



# CITY OF GRAND RAPIDS

## Meeting Agenda Full Detail City Council

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Monday, July 15, 2013

4:00 PM

Conference Room 2A

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### Special Meeting

**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 15, 2013 at 4:00 p.m. in Conference Room 2A, 420 North Pokegama Avenue, Grand Rapids, Minnesota.

#### CALL OF ROLL

#### FINANCE DEPARTMENT

1. [13-0416](#) Consider approving Resolutions Providing for the Issuance and Sale of the following: \$4,025,000 General Obligation Street Reconstruction Bonds, Series 2013B, and \$2,770,000 Taxable General Obligation Utility Revenue Bonds, Series 2013C; and approving demand charge agreement between the City, PUC and Blandin Paper Company.  
**Attachments:** [Recommendations - 2013BC.pdf](#)  
[Grand Rapids GO Street Recon 13B Auth Resol - 427493v1.DOC](#)  
[Grand Rapids Tax GO Wastewater 13C Auth Resol - 427494v1.DOC](#)

#### ADMINISTRATION DEPARTMENT

2. [13-0418](#) Discuss the 2014 Preliminary Budget  
**Attachments:** [Budget 2014.pdf](#)

#### ADJOURNMENT

*Attest: Tom Pagel, City Administrator*



CITY OF  
GRAND RAPIDS  
IT'S IN MINNESOTA'S NATURE

# CITY OF GRAND RAPIDS

## Legislation Details (With Text)

**File #:** 13-0416      **Version:** 1      **Name:** Issuance and Sale of 2013 Bonds  
**Type:** Agenda Item      **Status:** Finance  
**File created:** 7/10/2013      **In control:** City Council  
**On agenda:** 7/15/2013      **Final action:**  
**Title:** Consider approving Resolutions Providing for the Issuance and Sale of the following: \$4,025,000 General Obligation Street Reconstruction Bonds, Series 2013B, and \$2,770,000 Taxable General Obligation Utility Revenue Bonds, Series 2013C; and approving demand charge agreement between the City, PUC and Blandin Paper Company.

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** [Recommendations - 2013BC.pdf](#)  
[Grand Rapids GO Street Recon 13B Auth Resol - 427493v1.pdf](#)  
[Grand Rapids Tax GO Wastewater 13C Auth Resol - 427494v1.pdf](#)

Date	Ver.	Action By	Action	Result
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Consider approving Resolutions Providing for the Issuance and Sale of the following: \$4,025,000 General Obligation Street Reconstruction Bonds, Series 2013B, and \$2,770,000 Taxable General Obligation Utility Revenue Bonds, Series 2013C; and approving demand charge agreement between the City, PUC and Blandin Paper Company.

**Background Information:**

On June 10, 2013 the City Council approved an amendment to the Street Reconstruction Plan that authorizes the issuance of street reconstruction bonds to finance the Street Reconstruction. The projects are CP2011-4/2012-8, CP2012-3/2013-1, CP2010-2 and CP2011-5. The City estimates the total cost of the Street Reconstruction is \$4,025,000. The Public Utilities Commission would like the City to issue bonds for the expansion of the solid waste disposal facility.

Attached are Recommendation for Issuance of Bonds prepared by the City's Financial Advisors, Springsted, Incorporated. The Recommendation include, but are not limited to the following:

- \*Set the sale date for August 12, 2013 at 10 a.m. with consideration for award by the City Council at 5 p.m. that same day.
- \*The bonds are being sold through a competitive bidding process.
- \*The bonds will all be general obligations of the City, secured by its full faith and credit and taxing power.
- \*This issue will require a rating applications to Moody's Investor Services.

**Requested City Council Action**

Consider approving Resolutions Providing for the Issuance and Sale of the following: \$4,025,000 General Obligation Street Reconstruction Bonds, Series 2013B, and \$2,770,000 Taxable General Obligation Utility Revenue Bonds, Series 2013C; and approving demand charge agreement between the City, PUC and Blandin Paper Company.

## City of Grand Rapids, Minnesota Recommendations for Issuance of Bonds

*\$4,025,000 General Obligation Street Reconstruction Bonds, Series 2013B*

## City of Grand Rapids, Minnesota (Public Utilities Commission) Recommendations for Issuance of Bonds

*\$2,770,000 Taxable General Obligation Utility Revenue Bonds, Series 2013C*

The Council has under consideration the issuance of bonds to finance the cost of various street improvement projects within the City and improvements to the City's wastewater facility. This document provides information relative to the proposed issuances.

**KEY EVENTS:** The following summary schedule includes the timing of some of the key events that will occur relative to the bond issuances.

July 15, 2013	Council sets sale date and terms
Week of August 5, 2013 (est.)	Rating conference is conducted
<b>August 12, 2013, 10:00 a.m.</b>	<b>Competitive proposals are received</b>
<b>August 12, 2013, 4:00 p.m.</b>	<b>Public Utilities Commission ratifies issuance</b>
<b>August 12, 2013, 5:00 p.m.</b>	<b>Council considers award of bonds</b>
Mid September, 2013 (est.)	Proceeds are received

**RATING:** An application will be made to Moody's Investors Service for a rating on the Bonds. The City's general obligation debt is currently rated "A1" by Moody's.

**THE MARKET:** Performance of the tax-exempt market is often measured by the Bond Buyer's Index ("BBI") which measures the yield of high grade municipal bonds in the 20<sup>th</sup> year for general obligation bonds (the BBI 20 Bond Index) and the 30<sup>th</sup> year for revenue bonds (the BBI 25 Bond Index). The following chart illustrates these two indices over the past five years.

**BBI 25-bond (Revenue) and 20-bond (G.O.) Rates for 5 Years  
Ending 7/4/2013**





Interest rates for the taxable municipal market are quoted as a spread to U.S. Treasury Securities. To give you an indication of the relative position of that market, the chart below tracks the yield of the 10-year and 30-year U.S. Treasury over the last five years.

**10-year and 30-year Treasury Rates for Five Years Ending July 4, 2013**



**POST ISSUANCE COMPLIANCE:**

The issuance of these bonds will result in post-issuance compliance responsibilities. The responsibilities lie in two primary areas: i) compliance with federal arbitrage requirements (2013B Bonds only) and ii) compliance with secondary disclosure requirements.

Federal arbitrage requirements include a wide range of implications that have been taken into account as your issue has been structured. Post-issuance compliance responsibilities for your tax-exempt issue include both rebate and yield restriction provisions of the IRS Code. In very general terms the arbitrage requirements control the earnings on unexpended bond proceeds, including investment earnings, moneys held for debt service payments (which are considered to be proceeds under the IRS regulations), and/or reserves. Since over 75% of the proceeds will be used for construction, the City is eligible for the 24-month spending exception, if certain spending targets are met over that time period. The City expects to meet the 24-month expenditure exception to rebate for the 2013B Bonds. Yield restriction provisions will apply to the debt service and project funds under certain conditions and the funds should be monitored throughout the life of the 2013B Bonds. With issues having special assessments used as a source of repayment, such as the 2013B Bonds, additional diligence should be exercised in monitoring the debt service fund due to the potential accumulation of assessment prepayments, which could cause the fund to become non-bona fide.

Secondary disclosure requirements result from an SEC requirement that underwriters provide ongoing disclosure information to investors. To meet this requirement, any prospective underwriter will require the City to commit to providing the information needed to comply under a continuing disclosure agreement.

Springsted currently provides these services to the City under a separate contract. A contract amendment adding these issues to that contract will be provided to City staff.



**SUPPLEMENTAL  
INFORMATION AND  
BOND RECORD:**

Supplementary information will be available to staff including detailed terms and conditions of sale, comprehensive structuring schedules and information to assist in meeting post-issuance compliance responsibilities.

Upon completion of the financing, bond records will be provided that contains pertinent documents and final debt service calculations for the transactions.

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*\$4,025,000 General Obligation Street Reconstruction Bonds, Series 2013B*

**Description of Issue**

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<b>PURPOSE:</b>	Proceeds of the 2013B Bonds, together with contributions from various sources in the amount of \$1,684,925, will be used to finance various street improvement projects within the City, pursuant to the City's Amended Street Reconstruction Plan for 2013-2017.
<b>AUTHORITY:</b>	<p><u>Statutory Authority:</u> The 2013B Bonds are being issued pursuant to Minnesota Statutes, Section 475.58 (subd. 3b) and the City's 2013-2017 Street Reconstruction Plan.</p> <p><u>Statutory Requirements:</u> The City must have a 5-year Street Reconstruction Plan and comply with the public hearing requirements. The public hearing was held on April 30, 2013 and the City Council unanimously approved the Plan. The 30-day reverse referendum expired on May 30, 2013.</p>
<b>SECURITY AND SOURCE OF PAYMENT:</b>	<p>The 2013B Bonds are a general obligation of the City, secured by its full faith and credit and taxing power. Annual principal and interest payments on the 2013B Bonds will be made from a combination of ad valorem property taxes and special assessments filed against benefited properties. Assessments on all projects will be filed on or about October 1, 2013 for collection beginning in 2014. The total principal amount of the assessments for the 2013B Bonds is \$1,193,049. Assessments have been structured with level annual payments over a term of 15 years. The interest charged on the unpaid balance of the assessments will be at a rate equal to the true interest cost of the 2013B Bonds. For structuring purposes, we have assumed a rate of 3.25%.</p> <p>The City will be required to levy taxes to pay a portion of the debt service on the 2013B Bonds. The City will make its first levy in 2013 for collection in 2014. Each year's collection of taxes and assessments will be used to make the August 1 interest payment due in the collection year and the February 1 principal and interest payment due in the following year.</p>
<b>STRUCTURING SUMMARY:</b>	Per direction from City staff, the 2013B Bonds have been structured around the projected assessment income over a term of 15 years, providing for annual levy requirements that are substantially level over the life of the 2013B Bonds.
<b>SCHEDULES ATTACHED:</b>	Schedules attached include the sources and uses of funds, and estimated debt service requirements and assessment schedules, given the current interest rate environment.
<b>RISKS/SPECIAL CONSIDERATIONS:</b>	The outcome of this financing will rely on the market conditions at the time of the sale. Any projections included herein are estimates based on current market conditions.

**SALE TERMS AND  
MARKETING:**

Variability of Issue Size: A specific provision in the sale terms permits modifications to the issue size and/or maturity structure to customize the issue once the price and interest rates are set on the day of sale.

Prepayment Provisions: Bonds maturing on or after February 1, 2024 may be prepaid at a price of par plus accrued interest on February 1, 2023.

Bank Qualification: The City does not expect to issue more than \$10 million in tax-exempt obligations that count against the \$10 million limit for this calendar year; therefore, the 2013B Bonds are designated as bank qualified.

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*\$2,770,000 General Obligation Utility Revenue Bonds, Series 2013C*

**Description of Issue**

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**PURPOSE:**

Proceeds of the 2013C Bonds will be used to finance improvements to the City's wastewater facility. The Public Utilities Commission (the "PUC") is a branch of the City government and is responsible for the operation and maintenance of the electrical power distribution system and the water and wastewater treatment systems.

The City will enter into a Demand Charge Agreement with Blandin Paper Company in which the City will issue the 2013C Bonds and the City's Public Utility Commission will facilitate the construction of the improvements for which the sole benefit and use will be for Blandin Paper Company. The Demand Charge Agreement is expected to be signed and approved by Blandin Paper Company prior to August 12, 2013. Blandin Paper Company will be the sole user of the improvements and will make 100% of the debt service payments on the 2013C Bonds; therefore, the 2013C Bonds are taxable.

**AUTHORITY:**

Statutory Authority: The 2013C Bonds are being issued pursuant to Minnesota Statutes, Chapters 444 and 475.

Statutory Requirements: Pursuant to Minnesota Statutes, Chapter 444 and the Resolution authorizing the 2013C Bonds, the City will covenant to maintain water and wastewater treatment facility use charges adequate to support the water and wastewater treatment facilities and to pay debt service, and the PUC will ratify and assume these covenants in the Authorizing Resolution. The PUC is required to annually review its budget for the utilities to determine if current rates and charges are sufficient and to adjust such rates and charges as necessary.

The City has five other outstanding bond issues for which the net revenues of the Water & Wastewater Utility Funds are pledged. The table below shows the net revenues available for debt service based on 2011 audited financials for fiscal year ending December 31, 2011. The maximum annual debt service payment on the 2013C Bonds and the outstanding bonds, less any revenue received from Blandin, is projected to be \$177,516.

	Water	Wastewater	Total
Operating Revenues	\$1,338,941	\$5,897,580	\$7,236,521
Operating Expenses	<u>(1,390,150)</u>	<u>(7,236,386)</u>	<u>(8,626,536)</u>
Net Operating Income	(51,209)	(1,338,806)	(1,390,015)
Add: Depreciation	304,274	1,346,893	1,651,167
Revenues Available to Pay DS	253,065	8,087	261,152
Maximum Annual Outstanding Debt Service			<u>\$177,516</u>
Remaining Capacity			<u>\$83,636</u>

**SECURITY AND SOURCE OF PAYMENT:**

The 2013C Bonds will be a general obligation of the City, secured by its full faith and credit and taxing power. In addition to the City's general obligation pledge, the City will pledge net revenues of the City's water and wastewater utilities to the 2013C Bonds.

Debt service payments will be paid by revenues from Blandin as they come due.

**STRUCTURING SUMMARY:**

Per direction from the PUC, the 2013C Bonds have been structured as over a term of fifteen years, with approximately level annual payments.

**SCHEDULES ATTACHED:**

Schedules attached include the sources and uses of funds and estimated debt service requirements, given the current interest rate environment.

**RISKS/SPECIAL CONSIDERATION:**

The outcome of this financing will rely on the market conditions at the time of the sale. Any projections included herein are estimates based on current market conditions.

**SALE TERMS AND MARKETING:**

Variability of Issue Size: A specific provision in the sale terms permits modifications to the issue size and/or maturity structure to customize the issue once the price and interest rates are set on the day of sale.

Prepayment Provisions: Bonds maturing on or after February 1, 2024 may be prepaid at a price of par plus accrued interest on or after February 1, 2023.



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**\$4,025,000**

**City of Grand Rapids, Minnesota**  
General Obligation Street Reconstruction Bonds, Series 2013B  
Issue Summary

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**Total Issue Sources And Uses**

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**Dated 09/01/2013 | Delivered 09/01/2013**

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	Horseshoe Rd & 15th St Strm CP 2011-4 & 2012-8	4th Ave NE & 7th Ave NW Recon. CP 2012- 3 & 2013-1	City Wide Overlay & Remer- Deschepper CP 2010-2 & 2	Golf Course Road Improvement s CP 2011-5	Issue Summary
<b>Sources Of Funds</b>					
Par Amount of Bonds.....	\$690,000.00	\$1,010,000.00	\$1,865,000.00	\$460,000.00	\$4,025,000.00
MSAS Bonding.....	1,184,967.00	-	-	-	1,184,967.00
PIR.....	200,000.00	-	-	-	200,000.00
GRPUC-Water.....	-	169,147.00	-	-	169,147.00
GRPUC-Sanitary.....	-	80,811.00	-	-	80,811.00
Storm Water Utility.....	50,000.00	-	-	-	50,000.00
<b>Total Sources.....</b>	<b>\$2,124,967.00</b>	<b>\$1,259,958.00</b>	<b>\$1,865,000.00</b>	<b>\$460,000.00</b>	<b>\$5,709,925.00</b>
<b>Uses Of Funds</b>					
Deposit to Project Construction Fund.....	2,109,048.00	1,235,560.00	1,828,423.00	452,500.00	5,625,531.00
Total Underwriter's Discount (1.100%).....	7,590.00	11,110.00	20,515.00	5,060.00	44,275.00
Costs of Issuance.....	6,831.44	9,999.63	18,464.66	4,554.27	39,850.00
Rounding Amount.....	1,497.56	3,288.37	(2,402.66)	(2,114.27)	269.00
<b>Total Uses.....</b>	<b>\$2,124,967.00</b>	<b>\$1,259,958.00</b>	<b>\$1,865,000.00</b>	<b>\$460,000.00</b>	<b>\$5,709,925.00</b>

**\$4,025,000**  
**City of Grand Rapids, Minnesota**  
**General Obligation Street Reconstruction Bonds, Series 2013B**  
**Issue Summary**

**NET DEBT SERVICE SCHEDULE**

Date	Principal	Coupon	Interest	Total P+I	Net New D/S	105% of Total	Assessment	Levy Required
02/01/2014	-	-	-	-	-	-	-	-
02/01/2015	195,000.00	0.900%	153,524.17	348,524.17	348,524.17	365,950.38	102,554.17	263,396.21
02/01/2016	235,000.00	1.050%	106,615.00	341,615.00	341,615.00	358,695.75	102,554.15	256,141.60
02/01/2017	235,000.00	1.400%	104,147.50	339,147.50	339,147.50	356,104.88	102,554.17	253,550.71
02/01/2018	240,000.00	1.700%	100,857.50	340,857.50	340,857.50	357,900.38	102,554.18	255,346.20
02/01/2019	245,000.00	2.000%	96,777.50	341,777.50	341,777.50	358,866.38	102,554.16	256,312.22
02/01/2020	255,000.00	2.250%	91,877.50	346,877.50	346,877.50	364,221.38	102,554.21	261,667.17
02/01/2021	260,000.00	2.450%	86,140.00	346,140.00	346,140.00	363,447.00	102,554.17	260,892.83
02/01/2022	260,000.00	2.700%	79,770.00	339,770.00	339,770.00	356,758.50	102,554.16	254,204.34
02/01/2023	270,000.00	2.950%	72,750.00	342,750.00	342,750.00	359,887.50	102,554.18	257,333.32
02/01/2024	280,000.00	3.150%	64,785.00	344,785.00	344,785.00	362,024.25	102,554.18	259,470.07
02/01/2025	290,000.00	3.300%	55,965.00	345,965.00	345,965.00	363,263.25	102,554.18	260,709.07
02/01/2026	300,000.00	3.450%	46,395.00	346,395.00	346,395.00	363,714.75	102,554.17	261,160.58
02/01/2027	305,000.00	3.600%	36,045.00	341,045.00	341,045.00	358,097.25	102,554.18	255,543.07
02/01/2028	320,000.00	3.750%	25,065.00	345,065.00	345,065.00	362,318.25	102,554.17	259,764.08
02/01/2029	335,000.00	3.900%	13,065.00	348,065.00	348,065.00	365,468.25	102,554.18	262,914.07
<b>Total</b>	<b>\$4,025,000.00</b>	<b>-</b>	<b>\$1,133,779.17</b>	<b>\$5,158,779.17</b>	<b>\$5,158,779.17</b>	<b>\$5,416,718.13</b>	<b>\$1,538,312.61</b>	<b>\$3,878,405.52</b>

Dated..... 9/01/2013  
 Delivery Date..... 9/01/2013  
 First Coupon Date..... 8/01/2014

**Yield Statistics**

Bond Year Dollars..... \$36,152.08  
 Average Life..... 8.982 Years  
 Average Coupon..... 3.1361379%  
 Net Interest Cost (NIC)..... 3.2586066%  
 True Interest Cost (TIC)..... 3.2400934%  
 Bond Yield for Arbitrage Purposes..... 3.0955853%  
 All Inclusive Cost (AIC)..... 3.3720628%

**IRS Form 8038**

Net Interest Cost..... 3.1361379%  
 Weighted Average Maturity..... 8.982 Years

**\$690,000**

**City of Grand Rapids, Minnesota**  
General Obligation Street Reconstruction Bonds, Series 2013B  
Horseshoe Rd & 15th St Strm CP 2011-4 & 2012-8

**NET DEBT SERVICE SCHEDULE**

Date	Principal	Coupon	Interest	Total P+I	Net New D/S	105% of Total	Assessment	Levy Required
02/01/2014	-	-	-	-	-	-	-	-
02/01/2015	35,000.00	0.900%	26,307.50	61,307.50	61,307.50	64,372.88	10,662.18	53,710.70
02/01/2016	40,000.00	1.050%	18,255.00	58,255.00	58,255.00	61,167.75	10,662.18	50,505.57
02/01/2017	40,000.00	1.400%	17,835.00	57,835.00	57,835.00	60,726.75	10,662.19	50,064.56
02/01/2018	40,000.00	1.700%	17,275.00	57,275.00	57,275.00	60,138.75	10,662.19	49,476.56
02/01/2019	40,000.00	2.000%	16,595.00	56,595.00	56,595.00	59,424.75	10,662.18	48,762.57
02/01/2020	45,000.00	2.250%	15,795.00	60,795.00	60,795.00	63,834.75	10,662.19	53,172.56
02/01/2021	45,000.00	2.450%	14,782.50	59,782.50	59,782.50	62,771.63	10,662.18	52,109.45
02/01/2022	45,000.00	2.700%	13,680.00	58,680.00	58,680.00	61,614.00	10,662.19	50,951.81
02/01/2023	45,000.00	2.950%	12,465.00	57,465.00	57,465.00	60,338.25	10,662.18	49,676.07
02/01/2024	50,000.00	3.150%	11,137.50	61,137.50	61,137.50	64,194.38	10,662.19	53,532.19
02/01/2025	50,000.00	3.300%	9,562.50	59,562.50	59,562.50	62,540.63	10,662.19	51,878.44
02/01/2026	50,000.00	3.450%	7,912.50	57,912.50	57,912.50	60,808.13	10,662.18	50,145.95
02/01/2027	55,000.00	3.600%	6,187.50	61,187.50	61,187.50	64,246.88	10,662.19	53,584.69
02/01/2028	55,000.00	3.750%	4,207.50	59,207.50	59,207.50	62,167.88	10,662.18	51,505.70
02/01/2029	55,000.00	3.900%	2,145.00	57,145.00	57,145.00	60,002.25	10,662.19	49,340.06
Total	\$690,000.00	-	\$194,142.50	\$884,142.50	\$884,142.50	\$928,349.63	\$159,932.78	\$768,416.85

Dated..... 9/01/2013  
Delivery Date..... 9/01/2013  
First Coupon Date..... 8/01/2014

**Yield Statistics**

Bond Year Dollars..... \$6,192.50  
Average Life..... 8.975 Years  
Average Coupon..... 3.1351231%  
Net Interest Cost (NIC)..... 3.2576908%  
True Interest Cost (TIC)..... 3.2394945%  
Bond Yield for Arbitrage Purposes..... 3.0955853%  
All Inclusive Cost (AIC)..... 3.3715617%

**IRS Form 8038**

Net Interest Cost..... 3.1351231%  
Weighted Average Maturity..... 8.975 Years



**\$1,010,000**  
**City of Grand Rapids, Minnesota**  
 General Obligation Street Reconstruction Bonds, Series 2013B  
 4th Ave NE & 7th Ave NW Recon. CP 2012-3 & 2013-1

**NET DEBT SERVICE SCHEDULE**

Date	Principal	Coupon	Interest	Total P+I	Net New DS	105% of Total	Assessment	Levy Required
02/01/2014	-	-	-	-	-	-	-	-
02/01/2015	50,000.00	0.900%	38,437.71	88,437.71	88,437.71	92,859.60	13,823.70	79,035.90
02/01/2016	60,000.00	1.050%	26,682.50	86,682.50	86,682.50	91,016.63	13,823.70	77,192.93
02/01/2017	60,000.00	1.400%	26,052.50	86,052.50	86,052.50	90,355.13	13,823.69	76,531.44
02/01/2018	60,000.00	1.700%	25,212.50	85,212.50	85,212.50	89,473.13	13,823.69	75,649.44
02/01/2019	60,000.00	2.000%	24,192.50	84,192.50	84,192.50	88,402.13	13,823.71	74,578.42
02/01/2020	65,000.00	2.250%	22,992.50	87,992.50	87,992.50	92,392.13	13,823.71	78,568.42
02/01/2021	65,000.00	2.450%	21,530.00	86,530.00	86,530.00	90,856.50	13,823.70	77,032.80
02/01/2022	65,000.00	2.700%	19,937.50	84,937.50	84,937.50	89,184.38	13,823.70	75,360.68
02/01/2023	70,000.00	2.950%	18,182.50	88,182.50	88,182.50	92,591.63	13,823.71	78,767.92
02/01/2024	70,000.00	3.150%	16,117.50	86,117.50	86,117.50	90,423.38	13,823.70	76,599.68
02/01/2025	70,000.00	3.300%	13,912.50	83,912.50	83,912.50	88,108.13	13,823.70	74,284.43
02/01/2026	75,000.00	3.450%	11,602.50	86,602.50	86,602.50	90,932.63	13,823.70	77,108.93
02/01/2027	75,000.00	3.600%	9,015.00	84,015.00	84,015.00	88,215.75	13,823.69	74,392.06
02/01/2028	80,000.00	3.750%	6,315.00	86,315.00	86,315.00	90,630.75	13,823.70	76,807.05
02/01/2029	85,000.00	3.900%	3,315.00	88,315.00	88,315.00	92,730.75	13,823.69	78,907.06
<b>Total</b>	<b>\$1,010,000.00</b>	<b>-</b>	<b>\$283,497.71</b>	<b>\$1,293,497.71</b>	<b>\$1,293,497.71</b>	<b>\$1,358,172.60</b>	<b>\$207,355.49</b>	<b>\$1,150,817.11</b>

Dated..... 9/01/2013  
 Delivery Date..... 9/01/2013  
 First Coupon Date..... 8/01/2014

**Yield Statistics**

Bond Year Dollars..... \$9,045.83  
 Average Life..... 8.956 Years  
 Average Coupon..... 3.1340143%  
 Net Interest Cost (NIC)..... 3.2568333%  
 True Interest Cost (TIC)..... 3.2380867%  
 Bond Yield for Arbitrage Purposes..... 3.0955853%  
 All Inclusive Cost (AIC)..... 3.3703924%

**IRS Form 8038**

Net Interest Cost..... 3.1340143%  
 Weighted Average Maturity..... 8.956 Years

**\$1,865,000**

**City of Grand Rapids, Minnesota**

General Obligation Street Reconstruction Bonds, Series 2013B  
City Wide Overlay & Remer-Deschepper CP 2010-2 & 2

**NET DEBT SERVICE SCHEDULE**

Date	Principal	Coupon	Interest	Total P+I	Net New D/S	105% of Total	Assessment	Levy Required
02/01/2014	-	-	-	-	-	-	-	-
02/01/2015	90,000.00	0.900%	71,145.00	161,145.00	161,145.00	169,202.25	39,171.51	130,030.74
02/01/2016	110,000.00	1.050%	49,410.00	159,410.00	159,410.00	167,380.50	39,171.50	128,209.00
02/01/2017	110,000.00	1.400%	48,255.00	158,255.00	158,255.00	166,167.75	39,171.51	126,996.24
02/01/2018	110,000.00	1.700%	46,715.00	156,715.00	156,715.00	164,550.75	39,171.51	125,379.24
02/01/2019	115,000.00	2.000%	44,845.00	159,845.00	159,845.00	167,837.25	39,171.50	128,665.75
02/01/2020	115,000.00	2.250%	42,545.00	157,545.00	157,545.00	165,422.25	39,171.52	126,250.73
02/01/2021	120,000.00	2.450%	39,957.50	159,957.50	159,957.50	167,955.38	39,171.51	128,783.87
02/01/2022	120,000.00	2.700%	37,017.50	157,017.50	157,017.50	164,868.38	39,171.50	125,696.88
02/01/2023	125,000.00	2.950%	33,777.50	158,777.50	158,777.50	166,716.38	39,171.51	127,544.87
02/01/2024	130,000.00	3.150%	30,090.00	160,090.00	160,090.00	168,094.50	39,171.50	128,923.00
02/01/2025	135,000.00	3.300%	25,995.00	160,995.00	160,995.00	169,044.75	39,171.51	129,873.24
02/01/2026	140,000.00	3.450%	21,540.00	161,540.00	161,540.00	169,617.00	39,171.50	130,445.50
02/01/2027	140,000.00	3.600%	16,710.00	156,710.00	156,710.00	164,545.50	39,171.52	125,373.98
02/01/2028	150,000.00	3.750%	11,670.00	161,670.00	161,670.00	169,753.50	39,171.52	130,581.98
02/01/2029	155,000.00	3.900%	6,045.00	161,045.00	161,045.00	169,097.25	39,171.51	129,925.74
Total	\$1,865,000.00	-	\$525,717.50	\$2,390,717.50	\$2,390,717.50	\$2,510,253.38	\$587,572.63	\$1,922,680.75

Dated..... 9/01/2013  
Delivery Date..... 9/01/2013  
First Coupon Date..... 8/01/2014

**Yield Statistics**

Bond Year Dollars..... \$16,757.08  
Average Life..... 8.985 Years  
Average Coupon..... 3.1372852%  
Net Interest Cost (NIC)..... 3.2597111%  
True Interest Cost (TIC)..... 3.2411883%  
Bond Yield for Arbitrage Purposes..... 3.0955853%  
All Inclusive Cost (AIC)..... 3.3731317%

**IRS Form 8038**

Net Interest Cost..... 3.1372852%  
Weighted Average Maturity..... 8.985 Years

**\$460,000**

**City of Grand Rapids, Minnesota**  
**General Obligation Street Reconstruction Bonds, Series 2013B**  
**Golf Course Road Improvements CP 2011-5**

**NET DEBT SERVICE SCHEDULE**

Date	Principal	Coupon	Interest	Total P+I	Net New D/S	105% of Total	Assessment	Levy Required
02/01/2014	-	-	-	-	-	-	-	-
02/01/2015	20,000.00	0.900%	17,633.96	37,633.96	37,633.96	39,515.66	38,896.78	618.88
02/01/2016	25,000.00	1.050%	12,267.50	37,267.50	37,267.50	39,130.88	38,896.77	234.11
02/01/2017	25,000.00	1.400%	12,005.00	37,005.00	37,005.00	38,855.25	38,896.78	(41.53)
02/01/2018	30,000.00	1.700%	11,655.00	41,655.00	41,655.00	43,737.75	38,896.79	4,840.96
02/01/2019	30,000.00	2.000%	11,145.00	41,145.00	41,145.00	43,202.25	38,896.77	4,305.48
02/01/2020	30,000.00	2.250%	10,545.00	40,545.00	40,545.00	42,572.25	38,896.79	3,675.46
02/01/2021	30,000.00	2.450%	9,870.00	39,870.00	39,870.00	41,863.50	38,896.78	2,966.72
02/01/2022	30,000.00	2.700%	9,135.00	39,135.00	39,135.00	41,091.75	38,896.77	2,194.98
02/01/2023	30,000.00	2.950%	8,325.00	38,325.00	38,325.00	40,241.25	38,896.78	1,344.47
02/01/2024	30,000.00	3.150%	7,440.00	37,440.00	37,440.00	39,312.00	38,896.79	415.21
02/01/2025	35,000.00	3.300%	6,495.00	41,495.00	41,495.00	43,569.75	38,896.78	4,672.97
02/01/2026	35,000.00	3.450%	5,340.00	40,340.00	40,340.00	42,357.00	38,896.79	3,460.21
02/01/2027	35,000.00	3.600%	4,132.50	39,132.50	39,132.50	41,089.13	38,896.78	2,192.35
02/01/2028	35,000.00	3.750%	2,872.50	37,872.50	37,872.50	39,766.13	38,896.77	869.35
02/01/2029	40,000.00	3.900%	1,560.00	41,560.00	41,560.00	43,638.00	38,896.79	4,741.21
Total	\$460,000.00	-	\$130,421.46	\$590,421.46	\$590,421.46	\$619,942.53	\$583,451.71	\$36,490.82

Dated..... 9/01/2013  
Delivery Date..... 9/01/2013  
First Coupon Date..... 8/01/2014

**Yield Statistics**

Bond Year Dollars..... \$4,156.67  
Average Life..... 9.036 Years  
Average Coupon..... 3.1376454%  
Net Interest Cost (NIC)..... 3.2593775%  
True Interest Cost (TIC)..... 3.2409396%  
Bond Yield for Arbitrage Purposes..... 3.0955853%  
All Inclusive Cost (AIC)..... 3.3721365%

**IRS Form 8038**

Net Interest Cost..... 3.1376454%  
Weighted Average Maturity..... 9.036 Years



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**\$1,193,049**

**City of Grand Rapids, Minnesota**

General Obligation Street Reconstruction Bonds, Series 2013B  
Issue Summary

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**Aggregate Assessment Revenue**

<b>DATE</b>	<b>Horseshoe Rd &amp; 15th St. Strm CP 2011-4 &amp; 2012-8</b>	<b>4th Ave NE &amp; 7th Ave NW Recon. CP 2012-3 &amp; 2013-1</b>	<b>City Wide Overlay &amp; Remer-Deschepper CP 2010-2 &amp; 2</b>	<b>Golf Course Road Improvements CP 2011-5</b>	<b>TOTAL</b>
12/31/2014	10,662.18	13,823.70	39,171.51	38,896.78	102,554.17
12/31/2015	10,662.18	13,823.70	39,171.50	38,896.77	102,554.15
12/31/2016	10,662.19	13,823.69	39,171.51	38,896.78	102,554.17
12/31/2017	10,662.19	13,823.69	39,171.51	38,896.79	102,554.18
12/31/2018	10,662.18	13,823.71	39,171.50	38,896.77	102,554.16
12/31/2019	10,662.19	13,823.71	39,171.52	38,896.79	102,554.21
12/31/2020	10,662.18	13,823.70	39,171.51	38,896.78	102,554.17
12/31/2021	10,662.19	13,823.70	39,171.50	38,896.77	102,554.16
12/31/2022	10,662.18	13,823.71	39,171.51	38,896.78	102,554.18
12/31/2023	10,662.19	13,823.70	39,171.50	38,896.79	102,554.18
12/31/2024	10,662.19	13,823.70	39,171.51	38,896.78	102,554.18
12/31/2025	10,662.18	13,823.70	39,171.50	38,896.79	102,554.17
12/31/2026	10,662.19	13,823.69	39,171.52	38,896.78	102,554.18
12/31/2027	10,662.18	13,823.70	39,171.52	38,896.77	102,554.17
12/31/2028	10,662.19	13,823.69	39,171.51	38,896.79	102,554.18
<b>Total</b>	<b>\$159,932.78</b>	<b>\$207,355.49</b>	<b>\$587,572.63</b>	<b>\$583,451.71</b>	<b>\$1,538,312.61</b>

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**\$2,770,000**

**City of Grand Rapids, Minnesota**

(Public Utilities Commission)

Taxable General Obligation Utility Revenue Bonds, Series 2013C

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**Sources & Uses**

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**Dated 09/01/2013 | Delivered 09/01/2013**

**Sources Of Funds**

Par Amount of Bonds..... \$2,770,000.00

**Total Sources..... \$2,770,000.00**

**Uses Of Funds**

Deposit to Project Construction Fund..... 2,705,559.00

Costs of Issuance..... 33,850.00

Total Underwriter's Discount (1.100%)..... 30,470.00

Rounding Amount..... 121.00

**Total Uses..... \$2,770,000.00**

**\$2,770,000**  
**City of Grand Rapids, Minnesota**  
(Public Utilities Commission)  
Taxable General Obligation Utility Revenue Bonds, Series 2013C

**DEBT SERVICE SCHEDULE**

Date	Principal	Coupon	Interest	Total P+I	105% Levy
02/01/2014	-	-	-	-	-
02/01/2015	105,000.00	1.350%	154,423.75	259,423.75	272,394.94
02/01/2016	155,000.00	1.650%	107,587.50	262,587.50	275,716.88
02/01/2017	155,000.00	2.100%	105,030.00	260,030.00	273,031.50
02/01/2018	160,000.00	2.600%	101,775.00	261,775.00	274,863.75
02/01/2019	165,000.00	3.000%	97,615.00	262,615.00	275,745.75
02/01/2020	170,000.00	3.450%	92,665.00	262,665.00	275,798.25
02/01/2021	175,000.00	3.750%	86,800.00	261,800.00	274,890.00
02/01/2022	180,000.00	4.000%	80,237.50	260,237.50	273,249.38
02/01/2023	185,000.00	4.250%	73,037.50	258,037.50	270,939.38
02/01/2024	195,000.00	4.500%	65,175.00	260,175.00	273,183.75
02/01/2025	205,000.00	4.700%	56,400.00	261,400.00	274,470.00
02/01/2026	215,000.00	4.850%	46,765.00	261,765.00	274,853.25
02/01/2027	225,000.00	5.000%	36,337.50	261,337.50	274,404.38
02/01/2028	235,000.00	5.150%	25,087.50	260,087.50	273,091.88
02/01/2029	245,000.00	5.300%	12,985.00	257,985.00	270,884.25
<b>Total</b>	<b>\$2,770,000.00</b>	<b>-</b>	<b>\$1,141,921.25</b>	<b>\$3,911,921.25</b>	<b>\$4,107,517.31</b>

**SIGNIFICANT DATES**

Dated.....	9/01/2013
Delivery Date.....	9/01/2013
First Coupon Date.....	8/01/2014

**Yield Statistics**

Bond Year Dollars.....	\$25,524.17
Average Life.....	9.215 Years
Average Coupon.....	4.4738826%
Net Interest Cost (NIC).....	4.5932597%
True Interest Cost (TIC).....	4.5568170%
Bond Yield for Arbitrage Purposes.....	4.4059738%
All Inclusive Cost (AIC).....	4.7271687%

**IRS Form 8038**

Net Interest Cost.....	4.4738826%
Weighted Average Maturity.....	9.215 Years

**Interest rates are estimates. Changes in rates may cause significant alterations to this schedule.**  
**The actual underwriter's discount bid may also vary.**



Extract of Minutes of Meeting  
of the City Council of the City of  
Grand Rapids, Itasca County, Minnesota

Pursuant to due call and notice thereof a regular meeting of the City Council of the City of Grand Rapids, Itasca County, Minnesota, was held at the City Hall in the City on Monday, July 15, 2013, commencing at 6:00 P.M.

The following members of the Council were present:

and the following were absent:

\* \* \*

\* \* \*

\* \* \*

The following resolution was presented by Councilmember \_\_\_\_\_, who moved its adoption:

**RESOLUTION NO. \_\_\_\_\_**

**RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE  
OF APPROXIMATELY \$4,025,000 CITY OF GRAND RAPIDS,  
MINNESOTA GENERAL OBLIGATION STREET  
RECONSTRUCTION BONDS, SERIES 2013B**

BE IT RESOLVED By the City Council of the City of Grand Rapids, Itasca County, Minnesota (the "City") as follows:

Section 1. Sale of Bonds.

1.01. Findings. It is hereby determined that:

(a) The City is authorized by Minnesota Statutes, Chapter 475, as amended, specifically Section 475.58, subdivision 3b (the "Act"), to finance all or a portion of the cost (the "Costs") of a street reconstruction project (the "Street Reconstruction") by the issuance of general obligation bonds of the City payable from ad valorem taxes.

(b) On February 11, 2008, the City Council held a public hearing regarding a Five Year Street and Road Reconstruction Plan (the "Original Plan") that described the streets to be reconstructed, estimated costs, and any planned reconstruction of other streets in the City, and approved the Plan by vote of all of the members of the City Council; and on July 28, 2008, the City held a public hearing on the issuance of obligations pursuant to the Plan, and approved the issuance of obligations by a vote of all of the members of the City Council present at the meeting, all pursuant to the Act. The City Council held a public hearing on June 10, 2013, regarding an amendment to the Original Plan (the "Amended Plan"), and approved the Amended Plan and the issuance of obligations by a vote of all of the members of the City Council, all pursuant to the Act. The Amended Plan authorizes the issuance of bonds to finance the additional projects and Costs as described therein over the five-year period of 2013 through 2017. On June 10, 2013, pursuant to the Amended Plan, the City authorized the issuance of street reconstruction bonds to finance the Street Reconstruction. The City estimates that the total cost of the Street Reconstruction is \$4,025,000, including capitalized interest, costs of issuance, and bond discount.

(c) The City Council has determined that, within 30 days after the public hearing, no petition for a referendum on the issuance of Bonds was received by the City in accordance with the Act, and accordingly the City has determined to issue its approximately \$4,025,000 City of Grand Rapids, Minnesota General Obligation Street Reconstruction Bonds, Series 2013B (the "Bonds") pursuant to the Act to provide financing for the Street Reconstruction.

(d) The City is authorized by Section 475.60, subdivision 2(9), of the Act to negotiate the sale of the Bonds, it being determined that the City has retained an independent financial advisor in connection with such sale. The actions of the City staff and the City's financial advisor in negotiating the sale of the Bonds are ratified and confirmed in all aspects.

2. Sale of Bonds. It is necessary and expedient to the sound financial management of the affairs of the City to issue the Bonds in the approximate aggregate principal amount of \$4,025,000 pursuant to the Act to finance the Street Reconstruction as herein provided. The Bonds will be issued,

sold and delivered in accordance with the terms of the Terms of Proposal attached hereto as EXHIBIT A (the "Terms of Proposal").

3. Authority of Financial Advisor. Springsted Incorporated is authorized and directed to advertise the Bonds for sale in accordance with the Terms of Proposal. The City Council will meet at 6:00 P.M. on Monday, August 12, 2013, to consider proposals on the Bonds and take any other appropriate action with respect to the Bonds.

4. Authority of Bond Counsel. The law firm of Kennedy & Graven, Chartered, as bond counsel for the City, is authorized to act as bond counsel and to assist in the preparation and review of necessary documents, certificates and instruments relating to the Bonds. The officers, employees and agents of the City are hereby authorized to assist Kennedy & Graven, Chartered in the preparation of such documents, certificates, and instruments.

5. Covenants. In the resolution awarding the sale of the Bonds the City Council will set forth the covenants and undertakings required by the Act.

6. Official Statement. In connection with the sale of the Bonds, the officers or employees of the City are authorized and directed to cooperate with Springsted Incorporated and participate in the preparation of an official statement for the Bonds and to execute and deliver it on behalf of the City upon its completion.



The motion for the adoption of the foregoing resolution was duly seconded by Councilmember \_\_\_\_\_, and upon vote being taken thereon the following members voted in favor of the motion:

and the following voted against:

whereupon the resolution was declared duly passed and adopted.

EXHIBIT A

THE CITY HAS AUTHORIZED SPRINGSTED INCORPORATED TO NEGOTIATE THIS ISSUE ON ITS BEHALF. PROPOSALS WILL BE RECEIVED ON THE FOLLOWING BASIS:

TERMS OF PROPOSAL

\$4,025,000\*

CITY OF GRAND RAPIDS, MINNESOTA

GENERAL OBLIGATION STREET RECONSTRUCTION BONDS, SERIES 2013B

(BOOK ENTRY ONLY)

Proposals for the Bonds and the Good Faith Deposit ("Deposit") will be received on Monday, August 12, 2013, until 10:00 A.M., Central Time, at the offices of Springsted Incorporated, 380 Jackson Street, Suite 300, Saint Paul, Minnesota, after which time proposals will be opened and tabulated. Consideration for award of the Bonds will be by the City Council at 5:00 P.M., Central Time, of the same day.

SUBMISSION OF PROPOSALS

Springsted will assume no liability for the inability of the bidder to reach Springsted prior to the time of sale specified above. All bidders are advised that each Proposal shall be deemed to constitute a contract between the bidder and the City to purchase the Bonds regardless of the manner in which the Proposal is submitted.

(a) **Sealed Bidding.** Proposals may be submitted in a sealed envelope or by fax (651) 223-3046 to Springsted. Signed Proposals, without final price or coupons, may be submitted to Springsted prior to the time of sale. The bidder shall be responsible for submitting to Springsted the final Proposal price and coupons, by telephone (651) 223-3000 or fax (651) 223-3046 for inclusion in the submitted Proposal.

OR

(b) **Electronic Bidding.** Notice is hereby given that electronic proposals will be received via PARITY®. For purposes of the electronic bidding process, the time as maintained by PARITY® shall constitute the official time with respect to all Bids submitted to PARITY®. *Each bidder shall be solely responsible for making necessary arrangements to access PARITY® for purposes of submitting its electronic Bid in a timely manner and in compliance with the requirements of the Terms of Proposal.* Neither the City, its agents nor PARITY® shall have any duty or obligation to undertake registration to bid for any prospective bidder or to provide or ensure electronic access to any qualified prospective bidder, and neither the City, its agents nor PARITY® shall be responsible for a bidder's failure to register to bid or for any failure in the proper operation of, or have any liability for any delays or interruptions of or any damages caused by the services of PARITY®. The City is using the services of PARITY® solely as a communication mechanism to conduct the electronic bidding for the Bonds, and PARITY® is not an agent of the City.

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\* Preliminary; subject to change.

If any provisions of this Terms of Proposal conflict with information provided by PARITY®, this Terms of Proposal shall control. Further information about PARITY®, including any fee charged, may be obtained from:

PARITY®, 1359 Broadway, 2<sup>nd</sup> Floor, New York, New York 10018  
Customer Support: (212) 849-5000

#### DETAILS OF THE BONDS

The Bonds will be dated September 1, 2013, as the date of original issue, and will bear interest payable on February 1 and August 1 of each year, commencing August 1, 2014. Interest will be computed on the basis of a 360-day year of twelve 30-day months.

The Bonds will mature February 1 in the years and amounts\* as follows:

2015	\$195,000
2016	\$235,000
2017	\$235,000
2018	\$240,000
2019	\$245,000
2020	\$255,000
2021	\$260,000
2022	\$260,000
2023	\$270,000
2024	\$280,000
2025	\$290,000
2026	\$300,000
2027	\$305,000
2028	\$320,000
2029	\$335,000

*The City reserves the right, after proposals are opened and prior to award, to increase or reduce the principal amount of the Bonds or the amount of any maturity in multiples of \$5,000. In the event the amount of any maturity is modified, the aggregate purchase price will be adjusted to result in the same gross spread per \$1,000 of Bonds as that of the original proposal. Gross spread is the differential between the price paid to the City for the new issue and the prices at which the securities are initially offered to the investing public.*

Proposals for the Bonds may contain a maturity schedule providing for a combination of serial bonds and term bonds. All term bonds shall be subject to mandatory sinking fund redemption at a price of par plus accrued interest to the date of redemption scheduled to conform to the maturity schedule set forth above. In order to designate term bonds, the proposal must specify "Years of Term Maturities" in the spaces provided on the Proposal form.

#### BOOK ENTRY SYSTEM

The Bonds will be issued by means of a book entry system with no physical distribution of Bonds made to the public. The Bonds will be issued in fully registered form and one Bond, representing the aggregate principal amount of the Bonds maturing in each year, will be registered in the name of Cede & Co. as nominee of The Depository Trust Company ("DTC"), New York, New York, which will act as securities depository of the Bonds. Individual purchases of the Bonds may be made in the principal amount of \$5,000 or any multiple thereof of a single maturity through book entries made on the books and records of DTC and its participants. Principal and interest are payable by the registrar to DTC or its nominee as registered owner of the Bonds. Transfer of principal and interest payments to participants of DTC will be the



responsibility of DTC; transfer of principal and interest payments to beneficial owners by participants will be the responsibility of such participants and other nominees of beneficial owners. The purchaser, as a condition of delivery of the Bonds, will be required to deposit the Bonds with DTC.

#### REGISTRAR

The City will name the registrar which shall be subject to applicable SEC regulations. The City will pay for the services of the registrar.

#### OPTIONAL REDEMPTION

The City may elect on February 1, 2023, and on any day thereafter, to prepay Bonds due on or after February 1, 2024. Redemption may be in whole or in part and if in part at the option of the City and in such manner as the City shall determine. If less than all Bonds of a maturity are called for redemption, the City will notify DTC of the particular amount of such maturity to be prepaid. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interests in such maturity to be redeemed. All prepayments shall be at a price of par plus accrued interest.

#### SECURITY AND PURPOSE

The Bonds will be general obligations of the City for which the City will pledge its full faith and credit and power to levy direct general ad valorem taxes. The proceeds will be used to finance various street reconstruction projects within the City as identified in the City's Amended 2013-2017 Street Reconstruction Plan.

#### BIDDING PARAMETERS

Proposals shall be for not less than \$3,980,725 plus accrued interest, if any, on the total principal amount of the Bonds. No proposal can be withdrawn or amended after the time set for receiving proposals unless the meeting of the City scheduled for award of the Bonds is adjourned, recessed, or continued to another date without award of the Bonds having been made. Rates shall be in integral multiples of 1/100 or 1/8 of 1%. The initial price to the public for each maturity must be 98.0% or greater. Bonds of the same maturity shall bear a single rate from the date of the Bonds to the date of maturity. No conditional proposals will be accepted.

#### GOOD FAITH DEPOSIT

Proposals, regardless of method of submission, shall be accompanied by a Deposit in the amount of \$40,250, in the form of a certified or cashier's check, a wire transfer, or Financial Surety Bond and delivered to Springsted Incorporated prior to the time proposals will be opened. Each bidder shall be solely responsible for the timely delivery of their Deposit whether by check, wire transfer or Financial Surety Bond. Neither the City nor Springsted Incorporated have any liability for delays in the transmission of the Deposit.

Any Deposit made by **certified or cashier's check** should be made payable to the City and delivered to Springsted Incorporated, 380 Jackson Street, Suite 300, St. Paul, Minnesota 55101.

Any Deposit sent via **wire transfer** should be sent to Springsted Incorporated as the City's agent according to the following instructions:

Wells Fargo Bank, N.A., San Francisco, CA 94104  
ABA #121000248

for credit to Springsted Incorporated, Account #635-5007954  
Ref: Grand Rapids, MN Series 2013B Good Faith Deposit

Contemporaneously with such wire transfer, the bidder shall send an e-mail to [bond\\_services@springsted.com](mailto:bond_services@springsted.com), including the following information; (i) indication that a wire transfer has been made, (ii) the amount of the wire transfer, (iii) the issue to which it applies, and (iv) the return wire instructions if such bidder is not awarded the Bonds.

Any Deposit made by the successful bidder by check or wire transfer will be delivered to the City following the award of the Bonds. Any Deposit made by check or wire transfer by an unsuccessful bidder will be returned to such bidder following City action relative to an award of the Bonds.

If a **Financial Surety Bond** is used, it must be from an insurance company licensed to issue such a bond in the State of Minnesota and pre-approved by the City. Such bond must be submitted to Springsted Incorporated prior to the opening of the proposals. The Financial Surety Bond must identify each underwriter whose Deposit is guaranteed by such Financial Surety Bond. If the Bonds are awarded to an underwriter using a Financial Surety Bond, then that underwriter is required to submit its Deposit to the City in the form of a certified or cashier's check or wire transfer as instructed by Springsted Incorporated not later than 3:30 P.M., Central Time on the next business day following the award. If such Deposit is not received by that time, the Financial Surety Bond may be drawn by the City to satisfy the Deposit requirement.

The Deposit received from the purchaser, the amount of which will be deducted at settlement, will be deposited by the City and no interest will accrue to the purchaser. In the event the purchaser fails to comply with the accepted proposal, said amount will be retained by the City.

#### AWARD

The Bonds will be awarded on the basis of the lowest interest rate to be determined on a true interest cost (TIC) basis calculated on the proposal prior to any adjustment made by the City. The City's computation of the interest rate of each proposal, in accordance with customary practice, will be controlling.

The City will reserve the right to: (i) waive non-substantive informalities of any proposal or of matters relating to the receipt of proposals and award of the Bonds, (ii) reject all proposals without cause, and (iii) reject any proposal that the City determines to have failed to comply with the terms herein.

#### BOND INSURANCE AT PURCHASER'S OPTION

The City has **not** applied for or pre-approved a commitment for any policy of municipal bond insurance with respect to the Bonds. If the Bonds qualify for municipal bond insurance and a bidder desires to purchase a policy, such indication, the maturities to be insured, and the name of the desired insurer must be set forth on the bidder's Proposal. The City specifically reserves the right to reject any bid specifying municipal bond insurance, even though such bid may result in the lowest TIC to the City. All costs associated with the issuance and administration of such policy and associated ratings and expenses (other than any independent rating requested by the City) shall be paid by the successful bidder. Failure of the municipal bond insurer to issue the policy after the award of the Bonds shall not constitute cause for failure or refusal by the successful bidder to accept delivery of the Bonds.

#### CUSIP NUMBERS



If the Bonds qualify for assignment of CUSIP numbers such numbers will be printed on the Bonds, but neither the failure to print such numbers on any Bond nor any error with respect thereto will constitute cause for failure or refusal by the purchaser to accept delivery of the Bonds. The CUSIP Service Bureau charge for the assignment of CUSIP identification numbers shall be paid by the purchaser.

#### SETTLEMENT

Within 40 days following the date of their award, the Bonds will be delivered without cost to the purchaser through DTC in New York, New York. Delivery will be subject to receipt by the purchaser of an approving legal opinion of Kennedy & Graven, Chartered of Minneapolis, Minnesota, and of customary closing papers, including a no-litigation certificate. On the date of settlement, payment for the Bonds shall be made in federal, or equivalent, funds that shall be received at the offices of the City or its designee not later than 12:00 Noon, Central Time. Unless compliance with the terms of payment for the Bonds has been made impossible by action of the City, or its agents, the purchaser shall be liable to the City for any loss suffered by the City by reason of the purchaser's non-compliance with said terms for payment.

#### CONTINUING DISCLOSURE

In accordance with SEC Rule 15c2-12(b)(5), the City will undertake, pursuant to the resolution awarding sale of the Bonds, to provide annual reports and notices of certain events. A description of this undertaking is set forth in the Official Statement. The purchaser's Bond to purchase the Bonds will be conditioned upon receiving evidence of this undertaking at or prior to delivery of the Bonds.

#### OFFICIAL STATEMENT

The City has authorized the preparation of an Official Statement containing pertinent information relative to the Bonds, and said Official Statement will serve as a nearly final Official Statement within the meaning of Rule 15c2-12 of the Securities and Exchange Commission. For copies of the Official Statement or for any additional information prior to sale, any prospective purchaser is referred to the Financial Advisor to the City, Springsted Incorporated, 380 Jackson Street, Suite 300, Saint Paul, Minnesota 55101, telephone (651) 223-3000.

The Official Statement, when further supplemented by an addendum or addenda specifying the maturity dates, principal amounts and interest rates of the Bonds, together with any other information required by law, shall constitute a "Final Official Statement" of the City with respect to the Bonds, as that term is defined in Rule 15c2-12. By awarding the Bonds to any underwriter or underwriting syndicate submitting a proposal therefor, the City agrees that, no more than seven business days after the date of such award, it shall provide without cost to the senior managing underwriter of the syndicate to which the Bonds are awarded up to 25 copies of the Official Statement and the addendum or addenda described above. The City designates the senior managing underwriter of the syndicate to which the Bonds are awarded as its agent for purposes of distributing copies of the Final Official Statement to each Participating Underwriter. Any underwriter delivering a proposal with respect to the Bonds agrees thereby that if its proposal is accepted by the City (i) it shall accept such designation and (ii) it shall enter into a contractual relationship with all Participating Underwriters of the Bonds for purposes of assuring the receipt by each such Participating Underwriter of the Final Official Statement.

Dated July 15, 2013

BY ORDER OF THE CITY COUNCIL

/s/ Kimberly Johnson-Gibeau  
City Clerk



STATE OF MINNESOTA     )  
  )  
COUNTY OF ITASCA     )  
  )  
CITY OF GRAND RAPIDS    )

I, the undersigned, being the duly qualified and acting City Clerk of the City of Grand Rapids, Minnesota (the "City"), hereby certify that I have carefully compared the attached and foregoing extract of minutes of a regular meeting of the City Council of the City held on Monday, July 15, 2013, with the original minutes on file in my office and the extract is a full, true and correct copy of the minutes, insofar as they relate to the issuance and sale of approximately \$4,025,000 City of Grand Rapids, Minnesota General Obligation Street Reconstruction Bonds, Series 2013B, of the City.

WITNESS My hand as City Clerk and the corporate seal of the City this \_\_\_\_ day of \_\_\_\_\_, 2013.

\_\_\_\_\_  
City Clerk  
City of Grand Rapids, Minnesota

(SEAL)

Extract of Minutes of Meeting  
of the City Council of the City of  
Grand Rapids, Itasca County, Minnesota

Pursuant to due call and notice thereof a regular meeting of the City Council of the City of Grand Rapids, Itasca County, Minnesota, was held at the City Hall in the City on Monday, July 15, 2013, commencing at 6:00 P.M.

The following members of the Council were present:

and the following were absent:

\* \* \*

\* \* \*

\* \* \*

The following resolution was presented by Councilmember \_\_\_\_\_, who moved its adoption:

**RESOLUTION NO. \_\_\_\_\_**

**RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF APPROXIMATELY \$2,770,000 CITY OF GRAND RAPIDS, MINNESOTA (PUBLIC UTILITIES COMMISSION) TAXABLE GENERAL OBLIGATION WASTEWATER REVENUE BONDS, SERIES 2013C; AND APPROVING DEMAND CHARGE AGREEMENT BETWEEN THE CITY, PUC AND BLANDIN PAPER COMPANY**

BE IT RESOLVED By the City Council of the City of Grand Rapids, Itasca County, Minnesota (the "City") as follows:

1. Findings. It is hereby determined that:

(a) The City, through its Public Utilities Commission (the "PUC") has constructed, owns and operates facilities for giving primary and secondary treatment to industrial wastes to assist in meeting state and federal water pollution abatement criteria (collectively, the "Facilities").

(b) As part of the Facilities, the PUC owns and operates a solid waste disposal facility under Industrial Solid Waste Disposal Facility Permits SW-210 (the "Permit"), for deposit of solid waste from the Facilities.

(c) Blandin Paper Company (the "Company") is the owner and operator of a plant presently manufacturing paper products, and said plant is located in the City.

(d) In accordance with the Permit, the Company has requested that the PUC construct an expansion of the solid waste disposal facility (the "Project") to accommodate an increased volume of paper mill sludge along with paper mill wood and coal ash, all of which is necessary to meet the Company's needs for the processing of industrial wastes, at an approximate cost of \$2,705,559.

(e) The City is authorized by Minnesota Statutes, Chapter 475, as amended, and Section 444.075 (together, the "Act"), to finance all or a portion of the cost of the Project by the issuance of general obligation bonds of the City payable from the net revenues of the City's wastewater system.

(f) It is necessary and expedient to the sound financial management of the affairs of the City and the PUC that the City issue its approximately \$2,770,000 City of Grand Rapids, Minnesota (Public Utilities Commission) Taxable General Obligation Wastewater Revenue Bonds, Series 2013C (the "Bonds"), pursuant to the Act to provide financing for the Project.

(g) In connection with issuance of the Bonds, the City has also reviewed a Demand Charge Agreement between the City, PUC and the Company (the "Demand Charge Agreement"), under which the Company agrees to pay a demand charge in amounts sufficient to pay debt service on the Bonds.

(h) The City is authorized by Section 475.60, subdivision 2(6) of the Act to negotiate the sale of the Bonds, it being determined that, on the advice of Kennedy & Graven, Chartered, as



bond counsel, interest on the Bonds cannot be represented to be excluded from gross income for purposes of federal income taxation.

2. Sale of Bonds. It is necessary and expedient to the sound financial management of the affairs of the City to issue the Bonds in the approximate aggregate principal amount of \$2,770,000 pursuant to the Act to finance the Project as herein provided. The Bonds will be issued, sold and delivered in accordance with the terms of the Terms of Proposal attached hereto as EXHIBIT A (the "Terms of Proposal").

3. Demand Charge Agreement. The City Council hereby approves the Demand Charge Agreement in substantially the form on file with the City on the date hereof and authorizes and directs the Mayor and City Administrator to execute and deliver the Demand Charge Agreement.

4. Authority of Financial Advisor. Springsted Incorporated is authorized and directed to advertise the Bonds for sale in accordance with the Terms of Proposal. The City Council will meet at 6:00 P.M. on Monday, August 12, 2013, to consider proposals on the Bonds and take any other appropriate action with respect to the Bonds.

5. Authority of Bond Counsel. The law firm of Kennedy & Graven, Chartered, as bond counsel for the City, is authorized to act as bond counsel and to assist in the preparation and review of necessary documents, certificates and instruments relating to the Bonds. The officers, employees and agents of the City are hereby authorized to assist Kennedy & Graven, Chartered in the preparation of such documents, certificates, and instruments.

6. Covenants. In the resolution awarding the sale of the Bonds, the City Council will set forth the covenants and undertakings required by the Act.

7. Official Statement. In connection with the sale of the Bonds, the officers or employees of the City are authorized and directed to cooperate with Springsted Incorporated and participate in the preparation of an official statement for the Bonds and to execute and deliver it on behalf of the City upon its completion.

(The remainder of this page is intentionally left blank.)

The motion for the adoption of the foregoing resolution was duly seconded by Councilmember \_\_\_\_\_, and upon vote being taken thereon the following members voted in favor of the motion:

and the following voted against:

whereupon the resolution was declared duly passed and adopted.

## EXHIBIT A

THE CITY HAS AUTHORIZED SPRINGSTED INCORPORATED TO NEGOTIATE THIS ISSUE ON ITS BEHALF. PROPOSALS WILL BE RECEIVED ON THE FOLLOWING BASIS:

### TERMS OF PROPOSAL

\$2,770,000\*

CITY OF GRAND RAPIDS, MINNESOTA (PUBLIC UTILITIES COMMISSION)  
TAXABLE GENERAL OBLIGATION UTILITY REVENUE BONDS, SERIES 2013C

(BOOK ENTRY ONLY)

Proposals for the Bonds and the Good Faith Deposit ("Deposit") will be received on Monday, August 12, 2013, until 10:00 A.M., Central Time, at the offices of Springsted Incorporated, 380 Jackson Street, Suite 300, Saint Paul, Minnesota, after which time proposals will be opened and tabulated. Consideration for award of the Bonds will be by the City Council at 5:00 P.M., Central Time, of the same day.

### SUBMISSION OF PROPOSALS

Springsted will assume no liability for the inability of the bidder to reach Springsted prior to the time of sale specified above. All bidders are advised that each Proposal shall be deemed to constitute a contract between the bidder and the City to purchase the Bonds regardless of the manner in which the Proposal is submitted.

(a) **Sealed Bidding.** Proposals may be submitted in a sealed envelope or by fax (651) 223-3046 to Springsted. Signed Proposals, without final price or coupons, may be submitted to Springsted prior to the time of sale. The bidder shall be responsible for submitting to Springsted the final Proposal price and coupons, by telephone (651) 223-3000 or fax (651) 223-3046 for inclusion in the submitted Proposal.

**OR**

(b) **Electronic Bidding.** Notice is hereby given that electronic proposals will be received via PARITY®. For purposes of the electronic bidding process, the time as maintained by PARITY® shall constitute the official time with respect to all Bids submitted to PARITY®. *Each bidder shall be solely responsible for making necessary arrangements to access PARITY® for purposes of submitting its electronic Bid in a timely manner and in compliance with the requirements of the Terms of Proposal.* Neither the City, its agents nor PARITY® shall have any duty or obligation to undertake registration to bid for any prospective bidder or to provide or ensure electronic access to any qualified prospective bidder, and neither the City, its agents nor PARITY® shall be responsible for a bidder's failure to register to bid or for any failure in the proper operation of, or have any liability for any delays or interruptions of or any damages caused by the services of PARITY®. The City is using the services of PARITY® solely as a communication mechanism to conduct the electronic bidding for the Bonds, and PARITY® is not an agent of the City.

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\* *Preliminary; subject to change.*



If any provisions of this Terms of Proposal conflict with information provided by PARITY®, this Terms of Proposal shall control. Further information about PARITY®, including any fee charged, may be obtained from:

PARITY®, 1359 Broadway, 2<sup>nd</sup> Floor, New York, New York 10018  
Customer Support: (212) 849-5000

#### DETAILS OF THE BONDS

The Bonds will be dated September 1, 2013, as the date of original issue, and will bear interest payable on February 1 and August 1 of each year, commencing August 1, 2014. Interest will be computed on the basis of a 360-day year of twelve 30-day months.

The Bonds will mature February 1 in the years and amounts\* as follows:

2015	\$105,000
2016	\$155,000
2017	\$155,000
2018	\$160,000
2019	\$165,000
2020	\$170,000
2021	\$175,000
2022	\$180,000
2023	\$185,000
2024	\$195,000
2025	\$205,000
2026	\$215,000
2027	\$225,000
2028	\$235,000
2029	\$245,000

\* *The City reserves the right, after proposals are opened and prior to award, to increase or reduce the principal amount of the Bonds or the amount of any maturity in multiples of \$5,000. In the event the amount of any maturity is modified, the aggregate purchase price will be adjusted to result in the same gross spread per \$1,000 of Bonds as that of the original proposal. Gross spread is the differential between the price paid to the City for the new issue and the prices at which the securities are initially offered to the investing public.*

Proposals for the Bonds may contain a maturity schedule providing for a combination of serial bonds and term bonds. All term bonds shall be subject to mandatory sinking fund redemption at a price of par plus accrued interest to the date of redemption scheduled to conform to the maturity schedule set forth above. In order to designate term bonds, the proposal must specify "Years of Term Maturities" in the spaces provided on the Proposal form.

#### BOOK ENTRY SYSTEM

The Bonds will be issued by means of a book entry system with no physical distribution of Bonds made to the public. The Bonds will be issued in fully registered form and one Bond, representing the aggregate principal amount of the Bonds maturing in each year, will be registered in the name of Cede & Co. as nominee of The Depository Trust Company ("DTC"), New York, New York, which will act as securities depository of the Bonds. Individual purchases of the Bonds may be made in the principal amount of \$5,000 or any multiple thereof of a single maturity through book entries made on the books and records of DTC and its participants. Principal and interest are payable by the registrar to DTC or its nominee as registered owner of the Bonds. Transfer of principal and interest payments to participants of DTC will be the

responsibility of DTC; transfer of principal and interest payments to beneficial owners by participants will be the responsibility of such participants and other nominees of beneficial owners. The purchaser, as a condition of delivery of the Bonds, will be required to deposit the Bonds with DTC.

#### REGISTRAR

The City will name the registrar which shall be subject to applicable SEC regulations. The City will pay for the services of the registrar.

#### OPTIONAL REDEMPTION

The City may elect on February 1, 2023, and on any day thereafter, to prepay Bonds due on or after February 1, 2024. Redemption may be in whole or in part and if in part at the option of the City and in such manner as the City shall determine. If less than all Bonds of a maturity are called for redemption, the City will notify DTC of the particular amount of such maturity to be prepaid. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interests in such maturity to be redeemed. All prepayments shall be at a price of par plus accrued interest.

#### SECURITY AND PURPOSE

The Bonds will be general obligations of the City for which the City will pledge its full faith and credit and power to levy direct general ad valorem taxes. In addition, the City will pledge net revenues of the City's water and wastewater utilities, which are operated by the Grand Rapids Public Utilities Commission. The proceeds will be used to finance improvements to the City's wastewater treatment plant.

#### TAXABILITY OF INTEREST

The interest to be paid on the Bonds is includable in gross income of the recipient for United States and State of Minnesota income tax purposes, and is subject to Minnesota Corporate and bank excise taxes measured by net income.

#### BIDDING PARAMETERS

Proposals shall be for not less than \$2,739,530 plus accrued interest, if any, on the total principal amount of the Bonds. No proposal can be withdrawn or amended after the time set for receiving proposals unless the meeting of the City scheduled for award of the Bonds is adjourned, recessed, or continued to another date without award of the Bonds having been made. Rates shall be in integral multiples of 1/100 or 1/8 of 1%. The initial price to the public for each maturity must be 98.0% or greater. Bonds of the same maturity shall bear a single rate from the date of the Bonds to the date of maturity. No conditional proposals will be accepted.

#### GOOD FAITH DEPOSIT

Proposals, regardless of method of submission, shall be accompanied by a Deposit in the amount of \$27,700, in the form of a certified or cashier's check, a wire transfer, or Financial Surety Bond and delivered to Springsted Incorporated prior to the time proposals will be opened. Each bidder shall be solely responsible for the timely delivery of their Deposit whether by check, wire transfer or Financial Surety Bond. Neither the City nor Springsted Incorporated have any liability for delays in the transmission of the Deposit.



Any Deposit made by **certified or cashier's check** should be made payable to the City and delivered to Springsted Incorporated, 380 Jackson Street, Suite 300, St. Paul, Minnesota 55101.

Any Deposit sent via **wire transfer** should be sent to Springsted Incorporated as the City's agent according to the following instructions:

Wells Fargo Bank, N.A., San Francisco, CA 94104  
ABA #121000248  
for credit to Springsted Incorporated, Account #635-5007954  
Ref: Grand Rapids, MN Series 2013C Good Faith Deposit

Contemporaneously with such wire transfer, the bidder shall send an e-mail to [bond\\_services@springsted.com](mailto:bond_services@springsted.com), including the following information; (i) indication that a wire transfer has been made, (ii) the amount of the wire transfer, (iii) the issue to which it applies, and (iv) the return wire instructions if such bidder is not awarded the Bonds.

Any Deposit made by the successful bidder by check or wire transfer will be delivered to the City following the award of the Bonds. Any Deposit made by check or wire transfer by an unsuccessful bidder will be returned to such bidder following City action relative to an award of the Bonds.

If a **Financial Surety Bond** is used, it must be from an insurance company licensed to issue such a bond in the State of Minnesota and pre-approved by the City. Such bond must be submitted to Springsted Incorporated prior to the opening of the proposals. The Financial Surety Bond must identify each underwriter whose Deposit is guaranteed by such Financial Surety Bond. If the Bonds are awarded to an underwriter using a Financial Surety Bond, then that underwriter is required to submit its Deposit to the City in the form of a certified or cashier's check or wire transfer as instructed by Springsted Incorporated not later than 3:30 P.M., Central Time on the next business day following the award. If such Deposit is not received by that time, the Financial Surety Bond may be drawn by the City to satisfy the Deposit requirement.

The Deposit received from the purchaser, the amount of which will be deducted at settlement, will be deposited by the City and no interest will accrue to the purchaser. In the event the purchaser fails to comply with the accepted proposal, said amount will be retained by the City.

#### AWARD

The Bonds will be awarded on the basis of the lowest interest rate to be determined on a true interest cost (TIC) basis calculated on the proposal prior to any adjustment made by the City. The City's computation of the interest rate of each proposal, in accordance with customary practice, will be controlling.

The City will reserve the right to: (i) waive non-substantive informalities of any proposal or of matters relating to the receipt of proposals and award of the Bonds, (ii) reject all proposals without cause, and (iii) reject any proposal that the City determines to have failed to comply with the terms herein.

#### BOND INSURANCE AT PURCHASER'S OPTION

The City has **not** applied for or pre-approved a commitment for any policy of municipal bond insurance with respect to the Bonds. If the Bonds qualify for municipal bond insurance and a bidder desires to purchase a policy, such indication, the maturities to be insured, and the name of the desired insurer must be set forth on the bidder's Proposal. The City specifically reserves



the right to reject any bid specifying municipal bond insurance, even though such bid may result in the lowest TIC to the City. All costs associated with the issuance and administration of such policy and associated ratings and expenses (other than any independent rating requested by the City) shall be paid by the successful bidder. Failure of the municipal bond insurer to issue the policy after the award of the Bonds shall not constitute cause for failure or refusal by the successful bidder to accept delivery of the Bonds.

#### CUSIP NUMBERS

If the Bonds qualify for assignment of CUSIP numbers such numbers will be printed on the Bonds, but neither the failure to print such numbers on any Bond nor any error with respect thereto will constitute cause for failure or refusal by the purchaser to accept delivery of the Bonds. The CUSIP Service Bureau charge for the assignment of CUSIP identification numbers shall be paid by the purchaser.

#### SETTLEMENT

Within 40 days following the date of their award, the Bonds will be delivered without cost to the purchaser through DTC in New York, New York. Delivery will be subject to receipt by the purchaser of an approving legal opinion of Kennedy & Graven, Chartered of Minneapolis, Minnesota, and of customary closing papers, including a no-litigation certificate. On the date of settlement, payment for the Bonds shall be made in federal, or equivalent, funds that shall be received at the offices of the City or its designee not later than 12:00 Noon, Central Time. Unless compliance with the terms of payment for the Bonds has been made impossible by action of the City, or its agents, the purchaser shall be liable to the City for any loss suffered by the City by reason of the purchaser's non-compliance with said terms for payment.

#### CONTINUING DISCLOSURE

In accordance with SEC Rule 15c2-12(b)(5), the City will undertake, pursuant to the resolution awarding sale of the Bonds, to provide annual reports and notices of certain events. A description of this undertaking is set forth in the Official Statement. The purchaser's Bond to purchase the Bonds will be conditioned upon receiving evidence of this undertaking at or prior to delivery of the Bonds.

#### OFFICIAL STATEMENT

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Underwriter. Any underwriter delivering a proposal with respect to the Bonds agrees thereby that if its proposal is accepted by the City (i) it shall accept such designation and (ii) it shall enter into a contractual relationship with all Participating Underwriters of the Bonds for purposes of assuring the receipt by each such Participating Underwriter of the Final Official Statement.

Dated July 15, 2013

BY ORDER OF THE CITY COUNCIL

/s/ Kimberly Johnson-Gibeau  
City Clerk

STATE OF MINNESOTA     )  
  )  
COUNTY OF ITASCA     )  
  )  
CITY OF GRAND RAPIDS    )

I, the undersigned, being the duly qualified and acting City Clerk of the City of Grand Rapids, Minnesota (the "City"), hereby certify that I have carefully compared the attached and foregoing extract of minutes of a regular meeting of the City Council of the City held on Monday, July 15, 2013, with the original minutes on file in my office and the extract is a full, true and correct copy of the minutes, insofar as they relate to the issuance and sale of approximately \$2,770,000 City of Grand Rapids, Minnesota (Public Utilities Commission) Taxable General Obligation Wastewater Revenue Bonds, Series 2013C, of the City.

WITNESS My hand as City Clerk and the corporate seal of the City this \_\_\_\_ day of \_\_\_\_\_, 2013.

\_\_\_\_\_  
City Clerk  
City of Grand Rapids, Minnesota

(SEAL)





CITY OF  
GRAND RAPIDS  
IT'S IN MINNESOTA'S NATURE

# CITY OF GRAND RAPIDS

## Legislation Details (With Text)

**File #:** 13-0418      **Version:** 1      **Name:** 2014 Preliminary Budget  
**Type:** Agenda Item      **Status:** Administration Department  
**File created:** 7/11/2013      **In control:** City Council  
**On agenda:** 7/15/2013      **Final action:**  
**Title:** Discuss the 2014 Preliminary Budget

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** [Budget 2014.pdf](#)

Date	Ver.	Action By	Action	Result
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Discuss the 2014 Preliminary Budget

**Background Information:**

Attached is a memorandum from City Administrator, Tom Pagel, along with preliminary 2014 budget information.

**Staff Recommendation:**

City staff is recommending review of the memorandum and supporting documentation along with reviewing in detail the Police and Public Works 2014 budget.

**Requested City Council Action**

Review the memorandum and supporting documentation along with reviewing in detail the Police and Public Works 2014 budget.



Memorandum

Date: June 17, 2013

To: City Council

From: Tom Pagel, City Administrator

Cc: Department Heads

Re: 2014 Budget Update

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Attached to this memorandum is the Recap Sheet, each Department Budget, the preliminary 2014-2018 CIP summary of projects that will require General Fund dollars, MN Statute 475.521, GO Debt Levy Summary, and the Tax Rate sheet. This information is based on no new positions. This memorandum will go into detail on each of those documents.

On Monday, July 15<sup>th</sup>, staff would like to focus on the Summary Sheet and get input and direction from the Council on fiscal parameters/ranges as we move forward. The Police and Public Works proposed budgets will also be reviewed. A Department Head meeting has been scheduled for Wednesday, July 17, where staff will refine the budget based on Council input.

**Recap Sheet**

We are waiting on confirmation from the State Revenue Department on our levy limit. However, we believe that the City will be limited to its 2013 operation of \$4,485,464 which is highlighted yellow near the bottom of the spreadsheet. The City will also receive an additional \$307,331 in Local Government Aid (LGA) which is highlighted green. The challenge area of the budget is the CIP line item which is highlighted red. At this point the maximum amount of CIP to fund is \$155,705. There is \$826,972 in CIP needs identified for 2014 with a total of \$3,671,472 over the next five years. This will be discussed further in this memorandum. The other wild card is the separate calculation of revenue from Annexation which is highlighted blue. In 2012, the City had budgeted \$250,000, but recognized an actual amount of \$525,951. Jeff Walker, Itasca County Auditor, has indicated a firm number can be generated after September 1<sup>st</sup>. The unique item to point out is the Sales Tax Reduction of \$30,000 which is highlighted in purple.

**Department Budgets**

Each of the individual department budget sheets are attached. Total expenditures for each department can also be found on the Recap Sheet. The department budgets reflex "status quo" on staffing levels. You will notice a large increase in the Finance Department and Administration



budget and a large decrease in the Recreation budget. This is predominately due to the shifting of staff from the Recreation to Administration and Finance Departments. The \$49,950 reduction in the City Wide expenditure budget is due to a reduction in Retirees Insurance Contribution. The remaining \$70,000 expense will be eliminated in the 2015 budget.

The Police Department budget generally reflects increases in items so that they are similar to previous actual expenditures. An example is motor fuels where the past three years they have utilized between \$40k and \$49k but had been budgeted for \$35k in 2013. The proposed budget on this line item is \$44k. One item of discussion which should be a future meeting topic is the need for additional police officers. At this time the City has an application for a Cop Grant. We are anticipating notification on the grant in August or September. Chief Denny would like to present supporting documentation for the additional consideration of two officers.

The Public Works budget is similar to the police department where we are trying to accurately budget what is actually needed. As the City continues to add infrastructure assets, the City adds operation and maintenance expenses. A note worthy budget line item is the Facility Lease Payment of \$119,808. This expenditure is for the debt service on the PW/PU Joint Facility and will be complete in 2017.

#### **2014-2018 CIP Summary of Projects**

Attached is the first draft of CIP needs from 2014-2018. The need identified by department heads in 2014 is \$826,972. This is in excess of the \$155,705 available in the preliminary budget. This list does not include street/utility projects.

The funding sources for these needs are very limited. All items on the list can be funded by general fund dollars. The issue is availability of these funds. The yellow highlighted items can be funded by Capital Improvement Bonds (CIBs) without a referendum. The pink highlighted items can be funded by CIBs only if a referendum is passed.

Attached is MN Statute 475.521 which addresses CIBs. This statute intentionally eliminates a city's ability to issue bonds without a referendum for parks and recreational facilities. When it was written the legislation's intent was to probably to eliminate a municipality from building a new recreational facility and bond for it without public input. I would like to discuss the potential with Senator Saxhaug and Representative Anzele of amending this statute so that cities could utilize CIB's to maintain any existing public facility as long as the building footprint is not expanded. The public has already weighed in on the need for the existing facility. Municipalities need funding options to maintain them.

#### **GO Debt Levy**

Attached is the GO Debt Levy Summary. This spreadsheet identifies each existing issuance and the respective annual payment for each along with the estimate of this year's bond issuance, and future bond issuances based on the 2013-2017 CIP. I would anticipate that the projects in 2015-2017 will get shifted out and reduced on an annual basis. Regardless, in payable 2019 we start to recognize reductions in existing debt service which will aid in flattening out the annual increases due to new debt service.



**Tax Rate Sheet**

At this point we should not focus on the Tax Rate Sheet although it is attached. There are two huge unknowns with the Tax Capacity and Fiscal Disparities. We will not have good numbers for these two items until after September 1<sup>st</sup>. Assuming no change in either which is unlikely, the City's Tax Rate would remain the same as 2013 at 71.961%.

**RECAP SHEET**  
**CITY OF GRAND RAPIDS**  
**2014 RECAP OF REVENUES, EXPENDITURES AND LEVY REQUIREMENTS**

**Budget Presented:**

	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Budget	2014 Proposed	Increase/ (Decrease) over 2013	Percent Increase
<b>NON TAX REVENUES:</b>								
Annexation	\$ 210,425	\$ 270,381	\$ 326,175	\$ 525,951	\$ 275,000	\$ 325,000	\$ 50,000	18.18%
Payment in Lieu of Taxes (PILOT)	854,072	853,542	854,710	854,998	900,000	900,000	-	0.00%
Licenses and Permits	270,376	254,002	225,828	202,018	247,275	246,965	(310)	-0.13%
Local Government Aid (LGA)	1,280,888	963,410	963,410	964,932	963,000	1,270,331	307,331	31.91%
Intergovernmental Revenues	412,304	782,091	801,380	1,077,320	530,648	545,301	14,653	2.76%
Charges for Services	636,168	653,822	696,372	769,206	712,604	685,628	(26,976)	-3.79%
Fines and Forfeitures	129,839	101,829	108,983	103,293	236,500	147,500	(89,000)	-37.63%
Interest Income	47,987	23,498	20,342	33,341	28,829	35,000	6,171	21.41%
Miscellaneous	22,643	35,384	38,482	46,529	13,550	20,692	7,142	52.71%
Other Financing Sources	86,675	589,605	91,711	36,903	19,351	19,351	-	0.00%
Transfers In	3,500	3,500	3,500	3,500	3,500	3,500	-	0.00%
<b>Total non-tax revenues</b>	<b>3,954,877</b>	<b>4,531,066</b>	<b>4,130,893</b>	<b>4,617,991</b>	<b>3,930,257</b>	<b>4,199,268</b>	<b>269,011</b>	<b>1.66%</b>
<b>EXPENDITURES:</b>								
Administration	445,868	443,132	461,742	487,120	448,449	485,664	37,215	8.30%
Building Maintenance	200,145	202,320	220,709	214,386	213,814	231,548	17,734	8.29%
Community Development	306,006	350,024	344,944	319,675	347,118	370,540	23,422	6.75%
Council/Boards	116,490	113,392	114,738	112,204	115,086	108,936	(6,150)	-5.34%
Engineering	340,682	261,348	290,629	266,373	298,195	290,830	(7,366)	-2.47%
Finance	447,447	368,823	391,332	391,561	403,846	470,617	66,771	16.53%
Fire	597,527	546,722	603,124	559,724	580,545	594,625	14,080	2.43%
Fleet Maintenance	306,346	376,943	233,869	239,038	240,690	247,434	6,744	2.80%
Information Technology	170,617	158,077	176,837	176,993	189,808	206,624	16,815	8.86%
Police	2,093,945	1,904,374	1,905,091	2,022,584	2,094,883	2,223,637	128,754	6.15%
Public Works	1,654,774	1,622,751	1,564,901	1,652,590	1,463,755	1,581,551	117,796	8.05%
Recreation	162,496	166,154	152,183	177,433	171,888	122,387	(49,501)	-28.80%
City Wide	503,284	397,115	348,323	348,681	410,522	360,572	(49,950)	-12.17%
Special Projects-Council	13,713	-	-	-	-	-	-	-
Special Projects-Non-Budgeted	8,407	123,902	6,485	27,717	-	-	-	-
<b>Total Department Expenditures</b>	<b>7,367,747</b>	<b>7,035,077</b>	<b>6,814,906</b>	<b>6,996,080</b>	<b>6,978,600</b>	<b>7,294,965</b>	<b>316,365</b>	<b>4.53%</b>
<b>Transfers Out</b>								
Transfer to Capital Equipment	100,000	60,000	-	18,200	88,250	158,155	69,905	79.21%
Transfer to Civic Center	27,335	-	12,000	27,000	27,000	25,000	(2,000)	-
Transfer to Itasca Historical Soc	12,000	12,000	17,000	17,000	15,000	15,000	-	0.00%
Transfer to Debt Service	150,000	190,000	150,000	150,000	200,606	150,000	(50,606)	-
Transfer to Airport	91,550	20,000	10,000	10,000	10,000	10,000	-	0.00%
Transfer to Golf Course	175,000	175,000	-	-	-	-	-	-
Transfer to DACF	42,000	40,000	20,000	27,000	22,400	28,000	5,600	-
Transfers-Other	31,357	20,867	90,309	-	-	-	-	-
Transfer to Street Light Utility Fund	161,195	-	-	-	-	-	-	-
Mt. Itasca contribution	-	-	15,000	15,000	15,000	15,000	-	-
Active Living Contribution	-	-	-	-	-	6,250	-	-
Fund Balance Payback	-	-	-	-	100,000	-	(100,000)	-
Sales Tax Reduction	-	-	-	-	-	(30,300)	(30,000)	-
<b>Total Expenditures and Other Uses</b>	<b>8,158,184</b>	<b>7,552,944</b>	<b>7,129,215</b>	<b>7,260,280</b>	<b>7,456,856</b>	<b>7,672,370</b>	<b>209,264</b>	<b>7.62%</b>
<b>Net Levy Required for General Fund</b>	<b>3,388,239</b>	<b>3,202,531</b>	<b>3,466,821</b>	<b>3,309,756</b>	<b>3,526,598</b>	<b>3,473,102</b>	<b>(53,495)</b>	<b>-1.52%</b>
Net Levy for Library	577,376	534,716	534,716	524,716	575,038	616,984	41,946	7.29%
Net Levy for Cemetery	-	-	175,000	175,000	159,000	170,550	11,550	7.26%
GREDA Levy Request	45,000	50,000	50,000	50,000	83,240	83,240	-	0.00%
Capital Equip Loan	-	-	-	136,000	141,588	141,588	-	0.00%
<b>Total Levy Required for Operations</b>	<b>\$ 4,010,615</b>	<b>\$ 3,787,247</b>	<b>\$ 4,226,537</b>	<b>\$ 4,195,472</b>	<b>\$ 4,485,464</b>	<b>\$ 4,485,464</b>	<b>\$ (0)</b>	<b>0.00%</b>
<b>Projected Levy Limit</b>						<b>4,485,464</b>		

\*If 2014/IT-1 is approved we can reduce computer replacement to \$5,500

**CITY OF GRAND RAPIDS  
POLICE DEPARTMENT  
ACTUAL 2009-2012 EXPENDITURES, 2013 BUDGET, YEAR TO DATE, PROPOSED 2014 BUDGET**

	2009 ACTUAL	2010 ACTUAL	2011 ACTUAL	2012 ACTUAL	2013 BUDGET	ACTUAL YTD 6/30/2013	PROPOSED 2014 BUDGET
<b>PERSONNEL</b>							
Salary-Fulltime	1,229,941	1,127,245	1,122,647	1,240,583	1,293,174	616,426	1,886,867
Salary-Overtime	117,585	81,064	90,358	89,971	83,000	24,425	
Salary-Overtime TZD Grant	-	-	-	-	20,000	11,097	
Salary-Parttime	6,314	11,649	1,702	1,532	8,034	255	
Contracted Services	-	-	8,205	6,220	14,949	8,278	
PERA	8,149	7,438	7,166	7,722	7,857	2,893	
FICA	7,641	6,634	6,280	6,520	7,217	2,458	
Police Pension	172,630	154,675	159,985	176,792	179,825	87,458	
Medicare	14,894	15,338	16,556	18,196	19,820	8,723	
Health Insurance	192,118	145,058	157,130	156,476	185,446	84,880	
Life Insurance	2,118	596	454	489	529	252	
Dental Insurance	3,374	4,124	4,304	5,074	5,882	3,053	
Unemployment	5,039	4,852	44	-	-	2,358	
Workers Compensation	35,908	36,385	40,278	36,197	40,500	35,928	
<b>TOTAL PERSONNEL</b>	<b>1,795,711</b>	<b>1,595,059</b>	<b>1,615,108</b>	<b>1,745,772</b>	<b>1,866,233</b>	<b>888,484</b>	<b>1,886,867</b>
<b>SUPPLIES &amp; MATERIALS</b>							
Office Supplies	2,341	3,435	1,878	1,263	3,000	493	2,300
Copy Supplies	(1)	1,562	1,158	1,217	-	422	900
Printing & Binding	128	1,491	937	3,744	500	83	1,500
Computer Supplies	466	1,495	1,315	2,283	-	373	1,200
Assets between \$700-\$4,999	17,447	26,825	13,735	1,365	3,000	-	12,500
Inventorial Supplies	1,413	2,710	1,091	3,600	1,000	2,804	3,000
Operating Supplies	7,324	4,587	5,381	3,721	5,000	3,360	5,400
Dog License Supplies	-	114	-	-	-	-	-
Motor Fuels	35,665	39,939	48,947	44,143	35,000	24,644	44,000
Lubricants	23	-	-	-	-	-	-
Police Reserves Supplies-Don	-	712	29	2,077	450	778	650
Uniforms/Clothing/Safety	19,912	17,172	27,081	27,274	20,000	14,682	25,000
Ammunition	1,913	1,549	1,839	2,744	2,000	2,549	1,900
<b>TOTAL SUPPLIES &amp; MATERIALS</b>	<b>86,630</b>	<b>101,593</b>	<b>103,393</b>	<b>93,431</b>	<b>69,950</b>	<b>50,188</b>	<b>98,350</b>
<b>OTHER CHARGES &amp; SERVICES</b>							
Professional Services	349	1,343	2,157	1,130	1,000	-	1,300
Legal	1,430	8,297	8,252	5,822	4,000	3,440	5,500
Legal - Prosecutions	75,028	75,000	75,000	63,000	63,000	31,500	63,000
Other Contracted Services	-	-	-	22,164	-	-	-
Telephone	24,954	18,736	19,372	20,848	16,600	9,226	20,500
Postage/Freight	940	1,003	1,589	1,369	700	217	1,200
Seminar/Meetings/Schools	83	562	1,983	2,196	1,000	1,731	1,100
Hiring Expense/Background	1,521	1,922	106	934	-	944	1,000
Subpeona Fees	-	-	-	-	-	85	200
Staff Training	13,243	8,693	9,008	8,640	7,500	7,421	20,000
Community Education/Promo	1,707	548	312	175	500	413	800
Auto Licenses	64	76	57	101	400	76	100
Post Brd License Fee Reimbur	900	665	360	765	800	630	600
Publishing & Advertising	891	855	551	137	200	567	585
General Insurance	13,808	11,121	9,925	11,807	18,500	41,681	43,000
Electricity	480	1,092	1,517	257	600	126	700
Heat-Natural Gas	1,016	486	821	906	1,500	518	1,100
Maintenance Contracts	1,789	2,004	8,910	7,349	6,000	5,840	6,000
Building Maint/Repairs	3,705	1,657	7,590	856	1,000	5,124	3,000
Computer Maint Contract	147	1,406	2,925	120	-	-	1,000
Computer Maint/Sheriff Office	12,833	12,567	-	2,539	6,000	-	25,000
Radio Maint/Repair	929	271	-	91	1,000	-	1,000
Vehicle Maint/Repair	31,726	41,542	13,667	13,369	10,000	7,834	20,000
Gen Equip Maint/Repair	1,177	1,970	1,956	2,247	1,000	2,094	1,500



**CITY OF GRAND RAPIDS  
POLICE DEPARTMENT  
ACTUAL 2009-2012 EXPENDITURES, 2013 BUDGET, YEAR TO DATE, PROPOSED 2014 BUDGET**

	2009 ACTUAL	2010 ACTUAL	2011 ACTUAL	2012 ACTUAL	2013 BUDGET	ACTUAL YTD 6/30/2013	PROPOSED 2014 BUDGET
General Equipment	1,731	66	105	266	-	589	500
Miscellaneous	109	812	2,498	382	200	119	800
Dues & Subscriptions	1,250	720	600	595	600	690	635
Copier Lease	1,792	1,796	1,796	2,118	1,600	1,197	1,800
Drug Task Force	-	-	-	-	-	-	1,000
Towing Charges	15,930	12,055	15,522	13,198	15,000	9,410	15,000
Safety Seat Program	2,072	458	12	-	-	-	500
<b>TOTAL OTHER CHARGES &amp; SEI</b>	<b>211,604</b>	<b>207,722</b>	<b>186,590</b>	<b>183,381</b>	<b>158,700</b>	<b>131,472</b>	<b>238,420</b>
<b>TOTAL EXPENDITURES</b>	<b>2,093,945</b>	<b>1,904,374</b>	<b>1,905,091</b>	<b>2,022,584</b>	<b>2,094,883</b>	<b>1,070,144</b>	<b>2,223,637</b>

\*With no additional new cops the personnel budget total would be \$1,886,867

\*One new additional cop the personnel budget total would be \$1,959,827

\*Two new additional cops the personnel budget total would be \$2,032,788

\*General Liability Insurance increase is due to LMCIT allocation of assets.

\*7/1 Added \$9,700 to to Staff Training

**CITY OF GRAND RAPIDS  
PUBLIC WORKS DEPARTMENT  
ACTUAL 2009-2012 EXPENDITURES, 2013 BUDGET, YEAR TO DATE, PROPOSED 2014 BUDGET**

	2009 ACTUAL	2010 ACTUAL	2011 ACTUAL	2012 ACTUAL	2013 BUDGET	ACTUAL YTD 6/30/2013	PROPOSED 2014 BUDGET
<b>PERSONNEL</b>							
Salary Fulltime	390,592	365,753	392,055	414,928	328,139	217,624	366,298
Salary Overtime	12,925	14,229	15,521	9,857	18,000	7,767	18,000
Salary Parttime	73,209	87,070	81,843	90,090	95,494	61,448	95,494
Salary Parttime/Overtime	8,202	5,371	9,115	6,873	5,750	6,114	5,750
Contracted Services	-	-	-	-	-	-	-
PERA	26,651	27,518	30,375	31,900	24,789	17,448	27,862
FICA	29,754	28,991	30,549	32,137	27,118	18,086	29,747
Medicare	6,959	6,780	7,144	7,515	6,342	4,229	6,957
Health Insurance	86,760	86,222	92,050	98,135	101,938	67,642	114,300
Life Insurance	790	199	206	205	181	154	209
Dental Insurance	231	270	283	296	310	155	310
HealthCare Savings	5,840	8,280	14,856	13,922	-	9,997	-
Unemployment	2,730	3,170	3,279	1,064	3,200	299	3,200
Workers Compensation	23,089	19,976	27,618	23,198	32,000	31,968	28,000
<b>TOTAL PERSONNEL</b>	<b>667,731</b>	<b>653,830</b>	<b>704,892</b>	<b>730,120</b>	<b>643,261</b>	<b>442,931</b>	<b>696,126</b>
<b>SUPPLIES &amp; MATERIALS</b>							
Office Supplies	853	437	681	463	600	233	600
Copy Supplies	132	690	612	619	200	339	600
Computer Supplies	157	-	344	470	600	-	500
Assets between \$700-\$4,999	1,882	1,164	-	11,681	-	3,500	-
Inventorial Supplies	24	-	-	1,472	100	533	-
Operating Supplies	2,642	2,400	3,585	2,339	3,000	243	3,000
Motor Fuels	37,077	48,835	60,279	61,212	53,000	45,951	62,000
Lubricants	-	15	5	11	-	597	-
Maintenance Tools/Sup	1,572	644	1,447	597	-	611	1,000
Building Maint Supplies	224	352	200	288	1,000	257	700
Chemicals	1,313	1,022	1,121	1,504	1,000	577	1,000
Uniforms/Clothing/Safety	3,801	3,714	2,865	4,606	3,000	2,544	3,800
Tires/Cutting Edges	-	-	-	289	-	-	-
Sign Repair Materials	10,120	7,268	10,307	6,194	10,000	3,773	10,000
Bituminous/Pot hole patching	33,323	31,845	31,684	36,611	25,000	13,097	38,000
Concrete	5	755	256	593	100	-	600
Granular/Riprap/Dirt	1,580	1,092	953	1,556	5,000	1,527	4,000
Small Tools	1,628	1,304	1,721	1,299	1,200	1,324	1,200
Sand/Salt	48,292	49,339	36,656	39,845	40,000	34,368	40,000
Turf Rehab	-	-	-	1,933	-	80	2,000
Liquid De-Icer	11,309	11,319	13,961	24,382	18,000	11,586	18,000
Grounds Maint/Supplies	31,259	22,490	19,561	22,709	20,000	26,172	30,000
<b>TOTAL SUPPLIES/ MATERIALS</b>	<b>187,193</b>	<b>184,683</b>	<b>186,238</b>	<b>220,673</b>	<b>181,800</b>	<b>147,312</b>	<b>217,000</b>
<b>OTHER CHARGES &amp; SERVICES</b>							
Legal	-	-	260	455	300	-	300
Laundry	314	-	-	-	-	-	-
Other Contracted Services	99,766	66,781	75,639	168,733	54,000	28,649	65,000
Telephone	3,562	2,606	3,209	2,692	3,500	1,251	3,000
S/W Trip Haz Repairs	13,455	10,177	4,382	4,886	3,000	-	3,000
Postage/Freight	104	13	118	168	100	21	100
Seminar/Meetings/Schools	5,408	2,891	4,587	3,966	5,000	4,273	5,000
Auto Mileage	-	-	-	90	-	-	-
Auto Licenses	999	-	-	624	500	-	500
Publishing & Advertising	195	496	282	913	200	-	200
General Insurance	25,380	21,324	19,975	22,352	26,500	37,558	30,000
Electricity	39,080	40,954	35,128	32,551	37,000	16,092	37,000
Water	3,623	3,787	2,780	3,486	3,500	721	3,500
Heat-LP Gas	-	1,455	-	-	-	-	-
Garbage Removal	5,137	6,847	6,759	6,792	7,000	3,348	7,000

**CITY OF GRAND RAPIDS  
PUBLIC WORKS DEPARTMENT  
ACTUAL 2009-2012 EXPENDITURES, 2013 BUDGET, YEAR TO DATE, PROPOSED 2014 BUDGET**

	2009 ACTUAL	2010 ACTUAL	2011 ACTUAL	2012 ACTUAL	2013 BUDGET	ACTUAL YTD 6/30/2013	PROPOSED 2014 BUDGET
Heat-Natural Gas	941	894	916	926	1,000	398	1,000
Maintenance Contracts	59	25	196	203	-	-	-
Building Maint/Repairs	29,073	18,778	21,283	17,108	15,000	3,655	17,000
Ground Maint/Repairs	6,194	6,073	4,640	9,587	6,000	3,167	7,000
Computer Maint/Repairs	-	-	-	-	-	-	-
Irrigation Maint/Repair	2,895	3,068	2,753	3,789	3,000	2,578	3,000
Vehicle Maint/Repair	-	48	79,993	62,103	70,267	53,913	70,267
Gen Equip Maint/Repair	-	96	-	-	-	-	-
Fixture Maint/Repair	606	835	1,822	3,253	2,000	2,420	2,000
Equipment Rental	3,562	1,823	2,593	1,826	-	557	-
Portable Restroom Rental	6,514	7,942	10,255	8,277	10,077	4,343	10,000
Miscellaneous	41	1,225	2,614	659	-	-	-
Dues & Subscriptions	748	531	393	614	750	65	750
Banner Replacement	1,856	-	1,900	2,746	-	-	5,000
Demo Dump Charges	-	-	1	-	-	-	-
Crack Sealing-ST Aid Maint	43,000	-	30,000	19,460	25,000	-	25,000
Striping-ST Aid Maint	10,531	3,081	12,141	560	15,000	3,662	15,000
Fleet Maintenance	137,189	158,902	408	-	-	-	0
Facility Lease Payment	109,200	116,480	110,344	117,312	117,000	-	119,808
Street Lighting	130,243	146,606	147,823	142,037	140,000	58,894	145,000
Street Lighting Supplies	1,397	-	-	-	-	-	-
Street Lighting Maint	118,776	104,074	90,578	63,629	93,000	15,494	93,000
<b>TOTAL OTHER CHGS/SERV</b>	<b>799,850</b>	<b>727,813</b>	<b>673,772</b>	<b>701,797</b>	<b>638,694</b>	<b>241,059</b>	<b>668,425</b>
<b>CAPITAL OUTLAY-PUBLIC WORKS</b>							
Building/Building Improvements	-	56,424	-	-	-	-	-
<b>TOTAL CAPITAL OUTLAY</b>	<b>-</b>	<b>56,424</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL EXPENDITURES</b>	<b>1,654,774</b>	<b>1,622,751</b>	<b>1,564,901</b>	<b>1,652,590</b>	<b>1,463,755</b>	<b>831,302</b>	<b>1,581,551</b>



**CITY OF GRAND RAPIDS  
ADMINISTRATION DEPARTMENT  
ACTUAL 2009-2012 EXPENDITURES, 2013 BUDGET, YEAR TO DATE, PROPOSED 2014 BUDGETS**

	2009 ACTUAL	2010 ACTUAL	2011 ACTUAL	2012 ACTUAL	2013 BUDGET	ACTUAL YTD 6/30/2013	PROPOSED 2014 BUDGET
<b>PERSONNEL</b>							
Salary-Fulltime	237,963	245,437	252,138	259,458	259,557	-	275,941
Salary-Overtime	477	15	-	-	-	-	-
Salary-Parttime	18,289	9,730	15,807	4,369	-	-	-
Salary-Parttime Overtime	-	-	-	7	-	-	-
Election Judges	-	11,559	-	9,818	-	-	16,000
PERA	16,936	17,804	19,339	18,709	18,817	-	20,006
FICA	14,818	14,708	15,373	14,992	16,093	-	17,108
Medicare	3,466	3,440	3,595	3,506	3,764	-	4,001
Health Insurance	38,945	40,800	41,097	30,856	44,460	-	41,550
Life Insurance	2,101	586	573	597	584	-	689
Dental Insurance	432	541	526	594	619	-	619
Unemployment	49	6	-	6,232	-	-	-
Workers Compensation	1,468	1,695	1,908	1,400	1,700	-	2,300
<b>TOTAL PERSONNEL</b>	<b>334,942</b>	<b>346,322</b>	<b>350,356</b>	<b>350,538</b>	<b>345,594</b>	-	<b>378,214</b>
<b>SUPPLIES &amp; MATERIALS</b>							
Office Supplies	3,243	1,159	1,674	1,663	2,000	-	2,000
Copy Supplies	217	150	68	133	150	-	150
Computer Supplies	276	291	1,258	296	500	-	500
Computer Software	-	1,163	-	-	-	-	-
Training Supplies	227	85	-	-	-	-	-
Assets between \$700-\$4,999	2,887	4,115	721	3,759	-	-	3,000
Inventory Supplies	3,514	1,075	848	665	3,500	-	-
Operating Supplies	340	-	-	-	-	-	-
Human Rights Commission	44	-	-	113	-	-	-
<b>TOTAL SUPPLIES/MATERIALS</b>	<b>10,748</b>	<b>8,038</b>	<b>4,569</b>	<b>6,629</b>	<b>6,150</b>	-	<b>5,650</b>
<b>OTHER CHARGES &amp; SERVICES</b>							
Elections	-	2,181	2,661	3,086	-	-	3,500
Professional Services	1,705	7	4,079	21,117	-	-	-
Legal-Civil	43,016	35,509	41,050	51,725	45,000	-	45,000
Legal-Employment Negotiator	10,671	13,801	17,250	7,534	10,000	-	10,000
Recording Fees	-	-	46	-	-	-	-
Municipal Code Update	3,650	2,018	1,292	4,425	2,000	-	3,500
Rental Expense	8,500	-	-	-	-	-	-
Telephone	3,400	2,423	2,483	2,161	1,505	-	2,500
Postage/Freight	689	219	1,213	1,349	500	-	900
Prof Administrator Expense	5,900	11,600	12,350	14,400	15,400	-	-
Seminar/Meetings/Schools	5,652	5,383	7,339	8,213	5,000	-	8,000
Staff Training	144	1,311	800	56	1,000	-	2,000
Auto Mileage	846	602	-	-	-	-	-
Publishing & Advertising	3,855	3,483	4,321	4,771	4,000	-	4,000
City Newsletter	-	-	-	-	-	-	10,000
General Insurance	1,268	1,348	940	1,335	1,500	-	1,700
Microfilming Services	-	-	-	-	-	-	-
Maintenance Contracts	1,614	901	1,263	1,886	1,500	-	1,500
Building Maint/Repairs	-	-	-	-	-	-	-
Computer Maint/Repairs	-	-	-	-	-	-	-
Gen Equip Maint/Repair	-	-	-	-	-	-	-
Miscellaneous	-	-	30	183	-	-	-
Dues & Subscriptions	1,892	1,924	1,598	1,277	1,800	-	1,700
Copy Machine Lease	4,506	4,514	4,514	4,358	4,500	-	4,500
Human Rights Commission	2,871	1,549	3,588	2,077	3,000	-	3,000
<b>TOTAL OTHER CHARGES/SER</b>	<b>100,178</b>	<b>88,772</b>	<b>106,817</b>	<b>129,953</b>	<b>96,705</b>	-	<b>101,800</b>
<b>GRAND TOTAL</b>	<b>445,868</b>	<b>443,132</b>	<b>461,742</b>	<b>487,120</b>	<b>448,449</b>	-	<b>485,664</b>

\* Added \$16,000 to personnel for election judges

**CITY OF GRAND RAPIDS**  
**BUILDING MAINTENANCE DEPARTMENT**  
**ACTUAL 2009 - 2012 EXPENDITURES, 2013 BUDGET, YEAR TO DATE, PROPOSED 2014 BUDGET**

	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Budget	ACTUAL YTD 6/30/2013	Proposed 2014 Budget
<b>EXPENDITURES:</b>							
<b>PERSONNEL</b>							
Salary Fulltime	93,097	91,560	97,868	97,255	87,414	44,518	100,828
Salary-Overtime	355	311	61	194	1,000	-	1,000
PERA	6,533	6,375	7,098	7,045	6,308	3,182	7,310
FICA	5,741	5,405	5,842	5,798	5,395	2,610	6,251
Medicare	1,343	1,264	1,366	1,356	1,262	610	1,462
Health Insurance	19,890	18,896	19,512	18,333	19,155	8,813	23,688
Life Insurance	208	52	49	30	43	21	49
Dental Insurance	212	271	283	296	310	155	310
Healthcare Savings	528	1,128	2,170	1,739	-	764	-
Workers Compensation	4,371	6,128	7,828	3,695	4,000	4,592	5,300
<b>TOTAL PERSONNEL</b>	<b>132,277</b>	<b>131,389</b>	<b>142,076</b>	<b>135,741</b>	<b>124,887</b>	<b>65,265</b>	<b>146,198</b>
<b>SUPPLIES &amp; MATERIALS</b>							
Inventorial Supplies	390	153	816	5,247	2,000	308	4,000
Assets between \$700-\$4,999	-	-	-	-	-	-	-
Operating Supplies	75	26	109	359	1,000	54	1,000
Motor Fuels	858	1,701	1,548	1,761	1,800	634	1,800
Maintenance Supplies	4,406	4,239	3,589	4,506	4,500	2,343	4,500
Uniforms/Clothing/Safety	150	150	150	150	150	150	150
Small Tools	226	553	577	212	500	97	-
<b>TOTAL SUPPLIES &amp; MATERIALS</b>	<b>6,104</b>	<b>6,822</b>	<b>6,789</b>	<b>12,235</b>	<b>9,950</b>	<b>3,586</b>	<b>11,450</b>
<b>OTHER CHARGES &amp; SERVICES</b>							
Professional Services	-	1,035	-	450	300	-	400
Legal	210	-	-	-	300	162	400
Exterminator Service	176	235	256	390	300	128	400
Janitorial Service	460	1,801	1,352	2,672	2,000	-	2,600
Facility Maintenance Charges	5,566	7,359	5,298	-	-	-	-
Telephone	2,682	3,043	2,605	3,160	2,910	1,374	3,000
Postage/Freight	-	1	-	-	-	-	-
Seminar/Meetings/Schools	31	58	18	86	100	-	100
Auto Mileage	1,456	1,501	1,510	1,963	1,900	877	1,900
Auto License	-	15	-	16	-	-	-
Publishing & Advertising	63	-	-	-	-	-	-
General Insurance	5,599	5,242	4,246	4,544	6,000	6,896	5,000
Electricity	16,901	21,909	21,842	23,092	21,500	9,090	23,000
Garbage Removal	980	1,456	1,450	1,522	1,600	801	1,600
Heat	9,792	8,587	11,415	10,463	13,000	5,917	11,000
Maintenance Contracts	5,949	6,074	6,044	12,239	14,500	4,133	13,000
Building Maintenance/Repairs	10,810	4,557	15,497	4,606	12,867	15,702	10,000
Vehicle Maintenance/Repairs	257	771	163	867	500	264	500
General Eqpt Maint /Repairs	722	140	138	95	1,000	4,583	1,000
Equipment Rental	-	169	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-
Dues/Subscriptions/License f	110	155	10	245	200	100	-
<b>TOTAL OTHER CHARGES &amp; SEF</b>	<b>61,764</b>	<b>64,109</b>	<b>71,844</b>	<b>66,410</b>	<b>78,977</b>	<b>50,027</b>	<b>73,900</b>
<b>TOTAL EXPENDITURES</b>	<b>200,145</b>	<b>202,320</b>	<b>220,709</b>	<b>214,386</b>	<b>213,814</b>	<b>118,878</b>	<b>231,548</b>

**CITY OF GRAND RAPIDS**  
**COMMUNITY DEVELOPMENT DEPARTMENT**  
**ACTUAL 2009-2012 EXPENDITURES, 2013 BUDGET, YEAR TO DATE, PROPOSED 2014 BUDGET**

	2009 ACTUAL	2010 ACTUAL	2011 ACTUAL	2012 ACTUAL	2013 BUDGET	ACTUAL YTD 6/30/2013	PROPOSED 2014 BUDGET
<b>PERSONNEL</b>							
Salary-Fulltime	200,972	222,777	226,522	229,659	231,047	-	236,782
Salary Fulltime/Overtime	-	-	-	440	3,000	-	3,000
Salary-Parttime	9,485	-	-	-	-	-	-
Contracted Services/personn	-	-	-	-	750	-	750
PERA	13,638	15,438	16,384	14,405	16,968	-	17,384
FICA	11,698	12,872	13,240	13,315	14,511	-	14,866
Medicare	2,736	3,010	3,097	3,114	3,394	-	3,477
Health Insurance	30,640	30,689	32,065	35,004	38,864	-	42,197
Life Insurance	320	114	94	86	100	-	100
Dental Insurance	310	677	989	919	1,084	-	1,084
Workers Compensation	1,175	1,614	1,913	833	1,650	-	1,500
<b>TOTAL PERSONNEL</b>	<b>270,974</b>	<b>287,192</b>	<b>294,303</b>	<b>297,775</b>	<b>311,368</b>	-	<b>321,140</b>
<b>SUPPLIES &amp; MATERIALS</b>							
Office Supplies	895	1,090	1,036	1,196	800	-	1,300
Copy Supplies	892	492	140	172	650	-	500
Printing & Binding	3	-	32	161	400	-	350
Computer Supplies	1,170	223	1,337	699	1,100	-	1,100
Assets between \$700-\$4,999	1,028	-	-	-	-	-	-
Inventorial Supplies	937	468	325	145	1,275	-	1,300
Other Supplies/Materials	499	489	-	-	400	-	400
Motor Fuels	-	-	-	-	-	-	700
<b>TOTAL SUPPLIES/MATERIALS</b>	<b>5,424</b>	<b>2,761</b>	<b>2,871</b>	<b>2,373</b>	<b>4,625</b>	-	<b>5,650</b>
<b>OTHER CHARGES &amp; SERVICES</b>							
Professional Services	-	165	185	950	-	-	-
Legal	9,263	3,488	9,620	4,174	10,500	-	10,000
Zoning Projects	-	-	-	-	-	-	-
Comprehensive Planning Prc	-	37,183	21,511	-	-	-	-
Other Contracted Services	-	-	-	-	-	-	-
Telephone	2,761	2,909	3,479	2,398	3,275	-	3,600
Postage/Freight	1,081	4,116	536	289	1,000	-	800
Seminar/Meetings/Schools	6,945	1,485	3,590	4,554	6,700	-	6,800
Board Member Training	-	180	139	-	-	-	-
Auto Mileage	1,612	2,200	1,946	1,232	2,500	-	1,100
Publishing & Advertising	1,638	993	529	757	1,100	-	1,100
General Insurance	1,074	1,107	683	964	1,200	-	15,000
Maintenance Contracts	3,039	4,520	2,897	1,747	2,400	-	2,200
Computer Maint/Repairs	-	-	-	-	-	-	-
Vehicle Maint/Repairs	-	-	-	-	-	-	500
Equipment Rental	1,255	1,257	1,257	1,410	1,300	-	1,500
Miscellaneous	357	230	244	181	-	-	-
Dues & Subscriptions	584	239	620	605	650	-	650
Microfilming Services	-	-	534	266	500	-	500
<b>TOTAL OTHER CHARGES/SERV</b>	<b>29,607</b>	<b>60,072</b>	<b>47,770</b>	<b>19,527</b>	<b>31,125</b>	-	<b>43,750</b>
<b>TOTAL EXPENDITURES</b>	<b>306,006</b>	<b>350,024</b>	<b>344,944</b>	<b>319,675</b>	<b>347,118</b>	-	<b>370,540</b>

\*Increase in General Liability is due to how LMCIT allocates assets



**CITY OF GRAND RAPIDS  
COUNCIL**

**ACTUAL 2009-2012 EXPENDITURES, 2013 BUDGET, YEAR TO DATE, PROPOSED 2014**

	2009 ACTUAL	2010 ACTUAL	2011 ACTUAL	2012 ACTUAL	2013 BUDGET	ACTUAL YTD 6/30/2013	PROPOSED 2014 BUDGET
<b>PERSONNEL</b>							
Salary-Fulltime	38,400	38,400	38,400	38,400	38,400	-	41,686
PERA	1,380	1,440	1,440	1,440	1,512	-	-
FICA	670	595	595	595	1,042	-	-
Medicare	557	557	557	557	557	-	-
Life Insurance	347	98	98	98	123	-	-
Workers Compensation	59	78	95	76	100	-	-
<b>TOTAL PERSONNEL</b>	<b>41,412</b>	<b>41,168</b>	<b>41,185</b>	<b>41,166</b>	<b>41,733</b>	-	<b>41,686</b>
<b>SUPPLIES &amp; MATERIALS</b>							
Office Supplies	329	-	-	-	-	-	-
Copy Supplies	304	66	62	70	-	-	-
Training Supplies	-	-	-	-	-	-	-
Inventorial Supplies	-	-	736	-	-	-	-
Operating Supplies	39	-	41	-	-	-	-
<b>TOTAL SUPPLIES &amp; MATERIALS</b>	<b>672</b>	<b>66</b>	<b>839</b>	<b>70</b>	-	-	-
<b>OTHER CHARGES &amp; SERVICES</b>							
Community Celebrations	3,500	3,500	3,500	3,500	3,500	-	3,500
Professional Services	-	-	-	-	-	-	-
Legal	32,340	34,355	34,388	34,010	33,000	-	35,000
Postage/Freight	8	46	26	15	-	-	-
Seminar/Meetings/Schools	2,363	415	2,452	203	1,400	-	1,000
Board Training	-	-	-	-	-	-	-
Publishing & Advertising	184	-	-	-	-	-	-
General Insurance	9,558	8,798	8,300	7,197	10,150	-	1,000
Maintenance Contracts	2,051	388	667	688	400	-	750
Gen'l Equipment Maint/Rprs	208	-	-	-	-	-	-
Miscellaneous	50	-	-	-	-	-	-
Dues & Subscriptions	22,789	23,522	22,331	24,253	23,903	-	25,000
Itasca County Historical Soc	-	-	-	-	-	-	-
Contribution to Itasca Cty Ag A:	-	-	-	-	-	-	-
Truth in Taxation	1,004	1,051	1,051	1,102	1,000	-	1,000
Volunteer Recognition	350	85	-	-	-	-	-
<b>TOTAL OTHER CHARGES &amp; SERV</b>	<b>74,406</b>	<b>72,159</b>	<b>72,714</b>	<b>70,968</b>	<b>73,353</b>	-	<b>67,250</b>
<b>TOTAL EXPENDITURES</b>	<b>116,490</b>	<b>113,392</b>	<b>114,738</b>	<b>112,204</b>	<b>115,086</b>	-	<b>108,936</b>

\*General Liability Insurance decreased due to LMCIT asset allocation

**CITY OF GRAND RAPIDS  
ENGINEERING DEPARTMENT  
ACTUAL 2009-2012 EXPENDITURES, 2013 BUDGET, YEAR TO DATE ACTUAL, PROPOSED 2014**

	2009 ACTUAL	2010 ACTUAL	2011 ACTUAL	2012 ACTUAL	2013 BUDGET	ACTUAL YTD 6/30/2013	PROPOSED 2014 BUDGET
<b>PERSONNEL</b>							
Salary-Fulltime	200,890	155,834	162,033	157,817	158,915	-	164,443
Salary-Parttime	5,843	13,040	26,141	16,773	9,620	-	-
Contracted Services	10,752	-	-	-	-	-	-
PERA	13,560	10,907	12,548	11,333	11,521	-	11,206
FICA	12,368	10,133	11,376	10,530	10,449	-	10,195
Medicare	2,892	2,370	2,661	2,463	2,444	-	2,384
Health Insurance	20,538	21,535	23,175	23,044	23,637	-	24,072
Life Insurance	319	60	60	60	60	-	60
Dental Insurance	231	271	283	296	310	-	310
Workers Compensation	801	1,138	1,361	861	1,200	-	1,400
<b>TOTAL PERSONNEL</b>	<b>268,194</b>	<b>215,288</b>	<b>239,636</b>	<b>223,177</b>	<b>218,156</b>	<b>-</b>	<b>214,071</b>
<b>SUPPLIES &amp; MATERIALS</b>							
Office Supplies	859	252	300	476	500	-	500
Copy Supplies	512	260	317	131	500	-	500
Printing & Binding	-	56	-	-	-	-	-
Drafting Supplies	1,142	77	133	83	200	-	200
Computer Supplies	539	266	2,054	-	2,100	-	2,100
Assets between \$700-\$4,999	2,317	851	1,351	802	1,500	-	1,500
Inventorial Supplies	890	160	405	160	405	-	405
Operating Supplies	-	-	-	-	-	-	-
Motor Fuels	-	-	54	81	54	-	54
Survey Supplies	-	-	-	-	-	-	-
<b>TOTAL SUPPLIES &amp; MATERIALS</b>	<b>6,259</b>	<b>1,921</b>	<b>4,614</b>	<b>1,733</b>	<b>5,259</b>	<b>-</b>	<b>5,259</b>
<b>OTHER CHARGES &amp; SERVICES</b>							
Professional Services	1,188	-	3,592	9,421	3,600	-	9,000
Engineering Fees	25,749	15,818	14,746	15,713	15,000	-	15,000
Legal	10,608	9,264	10,836	4,434	11,000	-	11,000
Telephone	2,921	2,857	3,710	3,354	3,140	-	3,500
Postage/Freight	1,277	4,685	1,916	1,619	2,000	-	2,000
Seminar/Meetings/Schools	14,691	1,415	1,970	1,255	2,000	-	-
Auto Mileage	88	456	851	209	1,000	-	1,000
Publishing & Advertising	791	241	127	273	500	-	500
General Insurance	1,890	1,524	1,072	1,253	2,000	-	2,000
Maintenance Contracts	5,574	6,298	5,026	1,433	5,740	-	-
Computer Maint/Repair	-	-	858	-	-	-	-
GIS Maintenance-Server	-	-	-	755	26,000	-	27,000
Gen Equip Maint/Repair	-	-	118	-	-	-	-
Equipment Rental	1,255	1,257	1,257	1,410	2,000	-	-
Miscellaneous	21	188	240	139	500	-	-
Dues & Subscriptions	175	136	60	195	300	-	500
<b>TOTAL OTHER CHARGES/SERV</b>	<b>66,229</b>	<b>44,139</b>	<b>46,379</b>	<b>41,463</b>	<b>74,780</b>	<b>-</b>	<b>71,500</b>
<b>TOTAL EXPENDITURES</b>	<b>340,682</b>	<b>261,348</b>	<b>290,629</b>	<b>266,373</b>	<b>298,195</b>	<b>-</b>	<b>290,830</b>

**CITY OF GRAND RAPIDS  
FINANCE DEPARTMENT  
ACTUAL 2009-2012 EXPENDITURES, 2013 BUDGET, YEAR TO DATE, PROPOSED 2014 BUDGET**

	2009 ACTUAL	2010 ACTUAL	2011 ACTUAL	2012 ACTUAL	2013 BUDGET	ACTUAL YTD 6/30/2013	PROPOSED 2014 BUDGET
<b>PERSONNEL</b>							
Salary-Fulltime	276,297	240,154	246,283	250,113	255,346	-	291,470
Salary-Overtime	30	-	-	-	-	-	-
PERA	18,561	16,782	17,855	18,133	18,437	-	21,132
FICA	16,049	14,071	14,365	14,729	15,767	-	18,071
Medicare	3,753	3,291	3,359	3,445	3,687	-	4,226
Health Insurance	47,078	36,312	38,699	38,356	39,492	-	55,350
Life Insurance	462	98	98	98	98	-	123
Dental Insurance	437	551	565	593	619	-	619
Vision Insurance	-	-	-	1	-	-	-
Unemployment	-	-	0	-	-	-	-
Workers Compensation	1,656	1,663	1,869	1,220	1,600	-	1,800
<b>TOTAL PERSONNEL</b>	<b>364,324</b>	<b>312,922</b>	<b>323,095</b>	<b>326,688</b>	<b>335,046</b>	-	<b>392,792</b>
<b>SUPPLIES &amp; MATERIALS</b>							
Office Supplies	1,540	741	927	793	1,200	-	1,200
Copy Supplies	192	344	311	417	350	-	500
Printing/Binding	678	385	688	329	400	-	400
Computer Supplies	2,178	2,020	2,043	1,185	2,300	-	2,300
Training Supplies	130	25	-	-	-	-	-
Assets between \$700-\$4,999	3,763	1,103	6,675	4,227	1,000	-	1,000
Inventorial Supplies	966	359	795	1,529	1,000	-	1,000
<b>TOTAL SUPPLIES &amp; MATERIAL</b>	<b>9,448</b>	<b>4,978</b>	<b>11,438</b>	<b>8,480</b>	<b>6,250</b>	-	<b>6,400</b>
<b>OTHER CHARGES &amp; SERVICES</b>							
Professional Services	5,200	-	1,700	-	-	-	5,500
Auditing/Accounting	36,426	26,687	26,687	24,156	28,800	-	29,000
Legal	3,903	1,600	644	222	1,200	-	1,200
Telephone	1,973	1,869	2,115	1,566	1,700	-	1,700
Postage/Freight	1,635	1,546	2,057	2,143	2,200	-	2,300
Seminar/Meetings/Schools	2,161	135	2,662	1,805	2,100	-	2,000
Publishing & Advertising	812	817	746	827	800	-	900
General Insurance	1,369	1,126	844	1,174	1,500	-	1,500
Microfilming Services	7,228	-	-	-	-	-	-
Maintenance Contracts	11,515	15,271	17,770	22,905	22,850	-	25,825
Computer Maint/Repairs	-	-	174	143	-	-	-
General Eqpt Maint/Rpairs	64	352	-	-	-	-	-
Miscellaneous	-	-	-	12	-	-	-
Dues & Subscriptions	1,390	1,520	1,400	1,440	1,400	-	1,500
<b>TOTAL OTHER CHARGES &amp; SE</b>	<b>73,676</b>	<b>50,922</b>	<b>56,799</b>	<b>56,393</b>	<b>62,550</b>	-	<b>71,425</b>
<b>CAPITAL OUTLAY</b>							
Computer Equipment	-	-	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>447,447</b>	<b>368,823</b>	<b>391,332</b>	<b>391,561</b>	<b>403,846</b>	-	<b>470,617</b>

\*Added Payroll Tech back in Finance budget  
\*Added \$5,500 for OPEB Study

Printing/Binding - Budget and CIP Book

Computer supplies  
A/P checks  
W-2 & 1099's  
printer cartridges

7/10/2013



**CITY OF GRAND RAPIDS  
FIRE DEPARTMENT  
ACTUAL 2009-2012 EXPENDITURES, 2013 BUDGET, YEAR TO DATE, PROPOSED 2014 BUDGET**

	2009 ACTUAL	2010 ACTUAL	2011 ACTUAL	2012 ACTUAL	2013 BUDGET	ACTUAL YTD 6/30/2013	PROPOSED 2014 BUDGET
<b>PERSONNEL</b>							
Salary Fulltime	56,379	55,022	58,635	54,344	61,241	-	357,875
Salary-Fulltime OT	-	-	-	78	-	-	-
Salary-Parttime	168,693	131,354	140,063	148,643	150,205	-	-
Salary-Parttime/Overtime	5,414	5,075	5,020	4,052	8,000	-	-
PERA	1,677	1,485	1,708	1,441	2,368	-	-
FICA	14,239	11,793	12,545	12,782	13,333	-	-
Fire Relief-City contribution	5,000	7,826	5,000	5,000	5,000	-	-
Fire Pension-St of MN	82,618	89,228	87,016	88,438	86,000	-	-
Medicare	3,330	2,758	2,934	2,990	3,119	-	-
Health Insurance	4,621	4,080	4,241	3,112	4,515	-	-
Life Insurance	2,872	750	771	739	737	-	-
Dental	103	135	141	118	155	-	-
Unemployment	256	(256)	-	-	-	-	-
Workers Compensation	17,729	22,893	26,482	23,682	23,000	-	-
<b>TOTAL PERSONNEL</b>	<b>362,933</b>	<b>332,142</b>	<b>344,555</b>	<b>345,419</b>	<b>357,673</b>	-	<b>357,875</b>
<b>SUPPLIES &amp; MATERIALS</b>							
Office Supplies	492	1,038	564	102	500	-	500
Copy Supplies	34	452	87	436	200	-	200
Computer Supplies	735	1,039	242	-	1,000	-	500
Training Supplies	376	846	890	1,194	900	-	900
Assets between \$700-\$4,999	7,999	-	9,981	8,258	8,000	-	4,000
Inventorial Supplies	6,109	6,857	8,124	7,891	6,000	-	6,000
Operating Supplies	8,313	11,344	8,176	7,508	8,500	-	8,500
Motor Fuels	7,941	8,553	9,080	8,863	9,500	-	9,500
Lubricants	366	226	244	133	250	-	250
Uniforms/Clothing/Safety	17,573	15,146	13,848	14,186	17,000	-	15,000
<b>TOTAL SUPPLIES &amp; MATERIALS</b>	<b>49,938</b>	<b>45,502</b>	<b>51,236</b>	<b>48,571</b>	<b>51,850</b>	-	<b>45,350</b>
<b>OTHER CHARGES &amp; SERVICES</b>							
Professional Services	775	-	-	-	500	-	1,000
Physicals	164	2,267	1,975	3,157	4,000	-	3,000
Legal	520	325	390	975	500	-	1,000
Laundry	79	44	36	30	100	-	100
Janitorial	713	490	839	432	800	-	600
Rental Expense	1,204	1,223	1,613	275	-	-	500
Telephone	4,528	3,611	2,679	2,696	1,595	-	1,600
Postage/Freight	410	1,758	366	208	400	-	400
Seminar/Meetings/Schools	16,923	13,537	36,598	24,358	17,087	-	17,000
Community Education/Promo	11,272	5,307	7,518	10,415	4,500	-	4,500
Auto Mileage-Inspector	221	391	513	558	500	-	500
Publishing & Advertising	605	1,139	781	1,151	300	-	600
General Insurance	11,433	13,090	10,745	11,472	16,500	-	17,000
Electricity	7,624	8,048	7,150	5,525	5,500	-	4,500
Garbage Removal	821	823	943	1,177	900	-	900
Heat-Natural Gas	8,513	2,987	5,043	5,610	5,500	-	5,500
Maintenance Contracts	237	580	196	400	2,800	-	2,800
Building Maint/Repairs	16,907	7,015	6,229	8,095	8,300	-	8,300
Computer Maint/Repairs	-	462	-	-	-	-	-
Radio Maint/Repair	311	608	966	932	1,000	-	1,000
Vehicle Maint/Repair-Car #118	1,240	752	632	1,138	800	-	800
Vehicle Maint/Repair-Tanker #112	1,151	5,602	2,123	-	-	-	-
Vehicle Maint/Repair-Eng #115	7,901	4,410	2,189	675	3,500	-	2,500
Vehicle Maint/Repair-Pickup #117	78	-	124	113	800	-	800
Vehicle Maint/Repair-Ladder #119	4,832	3,052	4,131	2,826	3,500	-	3,500
Vehicle Maint/Repair-Rescue #114	1,993	469	1,228	81	3,000	-	2,500
Vehicle Maint/Repair-Engine #116	3,163	10,378	1,882	6,074	3,000	-	6,000
Vehicle Maint/Repair-Engine #113	846	678	355	1,578	1,000	-	1,000
Vehicle Maint/Repair-Engine #111	2,626	4,228	2,109	2,661	5,000	-	5,000
Gen Equip Maint/Repair & SCBA S	5,629	7,069	7,478	4,954	6,000	-	6,000
Miscellaneous	-	-	-	-	-	-	-

CITY OF GRAND RAPIDS  
 FIRE DEPARTMENT  
 ACTUAL 2009-2012 EXPENDITURES, 2013 BUDGET, YEAR TO DATE, PROPOSED 2014 BUDGET

	2009 ACTUAL	2010 ACTUAL	2011 ACTUAL	2012 ACTUAL	2013 BUDGET	ACTUAL YTD 6/30/2013	PROPOSED 2014 BUDGET
Dues & Subscriptions	1,536	2,595	1,483	2,028	2,500	-	2,500
Special Assessments	4,260	-	-	-	-	-	-
Depreciation	-	-	-	66,140	71,140	-	90,000
<b>TOTAL OTHER CHARGES &amp; SERV</b>	<u>118,516</u>	<u>102,938</u>	<u>108,315</u>	<u>165,734</u>	<u>171,022</u>	-	<u>191,400</u>
<b>CAPITAL OUTLAY</b>							
Equip/Mach/Furn/Fix							
<b>TOTAL CAPITAL OUTLAY</b>							
<b>TOTAL EXPENDITURES</b>	<u>531,387</u>	<u>480,582</u>	<u>504,106</u>	<u>559,724</u>	<u>580,545</u>	-	<u>594,625</u>

\*7/1 Tim changed depreciation to \$90,000

**CITY OF GRAND RAPIDS  
Fleet Maintenance**

Actual 2011-2012 Expenditures, 2013 Budget, Year To Date Totals, Proposed 2014 Budget

	2011 ACTUAL	2012 ACTUAL	2013 BUDGET	YTD ACTUAL 6/30/2013	PROPOSED 2014 BUDGET
<b>EXPENDITURES:</b>					
<i>Personnel</i>					
Salary-Fulltime	116,876	113,650	118,482	54,812	122,093
Salary-Overtime	1,400	489	1,000	278	1,000
PERA	8,572	8,273	8,520	4,026	8,852
FICA	7,302	7,051	7,285	3,429	7,570
Medicare	1,708	1,649	1,704	802	1,770
Health Insurance	20,250	24,372	27,000	11,464	27,600
Life Insurance	45	49	49	25	49
Healthcare Savings	3,950	3,872	-	2,036	-
Workers Compensation	3,468	2,853	3,600	3,680	3,700
<b>TOTAL PERSONNEL</b>	<u>163,571</u>	<u>162,258</u>	<u>167,640</u>	<u>80,552</u>	<u>172,634</u>
<i>Supplies &amp; Materials</i>					
Office Supplies	-	-	-	-	6,500
Operating Supplies	5,389	6,281	5,400	3,245	1,550
Motor Fuel	1,235	1,538	1,400	1,383	6,500
Lubricants	6,396	5,505	6,500	2,624	750
Uniforms/Clothing	323	738	750	378	3,000
Small Tools	2,317	3,230	2,500	919	18,300
<b>TOTAL SUPPLIES &amp; MATERIALS</b>	<u>15,660</u>	<u>17,292</u>	<u>16,550</u>	<u>8,549</u>	<u>18,300</u>
<i>Other Charges &amp; Services</i>					
Seminars/Mtgs/School	1,199	1,188	1,200	1,509	1,200
General Insurance	413	598	500	757	500
Electricity	5,749	5,635	5,800	3,614	5,800
Hazardous Waste Disposal	165	-	2,000	-	2,000
Computer Maint/Repair	85	-	-	-	-
Vehicle Equip Maint/Repair	43,535	48,276	43,000	25,831	43,000
Dues & Subscriptions	3,492	3,791	4,000	3,371	4,000
<b>TOTAL OTHER CHGS &amp; SERVICES</b>	<u>54,638</u>	<u>59,488</u>	<u>56,500</u>	<u>35,082</u>	<u>56,500</u>
<b>TOTAL EXPENDITURES</b>	<u><u>233,869</u></u>	<u><u>239,038</u></u>	<u><u>240,690</u></u>	<u><u>124,183</u></u>	<u><u>247,434</u></u>



**CITY OF GRAND RAPIDS  
INFORMATION TECHNOLOGY DEPARTMENT  
ACTUAL 2009-2012 EXPENDITURES, 2013 BUDGET, YEAR TO DATE, PROPOSED 2014 BUDGET**

	2009 ACTUAL	2010 ACTUAL	2011 ACTUAL	2012 ACTUAL	2013 BUDGET	ACTUAL YTD 6/30/2013	PROPOSED 2014 BUDGET
<b>PERSONNEL</b>							
Salary-Fulltime	104,947	53,552	80,364	103,826	110,124	-	113,520
Salary-Fulltime Overtime	-	-	-	-	-	-	-
PERA	6,490	3,748	5,826	7,525	7,984	-	8,230
FICA	5,733	3,248	4,904	6,289	6,828	-	7,038
Medicare	1,341	760	1,147	1,471	1,597	-	1,646
Health Insurance	7,627	3,672	3,818	3,710	4,062	-	4,062
Life Insurance	162	25	35	49	49	-	49
Dental Insurance	344	271	283	296	619	-	619
Workers Compensation	668	371	417	538	675	-	900
<b>TOTAL PERSONNEL</b>	<b>127,313</b>	<b>65,646</b>	<b>96,794</b>	<b>123,704</b>	<b>131,938</b>	-	<b>136,066</b>
<b>SUPPLIES &amp; MATERIALS</b>							
Office Supplies	243	62	307	96	100	-	150
Copy Supplies	22	5	4	8	50	-	50
Printing/Binding	-	-	56	-	-	-	-
Computer Supplies	167	106	125	145	-	-	200
Assets between \$700-\$4,999	4,133	-	-	-	4,000	-	9,866
Inventorial Supplies	1,831	-	890	2,302	800	-	1,000
Maint Tools/Supplies	20	366	-	-	200	-	400
<b>TOTAL SUPPLIES &amp; MATERIALS</b>	<b>6,416</b>	<b>539</b>	<b>1,382</b>	<b>2,551</b>	<b>5,150</b>	-	<b>11,666</b>
<b>OTHER CHARGES &amp; SERVICES</b>							
Professional Service/Web Page	2,186	2,069	-	700	700	-	1,500
Legal	65	65	195	-	200	-	200
Telephone	1,981	1,862	2,024	2,043	1,820	-	2,000
Postage	18	73	10	10	-	-	-
Seminar/Meetings/Schools	344	-	7,539	62	-	-	2,000
Auto Mileage	176	-	-	63	-	-	300
Publishing/Advertising	73	-	209	-	-	-	-
General Insurance	531	437	351	492	750	-	492
Dept Maintenance Contracts	146	30	40	1,245	-	-	-
System Maintenance Contracts	10,235	28,608	35,964	33,252	38,000	-	40,700
Telephone System Maint/Repair	125	80	45	728	400	-	200
Computer Service Contract	15,250	52,365	28,000	-	-	-	-
Computer Maint/Repairs	3,175	3,740	887	2,595	3,000	-	3,500
Network Internet Services	2,330	2,513	3,348	7,194	7,300	-	7,650
Equipment Maint/Repairs	150	-	-	18	500	-	300
Miscellaneous	6	-	-	-	-	-	-
Dues/Subscriptions/License Fee	98	50	50	50	50	-	50
<b>TOTAL OTHER CHARGES &amp; SERV</b>	<b>36,889</b>	<b>91,892</b>	<b>78,661</b>	<b>48,452</b>	<b>52,720</b>	-	<b>58,892</b>
<b>CAPITAL OUTLAY</b>							
Computer Equipment	-	-	-	2,286	-	-	-
<b>TOTAL CAPITAL OUTLAY</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,286</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL EXPENDITURES</b>	<b>170,617</b>	<b>158,077</b>	<b>176,837</b>	<b>176,993</b>	<b>189,808</b>	-	<b>206,624</b>

\*Added \$3,116 for Library switch

\*Added \$1,500 replacement of PD firewall & 7/1/13 added \$750 more for firewall

**CITY OF GRAND RAPIDS  
RECREATION DEPARTMENT**

**ACTUAL 2009-2012 EXPENDITURES, 2013 BUDGET, YEAR TO DATE ACTUAL, PROPOSED 2014 BUDGET**

	2009 ACTUAL	2010 ACTUAL	2011 ACTUAL	2012 ACTUAL	2013 BUDGET	ACTUAL YTD 6/30/2013	PROPOSED 2014 BUDGET
<b>PERSONNEL</b>							
Salary-Fulltime	91,235	94,197	80,334	90,443	87,341	-	58,506
Salary-Overtime	297	-	-	-	-	-	-
Salary-Parttime	17,712	19,954	16,978	15,790	20,582	-	19,570
Contracted Services	-	-	3,869	-	-	-	-
PERA	6,187	6,462	5,824	6,557	7,725	-	5,660
FICA	6,464	6,627	5,718	6,218	6,659	-	4,841
Medicare	1,512	1,550	1,337	1,454	1,558	-	1,132
Health Insurance	21,361	21,758	17,441	29,424	31,515	-	11,844
Life Insurance	184	48	37	57	37	-	25
Dental Insurance	115	135	141	148	155	-	310
Unemployment	28	-	-	192	500	-	500
Workers Compensation	732	1,103	925	1,244	1,100	-	500
<b>TOTAL PERSONNEL</b>	<b>145,829</b>	<b>151,835</b>	<b>132,604</b>	<b>151,527</b>	<b>157,173</b>	-	<b>102,887</b>
<b>SUPPLIES &amp; MATERIALS</b>							
Office Supplies	1,028	233	1,143	599	300	-	700
Copy Supplies	468	218	821	432	500	-	500
Printing/Binding	2,904	3,115	2,657	2,569	3,000	-	3,000
Computer Supplies	-	672	1,238	-	-	-	-
Assets \$700-\$4,999	-	-	-	7,124	-	-	-
Inventorial Supplies	2,069	971	143	1,551	800	-	1,500
Program Supplies	2,081	704	5,957	531	2,000	-	1,000
Motor Fuels	187	37	113	259	100	-	500
Maintenance Tools/Supplies	-	112	13	-	-	-	-
Activity Passes	-	-	-	-	-	-	-
<b>TOTAL SUPPLIES &amp; MATERIALS</b>	<b>8,737</b>	<b>6,061</b>	<b>12,084</b>	<b>13,065</b>	<b>6,700</b>	-	<b>7,200</b>
<b>OTHER CHARGES &amp; SERVICES</b>							
Legal	683	748	-	195	750	-	300
Telephone	2,404	1,702	1,520	2,150	1,665	-	2,200
Postage/Freight	334	73	91	68	-	-	100
Seminar/Meetings/Schools	-	-	78	-	-	-	600
Auto Mileage	-	-	-	-	-	-	-
Auto License	-	15	-	16	-	-	-
Publishing & Advertising	277	313	542	3,406	300	-	3,500
General Insurance	834	752	821	1,022	800	-	1,000
Building Maintenance	-	-	-	-	-	-	-
Maintenance Contracts	814	743	758	794	800	-	800
Vehicle Maint/Repair	214	923	-	116	-	-	-
Computer Maint/Repair	-	-	-	-	-	-	-
Gen Equip Maint/Repair	-	-	-	311	-	-	-
Equipment Rental	1,337	1,406	1,451	1,414	1,400	-	1,500
Miscellaneous	142	387	-	1,083	-	-	-
Dues & Subscriptions	193	198	236	266	300	-	300
Facility Maintenance	-	-	-	-	-	-	-
Snowmobile Trail Grooming	700	1,000	2,000	2,000	2,000	-	2,000
<b>TOTAL OTHER CHARGES &amp; SERV</b>	<b>7,931</b>	<b>8,258</b>	<b>7,495</b>	<b>12,841</b>	<b>8,015</b>	-	<b>12,300</b>
<b>TOTAL EXPENDITURES</b>	<b>162,496</b>	<b>166,154</b>	<b>152,183</b>	<b>177,433</b>	<b>171,888</b>	-	<b>122,387</b>

CITY OF GRAND RAPIDS  
CITY WIDE  
ACTUAL 2009-2012 EXPENDITURES, 2013 BUDGET, AND PROPOSED 2014

	2009 ACTUAL	2010 ACTUAL	2011 ACTUAL	2012 ACTUAL	2013 BUDGET	PROPOSED 2014 BUDGET
Classification contingency	-	-	-	-	10,000	23,000
Health Care Reform contingency	-	-	-	-	-	-
Work Comp Deductible	5,187	500	-	500	-	-
Health Co pay-49's	7,819	7,433	13,562	11,590	10,000	11,000
Employee Assistance Program	1,964	1,944	1,944	1,962	2,000	2,000
Miscellaneous	10,178	810	7,262	204	-	-
Flex Benefit Plan	1,380	1,260	1,160	1,308	1,500	1,500
Long Term Disability	-	4,044	3,852	3,659	4,000	4,000
City's Add'l 20/80 Ins Deduct	41,030	28,365	37,793	24,438	40,000	30,000
Health Insurance Deduct Contrib	139,587	141,279	117,580	119,950	138,000	152,250
Health & Wellness Program	7,667	8,017	3,629	6,488	7,500	7,500
Computer Replacement	-	-	5,302	19,247	14,000	18,000
Computer Maintenance	-	-	-	-	8,200	6,000
Pmt to Component Unit	179,353	-	-	-	-	-
Retirees Insurance	1,724	754	6,150	5,554	11,150	11,150
Retirees Ins Contribution	62,500	115,000	122,500	120,000	120,000	70,000
Admin Fee-EDA lease rev bonds	1,338	1,338	-	-	-	-
MC/VISA charges	1,597	2,102	1,407	1,276	2,500	2,500
Bank Charges	-	-	-	957	2,350	2,350
Accounting software upgrades	-	-	6,108	-	-	-
Police & Fire Radio depreciation	-	-	19,323	19,322	19,322	19,322
Website Design	-	-	358	12,104	20,000	-
	<u>503,284</u>	<u>397,115</u>	<u>348,323</u>	<u>348,681</u>	<u>410,522</u>	<u>360,572</u>

\*6/26/13 Erik had me change replacement from \$14,000 to \$18,000.

\*6/26/13 Erik had me change maintenance from \$8,200 to \$6,000.



City of Grand Rapids, Minnesota  
 Amended Capital Improvement Plan  
 2014 thru 2018

**PROJECTS BY FUNDING SOURCE**

Source	Project#	Priority	2014	2015	2016	2017	2018	Total
<b>CIP Fund</b>								
Aerial Photograph Updates	2014/Aerial	3	13,657					13,657
Crack Sealing Taxiway A	2014/AP-1	1	4,500					4,500
General Aviation Ramp Replacement	2014/AP-2	2	12,500					12,500
AP74 Truck Replacement	2014/AP-3	2	10,000					10,000
Cemetery Mower Replacement	2014/CEM-1	2	4,500					4,500
City Hall Bathroom Fixtures	2014/CH-1	2	10,000					10,000
Admin & Finance Carpet Replacement	2014/CH-2	2	12,000					12,000
Fire Hall Roof Replacement	2014/FD-3	1	50,000					50,000
TimeClock Plus Software	2014/FIN-1	2	12,835					12,835
GPS Equipment Upgrade	2014/GPS	2	2,980					2,980
Phase VDI into our virtual infrastructure	2014/IT-1	1	44,000					44,000
City Security Video Camera System	2014/IT-2	3	27,000					27,000
Laserfiche system upgrade	2014/IT-3	2	43,000					43,000
Library Chiller/Compressor Replacement	2014/LIB-1	2	40,000					40,000
Playground Revitalization	2014/P&R-1	2		35,000				35,000
Dehumidification Replacement	2014/P&R-2	1	75,000					75,000
Civic Center Roof Replacement-Phase 1	2014/P&R-3	1	200,000					200,000
Upper Lobby Bathroom Remodel	2014/P&R-4	2	30,000					30,000
Police Vehicle Replacement Plan	2014/PD-1	2	43,000	74,000	64,000	65,000	66,000	312,000
Police K-9	2014/PD-2	2	22,000					22,000
Police Remote Pole Cameras	2014/PD-3	3	70,000					70,000
PW Pickup Truck Replacement	2014/PW-1	1	35,000					35,000
PW Turf Lawnmower Replacement	2014/PW-2	2	50,000					50,000
City Entrance Signs	2014/PW-3	2	15,000	18,000	21,000	24,000		78,000
Airport Master Plan/eALP	2015/AP-1	2		12,500				12,500
Council Chambers Carpet Replacement	2015/CH-1	2		12,000				12,000
Replace two virtual server host computers	2015/IT-1	1		16,000				16,000
Blandin Beach Update	2015/P&R-1	3		80,000				80,000
Police Taser Replacement	2015/PD-1	3		26,000				26,000
Police In-Car Video Replacement	2015/PD-2	2		50,000				50,000
Police In-Car Computer Maint Contr	2015/PD-3	3		48,000				48,000
Airport Zoning Update	2016/AP-1	2			2,500			2,500
RWY 16/34 - Extension Justification	2016/AP-2	3			750			750
RWY 16/34 - 1,500 Ft. Extension - Design	2016/AP-3	3			8,750			8,750
Class A Pumper	2016/FD-1	2			275,000			275,000
Fire Hall Doors	2016/FD-2	2			40,000			40,000
Replace the City email server	2016/IT-2	2			10,000			10,000
RWY 5/23 Slurry Seal	2017/AP-1	2				15,000		15,000
Land ACQ. - So. Boundary Tract 56	2017/AP-2	3				6,000		6,000
IRA Civic Center - Refurbish/Remodel/Roof Phase II	2017/P&R-1	2				1,500,000		1,500,000
RWY 16/34 - Resurface and Resolve L-O-S Issues	2018/AP-1	3					50,000	50,000
RWY 16/34 - 1,500 Ft. Extension - Construction	2018/AP-2	3					150,000	150,000
Police Impound Building	2018/PD-1	4					175,000	175,000

TOTAL YELLOW = \$ 339,000

TOTAL PINK = \$ 1,885,000



## **475.521 CAPITAL IMPROVEMENT BONDS.**

### **Subdivision 1. Definitions.**

For purposes of this section, the following terms have the meanings given.

(a) "Bonds" mean an obligation defined under section 475.51.

(b) "Capital improvement" means acquisition or betterment of public lands, buildings or other improvements for the purpose of a city hall, town hall, library, public safety facility, and public works facility. An improvement must have an expected useful life of five years or more to qualify. Capital improvement does not include light rail transit or any activity related to it, or a park, road, bridge, administrative building other than a city or town hall, or land for any of those facilities.

(c) "Municipality" means a home rule charter or statutory city or a town described in section 368.01, subdivision 1 or 1a.

### **Subd. 2. Election requirement.**

(a) Bonds issued by a municipality to finance capital improvements under an approved capital improvements plan are not subject to the election requirements of section 475.58. The bonds must be approved by an affirmative vote of three-fifths of the members of a five-member governing body. In the case of a governing body having more or less than five members, the bonds must be approved by a vote of at least two-thirds of the members of the governing body.

(b) Before the issuance of bonds qualifying under this section, the municipality must publish a notice of its intention to issue the bonds and the date and time of the hearing to obtain public comment on the matter. The notice must be published in the official newspaper of the municipality or in a newspaper of general circulation in the municipality. Additionally, the notice may be posted on the official Web site, if any, of the municipality. The notice must be published at least 14 but not more than 28 days before the date of the hearing.

(c) A municipality may issue the bonds only after obtaining the approval of a majority of the voters voting on the question of issuing the obligations, if a petition requesting a vote on the issuance is signed by voters equal to five percent of the votes cast in the municipality in the last general election and is filed with the clerk within 30 days after the public hearing. The commissioner of revenue shall prepare a suggested form of the question to be presented at the election.

### **Subd. 3. Capital improvement plan.**

(a) A municipality may adopt a capital improvement plan. The plan must cover at least a five-year period beginning with the date of its adoption. The plan must set forth the estimated schedule, timing, and details of specific capital improvements by year, together with the estimated cost, the need for the improvement, and sources of revenue to pay for the improvement. In preparing the capital improvement plan, the governing body must consider for each project and for the overall plan:



- (1) the condition of the municipality's existing infrastructure, including the projected need for repair or replacement;
  - (2) the likely demand for the improvement;
  - (3) the estimated cost of the improvement;
  - (4) the available public resources;
  - (5) the level of overlapping debt in the municipality;
  - (6) the relative benefits and costs of alternative uses of the funds;
  - (7) operating costs of the proposed improvements; and
  - (8) alternatives for providing services most efficiently through shared facilities with other municipalities or local government units.
- (b) The capital improvement plan and annual amendments to it must be approved by the governing body after public hearing.

#### **Subd. 4. Limitations on amount.**

A municipality may not issue bonds under this section if the maximum amount of principal and interest to become due in any year on all the outstanding bonds issued under this section, including the bonds to be issued, will equal or exceed 0.16 percent of the taxable market value of property in the municipality. Calculation of the limit must be made using the taxable market value for the taxes payable year in which the obligations are issued and sold. In the case of a municipality with a population of 2,500 or more, the bonds are subject to the net debt limits under section 475.53. In the case of a shared facility in which more than one municipality participates, upon compliance by each participating municipality with the requirements of subdivision 2, the limitations in this subdivision and the net debt represented by the bonds shall be allocated to each participating municipality in proportion to its required financial contribution to the financing of the shared facility, as set forth in the joint powers agreement relating to the shared facility. This section does not limit the authority to issue bonds under any other special or general law.

#### **Subd. 5. Application of this chapter.**

Bonds to finance capital improvements qualifying under this section must be issued under the issuance authority in this chapter and the provisions of this chapter apply, except as otherwise specifically provided in this section.

**GO DEBT LEVY SUMMARY**  
**CITY OF GRAND RAPIDS**  
**LEVY COMPARISONS FOR YEARS 2013- 2017**  
**Based on 2014 -2018 CIP Requests**

	2012 Levy Payable 2013 Amount	2013 Levy Payable 2014 Amount	2014 Levy Payable 2015 Amount	2015 Levy Payable 2016 Amount	2016 Levy Payable 2017 Amount	2017 Levy Payable 2018 Amount	2018 Levy Payable 2019 Amount	2019 Levy Payable 2020 Amount	2020 Levy Payable 2021 Amount	2021 Levy Payable 2022 Amount	2022 Levy Payable 2023 Amount	2023 Levy Payable 2024 Amount
<b>Levies for Infrastructure:</b>												
2001 Improvement Bonds	\$ 12,743	\$ 12,575	\$ 17,609	\$ 17,083	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2004 Improvement Bonds	111,112	-	-	-	-	-	-	-	-	-	-	-
2005 Improvement Bonds	51,089	-	-	-	-	-	-	-	-	-	-	-
2007 Improvement Bonds	117,311	119,923	122,325	119,268	116,210	118,271	114,867	116,713	118,274	119,616	-	-
2006C Prj 2004-1B Sp Levy	26,776	25,700	24,645	23,549	22,473	21,397	20,330	19,245	18,170	17,093	-	-
2002/2006 Prj 2001-6 Sp Levy	31,908	30,600	29,291	27,983	26,674	25,366	24,057	22,749	21,440	-	-	-
2008 Improvement Bonds	150,866	152,983	149,644	146,012	147,630	148,880	110,685	112,233	108,349	109,309	120,379	-
2008 Prj 2007-7 Sp Levy	2,645	2,540	2,436	2,332	2,228	2,124	2,020	1,915	1,811	1,707	-	-
2009 Improvement Bonds	339,888	345,297	318,543	303,278	307,321	305,114	-	-	-	-	-	-
2010 Improvement Bonds	150,489	145,941	140,973	135,610	140,381	8,073	54,608	58,648	57,130	55,611	53,936	57,510
Adjustment for Debt Study	(62,500)	(55,000)	(63,929)	(37,730)	(27,500)	(27,500)	(27,500)	(27,500)	(27,500)	(19,670)	(17,593)	-
2011 Improvement Bonds	54,378	54,647	54,746	54,675	54,467	54,054	86,049	85,070	83,991	82,938	81,870	80,803
2012 Improvement Bonds	134,678	134,120	133,236	132,061	130,518	133,857	94,629	93,587	92,425	91,298	90,153	89,018
2013A Rfdg Bonds	-	98,328	96,641	94,791	100,676	103,676	101,036	99,101	-	-	-	-
2013 Improvement Bonds	-	295,090	269,495	266,975	263,976	261,154	258,289	255,537	252,429	249,432	246,390	243,391
2014 Improvement Bonds	-	-	250,942	229,375	226,847	224,483	222,083	219,793	217,174	214,663	212,115	209,618
2015 Improvement Bonds	-	-	-	347,420	317,019	313,797	310,527	307,428	303,837	300,416	296,943	293,563
2016 Improvement Bonds	-	-	-	-	478,105	436,636	432,199	428,024	423,122	418,480	413,768	409,211
2017 Improvement Bonds	-	-	-	-	-	258,835	236,385	234,175	231,544	229,069	226,556	224,142
2018 Improvement Bonds	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Levies-Infrastructure</b>	<b>\$ 1,121,383</b>	<b>\$ 1,362,744</b>	<b>\$ 1,546,597</b>	<b>\$ 1,862,682</b>	<b>\$ 2,307,025</b>	<b>\$ 2,388,217</b>	<b>\$ 2,040,264</b>	<b>\$ 2,026,718</b>	<b>\$ 1,902,196</b>	<b>\$ 1,869,962</b>	<b>\$ 1,724,517</b>	<b>\$ 1,607,256</b>
<b>Levies for Equipment:</b>												
2009 Equipment Certificates	141,067	148,853	149,636	149,846	149,517	148,625	-	-	-	-	-	-
<b>Total Levies-Equipment</b>	<b>141,067</b>	<b>148,853</b>	<b>149,636</b>	<b>149,846</b>	<b>149,517</b>	<b>148,625</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Debt Service Levies</b>	<b>\$ 1,262,450</b>	<b>\$ 1,511,597</b>	<b>\$ 1,696,233</b>	<b>\$ 2,012,528</b>	<b>\$ 2,456,542</b>	<b>\$ 2,536,842</b>	<b>\$ 2,040,264</b>	<b>\$ 2,026,718</b>	<b>\$ 1,902,196</b>	<b>\$ 1,869,962</b>	<b>\$ 1,724,517</b>	<b>\$ 1,607,256</b>
<b>Equipment Inter-Fund Loan</b>												
2011 Equipment Purchases	\$ 141,588	\$ 141,588	\$ 141,588	\$ 141,588	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**PROJECTED LEVY & TAX RATE  
CITY OF GRAND RAPIDS  
PREVIOUSLY CERTIFIED LEVIES AND 2013 PROPOSED LEVY**

	2009 Levy Payable 2010	2010 Levy Payable 2011	2011 Levy Payable 2012	2012 Levy Payable 2013	2013 Levy Payable 2014	
General Fund	3,202,531	3,466,821	3,309,756	3,526,598	3,473,102	-1.52%
Library Fund	519,716	534,716	524,716	575,038	616,984	7.29%
Cemetery	-	175,000	175,000	159,000	170,550	7.26%
GREDA Levy	45,000	50,000	50,000	83,240	83,240	0.00%
Levy for Internal Loan-2011 Equip Purchz	-	-	136,000	141,588	141,588	0.00%
Special Levies	8,000	8,000	-	-	-	
<b>Total Levy Required for Operations</b>	<b>3,775,247</b>	<b>4,234,537</b>	<b>4,195,472</b>	<b>4,485,464</b>	<b>4,485,464</b>	
Bonded Indebtedness	1,151,272	\$1,093,789	1,127,071	1,262,450	1,480,040	17.24%
<b>GROSS LEVY</b>	<b>4,926,519</b>	<b>5,328,326</b>	<b>5,322,543</b>	<b>5,747,914</b>	<b>5,965,503</b>	3.79%
Less:						
Fund Balance Contribution	-	-	-	-	-	
<b>CERTIFIED LEVY</b>	<b>\$4,926,519</b>	<b>\$5,328,326</b>	<b>5,322,543</b>	<b>5,747,914</b>	<b>5,965,503</b>	
	1.73%	8.16%	-0.11%	7.99%	3.79%	

**2013 ESTIMATED TAX CAPACITY AND PROPOSED LEVY**

TAX CAPACITY	\$8,609,298	CERTIFIED LEVY	\$5,965,503
Less:		Less:	
JOBZ	-	Fiscal disparities distribution levy	(679,240)
TIF Captured tax increment	(135,839)		
Fiscal Disparities contribution	(1,127,446)	Net amount levied to property owners	<b>\$5,286,263</b>
<b>Taxable tax capacity*</b>	<b>\$7,346,013</b>		

**2002 - 2012 TAXABLE TAX CAPACITY, CERTIFIED LEVY and CITY TAX RATE  
and 2014 ESTIMATED TAXABLE TAX CAPACITY  
and 2013 ESTIMATED LEVY and CITY TAX RATE**

TAX YEAR PAYABLE	TAXABLE TAX CAPACITY	NET CERTIFIED LEVY	CITY TAX RATE	CITY/TOWNSHIP TAX RATE	TOTAL TAX RATE
2002	\$ 4,013,622	\$ 3,221,066	80.169	2.696	82.865
2003	4,667,797	3,487,514	76.387	5.031	81.418
2004	4,883,098	3,774,982	79.273	4.625	83.898
2005	5,402,830	3,868,947	71.339	4.603	75.942
2006	5,692,534	3,977,337	69.869	4.452	74.321
2007	6,224,893	4,091,108	65.722	2.972	68.694
2008	6,851,971	4,503,251	65.722	3.834	69.556
2009	7,919,927	4,677,712	59.063	1.841	60.904
2010	7,115,267	4,631,705	65.095	1.271	66.366
2011	7,647,353	4,885,894	61.602	2.288	63.890
2012	7,014,456	4,874,006	67.054	2.431	69.485
2013	7,346,013	5,286,263	69.639	2.322	71.961
2014	\$7,346,013	\$5,286,263	69.639	2.322	71.961