



CITY OF GRAND RAPIDS

Meeting Agenda Full Detail City Council

Monday, October 29, 2012

City Hall Council Chambers

Immediately following the closed 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, October 29, 2012 immediately following the closed meeting in Council Chambers, 420 North Pokegama Avenue, Grand Rapids, Minnesota.

CALL OF ROLL

1. 12-0681 Consider adopting a resolution allowing City Administrator, or his designee, to negotiate leases, recruit property management firms, and otherwise perform tasks for the benefit of the Central School subject to final approval of the City Council.
Attachments: [Resolution re Old Central School](#)

2. 12-0679 Presentation by Megan Christianson for the Community Marketing Taskforce.
Attachments: [Community Marketing Taskforce Framing Statement.pdf](#)
[Grand Rapids Presentation - CMT-10-29-12.pdf](#)

3. 12-0680 2013 Budget Discussion.
Attachments: [2013 levy and tax rate.pdf](#)
[Recap RevEexpenditures&Levy.pdf](#)
[Levy comparison 102912.pdf](#)
[memo Council-budget meeting 102912.pdf](#)

ADJOURNMENT

Attest:

Shawn Gillen, City Administrator



CITY OF GRAND RAPIDS

Legislation Details (With Text)

File #: 12-0681 **Version:** 1 **Name:** Central School Lease issues
Type: Agenda Item **Status:** Passed
File created: 10/25/2012 **In control:** Administration
On agenda: 10/29/2012 **Final action:** 10/29/2012

Title: Consider adopting a resolution allowing City Administrator, or his designee, to negotiate leases, recruit property management firms, and otherwise perform tasks for the benefit of the Central School subject to final approval of the City Council.

Sponsors:

Indexes:

Code sections:

Attachments: [Resolution re Old Central School](#)

Date	Ver.	Action By	Action	Result
10/29/2012	1	City Council	Approved As Presented	Pass

Consider adopting a resolution allowing City Administrator, or his designee, to negotiate leases, recruit property management firms, and otherwise perform tasks for the benefit of the Central School subject to final approval of the City Council.

Councilor _____ introduced the following resolution and moved for its adoption:

RESOLUTION _____

**CITY OF GRAND RAPIDS' DELEGATION OF AUTHORITY
TO THE CITY ADMINISTRATOR, OR HIS DESIGNEE,
IN RELATION TO THE OLD CENTRAL SCHOOL**

WHEREAS, the City of Grand Rapids ("City") owns the Old Central School in the City of Grand Rapids; and

WHEREAS, the Old Central School is currently having issues achieving optimum tenancy.

NOW THEREFORE, as the City intends to be more progressive in negotiating with prospective tenants, the City Council of Grand Rapids does hereby do the following:

1. The City resolves that the City Administrator, or his designee, has full powers to negotiate leases with prospective tenants of the Old Central School. However, the City Council retains the final authority to approve or reject any such lease terms. Moreover, the City Council does not require Central School Commission approval prior to executing final leases prior to the leases becoming effective.
2. The City Council does hereby authorize the City Administrator, or his designee, to recruit a property management firm to perform tasks on behalf of the Old Central School. The City Administrator, or his designee, may negotiate and prepare contracts to employ a property management firm; however, the City Council retains the final authority to approve or reject any such contracts.
3. The City Council does hereby authorize the City Administrator, or his designee, to negotiate flexible rental terms with prospective or current tenants and make recommendations to the City Council as to increasing or decreasing rental payment amounts. The City Council again retains final authority to either approve or reject the modification of said terms.

Adopted by the City Council this 29th day of October, 2012.

Dale Adams, Mayor

ATTEST:

Kimberly Johnson-Gibeau, City Clerk

Councilor _____ seconded the foregoing resolution and the following voted in favor thereof: ; and the following voted against same: _ whereby the resolution was declared duly passed and adopted.



CITY OF GRAND RAPIDS

Legislation Details (With Text)

File #: 12-0679 **Version:** 1 **Name:** Megan Christenson presentation-CMTF
Type: Agenda Item **Status:** Administration Department
File created: 10/24/2012 **In control:** Finance
On agenda: 10/29/2012 **Final action:**
Title: Presentation by Megan Christianson for the Community Marketing Taskforce.
Sponsors:
Indexes:
Code sections:
Attachments: [Community Marketing Taskforce Framing Statement.pdf](#)
[Grand Rapids Presentation - CMT-10-29-12.pdf](#)

Date	Ver.	Action By	Action	Result
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Presentation by Megan Christianson for the Community Marketing Taskforce.

Background Information:

Attached please find a Presentation to the City Council on the Community Marketing Taskforce and a Framing Statement for the Community Marketing Taskforce from Megan Christianson.

Requested City Council Action

Presentation by Megan Christianson for the Community Marketing Taskforce.

Community Marketing Taskforce

FRAMING STATEMENT

Purpose: The Community Marketing Taskforce was formed as a neutral convener in which collaboration is possible.

Mission: Bring together major partners to provide effective and efficient communication and marketing for Itasca County residents, new residents and visitors.

Partners – The following organizations are engaged in collaboration around making Itasca County a better experience for the resident, new resident and visitor: Visit Grand Rapids, City of Grand Rapids, Blandin Foundation, IEDC, Central Business District Association, Grand Rapids Arts, Reif Center, MacRostie Arts, Itasca County Historical Society, Central Square Mall, Grand Rapids Area Community Foundation, Grand Rapids Area Chamber of Commerce, Itasca Community College. The Community Marketing Taskforce has reached out to the following organizations to engage them: Greenway Area Business Association and Edge of the Wilderness Scenic Byway & Center.

Core Driver Funders – The taskforce requires each “Core Driver Funders” to contribute \$10,000. These “Core Driver Funders” will receive recognition on all CMT efforts. The taskforce would like to be inclusive to allow project partners to come to the table to be involved with specific project collaboration opportunities. The “Core Drive Funders” are: Visit Grand Rapids (\$10,000) commitment for three years, and Downtown Business Association (\$2,000) commitment for three years.

Scope of Work: To catalyze the capacity of the Itasca County communities to articulate its value to a variety of audiences: residents, new residents, and visitors by

- 1) Contracting with a coordinator to facilitate
- 2) Sustain and enhance the community’s online portal (www.minnesotasnature.com)
- 3) Facilitate the work of diverse stakeholders to further develop, launch and build a sustainable model for the Community Marketing Task Force.

Scope of Budget: \$50,000/year for three years

If an organization would like to receive a presentation from the Community Marketing Taskforce to learn more, please contact: Megan Christianson, Executive Director, Visit Grand Rapids at 218-326-9607 or via email at megan@visitgrandrapids.com.

Community Marketing Taskforce

Presentation to Grand Rapids City Councilman Work Session

Monday, October 29, 2012

Community Marketing Taskforce Background

- Bring together major partners to provide effective and efficient communication and marketing for residents, new residents and visitors. *(Strong Focus on Visitors)*
 - The CMT recognizes the opportunity to work together better.

Current Standing of CMT

- CMT is currently focusing on mobilization of funds – meeting with 5 focus organizations (Visit Grand Rapids, City of Grand Rapids, Itasca County, Blandin Foundation and Grand Rapids Area Chamber of Commerce).
- CMT would like to take examples from the BrandMap (community Branding implementation strategy) to pull good ideas and use it for this effort of collaboration.
- CMT has thoughts of several ideas from the BrandMap to concentrate efforts for 2012 and beyond: upgrading of technology and internet marketing through www.minnesotasnature.com, hiring a community coordinator, having one visitor center with well trained staff and a central location of resources and information, an electronic reader board, and other several other ideas and projects.

Request of the Councilmen to consider

- To be a Core Driver Funder at \$10,000 commitment for three years.
 - Right now CMT is mobilizing funding through City of Grand Rapids, Grand Rapids Area Chamber, Blandin Foundation and other grant submissions (like IRRRB Culture & Tourism).
 - Visit Grand Rapids is the only secured \$10,000 match funder for three years, and Downtown Business Association has secured \$2,000 for three years commitment.

Questions?



CITY OF GRAND RAPIDS

Legislation Details (With Text)

File #: 12-0680 **Version:** 1 **Name:** Budget Discussion - October 29, 2012
Type: Agenda Item **Status:** Finance
File created: 10/24/2012 **In control:** Finance
On agenda: 10/29/2012 **Final action:**
Title: 2013 Budget Discussion.
Sponsors:
Indexes:
Code sections:
Attachments: [2013 levy and tax rate.pdf](#)
[Recap RevExpenditures&Levy.pdf](#)
[Levy comparison 102912.pdf](#)
[memo Council-budget meeting 102912.pdf](#)

Date	Ver.	Action By	Action	Result
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2013 Budget Discussion.

Background Information:

Attached are four documents for the budget discussion on October 29, 2012:

- *Memo discussing changes and potential options
- *Projected Levy and Tax Rate
- *Recap of Revenues, Expenditures and Levy Requirements
- *Potential Levy and Tax Rate Comparisons

Requested City Council Action

2013 Budget Discussion

**PROJECTED LEVY & TAX RATE
CITY OF GRAND RAPIDS
PREVIOUSLY CERTIFIED LEVIES AND 2012 PROPOSED LEVY**

	2008 Levy Payable 2009	2009 Levy Payable 2010	2010 Levy Payable 2011	2011 Levy Payable 2012	2012 Levy Payable 2013	
General Fund	3,388,239	3,202,531	3,466,821	3,309,756	3,576,248	8.05%
Library Fund	577,376	519,716	534,716	524,716	575,038	9.59%
Cemetery	-	-	175,000	175,000	159,000	-9.14%
GREDA Levy	45,000	45,000	50,000	50,000	75,000	50.00%
Levy for Internal Loan-2011 Eq	-	-	-	136,000	141,588	
Special Levies	8,000	8,000	8,000	-	-	
Bonded Indebtedness	824,333	1,151,272	\$1,093,789	1,127,071	1,323,800	17.45%
GROSS LEVY	4,842,948	4,926,519	5,328,326	5,322,543	5,850,674	9.92%
Less:						
Fund Balance Contribution	-	-	-	-	-	
CERTIFIED LEVY	4,842,948	4,926,519	5,328,326	5,322,543	5,850,674	
		1.73%	8.16%	-0.11%	9.92%	

2011 ESTIMATED TAX CAPACITY AND PROPOSED LEVY

TAX CAPACITY	\$8,609,298	CERTIFIED LEVY	\$5,850,674
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	\$5,171,434
Taxable tax capacity*	\$7,346,013		

updated with 2013 fiscal disparity numbers 10/02/2012

**2002 - 2010 TAXABLE TAX CAPACITY, CERTIFIED LEVY and CITY TAX RATE
and 2011 ESTIMATED TAXABLE TAX CAPACITY
and 2011 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	67.218	2.267	69.485
2013	\$7,346,013	\$5,171,434	68.233	2.164	70.398

2013 RECAP OF REVENUES, EXPENDITURES AND LEVY REQUIREMENTS

	2009 Actual	2010 Actual	2011 Actual	2012 Budget	2013 Proposed	Increase/ (Decrease) over 2012	Percent Increase
NON TAX REVENUES:							
Annexation	\$ 210,425	\$ 270,381	\$ 326,175	\$ 250,000	\$ 275,000	\$ 25,000	10.00%
Payment in Lieu of Taxes (PILOT)	854,072	853,542	854,710	855,000	900,000	45,000	5.26%
Licenses and Permits	270,376	254,002	225,828	268,250	247,275	(20,975)	-7.82%
Local Government Aid (LGA)	1,280,888	963,410	963,410	963,000	963,000	-	0.00%
Intergovernmental Revenues	412,304	782,091	801,380	481,420	530,648	49,228	10.23%
Charges for Services	636,168	653,822	696,372	745,550	706,654	(38,896)	-5.22%
Fines and Forfeitures	129,839	101,829	108,983	117,000	105,500	(11,500)	-9.83%
Interest Income	47,987	23,498	20,342	25,000	28,829	3,829	15.32%
Miscellaneous	22,643	35,384	38,482	17,380	13,550	(3,830)	-22.04%
Other Financing Sources	86,675	589,605	91,711	29,322	19,351	(9,971)	-34.01%
Transfers In	3,500	3,500	3,500	3,500	3,500	-	0.00%
Total non-tax revenues	3,954,877	4,531,066	4,130,893	3,755,422	3,793,307	37,885	-8.17%
EXPENDITURES:							
Administration	445,868	443,132	461,742	463,065	448,449	(14,616)	-3.16%
Building Maintenance	200,145	202,320	220,709	228,297	213,814	(14,483)	-6.34%
Community Development	306,006	350,024	344,944	333,541	347,118	13,577	4.07%
Council/Boards	116,490	113,392	114,738	112,533	115,086	2,553	2.27%
Engineering	340,682	261,348	290,629	264,236	298,195	33,959	12.85%
Finance	447,447	368,823	391,332	395,052	403,846	8,794	2.23%
Fire	597,527	546,722	603,124	595,590	580,545	(15,045)	-2.53%
Fleet Maintenance	480,582	592,303	233,869	210,266	240,690	30,424	14.47%
Information Technology	170,617	158,077	176,837	172,043	189,808	17,765	10.33%
Police	2,093,945	1,904,374	1,905,091	2,009,733	2,094,883	85,150	4.24%
Public Works	1,654,774	1,622,751	1,564,901	1,447,470	1,438,755	(8,715)	-0.60%
Recreation	162,496	166,154	152,183	172,830	171,888	(942)	-0.55%
City Wide	-	-	348,323	396,322	406,972	10,650	2.69%
Special Projects-Council	13,713	-	-	-	-	-	-
Special Projects-Non-Budgeted	8,407	123,902	6,485	-	-	-	-
Total Department Expenditures	7,038,699	6,853,322	6,814,906	6,800,978	6,950,049	149,071	2.19%
Transfers Out							
Transfer to Capital Equipment	100,000	60,000	-	18,200	83,500	65,300	358.79%
Transfer to Civic Center	27,335	-	12,000	27,000	27,000	-	-
Transfer to Itasca Historical Soc	12,000	12,000	17,000	17,000	17,000	-	0.00%
Transfer to Debt Service	150,000	190,000	150,000	150,000	150,000	-	-
Transfer to Airport	91,550	20,000	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	(4,600)	-17.04%
Transfers-Other	97,497	87,007	156,449	-	-	-	-
Transfer to Street Light Utility Fund	161,195	-	15,000	15,000	15,000	-	-
Mt. Itasca contribution	-	-	-	-	50,000	50,000	50,000
Tax Capacity Contingency	-	-	-	75,000	75,000	-	-
Fund Balance Payback	-	-	-	(30,394)	(30,394)	(30,394)	-100.00%
Reduction needed to get to certified preliminary levy	-	-	-	-	334,771	334,771	2.63%
Total Expenditures and Other Uses	7,895,276	7,437,329	7,180,355	7,065,178	7,369,555	304,377	4.31%
Net Levy Required for General Fund	3,388,239	3,202,531	3,466,821	3,309,756	3,576,248	266,493	8.05%
Net Levy for Library	577,376	534,716	534,716	524,716	575,038	50,322	9.59%
Net Levy for Cemetery	-	50,000	175,000	175,000	159,000	(16,000)	-9.14%
GREDA Levy Request	45,000	50,000	50,000	50,000	75,000	25,000	50.00%
Total Levy Required for Operations	\$ 4,010,615	\$ 3,787,247	\$ 4,226,537	\$ 4,039,472	\$ 4,385,286	\$ 345,814	8.57%

CITY OF GRAND RAPIDS
 LEVY AND TAX RATE COMPARISONS
 Budget Meeting October 29, 2012

	Levy	Tax Rate
Preliminary levy/tax rate certified 9/15/2012	\$ 5,850,674	71.040
Levy/tax rate after number from County	5,850,674	70.398
Levy/tax rate if \$50,000 "Contingency" removed	5,800,674	69.717
Levy/tax rate if "Contingency" and debt levy minus "additional fixed costs" removed	5,770,074	69.301
Tax rate after the numbers from the County		70.398
Tax rate if Contingency and debt levy minus additional fixed costs removed		69.301
		1.097

This would mean a property tax increase of approximate \$10.97 on a \$100,000 home.



M E M O R A N D U M

DATE: October 25, 2012
TO: Mayor Dale Adams, Council members Joe Chandler, Dale Christy, Gary McInerney, and Ed Zabinski
C: Shawn Gillen, City Administrator
FROM: Shirley A. Miller, Finance Director
RE: 2013 Proposed Budget

Attached please find the following three documents:

- Projected Levy and Tax Rate
- 2013 Recap of Revenues, Expenditures and Levy Requirements
- Potential Levy and Tax Rate Comparisons

As you are aware, once the City certifies its levy on September 15th, the levy cannot be increased. Since the levy was certified, we became aware of some additional fixed costs for 2013 that should be factored into the 2013 budget. They amount to approximately \$30,400 and are the result of the following:

- Dental insurance increase
- Employees going from single to family coverage
- \$1,000 for IT network maintenance

Since the levy was certified, we also received our tax capacity numbers from the County. The preliminary taxable tax capacity is approximately \$72,000 higher than was estimated. Consequently, since the levy cannot be increased, the tax rate will decrease from 71.040 to 70.398.

The proposed expenditures included \$50,000 for a "Tax Capacity Contingency" in case the tax capacity came in under the estimate. Since the tax rate came in only slightly higher than last year even with the almost \$200,000 increase in debt service, it is staff's recommendation to keep the \$50,000 in the budget and re-allocate it to:

- \$25,000 to crack sealing
- \$25,000 for consulting for LEAN Processing Improvements

There were three infrastructure projects ordered for 2012:

- CP-2011-4 Horseshoe/Isleview Project
- CP-2004-3 4th Street SW/SE
- CP-2011-6 Horseshoe Improvements

The City issued bonds for CP 2011-4 and CP 2004-3 in early 2012 with the intention of issuing bonds for CP 2011-6 in the fall since the feasibility study for this project was not done when the bonds were issued. With that in mind, we had factored in \$61,000 in the debt service for that bond issue. After the Feasibility Study was completed, it was determined that the bond issue amount was \$400,000 and we decided to wait until spring and issue that amount with the 2013 projects to save issuing costs.

Consequently, the \$61,000 will not be needed until next year. That amount could be put in the General Fund and some it could be transferred to the new Debt Service Fund next year. This would help keep the levy and tax rate flatter instead of having big decreases and increases. Some of it could also be used to help cover the additional fixed costs of \$30,400.

The Council could also consider other reductions to cover the additional fixed costs, i.e. EDA levy, Library.

I have attached a spreadsheet showing the comparisons in the levy and tax rate with the different scenarios.

