Other Revenue ⁽¹⁾		Total Revenue	
	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent
2008	\$3,110,734	45%	\$1,471,454	21%	\$2,277,395	34%	\$6,859,583	100%
2009	3,306,743	44%	1,744,986	23%	2,413,295	33%	7,465,024	100%
2010	3,107,526	46%	1,273,488	19%	2,412,831	35%	6,793,845	100%
2011	3,403,815	46%	1,288,735	18%	2,431,938	36%	7,124,488	100%
2012	3,666,921	46%	1,220,693	16%	2,838,309	38%	7,725,923	100%
2013	3,677,404	46%	1,214,925	16%	2,914,954	38%	7,807,283	100%
2014	3,622,374	44%	1,507,585	18%	3,032,665	38%	8,162,624	100%
2015	3,946,640	47%	1,556,892	18%	2,942,815	35%	8,446,347	100%
2016	4,156,865	48%	1,587,017	18%	2,847,848	34%	8,591,730	100%
2017	4,358,987	48%	1,582,391	18%	3,060,521	34%	9,001,899	100%

⁽¹⁾"All other revenue" includes the PUC payment in lieu of tax.

A chart of 2017 General Fund revenue sources is as follows:



The fund balance of the General Fund increased by \$31,641 in 2017 as follows:

	Final Budget	Actual	Favorable (Unfavorable) Variance
Revenues	\$8,702,000	\$8,890,000	\$188,000
Expenditures	8,107,000	8,186,000	(79,000)
Revenues over (under) expenditures	595,000	704,000	109,000
Other sources (uses):			
Sale of capital assets	-	106,000	106,000
Insurance recoveries	-	6,000	6,000
Transfers in	4,000	31,000	27,000
Transfers out	(511,000)	(815,000)	(304,000)
total other sources (uses)	(507,000)	(672,000)	(165,000)
Net change in fund balance	\$88,000	\$32,000	(\$56,000)

Detail of the preceding budget variances is presented in Statement 10 of the 2017 Comprehensive Annual Financial Report. A summary of the budget variances is as follows:

Revenue:

Property taxes – had a favorable variance of \$74,000 primarily due to the collection of prior year taxes and excess TIF.

Licenses and permits – had favorable variance of \$55,000 due to permits for the new Casey’s, the expansion at Grand Itasca, and the new facility for Essentia clinic.

Expenditures:

Police protection – had a favorable variance of \$102,000 primarily due to TZD OT wages (\$26,000 and health insurance (\$25,000).

City-wide – had unfavorable variance of \$77,000 primarily due to city’s additional 20/80 insurance (\$30,000) and Arts and Culture expenditures (\$35,000).

Public Works – the unfavorable variance of \$175,000 is due to street light maintenance (\$65,000), other contracted services (\$20,000) and building maintenance (\$20,000)

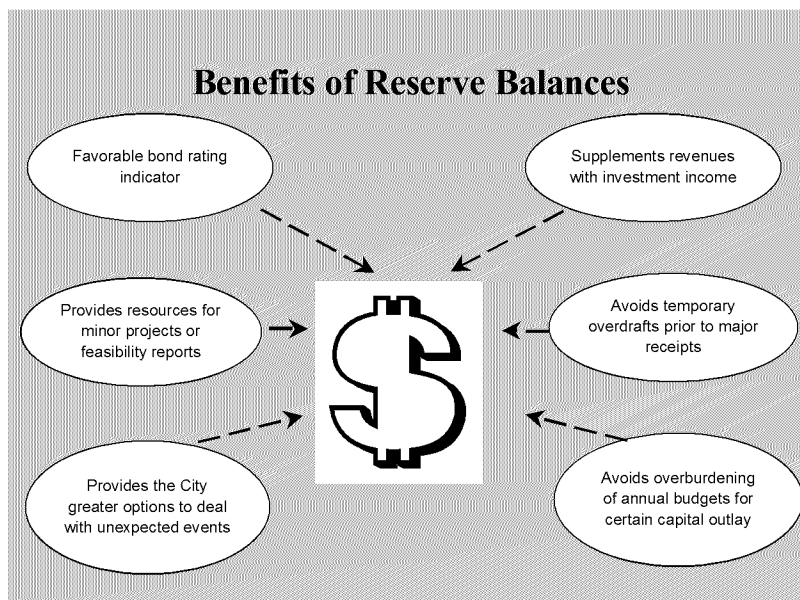
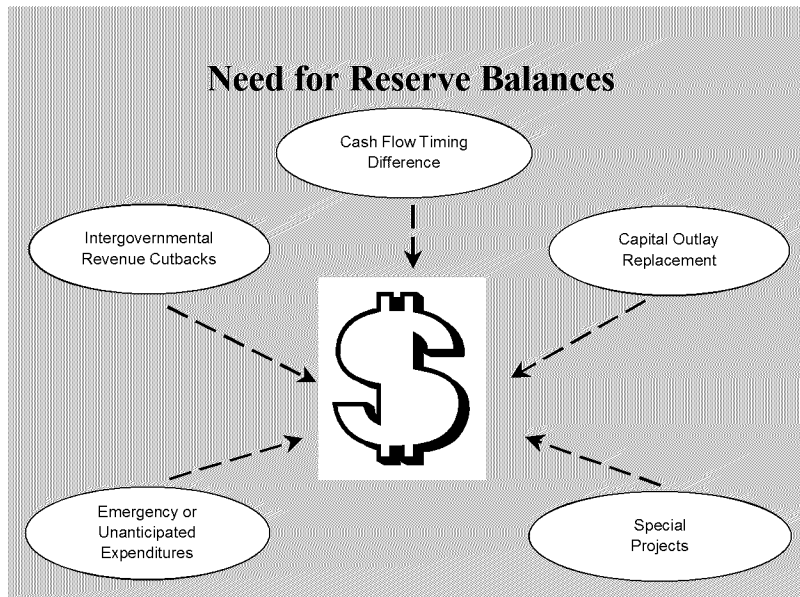
The City's General Fund balance has been as follows for the past ten years:

General Fund Balance		
<u>Year</u>	<u>Amount⁽¹⁾</u>	<u>Increase (Decrease)⁽¹⁾</u>
2008	\$5,072,000	(\$730,000)
2009	4,749,000	(323,000)
2010	4,941,000	192,000
2011	5,021,000	80,000
2012	5,516,000	495,000
2013	5,497,000	(19,000)
2014	5,651,000	154,000
2015	6,001,000	350,000
2016	6,239,000	238,000
2017	6,271,000	32,000

⁽¹⁾Rounded to nearest thousand

The fund balance of a city's general fund is a key financial indicator. Management controls over the level of fund balance is based on a city's philosophy and approach to determining optimum balances.

A summary of the purposes and benefits of General Fund designated balances is as follows:



Summary of General Fund Balance

The City has a policy regarding General Fund Reserve Balances (Resolution 11-110). The City's policy for reserves in the General Fund is:

Minimum cash flow – to equal 50% of the following year's General Fund property tax and anticipated local government aids.

Compensated absences – equal to the sum of flexible time off and compensatory time for all employees each December 31.

Emergency or unanticipated expenditures – equal to 10% of the prior year General Fund annual revenues.

Neighborhood and economic development – equal to the principal amount of the sale of the liquor store.

At December 31, 2017, the unassigned fund balance of the General Fund available for reserves was \$4,526,746, compared to its targeted balance of \$5,224,215. See schedule on next page.

In addition, the City has established a specified amount of General Fund balance for revenue stabilization, which is reported as committed fund balance. When sufficient reserves exist, the amount committed is equal to 10% of the prior year annual revenues.

General Fund

At December 31, 2017, the fund balance of the General Fund was as follows:

Fund Balance Constraint	Balance 12/31/16	2017 Increase (Decrease)	Balance 12/31/17	Targeted Balance	Difference
Nonspendable:					
Interfund loan	\$590,609	\$410,312	\$1,000,921	\$1,000,921	\$ -
Prepaid items	46,345	60,960	107,305	107,305	-
Restricted:					
Cash - Superior USA	10,451	2,437	12,888	12,888	-
Donor restrictions	7,126	1,663	8,789	8,789	-
Committed:					
Revenue stabilization	517,869	96,053	613,922	854,136	(240,214)
Unassigned (Available for Reserves)					
Cash flow	3,381,834	69,506	3,451,340	3,451,340	-
Compensated absences	367,939	15,412	383,351	383,351	-
Emergency / unanticipated	843,650	(151,595)	692,055	854,136	(162,081)
Economic development	473,107	(473,107)	-	697,469	(697,469)
Unassigned	-	-	-	-	-
Total	\$6,238,930	\$31,641	\$6,270,571	\$7,370,335	(\$1,099,764)

SPECIAL REVENUE FUNDS

Special Revenue Funds are a classification of funds to account for revenues (and expenditures related thereto) segregated by City policy or Federal or State statutes for specific purposes. The City maintained the following Special Revenue Funds during 2017:

Fund	Revenue	Expenditures	Interfund Transfers	Change in Fund Balance	Fund Balance 12/31/2017	Comments
Public Library	\$892,507	\$861,257	\$ -	\$31,250	\$514,909	This fund had a balanced budget for 2017. Revenues exceeded budget by \$29,000.
Central School	63,652	121,971	63,839	5,520	56,871	The City budgeted an increase in fund balance of \$5,400.
Airport Operations	204,663	215,047	20,000	9,616	196,613	This fund had a balanced budget for 2017. Expenditures were under budget by \$8,500.
IRA Civic Center	737,927	907,179	145,067	(24,185)	(163,033)	The City budgeted an increase of \$31,326. Electricity costs for 2017 exceeded budget by \$77,000 due to new meter providing accurate readings.
Recreation Programs	61,389	63,652	-	(2,263)	1,924	Revenues were under budget by \$11,000 and expenditures were under budget by \$9,000.
Haz-Mat	87,515	87,515	-	-	973	Balanced budget for 2017.
Police Forfeiture	16,431	18,725	-	(2,294)	63,683	Budgeted an increase in fund balance of \$11,000. Expenditures exceeded budget by \$5,500 and revenues were under budget by \$7,500.
Cemetery	231,905	227,989	-	3,916	88,794	Balanced budget for 2017. Expenditures were under budget by \$5,000.
Domestic Animal Control Facility	36,017	56,217	20,200	-	7,621	Balanced budget for 2017. Receives budgeted transfer from General Fund.
Totals	\$2,332,006	\$2,559,552	\$249,106	\$21,560	\$768,355	

Recreation Programs Fund

This Fund has experienced a decrease in fund balance for the past five years as shown below.

<u>Year</u>	<u>Fund Balance Increase (Decrease)</u>	<u>Year End Fund Balance</u>
2013	(\$16,515)	\$25,380
2014	(16,252)	9,128
2015	(12,540)	(3,412)
2016	7,599	4,187
2017	(2,263)	1,924
2018 Budget	-	1,924

We recommend the City monitor the financial activity of this Fund and determine an additional funding sources are necessary.

Public Library

Approximately 60% of the funding of library operations is from property taxes and state aids which are not received until the second-half of the year. Therefore, like the General Fund, a portion of the fund balance is required for cash flow purposes. In response to this circumstance, the Library Board adopted resolution 2012-12 amending the fund balance policy. A summary of Public Library Fund balance at December 31, 2017 is as follows:

Fund Balance Constraint	December 31, 2017		
	Targeted Balance	Actual Balance	Difference
Nonspendable:			
Prepaid items	\$14,274	\$14,274	\$ -
Committed:			
Cash flow	415,344	415,344	-
Compensated absences	40,717	40,717	-
Emergency/unanticipated expenditures	62,781	44,574	18,207
Major equipment replacement	71,750	-	71,750
Total committed	590,592	500,635	89,957
Total fund balance	\$604,866	\$514,909	\$89,957

As shown above, the actual fund balance is \$89,957 less than the targeted fund balance at December 31, 2017.

IRA Civic Center

A summary of activity of this Fund is as follows:

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018 Budget</u>
Revenue	\$738,082	\$700,298	\$849,709	\$716,852	\$782,900
Expenditures:					
Operating	674,128	661,270	692,597	749,122	770,833
Capital outlay	<u>66,676</u>	<u>112,406</u>	<u>260,131</u>	<u>158,057</u>	<u>-</u>
Revenues over (under) expenditures	(2,722)	(73,378)	(103,019)	(190,327)	12,067
Other sources:					
Insurance recoveries	-	31,103	7,810	7,000	-
Sale of capital assets	-	-	38,000	14,075	-
Transfers from other funds	<u>31,516</u>	<u>19,554</u>	<u>-</u>	<u>145,067</u>	<u>-</u>
Net change in fund balance	28,794	(22,721)	(57,209)	(24,185)	12,067
Fund balance (deficit) - January 1	<u>(87,712)</u>	<u>(58,918)</u>	<u>(81,639)</u>	<u>(138,848)</u>	<u>(163,033)</u>
Fund balance (deficit) - December 31	<u><u>(\$58,918)</u></u>	<u><u>(\$81,639)</u></u>	<u><u>(\$138,848)</u></u>	<u><u>(\$163,033)</u></u>	<u><u>(\$150,966)</u></u>

The Fund deficit of (\$163,033) at December 31, 2017 is partially financed by an interfund loan of \$109,030 which is to be repaid over ten years (through 2025). The capital outlay for 2017 was the dehumidification system.

We recommend the City continue to monitor the financial results of this Fund.

DEBT SERVICE FUNDS

Debt Service Funds are a type of governmental fund to account for the accumulation of resources for the payment of interest and principal on debt (other than Enterprise Fund debt).

Current governmental reporting standards for fund financial statements do not provide for the matching of long-term debt with its related financing sources. Although this information can be found in the City's Comprehensive Annual Financial Report, it is located in several separate sections. The following schedule extracts information from the Comprehensive Annual Financial Report to provide an overview analysis of long-term debt and its related funding.

City of Grand Rapids, Minnesota

Audit Management Letter

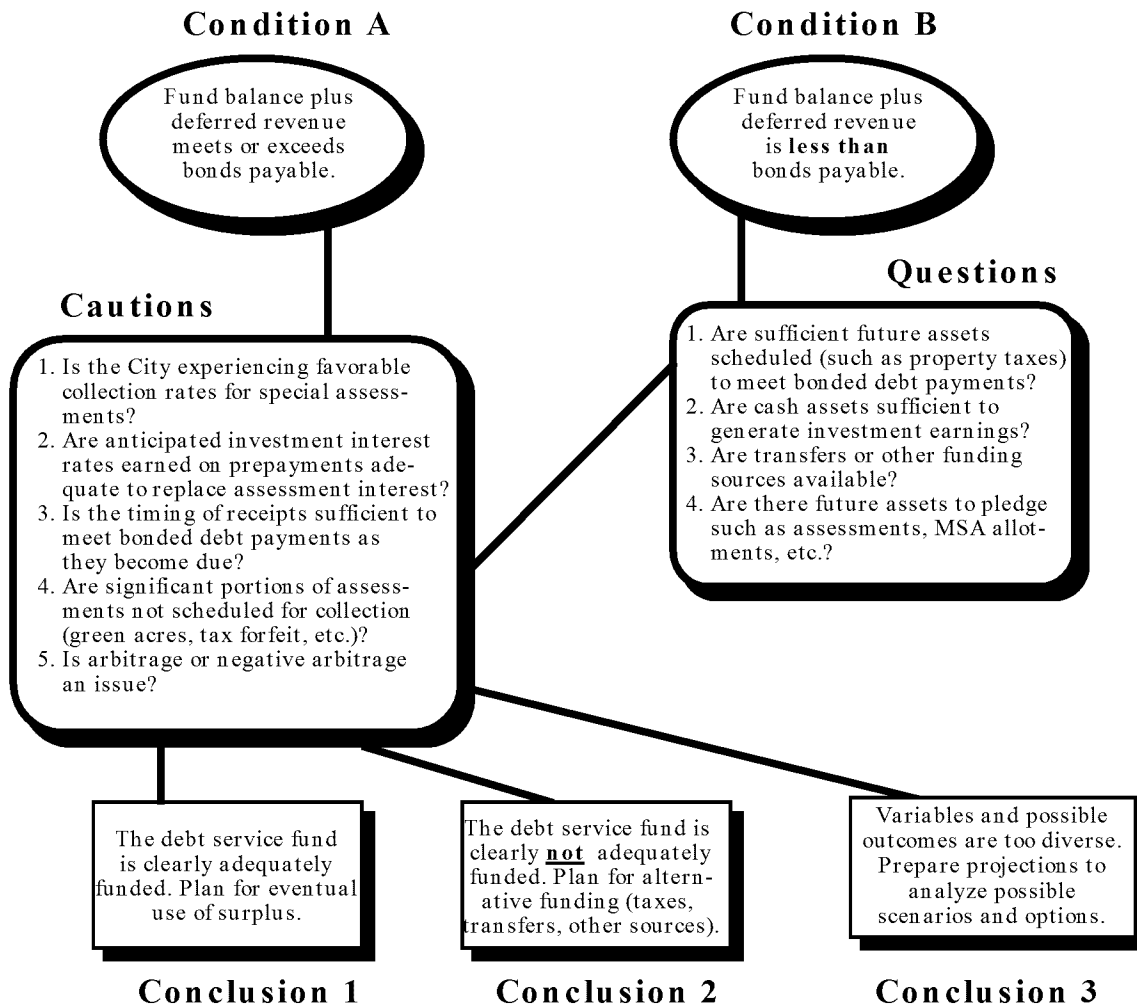
Debt Service Funds

The reader is cautioned that 1) future interest revenue from assessments and investments, and 2) future interest expense on bonded debt, is not included in the following schedule.

Fund Description	December 31, 2017			Outstanding Debt	Scheduled Ad-valorem Property Taxes	Final Maturity Date
	Fund Balance	Deferred Revenue	Total			
General Debt:						
Debt Service Reserve	\$4,965	\$ -	4,965	\$ -	\$ -	N/A
State Aid Street Bonds of 2007B	15,039	-	15,039	375,000	-	(4) 4/1/2022
Street Reconstruction Bonds of 2008B	570,403	24,109	594,512	525,000	(6) -	2/1/2018
Equipment Certificates of 2009D	202,497	-	202,497	265,000	144,581	(1) 2/1/2019
Capital Improvement Plan Bonds of 2010A	-	-	-	100,000	-	2/1/2018
State Aid Street Bonds of 2012B	365	-	365	2,875,000	-	(4) 10/1/2027
Street Reconstruction Bonds of 2017A	54,917	232,584	287,501	2,130,000	2,535,559	2/1/2033
Total general debt	<u>848,186</u>	<u>256,693</u>	<u>1,104,879</u>	<u>6,270,000</u>	<u>2,680,140</u>	
Tax Increment Debt:						
Tax Increment District 1-4 (Oakwood Terrace)	367,906	-	367,906	-	-	(2)
Tax Increment District 1-5 (Black Bear Homes)	-	-	-	-	-	(2)
Tax Increment District 1-6 (Old Hospital Housing Bonds)	770,095	-	770,095	730,000	(6) -	(3) 2/1/2018
Tax Increment District 1-6 (Old Hospital Housing Paygo)	7,252	-	7,252	-	-	
Tax Increment District 1-7 (Block 37 Redevelopment)	11,962	-	11,962	-	-	(2)
Tax Increment District 1-8 (Lakewood Heights)	13,953	-	13,953	-	-	(2)
Tax Increment District 1-9 (Majestic Pines)	23,720	-	23,720	-	-	(2)
Tax Increment District 1-10 (River Hills)	3,141	-	3,141	-	-	(2)
1st Avenue Condo Tax Abatement	24,242	-	24,242	-	-	(2)
Total tax increment debt	<u>1,222,271</u>	<u>0</u>	<u>1,222,271</u>	<u>730,000</u>	<u>0</u>	
Special Assessment Debt:						
Improvement Bonds of 2006C	1,447,359	243,670	1,691,029	780,000	(6) -	2/1/2018
Improvement Bonds of 2007A	922,166	119,218	1,041,384	805,000	(6) -	2/1/2018
Improvement Bonds of 2008C	654,487	66,686	721,173	565,000	(6) -	2/1/2018
Improvement Bonds of 2009C	809,444	309,407	1,118,851	2,675,000	2,122,982	(1) 2/1/2025
Improvement Bonds of 2010A	312,062	62,939	375,001	560,000	401,002	2/1/2026
Improvement Bonds of 2011B	413,548	291,153	704,701	860,000	513,502	2/1/2027
Improvement Bonds of 2012A	870,227	277,861	1,148,088	1,685,000	1,285,482	2/1/2028
Improvement Bonds of 2013A	580,263	547,879	1,128,142	770,000	303,813	2/1/2021
Improvement Bonds of 2013B	999,947	329,649	1,329,596	3,360,000	2,692,822	2/1/2029
Improvement Bonds of 2014A	390,794	104,731	495,525	2,550,000	2,566,626	2/1/2030
Improvement Bonds of 2016A	302,451	196,729	499,180	2,170,000	2,476,616	2/1/3032
Refunding Bonds of 2017B	3,597	-	3,597	2,920,000	1,643,391	(3) 2/1/2034
Supplemental levy	-	-	-	-	(515,000)	(5)
Total special assessment debt	<u>7,706,345</u>	<u>2,549,922</u>	<u>10,256,267</u>	<u>19,700,000</u>	<u>13,491,236</u>	
Total - All Debt Service Funds	<u>\$9,776,802</u>	<u>\$2,806,615</u>	<u>\$12,583,417</u>	<u>\$26,700,000</u>	<u>\$16,171,376</u>	

(1) These are "Build America Bonds", the interest is subsidized by a federal credit.
(2) These TIF districts have "pay-as-you-go" obligations.
(3) Does not include future tax increment levies
(4) To be paid by MSA allotments
(5) This amount represents decreased levies which were approved to eliminate projected cash surpluses in various Debt Service Funds.
(6) These bonds were refunded on 2/1/18 with proceeds of the 2017B bonds

The following decision chart prompts questions to further evaluate a fund's financial position:



We recommend the City continue to compare actual results of the Debt Service Funds with the projected amounts to ensure adequate funding of the Debt Service Funds and/or possibly reduce future tax levies.

TAX INCREMENT DISTRICTS

The City of Grand Rapids currently has the following tax increment districts:

- TIF 1-4 Oakwood Terrace
- TIF 1-5 Black Bear Homes
- TIF 1-6 Old Hospital Housing
- TIF 1-7 Block 37 Redevelopment
- TIF 1-8 Lakewood Heights
- TIF 1-9 Majestic Pines
- TIF 1-10 River Hills Apartments

Tax Increment 1-4 (Oakwood Terrace)

The final payment on a pay-as-you-go note was made in 2006. The fund no longer has note or debt service payments and is collecting tax increment. Any extra tax increment from this district has been pledged to pay any shortfalls of TIF 1-6 (relating to the 2008A TIF Bonds only). This pledge was made because the owner of Oakwood Terrace is the same owner as the Old Hospital Housing.

Tax Increment 1-5 (Black Bear Homes)

This district is a housing district. All twenty-one owner-occupied housing units have now been built and sold. The City contributed \$9,000 per home for documented site improvements for a total of \$189,000. TIF expenditures were funded by an interfund loan from the General Capital Improvement Fund. The interfund loan has been repaid. This TIF district was decertified and the remaining TIF dollars (\$91,038) were sent to the county for distribution.

Tax Increment 1-6 (Old Hospital Housing)

The district is divided into two main parcels:

1. Assisted Living Facility on the East Clinic site:
 - 2008 was the first year tax increment was received relating to this parcel.
 - The tax increment (90%) is used to make debt service payments on the \$850,000 G.O. TIF Bonds, 2008A. This bond issue was refunded by the 2017B Bonds.
2. Old hospital site was redeveloped into low to moderate income housing:
 - The old hospital was demolished in 2008. TIF Bond proceeds financed the demolition costs.
 - The tax increment derived from this site is used to make the debt service payments on the \$307,500 Tax Increment Revenue Notes, 2008B (paygo).
 - The outstanding balance of this note at December 31, 2017 was \$307,500.

The District also has an obligation to pay the \$15,057.57 2008C TIF Note (paygo):

- Payable only from TIF administrative revenues received through the county.
- The administrative portion the City is entitled to keep is 10% of the tax increment.
- Half of this (5% of total) is pledged to repay the 2008C TIF Note.
- Both of the above portions of the District (Funds 371 and 373) made payments towards the 2008C Note.
- The City splits the tax increment revenue by parcel number when it comes in so that the correct amounts go to each fund.
- Each fund contributes its 5% portion (assuming enough increment was received) so that in total, 5% is contributed.
- The obligation ended August 1, 2014.

Tax Increment 1-7 (Block 37 Redevelopment)

The tax increment derived from this site is used to pay the \$389,300 2008A TIF Note (paygo). 90% of the increment collected is pledged to pay the note. The outstanding balance of this note was \$389,300 at December 31, 2017.

The District also had an obligation to pay the \$2,010.81 2008D TIF Note (paygo). The note was payable only from TIF administrative revenues received through the County. The obligation ended August 1, 2011.

Tax Increment 1-8 (Lakewood Heights)

The tax increment derived from this site are used to pay the \$350,000 2013A TIF Note (paygo). 90% of the increment collected is pledged to pay the note. 2013 was the first year tax increment was received. The outstanding balance of this note was \$295,657 at December 31, 2017.

Tax Increment 1-9 (Majestic Pines)

The tax increment derived from this site are used to pay the \$385,355.68 2015A TIF Note. 90% of tax increment collected is pledged to pay the 2015A Note and 5% of tax increment collected is pledged to pay the, \$12,099.69 2015B Note. The administrative portion the City is entitled to keep is 10% of tax increment collected. However, half of this amount is pledged to repay the 2015B TIF Note. The outstanding balance on the 2015A note at December 31, 2017 was \$91,949. The outstanding balance on the 2015B note at December 31, 2017 was \$0.

Tax Increment 1-10 (River Hills)

Tax increment derived from the district are used to pay the \$300,000 2016A TIF Note. 90% of the increment collected is pledged to pay the Note. The outstanding balance of this Note was \$292,947.

CAPITAL PROJECT FUNDS

The financial activity of the Capital Project Funds for 2017 was as follows:

Fund	Revenue	Expenditures	Interfund Transfers	Change in Fund Balance	Fund Balance 12/31/2017	Comments
General Capital Improvement Projects	\$99,945	\$237,356	\$81,562	(\$55,849)	\$73,367	2017 expenditures include \$113,000 for the MS River Pedestrian Bridge project and \$30,900 for the Kiesler Wellness Center project.
Municipal State Aid	49,072	258,004	-	(208,932)	169,894	2017 expenditures include \$131,000 for the Street Lighting project.
Park Acquisition and Development	309	-	-	309	34,503	
Arts and Culture Capital Project	-	-	27,030	27,030	27,030	
Capital Equipment Replacement	136,327	690,074	150,000	(403,747)	(420,552)	2017 expenditures include Dodge Truck (\$60,000); Epoke spreader (\$97,000); Mack Tandem (\$112,000), Chevy 1-Ton Truck (\$29,000); Mack Truck Fabrication (\$129,000); and 3 Ford Explorer squad cars for \$119,000.
Airport Capital Fund	454,827	470,037	-	(15,210)	41,646	2017 expenditures include \$50,000 for the Airport Master plan project; \$36,500 for the Apron Design project; and \$194,000 for the Taxilane Utilities and Taxilane project.
IRA Civic Center Projects	135,444	252,237	280,000	163,207	(231,462)	2017 expenditures are for the Multi-Use Outdoor Pavilion.
7th Avenue Bridge Rehabilitation	-	-	(122,529)	(122,529)	455,652	This fund is intended for future bridge repair and/or reconstruction.
Permanent Improvement Revolving	18,745	5,864	25,509	38,390	342,016	
2000 Infrastructure - Other	-	300	-	(300)	5,782	
2016 Infrastructure - Bonded	24,331	161,396	-	(137,065)	(91,301)	2017 expenditures include 5th St N improvements
2017 Infrastructure - Bonded	3,061,197	2,719,916	(27,030)	314,251	289,380	2017 expenditures include 4th Ave. & 13th St NW; 9th Street NE; 14th St NW Overlay; 8th Ave. NE Storm Water.
2018 Infrastructure - Bonded	-	6,530	-	(6,530)	(6,530)	
Totals	\$3,980,197	\$4,801,714	\$414,542	(\$406,975)	\$689,425	

ENTERPRISE FUNDS

The City maintains two Enterprise Funds, the Pokegama Golf Course and the Storm Water Utility Fund.

Pokegama Golf Course Fund

A summary of golf course operations for the preceding four years is as follows:

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Operating revenue	\$555,588	\$588,835	\$569,276	\$567,053
Operating expenses	<u>553,000</u>	<u>593,559</u>	<u>634,682</u>	<u>673,732</u>
Operating income (loss)	2,588	(4,724)	(65,406)	(106,679)
Other income (expense) - net	51,019	1,472	306	8,921
Transfers in	-	-	-	-
Transfers out	<u>(3,500)</u>	<u>(3,500)</u>	<u>(3,500)</u>	<u>(3,500)</u>
Change in net assets	<u><u>\$50,107</u></u>	<u><u>(\$6,752)</u></u>	<u><u>(\$68,600)</u></u>	<u><u>(\$101,258)</u></u>

The 2017 budget anticipated a net income of \$161. Revenue for 2017 was \$36,000 less than budgeted. Expenditures for 2017 was \$70,000 more than budgeted. Part-time wages exceeded budget by \$27,000 and golf cart maintenance (new batteries) exceeded budget by \$19,000.

Storm Water Utility Fund

This Fund was established in 2004. The transfers out of the Fund are for the storm water utility's portion of infrastructure improvements made during the year.

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Operating revenue	\$553,074	\$561,023	\$559,245	\$590,824
Operating expenses	<u>425,389</u>	<u>437,259</u>	<u>669,284</u>	<u>689,836</u>
Operating income	127,685	123,764	(110,039)	(99,012)
Other income (expense) - net	4,429	6,311	12,084	4,002
Transfers out	<u>-</u>	<u>(100,000)</u>	<u>-</u>	<u>-</u>
Change in net assets	<u>\$132,114</u>	<u>\$30,075</u>	<u>(\$97,955)</u>	<u>(\$95,010)</u>

The transfer out for 2015 was for the 2014 Infrastructure project.

The City budgeted \$554,000 for 2017 operating expenses. Actual operating expenses exceeded budget in contracted services (\$80,000) primarily due to storm pond revitalization; and in Personnel costs (\$50,000).

ECONOMIC DEVELOPMENT AUTHORITY

This organization was established and began operations in 1987 pursuant to Minnesota Statute 458C (subsequently amended and recodified). During 1994, the City adopted resolution 94-164 which modified the previous enabling resolution to refer to current statutory authority for EDA's as contained in Chapter 469 of Minnesota Statutes. Among other things, this resolution impacted the financial reporting of the EDA. The EDA is reported as a discrete component unit, similar to the Public Utilities Commission.

Fund balances of EDA funds are as follows:

Fund	Revenue	Expenditures	Change in Fund Balance	Fund Balance 12/31/2017
General	\$2,305	\$16,057	(\$13,752)	\$28,558
Capital Project	294,115	285,124	8,991	713,421
Total	\$296,420	\$301,181	(\$4,761)	\$741,979

Capital Project expenditures for 2017 include the following:

CBIL Loans issued	\$125,100
Swan Machine site work	76,585
Airport South Ind. Park	9,612
Loan repayments	44,403
All other	29,424
Total	\$285,124

Economic Development Authority

The EDA has several loans payable. A summary of these loans is as follows:

<u>Payee</u>	<u>Purpose</u>	<u>Balance 12/31/16</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/17</u>
Blandin Foundation	Block 20 & 21 soil remediation	\$100,000	\$ -	\$ -	\$100,000
Blandin Foundation	Airport industrial park	332,500	-	17,500	315,000
Blandin Foundation	Commercial building improvement loans	175,000	-	18,266	156,734
IRRRB	Airport Hangar	293,000	-	-	293,000
IFDL	Airport Hangar	90,000	-	8,637	81,363
	Total	<u>\$990,500</u>	<u>\$ -</u>	<u>\$44,403</u>	<u>\$946,097</u>

The EDA also has inventory of Land Held for resale in the amount of \$2,316,696. A summary of these assets are as follows:

Industrial park East	\$274,500
Airport South Industrial Park - Phase 1	162,212
Airport South Industrial Park - Phase 2	197,739
Airport Roads	576,344
Manufacturing Hangar	580,000
Block 5	258,601
Blocks 20 and 21	267,300
	<u>\$2,316,696</u>

ACCOUNTING STANDARDS

Governmental Accounting Standards Board (GASB) statements that are required to be implemented in future years that may affect the City are as follows:

<u>Upcoming GASB Statements</u>	<u>City Implementation Required By</u>
Statement No. 75 <i>Accounting and Financial Reporting for Postemployment Benefits other than Pensions.</i>	2018
Statement No. 83 <i>Certain Asset Retirement Obligations.</i>	2019
Statement No. 84 <i>Fiduciary Activities.</i>	2019
Statement No. 85 <i>Omnibus 2017.</i>	2018
Statement No. 86 <i>Certain Debt Extinguishment</i>	2018
Statement No. 87 <i>Leases</i>	2020
Statement No. 88 <i>Certain Disclosures Related to Debt, Including Direct Borrowing and Direct Placements</i>	2019

COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

We have substantially completed the audit of the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Grand Rapids, Minnesota for the year ended December 31, 2017. We did not audit the financial statements of the Public Utilities Commission (a discretely presented component unit). Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter dated February 5, 2018. Professional standards also require that we communicate to you the following information related to our audit.

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2017. The City approved a revised purchasing policy effective April 10, 2017.

We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and

current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were management's estimation of the factors relating to the net OPEB obligation, and the net pension liability and the pension related deferred inflows and outflows. We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. Determining sensitivity is subjective, however, we believe the disclosures most likely to be considered sensitive are Note 8 – Retirement Plans.

The disclosures in the financial statements are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. There were no uncorrected misstatements that have an effect on our opinion on the financial statements. There were no corrected misstatements identified during the audit.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor’s report. We are pleased to report that no such disagreements arose during the course of the audit.

Management Representations

We will be requesting certain representations from management that are included in the management representation letter.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the governmental unit’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the management’s discussion and analysis and the budgetary comparison information, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on that RSI.

We were engaged to report on the combining and individual nonmajor fund financial statements and schedules, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the introductory section, statistical section and other information section, which accompany the financial statements but are not RSI. We did not audit or perform other procedures on this other information and we do not express an opinion or provide any assurance on it.

Restriction on Use

This information is intended solely for the information and use of the City Council and Management of the City of Grand Rapids, Minnesota and is not intended to be, and should not be, used by anyone other than these specified parties.



CITY OF GRAND RAPIDS

Legislation Details (With Text)

File #: 18-0420 **Version:** 1 **Name:** Appointment of Election Judges
Type: Agenda Item **Status:** Consent Agenda
File created: 6/25/2018 **In control:** City Council
On agenda: 7/9/2018 **Final action:**
Title: Consider adopting a resolution appointing election judges for the 2018 Primary and General elections.
Sponsors:
Indexes:
Code sections:
Attachments: [18- - Election Judges.pdf](#)

Date	Ver.	Action By	Action	Result
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Consider adopting a resolution appointing election judges for the 2018 Primary and General elections.

Background Information:

Attached is a resolution listing election judges for the 2018 elections. All judges will receive the required training through the Itasca County Auditor's Office.

In 2018, the Primary election is scheduled for Tuesday, August 14th and the General election is scheduled for Tuesday, November 6th. Each of our four precincts will be staffed by six judges, with one designated as Head Judge. The Head Judge for each precinct will receive \$12.00 per hour compensation and all other judges will receive \$11.00 per hour compensation. All judges must be paid mileage for travel to and from training and their designated polling places. A limited number of judges will serve as Health Care Facility judges, requiring additional compensation for training, voting and mileage.

Staff Recommendation:

Adopt resolution appointing judges and approve compensation as stated.

Requested City Council Action

Make a motion to adopt a resolution appointing election judges for the 2018 Primary and General elections and approve pay rate and mileage as presented.

Councilor introduced the following resolution and moved for its adoption:

RESOLUTION NO. 18-

A RESOLUTION APPOINTING ELECTION JUDGES FOR THE PRIMARY ELECTION OF AUGUST 14, 2018 AND THE GENERAL ELECTION OF NOVEMBER 6, 2018.

WHEREAS, a Primary Election will be held on August 14, 2018 and a General Election will be held on November 6, 2018; and

WHEREAS, polling places must remain open on those days from 7:00 a.m. to 8:00 p.m.; and

WHEREAS, the City must appoint and pay the wages and applicable mileage of election judges to staff the polling places.

NOW THEREFORE, BE IT RESOLVED, that the Grand Rapids City Council hereby appoints the following election judges for the August 14, 2018 Primary Election and the November 6, 2018 General Election:

Precinct #1 – Airport Terminal Building

Cindy Eckert, Head Judge
James Nardone
Edward Duke
Jim Olson
Jane Todd

Precinct #2 – Christ Episcopal Church

Colleen Nardone, Head Judge
Michael Eckert
Barb Nalan
Donna Waech
Penny Clements

Precinct #3 – IRA Civic Center-Upper Level

Catherine McLynn, Head Judge
Kathy Krook
Eric Goslovich
Jeri Olson
Vicki Lorenz
Ruth Connolly

Precinct #4 – Zion Lutheran Church

Jim Martinetto, Head Judge
Karen Karls
Betty Denzel
Pam Casio
Mona Karkela
Jackie Attleson

Adopted this 9th day of July, 2018

Dale C. Adams, Mayor

Attest:

Kimberly Gibeau, City Clerk

Councilor seconded the foregoing resolution and the following voted in favor thereof: ; and the following voted against same: None, whereby the resolution was declared duly passed and adopted.



CITY OF GRAND RAPIDS

Legislation Details (With Text)

File #: 18-0421 **Version:** 1 **Name:** Dobbs Resignation
Type: Agenda Item **Status:** Consent Agenda
File created: 6/25/2018 **In control:** City Council
On agenda: 7/9/2018 **Final action:**
Title: Consider accepting resignation from David Dobbs from the Arts & Culture Commission and authorize staff to advertise the vacancy.

Sponsors:

Indexes:

Code sections:

Attachments:

Date	Ver.	Action By	Action	Result
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Consider accepting resignation from David Dobbs from the Arts & Culture Commission and authorize staff to advertise the vacancy.

Background Information:

David Dobbs has submitted his resignation from the Arts & Culture Commission, effective immediately. This leaves a vacancy with an unexpired term through December 31, 2018.

Staff Recommendation:

Accept resignation and authorize filling the vacancy.

Requested City Council Action

Make a motion accepting the resignation of David Dobbs from Arts & Culture Commission and authorize advertising the vacancy.



CITY OF GRAND RAPIDS

Legislation Details (With Text)

File #: 18-0424 **Version:** 1 **Name:** Authorize the Mayor and City Administrator to sign the School Resource Officer Agreement for the 2018 - 2019 school year with School District #318.

Type: Agenda Item **Status:** Consent Agenda

File created: 6/27/2018 **In control:** City Council

On agenda: 7/9/2018 **Final action:**

Title: Consider approving the School Resource Officer Agreement for the 2018 - 2019 school year with School District #318.

Sponsors:

Indexes:

Code sections:

Attachments: [2018-2019 school SRO contract](#)

Date	Ver.	Action By	Action	Result
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Consider approving the School Resource Officer Agreement for the 2018 - 2019 school year with School District #318.

Background Information:

Since 1999 the City of Grand Rapids and School District 318 have had an annual agreement for a School Resource Officer at the Grand Rapids Senior High School. In 2006 the district requested an additional School Resource Officer for the Robert J. Elkington Middle School.

With the start of the 2018 - 2019 school year approaching, the police department would like to get in place the agreement for the 2018 - 2019 school year. The police department will be providing Officer Greg Lease and Officer Justin Edmundson to the school district for the Liaison positions. The fees for the 2018 - 2019 school year is \$128,451.01 for the two School Resource Officer positions.

Attached for your review is the 2018 - 2019 School Resource Officer Agreement

Staff Recommendation:

Please consider the Mayor and City Administrator sign the attached School Resource Officer Agreement for the 2018 - 2019 school year with School District #318.

Requested City Council Action

Make a motion authorizing the Mayor and City Administrator to sign the School Resource Officer Agreement for the 2018 - 2019 school year with School District #318.

**SCHOOL RESOURCE OFFICER
AGREEMENT
For the School Year 2018 - 2019**

This AGREEMENT is made pursuant to Minnesota Statutes section 471.59, by and between the City of Grand Rapids (“City”) and Independent School District 318 (“School District”).

1. PURPOSE

The City and School District wish to participate in a School Resource Officer Program. The purpose of this agreement is to set forth the terms and conditions to create, fund and implement the position of Police School Resource Officer.

2. SERVICES

The City shall provide the services of two full-time Minnesota P.O.S.T Board licensed peace officers, and related support services and supplies, to assist the School District in establishing and maintaining a School Resource Officer Program for the School District. The officers will have primary responsibility in serving as a resource to faculty, classroom members and school administrators in the prevention and diversion of juvenile problem behavior. The City agrees to provide vehicle, fuel, maintenance and other equipment deemed necessary by the Chief of Police. The School District agrees to provide adequate office space that will allow for cellular connectivity to the countywide law enforcement records system and a telephone at the site of majority assignment.

While present at schools/facilities outside their law enforcement jurisdiction, i.e. Outside Grand Rapids, and not responding to a mutual aid request from another law enforcement agency, if confronted with a criminal or delinquency matter, School Resource Officers will take necessary steps, in accordance with State law and department policy, to contain the situation and turn the matter over to the law enforcement agency having jurisdiction.

Primary responsibility for the resolution of any incident shall remain with the law enforcement agency having jurisdiction unless otherwise requested by that agency. In accordance with the Itasca County Mutual Aid Agreement, School Resource Officers may assist other law enforcement agencies having jurisdiction at any time they are requested to do so. School Resource officers will not conduct routine patrol outside their jurisdiction in relation to the School Resource Officer program without a request from the law enforcement agency having jurisdiction.

3. TERM

This Agreement shall commence on the first day of the teacher workshop in August 2018 and shall end on the last student day in June 2019. This Agreement may be renewed on an annual basis, as agreed by both parties.

4. PAYMENT

The School District shall pay to the City \$128,451.01 pursuant to Minnesota Statutes Section 126C.44 to partially reimburse the City for the costs incurred by the City for salary, benefits and transportation costs of the Police School Resource Officers in the School District's senior high, middle and secondary schools.

Upon execution of this Agreement, the School District shall provide the City with population of the School District at the time of the levy.

One-half of the sum owing under this contract shall be payable upon the execution of this Agreement. The remaining half of the sum owing under this contract should be payable on the last student day of May 2019.

5. GENERAL PROVISIONS

The Police School Resource Officers are City employees and shall not be considered employees of the School District for any purpose, including but not limited to salaries, wages, other compensations or fringe benefits, worker's compensation, unemployment compensation, P.E.R.A, Social Security, liability insurance, keeping of personnel records, termination of employment or other contract rights. The officers will report to and be directed by the Chief of Police. Resolution of unforeseen problems arising in this program shall be negotiated by representatives of the School District and the Chief of Police.

6. SCHEDULING

The Chief of Police shall determine the duty hours of the School Resource Officer on school days with input by the School District. The duty hours of the School Resource Officer on school days are flexible and will be primarily coordinated with the school day, and/or activities, but will be consistent with the City's labor contract with the Police Union. During non-school periods, the Chief of Police will determine the officer's duties and schedule.

7. HOLD HARMLESS AND INDEMNIFICATION

The City of Grand Rapids agrees to and shall defend, indemnify and hold harmless the School District, its officials, officers, agents and employees from and against any and all claims, losses, damages, judgements or liabilities of whatever nature, including any portion thereof, arising from or related to the indemnifying party's acts, omissions or performance under this agreement. It is the intent of the parties that each party be responsible for its own actions occurring under this agreement.

Dated: 6-21-18

GRAND RAPIDS SCHOOL DISTRICT #318



Business Manager
CITY OF GRAND RAPIDS

Dated: _____

Mayor

City Administrator



CITY OF GRAND RAPIDS

Legislation Details (With Text)

File #: 18-0442 **Version:** 1 **Name:** MacRostie Donation
Type: Agenda Item **Status:** Consent Agenda
File created: 7/3/2018 **In control:** City Council
On agenda: 7/9/2018 **Final action:**
Title: Consider adopting a resolution accepting a donation of \$3,250 from MacRostie Art Center for the Arts & Culture Commission.

Sponsors:

Indexes:

Code sections:

Attachments: [Resolution - Grant for donation to Arts & Culture.pdf.pdf](#)

Date	Ver.	Action By	Action	Result
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Consider adopting a resolution accepting a donation of \$3,250 from MacRostie Art Center for the Arts & Culture Commission.

Background Information:

MacRostie Art Center was awarded a Cool and Creative Grant from Regional Artist Professional Development and is donating the funds to the Arts & Culture Commission to be utilized for the "Making It Public" workshop, part of the Forecast Public Arts contract.

Staff Recommendation:

Approve and adopt resolution accepting donation.

Requested City Council Action

Make a motion adopting a resolution accepting \$3,250 donation from the MacRostie Art Center for the "Making It Public" workshop.

Councilor introduced the following resolution and moved for its adoption:

RESOLUTION NO. 18-

A RESOLUTION ACCEPTING A DONATION FROM MACROSTIE ART CENTER TO THE ARTS & CULTURE COMMISSION FOR “MAKING IT PUBLIC” WORKSHOP

WHEREAS, Minnesota State Statutes 465.03, states that cities may accept gifts of real or personal property, including money, and use them in accordance with the terms the donor prescribes; and

WHEREAS, every such acceptance shall be by resolution of the governing body adopted by two-thirds majority of its members,

NOW THEREFORE, BE IT RESOLVED, the City Council of the City of Grand Rapids, Itasca County, Minnesota, accepts the listed donation and terms of the donor as follows:

- MacRostie Art Center has donated \$3,250.00 for the Arts & Culture Commission to use for the “Making It Public” workshop as under the Forecast Public Art contract.

Adopted this 9th day of July 2018.

Dale C. Adams, Mayor

Attest:

Kimberly Gibeau, City Clerk

Councilor seconded the foregoing resolution and the following voted in favor thereof: ; and the following voted against same: None, whereby the resolution was declared duly passed and adopted.



CITY OF GRAND RAPIDS

Legislation Details (With Text)

File #: 18-0447 **Version:** 1 **Name:** MacRostie Temporary Liquor
Type: Agenda Item **Status:** Consent Agenda
File created: 7/6/2018 **In control:** City Council
On agenda: 7/9/2018 **Final action:**
Title: Consider approving temporary liquor licenses for MacRostie Art Center for August through December, 2018.
Sponsors:
Indexes:
Code sections:
Attachments: [MacRostie Art Center - Aug - Dec \(8-12 12\).pdf](#)

Date	Ver.	Action By	Action	Result
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Consider approving temporary liquor licenses for MacRostie Art Center for August through December, 2018.

Background Information:

MacRostie Art Center has submitted five (5) applications, covering First Friday events through the end of 2018. State Statute allows for twelve (12) calendar days each year. December will be the last of twelve dates for this organization.

Staff Recommendation:

Approve and authorize staff to forward to the State of Minnesota for issuance.

Requested City Council Action

Make a motion approving temporary liquor licenses for MacRostie Art Center for August through December, 2018.



Minnesota Department of Public Safety
 Alcohol and Gambling Enforcement Division
 445 Minnesota Street, Suite 222, St. Paul, MN 55101
 651-201-7500 Fax 651-297-5259 TTY 651-282-6555
**APPLICATION AND PERMIT FOR A 1 DAY
 TO 4 DAY TEMPORARY ON-SALE LIQUOR LICENSE**

Name of organization: **MacRostie Art Center** Date organized: **November 1966** Tax exempt number: **23-7105948**

Address: **405 NW 1st Ave** City: **Grand Rapids** State: **Minnesota** Zip Code: **55744**

Name of person making application: **Katie Marshall** Business phone: **218-326-2697** Home phone: **218-326-2046**

Date(s) of event: **November 2, 2018** Type of organization: Club Charitable Religious Other non-profit

Organization officer's name: **X Angela Ledding** City: **Deer River** State: **Minnesota** Zip: **56636**

Add New Officer

Location where permit will be used. If an outdoor area, describe.

MacRostie Art Center, 405 NW 1st Ave, Grand Rapids, MN 55744

If the applicant will contract for intoxicating liquor service give the name and address of the liquor license providing the service.

N/A

If the applicant will carry liquor liability insurance please provide the carrier's name and amount of coverage.

West Bend Mutual - \$1,000,000

APPROVAL

APPLICATION MUST BE APPROVED BY CITY OR COUNTY BEFORE SUBMITTING TO ALCOHOL AND GAMBLING ENFORCEMENT

Grand Rapids City/County

\$ 20. - City Fee Amount

7-5-18 Date Fee Paid

_____ Date Approved

_____ Permit Date

_____ City/County E-mail Address

Kimberly Gilman Signature City Clerk or County Official

_____ Approved Director Alcohol and Gambling Enforcement

CLERKS NOTICE: Submit this form to Alcohol and Gambling Enforcement Division 30 days prior to event.

PLEASE PROVIDE A VALID E-MAIL ADDRESS FOR THE CITY/COUNTY AS ALL TEMPORARY PERMIT APPROVALS WILL BE SENT BACK VIA EMAIL. E-MAIL THE APPLICATION SIGNED BY CITY/COUNTY TO AGE.TEMPORARYAPPLICATION@STATE.MN.US



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
07/03/2018

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an **ADDITIONAL INSURED**, the policy(ies) must have **ADDITIONAL INSURED** provisions or be endorsed. If **SUBROGATION IS WAIVED**, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

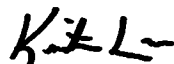
PRODUCER Itasca Reliable Insurance Agency 1121 E US Hwy 169 PO Box 825 Grand Rapids MN 55744	CONTACT NAME: Kristen Lease, CISR PHONE (A/C, No, Ext): (218) 326-8518 E-MAIL ADDRESS: kristenl@itascareliableinsurance.com	FAX (A/C, No): (218) 326-9557
	INSURER(S) AFFORDING COVERAGE	
INSURED MacRostie Art Center 405 NW 1st Ave Grand Rapids MN 55744-2617	INSURER A: West Bend Mutual Insurance NAIC # 15350	
	INSURER B: West Bend Mutual	
	INSURER C:	
	INSURER D:	
	INSURER E:	

COVERAGES **CERTIFICATE NUMBER:** 2018 Master **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER	Y		A165748	07/01/2018	07/01/2019	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 300,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000 \$
A	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO OWNED AUTOS ONLY <input checked="" type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS NON-OWNED AUTOS ONLY			A165748	07/01/2018	07/01/2019	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
	UMBRELLA LIAB <input type="checkbox"/> OCCUR EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED RETENTION \$						EACH OCCURRENCE \$ AGGREGATE \$ \$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A				PER STATUTE OTH-ER E L EACH ACCIDENT \$ E L DISEASE - EA EMPLOYEE \$ E L DISEASE - POLICY LIMIT \$
B	Directors & Officers / Employment Practices Liability			A379873-01 / A379869	07/01/2018	07/01/2019	1,000,000 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
Host Liquor Liability Coverage is included under the General Liability Policy listed above
City of Grand Rapids is included as additional insured with regards to the "First Friday of the Month" events

CERTIFICATE HOLDER City of Grand Rapids 420 Pokegama Ave N Grand Rapids MN 55744	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE 



CITY OF GRAND RAPIDS

Legislation Details (With Text)

File #: 18-0443 **Version:** 1 **Name:** Board & Commission Minutes
Type: Minutes **Status:** Approved
File created: 7/3/2018 **In control:** City Council
On agenda: 7/9/2018 **Final action:**
Title: Acknowledge minutes for Boards & Commissions
Sponsors:
Indexes:
Code sections:
Attachments: [April 18, 2018 HRA Minutes.pdf](#)
[May 16, 2018 HRA Minutes.pdf](#)
[May 30, 2018 Human Rights Minutes.pdf](#)
[June 5, 2018 Arts & Culture Minutes.pdf](#)

Date	Ver.	Action By	Action	Result
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Acknowledge minutes for Boards & Commissions

Background Information:

- April 18, 2018 HRA
- May 16, 2018 HRA
- May 30, 2018 Human Rights
- June 5, 2018 Arts & Culture

**THE HOUSING AND REDEVELOPMENT AUTHORITY
OF GRAND RAPIDS, MN
REGULAR MEETING April 18, 2018**

CALL TO ORDER

Pursuant to due notice and call thereof, a Regular Meeting of the Housing and Redevelopment Authority of Grand Rapids was called to order by Chairperson Len Salmela, at 4:00 p.m. in the Community Room, located at 411 NW 7th Street, Grand Rapids, MN.

CALL OF ROLL

On a Call of Roll the following Grand Rapids HRA Commissioners were present:
Commissioner Len Salmela - Commissioner Chris Henrichsen - Commissioner Bill Zeige

ABSENT: Commissioner Marilyn Rossman

HRA: Executive Director Jerry Culliton

PUBLIC FORUM: None

APPROVAL OF MINUTES

Commissioner Henrichsen made a motion to approve the Public Hearing meeting minutes of March 21, 2018 as presented. Seconded by Commissioner Zeige. Voting Aye, all. Motion carried. Commissioner Zeige made a motion to approve the March 21, 2018 Regular meeting minutes of March 21, 2018 as presented. Seconded by Commissioner Henrichsen. Voting Aye, all. Motion carried.

FINANCIAL REPORTS

Discussion was held among the Board members on the financial reports for the month of March, 2018, for the Public Housing Fund, Crystal Lake Townhomes Fund, and Pooled Housing Fund. Commissioner Henrichsen made motion to approve all financial statements as presented. Seconded by Commissioner Zeige. Voting Aye, all. Motion carried.

APPROVAL OF VERIFIED CLAIMS

After discussion of the verified claims, Commissioner Zeige made a motion to approve the Public Housing verified claims in the amount of \$23,250.70. Seconded by Commissioner Henrichsen. Voting Aye, all. Motion carried. Commissioner Zeige made a motion to approve Crystal Lake Townhomes verified claims in the amount of \$29,276.32. Seconded by Commissioner Henrichsen. Voting Aye, all. Motion carried. Commissioner Zeige made a motion to approve the Pooled Housing verified claims in the amount of \$66,409.08. Seconded by Commissioner Henrichsen. Voting Aye, all. Motion carried.

APPROVED

**Grand Rapids HRA
Meeting Minutes 4/18/2018
Page 2**

PUBLIC HOUSING REPORT

Director Culliton stated; we are 100% occupied with a short waiting list, our 2017 PHA score from the Federal government is attached, otherwise operations are normal and routine at both buildings.

CONSIDER PHONE PURCHASE

After discussion among the Board as well as discussing our procurement policy, Commissioner Henrichsen made a motion to authorize the Executive Director to purchase from Paul Bunyan a new phone system for the office. Seconded by Commissioner Zeige. Voting Aye, all. Motion carried.

CONSIDER BLUEPRINT WORK FOR THE 401 BATHROOMS

Commissioner Henrichsen made a motion to authorize the Executive Director to enter into a contract with Architectural Resources for bathroom renovations at 401 River Road and bid the work out and then brought back to the Board for formal award. Seconded by Commissioner Zeige. Voting Aye, all. Motion carried.

CRYSTAL LAKE HOUSING REPORT

Crystal Lake has 13 vacancies with no waiting list; we have two applications being processed, with painting and work being done on the laundry room, otherwise operations are normal and routine at both buildings.

POOLED HOUSING REPORT

Director Culliton gave a report stating that we have two vacancies at Forest Park West and none at Lake Shore Place, the waiting list for the one bedroom list is shorter than the two bedroom waiting list, the caretakers will be painting the top rails of the deck at Lake Shore Place and Forest Park West as well as seal coat all the decks. The attic building sprinkler system that was authorized by the Board was completed but some leaks were found and the company will be testing the system so there may be an additional cost to repair the system, otherwise operations are normal and routine.

CONSIDER LAWN MOWER PURCHASE

After discussion among the Board and the Executive Director, Commissioner Henrichsen made a motion to authorize the Executive Director to purchase a new zero turn, 60 inch, front deck lawn mower for Forest Park West and Lake Shore Place to solicit quotes for and award the purchase to the low qualified quote. Seconded by Commissioner Zeige. Voting Aye, all. Motion carried.

APPROVED

**Grand Rapids HRA
Meeting Minutes 4/18//2018
Page 3**

OTHER MATTERS

Director Culliton gave a handout to the Board on potential possible payoff of the mortgage for Forest Park West and Lake Shore Place for their consideration this coming fall.

Chairman Salmela brought up to the Board about a merit pay increase for the Executive Director and after discussion Commissioner Henrichsen said he would do some research and bring back information at the May meeting.

ADJOURNMENT

There being no further information of the HRA of Grand Rapids for April 18, 2018, Commissioner Henrichsen made a motion to adjourn the meeting at 5:05 p.m. Seconded by Commissioner Zeige . Voting Aye, all. Motion carried.

Signed _____

Secretary, Commissioner Chris Henrichsen

APPROVED

**THE HOUSING AND REDEVELOPMENT AUTHORITY
OF GRAND RAPIDS, MN
REGULAR MEETING May 16, 2018**

CALL TO ORDER

Pursuant to due notice and call thereof, a Regular Meeting of the Housing and Redevelopment Authority of Grand Rapids was called to order by Chairperson Len Salmela, at 4:00 p.m. in the Community Room, located at 411 NW 7th Street, Grand Rapids, MN.

CALL OF ROLL

On a Call of Roll the following Grand Rapids HRA Commissioners were present:
Commissioner Len Salmela - Commissioner Chris Henrichsen - Commissioner Bill Zeige
– Commissioner Issac Meyer

ABSENT: Commissioner Marilyn Rossman

HRA: Executive Director Jerry Culliton

PUBLIC FORUM: None

APPROVAL OF MINUTES

Commissioner Zeige made a motion to approve the April 18, 2018 Regular meeting minutes as presented. Seconded by Commissioner Henrichsen. Voting Aye, all. Motion carried.

FINANCIAL REPORTS

Discussion was held among the Board members on the financial reports for the month of April 2018, for the Public Housing Fund, Crystal Lake Townhomes Fund, and Pooled Housing Fund. Commissioner Henrichsen made motion to approve all financial statements as presented. Seconded by Commissioner Zeige. Voting Aye, all. Motion carried.

APPROVAL OF VERIFIED CLAIMS

After discussion of the verified claims, Commissioner Zeige made a motion to approve the Public Housing verified claims in the amount of \$21,126.21 along with an invoice to Paul Bunyan for the phone installation installed on May 17, 2018 on their quote of \$3,596.52 and to reimburse the Executive Director \$72.08 for a portable phone purchased from Target for the new phone system. Seconded by Commissioner Henrichsen. Voting Aye, all. Motion carried. Commissioner Zeige made a motion to approve Crystal Lake Townhomes verified claims in the amount of \$32,192.21. Seconded by Commissioner Henrichsen. Voting Aye, all. Motion carried. Commissioner Zeige made a motion to approve the Pooled Housing verified claims in the amount of \$94,122.64. Seconded by Commissioner Henrichsen. Voting Aye, all. Motion carried.

APPROVED

**Grand Rapids HRA
Meeting Minutes 5/16/2018
Page 2**

PUBLIC HOUSING REPORT

Director Culliton stated; we are 100% occupied with a short waiting list, the bathroom blue print work for the 401 River Road building was being done, the Board authorized boiler pump repair for the 401 River Road building is going to be done in the next month, otherwise operations are normal and routine at both buildings.

CONSIDER CABLE INCREASE

After discussion among the Board and the Executive Director, Commissioner Zeige made a motion to authorize a cable rate increase from \$30 to \$35 a month effective July 1, 2018. Seconded by Commissioner Henrichsen. Voting Aye, all. Motion carried.

CRYSTAL LAKE HOUSING REPORT

Crystal Lake has 13 vacancies with no waiting list; we have one application being processed with one move out June 30th, otherwise operations are normal and routine at all buildings.

POOLED HOUSING REPORT

Director Culliton gave a report stating that we are 100% occupied at Lake Shore Place and one vacancy at Forest Park West with a move in for June., the building sprinkler repairs were completed as per the bill list under LVC, the new mower had been purchased and delivered from Ace Hardware as the low qualified bidder, otherwise operations are normal and routine.

OTHER MATTERS

Commissioner Henrichsen gave a discussion to the Board on the salary of the Executive Director and the research that he had done based upon the last meeting in which Chairperson Salmela had asked the Board to consider raising the Executive Director's salary. Commissioner Henrichsen gave some reports to the Board on some research that he had done and after discussion Commissioner Henrichsen made a motion authorizing a pay increase to the Executive Director and that it be brought to \$84,000 effective immediately this pay period ending May 18th and that it be based upon the HUD Region Five Demographics of 250 units and in comparison, to other HRA's in the area. Seconded by Commissioner Zeige. Voting Aye, all. Motion carried.

Commissioner Henricksen then gave a report on the meeting that he had with the Executive Director on a potential C/D or bond set aside for the Crystal Lake Townhomes zero percent loans that would be due in 2041. Commissioner Henrichsen gave a report on the meeting

APPROVED

**Grand Rapids HRA
Meeting Minutes 4/18//2018
Page 3**

and the potential long range plan for paying off those loans and after discussion it will be placed on a future Board meeting most likely in September along with the payoff calculations for the mortgage for Forest Park West and Lake Shore Place. No action was taken.

Commissioner Salmela addressed the Board and gave his resignation letter to the City and thanking the HRA for its positive commitment to the community and to the employees. No action was taken.

ADJOURNMENT

There being no further information of the HRA of Grand Rapids for May 16, 2018, Commissioner Meyer made a motion to adjourn the meeting at 5:20 p.m. Seconded by Commissioner Henrichsen . Voting Aye, all. Motion carried.

Signed 
Secretary, Commissioner Chris Henrichsen

APPROVED

CITY OF GRAND RAPIDS HUMAN RIGHTS COMMISSION

CALL TO ORDER: Pursuant to due notice and call thereof a regular meeting of the Grand Rapids Human Rights Commission was held in Conference Room 2B, Grand Rapids City Hall, Grand Rapids, Minnesota, on Wednesday, May 30, 2018 at 4:00 p.m.

CALL OF ROLL: On a Call of Roll, the following members were present: Commissioners Karen Noyce, Doug Learmont, Bryan Olynik, Lea Friesen, John Schirber, Frieda Hall, Alice Moren and Deanna Ensley

Absent: Melissa Weidendorf

Staff: Lynn DeGrio

CALL TO ORDER Commissioner Moren called the meeting to order at 4:00 pm.

SETTING AGENDA

Additions:

- Indigenous People's Day to Old Business.

Motion by Commissioner Learmont, second by Commissioner Schirber to approve the agenda as amended. Motion passed by unanimous vote.

PRESENTATION

APPROVAL OF MINUTES April 25, 2018 Regular Meeting

Motion by Commissioner Hall, second by Commissioner Noyce to approve minutes for March 28, 2018 with changes. Motion passed by unanimous vote.

FINANCIALS

No changes from last meeting.

PUBLIC COMMENT/ACCOLADES

Two new members were introduced: Lea Friesen and Brian Olynick

CIRCLE OF HEALING

Update included playground in Ball Club (family picnic will be the next event), and ICC Home Grown Teachers Initiative.

BIG VIEW UPDATE

There is a planting project scheduled at the IRC on June 5, 2018 from 10:00 AM – 11:00 AM with a picnic following from 11:00 AM – 1:00 PM. Employees of IRC have been encouraged to attend.

OLD BUSINESS

2018 Indigenous People's Day: It was determined that the Commission would like to stay involved with the planning of this, and would like to keep the topic on the agenda. They will work in conjunction with Circles of Healing as well as involvement from the City.

Speaker Bureau: Green Card Voices is a traveling display with stories of immigrants from Minnesota. The University of Minnesota also has a display in their history center. There is availability from November 19, 2018 – December 14, 2018. The rental fee is \$1,000.00 and they will only deliver within a 10-mile radius. It was suggested that the display be held at the Library.

Motion by Commissioner Noyce, second by Commissioner Schirber to secure Green Card Voices and reserve \$2,000 of the budget for the cost. Motion passed by unanimous vote.

Commissioner Hall has attempted to contact volunteer refugee speakers. She left a message with the University of Minnesota Immigration Resource Library requesting information on a speaker (“Immigration 101”). Discussion was held as to the possibility to partner with ICC to bring additional speakers. Alice will contact Teresa Alto at ICC to discuss further.

NEW BUSINESS

Commissioners Moren and Hall, along with Teresa Alto, met with Robin Phillips regarding how to coordinate efforts. Commissioner Noyce will contact Robin and ask about the possibility of a speaking event.

CALLS/COMPLAINTS/INQUIRIES:

None. However, Commissioner Moren will contact Police Chief Scott Johnson and ask him to attend a meeting to discuss the process regarding Human Rights issues when he receives complaints.

Discussion was held and a sub-committee consisting of Commissioners Friesen, Olynick, Schirber, and Noyce to determine how to deal with issues in schools such as bullying on gender and race.

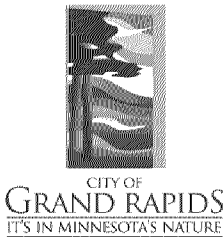
An updated contact list is needed; Lynn will ask City Clerk to update and provide to Commissioners.

Motion by Commissioner Schirber, second by Commissioner Hall to adjourn the meeting at 5:24 pm. Motion passed by unanimous vote.

Respectfully submitted:

Lynn DeGrio, Recorder

The next regular meeting is June 27, 2018.



CITY OF GRAND RAPIDS ARTS AND CULTURE COMMISSION
CONFERENCE ROOM 2B – GRAND RAPIDS CITY HALL
REGULAR MEETING, TUESDAY, JUNE 5, 2018 – 3:45 PM

CALL TO ORDER: Pursuant to due notice and call thereof the regular meeting of the Grand Rapids Arts and Culture Commission was held in Conference Room 2B of the Grand Rapids City Hall, 420 N Pokegama Avenue, Grand Rapids, Minnesota, on Tuesday, June 5, 2018, at 3:45 pm.

Call of Roll: On a Call of Roll, the following members were present: John Connelly, Sonja Merrild, David Marty, David Dobbs, Anne-Marie Erickson*, Harry Smith, and Kathy Dodge. Absent: Kayla Aubid and Myrna Peterson

Staff Present: Amy Dettmer, Kim Gibeau

Setting the Agenda:

- Old Business: Forecast Public Art

Motion by Commissioner Marty, second by Commissioner Connelly to approve the agenda as amended. Motion passed by unanimous vote.

Correspondence: None.

Approval of Minutes: May 1, 2018 Regular Meeting

Motion by Commissioner Smith, second by Commissioner Dobbs to approve the minutes of May 1, 2018 as presented. Motion passed by unanimous vote.

* Commissioner Erickson arrived at 3:50 PM.

Financials: No changes.

Artist in Residence:

There is currently one space available in the loft. Commissioner Dodge stated that she believes there is an application in process.

Old Business:

- **Cool & Creative Grant update:** MacRostie has been awarded a grant through the Cool & Creative event and will donate funds to the City to be used by Arts & Culture Commission. Commissioner Dodge will provide information on specific fund amount to be donated at the next meeting.
- **Banners update:** Commissioner Dodge advised that the Downtown Business Association has agreed to pay for extra downtown banners.
- **Utility Box Wraps:** Obtained historical photos from Lilah at the Historical Society. Working on layout, but running in to issues with sizing and resolution of old pictures. Discussed various solutions including using two to four pictures per box, reducing the size needed, or possibly creating a collage with several photos. Commissioner Dobbs will connect with Barb at Silvertip Graphics and try to resolve.
- **Forecast Public Art:** The City Council approved the proposal and Attorney Sterle has drafted a contract for approval by Forecast Public Art. After minor amendments, the updated contract has been sent and the City will fully execute when the signed contract is received back. Discussed development of a committee, consisting of Commission members and perhaps a City representative, to help facilitate this project. In the absence of two members, this will be addressed at the next regular meeting in July.

NEW BUSINESS:

- **Relay of Voices:** This project is a group of individuals that will run the length of the Mississippi, beginning at the Headwaters in Itasca State Park and ending in New Orleans. They will travel approximately 20 miles per day, identify six individuals in various communities to connect with, gather stories and build a live artistic presentation. This program is scheduled for summer of 2019.

Items for next agenda:

- New Business:
 - Lion's Club
- Old Business:
 - Cool & Creative Grant update
 - Utility Box Wraps
 - Forecast Public Art Committee
 - Relay of Voices

Motion by Commissioner Connelly, second by Commissioner Marty to adjourn the meeting at 4:44 PM.

Respectfully submitted:

Kimberly Gibeau, City Clerk



CITY OF GRAND RAPIDS

Legislation Details (With Text)

File #: 18-0438 **Version:** 1 **Name:** ISD 318 MOU for Legion Field
Type: Agenda Item **Status:** Civic Center, Parks & Recreation
File created: 7/2/2018 **In control:** City Council
On agenda: 7/9/2018 **Final action:**
Title: Consider a motion entering into a Memorandum of Understanding (MOU) with ISD 318 relating to the development and operations of Legion Field.
Sponsors:
Indexes:
Code sections:
Attachments: [7-9-18 ISD 318 MOU](#)

Date	Ver.	Action By	Action	Result
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Consider a motion entering into a Memorandum of Understanding (MOU) with ISD 318 relating to the development and operations of Legion Field.

Background Information:

Project Grand Rapids will include development of a Kids Campus at IRA Civic Center, featuring the new Boys & Girls Club, Infant/Toddler Early Childhood Education, a year-round Indoor Playground, Arts Education Center, and a Sports Rehabilitation/Training facility. In addition, Project Grand Rapids will make essential upgrades to the Civic Center, replacing the west venue roof and trusses, originally constructed in 1962, and the refrigeration system, constructed in 1968. Legion Field, currently utilized exclusively for baseball, will be converted to a multi-sport venue with the installation of artificial turf, allowing for multiple sporting events at the same time. Parking will be expanded throughout the park serving all facilities within the park.

The attached MOU establishes roles and responsibilities between the City and ISD 318 relative to the operations of Legion Field when it is converted from strictly a baseball field to a multi-use sports field with the installation of artificial turf.

Staff Recommendation:

City staff is recommending a motion entering into a Memorandum of Understanding (MOU) with ISD 318 relating to the development and operations of Legion Field.

Requested City Council Action

A motion entering into a Memorandum of Understanding (MOU) with ISD 318 relating to the development and operations of Legion Field.

Memorandum of Understanding

BETWEEN

INDEPENDENT SCHOOL DISTRICT 318

AND

THE CITY OF GRAND RAPIDS

This Memorandum of Understanding (MOU) between the Independent School District 318 (ISD) and the City of Grand Rapids (City) is related to the conversion of Legion Field from a natural turf field to an artificial turfed, multi-use field.

Whereas, the City and ISD 318 entered into a previous MOU dated December 20, 2017, which addressed the transfer of certain properties, including addressing the ownership of Legion Field over the next 12 months, or by December 20, 2018; and

Whereas, the ISD has a need, due to growth in sports, marching band, and other school activities, to provide multi-use athletic fields that can be utilized as many times as possible; and

Whereas, the conversion of Legion Field from strictly a baseball field, to a multi-use field that can accommodate a minimum of two soccer, football, or lacrosse fields, will assist in alleviating the shortage of activities space; and

Whereas, the City will be asking the citizens of Grand Rapids to consider approving a 1% local sales and use tax to fund improvements at American Legion Memorial Park, including conversion of Legion Field along with the renovation and expansion of the IRA Civic Center.

Now therefore, be it resolved, that ISD and the City agree to moving forward with the conversion of Legion Field with the following understanding:

1. Upon passage of a local sales and use tax by the citizens of Grand Rapids and approval of the State legislature, the City shall construct artificial turf on Legion Field with input from ISD staff.
2. ISD shall grant necessary easements to construct and expand parking lots on ISD property located adjacent and east of Legion Field.
3. Upon completion of construction, City shall lease Legion Field to ISD for \$1 under the following conditions:
 - a. ISD will be responsible to maintain, schedule, and sublease Legion Field.
 - b. Any revenue generated by naming rights, rental or subleasing of field, and advertising at Legion Field, shall be retained by ISD and placed in a dedicated fund for artificial turf replacement.
 - c. ISD is responsible for the replacement of artificial turf and any other infrastructure at Legion Field.

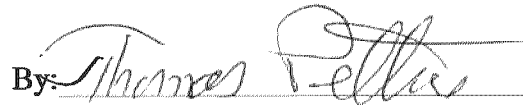
- d. The City's only role upon completion of artificial turf project, is to own Legion Field until the revenue bonds, backed by local sales and use tax, are paid in full.
 - e. Upon completion of revenue bonds, ownership of Legion Field, including the parking lots to be constructed on the south side of Legion Field and practice football field will transfer to ISD.
4. This MOU will be deemed effective as of the date of its signing and will expire on June 11, 2022, unless otherwise extended, terminated in writing, or a formal agreement is executed upon approval of a local sales and use tax.
 5. ISD does hereby agree to indemnify, defend and save City, its agents and employees, harmless from any and all claims for personal injury, property damage, or other claims and costs, including attorney's fees, and litigation of suits and claims thereon, which may arise from use by ISD of the Legion Field.

AGREED AND ACCEPTED:

CITY OF GRAND RAPIDS

INDEPENDENT SCHOOL DISTRICT 318

By: _____

By:  _____

By: _____

By:  _____



CITY OF GRAND RAPIDS

Legislation Details (With Text)

File #: 18-0422 **Version:** 1 **Name:** Amended Contract for Auditing Services 2018&2019
Type: Agenda Item **Status:** Finance
File created: 6/26/2018 **In control:** City Council
On agenda: 7/9/2018 **Final action:**

Title: Consider entering into an Amended Contract for Auditing Services with Redpath and Company, Ltd. for the fiscal years 2018 and 2019.

Sponsors:

Indexes:

Code sections:

Attachments: [Amended Contract for Auditing Services](#)

Date	Ver.	Action By	Action	Result
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Consider entering into an Amended Contract for Auditing Services with Redpath and Company, Ltd. for the fiscal years 2018 and 2019.

Background Information:

On June 22, 2015, the Council approved entering into a three-year Professional Services contract for Auditing Services with Redpath and Company, Ltd. for the years 2015, 2016 and 2017 with the option of auditing its financial statements for each of the two subsequent fiscal years. The contract for Auditing Services with Redpath expired with the completion of the 2017 audit. Estimated basic audit fees will be as follows:

Amended Contract is attached.

Staff Recommendation:

Staff recommends entering into an Amended Contract for Auditing Services with Redpath and Company, Ltd. for the fiscal years 2018 and 2019 for an amount not to exceed \$54,750.00 and \$56,000 respectively.

Requested City Council Action

Make a motion to enter into an Amended Contract for Auditing Services with Redpath and Company, Ltd. for the fiscal years 2018 and 2019 for an amount not to exceed \$54,750.00 and \$56,000 respectively and authorize the Mayor and City Administrator to sign the Amended Contract for Auditing Services.

AMENDED CONTRACT FOR AUDITING SERVICES

THIS CONTRACT is made and entered into by and between the City of Grand Rapids, Minnesota, hereinafter referred to as the "City", and Redpath and Company, Ltd. hereinafter referred to as the "Contractor".

WITNESSETH:

WHEREAS, the City is seeking auditing services; and

WHEREAS, the Contractor can provide those services needed.

NOW THEREFORE, in consideration of the mutual covenants and considerations hereinafter contained, it is agreed by and between the City and the Contractor as follows:

1. Scope of Services

It shall be the general intent of the Scope of Services to have the Contractor perform auditing services as defined in Exhibit "A".

2. Rate of Compensation

Compensation to the Contractor will be as specified in Exhibit "B".

3. Condition of Payment

All services provided by the Contractor pursuant to this Contract shall be performed to the satisfaction of the City, and in accordance with all applicable federal, state and local laws, ordinances, rules and regulations. Payment shall be withheld for work found by the City to be unsatisfactory, or performed in violation of federal, state, and local laws, ordinances, rules or regulations.

Invoices will be submitted on a monthly basis for work performed.

4. Time of Performance

The contract will be for the years 2018 through 2019.

All work authorized by the City through this Agreement will be performed in a timely manner and in accordance with a time schedule shown in Exhibit "A".

5. Ownership of Work Product

The original documents and work product prepared by the Contractor under this Contract shall be the property of the Contractor.

6. Termination of the Contract

Either party may cancel this Contract at any time by giving written notice to the other party at east fifteen (15) calendar days prior to the effective date of the termination. The Contractor shall be paid for the work performed prior to the effective date of termination based upon the payment terms of this Contract. Such payment shall not exceed the maximum amount provided for by the terms of this Contract. Notice to the City shall be mailed or delivered to Barbara Baird, Finance Director, City of Grand Rapids, 420 North Pokegama Avenue, Grand Rapids, Minnesota 55744. Notice to the Contractor shall be delivered to ATTN: David J. Mol, Redpath and Company, Ltd., 55 East Fifth Street East Suite 1400 St. Paul, MN 55101

7. Independent Contractor

It is agreed that nothing contained in this Contract is intended or should be construed as creating the relationship of co-partner, joint ventures, or an association with the City and Contractor. Contractor is an independent contractor and neither it, its employees, agents, subcontractors or representatives shall be considered employees, agents, or representatives of the city. Except as otherwise provided herein, Contractor shall maintain, in all respects, its present control over the means and personnel by which this Contract is performed. From any amounts due Contractor, there shall be no deductions for federal income tax or FICA payments nor for any state income tax, nor for any other purposes which are associated with an employer/employee relationship unless otherwise required by law. Payment of federal income tax, FICA payments, state income tax, unemployment compensation taxes, and other payroll deductions and taxes are the sole responsibility of Contractor.

8. Choice of Law

The laws of the State of Minnesota shall govern all questions as to the execution, nature, obligation, instruction, validity, and performance of this Contract.

9. Additional Services

In the event that a substantial change is made in the scope, complexity or character of the work contemplated under this Contract, or if it becomes necessary for the Contractor to make substantial revisions to documentation completed or in progress and which has been approved by the City, such work will be deemed extra work. For extra work, the Contractor will be compensated as mutually agreed upon by the parties to this Contract. Such extra work costs will not be charged against the maximum fee set forth above. Time extensions may be granted by the City to the Contractor for completion of this project if the City feels that the "extra work" warrants the extension. An amendment to this Contract will be executed by both parties, Contractor, and City, for any work deemed "extra work".

10. Accuracy of Work

The Contractor shall be responsible for the accuracy of the work and shall promptly make necessary revisions or corrections resulting from errors and omissions on the part of the Contractor without additional compensation.

All items of work to be performed by the Contractor shall be done in accordance with the requirements and recommendations of, and subject to the approval of, the City.

11. Subletting, Assignment, or Transfer

No portion of the work under the Contract shall be sublet, sold, transferred, assigned, or otherwise disposed of except with the prior written consent of the City.

12. Indemnity

To the fullest extent of and only to the extent of proceeds available from Contractor's professional liability insurance, the contractor shall save and protect, hold harmless, indemnify and defend the City, its council members, officers, agents, employees and volunteer workers against any and all Liability, causes of action, claims, loss, damages or cost and expense arising from any professional errors and omissions and/or negligent acts and omissions of Contractor in the performance of this Contract.

Contractor shall be responsible for the professional quality, technical accuracy, and the coordination of all services furnished by Contractor under this Contract. Contractor shall, without additional compensation, correct or revise any errors or deficiencies in contractor's final reports and services.

13. Insurance

Consultant shall not commence work under this Contract until it has obtained at its own cost and expenses all insurance required herein. All insurance coverage is subject to approval of the City and shall be maintained by Consultant until final completion of the work. Consultant further agrees that to protect itself as well as the City under the indemnity Contract set forth above, it shall at all times during the term of the Contract have and keep in force:

A. Comprehensive General Liability

Consultant shall obtain at its own cost and expenses all insurance required herein. All insurance coverage is subject to approval of the City and shall be maintained by Consultant at all times this Agreement is in effect. Consultant further agree that to protect themselves as well as the City of Grand Rapids under the indemnity Contract set forth above, they Consultant shall at all times during the term of the Agreement have and keep in force insurance protection as specified by Minn. Stat. Cpt. 466.04, subd. 1 as may be modified from time to time by the State Legislature.

B. Professional Liability

Professional liability insurance in a policy form acceptable to the City with a combined single limit of \$1,000,000 per occurrence, \$2,000,000 aggregate. Coverage shall include, but not be limited to reports, change orders, audits, or other work product of the Contractor.

C. Workers' Compensation

The consultant shall obtain and maintain for the duration of this Contract, statutory workers' compensation insurance and employer's liability insurance as required under the laws of the State of Minnesota.

1. State: Minnesota – Statutory

2. **Employer's Liability**

Insurance certificates evidencing that the above insurance is in force with companies acceptable shall be submitted for examination and approval prior to the execution of the Contract, after which they shall be filed with the City. The insurance certificates shall specifically provide that a certificate shall not be modified, canceled, or non-renewed except upon thirty (30) days prior written notice. Neither the City's failure to require or insist upon certificates or other evidence of insurance showing a variance from the specified coverage changes Consultant's responsibility to comply with the insurance specifications.

The City may withhold payment for failure of the consultant to furnish certificates of insurance as required above.

14. Settlement of Claims

In any case where the Contractor deems that extra compensation is due for services, materials or damages not expressly required by the Contract or not ordered in writing by the City as extra work, the Contractor shall notify the City in writing before it begins any such work on which the claim is based. If such notification is not previously given or the claim is not separately and strictly accounted for, and approved by the City in writing before the Contractor commences said work, the Contractor hereby waives and releases forever any claim or costs for such extra compensation. However, such notice or accounting shall not in any way be construed as proving the validity of any claim by Contractor.

The parties agree that any dispute over extra services, or questions of whatever nature arising out of this contract not resolved between the parties must be submitted to mediation prior to any Litigation.

15. Successors and Assigns

The City and Contractor, respectively, bind themselves, their partners, successors, assigns, and legal representatives to the other party to this Contract and to the partners, successors, assigns, and Legal representatives of such other party with respect to all covenants of this Contract. Neither the City nor Contractor shall assign, sublet, or transfer any interest in this Contract without the prior written consent of the other.

16. Equal Employment and Nondiscrimination and Affirmative Action

In connection with the work under this Contract, Contractor agrees to comply with the applicable provisions of state and federal equal employment opportunity and nondiscrimination statutes and regulations.

17. Separability

In the event any provision of this Contract shall be held invalid and unenforceable, the remaining provisions shall be valid and binding upon the parties unless such invalidity or non-enforceability would cause the Contract to fail its purpose. One or more waivers by either party of any provision, term, condition, or covenant shall not be construed by the other party as a waiver of a subsequent breach of the same by the other party.

18. Entire Contract

It is understood and agreed that the entire Contract of the parties is contained herein and that this Contract supersedes all oral agreements and negotiations between the parties relating to the subject matter hereof as well as any previous contracts presently in effect between the City and Contractor relating to the subject matter hereof.

19. Relationship with Others

The Contractor shall cooperate fully with the City, local government officials, other auditors or City staff, and others as may be directed by the City.

20. Covenant Against Contingent Fees

The Contractor warrants that it has not employed or retained any company or person other than a bona fide employee working solely for the Contractor to solicit or secure this Contract and that it has not paid or agreed to pay any company or person other than a bona fide employee working solely for the Contractor and fee, commission, percentage, brokerage fee, gifts, or any other consideration contingent upon or resulting from the award or making of this Contract. For breach or violation of this warranty, the City shall have the right to annul this Contract without liability, or in its discretion, to deduct from the Contract price or consideration or otherwise recover the full amount of such fee, commission, percentage, brokerage fee) gifts or contingent fee.

21. Laws

The Contractor shall keep himself fully informed of all existing and current regulations of the city, county, state and federal laws which in any way limit or control the actions or operations of those engaged upon the work or affecting the materials supplied to or by them. The Contractor shall at all times observe and comply with all ordinances, laws, and regulations and shall protect and indemnify the City as provided in Article 12 of this Contract.

22. Authorized Agent of the City of Grand Rapids

The City of Grand Rapids shall appoint an authorized agent for the purpose of administration of this Contract. Contractor is notified of the authorized agent of the City is as follows:

Barbara Baird
Finance Director
420 North Pokegama Avenue
Grand Rapids, Minnesota 55744

23. Modification of Contract

Any alterations, variations, modifications, or waivers of provisions of this Contract shall only be valid when they have been reduced to writing, signed by the Mayor and City Administrator of the City and the contractor and attached to the original of this Contract.

IN WITNESS WHEREOF, the City and the Contractor by their authorized partner or office have hereunto subscribed their names.

DATE: _____ CITY OF GRAND RAPIDS, MINNESOTA

By: _____
Dale Adams, Mayor

By: _____
Tom Pagel, City Administrator

DATE: _____ CONTRACTOR

REDPATH AND COMPANY, LTD.

By: _____
David J. Mol
Its: Partner

**CONTRACT FOR AUDITING SERVICES
CITY OF GRAND RAPIDS, MINNESOTA AND REDPATH AND COMPANY, LTD.
EXHIBIT A
SCOPE OF SERVICES**

Page 1

We are pleased to confirm our understanding of the services we are to provide the City of Grand Rapids (the City) for the year ending December 31, 2018 through 2019. The scope of services includes the following:

Audit and Related Services

- We will audit the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information, including the related notes to the financial statements, which collectively comprise the basic financial statements of the City as of and for the year ending December 31, 2018 through 2019. The public utilities commission component unit will be audited by other auditors. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the City's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the City's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:
 - Management's discussion and analysis
 - Budgetary Comparison Schedule(s)
 - GASB No. 68 Pension Schedules
 - GASB No. 75 OPEB Schedule

We have also been engaged to report on supplementary information other than RSI that accompanies the City's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with

**CONTRACT FOR AUDITING SERVICES
CITY OF GRAND RAPIDS, MINNESOTA AND REDPATH AND COMPANY, LTD.
EXHIBIT A
SCOPE OF SERVICES**

Page 2

auditing standards generally accepted in the United States of America and will provide an opinion on it in relation to the financial statements as a whole:

- Combining and Individual Fund Statements and Schedules
- Schedule of Expenditures of Federal Awards

The following other information accompanying the financial statements will not be subjected to the auditing procedures applied in our audit of the financial statements, and our auditor's report will not provide an opinion or any assurance on that information:

- Introductory section
- Statistical section

The following other reports will be issued in conjunction with the financial audit:

- State Legal Compliance Audit
- Federal Single Audit (if needed)

Nonaudit Services

- Preparation, copying and binding of financial statement document (CAFR)
- GASB 68 Pension Workpapers

Audit Objectives

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements taken as a whole. The objective also includes reporting on:

- Internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Internal control related to major programs and an opinion (or disclaimer of opinion) on compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

**CONTRACT FOR AUDITING SERVICES
CITY OF GRAND RAPIDS, MINNESOTA AND REDPATH AND COMPANY, LTD.
EXHIBIT A
SCOPE OF SERVICES**

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The Government Auditing Standards report on internal control over financial reporting and on compliance and other matters will include a paragraph that states (1) that the purpose of the report is solely to describe the scope of testing of internal control over financial reporting and compliance and the result of that testing and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering internal control over financial reporting and compliance. The Uniform Guidance report on internal control over compliance will include a paragraph that states that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Both reports will state that the report is not suitable for any other purpose.

Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America, the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and will include tests of the accounting records, a determination of major program(s) in accordance with the Uniform Guidance, and other procedures we consider necessary to enable us to express such opinions and render the required reports. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions on the financial statements or the single audit compliance opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or we may withdraw from this engagement.

Audit Procedures – General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the

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entity. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements or noncompliance may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or major programs. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and of any material abuse that comes to our attention. We include such matters in the reports required for a Single Audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; schedule of expenditures of federal awards; federal award programs; compliance with laws, regulations, contracts and grant agreements; and other responsibilities required by generally accepted auditing standards.

Audit Procedures – Internal Controls

Our audit will include obtaining an understanding of the government and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be

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expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by the Uniform Guidance, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, and the Uniform Guidance.

Audit Procedures – Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the City’s compliance with the provisions of applicable laws, regulations, contracts, agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with applicable laws and regulations and the provisions of contracts and grant agreements applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the *OMB Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of the City’s major programs. The purpose of these procedures will be to express an opinion on the City’s compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

The Minnesota Legal Compliance Audit Guide for Local Government requires that we test whether the auditee has complied with certain provisions of Minnesota Statutes. Our audit will include such test of the accounting records and other procedures as we consider necessary in the circumstances.

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Management Responsibilities

Management is responsible for (1) designing, implementing and maintaining effective internal controls, including internal controls over compliance, and for evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (4) ensuring that management is reliable and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements in conformity with U.S. generally accepted accounting principles; and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements. Your responsibilities also include identifying significant vendor relationships in which the vendor has responsibility for program compliance and for the accuracy and completeness of that information.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud or illegal acts could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws, regulations, contracts, agreements, and grants. Management is also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with

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provisions of laws, regulations, contracts, agreements and grants. Additionally, as required by the Uniform Guidance, it is management's responsibility to follow up and take corrective action on reported audit findings and to prepare a summary schedule of prior audit findings and a corrective action plan.

You are responsible for identifying all federal awards received and understanding and complying with the compliance requirements and for the preparation of the schedule of expenditures of federal awards in conformity with the Uniform Guidance. You agree to include our report on the schedule of expenditures of federal awards in any document that contains and indicates that we have reported on the schedule of expenditures of federal awards. You also agree to make the audited financial statements readily available to intended users of the schedule of expenditures of federal awards no later than the date the schedule of expenditures of federal awards is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance; (2) that you believe the schedule of expenditures of federal awards, including its form and content, is fairly presented in accordance with the Uniform Guidance; (3) that the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards.

You are also responsible for the preparation of the other supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) that you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) that the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements,

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performance audits or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

You agree to assume all management responsibilities relating to the financial statements, schedule of expenditures of federal awards, related notes and other nonaudit services we provide. You will be required to acknowledge in the written representation letter our assistance with preparation of the financial statements and schedule of expenditures of federal awards and that you have reviewed and approved the financial statements, schedule of expenditures of federal awards, and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

Engagement Administration, Fees and Other

We may from time to time, and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

At the conclusion of the engagement, we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings. It is management's responsibility to electronically submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditors' reports,

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and corrective action plan) along with the Data Collection Form to the federal audit clearinghouse. We will coordinate with you the electronic submission and certification. If applicable, we will provide copies of our report for you to include with the reporting package you will submit to pass-through entities. The Data Collection Form and the reporting package must be submitted within the earlier of 30 days after receipt of the auditors' reports or nine months after the end of the audit period, unless a longer period is agreed to in advance by the cognizant or oversight agency for audits.

The audit documentation for this engagement is the property of Redpath and Company, Ltd. and constitutes confidential information. However, subject to applicable laws and regulations and documentation and appropriate individuals will be made available upon request in a timely manner to a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Redpath and Company, Ltd. personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation will be retained for a minimum of five years after the report release date or for any additional period requested by the federal agency. If we are aware that a federal awarding agency or auditee is contesting a finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

David J. Mol, CPA is the engagement partner and is responsible for supervising the engagement and signing the report.

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EXHIBIT B
FEES**

Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. Unless additional work is requested, or circumstances require additional work, we estimate the basic audit fees will be as follows:

	2018	2019
City, including financial statement preparation	\$43,250	\$44,500
Federal single audit, if needed ⁽¹⁾	5,000	5,000
GASB 68 assistance	1,500	1,500
Out-of-pocket expenses	3,000	3,000
Subtotal	<u>52,750</u>	<u>54,000</u>
PUC delay fee	2,000	2,000
Total	<u>\$54,750</u>	<u>\$56,000</u>
⁽¹⁾ Assumes one major program		

The above fee is based on the anticipated scope of services. An increase in the scope of service will necessitate an addendum (change order) to this agreement. Examples of items that may result in an increase in the scope of service include additional audit procedures resulting from certain accounting issues or events, significant change in the level of activity/number of transactions, if there is an indication of misappropriation or misuse of public funds, or difficulties encountered due to lack of accounting records, incomplete records, inaccurate records or turnover in the City's staff.

Government Auditing Standards requires that we provide you with a copy of our most recent external peer review report and any letter of comment, and any subsequent peer review reports or letters of comment received during the period of contract. Our 2016 peer review report accompanies this letter as Appendix A. We are pleased to report that we did not receive a letter of comment.

We appreciate the opportunity to be of service to the City of Grand Rapids and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Sincerely,

REDPATH AND COMPANY, LTD.



David J. Mol, CPA

DJM:ajf

Response

This letter correctly sets forth the understanding of the City of Grand Rapids.

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

Nonaudit Services

The employee(s) assigned to oversee the nonaudit services is as follows:

- Finance Director
- Other employee (name and title) _____

10201 S. 51st Street, Suite #170
Phoenix, AZ 85044 (480)704-6301
fax 785-4619

System Review Report



September 22, 2016

To the Owners of
Redpath and Company, Ltd.
and the Peer Review Committee of the Minnesota Society of CPAs

We have reviewed the system of quality control for the accounting and auditing practice of Redpath and Company, Ltd. (the firm) in effect for the year ended May 31, 2016. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. As a part of our peer review, we considered reviews by regulatory entities, if applicable, in determining the nature and extent of our procedures. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included engagements performed under the *Government Auditing Standards* and audits of employee benefit plans.

In our opinion, the system of quality control for the accounting and auditing practice of Redpath and Company, Ltd. in effect for the year ended May 31, 2016, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Redpath and Company, Ltd. has received a peer review rating of *pass*.

Heidenreich & Heidenreich CPAs PLLC

Heidenreich & Heidenreich, CPAs, PLLC



CITY OF GRAND RAPIDS

Legislation Details (With Text)

File #:	18-0444	Version:	1	Name:	Consider a request by the Police Department to purchase one (1) 2018 Ford SUV Police Interceptor from Hibbing Ford, new equipment, and the installation of the equipment.
Type:	Agenda Item	Status:		Status:	Police
File created:	7/5/2018	In control:		In control:	City Council
On agenda:	7/9/2018	Final action:		Final action:	
Title:	Consider a request by the Police Department to purchase one (1) 2018 Ford SUV Police Interceptor from Hibbing Ford, new equipment, and the installation of the equipment.				
Sponsors:					
Indexes:					
Code sections:					
Attachments:	ford of hibbing				

Date	Ver.	Action By	Action	Result
------	------	-----------	--------	--------

Consider a request by the Police Department to purchase one (1) 2018 Ford SUV Police Interceptor from Hibbing Ford, new equipment, and the installation of the equipment.

Background Information:

The Police Department would like to purchase one (1) 2018 Ford SUV Police Interceptor patrol vehicle, this will be replacing the 2012 Dodge Charger that was involved in a crash on June 21, 2018 and the City's insurance company has totaled this vehicle.

Hibbing Ford has the state bid for police vehicles in Minnesota, I called them and fortunately, they had bought extra Ford SUVs and currently still have one. The cost for this Ford SUV Police Interceptor patrol vehicle is \$28,381.45.

The League of Minnesota Cities Insurance Trust will be compensating the city \$12,286.20 for the 2012 Dodge Charger that was totaled.

Some of the equipment will be used in the new squad car, but most will have to be replaced, as much of it was old when it was placed in the 2012 Dodge Charger. The purchase of the new vehicle and equipment and the installation price will not exceed \$48,000.00.

Staff Recommendation:

Recommendation to the city council to purchase one (1) Ford SUV Police Interceptor from Hibbing Ford for \$28,381.45 and the purchase and installation of the new equipment not to exceed \$48,000.00 total.

Requested City Council Action

Make a motion allowing the Police Department to purchase one (1) Ford SUV Police Interceptor from Hibbing Ford for \$28,381.45 and the purchase and installation of the new equipment not to exceed \$48,000.00 total.

FORD of HIBBING



Contact Info:

Bob O'Hara

218-349-8955

rwohara01@aol.com

Tim Carruth

218-262-3881

timcarr33@yahoo.com

2018 FORD AWD POLICE INTERCEPTOR CONTRACT # 83064

note: BASE STARTING PRICE DOES NOT INCLUDE ANY OPTIONS

\$26,428.45

THIS PRICING IS GOOD FOR THE BALANCE OF THE 2018 MODELS

NOTE: FOR 2018 THE KEYLESS ENTRY OPTION 5SF NOW COMES WITH 4 KEYFOBS

PLEASE CALL IF YOU HAVE ANY QUESTIONS

2627 13th AVE

HIBBING, MN 55746

218-262-3881

DEPARTMENT : BROOKLYN PARK
 CONTACT NUMBER: DAVE
 EMAIL:

2018 Ford Utility Policy Interceptor AWD

ALL OPTIONS

PLACE "X" IN YELLOW CELLS
 ON OPTION REQUESTED
 TOTAL PRICE WILL CALCULATE

	Option Price	VEHICLE SPEC	UNIT 1	VEHICLE SPEC	UNIT 2
<i>Base Starting Price does not include any options</i>					
ALL OPTIONS - 2018 Fleet/Non-Retail K9A AWD			\$26,428.45		\$26,428.45
CATEGORY					
Code Description Invoice					
ENGINE					
99R ENGINE: 3.7L V6 TRVCT FFV (STD) INC	\$0.00	X	\$0.00		
99T ENGINE: 3.5L V8 ECOBOOST -Inc: 131 MPH top speed, Deflector Plate, 3.16 Axle Ratio	\$3,130.00				
TRANSMISSION					
44C TRANSMISSION: 6-SPEED AUTOMATIC (STD)	\$0.00	X	\$0.00		
OPTION PACKAGE					
500A ORDER CODE 500A	\$0.00	X	\$0.00		
AXLE RATIO					
3.65 AXLE RATIO (STD)	\$0.00	X	\$0.00		
3.16 AXLE RATIO (Requires 99T) Eco Boost Engine	\$0.00				
PRIMARY PAINT					
B4 MEDIUM BROWN METALLIC	\$0.00				
E3 ARIZONA BEIGE METALLIC CLEARCOAT	\$0.00				
E4 VERMILLION RED w/o 91D,91C,91A, Late Availability w/91D,91C,91A, Late Availability	\$0.00				
G1 SHADOW BLACK	\$0.00	X	\$0.00		
HG SMOKESTONE METALLIC	\$0.00				
J1 KODIAK BROWN METALLIC	\$0.00				

<u>JL</u> DARK TOREADOR RED METALLIC	\$0.00	-	-	-	-
<u>KR</u> NORSEA BLUE METALLIC	\$0.00	-	-	-	-
<u>LK</u> DARK BLUE	\$0.00	-	-	-	-
<u>LM</u> ROYAL BLUE	\$0.00	-	-	-	-
<u>LN</u> LIGHT BLUE METALLIC	\$0.00	-	-	-	-
<u>MM</u> ULTRA BLUE METALLIC	\$0.00	-	-	-	-
<u>N</u> BLUE JEANS METALLIC	\$0.00	-	-	-	-
<u>ZN</u> SILVER GRAY METALLIC	\$0.00	-	-	-	-
<u>UJ</u> STERLING GRAY METALLIC	\$0.00	-	-	-	-
<u>UX</u> INGOT SILVER METALLIC	\$0.00	-	-	-	-
<u>YG</u> MEDIUM TITANIUM METALLIC	\$0.00	-	-	-	-
<u>YZ</u> OXFORD WHITE	\$0.00	-	-	-	-
SECONDARY PAINT					
<u>YZ</u> POLICE WHITE VINYL WRAP (Requires 91D or 91C or 91A)	\$0.00	-	-	-	-
PAINT SCHEME					
STANDARD PAINT	\$0.00	X		\$0.00	-
SEAT TYPE					
<u>9W</u> CHARCOAL BLACK, UNIQUE HD CLOTH FRONT BUCKET SEATS					
<u>W</u> /VINYL REAR -inc: driver 6-way power track (fore/aft,up/down, tilt					
w/manual recline, 2-way manual lumbar", passenger 2-way manual track					
(fore/aft, w/manual recline) and built-in steel intrusion plates in both front					
Seatbacks	\$0.00	X		\$0.00	-
<u>FW</u> CHARCOAL BLACK, UNIQUE HD CLOTH FRONT BUCKET SEATS					
<u>W</u> /CLOTH REAR -inc: driver 6-way power track (fore/aft,up/down, tilt					
w/manual recline, 2-way manual lumbar, passenger 2-way manual track					
(fore/aft, w/manual recline) and built-in steel intrusion plates in both front					
Seatbacks	\$58.00				-
<u>w/3SU</u>	\$0.00				-
Otherwise	\$58.00				-

conventional (Police) black steel wheel	\$451.00		-			
<u>65L</u> WHEEL COVERS (18" FULL FACE WHEEL COVER)	\$58.00		-			
<u>91H</u> 2-TONE VINYL ROOF IN WHITE	\$488.00		-			
<u>55D</u> SCUFF GUARDS -inc: Protective wrap edging located on front edge of both rear doors and top surface of rear bumper (help protect the upper surface from paint damage that can occur while loading and unloading of cargo)	\$86.00		-			
<u>63B</u> SIDE MARKER LED SIDEVIEW MIRRORS -inc: driver side - red / passenger side - blue. Located on backside of exterior mirror housing. LED lights only. Wiring and controller not included Recommend using Cargo Wiring Uplift Package (67G), Ready for the Road Package (67H) or Ultimate Wiring Package (67U). (Requires 60A)	\$276.00		-			
<u>549</u> HEATED SIDEVIEW MIRRORS	\$58.00	X	\$58.00			
<u>92G</u> 2ND ROW, REAR QUARTER & LIFTGATE WINDOW SOLAR TINT -inc: Deletes privacy glass	\$114.00		-			
<u>92R</u> 2ND ROW ONLY SOLAR TINT GLASS -inc: privacy glass on rear quarter and liftgate window	\$81.00		-			
<u>153</u> FRONT LICENSE PLATE BRACKET	\$0.00		-			
<u>16D</u> BADGE DELETE -inc: Deletes the Police Interceptor badging on rear liftgate and the Interceptor badging on front hood (EcoBoost)	\$0.00		-			
<u>91A</u> 2-TONE VINYL PACKAGE #1 -inc: roof vinyl, right hand/left hand front doors vinyl, right hand/left hand rear-doors vinyl, White (YZ) only (Requires YZ)	\$797.00		-			

21L FRONT WARNING AUXILIARY LED LIGHTS -inc: driver side - red / passenger side - blue (Requires 60A)	\$524.00				
21W FORWARD INDICATOR POCKET WARNING LED LIGHTS -inc: warn, park, turn (driver side - red / passenger side - blue) (Requires 60A)	\$607.00				
63L REAR QUARTER GLASS SIDE MARKER LED LIGHTS -inc: driver side - red / passenger side - blue	\$546.00				
96T REAR SPOILER TRAFFIC WARNING LED LIGHTS -inc: Fully Integrated in rear spoiler for enhanced visibility. Provides red/blue/amber directional lighting (Requires 85R)	\$1,330.00				
51Y DRIVER ONLY INCANDESCENT SPOT LAMP	\$204.00				
51Z DUAL INCANDESCENT SPOT LAMPS -inc: Driver and passenger	\$334.00				
51R DRIVER ONLY LED SPOT LAMP (UNITY)	\$375.00				
51T DRIVER ONLY LED SPOT LAMP (WHELEN)	\$389.00	X		\$399.00	
51S DUAL (DRIVER & PASSENGER) LED SPOT LAMPS (UNITY)	\$589.00				
51V DUAL (DRIVER & PASSENGER) LED SPOT LAMPS (WHELEN) \$632.00	\$632.00				
51P DRIVER SIDE SPOT LAMP PREP KIT -inc: Does not include spot lamp housing and bulb	\$132.00				
51W DUAL SIDE SPOT LAMP PREP KIT -inc: Does not include spot lamp housing and bulbs	\$286.00				
86P FRONT HEADLAMP/POLICE INTERCEPTOR HOUSING ONLY -Inc: predrilled hole for side marker police use, does not include LED installed lights (eliminates need to drill housing assemblies) and pre-molded side warning LED holes w/standard sealed capability (does not include LED installed lights) Recommend using pre-wiring for grille, LED lights, siren and speaker 60A.	\$119.00	X		\$119.00	
66A FRONT HEADLAMP LIGHTING SOLUTION -inc: base LED low beam/incandescent (halogen) high beam headlamp w/high beam wig-wag function and (2) white rectangular LED side warning lights, wiring and LED lights included, Controller not included, Grille LED Lights, Siren &					

91C 2-TONE VINYL PACKAGE #3 -inc: roof vinyl and right hand/left hand front-doors only vinyl, White (YZ) only (Requires YZ)	\$665.00	-	-	-
91J 2-TONE VINYL RH/LH FRONT DOORS IN WHITE	\$290.00	-	-	-
91D POLICE VINYL WORD WRAP - WHITE NON-REFLECTIVE -inc: Lettering located on left hand/right hand sides of vehicle (Requires YZ)	\$755.00	-	-	-
91E POLICE VINYL WORD WRAP - BLACK REFLECTIVE -inc: Lettering located on left hand/right hand sides of vehicle	\$755.00	-	-	-
91F POLICE VINYL WORD WRAP - WHITE REFLECTIVE -inc: Lettering located on left hand/right hand sides of vehicle	\$755.00	-	-	-
91G SHERIFF VINYL WORD WRAP - WHITE NON-REFLECTIVE -inc: Lettering located on left hand/right hand sides of vehicle	\$755.00	-	-	-
66B TAIL LAMP LIGHTING SOLUTION -inc: base LED lights plus (2) rear integrated hemispheric lighthead white LED side warning lights in taillamps, LED lights only, Wiring and controller not included Recommend using Cargo Wiring Uplift Package (67G) or Ultimate Wiring Package (67U).	\$404.00	X	\$404.00	-
66C REAR LIGHTING SOLUTION -inc: (2) backlit flashing linear high-intensity LED lights (driver's side red/passenger side blue) mounted to inside liftgate glass and (2) backlit flashing linear high-intensity LED lights (driver's side red/passenger side blue) installed on inside lip of liftgate (lights activate when liftgate is open), LED lights only, Wiring and controller not included Recommend using Cargo Wiring Uplift Package (67G) or Ultimate Wiring Package (67U)	\$433.00	-	-	-
86L AUTO HEADLAMP	\$109.00	-	-	-
94Z DAYTIME RUNNING LAMPS	\$42.00	X	\$42.00	-

Speaker Pre-Wiring Recommend using Cargo Wiring Uplift Package (67G) or Ultimate Wiring Package (67U)	\$809.00	-	-	-
86T TAIL LAMP/POLICE INTERCEPTOR HOUSING ONLY -inc: Pre-existing holes w/standard twist lock sealed capability (does not include LED installed lights) (eliminates need to drill housing assemblies) Recommend using Ultimate Wiring Package 67U.	\$58.00	-	-	-
43L POLICE SILENT MODE -inc: When activated, courtesy lamps and Daytime Running Lamps disabled (user configurable) Daytime running lamps do not disable where required by law. (Requires 942)	\$19.00	X	\$19.00	-
18X 100 WATT SIREN/SPEAKER W/BRACKET & PIGTAIL	\$285.00	-	-	-
59E KEYED ALIKE - 1435X	\$49.00	-	-	-
59B KEYED ALIKE - 1284X	\$49.00	-	-	-
59D KEYED ALIKE - 0135X	\$49.00	-	-	-
59F KEYED ALIKE - 0576X	\$49.00	X	\$49.00	-
59J KEYED ALIKE - 1111X	\$49.00	-	-	-
59C KEYED ALIKE - 1294X	\$49.00	-	-	-
59G KEYED ALIKE - 0151X	\$49.00	-	-	-
90D BALLISTIC DOOR-PANEL (LEVEL III) -inc: Driver front-door only Tested and meets the requirements of NIJ Standard 0108.01 Level III: 7.62 x 51 mm 9.7g M80 (.308 Winchester 150gr). Per LAPD requirements, they're also designed to withstand special threat rounds: 7.62 x 39 mm MSC 7.9g (Type 56), 5.56 x 45 mm M193 3.36g and 5.56 x 45mm M855 4g.	\$1,506.00	-	-	-
90E BALLISTIC DOOR-PANELS (LEVEL III) -inc: Driver and passenger front doors Tested and meets the requirements of NIJ Standard 0108.01 Level III: 7.62 x 51 mm 9.7g M80 (.308 Winchester 150gr). Per LAPD requirements, they're also designed to withstand special threat rounds: 7.62 x 39 mm MSC 7.9g (Type 56), 5.56 x 45 mm M193 3.36g and 5.56 x 45mm M855 4g.	\$3,012.00	-	-	-

<u>43D</u> DARK CAR FEATURE -Inc: Courtesy lamps disabled when any door is Opened		\$19.00					
<u>96W</u> FRONT INTERIOR VISOR LED LIGHT BAR -Inc: Super low-profile warning LED light bar fully integrated into the top of the windshield near the headliner. (Red/Red or Blue/Blue operation, White take down and scene capabilities) (Requires 85FR)		\$1,059.00					
<u>16C</u> 1ST & 2ND ROW CARPET FLOOR COVERING -Inc: front and rear floor Mats		\$119.00					
<u>17I</u> RED/WHITE DOME LAMP IN CARGO AREA		\$49.00					
<u>68Z</u> BLACK ROOF RACK SIDE RAILS		\$148.00					
<u>63V</u> CARGO STORAGE VAULT -Inc: lockable door and compartment light		\$232.00					
<u>47C</u> POLICE WIRE HARNESS CONNECTOR KIT - FRONT -Inc: For connectivity to Ford PI Package solutions, (2) male 4-pin connectors for siren, (6) female 4-pin connectors for lighting/siren/speaker, (1) 4-pin IP connector for speakers, (1) 4-pin IP connector for siren controller Note: See upfitters guide for further detail www.fordpoliceinterceptorupfit.com		\$100.00					
<u>21P</u> POLICE WIRE HARNESS CONNECTOR KIT - REAR -Inc: For connectivity to Ford PI Package solutions, (1) 2-pin connector for rear lighting, (1) 2-pin connector, (6) female 4-pin connectors, (6) male 4 pin connectors and (1) 10-pin connector. Note: See upfitters guide for further detail www.fordpoliceinterceptorupfit.com		\$123.00					
<u>87R</u> REAR VIEW CAMERA -Inc: Note: This option would replace the camera that comes standard in the 4" center stack area, Camera can only be							

displayed in the 4" center stack (standard) OR the rear view mirror (87R), Electrochromic Rear View Mirror Video is displayed in rear view mirror		\$0.00							
81S 4 REMAPPABLE STEERING WHEEL SWITCHES W/SYNC (Requires 53M)		\$148.00							
55B BLIS BLIND SPOT MONITORING W/CROSS TRAFFIC ALERT -Inc: heated mirrors will be included.		\$517.00							
76R REVERSE SENSING		\$261.00	X		\$261.00				
53M SYNC BASIC (VOICE ACTIVATED COMMUNICATIONS SYSTEM) -Inc: single USB port and single auxiliary audio input jack		\$280.00							
61R 4 REMAPPABLE STEERING WHEEL SWITCHES		\$148.00							
60A GRILLE LED LIGHTS, SIREN & SPEAKER PRE-WIRING		\$49.00	X		\$49.00				
60R NOISE SUPPRESSION BONDS (GROUND STRAPS)		\$95.00	X		\$95.00				
85D FRONT CONSOLE PLATE DELETE		\$0.00							
85R REAR CONSOLE PLATE Contours through 2nd row; channel for wiring.		\$33.00	X		\$33.00				
18W WINDOWS - REAR-WINDOW POWER DELETE -Inc: Operable from front driver side switches		\$24.00	X		\$24.00				
593 PERIMETER ANTI-THEFT ALARM -Inc: Activated by hood, door or liftgate (Requires 595)		\$114.00	QTY						
DLR1 EXTRA KEYS \$4.50 ea		\$4.50	0		\$0.00		0		\$0.00
TOTAL FOR VEHICLE WITH OPTIONS IDENTIFIED: per unit					\$28,381.45				\$26,428.45