



CITY OF GRAND RAPIDS

Meeting Agenda Full Detail City Council Work Session

Monday, May 12, 2014

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 will be held on Monday, May 12, 2014 at 4:00 p.m. in Conference Room 2A, 420 North Pokegama Avenue, Grand Rapids, Minnesota.

CALL OF ROLL: On a call of roll, the following members were present:

Discussion Items

1. [14-0492](#) Seasonal discussion with West Range Racing Association.
2. [14-0455](#) Independent School District 318 Update ~ Superintendent Bruce Thomas
3. [14-0491](#) 2013 Fund Balance Deficit for Library and Program Recreation Departments.
Attachments: [Special Revenue Funds](#)
4. **14-0499** Review 5:00 PM Regular Meeting Agenda and other business as noted.

ADJOURN

ATTEST: TOM PAGEL, CITY ADMINISTRATOR



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Legislation Details (With Text)

File #: 14-0492 **Version:** 1 **Name:** Racing Association
Type: Agenda Item **Status:** CC Worksession
File created: 5/8/2014 **In control:** City Council Work Session
On agenda: 5/12/2014 **Final action:**
Title: Seasonal discussion with West Range Racing Association.

Sponsors:

Indexes:

Code sections:

Attachments:

Date	Ver.	Action By	Action	Result
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Seasonal discussion with West Range Racing Association.



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Legislation Details (With Text)

File #: 14-0455 **Version:** 1 **Name:** School District Address - Superintendent Thomas
Type: Agenda Item **Status:** CC Worksession
File created: 4/29/2014 **In control:** City Council Work Session
On agenda: 5/12/2014 **Final action:**
Title: Independent School District 318 Update ~ Superintendent Bruce Thomas
Sponsors:
Indexes:
Code sections:
Attachments:

Date	Ver.	Action By	Action	Result
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Independent School District 318 Update ~ Superintendent Bruce Thomas



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Legislation Details (With Text)

File #: 14-0491 **Version:** 1 **Name:** Fund Deficit Discussion
Type: Agenda Item **Status:** CC Worksession
File created: 5/8/2014 **In control:** City Council Work Session
On agenda: 5/12/2014 **Final action:**
Title: 2013 Fund Balance Deficit for Library and Program Recreation Departments.

Sponsors:

Indexes:

Code sections:

Attachments: [Special Revenue Funds](#)

Date	Ver.	Action By	Action	Result
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2013 Fund Balance Deficit for Library and Program Recreation Departments.

Background Information:

At the April 28, 2014 worksession, the Council requested that Department Heads for Library and Program Recreation provide clarification regarding fund balance deficits for their departments in 2013.

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 2013:

Fund	Revenue	Expenditures	Interfund Transfers	Change in Fund Balance	Fund Balance 12/31/2013	Comments
Public Library	\$799,000	\$789,000	\$ -	\$10,000	\$442,000	Balanced budget for 2013. Donation revenue exceeded budget by \$60,000. Capital outlay exceed budget by \$50,000 for solar sunflowers and energy dashboard.
Central School	81,000	135,000	-	(54,000)	40,000	Budgeted decrease in fund balance of \$60,000.
Airport Operations	200,000	229,000	10,000	(19,000)	92,000	Budgeted decrease in fund balance of \$10,000.
IRA Civic Center	671,000	674,000	27,000	24,000	(88,000)	Balanced budget for 2013. Capital outlay was under budget by \$12,000 and City received an insurance recovery of \$12,000 related to the ice compressor.
Recreation Programs	56,000	73,000	-	(17,000)	25,000	Balanced budget for 2013. Expenditures exceeded budget by \$18,000, primarily related to the Mud Run event and consultant for park and trail plan.
Haz-Mat	87,000	87,000	-	-	1,000	Both revenues and expenditures exceeded budget by \$40,000 related to additional haz-mat training.
Police Forfeiture	27,000	28,000	-	(1,000)	59,000	
Cemetery	187,000	175,000	-	12,000	62,000	Balanced budget for 2013. Personnel expenditures were less than budgeted for 2013.
Domestic Animal Control Facility	33,000	62,000	29,000	-	7,000	Receives budgeted transfer from General fund.
Totals	\$2,141,000	\$2,252,000	\$66,000	(\$45,000)	\$640,000	

Recreation Programs Fund

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

<u>Year</u>	<u>Fund Balance Increase (Decrease)</u>	<u>Year-End Fund Balance</u>
2009	\$2,255	\$48,712
2010	(1,661)	47,051
2011	(4,589)	42,462
2012	(567)	41,895
2013	(16,515)	25,380

We recommend the City monitor the financial activity of this Fund and determine if 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 fund balance at December 31, 2013 is as follows:

Fund Balance Constraint	December 31, 2013		
	Targeted Balance	Actual Balance	Difference
Nonspendable:			
Prepaid items	\$16,251	\$16,251	\$ -
Committed:			
Cash flow	366,987	366,987	-
Compensated absences	34,169	34,169	-
Emergency/unanticipated expenditures	54,086	24,462	29,624
Major equipment replacement	61,813	-	61,813
Total committed	517,055	425,618	91,437
Total fund balance	\$533,306	\$441,869	\$91,437

As shown above, the actual fund balance is \$91,437 less than the targeted fund balance at December 31, 2013.

IRA Civic Center

A summary of activity of this Fund is as follows:

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Revenue	\$602,569	\$632,303	\$670,748	\$671,373
Expenditures	<u>623,246</u>	<u>640,535</u>	<u>696,195</u>	<u>674,407</u>
Revenue over (under) expenditures	(20,677)	(8,232)	(25,447)	(3,034)
Transfers in	-	27,450	27,000	27,000
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(20,677)	19,218	1,553	23,966
Fund balance (deficit) - January 1	<u>(111,772)</u>	<u>(132,449)</u>	<u>(113,231)</u>	<u>(111,678)</u>
Fund balance (deficit) - December 31	<u><u>(\$132,449)</u></u>	<u><u>(\$113,231)</u></u>	<u><u>(\$111,678)</u></u>	<u><u>(\$87,712)</u></u>

The Fund deficit of (\$87,712) at December 31, 2013 is partially financed by an interfund loan of \$38,166 which is being repaid with interest through 2015.

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