



CITY OF GRAND RAPIDS

Meeting Agenda Full Detail

City Council

Monday, June 25, 2012

5:00 PM

City Hall Council Chambers

5:00 p.m. CALL TO ORDER: Pursuant to due notice and call thereof a Regular Meeting of the Grand Rapids City Council will be held on Monday, June 25, 2012 at 5:00 p.m. in Council Chambers, 420 North Pokegama Avenue, Grand Rapids, Minnesota.

CALL OF ROLL

MEETING PROTOCOL POLICY

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

PUBLIC FORUM

COUNCIL REPORTS

5:08 p.m. APPROVAL OF MINUTES

12-0406 Approve Council minutes for June 11, 2012 Worksession and Regular Meetings.

Attachments: [June 11, 2012 Worksession](#)
[June 11, 2012 Regular Meeting](#)

5:09 p.m. CONSENT AGENDA

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

1. **12-0318** Airport Master Agreement for Land Leases

Attachments: [5-29-12 MASTER AIRPORT LAND LEASE AGREEMENT redlined copy 2](#)

2. **12-0386** Request by the Police Department to authorize the Mayor and City Clerk to sign the Resolution of the Itasca County/City of Grand Rapids At Risk Youth Multi Disciplinary Team

Attachments: [At - Risk Youth](#)
[Microsoft Word - At Risk Resolution 2012](#)

3. [12-0387](#) Authorizing the Mayor and City Administrator to sign the School Liaison Officer Agreement for the 2012-2013 school year.
Attachments: [Spread Sheet](#)
[Microsoft Word - 2012-13 Contract](#)
4. [12-0388](#) Request by the Police Department to approve and sign an agreement with Itasca County for the use of the City of Grand Rapids Animal Control Facility.
Attachments: [Microsoft Word - GR-Itasca animal control agmt Final Draft 2012-13](#)
[Microsoft Word - Letter of renewal 2012](#)
5. [12-0389](#) Authorize Library Staff to submit application to the Blandin Foundation for support for adult and children's programs.
6. [12-0390](#) Consider approving a resolution stating the City of Grand Rapids has adopted and implemented 10 performance measures developed by the Council on Local Results and Innovation.
Attachments: [2011 Survey Results.pdf](#)
[10 Performance Measures resolution.pdf](#)
7. [12-0391](#) Consider accepting the 2011 Comprehensive Annual Financial Report, the Report on Internal Controls, and the Report on Compliance with Minnesota Legal Compliance Audit Guide.
Attachments: [Grand Rapids Final Issued CAFR .pdf](#)
[Grand Rapids Internal Control & Legal Compliance Letter.pdf](#)
8. [12-0396](#) Allow the Fire Department to Submit a Request for Proposal as a Chemical Assessment Team.
Attachments: [HAZMAT RFP RES](#)
9. [12-0398](#) Purchase easements related to CP 2011-6, Horseshoe Lake Road Improvements
Attachments: [6-25-12 Attachment CP 2011-6 Easements.pdf](#)
10. [12-0401](#) Appointment of _____ to the position of Captain for the Grand Rapids Fire Department.
11. [12-0403](#) Employment Contract Extension Agreement for City Administrator Shawn Gillen.
Attachments: [Gillen contract 2012-2016 clean copy](#)
12. [12-0405](#) Compensation Study Final Report and recommended adjustments.
Attachments: [Compensation Study Final Report](#)

5:10 SETTING OF REGULAR AGENDA

p.m.

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

5:11 ACKNOWLEDGE BOARDS & COMMISSIONS
p.m.

13. [12-0407](#) Acknowledge the attached minutes for Boards and Commissions.
Attachments: [May 15, 2012 Golf Board Minutes](#)
[May 17, 2012 Central School](#)

5:12 DEPARTMENT HEAD REPORT
p.m.

14. [12-0409](#) Civic Center, Park & Recreation - Dale Anderson
Attachments: [dep head report 6-25-12](#)
[Civic Center events schedule 12](#)

5:20 COMMUNITY DEVELOPMENT
p.m.

15. [12-0397](#) Consider adoption of a resolution issuing an order to raze or remove structures upon property located at: 2402 NW 3rd Street Grand Rapids, Minnesota.
Attachments: [Harkins Map](#)
[Harkins Pictures](#)
[Harkins Condemnation Resolution- 6-25-12](#)

5:25 ADMINISTRATION DEPARTMENT
p.m.

16. [12-0404](#) Authorization to begin the process of filling the Building Official vacancy.

5:30 VERIFIED CLAIMS
p.m.

17. [12-0408](#) Consider approving the verified claims for the period June 5, 2012 to June 18, 2012, in the total amount of \$ 717,353.38.
Attachments: [Council Bill List June 25 2012](#)

6:00 PUBLIC HEARINGS
p.m.

Recess regular meeting for 1st scheduled public hearing.

18. [12-0392](#) Conduct a public hearing to consider the vacation of platted right-of-way within McKinney Lake Addition to Grand Rapids.

Attachments: [Foust Vacation: Background Info. 6-25-12 Mtg.](#)
[Foust Vacation Application- 6-25-12 Mtg.](#)

Recovene Regular meeting.

19. [12-0393](#) Consider the adoption of a resolution either approving or denying the vacation of the platted Division Avenue right-of-way within McKinney Lake Addition to Grand Rapids.
Attachments: [Foust Vacation Resolution- 6-25-12](#)

Recess regular meeting for 2nd scheduled public hearing.

20. [12-0394](#) Conduct a public hearing to consider the rezoning of three properties from their current zoning designation of I-2 (General Industrial Park) to R-4 (Multiple-family Residential-high density).
Attachments: [Edvenson Zoning Map Amendment -Maps](#)
[Edvenson Rezoning Application- 6-25-12 Mtg.](#)

Recovene Regular meeting.

21. [12-0395](#) Consider the recommendation of the Planning Commission regarding adoption of an ordinance, amending the Official Zoning Map by rezoning three properties from their current zoning designation of I-2 (General Industrial Park) to R-4 (Multiple-family Residential- high density).
Attachments: [Zoning Map Amendment- Ordinance w-Exhibit A 6-25-12](#)

7:00 ADJOURNMENT
p.m.

NEXT REGULAR MEETING IS SCHEDULED FOR JULY 9, 2012 AT 5:00 P.M.

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

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

Attest:

Shawn Gillen, City Administrator



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

CITY OF GRAND RAPIDS

Legislation Details (With Text)

File #: 12-0406 **Version:** 1 **Name:** Council Minutes
Type: Agenda Item **Status:** Approval of Minutes
File created: 6/21/2012 **In control:** Administration
On agenda: 6/25/2012 **Final action:**
Title: Approve Council minutes for June 11, 2012 Worksession and Regular Meetings.

Sponsors:

Indexes:

Code sections:

Attachments: [June 11, 2012 Worksession](#)
[June 11, 2012 Regular Meeting](#)

Date	Ver.	Action By	Action	Result
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Title

Approve Council minutes for June 11, 2012 Worksession and Regular Meetings.



CITY OF GRAND RAPIDS

Minutes - Final - Draft City Council Work Session

Monday, June 11, 2012

4:00 PM

Conference Room 2A

CALL TO ORDER: Pursuant to due notice and call thereof a Special Meeting/Worksession of the Grand Rapids City Council was held on Monday, June 11, 2012 at 4:00 p.m. in Conference Room 2A, 420 North Pokegama Avenue, Grand Rapids, Minnesota.

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

Present 5 - Mayor Dale Adams, Councilor Dale Christy, Councilor Ed Zabinski, Councilor Joe Chandler, and Councilor Gary McInerney

Discussion Items

1. Legislative update by Representative McElfatrick.

Representative McElfatrick provides the Council with a legislative update including budget changes, government reforms, income for schools, alternative pathways for teachers, environmental protection and bonding.

2. Consider awarding a five (5) year contract for Refuse and Recycling Collection Services commencing August 1st, 2012.

Council discussed summaries of bids received. Mary Kay Jacobson, Chair of Deer River Hired Hands, Darrell Hokestra, Waste Management, and Todd Christensen, Local Boy, are given the opportunity to address the Council.

3. Discuss local government collaboration.

Administrator Gillen provides information regarding working with other communities and collaboration with other local governments.

4. Discuss Health Promotion & Prevention Partnership

Mayor Adams will provide more information for City partnership.

There being no further business, the meeting adjourned at 5:25 p.m.

Respectfully submitted: Kimberly Johnson-Gibeau, City Clerk



CITY OF GRAND RAPIDS

Minutes - Final - Draft City Council

Monday, June 11, 2012

5:00 PM

City Hall Council Chambers

5:00 p.m. CALL TO ORDER: Pursuant to due notice and call thereof a Regular Meeting of the Grand Rapids City Council was held on Monday, June 11, 2012 at 5:28 p.m. in Council Chambers, 420 North Pokegama Avenue, Grand Rapids, Minnesota.

CALL OF ROLL

Present 5 -

Councilor Gary McInerney, Councilor Dale Christy, Councilor Ed Zabinski, Councilor Joe Chandler, and Mayor Dale Adams

MEETING PROTOCOL POLICY

PUBLIC FORUM

Tom Anzels, State Representative, discusses awareness of citizens and their needs for services that are economically aware. Will return to City Council Worksession on June 25, 2012 for further discussions.

COUNCIL REPORTS

5:05 p.m. APPROVAL OF MINUTES

Approve Council minutes for Tuesday, May 29, 2012 Worksession and Regular meetings.

A motion was made by Councilor Joe Chandler, seconded by Councilor Gary McInerney, to approve Council minutes as presented. The motion PASSED by unanimous vote.

5:06 p.m. CONSENT AGENDA

1. Resignation of Pam Omersa from Housing and Redevelopment Authority.

Approved by consent roll call

2. Request by the Police Department to apply for a 2013 & 2014 Safe & Sober

grant from the Minnesota Department of Public Safety - Office of Traffic Safety.

Approved by consent roll call

3. Consider approving a resolution adopting the 2012-2016 Amended Capital Improvement Plan.

Adopted Resolution 12-53 by consent roll call

5. Revoke and designate certain streets as part of the City's Municipal State Aid Street (MSAS) system.

Adopted Resolution 12-54 by consent roll call

6. Approve GIS agreement between the City of Grand Rapids and Nashwauk.

Approved by consent roll call

8. Approve Plans and Specification and Order Advertisement for Bids on CP 2011-6, Horseshoe Lake Road Improvements.

Adopted Resolution 12-55 by consent roll call

9. Approve Temporary Liquor License for Tall Timber Days on July 6, 2012 for First Friday event held at the Old Central School.

Approved by consent roll call

10. Approve the rehiring of a temporary employee with the IRA Civic Center and Grand Rapids Sports Complex beginning June 12, 2012

Approved by consent roll call

11. Entering into rental agreements with area businesses for advertising at the IRA Civic Center.

Approved by consent roll call

12. Approve the amended invoice from the League of MN Cities Insurance Trust for the 2012 General Liability Insurance premium.

Approved by consent roll call

13. Adopt a resolution appointing judges for the Primary and General elections to be held on Tuesday, August 14, 2012 and Tuesday, November 6, 2012, respectively and authorize staff to advertise and fill four positions for Election Judge Trainees.

Adopted Resolution 12-56 by consent roll call

14. Consider adopting a resolution calling for a Public Hearing on July 9, 2012, on the

Issuance of a Tax-exempt Manufacturing Facilities Revenue Note and Authorizing the Publication of a Notice of the Hearing for the Minnesota Diversified Industries Project.

Adopted Resolution 12-57 by consent roll call

15. Appointment of Michael Liebel to the position of 2nd Assistant Fire Chief for the Grand Rapids Fire Department.

Approved by consent roll call

16. Enter into agreement with Great Northern Services Inc.

Approved by consent roll call

17. Appointment of Police Officer to the position of Police Sergeant.

Approved by consent roll call

18. Consider approving 2012 budgeted operating transfers.

Adopted Resolution 12-58 by consent roll call

- 18a. Approve Separation & Release Agreement with Building Official - Michael Rice.

Approved by consent roll call

- 18b. Permanent and temporary easements related to CP 2011-6, Horseshoe Lake Road Improvements.

Approved by consent roll call

Approval of the Consent Agenda

A motion was made by Councilor Zabinski, seconded by Councilor Christy, to Approve the Consent Agenda as amended. The motion carried by the following vote

Aye 5 -

Councilor Gary McInerney, Councilor Dale Christy, Councilor Ed Zabinski, Councilor Joe Chandler, and Mayor Dale Adams

**5:10 SETTING OF REGULAR AGENDA
p.m.**

A motion was made by Councilor Dale Christy, seconded by Councilor Ed Zabinski, to approve the Regular Agenda as amended. The motion PASSED by unanimous vote.

ACKNOWLEDGE BOARDS & COMMISSIONS

19. Acknowledge minutes for Boards & Commissions.

Acknowledge Boards and Commissions

5:12 DEPARTMENT HEAD REPORT
p.m.

20. IT Department Head Report

Received and Filed

6:00 PUBLIC HEARINGS
p.m.

Recess regular meeting for 1st Public Hearing.

25. Conduct a Public Hearing to consider the adoption of an Ordinance amending multiple sections of Chapter 30 *Land Development Regulations* of the Municipal Code, establishing the BP/SBP (Business Park/Shoreland Business Park) zoning district.
- Community Development Director Rob Mattei provides background information and changes relevant to the Comprehensive Plan. Discussed correspondence received by Wheelchairs Plus requesting further amendment and recommendation by staff. Council considers returning to Planning Commission for consideration and update.*
- A motion was made by Councilor Dale Christy, seconded by Councilor Ed Zabinski, that this Public Hearing be Opened . The motion PASSED by unanimous vote.**
- Chris Shedin, Wheelchairs Plus, discusses request to have handicapped accessible vehicles on site. Zoning requirement would be met with new language in Ordinance for an auto dealer license authorization.*
- Luke Poppum, Anytime Fitness, has been working on moving business to empty building in industrial park area. Due to zoning, this has not been possible. Concerns over possible delay if this item is sent to Planning Commission. Council assures that only the specified portion for Wheelchairs Plus.*
- No one else wished to speak, therefore the following motion was made.*
- A motion was made by Councilor Joe Chandler, seconded by Councilor Gary McNerney, that this Public Hearing be Closed . The motion PASSED by unanimous vote.**

Reconvene regular meeting.

26. Consider the recommendation of the Planning Commission regarding the adoption of an ordinance, amending multiple sections of Chapter 30 *Land Development Regulations* of the Municipal Code establishing the BP/SBP (Business Park/Shoreland Business Park) zoning district.

A motion was made by Councilor Christy, seconded by Councilor Zabinski, to

adopt City Ordinance 12-06-07 and authorize publication in summary form. The motion carried by the following vote.

Aye 5 -

Councilor Gary McInerney, Councilor Dale Christy, Councilor Ed Zabinski, Councilor Joe Chandler, and Mayor Dale Adams

Recess regular meeting for 2nd Public Hearing.

27.

Conduct a public hearing to consider proposed amendments to the City's Official Zoning Map, over the area platted as Industrial Park Addition to Grand Rapids, as guided by the 2011 Comprehensive Plan.

On April 5, 2012, the Planning Commission addressed the request for re-zoning. Mr. Mattei provides information and answers questions for Council.

A motion was made by Councilor Gary McInerney, seconded by Councilor Joe Chandler, that this Public Hearing be Opened . The motion PASSED by unanimous vote.

No one wished to speak, therefore the following motion was made.

A motion was made by Councilor Joe Chandler, seconded by Councilor Gary McInerney, that this Public Hearing be Closed. The motion PASSED by unanimous vote.

Reconvene regular meeting.

28.

Consider the recommendation of the Planning Commission regarding adoption of an ordinance, amending the Official Zoning Map over the area platted as Industrial Park Addition to Grand Rapids from I-1/SI-1 (Industrial Park/Shoreland Industrial Park) to a combination of the newly established BP/SBP (Business Park/Shoreland Business Park) zoning district and SR-3 (Shoreland Multi-family Residential- medium density).

A motion was made by Councilor Chandler, seconded by Councilor McInerney to adopt City Ordinance 12-06-08 and publish in summary form. The motion carried by the following vote.

Aye 5 -

Councilor Gary McInerney, Councilor Dale Christy, Councilor Ed Zabinski, Councilor Joe Chandler, and Mayor Dale Adams

**5:22 CIVIC CENTER, PARKS & RECREATION
p.m.**

21.

Award low quote for wall removal and replacement at IRA Civic Center to Hawk Construction Inc. in the amount of \$14,600.00.

A motion was made by Councilor Zabinski, seconded by Councilor McInerney to approve this agenda item as presented. The motion carried by the following vote.

Aye 5 -

Councilor Gary McInerney, Councilor Dale Christy, Councilor Ed Zabinski, Councilor Joe Chandler, and Mayor Dale Adams

5:27 ENGINEERING

p.m.

22. An Ordinance Restricting Access, Use, and Operation of Watercraft Upon the Mississippi River During Construction of an Adjacent Building that Poses Danger to the Public.

A motion was made by Councilor Zabinski, seconded by Councilor Christy, to adopt City Ordinance 12-06-06 and authorize publication in summary form. The motion carried by the following vote.

Aye 5 -

Councilor Gary McInerney, Councilor Dale Christy, Councilor Ed Zabinski, Councilor Joe Chandler, and Mayor Dale Adams

22a
from 4

A cooperative construction agreement related to CP 2012-6, ICC/Glenwood Drive Signal.

A motion was made by Councilor Christy, seconded by Councilor McInerney, to approve this item as presented. The motion carried by the following vote.

Aye 5 -

Councilor Gary McInerney, Councilor Dale Christy, Councilor Ed Zabinski, Councilor Joe Chandler, and Mayor Dale Adams

22b
from 7

A Supplemental Letter Agreement (SLA) with SEH related to CP 2012-6, ICC/Glenwood Signal.

A motion was made by Councilor Chandler, seconded by Councilor Zabinski, to approve this item as presented. The motion carried by the following vote.

Aye 5 -

Councilor Gary McInerney, Councilor Dale Christy, Councilor Ed Zabinski, Councilor Joe Chandler, and Mayor Dale Adams

5:35 PUBLIC WORKS DEPARTMENT

p.m.

23. Consider awarding a five (5) year contract for Refuse and Recycling Collection Services commencing August 1st, 2012.

Waste Management

Councilor Zabinski recommends that the Council consider a licensing for refuse collection as opposed to contracting with one business. Councilor Christy is in agreement.

A motion was made by Councilor Chandler, second by Councilor McInerney to award the five year contract to Waste Management as presented.

Aye 3 -

Councilor Gary McInerney, Councilor Joe Chandler, and Mayor Dale Adams

Nay 2 -

Councilor Dale Christy, and Councilor Ed Zabinski

5:40 VERIFIED CLAIMS

p.m.

24. Consider approving the verified claims for the period May 22, 2012 to June 4, 2012 in the total amount of \$490,789.11.

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

Aye 5 -

Councilor Gary McNerney, Councilor Dale Christy, Councilor Ed Zabinski, Councilor Joe Chandler, and Mayor Dale Adams

7:00 ADJOURNMENT

p.m.

There being no further business, the meeting was adjourned at 7:06 p.m.

Respectfully submitted: Kimberly Johnson-Gibeau, City Clerk



CITY OF GRAND RAPIDS

Legislation Details (With Text)

File #: 12-0318 **Version:** 1 **Name:** Airport Land Lease Agreement
Type: Agenda Item **Status:** Consent Agenda
File created: 5/22/2012 **In control:** Airport
On agenda: 6/25/2012 **Final action:**
Title: Airport Master Agreement for Land Leases

Sponsors:

Indexes:

Code sections:

Attachments: [5-29-12 MASTER AIRPORT LAND LEASE AGREEMENT redlined copy 2 .pdf](#)

Date	Ver.	Action By	Action	Result
5/29/2012	1	City Council	Postponed	

Title

Airport Master Agreement for Land Leases

Body

Background Information:

City staff have been working towards having one type of agreement for land leases at the airport. The attached Master Land Lease Agreement is a product of that effort. Generally, with this agreement, the leasee does not lose ownership of the hanger to the airport upon termination of the lease, and the lease rate starts at \$0.28 per square foot and increase at a rate of \$0.005 per square foot per year.

The Airport Advisory Board, at their April meeting, recommended the lease rate structure of \$0.005/year/square foot because it would maintain a consistent increase in rates. They were not in favor of a percentage increase per year because it would exponentially increase the rate to a point where the rate was too high.

Staff Recommendation:

City staff with the recommendation of the Airport Advisory Board is recommending the attached Master Land Lease Agreement.

Requested City Council Action

Consider approving the attached Master Land Lease Agreement.

AIRPORT LAND LEASE AGREEMENT

THIS AGREEMENT, made and entered into this ____ day of _____, 20__, by and between the GRAND RAPIDS-ITASCA COUNTY AIRPORT, owned by the City of Grand Rapids ,a municipal corporation, and Itasca County, Minnesota, hereinafter referred to as LESSOR, and _____ (NAME) of _____(ADDRESS), hereinafter referred to as LESSEE:

For good and valuable consideration, the LESSOR hereby leases unto said LESSEE the real estate described on Exhibit A (which includes square footage and rental calculations for this lease), subject to the following terms, conditions, covenants and agreements:

- 1) RENT. Lessee shall pay Lessor rent at the rate of \$0.28 per square foot per year, which equates to a total rent as described on the attached Exhibit A. Said rent shall increase at the rate of one-half cent (or \$.005) per square foot per year for the term of the lease, with the first increase to take effect on January 1st of 2013, and then on January 1st of every year thereafter.
- 2) TERM. Lessor shall lease the subject property to Lessee for a period of twenty (20) years beginning January 1, 2012 and ending on December 31, 2031.
- 3) RENEWAL OPTION. This lease may be renewed and extended in twenty (20) year increments, at the same terms and conditions in effect at that time which are consistent with terms and conditions of similar leases at other airports of similar structure, upon the election of the Lessee.
- 4) TERMINATION. Lessor may terminate this lease (or any extensions hereto) upon written notice to Lessee, delivered at least five (5) years prior to the expiration of the lease term. Both parties shall continue to perform their obligations under this Lease Agreement until the leased premises has been vacated. Upon termination, Lessor shall have the option to purchase the hangar constructed on the subject property at a price determined by an independent certified appraiser to whom both parties mutually agree OR if the Lessor does not desire to purchase said hangar, the Lessor may demand Lessee to remove the hangar from the leased premises and restore said premises to its original condition. If Lessee fails to restore the premises by the termination of the lease, Lessor may take appropriate action to restore the premises on its own and collect any costs, expenses and fees incurred with such action from Lessee. The indemnification provisions referred to in paragraph 8 of this Lease Agreement shall survive termination.
- 5) NON-PAYMENT OF RENT, DEFAULT. If any one or more of the following occurs: (1) a rent payment or any other payment due from Lessee to Lessor shall be and remain unpaid in whole or in part for more than thirty (30) days after same is due; (2) Lessee shall violate or default on any of the other covenants or agreements herein; or (3) if Lessee shall cease existence, liquidate, dissolve or commence proceedings under a bankruptcy, receivership, insolvency or similar type of action, then it shall be the option of the Lessor to declare this Lease Agreement forfeited and the said term ended, and to

re-enter the Leased Premises, with or without process of law, using such force as may be necessary to remove all persons or chattels therefrom, and Lessor shall not be liable for damages by reason of such re-entry or forfeiture; but notwithstanding re-entry by Lessor or forfeiture or termination of this Lease Agreement, the liability of Lessee for the rent and all other sums provided for herein shall not be relinquished or extinguished for the balance of the term of this Lease Agreement. Lessee shall be responsible for, in addition to the rentals and other sums agreed to be paid hereunder, any and all costs paid by Lessor required to enforce its rights under this Lease Agreement, including but not limited to reasonable attorney fees actually incurred by Lessor in any suit or action instituted by Lessor to enforce the provisions of this Lease Agreement, or the collection of the rentals due Lessor hereunder. Lessee shall also be liable to Lessor for the payment of interest at the highest permissible rate of interest allowed under the usury statutes of the State of Minnesota, or in case no such maximum rate of interest is provided, at the rate of 12% per annum, on all rentals and other sums due Lessor hereunder not paid within thirty (30) days from the date same becomes due and payable. Lessor shall be allowed to lease the hangar on the leased premises to any other party at such terms that allow Lessor to recover any costs and expenses herein.

- 5) **LEASE TRANSFER.** Lessee shall not be precluded from transferring this Lease to a new owner, subject to Lessor's right of first refusal to accept any sale offered to any other party. The Lessor will grant the transfer of this Lease to a new owner provided that the existing Lessee has complied with all conditions of this Lease. The new Lessee shall assume full responsibility for all terms and conditions of the Lease, and the Transferor of said Lease shall be released from all further liability therefor.
- 6) **PERMITTED USE.** Lessee shall have the right to erect or maintain a hangar for privately owned aircraft. If a hangar is not already situated on the premises at the time this lease is created, the Lessee shall complete construction of such hangar according to plans and specifications as approved in writing by Lessor and according to building permits as authorized by the City of Grand Rapids. If said construction is not completed within the first three (3) years of this lease, this lease shall expire and Lessee shall be responsible for all costs incurred by Lessor to restore the premises to its original condition. Lessor reserves the right to demand good and sufficient bond against liens for any construction or remodeling of structures on the leased premises.
- 7) **RESTRICTIVE COVENANTS.** Lessee shall comply with all the following covenants:
 - 7.1) The hangar placed on the leased premises shall be kept in a neat and orderly condition and shall be painted or repainted at such time or times and of such color or colors; all as may reasonably be directed by Lessor, Mn/DOT Office of Aeronautics, any agency of the United States Government, or any other agency having jurisdiction over the airport facility. No additions, modifications or alterations shall be made to the hangar without written consent of Lessor.
 - 7.2) No signs or advertising matter of any kind shall be painted, posted or displayed upon any hangar or the leased premises without written consent of Lessor.

7.3) No excavation shall be made upon the leased premises and no fences or sidewalks shall be constructed thereon without the written consent of Lessor.

7.4) No buildings or structures placed upon the leased premises shall become a part of the realty, except as hereinafter provided.

7.5) Explosives, gasoline, oil, and other highly flammable material of any kind kept on the leased premises shall be kept in such a manner as the Lessor shall from time to time determine. Storage of such material shall be kept in such manner as to comply with requirements of NFPA and all applicable rules, regulations, ordinances and fire codes. Lessee shall be responsible for the clean-up of all hazardous materials and spills and shall be responsible for the remediation of any hazardous/contaminated soils on the leased premises.

7.6) Lessee agrees that, except in the case of students, only duly licensed pilots will operate any aircraft kept on the leased premises and that it will at all times be subject to the laws of the United States, the State of Minnesota, the County of Itasca and the City of Grand Rapids.

7.7) Lessee shall not engage in any commercial aviation endeavors, businesses, work or related aviation enterprise on the leased premises. This prohibition includes but is not limited to performing work on airplanes not owned by the Lessee. Furthermore, Lessee agrees that the leased premises shall not be used for commercial or non-commercial use of a non-aviation purpose.

7.8) Lessee shall pay all utilities, water, lights and any other service used on the leased premises during the term of this lease or any renewal thereof.

8) **INDEMNIFICATION.** Lessee hereby agrees to indemnify and hold harmless Lessor and the leased property from any fine, lien, penalty or forfeiture which shall or may accrue from or by reason of the erection of any buildings or structure on said premises, or by reason of any use of said premises on the airport by the Lessee; and Lessee further agrees to indemnify and hold harmless the Lessor from all liability or claim of liability, and to pay any judgment rendered against Lessor and to reimburse Lessor for any expense incurred be it by reason of any action or suit of law or equity brought against it, in which it is made a party, by reason of the erection of any such building or structure or by reason of the occupancy or use by Lessee of the leased premises or in any way relating to or connected with the use of the leased premises. For the purpose of this paragraph the term "expense" shall be construed to include all costs incurred by Lessor in the defense or settlement of said actions or suits including attorney fees, filing fees, salaries and expenses of any officials or employees of Lessor while engaged in the defense or settlement of said action or suit.

9) **TAXES AND ASSESSMENTS.** Lessee shall pay all property taxes, assessments, license fees or other charges that may be levied or assessed during the term of this agreement

upon or against any improvements or equipment on the leased premises. If the Lessee shall fail or neglect to pay any of said property taxes, assessments, fees or other charges when due, Lessor may pay the same together with any cost or penalty which may have accrued hereon, and collect the entire amount due to Lessor upon demand, and in default thereof, Lessor shall have a first lien on improvements owned by Lessee for the amounts so paid.

- 10) **INSURANCE.** Lessee shall carry liability insurance on the leased premises in the same amount as the maximum liability to which the Lessor is exposed pursuant to Minnesota Statutes Section 466.04 and subsequent amendments thereto.
- 11) **AMENDMENT.** If this lease should fail to comply in any respect with the ordinances, regulations or laws of the United States, the State of Minnesota, the County of Itasca, or the City of Grand Rapids, then this lease shall be amended to comply with the requirements of said ordinances, laws and regulations. If said amendment would result in a material deviation from the general terms and conditions of this lease, then Lessor or Lessee has the right to renegotiate or terminate this lease.
- 12) **NON-DISCRIMINATION.** Lessee does hereby covenant and agree that with respect to all matter relating to use of the leased premises, no persons on the grounds of race, color, or natural origin shall be excluded from participation and denied the benefits or otherwise be subject to discriminations; and Lessee shall use the premises in compliance with all other requirements imposed by or pursuant to any laws or regulations imposed by the United States Government or the State of Minnesota.

LESSOR:

GRAND RAPIDS-ITASCA COUNTY
AIRPORT:BY THE GRAND RAPIDS CITY COUNCIL
THROUGH DESIGANTION OF THE PARTIES JOINT
POWERS AGREEMENT

By:

Dale Adams
Grand Rapids City Mayor

ATTEST:

Shawn Gillen
Grand Rapids City Administrator

LESSEE:



CITY OF GRAND RAPIDS

Legislation Details (With Text)

File #: 12-0386 **Version:** 1 **Name:** Request by the Police Department to authorize the Mayor and City Clerk to sign the Resolution of the Itasca County/City of Grand Rapids At Risk Youth Multi Disciplinary Team

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

File created: 6/13/2012 **In control:** Police

On agenda: 6/25/2012 **Final action:**

Title: Request by the Police Department to authorize the Mayor and City Clerk to sign the Resolution of the Itasca County/City of Grand Rapids At Risk Youth Multi Disciplinary Team

Sponsors:

Indexes:

Code sections:

Attachments: [At - Risk Youth](#)
[Microsoft Word - At Risk Resolution 2012](#)

Date	Ver.	Action By	Action	Result
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Title

Request by the Police Department to authorize the Mayor and City Clerk to sign the Resolution of the Itasca County/City of Grand Rapids - At Risk Youth Multi - Disciplinary Team

Body

Background Information:

Representatives from the city, state, and community agencies, including public schools and law enforcement are expected to meet periodically to seek resolutions to common issues affecting and relating to youth in the community.

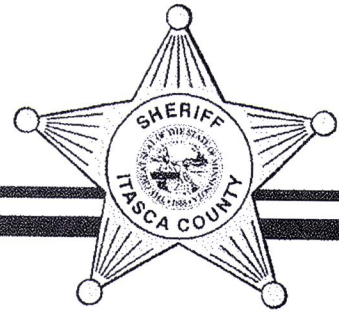
This multi-disciplinary process requires that the participants enter in a case consultation agreement as required by Minnesota State Statute 626.558. This agreement authorizes a representative(s) from each agency to share protected data and requires participants to maintain the confidentiality of data received. This agreement is updated annually.

The Grand Rapids Police Department needs to continue to participant on this team. The signing of this resolution would allow Chief Jim Denny, Asst. Chief Steve Schaar, Officers Brian Mattson, William Saw, Andy Morgan, Robert Stein, and Ashley Moran to share confidential data.

Requested City Council Action

Please consider authorizing Mayor Dale Adams and City Clerk Kim Johnson-Gibeau to sign the Resolution of the Itasca County/City of Grand Rapids, At Risk Youth Multi-Disciplinary Team.

ITASCA COUNTY SHERIFF'S OFFICE
VICTOR J. WILLIAMS, SHERIFF



440 1st Avenue NE • Grand Rapids, MN 55744 • 218-326-3477 • FAX: 218-326-4663

May 31, 2012

Chief Jim Denny
Grand Rapids Police Dept.
420 Pokegama Ave N
Grand Rapids, MN 55744

RE: Itasca County At-Risk Youth Multi-Disciplinary Team, Minn. Stat. 626.558
Data Sharing Agreement, aka **Gang Task Force**

Dear Jim Denny,

Enclosed you will find the annual forms needed for members you select from your agency to participate in the collaborative listed above.

If you desire to have your agency participate in this collaborative again, please have your respective governing body approve the resolution and select representatives as you deem appropriate. Those selected also need to sign the case consultation agreement, please make additional copies as needed.

Upon approval, a copy of the resolution of your governing body and the case consultation agreement, with the signatures of your representatives, should be returned to me. Thank you for your consideration in this matter. If you should have any questions, please contact me at 218-327-7421.

Sincerely,

A handwritten signature in cursive script that reads "Dean Scherf".

Dean Scherf
Itasca County Sheriff's Office

/rw
Enclosures

**ITASCA COUNTY AT RISK CHILD PROTECTION TEAM
CASE CONSULTATION AGREEMENT RELATING TO
NOT PUBLIC AND CONFIDENTIAL DATA**

“EXHIBIT A”

This agreement shall be interpreted pursuant to the laws of the State of Minnesota and shall apply to the Itasca County Human Services (hereinafter “AGENCY”) and the undersigned individual and agency, if a representative, who is a member of the At Risk Child Protection Team Case Consultation Committee (hereinafter “MEMBER”).

WHEREAS, the MEMBER has been appointed to serve on the At Risk Child Protection Team Case Consultation Committee pursuant to Minn. Stat. 626.558, Subd 1; and

WHEREAS, pursuant to Minn. Stat. 626.558, Subd. 3, the MEMBER is authorized to have access to not public data as defined by Chapter 13 of Minnesota Statutes; and

WHEREAS, pursuant to Minn. Stat. 626.588, Subd. 3, data acquired by the At Risk Child Protection Team Case Consultation Committee in exercise of its duties is confidential data as defined in Minn. Stat. 13.02; and

WHEREAS, dissemination of such not public data or confidential data other than as authorized by statute may subject the MEMBER and/or the agency to civil remedies or criminal penalties as set forth in Minn. Stat. 13.08 and 13.09 (1988)

The **MEMBER** agrees:

That no confidential or otherwise not public data collected, maintained or used in the course or performance of my duties as a MEMBER of the Itasca County At Risk Child Protection Team Case Consultation Committee shall be disseminated by me or at my direction, except as authorized by statute, either during my period of service on the Committee or thereafter; and to indemnify and save and hold the State, its agents and employees and the County, its agents and employees, harmless from all claims or costs arising out of, resulting from or in any manner attributable to my violation of any provision of this agreement the Minnesota Government Data Practices and/or Minn. Stat. Section 626.558, including legal fees and disbursements paid or incurred to enforce the provisions of this agreement. This agreement must be updated annually.

Council member introduced the following resolution and moved for its adoption:

RESOLUTION NO. 12-
AT RISK YOUTH MULTI-DISCIPLINARY TEAM

WHEREAS, the Legislature has authorized a process for public education, resource development for prevention, intervention and treatment and for case consultation to the Itasca County Human Services Department and other community based agencies, including representatives of education agencies and institutions; and

WHEREAS, the City of Grand Rapids, hereafter Organization, find and concludes that it is appropriate and desirable that the Organization be represented on this Team:

NOW THEREFORE, BE IT RESOLVED, that James Denny, Steve Schaar, Brian Mattson and William Saw, Andy Morgan, Robert Stein, Ashley Moran shall information acquired in his/her professional capacity with the Team or its subcommittee to perform case consultation;

NOW THEREFORE, BE IT FURTHER RESOLVED, that the Organization's representative shall abide by the limitation imposed by law relating to the privacy of records required by the Minnesota Data Practices Act and other applicable law and sign the data sharing agreement on behalf of the Organization which is attached as Exhibit "A", and which shall be updated annually.

Adopted this 25th day of June, 2012.

Dale Adams, Mayor

Attest:

Kim Johnson-Gibeau, Deputy Clerk

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



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

CITY OF GRAND RAPIDS

Legislation Details (With Text)

File #: 12-0387 **Version:** 1 **Name:** Authorize the Mayor and City Administrator to sign the School Liaison Officer Agreement for the 2012-2013 school year.

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

File created: 6/13/2012 **In control:** Police

On agenda: 6/25/2012 **Final action:**

Title: Authorizing the Mayor and City Administrator to sign the School Liaison Officer Agreement for the 2012-2013 school year.

Sponsors:

Indexes:

Code sections:

Attachments: [Spread Sheet](#)
[Microsoft Word - 2012-13 Contract](#)

Date	Ver.	Action By	Action	Result
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Title

Authorizing the Mayor and City Administrator to sign the School Liaison Officer Agreement for the 2012-2013 school year.

Body

Background Information:

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

With the start 2012-2013 school year fast approaching, the police department would like to get in place the agreement for the 2012-2013 school year. The police department will be providing Officer Ashley Moran and Officer William Saw to the school district for the Liaison Officer positions. The fees for the 2012-2013 school year is \$103,944.82 for the School Liaison position and \$ 2,500.00 for costs incurred by the city for the D.A.R.E. program.

Attached for your review is the 2012-2013 School Liaison Agreement.

Requested City Council Action

Consider authorizing the Mayor and City Administrator to sign the School Liaison Agreement for the 2012-2013 school year.

CITY OF GRAND RAPIDS
SCHOOL DISTRICT LIAISON OFFICER CHARGES

YEAR	EMPLOYEE	WAGE	PERA	MEDICARE	HEALTH	LIFE	DENTAL	WORK COMP	TOTAL
2012	William Saw	25.050	3.532	0.363	6.032	0.012	0.143	0.962	36.0934
2012	Ashley Moran	23.920	3.373	0.347	6.032	0.012	0.143	0.919	34.7443
2013	William Saw	26.030	3.670	0.377	6.032	0.012	0.143	1.000	37.2635
2013	Ashley Moran	24.990	3.524	0.362	6.032	0.012	0.143	0.960	36.0218

Hourly Rate per 2080 hours

Per Ben Hawkins - 180 days per school year = 1,440 hours

Sept-Dec = 80 days = 45% = 648 hours

Jan-May = 100 days = 55% = 792 hours

2012 William S	36.0934
2012 Ashley M	34.7443
2013 William S	37.2635
2013 Ashley M	36.0218
William S Sept-Dec 2012	23,388.55
Ashley M Sept-Dec 2012	<u>22,514.33</u>
Total	45,902.88
William S Jan-May 2013	29,512.67
Ashley M Jan-May 2013	<u>28,529.27</u>
Total	58,041.94

**SCHOOL LIAISON OFFICER
AGREEMENT
For the School Year 2012-2013**

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

1. PURPOSE

The City and School District wish to participate in a School Liaison Officer Program. Both the City and School District believe that a more formalized approach to the School Liaison Officer Program is needed to improve understanding and promote mutual respect between police, school, staff, counselors, parents, and students. The purpose of this agreement is to set forth the terms and conditions to create, fund and implement the position of Police School Liaison Officer.

2. SERVICES

The City shall provide the services of *two police officers*, and related support services and supplies, to assist the School District in establishing and maintaining a School Liaison Officer Program for the School District. The officers will have primary responsibility in serving as a resource person to faculty, classroom members and school administrators in the prevention and diversion of juvenile problem behavior. The City agrees to provide vehicle, fuel, maintenance and other equipment as deemed necessary by the Chief of Police. The School District agrees to provide adequate office space, telephone and clerical support services at the site of majority assignment.

3. TERM

This Agreement shall commence on the first day of the teacher workshop in August 2012 and shall end on the last student day in May of 2013. This Agreement may be renewed on an annual basis, as agreed by both parties.

4. PAYMENT

The School District shall pay to the City \$103,944.82 pursuant to Minnesota Statutes Section 126C.44 to partially reimburse the City for the costs incurred by the City for salary, benefits, and transportation costs of the Police School Liaison Officers in the School District's senior high, middle and secondary schools.

The School District shall pay to the City \$2,500.00 for the costs incurred by the City for a DARE Program in the middle school.

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

One-half of the sum owing under this contract shall be payable upon the execution of this Agreement. The remaining half of the sum owing under this contract should be payable on the last student day of May of 2013.

5. GENERAL PROVISIONS

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

6. SCHEDULING

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

Dated: _____

GRAND RAPIDS SCHOOL DISTRICT # 318

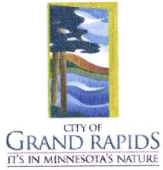
Business Manager

Dated: _____

CITY OF GRAND RAPIDS

Mayor

City Administrator



CITY OF GRAND RAPIDS

Legislation Details (With Text)

File #: 12-0388 **Version:** 1 **Name:** Signing of an agreement with Itasca County for the use of the City of Grand Rapids Animal Control Facility.
Type: Agenda Item **Status:** Consent Agenda
File created: 6/13/2012 **In control:** Police
On agenda: 6/25/2012 **Final action:**
Title: Request by the Police Department to approve and sign an agreement with Itasca County for the use of the City of Grand Rapids Animal Control Facility.
Sponsors:
Indexes:
Code sections:
Attachments: [Microsoft Word - GR-Itasca animal control agmt Final Draft 2012-13](#)
[Microsoft Word - Letter of renewal 2012](#)

Date	Ver.	Action By	Action	Result
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Title

Request by the Police Department to approve and sign an agreement with Itasca County for the use of the City of Grand Rapids Animal Control Facility.

Body

Background Information:

Due to the closing of the Star of the North Humane Society, Itasca County has been faced with the burden of trying to place their dangerous, stray, injured and sick dogs and cats. Over the past year, Itasca County has been housing these animals in the Grand Rapids Animal Control Facility at a cost of \$20,000.00 for the year. This agreement is set to expire on June 30, 2012.

A usage rate of the facility by the County has been conducted. It was found that 47% of the animals housed in the facility over the past year have been county animals. As a result of the County's usage rate, the fee charged to the county will increase by \$4,500.00 to better reflect their usage rate.

Under this agreement the county will agree to pay a \$24,500.00 yearly retainer and will assume all costs associated with the euthanasia and disposal of animals that are euthanized, unclaimed, not adoptable, ill, injured or other reasons allowed by State Statues. This agreement shall remain in full force and effect for a period of one year. Either party may cancel the agreement at any time by giving written notice to the other party at least 30 days prior to the effective date of termination.

This agreement has been reviewed and approved by the City Attorneys Office

Requested City Council Action

Please consider approving the request by the police department to enter into an Animal Control Facility Agreement with Itasca County and authorize Mayor Dale Adams and City Administrator Shawn Gillen to sign the attached agreement.

ANIMAL CONTROL FACILITY AGREEMENT

THIS AGREEMENT, made and entered in this 1 day of July , 2012 by and between the City of Grand Rapids, Itasca County, Minnesota, hereinafter called "**City**" and the County of Itasca, Minnesota, hereinafter called "**County**."

WHEREAS City presently has a Community Assistance Officer and is operating an animal control shelter facility within the City of Grand Rapids, and

WHEREAS County is desirous of using said facility from time to time, in accordance with the terms of this Agreement.

NOW THEREFORE, IN CONSIDERATION of the mutual covenants herein contained the parties hereto for themselves and successors and assigns, do hereby agree as follows:

1. That City will allow County to use its animal control facility in accordance with the rules and regulations as City may establish or revise periodically. Additionally, the City will not allow the taking of surrendered animals from the County. Surrendered animals are those animals whose owners simply do not any longer wish to care for said animal(s). Surrendered animals must be handled by the County through a means other than the Grand Rapids Animal Control Facility.
2. In consideration of the use of said animal control facility, County will pay the amount of \$24,500 per year as a yearly retainer. All County animals shall be managed, housed and cared for by the City in accordance with the City's rules and regulations and all applicable state and federal laws and regulation for a maximum of ten (10) days at no additional cost except as set forth in paragraph 3.
3. County will be billed for the actual costs for euthanasia and disposal of animals that are euthanized, unclaimed, not adoptable, ill, injured or other reasons allowed by State Statutes.
4. The City shall retain all contractual payments, donations and other monies it receives from any source and the County shall not be entitled to credit for any such receipts. Such monies shall include any adoption fees and any boarding and impoundment fees which the City may charge an owner of any animal which has been impounded in the Shelter. The County shall not be liable for any expenses incurred by the City in its operation of the Shelter and performance of its other obligations set forth herein.
5. All animal criminal investigations will be the responsibility of the Itasca County Sheriff's Department that fall within County's jurisdiction.
6. The County will be invoiced quarterly for a pro rata portion of the retainer and other charges or expenses under this agreement.

7. This agreement shall remain in full force and effect for a period of one year from July 1, 2012 and will terminate on June 30, 2013. Either party may cancel this Agreement at any time by giving written notice to the other party at least 30 days prior to the effective date of the termination. City shall be paid by County for the work performed prior to the effective date of termination as well as a *pro rata* share of the retainer addressed above. Notice to City shall be mailed or delivered to City Council, Grand Rapids City Hall, 420 N. Pokegama Avenue, Grand Rapids, MN 55744. Notice to County shall be mailed or delivered to Itasca County Administration, 123 Fourth Street, Grand Rapids, MN 55744.

8. Each party shall be liable for its own acts to the extent provided by law and hereby agrees to indemnify, hold harmless and defend the other, its officers, and employees against any and all liability, loss, costs, damages, expenses, claims or actions, including attorney's fees which the other, its officers and employees may hereafter sustain, incur, or be requested to pay, arising out of or by reason of any act or omission of the party, its agents, servants or employees, in the execution, performance, or failure to adequately perform its obligations pursuant to this contract.

Liability of the Municipality and the County shall be governed by the provisions of the Minn. Stat. Ch. 466 and other applicable laws.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed on the date first written.

CITY OF GRAND RAPIDS

COUNTY OF ITASCA

BY: _____
Dale Adams, Mayor

BY: _____

BY: _____
Shawn Gillen, City Administrator

BY: _____



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

GRAND RAPIDS POLICE DEPARTMENT

420 NORTH POKEGAMA AVENUE, GRAND RAPIDS, MINNESOTA 55744-2662

June 11, 2012

Sheriff Victor J. Williams
Itasca County Sheriff Department
440 1st Avenue NE
Grand Rapids, MN 55744

RE: Animal Control Facility Agreement

Dear Sheriff Williams,

Enclosed you will find the annual Animal Control Facility Agreement. The current agreement is set to expire on June 30, 2012.

You will notice that there has been a slight increase to the yearly retainer that the county must pay for the use of our facility. This increase is attributed to the use by the county of our facility. During the length of our agreement, the Animal Control Facility has housed a total of 199 animals. Of these animals, 93 were considered county animals. This number equates out to a 47% usage rate by the county.

Due to the increased usage rate of the facility, the city has incurred additional operating costs associated with the operation of the facility. The additional costs include maintenance, food, operating supplies, motor fuel and employee time. As a result of these increases, your retainer fee has increased by \$4,500.00 for the next year.

Please return a signed copy of the enclosed agreement upon board approval. If you have any questions or concerns, please feel free to contact me.

Sincerely,

Chief Jim Denny
Grand Rapids Police Department



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

CITY OF GRAND RAPIDS

Legislation Details (With Text)

File #: 12-0389 **Version:** 1 **Name:**

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

File created: 6/14/2012 **In control:** Library

On agenda: 6/25/2012 **Final action:**

Title: Authorize Library Staff to submit application to the Blandin Foundation for support for adult and children's programs.

Sponsors:

Indexes:

Code sections:

Attachments:

Date	Ver.	Action By	Action	Result
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Title

Authorize Library Staff to submit application to the Blandin Foundation for support for adult and children's programs.

Body

Library staff plan to apply for a grant of \$10,000 in support of adult and children's programs. This will provide Children's Book Times and support for adult educational programs including a scholar series and an author series.



CITY OF GRAND RAPIDS

Legislation Details (With Text)

File #: 12-0390 **Version:** 1 **Name:** Performance Measures
Type: Agenda Item **Status:** Consent Agenda
File created: 6/18/2012 **In control:** Finance
On agenda: 6/25/2012 **Final action:**
Title: Consider approving a resolution stating the City of Grand Rapids has adopted and implemented 10 performance measures developed by the Council on Local Results and Innovation.
Sponsors:
Indexes:
Code sections:
Attachments: [2011 Survey Results.pdf](#)
[10 Performance Measures resolution.pdf](#)

Date	Ver.	Action By	Action	Result
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Title

Consider approving a resolution stating the City of Grand Rapids has adopted and implemented 10 performance measures developed by the Council on Local Results and Innovation.

Body

Background Information:

In 2010, the Legislature created the Council on Local Results and Innovation. In February 2011, the Council released a standard set of ten performance measures for cities that will aid residents, taxpayers, and state and local elected officials in determining the efficiency of cities in providing services and measure residents' opinions of those services.

Areas to be evaluated include general City services, fire services, streets, parks, and recreation. Cities that chose to participate in the new performance measures program may be eligible for a reimbursement of \$0.14 per capita in LGA and exemptions from levy limits. In June 2011, the City Council approved a resolution adopting the Ten Performance Measures developed by the Council on Results and Innovation and received an additional \$1,522 in LGA. In 2011, the City conducted a survey on the performance measures.

For 2012, the City has to file a report with the Office of the State Auditor. The report has to consist of a resolution adopted by the City Council declaring:

- *the City adopted and implemented the 10 performance measures developed by the Council on Local Results and Innovation,
- *The City is implementing a local performance measurement system as developed by the Council on Local Results and Innovation,
- *The City will report the results of the 10 adopted measures to its residents before the end of the year by posting on the City's website,
- *The City will survey its residents again by the end of the calendar year on the services included in the performance benchmarks.

If this resolution is adopted, the City will need to develop a performance measurement system for the 10 performance measures. For the 2012 report to the State Auditor, the City will have to report the 2012 survey results and the results of the performance measures established.

Attached is a copy of the 2011 survey results.

Requested City Council Action

Consider approving a resolution stating the City of Grand Rapids has adopted and implemented 10 performance measures developed by the Council on Local Results and Innovation.

**CITY OF GRAND RAPIDS
2011 SURVEY RESULTS OF PERFORMANCE MEASURES
ADOPTED BY THE CITY COUNCIL**

	a. Excellent	b. Good	c. Fair	d. Poor	e. Don't know
How would you rate the overall appearance of the city?	80	271	54	5	0
How would you describe your overall feeling of safety in the city?	193	133	11	3	1
How would you rate the overall quality of fire protection services in the city?	211	142	7	1	50
How would you rate the overall condition of city streets?	19	163	174	56	0
How would you rate the overall quality of snowplowing on city streets?	96	193	78	37	2
How would you rate the library services in your city?	180	142	20	4	63
How would you rate the quality of code enforcement services in your city (e.g. zoning, property maintenance)?	24	160	80	40	103
How would you rate the overall quality of city recreational programs and facilities (e.g. parks, trails, park facilities, etc.)	107	215	49	3	29
How would you rate the overall quality of services provided by the city?	64	252	57	13	17
How would you rate the quality of Licensing, permitting and building inspection services in your city?	27	139	82	52	110
How would you rate the fiscal management and health of your city?	48	175	73	40	67

	a. Excellent	b. Good	c. Fair	d. Poor	e. Don't know
How would you rate the overall appearance of the city?	19.51%	66.10%	13.17%	1.22%	0.00%
How would you describe your overall feeling of safety in the city?	56.60%	39.00%	3.23%	0.88%	0.29%
How would you rate the overall quality of fire protection services in the city?	51.34%	34.55%	1.70%	0.24%	12.17%
How would you rate the overall condition of city streets?	4.61%	39.56%	42.23%	13.59%	0.00%
How would you rate the overall quality of snowplowing on city streets?	23.65%	47.54%	19.21%	9.11%	0.49%
How would you rate the library services in your city?	44.01%	34.72%	4.89%	0.98%	15.40%
How would you rate the quality of code enforcement services in your city (e.g. zoning, property maintenance)?	5.90%	39.31%	19.66%	9.83%	25.31%
How would you rate the overall quality of city recreational programs and facilities (e.g. parks, trails, park facilities, etc.)	26.55%	53.35%	12.16%	0.74%	7.20%

CITY OF GRAND RAPIDS
 2011 SURVEY RESULTS OF PERFORMANCE MEASURES
 ADOPTED BY THE CITY COUNCIL

	a. Excellent	b. Good	c. Fair	d. Poor	e. Don't know
How would you rate the overall quality of services provided by the city?	15.88%	62.53%	14.14%	3.23%	4.22%
How would you rate the quality of Licensing, permitting and building inspection services in your city?	6.59%	33.90%	20.00%	12.68%	26.83%
How would you rate the fiscal management and health of your city?	11.91%	43.42%	18.11%	9.93%	16.63%

Council member introduced the following resolution and moved for its adoption:

RESOLUTION NO. 12-

A RESOLUTION DECLARING THAT THE CITY OF GRAND RAPIDS HAS ADOPTED AND IMPLEMENTED THE 10 PERFORMANCE MEASURES DEVELOPED BY THE COUNCIL ON LOCAL RESULTS AND INNOVATION

WHEREAS, in 2010, the Legislature created the Council on Local Results and Innovation, and

WHEREAS, in February 2011, the Council released a standard set of ten performance measures for cities that will aid residents, taxpayers, and state and local elected official in determining the efficiency of cities in providing services and measure residents' opinions of those services, and

WHEREAS, areas to be evaluated include general City services, streets, parks, and recreation, and

WHEREAS, cities that chose to participate in the new performance measures program may be eligible for a reimbursement of \$0.14 per capita in LGA and exemptions from levy limits,

NOW THEREFORE, BE IT RESOLVED, the City Council of the City of Grand Rapids, Itasca County, Minnesota, declares that:

- The City has adopted and implemented the minimum 10 performance measures developed by the Council on Local Results and Innovation,
- The City is in the process of implementing a local performance measurement system as developed by the Council on Local Results and Innovation,
- The City will report the results of the 10 adopted measures to its residents before the end of the year by posting on the City's website,
- The City will survey its residents by the end of 2012 on the services included in the performance benchmarks.

Adopted this 25th day of June, 2012.

Dale Adams, Mayor

Attest:

Kim Johnson-Gibeau, City Clerk

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



CITY OF GRAND RAPIDS

Legislation Details (With Text)

File #: 12-0391 **Version:** 1 **Name:** 2011 CAFR and other audit reports
Type: Agenda Item **Status:** Consent Agenda
File created: 6/18/2012 **In control:** Finance
On agenda: 6/25/2012 **Final action:**
Title: Consider accepting the 2011 Comprehensive Annual Financial Report, the Report on Internal Controls, and the Report on Compliance with Minnesota Legal Compliance Audit Guide.
Sponsors:
Indexes:
Code sections:
Attachments: [Grand Rapids Final Issued CAFR .pdf](#)
[Grand Rapids Internal Control & Legal Compliance Letter.pdf](#)

Date	Ver.	Action By	Action	Result
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Title

Consider accepting the 2011 Comprehensive Annual Financial Report, the Report on Internal Controls, and the Report on Compliance with Minnesota Legal Compliance Audit Guide.

Body

Background Information:

It has been the past practice for the City Council to accept the Comprehensive Annual Financial Report (CAFR) and other related reports. The City Council met in a workshop session on April 23, 2012 to discuss and review the 2011 draft CAFR, the draft Report on Internal Controls, the draft Report on Compliance with Minnesota Legal Compliance Audit Guide, and the Management Report. Mr. Dave Mol, HLB Tautges Redpath, Ltd., presented an overview of the City's financial health to the City Council at that meeting. The only difference in the draft Report presented then, and this final Report is that the Public Utilities financial information in included on Statements 1 and 2 of the CAFR.

Requested City Council Action

Consider accepting the 2011 Comprehensive Annual Financial Report, the Report on Internal Controls, and the Report on Compliance with Minnesota Legal Compliance Audit Guide.

COMPREHENSIVE ANNUAL FINANCIAL REPORT

OF THE

CITY OF GRAND RAPIDS, MINNESOTA

For The Year Ended
December 31, 2011

Prepared by:

Finance Department

Shirley Miller
Finance Director

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CITY OF GRAND RAPIDS, MINNESOTA
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I. INTRODUCTORY SECTION

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June 19, 2012

Honorable Mayor, Members of the City Council,
and Citizens of the City of Grand Rapids:

The Comprehensive Annual Financial Report (CAFR) for the City of Grand Rapids for the fiscal year ended December 31, 2011, is hereby submitted. Minnesota State Statutes require that local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformance with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. This requirement has been met by the engagement of the firm of HLB Tautges Redpath, Ltd. and their report is included in the financial section of this report.

This report consists of management's representations concerning the finances of the City of Grand Rapids. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City of Grand Rapids has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Grand Rapids' financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City of Grand Rapids' comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City of Grand Rapids' financial statements have been audited by HLB Tautges Redpath, Ltd., a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City of Grand Rapids for the fiscal year ended December 31, 2011, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. The independent auditor concluded, based on the audit, that there was a reasonable basis for rendering an unqualified ("clean") opinion that the City of Grand Rapids' financial statements for the fiscal year ended December 31, 2011, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complement this letter of transmittal and should be read in conjunction with it.

Profile of the Government

The Village of Grand Rapids was incorporated on June 11, 1891, and became a statutory City on January 9, 1974. The City of Grand Rapids, the Itasca County seat, is located 180 miles north of Minneapolis and St. Paul, Minnesota, in the north central part of the state. The City is located in the heart of a resort and recreation area

and is the major commercial service and industrial center. The City of Grand Rapids currently occupies a land area of 24.40 square miles and serves a population of 10,869. The City of Grand Rapids signed an Annexation Agreement with the Grand Rapids Township in 2000 and the City annexed the last area of the Township on January 1, 2010. The City of Grand Rapids is empowered to levy a property tax on both real and personal properties located within its boundaries. It is also empowered by state statute to extend its corporate limits by annexation. The City is the region's retail trade, health care, education and cultural center with a market draw of more than 40,000 people.

The City operates under a Council-Administrator form of government. Policy-making and legislative authority are vested in a governing Council consisting of the mayor and four other members. The governing Council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and approving the hiring of City employees. The City Administrator is responsible for carrying out the policies and ordinances of the City Council and overseeing the day-to-day operations of the City. Council members serve four-year staggered terms, with two Council members elected every two years. The mayor is elected to serve a two-year term.

The City of Grand Rapids provides a full range of services, including police and fire protection, the construction and maintenance of highway, streets, and other infrastructure, recreational and cultural facilities, and general administrative services. In addition, the City also provides enterprise activities such as a golf course and storm water utility.

The City has two discretely presented component units, the Economic Development Authority (EDA) and the Public Utilities Commission (PUC). Both governing boards are appointed by the City Council. The Council has the ability to approve or modify the EDA's budget and overrule other decisions of the EDA. The EDA does not issue separate financial statements. The PUC provides electric power distribution system, water production treatment and distribution systems, and wastewater collection and treatment systems. The City guarantees the general obligation debt of the PUC. Separate financial statements are issued by the PUC.

The annual budget serves as the foundation for the City of Grand Rapids' financial planning and control. All agencies of the City of Grand Rapids are required to submit requests for appropriation to the City Administrator in May of each year for the following year's budget. The City Administrator uses these requests as the starting point for developing a proposed budget. The City Administrator meets with the Council to develop a budget. The Council is required to hold a public hearing on the proposed budget and certify an adopted final budget to the County Auditor by no later than December 28.

The budget is prepared by fund, function (e.g., public safety), and department (e.g., police). Department heads may make transfers of appropriations within a department. Transfer of appropriations between departments, however, require the special approval of the governing Council. Budget-to-actual comparisons are provided in this report for each individual government fund for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented on page 90 as part of the basic financial statements for the government funds. For governmental funds other than the general fund, and with appropriated annual budgets, this comparison is presented in the governmental fund subsection of this report, shown on pages 126 through 134.

Local economy

A major element of the local economy is forestry and its related products and activities. The UPM Kymmene Blandin Paper Mill, one of the City's largest employers, operates in the City of Grand Rapids. Even through our recent recession, Blandin continued to be one of few paper production facilities, nationwide, maintaining a full order sheet and delivering a profit to the parent company. Grand Rapids is also home to All Season Vehicles, Inc., now owned by Terex Corporation, several state education and governmental agencies, and is the site of Itasca County government operations. Many resorts in the area contribute heavily to the local economy. County, State, and National Forests are located within Itasca County. The City is the regional headquarters for the Minnesota Department of Natural Resources.

The City and the Grand Rapids Economic Development Authority (GREDA) have partnered with Round Development LLC in the platting, development of infrastructure, marketing and ownership of a 40 acre industrial park located west of and adjacent to a developing retail corridor along Trunk Highway 169, called the Airport South Industrial Park (ASIP). The GREDA purchased approximately one half of the parcels in this development, and Round Development retained the other parcels. The GREDA and Round Development are jointly marketing the sale of these properties to light industrial and technology based companies.

In 2010, the City established a TIF Housing District for a 58 unit housing project. The project will involve the construction of two 29 unit apartments. Fourteen of the apartment units will be priced at affordable rates of 50% of the area median income, and the remaining units will be priced at market rates. The first of the two apartment buildings is scheduled to be ready for occupancy in June of 2012. The developer reports a greater than expected demand with 80% of the units in the first building committed. The second building is scheduled to be under construction by April 2012.

In 2011, the City permitted the construction of 7 new single family homes valued at \$672 thousand. The 2011 total building construction valuation statistic was slightly below our eight year valuation average, which is approximately \$19.4 million, closing out the year at \$15.7 million. This figure compares to a yearend total of \$17.8 million in 2010 and \$18.3 million in 2009.

In 2011 Magnetation Inc, relocated their corporate headquarters to Grand Rapids. Magnetation, Inc. a rapidly expanding company which has recently formed a partnership with AK Steel, was incorporated in December 2006 and is a business that is based on a unique and proprietary mineral processing circuit (the Magnetation Process™ (patented) & Rev3™ Separator (patent-pending) invented and developed by Magnetation principles. The Magnetation Process™ is designed to produce iron ore concentrate by recovering weakly magnetic iron oxide particles from low-grade natural ore tailings basins, already-mined iron formation stockpiles and newly-mined iron formation. Magnetation's first plant in nearby Keewatin, MN came online in 2009 and was quickly expanded to increase output capacity in 2010. Construction of the second plant in Taconite, MN began in 2011 and is planned to be shipping product in the second quarter of 2012. Magnetation's rapid growth, will include another, third, facility in Chisholm is projected to employ hundreds over the next five years.

The City is located on the western edge of the Mesabi Iron Range. Minnesota Steel, owned by Essar Global Limited, is building the first complex in North America to include iron mining, ore processing, direct reduction, and steelmaking on a single site approximately 16 miles east of Grand Rapids. Minnesota Steel's 1.6 billion dollar investment will combine a high-quality ore body with modern and commercially proven technology to develop a vertically integrated steel mill. The construction of the first phase, which will establish taconite production on the site, is well underway. Essar has set as a goal to have 75% of the building construction for this phase done, with buildings enclosed, by this November. To date, Essar has already invested some \$200M in owner equity in the project. Once both phases are on-line, including steel making, the plant will employ approximately 500 full-time employees and will generate approximately 2,000 spin-off jobs. During this construction, the project will employ approximately 2,500 workers.

Long-term financial planning

The City has a Five Year Capital Improvement Plan for infrastructure and equipment and a Pavement Management Plan for streets. The City analyzes each capital project to determine if sufficient funding is in place and how the project will affect the levy. Excess General Fund balances are annually allocated to capital equipment and building replacements. Projects that have additional outside funding are given a higher priority. This policy has allowed the City to meet future infrastructure and capital equipment needs without a significant increase in the tax rate.

In 2010, the City annexed the final area in a ten-year Orderly Annexation process of Grand Rapids Township. Each area annexed is phased into the City's tax rate over a period of five years. While the City will have an increased tax base, it also has increased costs for public safety, public works, and infrastructure replacement. It is the Council's goal to see the tax rate continue to decrease each year or at a minimum, not increase.

Realizing the volatility of Local Government Aid (LGA) and the loss of the Market Value Homestead Credit, the City Council is working to reduce/eliminate LGA as operating revenue and use any LGA received for capital purchases. The City is focusing on reducing the growth of expenditures by making permanent adjustments to the base. The City and the Grand Rapids Public Utilities Commission (GRPUC) are working to merge services

to reduce costs for both the City and the GRPUC. The City of Grand Rapids recently entered into an agreement with the City of Bovey, (neighboring City), to perform accounting services for them in an effort to help reduce their costs and generate income for the City. The City has received a grant for a facilitator to identify and implement collaboration opportunities among local municipalities and townships. The purpose is to find ways to improve efficiency and lower taxes without losing the identity of individual communities.

Relevant Financial Policies

In 2011, the City implemented Governmental Accounting Standards Board (GASB) Statement 54 and adopted a new Fund Balance Policy. The City Council passed a resolution committing funds for revenue stabilization that allows the City to use unreserved fund balance to offset revenue decreases during an economic recession. The Policy outlines a method to replenish the amount used over an eight-year period. Due to the loss of state aids, the City has had to utilize the revenue stabilization policy and will be replenishing the fund balance over the next several years.

The City purchased several large pieces of equipment for the Public Works Department and financed the purchase with an internal loan from the General Fund to the Capital Equipment Replacement Fund instead of issuing Equipment Certificates. The loan repayment is part of the levy and will be repaid over five years, with the interest being paid to the City.

Major initiatives

In June 2011, the City began construction of the Riverfront Energy Center. One of the goals for this project included the utilization of hot waste water from the UPM Kymmene paper mill to provide heat for the Grand Rapids Area Library and possibly other nearby buildings in the future. The goal of this project is a 70% reduction in the use of the gas-fired boilers in the Library, leading to reduced energy costs and the reduction of CO² produced. Operation of the system began in late December and is working better than anticipated.

The second goal for the Riverfront Energy Center is to provide a resource for the community for learning more about alternative energy projects and a central place to go for additional information about energy conservation measures. Solar panels will be installed this summer and funding is being pursued for a demonstration vertical access wind turbine.

In 2008, the City implemented a high deductible HSA health care plan combined with a wellness program that has resulted in reduced health care costs. The 2011 health insurance increase was 3%. The 2012 health insurance costs decreased by 2.80%.

Two of the purchases made with the internal loan were a 2012 Mack Truck equipped with an Epoke/De-icing unit and a 12 yard tandem dump box and a 2011 John Deere Loader. The Mack truck utilizes modern technology to improve service and reduce both material and labor costs. It has the capability of accurate calibration and applies de-icing product on four lanes at once while distributing precise material placement on each individual lane. It also functions as a tandem for snow plowing. The new John Deere Loader is better suited for the snow plow and the snow blower attachments creating a more efficient snow plow/removal operation.

Awards and Acknowledgements. The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Grand Rapids for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 2010. This was the nineteenth consecutive year that the government has received this prestigious award. In order to be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Finance Department. I would like to express my appreciation to all members of the department who assisted and contributed to the preparation of this report. The Mayor and City Council are to be

commended for their diligence and resolve in keeping the City in sound and stable financial condition. The City Council's commitment to continually plan for the City's future and dedication to maintain high financial standards has helped the City maintain its strong financial condition.

Respectfully submitted,

Shawn J. Gillen
City Administrator

Shirley A. Miller
Finance Director

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Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Grand Rapids
Minnesota

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2010

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Linda C. Davison

President

Jeffrey R. Emer

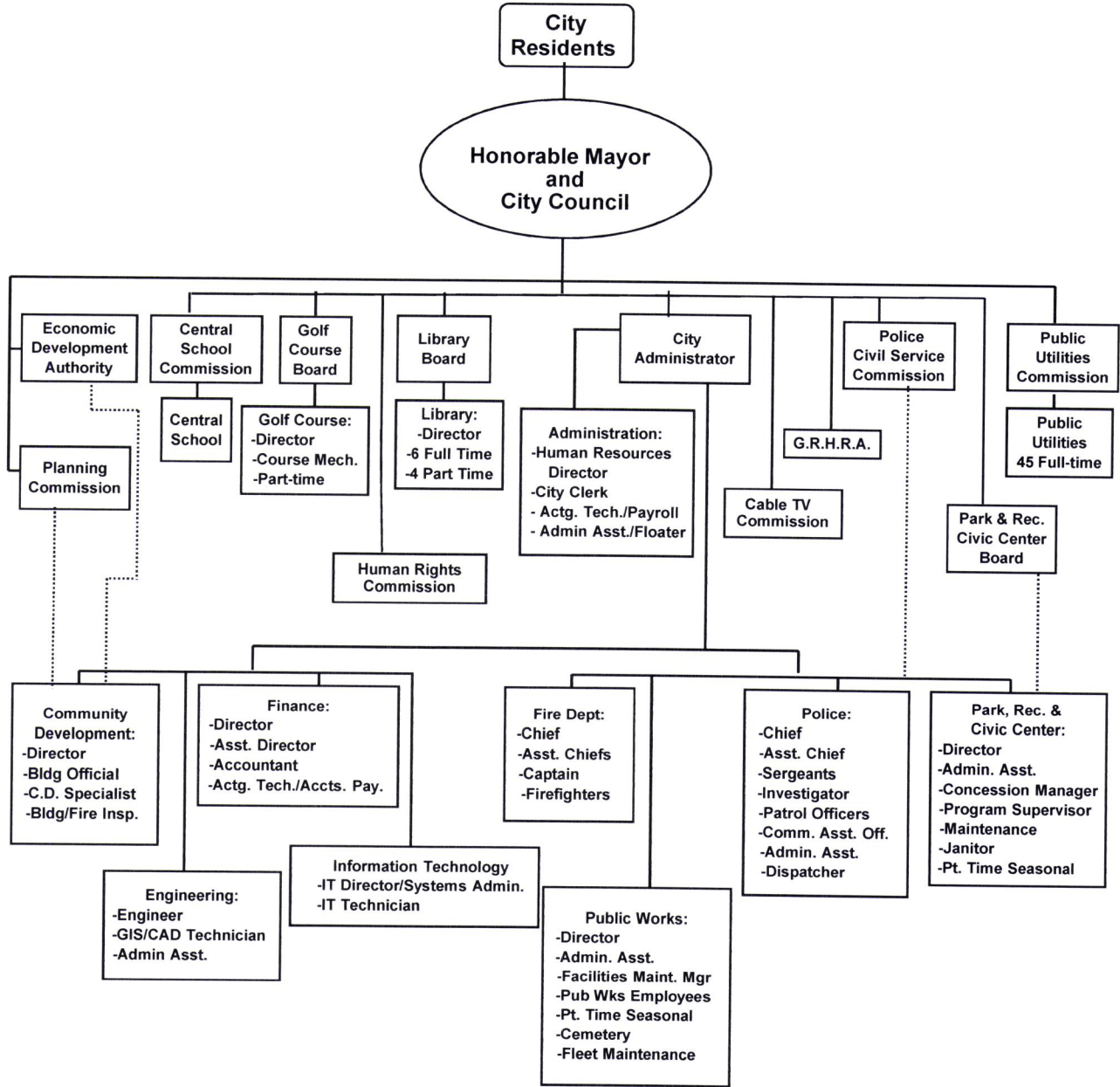
Executive Director

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CITY OF GRAND RAPIDS, MINNESOTA
PRINCIPAL CITY OFFICIALS
December 31, 2011

	<u>Term Expires</u>
Mayor: Dale Adams	December 31, 2012
Council Members:	
Gary McInerney	December 31, 2014
Joe Chandler	December 31, 2014
Dale Christy	December 31, 2012
Ed Zabinski	December 31, 2012
City Administrator: Shawn Gillen	Appointed
Finance Director - Treasurer: Shirley Miller	Appointed

City of Grand Rapids Organization Chart



II. FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Grand Rapids, Minnesota, as of and for the year ended December 31, 2011 which collectively comprise the City of Grand Rapids, Minnesota's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Grand Rapids, Minnesota's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Public Utilities Commission (a discretely presented component unit). Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Public Utilities Commission, is based on the report of the other auditors. The prior year partial comparative information has been derived from the City of Grand Rapids, Minnesota's 2010 financial statements and, in our report dated June 20, 2011, we expressed unqualified opinions on the respective financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Grand Rapids, Minnesota, as of December 31, 2011, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in note 13 to the financial statements, the City adopted the provisions of Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, for the year ended December 31, 2011. Adoption of the provisions of this statement results in changes to classifications of the components of fund balance.

In accordance with *Government Auditing Standards*, we have also issued a report dated June 19, 2012 on our consideration of the City of Grand Rapids, Minnesota's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison information and the schedule of funding progress, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Grand Rapids, Minnesota's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements and schedules, statistical section and other information, are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory section, statistical section, and other information have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.



HLB TAUTGES REDPATH, LTD.

June 19, 2012

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Grand Rapids (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2011. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 3 through 6 of this report.

Financial Highlights

The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$52,926,516 (net assets). Of this amount, \$6,050,177 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors in accordance with the City's fund designations and fiscal policies.

The City's total net assets increased by \$9,106,999. The governmental activities of the City increased by \$8,971,243 due to the \$6,212,220 special item relating to the Grand Rapids / Itasca County Airport and an increase in capital grants and contributions of \$2,886,503 from the prior year. The Business-Type Activities increased by approximately \$135,756 due primarily to an operating gain in the Storm Water Utility Fund of \$121,480.

As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$11,963,151. Of this amount, \$6,744,338 is restricted by external constraints established by creditors, grantors, contributors, or by state statutory provisions.

At the end of the current fiscal year the general fund balance was \$5,021,201. Of that amount, \$1,071,817 was in a nonspendable form, \$15,567 was restricted, \$76,401 was committed and \$3,857,416 was unassigned.

The City's total debt decreased from \$25,022,624 to \$23,671,015 (excluding compensated absences). The City issued the following bonds in 2011:

- \$1,555,000 General Obligation Improvement and Refunding Bonds, Series 2011B that included the following:
 - \$1,030,000 General Obligation Improvement Bonds for current City projects
 - \$ 525,000 General Obligation Improvement Bonds, Series 2003A refunding.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Management's Discussion and Analysis

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of the City's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the City's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City includes general government, public safety, public works, and culture and recreation. The business-type activities of the City include a golf course and a storm water utility.

The government-wide financial statements include not only the City itself (known as the primary government), but also two legally separate entities (Public Utilities Commission and Economic Development Authority) for which the City is financially accountable. Financial information for these component units is reported separately from the financial information presented for the primary government itself. The Public Utilities Commission issues separate financial statements. The Economic Development Authority does not.

The government-wide financial statements can be found on pages 33 through 35 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Management's Discussion and Analysis

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financial requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near term financial decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures and change in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

For 2011, the City maintained six individual major governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balance for the following major funds:

- General fund
- Improvement Bonds of 2005A – Debt service fund
- Improvement Bonds of 2006C – Debt service fund
- General Obligation Capital Improvement Refunding Bonds of 2006B – Debt service fund
- 2011 Infrastructure Bonds – Capital project fund
- 2012 Infrastructure Bonds – Capital project fund

Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of subcombining statements elsewhere in this report.

The City adopts an annual appropriated budget for its general and special revenue funds.

A budgetary comparison statement has been provided for those funds to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 36 through 42 of this report.

Management's Discussion and Analysis

Proprietary funds. The City maintains two enterprise funds as a part of its proprietary fund type. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its golf course and storm water utility operations. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

The basic proprietary fund financial statements can be found on pages 43 through 45 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are *not* available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The fiduciary fund financial statements provide separate information for the following Agency funds:

- Grand Rapids/Itasca County Airport (closed January 1, 2011)
- Lodging Tax
- Cable TV Commission

The basic fiduciary fund financial statement can be found on page 46 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 47 through 88 of this report.

Other information. The combining statements referred to earlier in connection with nonmajor governmental funds, agency funds, and EDA component unit are presented immediately following the required supplementary information on budgetary comparisons. Combining and individual fund statements and schedules can be found on pages 98 through 141 of this report.

Management's Discussion and Analysis

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$52,926,516 at the close of the most recent fiscal year.

The largest portion of the City's net assets (\$34,496,952 or 65% percent) reflects its investment in capital assets (e.g. land, infrastructure, buildings, machinery, and equipment) less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

CITY OF GRAND RAPIDS' NET ASSETS

	Governmental Activities		Business-Type Activities		Totals	
	2011	2010	2011	2010	2011	2010
Current and other assets	\$21,862,960	\$25,573,551	\$289,001	\$172,664	\$22,151,961	\$25,746,215
Capital assets	54,328,742	43,306,081	2,793,653	2,827,242	57,122,395	46,133,323
Total assets	<u>\$76,191,702</u>	<u>\$68,879,632</u>	<u>\$3,082,654</u>	<u>\$2,999,906</u>	<u>\$79,274,356</u>	<u>\$71,879,538</u>
Long-term liabilities outstanding	\$24,507,002	\$25,939,058	\$8,269	\$8,809	\$24,515,271	\$25,947,867
Other liabilities	1,788,246	2,015,363	44,323	44,611	1,832,569	2,059,974
Total liabilities	<u>\$26,295,248</u>	<u>\$27,954,421</u>	<u>\$52,592</u>	<u>\$53,420</u>	<u>\$26,347,840</u>	<u>\$28,007,841</u>
Net assets:						
Invested in capital assets, net of related debt	\$31,703,299	\$19,133,457	\$2,793,653	\$2,827,242	\$34,496,952	\$21,960,699
Restricted	12,379,387	13,417,300	-	-	12,379,387	13,417,300
Unrestricted	5,813,768	8,374,454	236,409	119,244	6,050,177	8,493,698
Total net assets	<u>\$49,896,454</u>	<u>\$40,925,211</u>	<u>\$3,030,062</u>	<u>\$2,946,486</u>	<u>\$52,926,516</u>	<u>\$43,871,697</u>

A portion of the City's net assets represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (\$6,050,177) may be used to meet the City's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities.

Management's Discussion and Analysis

Governmental Activities

Governmental activities increased the City's net assets by \$8,971,243 in 2011. Key elements of this increase are as follows:

- Charges for services increased by \$190,770. The City incorporated the Grand Rapids/Itasca County Airport Advisory Board's financial information into the City financial statements-see Notes 14 and 23. This resulted in an increase in Public Works charges for services of \$132,000. Public Safety had an increase of \$59,000 due to an increase in pound fees of \$25,000 from a contract with Itasca County for housing their animals and a \$29,000 increase in the Police administrative fines and forfeitures.
- Operating grants and contributions increased by \$212,824. As mentioned above, the incorporation of the Airport resulted in \$146,300 of operating grants and contributions. The City also received a \$200,000 grant from the State of Minnesota for the Grand Rapids Housing and Redevelopment Authority.
- Capital grants and contributions increased by \$2,886,503 due to infrastructure projects that had several sources of funding. City Project 2010-3 19th Avenue Railroad Crossing Project received federal funds of \$589,225, State bonding funds of \$760,000, \$50,000 from Burlington Northern Railroad, and \$391,470 from Grand Rapids Public Utilities. Other infrastructure projects received \$891,538 from Municipal State Aid Bonds, \$151,220 for Grand Rapids Public Utilities and another \$50,000 from Burlington Northern Railroad.
- Taxes increased by \$387,889. The City's levy increased by approximately \$402,000. Of that amount, \$175,000 was for the newly annexed cemetery.
- Public works expenses increased by \$548,599 due to several items. The Airport expenses of \$219,694 were incorporated into Public Works. There was approximately \$100,000 in unanticipated expenses for storm water and infrastructure maintenance. The fleet maintenance expenses were incorporated into the Public Works budget and they had previously been reported in an Internal Service Fund.

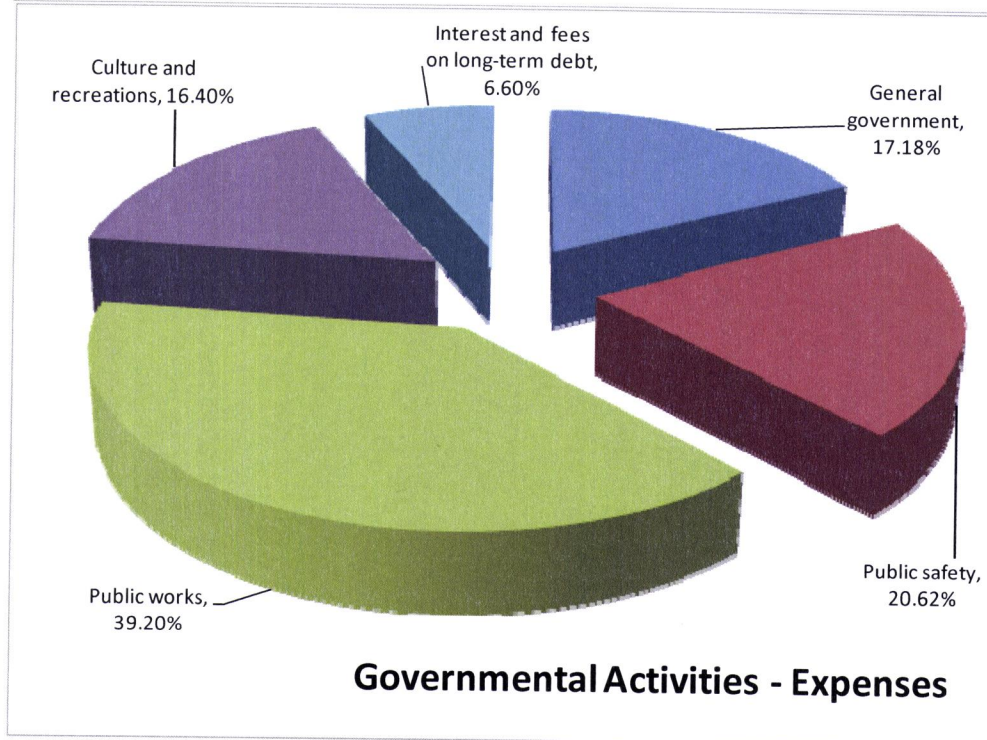
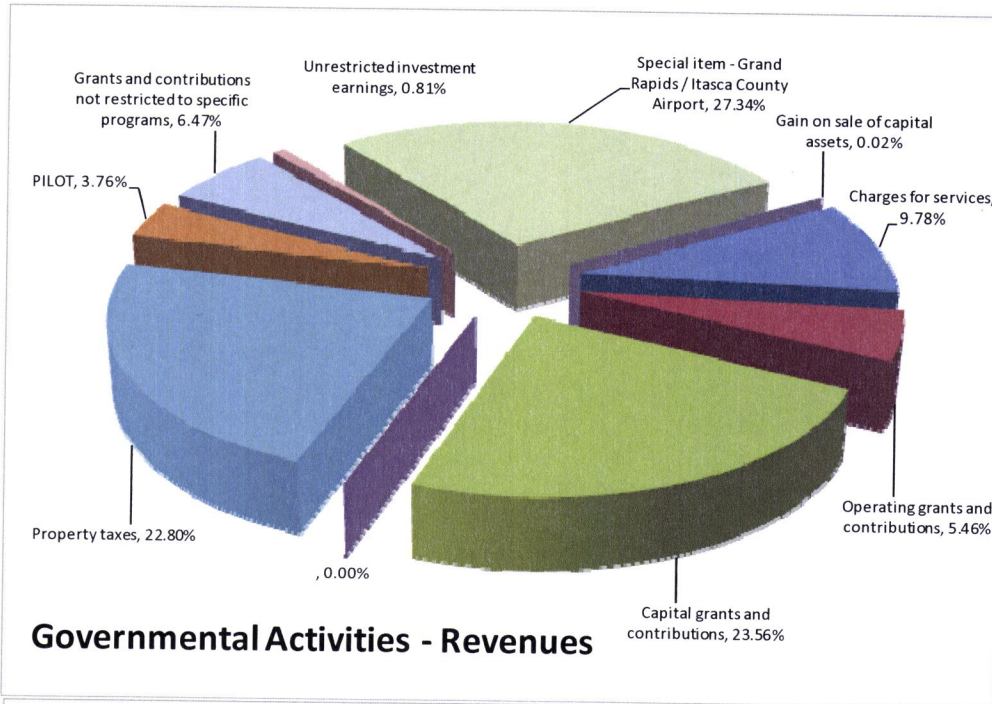
Management's Discussion and Analysis

City of Grand Rapids' Changes in Net Assets

	Governmental Activities		Business-Type Activities		Totals	
	2011	2010	2011	2010	2011	2010
Revenues:						
Program revenues:						
Charges for services	\$2,223,085	\$2,032,315	\$1,051,788	\$1,054,156	\$3,274,873	\$3,086,471
Operating grants and contributions	1,240,128	1,027,304	-	-	1,240,128	1,027,304
Capital grants and contributions	5,349,509	2,463,006	7,995	97,352	5,357,504	2,560,358
General revenues:						
Taxes	5,180,915	4,793,026	-	-	5,180,915	4,793,026
Payments in lieu of taxes (PILOT)	854,710	853,542	-	-	854,710	853,542
Grants and contributions not restricted to specific programs	1,470,249	1,452,870	-	-	1,470,249	1,452,870
Unrestricted investment earnings	184,059	159,010	6,313	2,271	190,372	161,281
Gain on sale of capital assets	5,360	4,957	-	61,827	5,360	66,784
Total revenues	<u>16,508,015</u>	<u>12,786,030</u>	<u>1,066,096</u>	<u>1,215,606</u>	<u>17,574,111</u>	<u>14,001,636</u>
Expenses:						
General government	2,362,986	2,407,660	-	-	2,362,986	2,407,660
Public safety	2,836,212	2,789,559	-	-	2,836,212	2,789,559
Public works	5,390,413	4,841,814	-	-	5,390,413	4,841,814
Culture and recreation	2,255,043	2,270,942	-	-	2,255,043	2,270,942
Interest and fees on long-term debt	907,838	978,289	-	-	907,838	978,289
Golf course	-	-	549,733	455,315	549,733	455,315
Storm water utility	-	-	377,107	411,849	377,107	411,849
Total expenses	<u>13,752,492</u>	<u>13,288,264</u>	<u>926,840</u>	<u>867,164</u>	<u>14,679,332</u>	<u>14,155,428</u>
Change in net assets before special items and trans	2,755,523	(502,234)	139,256	348,442	2,894,779	(153,792)
Special items	6,212,220	574,001	-	-	6,212,220	574,001
Transfers - primary government	3,500	(257,467)	(3,500)	257,467	-	-
Change in net assets	<u>8,971,243</u>	<u>(185,700)</u>	<u>135,756</u>	<u>605,909</u>	<u>9,106,999</u>	<u>420,209</u>
Net assets - January 1, as previously reported	40,925,211	41,110,911	2,946,486	2,340,577	43,871,697	43,451,488
Prior period adjustment	-	-	(52,180)	-	(52,180)	-
Net assets - January 1, as restated	<u>40,925,211</u>	<u>41,110,911</u>	<u>2,894,306</u>	<u>2,340,577</u>	<u>43,819,517</u>	<u>43,451,488</u>
Net assets - December 31	<u>\$49,896,454</u>	<u>\$40,925,211</u>	<u>\$3,030,062</u>	<u>\$2,946,486</u>	<u>\$52,926,516</u>	<u>\$43,871,697</u>

Management's Discussion and Analysis

Below are specific graphs that provide comparisons of the governmental activities revenues and expenditures:



Management's Discussion and Analysis

Business-Type Activities

Business-type activities increased the City's net assets by \$135,756 in 2011. The City has two Business-Type Activities – Pokegama Golf Course and a Storm Water Utility Fund. The City completed a new Clubhouse for the Golf Course in 2010 and the 2011 net assets increased by \$10,028. The Storm Water Utility Fund is used to pay for storm water maintenance and infrastructure construction.

Financial Analysis of the Government's Funds

Governmental Funds. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$11,963,151. Approximately 12% of this total amount (\$1,417,708) constitutes nonspendable fund balance and approximately 56% (\$6,744,338) constitutes restricted fund balance. The remainder of the fund balance consists of amounts committed (\$725,768) and assigned (\$2,073,531) by City Council, as well as unassigned fund balance (\$1,001,806). Additional information about the City's fund balance classifications can be found in Note 13.

The general fund balance increased by \$79,740 in 2011, compared to a \$192,119 increase in 2010. Prior to other financing sources and uses and special items, the General Fund balance increased \$360,722 in 2011 compared to a \$181,852 increase in 2010. Key elements of this increase are as follows:

- The City's tax levy for the General Fund increased by \$286,000 for 2011. Property taxes from the annexed areas and payment of delinquent property taxes were approximately \$250,000 over the budgeted amount. The City lost \$141,000 in market value homestead credit for the General Fund and the additional property taxes help offset this loss.
- Public Works charges for services were approximately \$38,500 over the budget
- Received \$45,000 in unbudgeted grants
- Police and Recreation were under budget due to personnel changes and the Fire Department and Engineering were over budget, but had offsetting revenues to make up the overage.

The special item of \$67,000 in the General Fund relates to a loan between the General Fund and the Grand Rapids / Itasca County Airport which was reclassified to an interfund loan receivable effective January 1, 2011. Further information pertaining to the relationship between the City and the Airport can be found in Notes 14 and 23.

The 2005A Improvement Bonds had a decrease of (\$92,554) in the fund balance due to the expenditure of prepayments of assessments received in previous years to make the debt service payments. The 2006C Improvement Bonds had a fund balance increase due primarily to \$108,500 of prepaid assessments received during 2011. The 2006B Refunding Bonds had a slight fund balance decrease due to fiscal fees exceeding investment income. The 2011 Infrastructure Bond Fund had a fund balance decrease of \$236,803 due to a federal grant of

Management's Discussion and Analysis

\$877,500 that will not be received until October 1, 2013. The City issued temporary bonds in March 2012 to cover the shortfall until the federal funds are received. The 2012 Infrastructure Bond Fund balance decreased (\$1,848,329) due to a project that was started in 2011 that qualifies for state aid bond funding that will be bonded for in 2012. The City is issuing \$4,175,000 in State Aid Bonds for three projects in 2012.

- The nonmajor special revenue funds decreased by (\$115,660) for 2011. The Public Library had a deficit of (\$263,932). They had budgeted the use of \$51,640 of their fund balance for operations. They also lost approximately \$23,000 in Market Value Homestead Credit due to the reduction by the State Legislature. They had capital expenditures of approximately \$489,000 for the Riverfront Energy Project funded with \$250,000 in grants and the rest (\$239,000) from fund balance.
- The Central School had deficit of (\$13,586) due to vacant rental units.
- The Civic Center had \$19,218 in revenue over expenditures in 2011, but previously had a deficit of (\$132,449) due to a loan and previous year's deficits, consequently the deficit was reduced to (\$113,231).
- The City received the Itasca Calvary Cemetery as part of the final annexation of Grand Rapids Township in 2010. In 2011, the Cemetery fund had revenues over expenditures of \$13,711, however the fund was carrying a fund deficit of \$42,756 from 2010, when in the transition year from Grand Rapids Township to the City, the levy did not come in as anticipated. In 2011, the City approved a transfer from the General Fund to the Cemetery Fund to eliminate the deficit.

The nonmajor debt service funds decreased by (\$349,829). The 2002A Improvement Bonds were refunded in 2010 and the final payoff was in February 2011. Several debt service funds have received prepayments in previous years and as the debt services payments are made, the fund balance will decrease.

The nonmajor capital project funds decreased by (\$942,091). The Capital Equipment Replacement Fund (\$410,011) purchased \$449,329 in capital equipment of which \$310,118 was funded with an internal loan from the General Fund. The 2010 Infrastructure Bond Fund (\$551,487) had revenue from 2010 to cover \$386,030 of this deficit; however, when all of the projects are complete there will be a deficit that will be covered from the Permanent Improvement Revolving Fund.

Proprietary funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The Golf Course had operating income of \$6,298 and the Storm Water Utility had operating income of \$121,480.

The unrestricted net assets of the proprietary Storm Water Utility Fund are \$307,967. This fund was established in 2004 with storm water utility charges implemented on January 1, 2005. Any funds that are not used for storm water utility maintenance by the Public Works Department are used to reduce storm water infrastructure improvement project costs.

Management's Discussion and Analysis

Budgetary Highlights

General Fund. The General Fund had an increase in fund balance of \$79,740. The General Fund revenue was under budget by (\$230,575). The State of Minnesota had certified a Local Government Aid (LGA) amount of \$1,349,614 for 2011, consequently, the City budgeted for that amount. However, realizing that the State may likely cut that amount, the City also budgeted a \$412,000 transfer to the Capital Equipment Replacement Fund that would not be made if the LGA was cut. The LGA was cut by \$386,204, consequently the transfer was not made. Also the State cut the Market Value Homestead Credit (MVHC) totaling \$218,000 of which \$141,381 would have been revenue for the General Fund.

Taxes were more than budgeted due to the taxes for the annexed areas coming in \$195,000 higher than budgeted and due to delinquent taxes and tax forfeit sales totaling \$55,000 that were not budgeted. This help offset some of the loss of LGA and MVHC. Administration and Engineering fees for City projects and GIS fees were \$66,000 higher than budgeted.

The Police and Recreation Departments were under budget by \$52,650 due to personnel changes. The Fire Department and the Engineering Departments were over budget by approximately \$30,000, but had offsetting revenue to cover the overage. Public Works was over budget by \$90,990 due to snow and ice control in early 2011. As mentioned above, transfers out were budgeted at \$709,815, but only \$376,164 was transferred out due to an unallotment of LGA.

Management's Discussion and Analysis

Capital Asset and Debt Administration

Capital assets. The City's gross investment in capital assets for its governmental and business-type activities as of December 31, 2011, amounts to \$57,122,395 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings, infrastructure, machinery and equipment.

City of Grand Rapids' Capital Assets (Net of Accumulated Depreciation)

	Governmental Activities		Business-Type Activities		Totals	
	2011	2010	2011	2010	2011	2010
Land and land improvements	\$5,485,552	\$4,984,903	\$906,387	\$979,510	\$6,391,939	\$5,964,413
Building and structures	12,434,917	7,725,069	1,736,733	1,763,625	14,171,650	9,488,694
Vehicles, equipment and furniture	4,039,147	3,270,881	150,533	84,107	4,189,680	3,354,988
Infrastructure	27,285,566	24,148,790	-	-	27,285,566	24,148,790
Construction in progress	5,083,560	3,176,438	-	-	5,083,560	3,176,438
Total	<u>\$54,328,742</u>	<u>\$43,306,081</u>	<u>\$2,793,653</u>	<u>\$2,827,242</u>	<u>\$57,122,395</u>	<u>\$46,133,323</u>

The large increase in capital assets of governmental activities occurred primarily because the City now accounts for the assets of the Grand Rapids / Itasca County Airport. Additional information on the City's capital assets can be found in Note 5.

Long-term debt. At the end of the current fiscal year, the City had total long-term debt outstanding of \$23,671,015 (excluding compensated absences), a decrease of \$1,351,609 from 2010. Of the total outstanding amount:

- \$18,890,000 is general obligation improvement debt that is supported in part by special assessments,
- \$835,000 is general obligation tax increment debt which financed the City's economic development program,
- \$3,675,000 are CIP Bonds, Street Reconstruction Bonds and an Equipment Certificate that is supported by property tax levies,
- \$271,015 of capital lease and loans payable in addition to unamortized bond premiums.

City of Grand Rapids' Outstanding Debt

G.O. Improvement Bonds, G.O. Tax Increment Bonds, other G.O. Bonds, capital leases, loans and bond premium:

	Governmental Activities		Business-Type Activities		Totals	
	2011	2010	2011	2010	2011	2010
General obligation improvement bonds	\$18,890,000	\$20,000,000	\$ -	\$ -	\$18,890,000	\$20,000,000
General obligation tax increment bonds	835,000	850,000	-	-	835,000	850,000
Other general obligation bonds	3,675,000	3,950,000	-	-	3,675,000	3,950,000
Capital leases, loans, bond premium	271,015	222,624	-	-	271,015	222,624
Total	<u>\$23,671,015</u>	<u>\$25,022,624</u>	<u>\$0</u>	<u>\$0</u>	<u>\$23,671,015</u>	<u>\$25,022,624</u>

Management's Discussion and Analysis

In March 2012, the City issued three bonds for infrastructure:

- \$2,245,000 General Obligation Improvement Bonds, Series 2012A
- \$4,175,000 General Obligation State-Aid Streets Bonds, Series 2012B
- \$ 905,000 General Obligation Grant Anticipation Notes, Series 2012C

At that time, Moody's Investor Services assigned an A1 rating to these bond issues, and affirmed the A1 rating on the City's outstanding debt.

State statutes limit the amount of general obligation debt a Minnesota city may issue to 3% of total Estimated Market Value. The current debt limitation for the City is \$19,850,196. Of the City's outstanding debt, \$3,675,000 is counted within the statutory limitation.

Additional information on the City's long-term debt can be found in Note 6.

Requests for information. This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, 420 North Pokegama Avenue, Grand Rapids, Minnesota 55744-2662.

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BASIC FINANCIAL STATEMENTS

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CITY OF GRAND RAPIDS, MINNESOTA
STATEMENT OF NET ASSETS
December 31, 2011
With Comparative Totals For December 31, 2010

Statement 1

	Primary Government				Component Units	
	Governmental Activities	Business-Type Activities	Totals		Economic Development Authority	Public Utilities Commission
			2011	2010		
Assets:						
Cash and investments	\$11,200,764	\$413,702	\$11,614,466	\$14,774,332	\$636,871	\$5,663,924
Accrued interest	30,027	-	30,027	34,786	-	3,628
Due from other governmental units	2,011,048	-	2,011,048	1,423,010	-	-
Due from primary government	-	-	-	-	-	60,950
Due from component unit	1,042,653	43,940	1,086,593	1,778,245	-	-
Accounts receivable - net	63,308	108,371	171,679	243,630	-	3,185,769
Internal balances	278,128	(278,128)	-	-	-	-
Prepaid items	419,069	1,116	420,185	176,520	-	230,052
Property taxes receivable	92,965	-	92,965	81,857	549	-
Special assessments receivable	6,091,021	-	6,091,021	6,535,199	-	-
Inventories - at cost	-	-	-	-	-	662,286
Land held for resale	214,390	-	214,390	214,390	1,397,594	-
Mortgages, notes and leases receivable	-	-	-	-	181,482	-
Loan to airport	-	-	-	67,000	-	-
Restricted cash and investments	-	-	-	-	-	4,686,620
Restricted accounts receivable	-	-	-	-	-	29,224,669
Unamortized debt issuance costs	419,587	-	419,587	417,246	-	268,740
Other deferred debits	-	-	-	-	-	2,473,683
Financial assurance landfill closure	-	-	-	-	-	3,349,147
Capital assets - nondepreciable	10,569,112	906,387	11,475,499	9,140,851	-	356,890
Capital assets - net of accumulated depreciation	43,759,630	1,887,266	45,646,896	36,992,472	-	63,988,732
Total assets	76,191,702	3,082,654	79,274,356	71,879,538	2,216,496	114,155,090
Liabilities:						
Accounts payable	472,204	11,421	483,625	411,676	10,187	1,536,374
Accrued wages and other liabilities	98,195	2,305	100,500	99,513	-	-
Due to other governmental units	23,792	3,527	27,319	196,527	46	62,593
Due to component units	56,014	4,936	60,950	69,628	-	-
Contracts payable	314,428	-	314,428	112,320	-	-
Deposits payable	16,991	14,000	30,991	33,217	-	285,655
Due to primary government	-	-	-	-	-	1,086,593
Accrued interest payable	341,242	1,378	342,620	373,566	-	311,959
Unearned revenue	465,380	6,756	472,136	763,527	44,726	1,684,178
Termination benefits payable:						
Due within one year	120,000	-	120,000	122,500	-	-
Due in more than one year	200,000	-	200,000	320,000	-	-
Other post employment benefits	197,799	5,169	202,968	179,578	-	-
Landfill closure costs	-	-	-	-	-	3,349,147
Demand payment deferral:						
Due within one year	-	-	-	-	-	1,835,784
Due in more than one year	-	-	-	-	-	27,133,777
Noncurrent liabilities:						
Due within one year	3,336,187	1,593	3,337,780	3,059,948	-	4,720,306
Due in more than one year	20,653,016	1,507	20,654,523	22,265,841	100,000	29,492,175
Total liabilities	26,295,248	52,592	26,347,840	28,007,841	154,959	71,498,541
Net assets:						
Invested in capital assets, net of related debt	31,703,299	2,793,653	34,496,952	21,960,699	-	36,427,999
Restricted for:						
Debt service	12,180,524	-	12,180,524	13,351,203	-	-
Itasca County's equity interest in Airport	126,398	-	126,398	-	-	-
Other purposes	72,465	-	72,465	66,097	-	184,232
Unrestricted	5,813,768	236,409	6,050,177	8,493,698	2,061,537	6,044,318
Total net assets	\$49,896,454	\$3,030,062	\$52,926,516	\$43,871,697	\$2,061,537	\$42,656,549

The accompanying notes are an integral part of these financial statements.

CITY OF GRAND RAPIDS, MINNESOTA

STATEMENT OF ACTIVITIES

For The Year Ended December 31, 2011

With Comparative Totals For The Year Ended December 31, 2010

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>	
		<u>Charges For Services</u>	<u>Operating Grants and Contributions</u>
Primary government:			
Governmental activities:			
General government	\$2,362,986	\$401,410	\$227,775
Public safety	2,836,212	447,864	419,233
Public works	5,390,413	432,900	372,384
Culture and recreation	2,255,043	940,911	42,699
Interest and fees on long-term debt	907,838	-	178,037
Total governmental activities	<u>13,752,492</u>	<u>2,223,085</u>	<u>1,240,128</u>
Business-type activities:			
Golf course	549,733	553,201	-
Storm water utility	377,107	498,587	-
Total business-type activities	<u>926,840</u>	<u>1,051,788</u>	<u>0</u>
Total primary government	<u>\$14,679,332</u>	<u>\$3,274,873</u>	<u>\$1,240,128</u>
Component units:			
Economic Development Authority	\$509,093	\$6,248	\$461,920
Public Utilities Commission	23,782,660	21,923,816	-
Total component units	<u>\$24,291,753</u>	<u>\$21,930,064</u>	<u>\$461,920</u>

General revenues:

General property taxes
 Payments in lieu of taxes (PILOT)
 Grants and contributions not restricted to specific programs
 Unrestricted investment earnings
 Gain on sale of capital assets

Special items:

Grand Rapids / Itasca County Airport
 Merger with Grand Rapids Township

Transfers

Total general revenues, special items and transfers

Change in net assets

Net assets - January 1, as previously reported

Prior period adjustment

Net assets - January 1, as restated

Net assets - December 31

The accompanying notes are an integral part of these financial statements.

Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets Primary Government				Component Units	
	Governmental Activities	Business-Type Activities	Totals		Economic Development Authority	Public Utilities Commission
			2011	2010		
\$104,100	(\$1,629,701)	\$ -	(\$1,629,701)	(\$1,678,971)	\$ -	\$ -
48,483	(1,920,632)	-	(1,920,632)	(1,966,264)	-	-
4,896,547	311,418	-	311,418	(2,022,752)	-	-
300,379	(971,054)	-	(971,054)	(1,308,811)	-	-
-	(729,801)	-	(729,801)	(788,841)	-	-
<u>5,349,509</u>	<u>(4,939,770)</u>	<u>0</u>	<u>(4,939,770)</u>	<u>(7,765,639)</u>	<u>0</u>	<u>0</u>
7,995	-	11,463	11,463	190,857	-	-
-	-	121,480	121,480	93,487	-	-
<u>7,995</u>	<u>0</u>	<u>132,943</u>	<u>132,943</u>	<u>284,344</u>	<u>0</u>	<u>0</u>
<u>\$5,357,504</u>	<u>(4,939,770)</u>	<u>132,943</u>	<u>(4,806,827)</u>	<u>(7,481,295)</u>	<u>0</u>	<u>0</u>
\$ -					(40,925)	-
<u>3,075,547</u>					<u>-</u>	<u>1,216,703</u>
<u>\$3,075,547</u>					<u>(40,925)</u>	<u>1,216,703</u>
	5,180,915	-	5,180,915	4,793,026	44,236	-
	854,710	-	854,710	853,542	-	-
	1,470,249	-	1,470,249	1,452,870	4,382	-
	184,059	6,313	190,372	161,281	12,120	43,132
	5,360	-	5,360	66,784	-	-
	6,212,220	-	6,212,220	-	-	-
	-	-	-	574,001	-	-
	3,500	(3,500)	-	-	-	-
	<u>13,911,013</u>	<u>2,813</u>	<u>13,913,826</u>	<u>7,901,504</u>	<u>60,738</u>	<u>43,132</u>
	<u>8,971,243</u>	<u>135,756</u>	<u>9,106,999</u>	<u>420,209</u>	<u>19,813</u>	<u>1,259,835</u>
	40,925,211	2,946,486	43,871,697	43,451,488	2,041,724	41,396,714
	-	(52,180)	(52,180)	-	-	-
	<u>40,925,211</u>	<u>2,894,306</u>	<u>43,819,517</u>	<u>43,451,488</u>	<u>2,041,724</u>	<u>41,396,714</u>
	<u>\$49,896,454</u>	<u>\$3,030,062</u>	<u>\$52,926,516</u>	<u>\$43,871,697</u>	<u>\$2,061,537</u>	<u>\$42,656,549</u>

The accompanying notes are an integral part of these financial statements.

CITY OF GRAND RAPIDS, MINNESOTA
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2011
With Comparative Totals For December 31, 2010

	<u>101 General Fund</u>	<u>348 Improvement Bonds of 2005A</u>	<u>351 Improvement Bonds of 2006C</u>
Assets			
Cash and investments	\$1,858,487	\$1,216,559	\$593,997
Accrued interest receivable	30,027	-	-
Due from other governmental units	311,623	-	-
Due from other funds	1,828,015	-	-
Due from component unit	23,674	-	-
Accounts receivable	12,171	-	-
Interfund loan receivable	1,093,843	-	-
Prepaid items	178,521	-	-
Loan to airport	-	-	-
Taxes receivable - delinquent	73,816	505	-
Special assessments receivable	64,343	1,315,710	1,549,686
Land held for resale	214,390	-	-
	<u>\$5,688,910</u>	<u>\$2,532,774</u>	<u>\$2,143,683</u>
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	\$151,023	\$ -	\$ -
Accrued wages payable	78,661	-	-
Due to other governmental units	14,950	-	-
Due to component units	41,329	-	-
Contracts payable	-	-	-
Due to other funds	419	-	-
Deposits payable	5,498	-	-
Interfund loan payable	-	-	-
Deferred revenue	375,829	1,316,215	1,549,686
Total liabilities	<u>667,709</u>	<u>1,316,215</u>	<u>1,549,686</u>

The accompanying notes are an integral part of these financial statements.

352 GO CIP Refunding Bonds of 2006B	473 2011 Infrastructure Bonds	474 2012 Infrastructure Bonds	Other Governmental Funds	Total Governmental Funds	
				2011	2010
\$308,437	\$ -	\$ -	\$7,223,284	\$11,200,764	\$14,566,889
-	-	-	-	30,027	34,786
-	1,349,225	-	316,585	1,977,433	1,388,940
-	-	-	1,433,282	3,261,297	1,182,852
1,013,527	-	-	5,452	1,042,653	1,736,522
-	-	-	51,137	63,308	90,580
-	-	-	125,894	1,219,737	455,386
-	-	-	240,548	419,069	174,253
-	-	-	-	-	67,000
-	-	-	18,644	92,965	81,857
-	-	-	3,161,282	6,091,021	6,535,199
-	-	-	-	214,390	214,390
<u>\$1,321,964</u>	<u>\$1,349,225</u>	<u>\$0</u>	<u>\$12,576,108</u>	<u>\$25,612,664</u>	<u>\$26,528,654</u>
\$2,750	\$182,266	\$31,149	\$105,016	\$472,204	\$402,608
-	-	-	19,534	98,195	96,036
-	2,012	539	6,291	23,792	193,384
1,234	-	-	13,451	56,014	63,300
-	44,647	50,114	219,667	314,428	112,320
-	1,090,209	1,804,274	364,367	3,259,269	1,182,627
-	-	-	11,493	16,991	17,217
-	-	-	943,637	943,637	223,792
1,308,888	589,225	-	3,325,140	8,464,983	8,844,620
<u>1,312,872</u>	<u>1,908,359</u>	<u>1,886,076</u>	<u>5,008,596</u>	<u>13,649,513</u>	<u>11,135,904</u>

The accompanying notes are an integral part of these financial statements.

CITY OF GRAND RAPIDS, MINNESOTA
BALANCE SHEET
GOVERNMENTAL FUNDS
 December 31, 2011
 With Comparative Totals For December 31, 2010

Liabilities and Fund Balances (continued)	<u>101 General Fund</u>	<u>348 Improvement Bonds of 2005A</u>	<u>351 Improvement Bonds of 2006C</u>
Fund balances:			
Nonspendable	\$1,071,817	\$ -	\$ -
Restricted	15,567	1,216,559	593,997
Committed	76,401	-	-
Assigned	-	-	-
Unassigned	3,857,416	-	-
Total fund balances	<u>5,021,201</u>	<u>1,216,559</u>	<u>593,997</u>
 Total liabilities and fund balances	 <u><u>\$5,688,910</u></u>	 <u><u>\$2,532,774</u></u>	 <u><u>\$2,143,683</u></u>

Fund balance reported above

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds.

Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds:

- Delinquent taxes
- Assessments not yet due or delinquent
- Loan to Airport
- Land held for resale
- Due from component unit
- Unamortized debt issuance costs
- Due from other governmental units

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds:

- Bonds payable and unamortized bond premium
- Capital lease and loans payable
- Accrued interest payable
- Compensated absences payable
- Termination benefits payable
- Other post employment benefits

Net assets of governmental activities

The accompanying notes are an integral part of these financial statements.

352 GO CIP Refunding Bonds of 2006B	473 2011 Infrastructure Bonds	474 2012 Infrastructure Bonds	Other Governmental Funds	Total Governmental Funds	
				2011	2010
\$ -	\$ -	\$ -	\$345,891	\$1,417,708	\$581,151
9,092	-	-	4,909,123	6,744,338	6,986,797
-	-	-	649,367	725,768	-
-	-	-	2,073,531	2,073,531	4,015,122
-	(559,134)	(1,886,076)	(410,400)	1,001,806	3,809,680
<u>9,092</u>	<u>(559,134)</u>	<u>(1,886,076)</u>	<u>7,567,512</u>	<u>11,963,151</u>	<u>15,392,750</u>
<u>\$1,321,964</u>	<u>\$1,349,225</u>	<u>\$0</u>	<u>\$12,576,108</u>	<u>\$25,612,664</u>	<u>\$26,528,654</u>
				\$11,963,151	\$15,392,750
				54,328,742	43,306,081
				92,965	81,857
				6,091,023	6,535,199
				-	67,000
				214,390	214,390
				1,012,000	1,189,200
				419,587	417,246
				622,840	34,070
				(23,476,365)	(24,886,180)
				(194,650)	(136,444)
				(341,242)	(373,524)
				(318,188)	(298,857)
				(320,000)	(442,500)
				<u>(197,799)</u>	<u>(175,077)</u>
				<u>\$49,896,454</u>	<u>\$40,925,211</u>

The accompanying notes are an integral part of these financial statements.

CITY OF GRAND RAPIDS, MINNESOTA
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
For The Year Ended December 31, 2011
With Comparative Totals For The Year Ended December 31, 2010

	<u>101 General Fund</u>	<u>348 Improvement Bonds of 2005A</u>	<u>351 Improvement Bonds of 2006C</u>
Revenues:			
Taxes:			
General property	\$3,403,815	\$42,807	\$33,525
Tax increments	-	-	-
Tax abatements	-	27,688	-
Payments in lieu of taxes (PILOT)	854,710	-	-
Licenses and permits	225,828	-	-
Intergovernmental	1,764,599	4,222	3,298
Special assessments	-	154,553	324,554
Charges for services	696,373	-	-
Fines and forfeits	108,982	-	-
Investment income	36,292	16,834	6,551
Contributions and donations	3,637	-	-
Other	30,252	-	-
Total revenues	<u>7,124,488</u>	<u>246,104</u>	<u>367,928</u>
Expenditures:			
Current:			
General government	1,710,292	2,979	34,756
Public safety	2,409,197	-	-
Public works	2,070,477	-	-
Culture and recreation	152,186	-	-
Miscellaneous	369,809	-	-
Capital outlay/construction	51,805	-	-
Debt service:			
Principal retirement	-	245,000	180,000
Interest	-	90,276	75,800
Paying agent fees	-	403	431
Bond issuance costs	-	-	-
Total expenditures	<u>6,763,766</u>	<u>338,658</u>	<u>290,987</u>
Revenues over (under) expenditures	<u>360,722</u>	<u>(92,554)</u>	<u>76,941</u>
Other financing sources (uses):			
Sale of capital assets	5,360	-	-
Capital lease proceeds	-	-	-
Issuance of refunding bonds	-	-	-
Bond issuance	-	-	-
Transfers in	22,822	-	-
Transfers out	(376,164)	-	-
Total other financing sources (uses)	<u>(347,982)</u>	<u>0</u>	<u>0</u>
Special item: Grand Rapids / Itasca County Airport	<u>67,000</u>	<u>-</u>	<u>-</u>
Special item: Merger with Grand Rapids Township	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	79,740	(92,554)	76,941
Fund balance - January 1	<u>4,941,461</u>	<u>1,309,113</u>	<u>517,056</u>
Fund balance - December 31	<u><u>\$5,021,201</u></u>	<u><u>\$1,216,559</u></u>	<u><u>\$593,997</u></u>

The accompanying notes are an integral part of these financial statements.

Statement 4

352 GO CIP Refunding Bonds of 2006B	473 2011 Infrastructure Bonds	474 2012 Infrastructure Bonds	Other Governmental Funds	Totals Governmental Funds	
				2011	2010
\$ -	\$ -	\$ -	\$1,520,205	\$5,000,352	\$4,705,029
-	-	-	141,767	141,767	131,121
-	-	-	-	27,688	27,569
-	-	-	-	854,710	853,542
-	-	-	290	226,118	255,052
-	813,290	891,538	2,456,426	5,933,373	4,302,317
-	-	-	584,880	1,063,987	1,326,354
-	441,471	-	1,277,854	2,415,698	1,604,785
-	-	-	82,570	191,552	142,528
811	-	-	123,571	184,059	159,010
-	-	-	124,103	127,740	28,971
220,600	-	-	2,157	253,009	246,950
<u>221,411</u>	<u>1,254,761</u>	<u>891,538</u>	<u>6,313,823</u>	<u>16,420,053</u>	<u>13,783,228</u>
1,601	-	-	296,252	2,045,880	1,879,463
-	-	-	142,425	2,551,622	2,500,602
-	-	-	636,083	2,706,560	2,117,665
-	-	-	1,593,738	1,745,924	1,731,467
-	-	-	-	369,809	541,014
-	2,493,646	2,739,867	3,113,240	8,398,558	3,836,307
170,000	-	-	2,395,512	2,990,512	2,812,668
50,600	-	-	686,907	903,583	965,697
224	-	-	5,146	6,204	7,842
-	27,918	-	14,571	42,489	39,692
<u>222,425</u>	<u>2,521,564</u>	<u>2,739,867</u>	<u>8,883,874</u>	<u>21,761,141</u>	<u>16,432,417</u>
<u>(1,014)</u>	<u>(1,266,803)</u>	<u>(1,848,329)</u>	<u>(2,570,051)</u>	<u>(5,341,088)</u>	<u>(2,649,189)</u>
-	-	-	-	5,360	4,957
-	-	-	-	-	136,444
-	-	-	525,000	525,000	925,000
-	1,030,000	-	-	1,030,000	825,000
-	-	-	1,022,169	1,044,991	1,058,790
-	-	-	(665,327)	(1,041,491)	(1,333,243)
<u>0</u>	<u>1,030,000</u>	<u>0</u>	<u>881,842</u>	<u>1,563,860</u>	<u>1,616,948</u>
-	-	-	280,629	347,629	-
-	-	-	-	-	574,001
(1,014)	(236,803)	(1,848,329)	(1,407,580)	(3,429,599)	(458,240)
10,106	(322,331)	(37,747)	8,975,092	15,392,750	15,850,990
<u>\$9,092</u>	<u>(\$559,134)</u>	<u>(\$1,886,076)</u>	<u>\$7,567,512</u>	<u>\$11,963,151</u>	<u>\$15,392,750</u>

The accompanying notes are an integral part of these financial statements.

CITY OF GRAND RAPIDS, MINNESOTA
RECONCILIATION OF THE STATEMENT OF REVENUE,
EXPENDITURES AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For The Year Ended December 31, 2011
With Comparative Amounts For The Year Ended December 31, 2010

Statement 5

	2011	2010
Amounts reported for governmental activities in the statement of activities (Statement 2) are different because:		
Net changes in fund balances - total governmental funds (Statement 4)	(\$3,429,599)	(\$458,240)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:		
Depreciation	(2,751,694)	(2,204,611)
Capital outlay	8,398,558	3,836,307
Capital outlay not capitalized	(767,256)	(512,915)
In the statement of activities only the gain/loss on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balance by the net book value of the capital assets sold.	-	(704,794)
Donations of capital assets increase net assets in the statement of activities, but do not appear in the governmental funds because they are not financial resources.	104,100	-
Special item - contribution of capital assets from the Grand Rapids / Itasca County Airport	6,038,953	-
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue of internal service funds are reported with governmental activities.	-	948
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:		
Change in delinquent taxes	11,108	(70,693)
Change in deferred and delinquent special assessments	(444,176)	(888,408)
Change in unavailable intergovernmental revenue	589,225	-
Governmental funds report loan disbursements as expenditures and the related loan repayments as revenues. However, in the statement of activities these transactions have no effect on net assets. The amounts of the differences are:		
Receipts on loans receivable	(244,200)	(167,200)
The issuance of long-term debt (e.g., bonds, notes) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The amounts of these differences are:		
Debt proceeds	(1,555,000)	(1,886,444)
Special item - loans payable from the Grand Rapids / Itasca County Airport	(107,362)	-
Principal payments on bonds, capital leases and loans payable	3,004,156	2,930,000
Current year bond issuance costs and amortization of deferred charges	12,156	12,005
Change in due from other governmental units accrual related to a federal credit on BAB bonds	(455)	6,814
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. Expenses reported in the statement of activities include the effects of the changes in these expense accruals as follows:		
Change in compensated absences payable	(19,331)	(12,462)
Change in other post employment benefits and termination benefits payable	99,778	(88,944)
Change in accrued interest payable	32,282	22,937
Change in net assets of governmental activities (Statement 2)	<u>\$8,971,243</u>	<u>(\$185,700)</u>

The accompanying notes are an integral part of these financial statements.

CITY OF GRAND RAPIDS, MINNESOTA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
December 31, 2011
With Comparative Totals For December 31, 2010

Statement 6

	Business-Type Activities - Enterprise Funds			
	613 Pokegama Golf Course	655 Storm Water Utility	Totals	
			2011	2010
Assets:				
Current assets:				
Cash and cash equivalents	\$123,555	\$290,147	\$413,702	\$207,443
Due from component units	-	43,940	43,940	41,723
Accounts receivable	7,412	3,595	11,007	8,915
Pledges receivable	48,682	-	48,682	50,657
Prepaid items	1,116	-	1,116	2,267
Total current assets	180,765	337,682	518,447	311,005
Noncurrent assets:				
Pledges receivable - net	48,682	-	48,682	93,478
Capital assets:				
Land and land improvements	871,481	34,906	906,387	979,510
Buildings and structures	2,186,197	-	2,186,197	2,098,482
Machinery, equipment and furniture	603,194	185,243	788,437	676,794
Total capital assets	3,660,872	220,149	3,881,021	3,754,786
Less: Allowance for depreciation	(916,048)	(171,320)	(1,087,368)	(927,544)
Net capital assets	2,744,824	48,829	2,793,653	2,827,242
Total noncurrent assets	2,793,506	48,829	2,842,335	2,920,720
Total assets	2,974,271	386,511	3,360,782	3,231,725
Liabilities:				
Current liabilities:				
Accounts payable	785	10,636	11,421	9,068
Accrued wages payable	1,271	1,034	2,305	3,477
Due to other governmental units	3,321	206	3,527	3,143
Due to component units	1,097	3,839	4,936	6,328
Accrued interest payable	1,378	-	1,378	42
Deposits payable	-	14,000	14,000	16,000
Due to other funds	2,028	-	2,028	225
Interfund loan payable	276,100	-	276,100	231,594
Compensated absences payable - current	1,593	-	1,593	1,928
Unearned revenue	6,756	-	6,756	6,553
Total current liabilities	294,329	29,715	324,044	278,358
Noncurrent liabilities:				
Compensated absences payable	1,507	-	1,507	2,380
Other post employment benefits	5,169	-	5,169	4,501
Total noncurrent liabilities	6,676	0	6,676	6,881
Total liabilities	301,005	29,715	330,720	285,239
Net assets:				
Invested in capital assets	2,744,824	48,829	2,793,653	2,827,242
Unrestricted	(71,558)	307,967	236,409	119,244
Total net assets	\$2,673,266	\$356,796	3,030,062	2,946,486

The accompanying notes are an integral part of these financial statements.

CITY OF GRAND RAPIDS, MINNESOTA
STATEMENT OF REVENUE, EXPENSES AND
CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
For The Year Ended December 31, 2011
With Comparative Totals For The Year Ended December 31, 2010

Statement 7

	Business-Type Activities - Enterprise Funds			
	613 Pokegama Golf Course	655 Storm Water Utility	Totals	
			2011	2010
Operating revenues:				
Season passes	\$182,423	\$ -	\$182,423	\$175,846
Green fees	201,973	-	201,973	217,387
Special play	8,434	-	8,434	9,443
Rentals and leases	158,502	-	158,502	145,504
Miscellaneous	1,869	-	1,869	640
Charges for service	-	498,587	498,587	505,336
Total operating revenues	<u>553,201</u>	<u>498,587</u>	<u>1,051,788</u>	<u>1,054,156</u>
Operating expenses:				
Personnel services	226,321	188,239	414,560	419,229
Materials and supplies	63,981	22,317	86,298	73,173
Other services and charges	175,854	139,654	315,508	309,377
Depreciation	80,747	26,897	107,644	62,633
Total operating expenses	<u>546,903</u>	<u>377,107</u>	<u>924,010</u>	<u>864,412</u>
Operating income	<u>6,298</u>	<u>121,480</u>	<u>127,778</u>	<u>189,744</u>
Nonoperating revenues (expenses):				
Investment income	2,065	4,248	6,313	2,271
Interest expense	(2,187)	-	(2,187)	-
Gain (loss) on sale of capital assets	(643)	-	(643)	57,827
Total nonoperating revenues (expenses)	<u>(765)</u>	<u>4,248</u>	<u>3,483</u>	<u>60,098</u>
Income before contributions and transfers	<u>5,533</u>	<u>125,728</u>	<u>131,261</u>	<u>249,842</u>
Capital contributions	7,995	-	7,995	97,352
Transfers in	-	-	-	317,300
Transfers out	(3,500)	-	(3,500)	(59,833)
Total transfers and contributions	<u>4,495</u>	<u>0</u>	<u>4,495</u>	<u>354,819</u>
Change in net assets	<u>10,028</u>	<u>125,728</u>	<u>135,756</u>	<u>604,661</u>
Net assets - January 1, as previously reported	2,715,418	231,068	2,946,486	2,341,825
Prior period adjustment	(52,180)	-	(52,180)	-
Net assets - January 1, as restated	<u>2,663,238</u>	<u>231,068</u>	<u>2,894,306</u>	<u>2,341,825</u>
Net assets - December 31	<u><u>\$2,673,266</u></u>	<u><u>\$356,796</u></u>	<u><u>\$3,030,062</u></u>	<u><u>\$2,946,486</u></u>

The accompanying notes are an integral part of these financial statements.

CITY OF GRAND RAPIDS, MINNESOTA

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

For The Year Ended December 31, 2011

With Comparative Totals For The Year Ended December 31, 2010

Statement 8

	Business-Type Activities - Enterprise Funds			
	613 Pokegama Golf Course	655 Storm Water Utility	Totals	
			2011	2010
Cash flows from operating activities:				
Receipts from customers and users	\$552,330	\$495,352	\$1,047,682	\$1,059,960
Payment to suppliers	(238,957)	(162,353)	(401,310)	(452,271)
Payment to employees	(226,226)	(190,046)	(416,272)	(419,798)
Net cash flows provided by operating activities	<u>87,147</u>	<u>142,953</u>	<u>230,100</u>	<u>187,891</u>
Cash flows from noncapital financing activities:				
Change in interfund borrowing	46,309	-	46,309	176,028
Interest on interfund borrowing	(851)	-	(851)	-
Transfers in	-	-	-	317,300
Transfers out	(3,500)	-	(3,500)	(59,833)
Net cash flows provided by (used in) noncapital financing activities	<u>41,958</u>	<u>0</u>	<u>41,958</u>	<u>433,495</u>
Cash flows from capital and related financing activities:				
Acquisition of capital assets	(121,679)	(7,143)	(128,822)	(1,089,445)
Sale of capital assets	1,944	-	1,944	65,205
Capital contributions	54,766	-	54,766	161,756
Net cash flows (used in) capital and related financing activities	<u>(64,969)</u>	<u>(7,143)</u>	<u>(72,112)</u>	<u>(862,484)</u>
Cash flows from investing activities:				
Investment income	2,065	4,248	6,313	2,271
Net increase (decrease) in cash and cash equivalents	66,201	140,058	206,259	(238,827)
Cash and cash equivalents - January 1	57,354	150,089	207,443	446,270
Cash and cash equivalents - December 31	<u>\$123,555</u>	<u>\$290,147</u>	<u>\$413,702</u>	<u>\$207,443</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	<u>\$6,298</u>	<u>\$121,480</u>	<u>\$127,778</u>	<u>\$189,744</u>
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:				
Depreciation	80,747	26,897	107,644	62,633
Changes in assets and liabilities:				
Decrease (increase) in receivables	(1,074)	(3,235)	(4,309)	37,437
Decrease (increase) in prepaid items	1,151	-	1,151	(1,634)
Increase (decrease) in unearned revenue	203	-	203	(31,633)
Increase (decrease) in payables	(178)	(2,189)	(2,367)	(68,656)
Total adjustments	<u>80,849</u>	<u>21,473</u>	<u>102,322</u>	<u>(1,853)</u>
Net cash provided by (used in) operating activities	<u>\$87,147</u>	<u>\$142,953</u>	<u>\$230,100</u>	<u>\$187,891</u>
Noncash capital and related financing activities:				
None				

The accompanying notes are an integral part of these financial statements.

CITY OF GRAND RAPIDS, MINNESOTA
STATEMENT OF ASSETS AND LIABILITIES
FIDUCIARY FUNDS
December 31, 2011
With Amounts Totals For December 31, 2010

Statement 9

Assets:	Agency Funds	
	2011	2010
Cash and investments	<u>\$85,956</u>	<u>\$398,209</u>
Liabilities:		
Accounts payable	\$17,594	\$21,631
Due to third-party grantees	<u>68,362</u>	<u>376,578</u>
Total liabilities	<u>\$85,956</u>	<u>\$398,209</u>

The accompanying notes are an integral part of these financial statements.

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Grand Rapids, Minnesota (the City) was incorporated in 1891 and operates under the State of Minnesota Statutory Plan A form of government. The governing body consists of a five member City council elected by voters of the City.

The financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units by the Governmental Accounting Standards Board (GASB). The following is a summary of the significant accounting policies.

A. FINANCIAL REPORTING ENTITY

As required by accounting principles generally accepted in the United States of America, the financial statements of the reporting entity include those of the City and its component units. Generally, component units are legally separate organizations for which the officials of the primary government are financially accountable.

COMPONENT UNITS

In conformity with accounting principles generally accepted in the United States of America, the financial statements of component units have been included in the financial reporting entity either as blended component units or as discretely presented component units.

Discretely Presented Component Units. The component unit's columns in the combined financial statements include the financial data of the Economic Development Authority (EDA) and the Public Utilities Commission (PUC) of Grand Rapids. These component units are presented in separate columns to emphasize that they are legally separate from the City.

The EDA's governing board is appointed by the City Council. The City Council has the ability to approve or modify the EDA's budget and to veto or overrule other decisions of the EDA's governing body. The EDA does not issue separate financial statements.

The PUC's governing board is appointed by the City Council. The City guarantees the general obligation debt of the PUC. Separate financial statements for the PUC may be obtained by contacting the City of Grand Rapids, Minnesota.

RELATED ORGANIZATION

The Housing and Redevelopment Authority of Grand Rapids, Minnesota is accountable to the City of Grand Rapids, Minnesota because the City council appoints the voting majority of the HRA's Board. However, the HRA is not considered a component unit of the City and is accordingly excluded from these financial statements because the City does not have the ability to impose its will on the HRA, nor is there a specific financial benefit/burden relationship.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from discretely presented component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or business-type activity is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or business-type activity. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or business-type activity and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or business type activity. Taxes and other items not included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the Proprietary Fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers all revenues, except reimbursement grants, to be available if they are collected within 60 days of the end of the current fiscal period. Reimbursement grants are considered available if they are collected within one year of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

CITY OF GRAND RAPIDS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

Property taxes, special assessments, intergovernmental revenues, charges for services and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

The *General fund* is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Improvement Bonds of 2005A Fund* accounts for the accumulation of resources for, and payment of, principal, interest and related cash of the Improvement Bonds of 2005.

The *Improvement Bonds of 2006C Fund* accounts for the accumulation of resources for, and payment of, principal, interest and related cash of the Improvement Bonds of 2006C.

The *G.O. CIP Refunding Bonds of 2006B Fund* accounts for the accumulation of resources for, and payment of, principal, interest and related cash of the Improvement Bonds of 2006B.

The *2011 Infrastructure Bonds Fund* accounts for infrastructure improvements financed by the Improvement Bonds of 2011B.

The *2012 Infrastructure Bonds Fund* accounts for infrastructure improvements which will be financed by the issuance of an improvement bond.

The City reports the following major proprietary funds:

The *Pokegama Golf Course Fund* accounts for the City's golf course operations.

The *Storm Water Utility Fund* accounts for the City's storm water utility operations. Storm water infrastructure is accounted for by the City's governmental activities.

Additionally, the City reports the following fund types:

Agency Funds are used to account for assets held by the City as an agent for individuals, private organizations, and other governments. The City's Agency Funds account for the lodging tax and the Cable T.V. Commission. The funds are custodial in nature and do not involve measurement of results of operation.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary-fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are transactions that would be treated as revenues, expenditures or expenses if they involved external organizations, such as buying goods and services or payments in lieu of taxes, are similarly treated when they involve other funds of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are charges for service. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for an allowable use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

D. BUDGETARY INFORMATION

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual appropriated budgets are legally adopted for the General and Special Revenue Funds.

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the appropriation, is not employed by the City because it is at present not considered necessary to assure effective budgetary control or to facilitate effective cash management.

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The City Administrator submits to the City Council a proposed operating and capital budget for the fiscal year commencing the following January 1. These budgets include proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. The budget is legally enacted through passage of a resolution on a fund basis.
4. Interdepartmental or interfund appropriations and deletions are or may be authorized by the City Council with fund (contingency) reserves or additional revenues. Management can amend budgets within each department.

5. Formal budgetary integration is employed as a management control device during the year for the General Fund and certain Special Revenue Funds.
6. Legal debt obligation indentures determine the appropriation level and debt service tax levies for the Debt Service Funds. Supplementary budgets are adopted for the Proprietary Funds to determine and calculate user charges. These debt service and budget amounts represent general obligation bond indenture provisions and net income for operation and capital maintenance and are not reflected in the financial statements.
7. A capital improvement program is reviewed annually by the City Council for the Capital Project Funds. However, appropriations for major projects are not adopted until the actual bid award of the improvement. The appropriations are not reflected in the financial statements.
8. Expenditures may not legally exceed budgeted appropriations at the total department level without City Council authorization. Monitoring of budgets is maintained at the expenditure category level (i.e., personnel; material and supplies; other services and charges; capital outlay) within each activity.
9. The City Council may authorize transfer of budgeted amounts between City funds.

E. CASH AND INVESTMENTS

Cash and investment balances of the primary government and the EDA (a component unit) are pooled and invested to the extent available in authorized investments. Investment income is allocated to individual funds on the basis of the fund's equity in the cash and investment pool. Cash and investments of the Public Utilities Component Unit are maintained and invested separately.

Investments are stated at fair value, based upon quoted market prices, except for investments in 2a7-like external investment pools, which are stated at amortized cost. Investment income is accrued at the balance sheet date.

For purposes of the statement of cash flows of the Proprietary Fund type, the City considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. All of the pooled cash and investments allocated to the Primary Government's Proprietary Fund types are considered to be cash and cash equivalents.

The PUC component unit does not consider restricted cash and investments to be cash equivalents.

F. INVESTMENT INCOME

Investment income consists of interest and dividends received and the change in fair value of investments. The change in fair value consists of realized and unrealized gains and amortization of premiums and discounts.

G. PROPERTY TAX REVENUE RECOGNITION

The City Council annually adopts a tax levy and certifies it to the County in December (levy/assessment date) of each year for collection in the following year. The County is responsible for billing and collecting all property taxes for itself, the City, the local School District and other taxing authorities. Such taxes become a lien on January 1 and are recorded as receivables by the City at that date. Real property taxes are payable (by property owners) on May 15 and October 15 of each calendar year. Personal property taxes are payable by taxpayers on February 28 and June 30 of each year. These taxes are collected by the County and remitted to the City on or before July 7 and December 2 of the same year. Delinquent collections for November and December are received the following January. The City has no ability to enforce payment of property taxes by property owners. The County possesses this authority.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The City recognizes property tax revenue in the period for which the taxes were levied. Uncollectible property taxes are not material and have not been reported.

GOVERNMENTAL FUND FINANCIAL STATEMENTS

The City recognizes property tax revenue when it becomes both measurable and available to finance expenditures of the current period. In practice, current and delinquent taxes and State credits received by the City in July, December and January are recognized as revenue for the current year. Taxes collected by the County by December 31 (remitted to the City the following January) and taxes and credits not received at year end are classified as delinquent and due from County taxes receivable. The portion of delinquent taxes not collected by the City in January is fully offset by deferred revenue because they are not available to finance current expenditures.

H. SPECIAL ASSESSMENT REVENUE RECOGNITION

Special assessments are levied against benefited properties for the cost or a portion of the cost of special assessment improvement projects in accordance with State Statutes. These assessments are collectible by the City over a term of years usually consistent with the term of the related bond issue. Collection of annual installments (including interest) is handled by the County Auditor in the same manner as property taxes. Property owners are allowed to (and often do) prepay future installments without interest or prepayment penalties.

Once a special assessment roll is adopted, the amount attributed to each parcel is a lien upon that property until full payment is made or the amount is determined to be excessive by the City Council or court action. If special assessments are allowed to go delinquent, the property is subject to tax forfeit sale. Proceeds of sales from tax forfeit properties are remitted to the City in payment of delinquent special assessments. Pursuant to State Statutes, a property shall be subject to a tax forfeit sale after three years unless it is homesteaded, agricultural or seasonal recreational land in which event the property is subject to such sale after five years.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The City recognizes special assessment revenue in the period that the assessment roll was adopted by the City Council. Uncollectible special assessments are not material and have not been reported.

CITY OF GRAND RAPIDS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

GOVERNMENTAL FUND FINANCIAL STATEMENTS

Revenue from special assessments is recognized by the City when it becomes measurable and available to finance expenditures of the current fiscal period. In practice, current and delinquent special assessments received by the City are recognized as revenue for the current year. Special assessments that are collected by the County by December 31 (remitted to the City the following January) and are also recognized as revenue for the current year. All remaining delinquent, deferred and special deferred assessments receivable in governmental funds are completely offset by deferred revenues.

I. INVENTORIES

GOVERNMENTAL FUNDS

The original cost of materials and supplies has been recorded as expenditures at the time of purchase. These funds do not maintain material amounts of inventory.

J. PREPAID ITEMS

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Prepaid items are reported using the consumption method and recorded as expenditures/expenses at the time of consumption.

K. LAND HELD FOR RESALE

Land held for resale is valued at the lower of cost or market. Due to the nature of redevelopment activities, cost is frequently higher than the market value. Market values are determined using appraised values or estimated actual sales price.

L. CAPITAL ASSETS

Capital assets, which include property, plant, equipment, infrastructure assets (i.e., roads, bridges, sidewalks, and similar items) and intangible assets such as easements and computer software, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an estimated useful life in excess of one year and an initial, individual cost meeting the following thresholds:

Assets	Governmental Funds	Proprietary Funds
Land and land improvements	\$10,000	\$5,000
Buildings and structures	\$25,000	\$5,000
Vehicles, equipment and furniture	\$5,000	\$2,500
Infrastructure	\$100,000	\$5,000

Assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

CITY OF GRAND RAPIDS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
 December 31, 2011

In the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities) the City chose to include all such items regardless of their acquisition date or amount. The City was able to estimate the historical cost for the initial reporting of these assets through backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). As the City constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or extend its useful life beyond the original estimate. In the case of donations the government values these capital assets at the estimated fair value of the item at the date of its donation.

Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. For the year ended December 31, 2011, no interest was capitalized in connection with construction in progress.

Capital assets of the primary government, as well as the component units, are depreciated using the straight line method over the following estimated useful lives:

Assets	
Buildings and structures	20 - 40 years
Vehicles, equipment and furniture	5 - 30 years
Infrastructure	25 years
Public Utilities	10 - 50 years

M. INTERFUND TRANSACTIONS AND BALANCES

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered, and are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

Short-term receivables and payables between funds are classified as “due from other funds” or “due to other funds” on the balance sheet. Such items, which are expected to be eliminated in 2012, represent temporary balances due to interfund billings or reclassifications of funds with internally reported negative cash balances.

Long-term interfund loans are classified as “interfund loan receivable” or “interfund loan payable” on the balance sheet. Interfund loan receivables are offset by nonspendable fund balance in the applicable governmental fund to indicate the related fund balance amount is not in a spendable form and is not available for appropriation.

Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

Uncollectible amounts are not material for interfund receivables and have not been reported.

N. COMPENSATED ABSENCES

It is the City's policy to permit employees to accumulate earned but unused flexible time off (FTO) and extended medical benefit (EMB). All FTO pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. There is no liability for unpaid EMB since accumulated balances are not paid when employees separate from service with the City.

O. LONG-TERM OBLIGATIONS

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are being amortized over the life of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

P. FUND BALANCE CLASSIFICATIONS

In the fund financial statements, governmental funds report fund balance in classifications that disclose constraints for which amounts in those funds can be spent. These classifications are as follows:

Nonspendable - consists of amounts that cannot be spent because they are not in spendable form, such as prepaid items and interfund loans receivable.

Restricted - consists of amounts related to externally imposed constraints established by creditors, grantors or contributors; or constraints imposed by state statutory provisions.

Committed - consists of amounts that are constrained for specific purposes that are internally imposed by formal action (resolution) of the City Council. The committed amounts cannot be used for any other purpose unless the City Council removes or changes the specified use by resolution.

Assigned – consists of amounts intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed:

- In governmental funds other than the General Fund, assigned fund balances represent the remaining amount that is not restricted or committed.
- In the General Fund, assigned amounts represent intended uses established by the governing body itself or by an official to which the governing body delegates the authority. Currently, no individual has been delegated this authority because no fund balance is assigned in the General Fund.

Unassigned – is the residual classification for the General Fund and also reflects negative residual amounts in other funds.

When both restricted and unrestricted resources are available for use, it is the City's policy to first use restricted resources, and then use unrestricted resources as they are needed.

When committed, assigned or unassigned resources are available for use, it is the City's policy to use resources in the following order; 1) committed 2) assigned and 3) unassigned, except for the revenue stabilization commitment which is to be used only in certain circumstances as described in Note 13C.

Q. TRANSACTIONS BETWEEN THE CITY AND ITS COMPONENT UNITS

The City conducts routine transactions with its component units for goods or services provided or received. The PUC reimburses the City for its share of construction costs incurred by the City.

Significant transactions between the City and its component units during 2011 are described in footnotes 3, 6, 18, and 20.

R. USE OF ESTIMATES

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates that affect amounts reported in the financial statements during the reporting period. Actual results could differ from such estimates.

S. UTILITY REVENUE RECOGNITION

Billings are rendered and recorded monthly based on metered usage.

T. RECLASSIFICATIONS

Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

U. COMPARATIVE TOTALS

The basic financial statements and combining and individual fund financial statements and schedules include certain prior-year summarized comparative information in total but not at the level of detail required for a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the City's financial statements for the year ended December 31, 2010, from which the summarized information was derived.

Note 2 DEPOSITS AND INVESTMENTS

A. DEPOSITS

In accordance with Minnesota Statutes, the City maintains deposits at those depository banks authorized by the City Council, all of which are members of the Federal Reserve System.

Minnesota Statutes require that all City deposits be protected by insurance, surety bond, or collateral. The market value of collateral pledged must equal 110% of the deposits not covered by insurance or bonds.

Minnesota Statutes require that securities pledged as collateral be held in safekeeping by the City Treasurer or in a financial institution other than that furnishing the collateral. Authorized collateral includes the following:

- a) United States government treasury bills, treasury notes, treasury bonds;
- b) Issues of United States government agencies and instrumentalities as quoted by a recognized industry quotation service available to the government entity;
- c) General obligation securities of any state or local government with taxing powers which is rated "A" or better by a national bond rating service, or revenue obligation securities of any state or local government with taxing powers which is rated "AA" or better by a national bond rating service;
- d) General obligation securities of a local government with taxing powers may be pledged as collateral against funds deposited by that same local government entity;
- e) Irrevocable standby letters of credit issued by Federal Home Loan Banks to a municipality accompanied by written evidence that the bank's public debt is rated "AA" or better by Moody's Investors Service, Inc. or Standard & Poor's Corporation; and
- f) Time deposits that are fully insured by any Federal agency.

At December 31, 2011 the carrying amount of the City's deposits with financial institutions was \$7,139,112.

Custodial credit risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the City’s deposits may not be returned to it. State Statutes require that insurance, surety bonds or collateral protect all City deposits. The market value of collateral pledged must equal 110% of deposits not covered by insurance or bonds. As of December 31, 2011, the bank balance of the City’s deposits was \$7,319,521, all of which was either insured by the Federal Deposit Insurance Corporation (FDIC) or covered by perfected pledged collateral held in the City’s name.

B. INVESTMENTS

Minnesota Statutes authorize the City to invest in the following:

- a) Direct obligations or obligations guaranteed by the United States or its agencies, its instrumentalities or organizations created by an act of congress, excluding mortgage-backed securities defined as high risk.
- b) Shares of investment companies registered under the Federal Investment Company Act of 1940 and whose only investments are in securities described in (a) above, general obligation tax-exempt securities, or repurchase or reverse repurchase agreements.
- c) Obligations of the State of Minnesota or any of its municipalities as follows:
 - 1) any security which is a general obligation of any state or local government with taxing powers which is rated “A” or better by a national bond rating service;
 - 2) any security which is a revenue obligation of any state or local government with taxing powers which is rated “AA” or better by a national bond rating service; and
 - 3) a general obligation of the Minnesota Housing Finance Agency which is a moral obligation of the State of Minnesota and is rated “A” or better by a national bond rating agency.
- d) Bankers acceptance of United States banks.
- e) Commercial paper issued by United States corporations or their Canadian subsidiaries, of the highest quality, and maturing in 270 days or less.
- f) Repurchase or reverse repurchase agreements with banks that are members of the Federal Reserve System with capitalization exceeding \$10,000,000; a primary reporting dealer in U.S. government securities to the Federal Reserve Bank of New York; certain Minnesota securities broker-dealers; or, a bank qualified as a depositor.
- g) General obligation temporary bonds of the same governmental entity issued under section 429.091, subdivision 7; 469.178, subdivision 5; or 475.61, subdivision 6.

CITY OF GRAND RAPIDS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

As of December 31, 2011, the City had the following investments and maturities:

Investment Type	Rating	Fair Value	Investment Maturities (in Years)		
			Less Than 1	1-5	6-10
FHLMC notes	Aaa	\$400,332	\$ -	\$ -	\$400,332
FNMA notes	Aaa	100,214	-	100,214	-
FHLB notes	Aaa	210,344	-	-	210,344
Federal farm credit bank note	Aaa	113,915	-	-	113,915
US treasury notes	Aaa	205,656	-	205,656	-
Brokered cd's	NR	3,965,567	1,303,233	2,412,334	250,000
First american treasury fund	Aaa	197,663	197,663	-	-
Total		<u>\$5,193,691</u>	<u>\$1,500,896</u>	<u>\$2,718,204</u>	<u>\$974,591</u>
			Total investments		\$5,193,691
			Deposits		7,139,112
NR - Not Rated			Petty cash		4,490
			Total cash and investments		<u>\$12,337,293</u>

Following is a reconciliation of the City's cash and investment balances as of December 31, 2011:

Cash and investments - primary government:	
Governmental and business-type (Statement 1)	\$11,614,466
Fiduciary (Statement 9)	85,956
Cash and investments - EDA (Statement 1)	636,871
	<u>\$12,337,293</u>

C. INVESTMENT RISKS

Custodial credit risk – investments – For investments in securities, custodial credit risk is the risk that in the event of failure of the counterparty to a transaction, the City will not be able to recover the value of its investment securities that are in the possession of an outside party. Investments in investment pools and money markets are not evidenced by securities that exist in physical or book entry form, and therefore are not subject to custodial credit risk disclosures. The City policy is to limit its exposure by holding investments in securities with approved security broker/dealers selected by creditworthiness (minimum capital requirement \$10,000,000 and at least five years of operation).

Interest rate risk – Interest rate risk is the risk that changes in interest rates of debt investments could adversely affect the fair value of an investment. The City's investment policy requires the City to diversify its investment portfolio to eliminate the risk of loss resulting from over concentration of assets in a specific maturity. No more than 25% of the total investments should have maturities extending beyond five years and in no circumstances should any extend beyond ten years. The policy also states the City's investment portfolio will remain sufficiently liquid to enable the City to meet all operating needs which may be reasonably anticipated.

CITY OF GRAND RAPIDS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
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Credit Risk – Credit risk is the risk that an issuer or other counterparty to an investment will be unable to fulfill its obligation to the holder of the investment. State law limits investments to commercial paper to those rated in the highest quality category by at least two nationally recognized rating agencies; in any security of the State of Minnesota or any of its municipalities which is rated “A” or better by a national bond rating service for general obligation and rated “AA” or better for a revenue obligation; a general obligation of the Minnesota Housing Finance Agency to those rated “A” or better by a national bond rating agency; mutual funds or money market funds whose investments are restricted to securities described in MS 118A.04. The City’s investment policy does not place further restrictions on investment options.

Concentration of credit risk – Concentration of credit risk is the risk of loss that may be attributed to the magnitude of a government’s investment in a single issuer. The City places no limit on the amount the City may invest in any one issuer. The City does not have exposure to a single issuer that equals or exceeds 5% of the overall portfolio and, therefore, there is no concentration of credit risk.

Investment balances at December 31, 2011 for the Public Utilities Commission are as follows:

Demand deposits and cash on hand	\$6,966,562
Mutual funds - bond funds	1,760
US agencies - implicitly guaranteed	3,382,222
Total cash and investments	<u>10,350,544</u>
Less restricted amounts	<u>(4,686,620)</u>
Total cash and investments - unrestricted	<u><u>\$5,663,924</u></u>

Note 3 RECEIVABLES

Significant receivables balances not expected to be collected within one year of December 31, 2011 are as follows:

	Primary Government						EDA
	Major Funds					Total	
	General	Improvement Bonds of 2005A	Improvement Bonds of 2006C	G.O. CIP Refunding Bonds of 2006B	Nonmajor Funds		
Special assessments receivable	\$39,882	\$1,221,303	\$1,403,826	\$ -	\$2,781,808	\$5,446,819	\$ -
Property taxes receivable	41,930	287	-	-	10,591	52,808	312
Interfund loan receivable	200,547	-	-	-	20,551	221,098	-
Mortgages, notes and leases receivable	-	-	-	-	-	-	171,557
Receivable from PUC	-	-	-	832,600	-	832,600	-
	<u>\$282,359</u>	<u>\$1,221,590</u>	<u>\$1,403,826</u>	<u>\$832,600</u>	<u>\$2,812,950</u>	<u>\$6,553,325</u>	<u>\$171,869</u>

CITY OF GRAND RAPIDS, MINNESOTA
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PLEDGES RECEIVABLE

The City developed the Pokegama Golf and Park Place project after it was determined there were structural deficiencies in the current golf course clubhouse. The Pokegama Golf and Park Place project was developed to not only replace the existing clubhouse, but to add a park facility to the newly annexed area around the Pokegama Golf Course. Part of the funding schematic was a capital fund drive, which began in 2009. As of December 31, 2011, the capital campaign raised a total of \$406,861 in pledges. An estimated allowance for doubtful accounts of \$5,124 was recorded, resulting in net pledge revenue of \$401,737. Of this amount, \$6,062 was recognized as revenue in 2011 and the remaining amount was recognized as revenue in prior years.

Pledges receivable consist of the following at December 31, 2011:

Pledges receivable due within 1 year	\$51,244
Pledges receivable due after 1 year	<u>51,244</u>
Total pledges receivable	102,488
Less: Allowance for doubtful accounts	<u>(5,124)</u>
Net pledges receivable	<u><u>\$97,364</u></u>

CITY OF GRAND RAPIDS, MINNESOTA
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Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred revenue and unearned revenue reported in the governmental funds were as follows:

	<u>Unavailable</u>	<u>Unearned</u>
Primary government:		
Delinquent property taxes receivable (General Fund)	\$73,816	\$ -
Delinquent property taxes receivable (Improvement Bonds of 2005A)	505	-
Delinquent property taxes receivable (Nonmajor Funds)	18,644	-
Delinquent and deferred special assessments (General Fund)	64,343	-
Delinquent and deferred special assessments (Improvement Bonds of 2005A)	1,315,710	-
Delinquent and deferred special assessments (Improvement Bonds of 2006C)	1,549,686	-
Delinquent and deferred special assessments (Nonmajor Funds)	3,161,284	-
Due from Public Utilities Commission (G.O. CIP Refunding Bonds of 2006B)	1,012,000	296,888
Land held for resale (General Fund)	214,390	-
Federal TE/ATP grant (2011 Infrastructure Bonds)	589,225	-
Miscellaneous (General Fund)	-	23,280
Miscellaneous (Nonmajor Funds)	-	145,212
Total primary government	<u>7,999,603</u>	<u>465,380</u>
EDA (discretely presented component unit):		
Delinquent property taxes receivable	549	-
Unearned taconite tax	-	6,810
Land held for resale	1,397,594	-
Mortgages, notes and leases receivable	181,482	-
Unearned grants	-	37,916
Total EDA	<u>1,579,625</u>	<u>44,726</u>
Total deferred/unearned revenue	<u>\$9,579,228</u>	<u>\$510,106</u>

CITY OF GRAND RAPIDS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

Note 4 INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The City has approved seven interfund loans. Three loans were made to the Pokegama Golf Course for a sales tax payment, to purchase golf carts, and for the Pokegama Golf and Park Place Project. Loans were also made to the IRA Civic Center Fund, the Airport Operations Fund and the Capital Equipment Replacement Fund as financing to those funds for capital expenditures. An interfund loan to TIF 1-5 Black Bear Homes was made to provide developer assistance. A summary at December 31, 2011 is as follows:

	Interfund Loan Receivable	Interfund Loan Payable
Major funds:		
General Fund	\$1,093,843	\$ -
Pokegama Golf Course	-	276,100
Nonmajor funds:		
Special revenue funds:		
Airport Operations	-	57,000
IRA Civic Center	-	72,743
Debt Service Funds:		
TIF 1-5 Black Bear Homes	-	125,894
Capital Projects Funds:		
General Capital Improvement Projects	125,894	-
Capital Equipment Replacement	-	688,000
	<u>\$1,219,737</u>	<u>\$1,219,737</u>

CITY OF GRAND RAPIDS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
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Amounts reported as due to/from other funds at December 31, 2011 are as follows:

	Due From <u>Other Funds</u>	Due To <u>Other Funds</u>
Major Funds:		
General Fund	\$1,828,015	\$419
2011 Infrastructure Bonds	-	1,090,209
2012 Infrastructure Bonds	-	1,804,274
Pokegama Golf Course	-	2,028
Nonmajor Funds:		
Special Revenue Funds:		
Airport Operations	419	-
IRA Civic Center	-	28,279
Haz-Mat	-	17,085
Debt Service Funds:		
TIF 1-6 Old Hospital Housing	-	1,868
TIF 1-5 Black Bear Homes	-	17,882
Capital Project Funds:		
General Capital Improvement Projects	17,882	-
7th Avenue Bridge Rehab	578,181	-
Permanent Improvement Revolving	836,800	-
2010 Infrastructure Bonds	-	299,253
	<u> </u>	<u> </u>
Total	<u><u>\$3,261,297</u></u>	<u><u>\$3,261,297</u></u>

Due to/from other funds represent temporary balances due to interfund billings and reclassifications of funds with internally reported negative cash balances. The latter will be eliminated with a combination of tax levies, bond proceeds and other operating revenues.

Interfund transfers:

	<u>Transfers In</u>		
	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Transfers out:			
General Fund	\$ -	\$376,164	\$376,164
Nonmajor Governmental Funds	19,322	646,005	665,327
Golf Course	3,500	-	3,500
Totals	<u><u>\$22,822</u></u>	<u><u>\$1,022,169</u></u>	<u><u>\$1,044,991</u></u>

The City makes routine interfund transfers to allocate financial resources to the funds that receive benefit from services provided by another fund or to establish or close-out funds. During 2011, the City made transfers from the General Fund to Special Revenue Funds (\$149,309) to provide ongoing support and to the Improvement Refunding Bonds of 2009B Debt Service Fund (\$150,000) as part of its debt financing plan. Transfers were also made to allocate funds for capital purposes (\$119,127), operating purposes (\$3,500) and to close five funds (\$623,055).

CITY OF GRAND RAPIDS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

Note 5 CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2011 was as follows:

Primary Government	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	
Governmental activities:					
Capital assets, not being depreciated:					
Land and land improvements	\$4,984,903	\$500,649	\$ -	\$5,485,552	
Construction in progress	3,176,438	6,929,663	(5,022,541)	5,083,560	
Total capital assets, not being depreciated	<u>8,161,341</u>	<u>7,430,312</u>	<u>(5,022,541)</u>	<u>10,569,112</u>	
Capital assets, being depreciated:					
Buildings and structures	18,403,715	8,128,536	(142,000)	26,390,251	
Vehicles, equipment and furniture	6,891,445	2,169,130	(26,070)	9,034,505	
Infrastructure	44,913,583	4,534,078	-	49,447,661	
Total capital assets, being depreciated	<u>70,208,743</u>	<u>14,831,744</u>	<u>(168,070)</u>	<u>84,872,417</u>	
Less accumulated depreciation for:					
Buildings and structures	10,678,646	3,418,688	(142,000)	13,955,334	
Vehicles, equipment and furniture	3,620,564	1,400,864	(26,070)	4,995,358	
Infrastructure	20,764,793	1,397,302	-	22,162,095	
Total accumulated depreciation	<u>35,064,003</u>	<u>6,216,854</u>	<u>(168,070)</u>	<u>41,112,787</u>	
Total capital assets being depreciated - net	<u>35,144,740</u>	<u>8,614,890</u>	<u>-</u>	<u>43,759,630</u>	
Governmental activities capital assets - net	<u>\$43,306,081</u>	<u>\$16,045,202</u>	<u>(\$5,022,541)</u>	<u>\$54,328,742</u>	
Primary Government	<u>Beginning Balance</u>	<u>Period Adjustment</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type activities:					
Capital assets, not being depreciated:					
Land and land improvements	\$979,510	(\$70,536)	\$ -	(\$2,587)	\$906,387
Capital assets, being depreciated:					
Buildings and structures	2,098,482	70,536	17,179	-	2,186,197
Machinery, equipment and furniture	676,794	-	111,643	-	788,437
Total capital assets, being depreciated	<u>2,775,276</u>	<u>70,536</u>	<u>128,822</u>	<u>0</u>	<u>2,974,634</u>
Less accumulated depreciation for:					
Buildings and structures	334,857	52,180	62,427	-	449,464
Machinery, equipment and furniture	592,687	-	45,217	-	637,904
Total accumulated depreciation	<u>927,544</u>	<u>52,180</u>	<u>107,644</u>	<u>0</u>	<u>1,087,368</u>
Total capital assets being depreciated - net	<u>1,847,732</u>	<u>18,356</u>	<u>21,178</u>	<u>0</u>	<u>1,887,266</u>
Business-type activities capital assets - net	<u>\$2,827,242</u>	<u>(\$52,180)</u>	<u>\$21,178</u>	<u>(\$2,587)</u>	<u>\$2,793,653</u>

Included as increases to capital assets of governmental activities are \$6,038,953 (net) of Grand Rapids / Itasca County Airport capital assets that were contributed to the City on January 1, 2011. Notes 14 and 23 provide further information pertaining to the relationship between the City and the Airport.

CITY OF GRAND RAPIDS, MINNESOTA
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See Note 24 for details pertaining to the prior period adjustment.

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government	\$77,820
Public safety	261,062
Public works, including depreciation of general infrastructure assets	1,912,365
Culture and recreation	500,447
Total depreciation expense - governmental activities	<u>\$2,751,694</u>
Business-type activities:	
Golf course	\$80,747
Storm water utility	26,897
Total depreciation expense - business-type activities	<u>\$107,644</u>

CITY OF GRAND RAPIDS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

Note 6 LONG-TERM DEBT

The City issues general obligation bonds and equipment certificates to provide funds for the acquisition and construction of major capital facilities. The reporting entity's long-term debt is segregated between the amounts to be repaid from governmental activities and amounts to be repaid from business-type activities.

As of December 31, 2011, the governmental long-term bonded debt of the financial reporting entity consisted of the following:

	Interest Rates	Issue Date	Maturity Date	Original Issue	Payable 12/31/11
Primary Government					
<u>Governmental Activities:</u>					
G.O. Tax Increment Bonds:					
Tax Increment Bonds Series 2008A	3.75 - 4.60	8/1/2008	2/1/2034	\$850,000	\$835,000
G.O. Improvement Bonds:					
Improvement Bonds of 2001B	3.00 - 5.00	10/1/2001	2/1/2017	470,000	190,000
Improvement Bonds of 2003A	2.00 - 4.35	12/1/2003	1/27/2012	2,460,000	1,095,000
Improvement Bonds of 2004A	3.00 - 4.15	11/1/2004	2/1/2021	3,705,000	1,870,000
Improvement Bonds of 2005A	3.00 - 3.90	9/1/2005	2/1/2021	3,450,000	2,265,000
Improvement Bonds of 2005B	3.50 - 3.70	9/1/2005	4/1/2015	1,105,000	475,000
Improvement Bonds of 2006C	4.00	10/1/2006	2/1/2022	2,505,000	1,805,000
Improvement Bonds of 2007A	4.00-4.15	9/1/2007	2/1/2023	1,775,000	1,515,000
Improvement Bonds of 2007B	4.00-4.10	12/15/2007	4/1/2022	1,150,000	830,000
Improvement Bonds of 2008C	3.25-4.60	11/1/2008	2/1/2024	1,145,000	1,010,000
Improvement Refunding Bonds of 2009B	1.00 - 3.00	6/1/2009	2/1/2016	1,265,000	720,000
Improvement Bonds of 2009C	1.85 - 5.30	9/1/2009	2/1/2025	4,565,000	4,445,000
Improvement Bonds of 2010A	0.75 - 3.625	11/1/2010	2/1/2026	1,115,000	1,115,000
Improvement Bonds of 2011B	0.50 - 3.15%	12/1/2011	2/1/2027	1,555,000	1,555,000
Total G.O. Improvement Bonds				26,265,000	18,890,000
Other General Obligation Bonds:					
Capital Improvement Plan Bonds of 2006B	4.00	10/1/2006	2/1/2017	1,785,000	1,180,000
Street Reconstruction Bonds of 2008B	3.25-4.60	11/1/2008	2/1/2024	1,010,000	900,000
G.O. Equipment Certificates of 2009D	2.00 - 4.85	9/1/2009	2/1/2019	1,005,000	960,000
Capital Improvement Plan Bonds of 2010A	0.75 - 2.25	11/1/2010	2/1/2018	635,000	635,000
Total other general obligation bonds				4,435,000	3,675,000
Total bonded debt - governmental activities				31,550,000	23,400,000
Capital lease payable	0.00	11/22/2010	12/31/2020	136,444	122,800
Airport loan payable to Itasca County	0.00	2001	2017	147,000	57,000
Airport loan payable for t-hangars	0.00	2002	2012	255,088	14,850
Bond premium				76,365	76,365
Compensated absences				318,188	318,188
Total governmental activities				\$32,483,085	\$23,989,203
<u>Business-Type Activities:</u>					
Compensated absences				3,100	3,100
Total business-type activities				\$3,100	\$3,100
<u>Component Units:</u>					
EDA:					
Note payable	0.00	8/5/2010	8/5/2015	\$100,000	\$100,000
Public Utilities:					
G.O. Revenue Note Series 1999	3.04	1/3/2000	1/1/2019	1,079,657	525,000
Taxable G.O. Wastewater Revenue Bonds of 2001A	5.00 - 6.50	10/1/2001	12/1/2021	4,700,000	3,065,000
Taxable G.O. Wastewater Revenue Bonds of 2006A	5.70-5.90	10/1/2006	6/1/2016	1,915,000	1,085,000
Taxable G.O. Wastewater Revenue Bonds of 2009A	2.00 - 4.90	6/1/2009	12/1/2019	925,000	755,000
Taxable G.O. Wastewater Revenue Note of 2009E	2.90	11/10/2009	8/20/2029	26,104,470	24,285,690
Taxable G.O. Wastewater Revenue Bonds of 2011A	0.60 - 3.50	7/25/2011	12/1/2021	3,965,000	3,965,000
Total public utilities				38,689,127	33,680,690
Total component unit				\$38,789,127	\$33,780,690

CITY OF GRAND RAPIDS, MINNESOTA
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Annual debt service requirements to maturity for long-term debt are as follows:

Year Ending December 31,	G.O. Tax Increment Bonds		G.O. Improvement Bonds		Other G.O. Bonds	
	Governmental Activities		Governmental Activities		Governmental Activities	
	Principal	Interest	Principal	Interest	Principal	Interest
2012	\$15,000	\$36,496	\$2,780,000	\$636,726	\$420,000	\$125,359
2013	15,000	35,934	1,800,000	572,369	445,000	112,375
2014	15,000	35,371	1,795,000	517,794	460,000	97,892
2015	20,000	34,715	1,565,000	463,161	475,000	82,134
2016	20,000	33,965	1,415,000	411,653	485,000	65,245
2017	20,000	33,170	1,400,000	361,257	500,000	47,237
2018	25,000	32,225	1,340,000	310,688	300,000	32,427
2019	25,000	31,175	1,320,000	259,616	205,000	22,164
2020	25,000	30,125	1,310,000	207,226	70,000	15,880
2021	30,000	28,970	1,250,000	154,805	75,000	12,690
2022	30,000	27,680	915,000	109,118	75,000	9,315
2023	35,000	26,250	700,000	73,747	80,000	5,750
2024	35,000	24,710	575,000	44,640	85,000	1,955
2025	40,000	23,060	505,000	19,214	-	-
2026	40,000	21,280	140,000	4,878	-	-
2027	45,000	19,368	80,000	1,260	-	-
2028	45,000	17,342	-	-	-	-
2029	50,000	15,180	-	-	-	-
2030	55,000	12,765	-	-	-	-
2031	55,000	10,235	-	-	-	-
2032	60,000	7,590	-	-	-	-
2033	65,000	4,715	-	-	-	-
2034	70,000	1,610	-	-	-	-
Total	\$835,000	\$543,931	\$18,890,000	\$4,148,152	\$3,675,000	\$630,423

CITY OF GRAND RAPIDS, MINNESOTA
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Year Ending December 31,	Loans Payable		Revenue Bonds and Notes*	
	Governmental Activities		PUC Component Unit	
	Principal	Interest	Principal	Interest
2012	\$24,850	\$ -	\$4,634,000	\$1,183,193
2013	10,000	-	1,920,000	919,771
2014	10,000	-	1,976,000	865,313
2015	10,000	-	2,037,000	807,549
2016	10,000	-	2,101,000	746,020
2017	7,000	-	1,925,000	687,854
2018	-	-	1,977,000	632,469
2019	-	-	2,038,000	573,996
2020	-	-	1,926,000	511,782
2021	-	-	1,988,000	454,008
2022	-	-	1,531,000	393,356
2023	-	-	1,575,000	348,957
2024	-	-	1,621,000	303,282
2025	-	-	1,668,000	256,273
2026	-	-	1,716,000	207,901
2027	-	-	1,766,000	158,137
2028	-	-	1,817,000	106,923
2029	-	-	1,870,000	54,230
Total	<u>\$71,850</u>	<u>\$0</u>	<u>\$36,086,000</u>	<u>\$9,211,014</u>

*During 2009, the Commission was authorized to issue \$28,509,779 of sewer system Clean Water Fund revenue bonds. The original amount reported on page 67 has been issued as of December 31, 2011. The repayment schedule above reflects the entire \$28,509,779 authorized less the \$1,118,000 and \$700,779 principal payments made in 2011 and 2010, respectively.

CURRENT REFUNDING

On December 1, 2011 the City issued General Obligation Improvement and Refunding Bonds, Series 2011B with interest rates ranging between 0.50% and 3.15%. \$525,000 of the proceeds, along with other cash, were used to refund the G.O. Improvement Bonds of 2003A on January 27, 2012. The interest rates on these bonds ranged from 3.5% to 4.35%. This refunding reduced total debt service payments by \$128,364 with a net present value of \$72,837.

CITY OF GRAND RAPIDS, MINNESOTA
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December 31, 2011

CHANGE IN LONG-TERM LIABILITIES

Long-term liability activity for the year ended December 31, 2011, was as follows:

	Balance 12/31/10	Additions	Reductions	Balance 12/31/11	Due Within One Year
<u>Governmental Activities:</u>					
Bonds payable:					
G.O. Tax increment bonds	\$850,000	\$ -	(\$15,000)	\$835,000	\$15,000
G.O. Improvement bonds	20,000,000	1,555,000	(2,665,000)	18,890,000	2,780,000
Other G.O. bonds	3,950,000	-	(275,000)	3,675,000	420,000
Bond premium	86,180	-	(9,815)	76,365	9,815
Capital lease payable	136,444	-	(13,644)	122,800	13,644
Loans payable	-	107,362	(35,512)	71,850	24,850
Compensated absences	298,857	65,479	(46,148)	318,188	72,878
Total governmental activities	<u>\$25,321,481</u>	<u>\$1,727,841</u>	<u>(\$3,060,119)</u>	<u>\$23,989,203</u>	<u>\$3,336,187</u>
<u>Business Type Activities:</u>					
Compensated absences	<u>\$4,308</u>	<u>\$ -</u>	<u>(\$1,208)</u>	<u>\$3,100</u>	<u>\$1,593</u>
<u>Component Units:</u>					
Lease revenue bonds - EDA	\$865,000	\$ -	(\$865,000)	\$ -	\$ -
Note payable - EDA	100,000	-	-	100,000	-
G.O. Revenue Bonds and Notes - PUC	28,535,597	6,805,093	(1,660,000)	33,680,690	4,542,000
Other deferred credits - PUC	98,968	1,799	(6,496)	94,271	-
Compensated absences - PUC	493,310	263,606	(319,396)	437,520	178,306
Total component units	<u>\$30,092,875</u>	<u>\$7,070,498</u>	<u>(\$2,850,892)</u>	<u>\$34,312,481</u>	<u>\$4,720,306</u>

For the governmental activities, compensated absences are generally liquidated by the General Fund.

\$107,362 of loans payable additions are shown in the schedule above. This amount represents the balance of loans payable owed by the Grand Rapids / Itasca County Airport as of January 1, 2011. Notes 14 and 23 provide further information pertaining to the relationship between the City and the Airport.

CAPITAL LEASE PAYABLE

During 2010, the City entered into a Communications System Subscriber Agreement with Itasca County relating to the acquisition and use of radios for the City's police department. The agreement qualifies as a capital lease.

The present value of future minimum lease payments as of December 31, 2011 is \$122,800. The lease is payable in annual installments of \$13,644, beginning in 2011, and matures in 2020. Depreciation in the amount of \$13,644 has been recorded as depreciation expense during 2011.

The net book value of assets under the capital lease at December 31, 2010 is as follows:

	<u>December 31, 2011</u>
Machinery and equipment	\$136,444
Accumulated depreciation	<u>(27,288)</u>
Net	<u>\$109,156</u>

CITY OF GRAND RAPIDS, MINNESOTA
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The following is a schedule of future minimum lease payments under the capital lease:

<u>Year</u>	<u>Payment</u>
2012	\$13,644
2013	13,644
2014	13,644
2015	13,644
2016	13,644
2017	13,644
2018	13,644
2019	13,644
2020	<u>13,648</u>
Total	<u><u>\$122,800</u></u>

TAXABLE NOTE PAYABLE - EDA

In 2010, the EDA entered into a \$100,000 mortgage agreement, without interest, with the Charles K. Blandin Foundation. The proceeds of this note were used to finance soil correction of EDA land held for resale at Block 20/21. The EDA has pledged proceeds from the sale of Block 20/21 to payment of this note upon the earlier of the sale of Block 20/21 or the maturity date of the note (August 15, 2015).

This note is a special limited obligation of the EDA. This note shall not be payable from nor charged upon any funds other than the proceeds of the sale of Block 20/21, nor shall the EDA be subject to any liability hereon or have the powers to obligate itself to pay this note from funds other than the proceeds of the sale of Block 20/21 and no holder of this note shall ever have the right to compel any exercise of any taxing power of the EDA or the City or any other public body, to pay this note, nor to enforce payment thereof against any property of the EDA or other public body other than that expressly pledged for payment of the note.

TAXABLE GENERAL OBLIGATION WASTEWATER REVENUE NOTE, SERIES 2009E

In 2009, the City authorized the issuance of the Taxable General Obligation Wastewater Revenue Note (Public Utilities Project), Series 2009E in the amount of \$28,509,779, payable to the Minnesota Public Facilities Authority. As of December 31, 2011, the amount of proceeds received was \$26,104,470 and the outstanding balance on the note was \$24,285,690.

The Note is secured by first, all Letter of Credit proceeds; second, net revenues of the Public Utilities Wastewater Fund; and third, ad valorem taxes levied by the City in the event proceeds of the Letter of Credit and net revenues are insufficient to pay when due the principal and interest on the Note.

The net revenues are supported by a Demand Charge Agreement between the City, Public Utilities Commission and Blandin Paper Company (the Company). Among other things, the demand charge agreement requires the Company to pay 90% of the debt service on the Note.

The demand charge is secured by an Irrevocable Letter of Credit issued by Nordea Bank Finland PLC.

In accordance with Generally Accepted Accounting Principles, the Series 2009E Note is recorded in the financial statements of the Public Utilities Commission.

CITY OF GRAND RAPIDS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
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REVENUE PLEDGED

Future revenue pledged for the payment of long-term debt is as follows:

Bond Issue	Use of Proceeds	Revenue Pledged			Remaining Principal and Interest	Current Year	
		Type	Percent of Total Debt Service	Term of Pledge		Principal and Interest Paid	Pledged Revenue Received
G.O. Improvement, 2001B	Infrastructure improvements	Special assessments	72%	2001-2017	\$218,268	\$39,445	\$8,600
G.O. Improvement, 2003A	Infrastructure improvements	Special assessments	100%	2003-2020	\$1,116,839	\$186,128	\$121,965
G.O. Improvement, 2004A	Infrastructure improvements	Special assessments	67%	2004-2021	\$2,195,845	\$366,716	\$114,349
G.O. Improvement, 2005A	Infrastructure improvements	Special assessments	85%	2005-2021	\$2,685,258	\$335,276	\$154,553
G.O. Improvement, 2005B	Street reconstruction	MSA allotments	100%	2005-2015	\$510,037	\$128,920	\$128,920
Capital Improvement Plan Bonds, 2006B	Refunded 1996A Public Utilities Revenue Bonds	Receipts from PUC	100%	2006-2017	\$1,328,800	\$220,600	\$220,600
G.O. Improvement, 2006C	Infrastructure improvements	Special assessments	100%	2006-2023	\$2,190,700	\$255,800	\$324,554
G.O. Improvement, 2007A	Infrastructure improvements	Special assessments	33%	2007-2024	\$1,904,424	\$173,815	\$50,106
G.O. Improvement, 2007B	Street reconstruction	MSA allotments	100%	2007-2022	\$1,013,101	\$114,950	\$114,950
G.O. Tax Increment, 2008A	Demolition costs in TIF 1-6	Tax increment	100%	2009-2034	\$1,378,931	\$52,059	\$56,201
G.O. Street Reconstruction, 2008B	Street reconstruction	Special assessments	20%	2009-2023	\$1,171,862	\$98,860	\$12,486
G.O. Improvement, 2008C	Infrastructure improvements	Special assessments	38%	2009-2023	\$1,305,428	\$113,480	\$58,233
G.O. Improvement, 2009B	Refunded 96B, 98A, 99A and Improvement bonds	Special assessments	19%	2009-2016	\$746,431	\$286,268	\$48,930
G.O. Improvement, 2009C (Build America Bond)	Infrastructure improvements	Special assessments Federal BAB credit	24% 10%	2010-2024	\$6,013,934	\$314,888	\$140,384
G.O. Equip. Certificates, 2009D (Build America Bond)	2009 Ladder Truck	Federal BAB credit	7%	2010-2019	\$1,128,942	\$82,175	\$13,011
G.O. Improvement and CIP, 2010A	Infrastructure improvements, refund existing debt	Special assessments	35%	2011-2025	\$2,006,319	\$26,034	\$88,817
G.O. Improvement, 2011B	Infrastructure improvements, refund existing debt	Special assessments	56%	2012-2026	\$1,807,387	\$ -	\$ -

Note 7 PENSION PLANS

A. PUBLIC EMPLOYEES RETIREMENT ASSOCIATION DEFINED BENEFIT PLANS

PLAN DESCRIPTION

All full-time and certain part-time employees of the City are covered by defined benefit plans administered by the Public Employees Retirement Association of Minnesota (PERA). PERA administers the General Employees Retirement Fund (GERF) and the Public Employees Police and Fire Fund (PEPFF) which are cost-sharing, multiple-employer retirement plans. These plans are established and administered in accordance with Minnesota Statutes, Chapters 353 and 356.

GERF members belong to either the Coordinated Plan or the Basic Plan. Coordinated Plan members are covered by Social Security and Basic Plan members are not. All new members must participate in the Coordinated Plan. All police officers, firefighters and peace officers who qualify for membership by statute are covered by the PEPFF.

PERA provides retirement benefits as well as disability benefits to members, and benefits to survivors upon death of eligible members. Benefits are established by state statute, and vest after three years of credited service. The defined retirement benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service.

Two methods are used to compute benefits for PERA's Coordinated and Basic Plan members. The retiring member receives the higher of a step-rate benefit accrual formula (Method 1) or a level accrual formula (Method 2). Under Method 1, the annuity accrual rate for a Basic Plan member is 2.2 percent of average salary for each of the first 10 years of service and 2.7 percent for each remaining year. The annuity accrual rate for a Coordinated Plan member is 1.2 percent of average salary for each of the first 10 years and 1.7 percent for each remaining year. Under Method 2, the annuity accrual rate is 2.7 percent of average salary for Basic Plan members and 1.7 percent for Coordinated Plan members for each year of service. For PEPFF members, the annuity accrual rate is 3.0 percent for each year of service. For all PEPFF members and GERF members hired prior to July 1, 1989 whose annuity is calculated using Method 1, a full annuity is available when age plus years of service equal 90. Normal retirement age is 55 for PEPFF members and 65 for Basic and Coordinated members hired prior to July 1, 1989. Normal retirement age is the age for unreduced Social Security benefits capped at 66 for Coordinated members hired on or after July 1, 1989. A reduced retirement annuity is also available to eligible members seeking early retirement.

There are different types of annuities available to members upon retirement. A single-life annuity is a lifetime annuity that ceases upon the death of the retiree—no survivor annuity is payable. There are also various types of joint and survivor annuity options available which will be payable over joint lives. Members may also leave their contributions in the fund upon termination of public service in order to qualify for a deferred annuity at retirement age. Refunds of contributions are available at any time to members who leave public service, but before retirement benefits begin.

The benefit provisions stated in the previous paragraphs of this section are current provisions and apply to active plan participants. Vested, terminated employees who are entitled to benefits but are not receiving them yet are bound by the provisions in effect at the time they last terminated their public service.

CITY OF GRAND RAPIDS, MINNESOTA
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PERA issues a publicly available financial report that includes financial statements and required supplementary information for GERF and PEPFF. That report may be obtained on the internet at www.mnpera.org, by writing to PERA, 60 Empire Drive #200, St. Paul, Minnesota, 55103-2088 or by calling 651-296-7460 or 1-800-652-9026.

FUNDING POLICY

Minnesota Statutes Chapter 353 sets the rates for employer and employee contributions. These statutes are established and amended by the state legislature. The City makes annual contributions to the pension plans equal to the amount required by state statutes. GERF Basic Plan members and Coordinated Plan members were required to contribute 9.10% and 6.25%, respectively, of their annual covered salary in 2011. PEPFF members were required to contribute 9.6% of their annual covered salary in 2011. The City was required to contribute the following percentages of annual covered payroll in 2011: 11.78% for Basic Plan members, 7.25% for Coordinated Plan members, and 14.4% for PEPFF members. The City's contributions to the General Employees Retirement Fund for the years ending December 31, 2011, 2010, and 2009 were \$202,817, \$188,420 and \$183,148, respectively. The City's contributions to the Public Employees Police and Fire Fund for the years ending December 31, 2011, 2010, and 2009 were \$159,960, \$154,436 and \$178,335, respectively. The City's contributions were equal to the contractually required contributions for each year as set by state statute.

B. PERA DEFINED CONTRIBUTION PLAN

In 2011, four council members of the City were covered by the Public Employees Defined Contribution Plan (PEDCP), a multiple-employer deferred compensation plan administered by the Public Employees Retirement Association of Minnesota (PERA). The PEDCP is a tax qualified plan under Section 401(a) of the Internal Revenue Code and all contributions by or on behalf of employees are tax deferred until time of withdrawal.

Plan benefits depend solely on amounts contributed to the plan plus investment earnings, less administrative expenses. Minnesota Statutes, Chapter 353D.03, specifies plan provisions, including the employee and employer contribution rates for those qualified personnel who elect to participate. An eligible elected official who decides to participate contributes 5 percent of salary which is matched by the elected official's employer. Employer and employee contributions are combined and used to purchase shares in one or more of the seven accounts of the Minnesota Supplemental Investment Fund. For administering the plan, PERA receives 2 percent of employer contributions and twenty-five hundredths of one percent of the assets in each member's account annually.

Total contributions made by the City during fiscal year 2011 were:

	Amount		Percentage of Covered Payroll		Required Rates
	Employees	Employer	Employees	Employer	
PEDCP	\$1,440	\$1,440	5.00%	5.00%	5.00%

C. RETIREMENT - GRAND RAPIDS FIREMEN'S RELIEF ASSOCIATION

PLAN DESCRIPTION

All members of the Grand Rapids Fire Department are covered by a defined benefit plan administered by the Grand Rapids Firemen's Relief Association (the Association). The plan is a single employer retirement plan and is established and administered in accordance with Minnesota Statute, Chapter 69. The Association is comprised of volunteers and therefore there is no covered payroll.

The Association provides retirement benefits as well as disability benefits to members, and benefits to survivors upon death of eligible members. Benefits are established in accordance with State Statute, and vest after ten years of credited service. The defined retirement benefits are based on a member's years of service. Benefit provisions can be amended by the Association within the parameters provided by State Statutes.

The Association issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Grand Rapids Firemen's Relief Association, 18 NE Fifth Street, Grand Rapids, Minnesota, 55744.

FUNDING POLICY

Minnesota Statutes Chapter 69.772 sets the minimum contribution requirement for the City of Grand Rapids and State Aid on an annual basis. These statutes are established and amended by the state legislature. The Association is comprised of volunteers; therefore, members have no contribution requirements. During the year, the City recognized as revenue and as an expenditure on-behalf payments of \$86,228 made by the State of Minnesota for the Fire Relief Association. The City's annual pension cost and related information for the 2011 is as follows:

Annual pension cost - total	\$91,016
Contributions made	
City	\$5,000
State aid - pass-through	\$86,016
Actuarial valuation date	12/31/11
Actuarial cost method	Entry age normal
Amortization method	Level dollar closed
Remaining amortization period:	
Normal cost	20 years
Prior service cost	10 years
Asset valuation method	Market
Actuarial assumptions:	
Investment rate of return	5%
Projected salary increases	N/A
Inflation rate	N/A
Cost of living adjustments	None
Age of service retirement	50
Post retirement benefit increases	None

CITY OF GRAND RAPIDS, MINNESOTA
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THREE-YEAR TREND INFORMATION

Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/2009	\$82,618	100%	\$ -
12/31/2010	94,054	100%	-
12/31/2011	91,016	100%	-

REQUIRED SUPPLEMENTARY INFORMATION

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	(Unfunded)/ Assets in Excess of AAL (UAAL)	Funded Ratio
12/31/2009	\$1,486,938	\$1,328,600	\$158,338	112%
12/31/2010	1,710,510	1,451,000	259,510	118%
12/31/2011	1,763,048	1,591,125	171,923	111%

Note 8 OTHER POST-EMPLOYMENT BENEFITS

In 2008, the City prospectively implemented the requirement of a new accounting pronouncement, GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*.

A. PLAN DESCRIPTION

In addition to providing the pension benefits described in Note 7, the City provides post-employment health care benefits (as defined in paragraph B) for retired employees and police and firefighters disabled in the line of duty, through a single-employer defined benefit plan. The term *Plan* refers to the City's requirement by State Statute to provide retirees with access to health insurance. The OPEB plan is administered by the City. The authority to provide these benefits is established in Minnesota Statutes Sections 471.61 Subd. 2a, and 299A.465. The benefits, benefit levels, employee contributions and employer contributions are governed by the City and can be amended by the City through its personnel manual and collective bargaining agreements with employee groups. The Plan is not accounted for as a trust fund, an irrevocable trust has not been established to account for the Plan. The Plan does not issue a separate report.

B. BENEFITS PROVIDED

Clerical and Public Works Employees

Clerical and public works employees who retire at age 55 or older with 10 or more years of service may continue medical coverage in the Operating Engineer Local #49 Plan by paying full premiums from their City and State health savings accounts. Once these accounts are depleted, the City is required to allow retirees to continue participation in the Plan until age 65. The City is required to pay \$100 per month and the retiree is required to pay the remaining portion of the premium cost. The premium is a blended rate premium determined on the entire active and retired population. Since the projected claims costs for the retirees exceed the premium paid by retirees, the retirees are receiving an implicit rate subsidy (benefit).

Police and Sergeants

Police and sergeant employees who retire at age 55 or older with 3 or more years of service, or any age with 30 years of service (if hired before 7/1/89), or whose age plus service is at least 90, may continue medical coverage in the City Plan by paying full premiums from their City and State health savings accounts. Once these accounts are depleted, the City is required to allow retirees to continue participation in the Plan until age 65. The City is required to pay \$100 per month and the retiree is required to pay the remaining portion of the premium cost. The premium is a blended rate premium determined on the entire active and retired population. Since the projected claims costs for the retirees exceed the premium paid by retirees, the retirees are receiving an implicit rate subsidy (benefit).

Exempt and Library Employees

Exempt and library employees who retire at age 55 and older with 3 or more years of service, or any age with 30 years of service (if hired before 7/1/89), or whose age plus service is at least 90, may continue medical coverage in the City Plan until age 65. The retiree is required to pay 100% of their premium cost. The premium is a blended rate premium determined on the entire active and retired population. Since the projected claims costs for the retirees exceed the premium paid by retirees, the retirees are receiving an implicit rate subsidy (benefit).

The City had an actuarial valuation performed for the Plan as of January 1, 2011. At that date, monthly retiree premiums were:

Plan	Single	Family
49er's Plan	\$922	\$922
City Plan Blue Cross/Blue Shield	\$354	\$884

CITY OF GRAND RAPIDS, MINNESOTA
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C. PARTICIPANTS

As of the actuarial valuation dated December 2011, participants consisted of:

Retired participants and beneficiaries currently	20
Active employees	<u>63</u>
Total	<u><u>83</u></u>
Participating employers	<u><u>1</u></u>

D. FUNDING POLICY

The additional cost of using a blended rate for actives and retirees is currently funded on a pay-as-you-go basis. The City Council may change the funding policy at any time.

E. ANNUAL OPEB COSTS AND NET OPEB OBLIGATION

The City's annual other post employment benefit (OPEB) cost is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The net OPEB obligation as of December 31, 2011, was calculated as follows:

Annual required contribution (ARC)	\$74,900
Interest on net OPEB obligation	7,183
Adjustment to ARC	<u>(10,392)</u>
Annual OPEB cost	71,691
Contributions made during the year	<u>(48,301)</u>
Increase in net OPEB obligation	23,390
Net OPEB obligation - beginning of year	<u>179,578</u>
Net OPEB obligation - end of year	<u><u>\$202,968</u></u>

The net OPEB obligation is allocated as follows:

Governmental activities	\$197,799
Business-type activities	<u>5,169</u>
Total	<u><u>\$202,968</u></u>

For governmental activities, the net OPEB obligation is generally liquidated by the General Fund.

CITY OF GRAND RAPIDS, MINNESOTA
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The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan and the net OPEB obligation for the previous three years was as follows:

Fiscal Year Ended	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
December 31, 2011	\$71,691	\$48,301	67.4%	\$202,968
December 31, 2010	81,239	33,468	41.2%	179,578
December 31, 2009	78,747	16,437	20.9%	131,807

F. FUNDED STATUS AND FUNDING PROGRESS

The City currently has no assets that have been irrevocably deposited in a trust for future health benefits; therefore, the actuarial value of assets is zero. The funded status of the Plan was as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)* (b)	Unfunded Actuarial Accrued Liability (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a) / c)
January 1, 2011	\$0	\$711,627	\$711,627	0.0%	\$3,289,834	21.6%

*Using the projected unit credit actuarial pay cost method.

G. ACTUARIAL METHODS AND ASSUMPTIONS

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the health care cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions (ARC) of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to financial statements, presents multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effect of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the January 1, 2011 actuarial valuation, the Projected Unit Credit Actuarial cost method was used. The actuarial assumptions included a 4.0% investment rate of return (net of administrative expenses) and an initial annual health care cost trend rate of 8.5%. This rate includes a 2.5% inflation rate. The health care cost trend rate is reduced by 0.5% each year to arrive at an ultimate health care cost trend rate of 5.0%. The actuarial value of assets was \$0. The plan's unfunded actuarial accrued liability is being amortized using the level percentage of projected payroll method over 30 years on a closed basis. The remaining amortization period at December 31, 2011, was 26 years.

Note 9 TERMINATION BENEFITS

During 2009, the City implemented an Early Retirement Incentive Program (ERIP) to provide employees who may be considering retirement an incentive to retire and to subsequently save the City money by reducing budgeted annual salary costs. The application deadline for the ERIP was August 31, 2010. Employees were required to meet certain eligibility requirements to qualify for the ERIP. Contingent on approval by the City, employees who choose to participate in the ERIP will receive \$10,000 annually for five years for the purpose of financing health insurance coverage for the employee and their dependents. Additionally, employees who retired prior to certain dates specified under the ERIP received an additional one-time payment of \$2,500 for the same purpose.

Twelve employees choose to participate in the ERIP program, all of which were approved by the City. The total cost of the termination benefits provided under the ERIP program is \$620,000. As of December 31, 2011, \$300,000 of benefits have been paid, resulting in a \$320,000 termination benefit liability at year end.

Note 10 TAX INCREMENT DISTRICTS

The City of Grand Rapids is the administrating authority for various tax increment districts within the municipal development districts established under MS 472.A as redevelopment districts.

The City has three outstanding tax increment pay-as-you-go revenue notes. These notes are not general obligations of the City and are payable solely from available tax increments. Accordingly, these notes are not reflected in the financial statements of the City. A summary of each note is as follows:

Tax Increment Revenue Note, Series 2008B (TIF 1-6) – issued in 2008 in the principal sum of \$307,500 with an interest rate of 7.75% per annum. Principal and interest payments shall be paid on August 1, 2010 and each February 1 and August 1 thereafter to and including February 1, 2032. Payments are payable solely from available tax increment, which shall mean 90% of the tax increment derived from the development property and received by the City. The City shall have no obligation to pay unpaid balance of principal or accrued interest that may remain after the final payment on February 1, 2032. At December 31, 2011 the principal amount outstanding on the note was \$307,500.

Tax Increment Revenue Note, Series 2008C (TIF 1-6) – issued in 2008 in the principal sum of \$15,058 with an interest rate of 7.75% per annum. Principal and interest payments shall be paid on February 1, 2009 and each February 1 and August 1 thereafter to and including August 1, 2014. Payments are payable solely from administrative tax increment, which shall mean 5% of the tax increment attributable to the TIF District and paid to the City. The City shall have no obligation to pay unpaid balance of principal or accrued interest that may remain after the final payment on August 1, 2014. At December 31, 2011 the principal amount outstanding on the note was \$9,540.

CITY OF GRAND RAPIDS, MINNESOTA
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Tax Increment Revenue Note, Series 2008A (TIF 1-7) – issued in 2008 in the principal sum of \$389,300 with an interest rate of 7.25% per annum. Principal and interest payments shall be paid on August 1, 2009 and each February 1 and August 1 thereafter to and including February 1, 2035. Payments are payable solely from available tax increment, which shall mean 90% of the net tax increment derived from the redevelopment property and paid to the City. The City shall have no obligation to pay unpaid balance of principal or accrued interest that may remain after the final payment on February 1, 2035. At December 31, 2011 the principal amount outstanding on the note was \$389,300.

Note 11 CONTINGENCIES

A. LITIGATION

The City attorney has indicated that existing and pending lawsuits, claims and other actions in which the City is a defendant are either covered by insurance; of an immaterial amount; or, in the judgment of the City attorney, remotely recoverable by plaintiffs.

B. FEDERAL AND STATE FUNDS

Amounts received or receivable from federal and state agencies are subject to agency audit and adjustment. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of funds which may be disallowed by the agencies cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

C. TAX INCREMENT DISTRICTS

The City's tax increment districts are subject to review by the State of Minnesota Office of the State Auditor (OSA). Any disallowed claims or misuse of tax increments could become a liability of the applicable fund. Management has indicated that they are not aware of any instances of noncompliance which would have a material effect on the financial statements.

Note 12 OTHER DEFERRED DEBITS AND CREDITS

During 1997-1998, 2006-2007, 2009-2010 and again in 2011, the Public Utilities Commission constructed landfill sites to dispose of industrial waste from Blandin Paper. The cost of the sites is deferred and expensed over the estimated useful life of the individual site. The entire cost of the 1997 and a portion of 2007 site is reimbursed by Blandin Paper and is recorded as a deferred credit. The deferred credits are amortized as revenue over the life of the landfill. The 2006A bonds were issued to fund the remaining portion of the 2007 landfill project. The 2009A bonds were issued to fund the 2009 landfill project and the 2011A bonds were issued for the 2011 project. Blandin Paper pays a demand charge in amounts sufficient to pay principal and interest on these bonds. For ratemaking purposes, the Commission has elected to defer the demand charge revenue until the debt service is paid.

On the statement of net assets, the Commission reports \$2,473,683 of other deferred debits. This amount consists of deferred debits relating to the 2007 Landfill Phases 5 and 6 (\$1,063,295), the 2007 Landfill Phase 7 (\$720,648) and the unamortized portion of the Water Tower Reconditioning Project (\$328,966).

CITY OF GRAND RAPIDS, MINNESOTA
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Note 13 FUND BALANCE

The City adopted the provisions of Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* for the year ended December 31, 2011. This standard changed fund balance classifications for governmental fund statements. Definitions for the new classifications are included in Note 1P.

A. CLASSIFICATIONS

At December 31, 2011, a summary of the governmental fund balance classifications are as follows:

	General Fund	Improvement Bonds of 2005A	Improvement Bonds of 2006C	G.O. CIP Refunding Bonds of 2006B	2011 Infrastructure Bonds	2012 Infrastructure Bonds	Other Governmental Funds	Total
Nonspendable:								
Prepaid items	\$178,521	\$ -	\$ -	\$ -	\$ -	\$ -	\$240,548	\$419,069
Interfund loans receivable	893,296	-	-	-	-	-	105,343	998,639
Restricted:								
Debt service	-	1,216,559	593,997	9,092	-	-	4,725,827	6,545,475
Law enforcement	-	-	-	-	-	-	50,587	50,587
Itasca County's equity in Airport	-	-	-	-	-	-	126,398	126,398
Other purposes	15,567	-	-	-	-	-	6,311	21,878
Committed								
Revenue stabilization	76,401	-	-	-	-	-	-	76,401
Public library	-	-	-	-	-	-	420,454	420,454
Central school	-	-	-	-	-	-	132,891	132,891
Airport operations	-	-	-	-	-	-	48,330	48,330
Recreation programs	-	-	-	-	-	-	42,462	42,462
Cemetery	-	-	-	-	-	-	455	455
Domestic animal control facility	-	-	-	-	-	-	4,775	4,775
Assigned:								
Capital purposes	-	-	-	-	-	-	2,073,531	2,073,531
Unassigned	3,857,416	-	-	-	(559,134)	(1,886,076)	(410,400)	1,001,806
Total	\$5,021,201	\$1,216,559	\$593,997	\$9,092	(\$559,134)	(\$1,886,076)	\$7,567,512	\$11,963,151

B. MINIMUM UNASSIGNED FUND BALANCE POLICY

The City Council has formally adopted a policy regarding the minimum unassigned fund balance for the General Fund. The most significant revenue source of the General Fund is property taxes. This revenue source is received in two installments during the year – June and December. As such, it is the City's goal to begin each fiscal year with sufficient working capital to fund operations between each semi-annual receipt of property taxes.

The City's policy for unassigned funds in the General Fund is:

- Minimum cash flow – to equal 50% of the following year General Fund property tax levy and anticipated local government aids.
- Compensated absences – equal to the sum of flexible time off and compensatory time for employees each December 31.
- Emergency or unanticipated expenditures – equal to 10% of the prior year General Fund annual revenues.
- Neighborhood and economic development – equal to the principal amount of the sale of the liquor store.

At December 31, 2011, the unassigned fund balance of the General Fund was \$3,857,416, compared to its targeted unassigned fund balance of \$4,352,423 based on the above policy.

C. REVENUE STABILIZATION

The City Council adopted Resolution No. 11-111 committing 10% of prior year annual revenues of the General Fund for revenue stabilization. This commitment of fund balance was done to provide a stable source of revenue for general operations of the City during periods of economic recession. The City uses the National Bureau for Economic Research (NBER) as its reference in determining the beginning and end of an economic recession.

During a recession, this fund balance commitment can be used to offset all or part of the temporary revenue decrease, and shall occur at the end of the first and or second fiscal year following the beginning of an economic recession as determined by the NBER. In the third fiscal year after the beginning of an economic recession, the revenue stabilization amount will be replenished by an annual amount equal to 10% of annual revenue, multiplied by a factor of approximately 11.25%.

Due to the recession which began in 2008, the City depleted its revenue stabilization reserve in 2010. During 2011, the City began replenishing the reserve in accordance with its policy described above. The reserve at December 31, 2011 is as follows:

Revenue stabilization at December 31, 2010	\$ -
2011 replenishment	<u>76,401</u>
Revenue stabilization at December 31, 2011	<u><u>\$76,401</u></u>

Note 14 JOINT POWERS COOPERATIVE AGREEMENT

On October 27, 2011, the Joint Power Entity known as the Grand Rapids / Itasca County Airport Commission was dissolved and an Airport Advisory Board was created, as established by the Grand Rapids/ Itasca County Airport Joint Powers Cooperative Agreement. The agreement superseded and replaced all prior agreements between the City of Grand Rapids and Itasca County pertaining to the ownership, operations and maintenance of the Grand Rapids / Itasca County Airport.

The Airport Advisory Board was established for the purpose of making recommendations to the City relative to long-term airport maintenance, management and operations. The Board consists of three members appointed by the City and three members appointed by Itasca County. The Board acts solely in an advisory capacity to the City, has no formal powers, and cannot levy taxes, borrow money, approve any claims, or incur any debt or obligations for expenditures.

The agreement delegates to the City responsibility for all maintenance, management, and operations subject to certain limitations, and specifies the City will be the airport's fiscal agent. The real property, improvements, structures and equipment of the Grand Rapids / Itasca County Airport will continue to be owned 50% by the City and 50% by Itasca County.

Based on the terms of the agreement and GASB Statement No. 14, *The Financial Reporting Entity*, the Airport Advisory Board does not possess corporate powers (i.e. does not have the right to buy, sell, lease and mortgage property in its own name). Therefore, the two funds of the Grand Rapids / Itasca County Airport are reported as funds of the City.

Note 23 describes a special item reported in 2011 relating to the change in financial reporting of the airport.

Note 15 COMMITMENTS

A. POWER CONTRACT

The Public Utilities Commission is obligated to purchase its wholesale power requirements from Minnesota Power through January 31, 2013, terminable upon a three-year termination notice. The Commission may acquire generating capacity to serve its power requirements over 16,000 kW. The peak power requirement for 2011 was 33,196 kW.

B. CONSTRUCTION COMMITMENTS

Significant construction commitments of the primary government at December 31, 2011 are as follows:

<u>City Project</u>	<u>Contract Authorization</u>	<u>Expended as of 12/31/11</u>	<u>Committed</u>
2014-1	\$512,721	\$494,023	\$18,698
2010-3	1,389,558	1,291,876	97,682
2011-4	<u>2,439,598</u>	<u>2,004,571</u>	<u>435,027</u>
	<u>\$4,341,877</u>	<u>\$3,790,470</u>	<u>\$551,407</u>

The Public Utilities Commission has ten active construction projects as of December 31, 2011. The remaining commitment on these projects is \$898,028. As of June 13, 2012, the Commission has awarded five additional contracts in 2012 totaling \$523,914.

C. LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS

State and federal laws and regulations require the Public Utilities Commission to place a final cover on its landfill sites when it stops accepting waste and to perform certain maintenance and monitoring functions at those sites for thirty years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the Commission is required to establish financial assurance for closure, postclosure care and contingency action.

The current calculations of projected costs for all open and planned landfill sites included in the existing Industrial Solid Waste Disposal Facility Permit are:

Closure cost estimate	\$1,421,256
Post-closure care cost estimate	1,433,142
Contingency action	<u>494,749</u>
Total	<u>\$3,349,147</u>

These costs are reviewed annually and adjusted for the effects of inflation, changes in technology, or changes in laws and regulations.

Under the 1996-2001 permit, landfill sites C, D, E, and F were filled to capacity. The 2001-2006 permit included Kettle D and landfill Phases One through Four. Phases Five through Eight were added under the new permit effective September 2006 to September 2011. Kettle D was filled in 2006 and closed in 2008. Phases One through Four were filled and began the closure process in 2007. Final closure on Phases One through Four was completed in 2010. Construction of Phases Five and Six was completed in 2008. Phases Five and Six were put into service in 2008 and have an estimated life of ten years. Phase 7 was constructed in 2010 and placed into service in 2010 with an estimated life of ten years. Construction of Phase 8 began in 2011, with completion scheduled for 2012. Phase 8 will be placed in service in 2012 with an estimated life of ten years.

On January 10, 2012, Blandin Paper Company established an irrevocable letter of credit for \$3,349,147 with Nordea Bank on behalf of the Public Utilities Commission. The purpose of the letter of credit is to provide assurance that funds will be available when needed for closure, post-closure care of, and/or contingency action of the landfill.

Note 16 RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Workers compensation coverage is provided through a pooled self-insurance program through the League of Minnesota Cities Insurance Trust (LMCIT). The City pays an annual premium to LMCIT. The City is subject to supplemental assessments if deemed necessary by the LMCIT. The LMCIT reinsures through Workers Compensation Reinsurance Association (WCRA) as required by law. The City does not have a deductible for its workers compensation insurance. The City's workers compensation coverage is retrospectively rated. With this type of coverage, final premiums are determined after loss experience is known. The amount of premium adjustment, if any, is considered immaterial and not recorded until received or paid.

Property and casualty insurance coverage is provided through a pooled self-insurance program through the LMCIT. The City pays an annual premium to the LMCIT. The City is subject to supplemental assessments if deemed necessary by the LMCIT. The LMCIT reinsures through commercial companies for claims in excess various amounts. For property and casualty coverage, the City has a \$1,000 deductible per occurrence with no annual maximum.

The City carries commercial insurance for all other risks of loss, including life, employee health and accident insurance.

There were no significant reductions in insurance from the previous year or settlements in excess of insurance coverage for any of the past three fiscal years.

CITY OF GRAND RAPIDS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

Note 17 CONDUIT DEBT

From time to time, the City has issued various industrial development and housing revenue bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the City, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of December 31, 2011, there were five bond issues outstanding, with an estimated aggregate principal amount payable of \$5,928,482.

Note 18 OPERATING LEASE

In 1996, the City entered into an operating lease agreement with the Public Utilities Commission component unit for space in a facility owned by the Public Utilities Commission. Annual payments consist of the following:

- 1) 52% of the principal and interest due on the 2006B Refunding Bonds; and,
- 2) 48% of total operating costs of the facility.

The term of the lease is through the later of September 1, 2095 or the date on which the 2006B Bonds are fully paid or defeased. However, the City may cancel the lease on September 1 of any year by delivery of notice of termination to the Public Utilities Commission no later than the preceding July 1.

Note 19 AIRPORT LEASES

The City acts as the lessor in several operating-type lease agreements for space in the terminal building and hangars at the Airport. Most lease agreements are for less than three years. Future minimum lease agreements for 2012 total \$15,040. As of December 31, 2011, the cost of assets being leased was \$666,723 and the accumulated depreciation on those assets was \$219,947.

Note 20 PAYMENTS IN LIEU OF TAX - PUC

Effective January 1, 1997, the Public Utilities Commission and the City of Grand Rapids established a formal agreement for payments in lieu of tax from the Commission to the City. Beginning January 1, 2010, the PILOT agreement was modified and the annual cash payment changed to 4.84 mills per kilowatt hours sold, with a minimum annual payment of \$823,000. The amount of the PILOT, including cash and utility supplied services, received from the Public Utilities Commission for 2011 was \$824,487.

CITY OF GRAND RAPIDS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

Note 21 DEFICIT FUND BALANCES

At December 31, 2011, individual funds with deficit fund balances are as follows:

Special Revenue Funds:	
IRA Civic Center	\$113,231
Debt Service Funds:	
TIF 1-5 Black Bear Homes	122,443
TIF 1-6 Old Hospital Housing Paygo	5,197
Capital Project Funds:	
2010 Infrastructure Bonds	165,457
2011 Infrastructure Bonds	559,134
2012 Infrastructure Bonds	1,886,076

Note 22 MAJOR CUSTOMER AND DEMAND PAYMENT DEFERRAL

The Public Utilities Commission has a contract with Blandin Paper Company (Blandin) where Blandin reimburses the Commission for expenses associated with the operations of the industrial wastewater treatment plant. Amounts reimbursed were \$4,679,666 for 2011. The Commission also has contracts with Blandin whereby Blandin pays demand charges for principal and interest on the General Obligation Revenue Bonds Series 2001A, 2006A, 2009A, 2009E and 2011A. For ratemaking purposes, the Commission has elected to defer the recognition of the revenue until the debt service on the bonds are paid. The total demand charges paid by Blandin for 2011 were \$2,358,002.

Note 23 SPECIAL ITEM: GRAND RAPIDS / ITASCA COUNTY AIRPORT

As described in Note 14, the Grand Rapids / Itasca County Airport Commission was dissolved during 2011 and the Airport Advisory Board was created. Under the Commission, the airport was a joint venture between the City and Itasca County, possessed corporate powers, and issued its own Annual Financial Report. Because the City acted as the Commission's fiscal agent, the assets and liabilities of the airport were reported in an agency fund of the City.

The newly created Airport Advisory Board does not possess corporate powers and therefore, the two funds of the airport are reported as funds within the financial statements of the City (one special revenue fund and one capital project fund). The City began reporting the financial operations of the airport effective January 1, 2011 and no longer reports the airport's assets and liabilities in an agency fund.

CITY OF GRAND RAPIDS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

In accordance with generally accepted accounting principles, the City recorded a special item equal to the fund balance and net assets of the Itasca County – Grand Rapids Airport at January 1, 2011 in the following funds and on the statement of activities.

	<u>Special Item</u>
General Fund	\$67,000
Airport Operations Special Revenue Fund	\$133,482
Airport Capital Project Fund	\$147,147
Statement of Activities	\$6,212,220

Note 24 PRIOR PERIOD ADJUSTMENT

On January 1, 2011, the City recorded a prior period adjustment in the Pokegama Golf Course Fund. Previously reported net assets were overstated by \$52,180 because cart paths had not been depreciated.

Note 25 SUBSEQUENT EVENT

The City issued three general obligation bonds dated April 1, 2012 to fund various infrastructure improvements as follows:

- \$2,245,000 G.O. Improvement Bonds, Series 2012A, with interest rates from 0.5% to 3.25%, maturing February 1, 2028.
- \$4,175,000 G.O. State-Aid Street Bonds, Series 2012B, with interest rates from 0.4% to 2.6%, maturing April 1, 2027.
- \$905,000 G.O. Grant Anticipation Notes, Series 2012C, with an interest rate of 0.5% maturing February 1, 2014.

In addition, the Public Utilities Commission issued \$2,025,000 of General Obligation Revenue Bonds on April 5, 2012 to finance future construction projects. The debt is payable over 20 years and bears an average coupon rate of 2.66%.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF GRAND RAPIDS, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
For The Year Ended December 31, 2011
With Comparative Actual Amounts For The Year Ended December 31, 2010

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	2011				2010 Actual Amounts
	Budgeted Amounts		Actual Amounts	Actual Over (Under) Final Budget	
	Original	Final			
Revenues:					
Taxes:					
General property taxes	\$3,117,223	\$3,117,223	\$3,403,815	\$286,592	\$3,107,526
Payment in lieu of taxes:					
Housing and Redevelopment Authority	32,000	32,000	31,710	(290)	30,542
Public utilities	823,000	823,000	823,000	-	823,000
Total taxes	<u>3,972,223</u>	<u>3,972,223</u>	<u>4,258,525</u>	<u>286,302</u>	<u>3,961,068</u>
Licenses and permits:					
Business	37,950	37,950	40,715	2,765	40,025
Nonbusiness	233,515	233,515	185,113	(48,402)	213,977
Total licenses and permits	<u>271,465</u>	<u>271,465</u>	<u>225,828</u>	<u>(45,637)</u>	<u>254,002</u>
Intergovernmental:					
Federal:					
Public safety grants	-	-	25,840	25,840	4,912
State:					
Local government aid	1,349,614	1,349,614	963,410	(386,204)	963,410
Market value homestead credit	206,828	206,828	65,447	(141,381)	60,412
Mobile home homestead credit	-	-	3,589	3,589	2,922
Taconite supplemental aid	242,770	242,770	242,770	-	234,785
Taconite credit - mobile homes	-	-	13,519	13,519	11,959
Municipal state aid street maintenance	109,038	109,038	109,038	-	72,838
Police aid	114,000	114,000	116,967	2,967	132,367
Fire aid	95,000	95,000	87,016	(7,984)	89,228
Police training aid	9,700	9,700	7,196	(2,504)	7,170
PERA aid	11,695	11,695	11,695	-	11,695
State - miscellaneous	1,000	1,000	20,280	19,280	56,175
Local:					
School District #318	97,000	97,000	97,832	832	97,629
Total intergovernmental	<u>2,236,645</u>	<u>2,236,645</u>	<u>1,764,599</u>	<u>(472,046)</u>	<u>1,745,502</u>
Charges for services:					
General government	141,903	141,903	154,009	12,106	185,810
Public safety	262,075	262,075	265,758	3,683	256,595
Public works	247,301	247,301	269,479	22,178	203,843
Culture and recreation	6,560	6,560	7,127	567	7,575
Total charges for services	<u>657,839</u>	<u>657,839</u>	<u>696,373</u>	<u>38,534</u>	<u>653,823</u>
Fines and forfeits	<u>143,400</u>	<u>143,400</u>	<u>108,982</u>	<u>(34,418)</u>	<u>101,829</u>
Investment income	<u>49,241</u>	<u>49,241</u>	<u>36,292</u>	<u>(12,949)</u>	<u>36,801</u>
Miscellaneous:					
Donations/contributions	800	800	3,637	2,837	3,009
Rentals and leases	3,950	3,950	4,140	190	7,826
Airport loan repayment	10,000	10,000	-	(10,000)	10,000
Other	9,500	9,500	26,112	16,612	19,985
Total miscellaneous	<u>24,250</u>	<u>24,250</u>	<u>33,889</u>	<u>9,639</u>	<u>40,820</u>
Total revenues	<u>7,355,063</u>	<u>7,355,063</u>	<u>7,124,488</u>	<u>(230,575)</u>	<u>6,793,845</u>

CITY OF GRAND RAPIDS, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
For The Year Ended December 31, 2011
With Comparative Actual Amounts For The Year Ended December 31, 2010

Statement 10
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	2011				2010 Actual Amounts
	Budgeted Amounts		Actual Amounts	Actual Over (Under) Final Budget	
	Original	Final			
Expenditures:					
General government:					
Mayor and city council:					
Current:					
Personnel services	\$41,215	\$41,215	\$41,185	(\$30)	\$41,168
Materials and supplies	-	-	839	839	66
Other services and charges	74,031	74,031	72,703	(1,328)	72,160
Total mayor and city council	<u>115,246</u>	<u>115,246</u>	<u>114,727</u>	<u>(519)</u>	<u>113,394</u>
Administration:					
Current:					
Personnel services	339,899	339,899	350,356	10,457	346,321
Materials and supplies	7,250	7,250	4,569	(2,681)	8,038
Other services and charges	105,586	105,586	106,817	1,231	88,772
Total administration	<u>452,735</u>	<u>452,735</u>	<u>461,742</u>	<u>9,007</u>	<u>443,131</u>
Finance:					
Current:					
Personnel services	323,780	323,780	323,093	(687)	312,922
Materials and supplies	4,550	4,550	11,439	6,889	4,977
Other services and charges	61,885	61,885	56,799	(5,086)	50,923
Total finance	<u>390,215</u>	<u>390,215</u>	<u>391,331</u>	<u>1,116</u>	<u>368,822</u>
Information technology:					
Current:					
Personnel services	67,931	67,931	96,794	28,863	65,647
Materials and supplies	1,200	1,200	1,382	182	539
Other services and charges	107,950	107,950	78,662	(29,288)	91,892
Total information technology	<u>177,081</u>	<u>177,081</u>	<u>176,838</u>	<u>(243)</u>	<u>158,078</u>
Community development:					
Current:					
Personnel services	295,728	295,728	294,304	(1,424)	287,191
Materials and supplies	3,650	3,650	2,870	(780)	2,762
Other charges and services	33,650	50,650	47,770	(2,880)	60,072
Total community development	<u>333,028</u>	<u>350,028</u>	<u>344,944</u>	<u>(5,084)</u>	<u>350,025</u>
Building maintenance - City hall:					
Current:					
Personnel services	137,481	137,481	142,077	4,596	131,390
Materials and supplies	6,350	6,350	6,789	439	6,822
Other charges and services	75,470	75,470	71,844	(3,626)	64,108
Total building maintenance - City hall	<u>219,301</u>	<u>219,301</u>	<u>220,710</u>	<u>1,409</u>	<u>202,320</u>
Total general government	<u>1,687,606</u>	<u>1,704,606</u>	<u>1,710,292</u>	<u>5,686</u>	<u>1,635,770</u>

CITY OF GRAND RAPIDS, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
For The Year Ended December 31, 2011
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	2011				2010 Actual Amounts
	Budgeted Amounts		Actual Amounts	Actual Over (Under) Final Budget	
	Original	Final			
Expenditures: (continued)					
Public safety:					
Police protection:					
Current:					
Personnel services	\$1,662,868	1,662,868	\$1,615,109	(\$47,759)	\$1,595,057
Materials and supplies	79,450	79,450	103,391	23,941	101,591
Other charges and services	190,427	190,427	186,591	(3,836)	207,723
Total police protection	<u>1,932,745</u>	<u>1,932,745</u>	<u>1,905,091</u>	<u>(27,654)</u>	<u>1,904,371</u>
Fire protection:					
Current:					
Personnel services	368,806	368,806	344,556	(24,250)	332,143
Materials and supplies	52,382	52,382	51,236	(1,146)	45,501
Other charges and services	104,975	104,975	108,314	3,339	102,938
Capital outlay	-	-	32,878	32,878	-
Total fire protection	<u>526,163</u>	<u>526,163</u>	<u>536,984</u>	<u>10,821</u>	<u>480,582</u>
Total public safety	<u>2,458,908</u>	<u>2,458,908</u>	<u>2,442,075</u>	<u>(16,833)</u>	<u>2,384,953</u>
Public works:					
Public works:					
Current:					
Personnel services	656,494	656,494	704,894	48,400	653,830
Materials and supplies	192,500	192,500	186,238	(6,262)	184,685
Other services and charges	404,917	404,917	416,444	11,527	477,132
Street lighting	220,000	220,000	238,401	18,401	250,680
Capital outlay	-	-	18,927	18,927	56,424
Total public works	<u>1,473,911</u>	<u>1,473,911</u>	<u>1,564,904</u>	<u>90,993</u>	<u>1,622,751</u>
Engineering:					
Current:					
Personnel services	219,213	219,213	239,638	20,425	215,288
Materials and supplies	5,900	5,900	4,614	(1,286)	1,922
Other services and charges	46,840	46,840	46,379	(461)	44,139
Total engineering	<u>271,953</u>	<u>271,953</u>	<u>290,631</u>	<u>18,678</u>	<u>261,349</u>
Fleet maintenance:					
Current:					
Personnel services	157,432	157,432	163,571	6,139	-
Materials and supplies	11,000	11,000	15,660	4,660	-
Other services and charges	44,800	44,800	54,638	9,838	-
Total fleet maintenance	<u>213,232</u>	<u>213,232</u>	<u>233,869</u>	<u>20,637</u>	<u>0</u>
Total public works	<u>1,959,096</u>	<u>1,959,096</u>	<u>2,089,404</u>	<u>130,308</u>	<u>1,884,100</u>

CITY OF GRAND RAPIDS, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
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Statement 10
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	2011				2010 Actual Amounts
	Budgeted Amounts		Actual Amounts	Actual Over (Under) Final Budget	
	Original	Final			
Expenditures: (continued)					
Culture and recreation:					
Current:					
Personnel services	\$164,188	\$164,188	\$132,604	(\$31,584)	\$151,834
Materials and supplies	3,000	3,000	12,085	9,085	6,062
Other services and charges	6,950	6,950	7,497	547	8,260
Total culture and recreation	<u>174,138</u>	<u>174,138</u>	<u>152,186</u>	<u>(21,952)</u>	<u>166,156</u>
Miscellaneous:					
City-wide:					
Current:					
Early Retirement Incentive Plan	122,500	122,500	122,500	-	115,000
Other services and charges	250,822	250,822	225,824	(24,998)	369,946
Special projects:					
Current:					
Other services and charges	15,000	15,000	21,485	6,485	56,068
Total miscellaneous	<u>388,322</u>	<u>388,322</u>	<u>369,809</u>	<u>(18,513)</u>	<u>541,014</u>
Total expenditures	<u>6,668,070</u>	<u>6,685,070</u>	<u>6,763,766</u>	<u>78,696</u>	<u>6,611,993</u>
Revenues over (under) expenditures	<u>686,993</u>	<u>669,993</u>	<u>360,722</u>	<u>(309,271)</u>	<u>181,852</u>
Other financing sources (uses):					
Sale of capital assets	-	-	5,360	5,360	4,957
Transfers in	22,822	22,822	22,822	-	3,500
Transfers out	(709,815)	(709,815)	(376,164)	333,651	(572,191)
Total other financing sources (uses)	<u>(686,993)</u>	<u>(686,993)</u>	<u>(347,982)</u>	<u>339,011</u>	<u>(563,734)</u>
Special item:					
Grand Rapids / Itasca County Airport	-	-	67,000	67,000	-
Merger of Grand Rapids Township	-	-	-	-	574,001
Total special items	<u>-</u>	<u>-</u>	<u>67,000</u>	<u>67,000</u>	<u>574,001</u>
Net change in fund balance	<u>\$0</u>	<u>(\$17,000)</u>	<u>79,740</u>	<u>\$96,740</u>	<u>192,119</u>
Fund balance - January 1			<u>4,941,461</u>		<u>4,749,342</u>
Fund balance - December 31			<u>\$5,021,201</u>		<u>\$4,941,461</u>

Note A - BUDGETS

The General Fund budget is legally adopted on a basis consistent with accounting principles generally accepted in the United States of America. The legal level of budgetary control is at the department level for the General Fund.

CITY OF GRAND RAPIDS, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS - RETIREE HEALTH PLAN
For The Year Ended December 31, 2011

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)* (b)	Unfunded Actuarial Accrued Liability (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a) / c)
January 1, 2011	\$0	\$711,627	\$711,627	0.0%	\$3,289,834	21.6%
January 1, 2008	\$0	\$656,510	\$656,510	0.0%	\$3,208,245	20.5%

*Using the projected unit credit actuarial pay cost method.

Note: the first OPEB actuarial valuation was conducted as of January 1, 2008. There is no data available prior to the first valuation.

**COMBINING AND INDIVIDUAL NONMAJOR FUND STATEMENTS AND
SCHEDULES**

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

A Special Revenue Fund accounts for revenues derived from specific taxes or other earmarked revenue sources. They are usually required by statute or local ordinance and/or resolution to finance particular functions, activities or governments.

DEBT SERVICE FUNDS

The Debt Service Funds were established to finance and account for the payment of principal and interest on general long-term indebtedness of the City not accounted for in other Governmental and Proprietary Funds.

CAPITAL PROJECT FUNDS

The Capital Project Funds are established to account for the resources expended to acquire assets of a relatively permanent nature other than those financed by Enterprise Funds.

CITY OF GRAND RAPIDS, MINNESOTA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 December 31, 2011
 With Comparative Totals For December 31, 2010

Statement 11

	Special Revenue	Debt Service	Capital Project	Totals	
				Nonmajor Governmental Funds	
				2011	2010
Assets					
Cash and investments	\$953,247	\$4,762,481	\$1,507,556	\$7,223,284	\$9,189,599
Due from other governmental units	136,940	-	179,645	316,585	729,461
Due from other funds	419	-	1,432,863	1,433,282	-
Due from component unit	-	-	5,452	5,452	518,829
Accounts receivable	51,137	-	-	51,137	51,088
Interfund loan receivable	-	-	125,894	125,894	135,000
Prepaid items	11,915	-	228,633	240,548	11,547
Taxes receivable - delinquent	7,293	11,351	-	18,644	19,516
Special assessments receivable	-	3,150,149	11,133	3,161,282	3,281,971
Total assets	\$1,160,951	\$7,923,981	\$3,491,176	\$12,576,108	\$13,937,011
Liabilities and Fund Balance					
Liabilities:					
Accounts payable	\$53,210	\$18,648	\$33,158	\$105,016	\$170,993
Accrued wages payable	19,534	-	-	19,534	18,949
Due to other governmental units	6,291	-	-	6,291	8,856
Due to component units	13,451	-	-	13,451	13,342
Contracts payable	198,067	-	21,600	219,667	99,335
Due to other funds	45,364	19,750	299,253	364,367	675,122
Deposits payable	11,493	-	-	11,493	9,593
Interfund loan payable	129,743	125,894	688,000	943,637	223,792
Deferred revenue	40,849	3,161,502	122,789	3,325,140	3,741,937
Total liabilities	518,002	3,325,794	1,164,800	5,008,596	4,961,919
Fund balance:					
Nonspendable	11,915	-	333,976	345,891	140,147
Restricted	98,970	4,725,827	84,326	4,909,123	5,135,679
Committed	649,367	-	-	649,367	-
Assigned	-	-	2,073,531	2,073,531	4,015,122
Unassigned	(117,303)	(127,640)	(165,457)	(410,400)	(315,856)
Total fund balance	642,949	4,598,187	2,326,376	7,567,512	8,975,092
Total liabilities and fund balance	\$1,160,951	\$7,923,981	\$3,491,176	\$12,576,108	\$13,937,011

CITY OF GRAND RAPIDS, MINNESOTA

COMBINING STATEMENT OF REVENUE, EXPENDITURES AND
CHANGES IN FUND BALANCE

Statement 12

NONMAJOR GOVERNMENTAL FUNDS

For The Year Ended December 31, 2011

With Comparative Totals For The Year Ended December 31, 2010

	Special Revenue	Debt Service	Capital Project	Totals	
				Nonmajor Governmental Funds 2011	2010
Revenue:					
Taxes:					
General property	\$628,735	\$891,470	\$ -	\$1,520,205	\$1,488,075
Tax increments	-	141,767	-	141,767	131,121
Licenses and permits	290	-	-	290	1,050
Intergovernmental	473,728	422,211	1,560,487	2,456,426	2,298,437
Special assessments	-	575,659	9,221	584,880	629,432
Charges for services	1,073,143	-	204,711	1,277,854	950,962
Fines and forfeits	82,570	-	-	82,570	40,699
Investment income	13,055	54,713	55,803	123,571	102,844
Contributions and donations	112,255	-	11,848	124,103	25,962
Other	2,157	-	-	2,157	2,139
Total revenue	<u>2,385,933</u>	<u>2,085,820</u>	<u>1,842,070</u>	<u>6,313,823</u>	<u>5,670,721</u>
Expenditures:					
Current:					
General government	-	44,025	252,227	296,252	207,525
Public safety	139,925	-	2,500	142,425	115,649
Public works	403,353	-	232,730	636,083	289,989
Culture and recreation	1,590,275	-	3,463	1,593,738	1,565,311
Capital outlay/construction	638,269	-	2,474,971	3,113,240	3,173,093
Debt service:					
Principal retirement	35,512	2,360,000	-	2,395,512	2,227,668
Interest	-	686,907	-	686,907	726,033
Paying agent fees	-	5,146	-	5,146	6,577
Bond issuance costs	-	14,571	-	14,571	39,692
Total expenditures	<u>2,807,334</u>	<u>3,110,649</u>	<u>2,965,891</u>	<u>8,883,874</u>	<u>8,351,537</u>
Revenue over (under) expenditures	<u>(421,401)</u>	<u>(1,024,829)</u>	<u>(1,123,821)</u>	<u>(2,570,051)</u>	<u>(2,680,816)</u>
Other financing sources (uses):					
Capital lease proceeds	-	-	-	-	136,444
Issuance of refunding bonds	-	525,000	-	525,000	925,000
Bond issuance	-	-	-	-	825,000
Transfers in	172,259	191,969	657,941	1,022,169	1,055,290
Transfers out	-	(41,969)	(623,358)	(665,327)	(523,688)
Total other financing sources (uses)	<u>172,259</u>	<u>675,000</u>	<u>34,583</u>	<u>881,842</u>	<u>2,418,046</u>
Special item:					
Grand Rapids / Itasca County Airport	<u>133,482</u>	<u>-</u>	<u>147,147</u>	<u>280,629</u>	<u>-</u>
Net change in fund balance	(115,660)	(349,829)	(942,091)	(1,407,580)	(262,770)
Fund balance - January 1	<u>758,609</u>	<u>4,948,016</u>	<u>3,268,467</u>	<u>8,975,092</u>	<u>9,237,862</u>
Fund balance - December 31	<u>\$642,949</u>	<u>\$4,598,187</u>	<u>\$2,326,376</u>	<u>\$7,567,512</u>	<u>\$8,975,092</u>

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NONMAJOR SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditure for specified purposes.

Public Library - accounts for the operations of the City's public library.

Central School - accounts for the operation and preservation of a historic building.

Airport Operations – accounts for the operations of the Grand Rapids / Itasca County Airport.

IRA Civic Center - accounts for the operation of the City's civic center.

Recreation Programs - accounts for the program costs of recreation programs.

Haz-Mat - accounts for the State approved Hazardous Materials Program.

Police Forfeiture - accounts for the County, State and Federal forfeitures received.

Cemetery - accounts for the operations of the City's cemetery.

Domestic Animal Control Facility - accounts for costs associated with operating the facility.

CITY OF GRAND RAPIDS, MINNESOTA
SUBCOMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
December 31, 2011
With Comparative Totals For December 31, 2010

	211 Public Library	225 Central School	226 Airport Operations	228 IRA Civic Center
Assets				
Cash and investments	\$551,627	\$147,578	\$145,593	\$ -
Due from other governmental units	93,667	-	17,675	406
Due from other funds	-	-	419	-
Accounts receivable	1,696	-	4,700	44,741
Prepaid items	5,728	1,288	276	4,072
Taxes receivable - delinquent	5,994	-	-	-
Total assets	\$658,712	\$148,866	\$168,663	\$49,219
Liabilities and Fund Balance				
Liabilities:				
Accounts payable	\$15,838	\$2,264	\$5,980	\$18,502
Accrued wages payable	8,452	-	1,547	7,339
Due to other governmental units	528	1	2,126	1,894
Due to component units	2,830	1,069	1,799	6,878
Due to other funds	-	-	-	28,279
Deposits payable	-	11,353	-	-
Interfund loan payable	-	-	57,000	72,743
Contracts payable	198,067	-	-	-
Deferred revenue	6,815	-	3,275	26,815
Total liabilities	232,530	14,687	71,727	162,450
Fund balance (deficit):				
Nonspendable	5,728	1,288	276	4,072
Restricted	-	-	48,330	-
Committed	420,454	132,891	48,330	-
Assigned	-	-	-	-
Unassigned	-	-	-	(117,303)
Total fund balance (deficit)	426,182	134,179	96,936	(113,231)
Total liabilities and fund balance	\$658,712	\$148,866	\$168,663	\$49,219

230 Recreation Programs	231 Haz-Mat	232 Police Forfeiture	233 Cemetery	235 Domestic Animal Control Facility	Totals Nonmajor Special Revenue Funds	
					2011	2010
\$47,493	\$ -	\$51,337	\$5,174	\$4,445	\$953,247	\$983,860
129	21,740	-	-	3,323	136,940	52,741
-	-	-	-	-	419	-
-	-	-	-	-	51,137	51,088
-	-	-	-	551	11,915	11,547
-	-	-	1,299	-	7,293	6,732
<u>\$47,622</u>	<u>\$21,740</u>	<u>\$51,337</u>	<u>\$6,473</u>	<u>\$8,319</u>	<u>\$1,160,951</u>	<u>\$1,105,968</u>
\$2,367	\$3,935	\$750	\$1,858	\$1,716	\$53,210	\$53,263
-	667	-	978	551	19,534	18,949
8	-	-	1,716	18	6,291	7,437
-	-	-	167	708	13,451	13,166
-	17,085	-	-	-	45,364	66,223
140	-	-	-	-	11,493	8,561
-	-	-	-	-	129,743	88,792
-	-	-	-	-	198,067	-
2,645	-	-	1,299	-	40,849	90,968
<u>5,160</u>	<u>21,687</u>	<u>750</u>	<u>6,018</u>	<u>2,993</u>	<u>518,002</u>	<u>347,359</u>
-	-	-	-	551	11,915	11,547
-	53	50,587	-	-	98,970	45,091
42,462	-	-	455	4,775	649,367	-
-	-	-	-	-	-	881,418
-	-	-	-	-	(117,303)	(179,447)
<u>42,462</u>	<u>53</u>	<u>50,587</u>	<u>455</u>	<u>5,326</u>	<u>642,949</u>	<u>758,609</u>
<u>\$47,622</u>	<u>\$21,740</u>	<u>\$51,337</u>	<u>\$6,473</u>	<u>\$8,319</u>	<u>\$1,160,951</u>	<u>\$1,105,968</u>

CITY OF GRAND RAPIDS, MINNESOTA
SUBCOMBINING STATEMENT OF REVENUE,
EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR SPECIAL REVENUE FUNDS
For The Year Ended December 31, 2011
With Comparative Totals For The Year Ended December 31, 2010

	211 Public Library	225 Central School	226 Airport Operations	228 IRA Civic Center
Revenue:				
General property taxes	\$473,588	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	270,618	7,000	73,588	-
Charges for services	154,554	82,995	131,878	632,248
Fines and forfeits	14,303	-	-	-
Investment income	6,340	2,164	3,056	55
Contributions and donations	111,755	-	-	-
Other	-	1,181	138	-
Total revenue	<u>1,031,158</u>	<u>93,340</u>	<u>208,660</u>	<u>632,303</u>
Expenditures:				
Current:				
Public safety	-	-	-	-
Public works	-	-	219,694	-
Culture and recreation	773,613	123,926	-	640,535
Capital outlay	589,786	-	-	-
Debt service - loan repayment	-	-	35,512	-
Total expenditures	<u>1,363,399</u>	<u>123,926</u>	<u>255,206</u>	<u>640,535</u>
Revenue over (under) expenditures	<u>(332,241)</u>	<u>(30,586)</u>	<u>(46,546)</u>	<u>(8,232)</u>
Other financing sources (uses):				
Transfers in	<u>68,309</u>	<u>17,000</u>	<u>10,000</u>	<u>27,450</u>
Special item:				
Grand Rapids / Itasca County Airport	<u>-</u>	<u>-</u>	<u>133,482</u>	<u>-</u>
Net change in fund balance	(263,932)	(13,586)	96,936	19,218
Fund balance (deficit) - January 1	<u>690,114</u>	<u>147,765</u>	<u>-</u>	<u>(132,449)</u>
Fund balance (deficit) - December 31	<u><u>\$426,182</u></u>	<u><u>\$134,179</u></u>	<u><u>\$96,936</u></u>	<u><u>(\$113,231)</u></u>

230 Recreation Programs	231 Haz-Mat	232 Police Forfeiture	233 Cemetery	235 Domestic Animal Control Facility	Totals Nonmajor Special Revenue Funds	
					2011	2010
\$ -	\$ -	\$ -	\$155,147	\$ -	\$628,735	\$602,474
-	-	-	-	290	290	1,050
-	105,286	928	16,308	-	473,728	144,708
46,363	-	-	25,105	-	1,073,143	929,246
-	-	35,263	-	33,004	82,570	40,699
749	-	691	-	-	13,055	12,691
500	-	-	-	-	112,255	22,462
-	-	-	810	28	2,157	2,139
<u>47,612</u>	<u>105,286</u>	<u>36,882</u>	<u>197,370</u>	<u>33,322</u>	<u>2,385,933</u>	<u>1,755,469</u>
-	57,404	30,732	-	51,789	139,925	115,649
-	-	-	183,659	-	403,353	226,685
52,201	-	-	-	-	1,590,275	1,561,438
-	48,483	-	-	-	638,269	30,463
-	-	-	-	-	35,512	-
<u>52,201</u>	<u>105,887</u>	<u>30,732</u>	<u>183,659</u>	<u>51,789</u>	<u>2,807,334</u>	<u>1,934,235</u>
<u>(4,589)</u>	<u>(601)</u>	<u>6,150</u>	<u>13,711</u>	<u>(18,467)</u>	<u>(421,401)</u>	<u>(178,766)</u>
-	-	-	29,500	20,000	172,259	55,881
-	-	-	-	-	133,482	-
(4,589)	(601)	6,150	43,211	1,533	(115,660)	(122,885)
<u>47,051</u>	<u>654</u>	<u>44,437</u>	<u>(42,756)</u>	<u>3,793</u>	<u>758,609</u>	<u>881,494</u>
<u>\$42,462</u>	<u>\$53</u>	<u>\$50,587</u>	<u>\$455</u>	<u>\$5,326</u>	<u>\$642,949</u>	<u>\$758,609</u>

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NONMAJOR DEBT SERVICE FUNDS

The Debt Service Funds are used to account for the accumulation of resources for, and payment of, principal, interest and related costs on long-term debt.

The City's Debt Service Funds account for three types of bonded indebtedness:

- General Debt Bonds
- Tax Increment Bonds
- Improvement Bonds

General Debt Bonds are repaid primarily from general property taxes.

Tax Increment Bonds are repaid primarily from tax increment collections.

Improvement Bonds are repaid primarily from special assessments.

CITY OF GRAND RAPIDS, MINNESOTA
SUBCOMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
December 31, 2011
With Comparative Totals For December 31, 2010

	301 Debt Service Reserve	308 Tax Abatement	309 Equipment Certificates of 2009D	344 Improvement Bonds of 2001B
Assets				
Cash and investments	\$4,718	\$1,557	\$141,897	\$160,193
Due from other governmental units	-	-	-	-
Taxes receivable - delinquent	-	-	1,453	-
Special assessments:				
Delinquent	-	-	-	179
Deferred	-	-	-	24,175
Special deferred	-	-	-	-
Total assets	\$4,718	\$1,557	\$143,350	\$184,547
Liabilities and Fund Balance				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$2,750
Due to other funds	-	-	-	-
Interfund loan payable	-	-	-	-
Deferred revenue	-	-	1,453	24,354
Total liabilities	0	0	1,453	27,104
Fund balance:				
Restricted	4,718	1,557	141,897	157,443
Unassigned	-	-	-	-
Total fund balance	4,718	1,557	141,897	157,443
Total liabilities and fund balance	\$4,718	\$1,557	\$143,350	\$184,547

346 Improvement Bonds of 2003A	347 Improvement Bonds of 2004	353 Improvement Bonds of 2007A	349 G.O. State- Aid Street Bonds of 2005B	354 G.O. State- Aid Improvement Bonds of 2007B	355 Improvement Bonds of 2008C	356 G.O. Street Reconstruction Bonds of 2008B
\$1,189,161	\$885,099	\$304,331	\$6,231	\$19,337	\$213,225	\$122,243
-	-	-	-	-	-	-
-	1,124	1,270	-	-	894	932
29,023	4,898	5,676	-	-	31,266	485
628,378	484,895	259,079	-	-	205,677	74,983
-	1,575	-	-	-	24,042	-
<u>\$1,846,562</u>	<u>\$1,377,591</u>	<u>\$570,356</u>	<u>\$6,231</u>	<u>\$19,337</u>	<u>\$475,104</u>	<u>\$198,643</u>
\$1,904	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
657,401	492,492	266,026	-	-	261,879	76,400
<u>659,305</u>	<u>492,492</u>	<u>266,026</u>	<u>0</u>	<u>0</u>	<u>261,879</u>	<u>76,400</u>
1,187,257	885,099	304,330	6,231	19,337	213,225	122,243
-	-	-	-	-	-	-
<u>1,187,257</u>	<u>885,099</u>	<u>304,330</u>	<u>6,231</u>	<u>19,337</u>	<u>213,225</u>	<u>122,243</u>
<u>\$1,846,562</u>	<u>\$1,377,591</u>	<u>\$570,356</u>	<u>\$6,231</u>	<u>\$19,337</u>	<u>\$475,104</u>	<u>\$198,643</u>

CITY OF GRAND RAPIDS, MINNESOTA
SUBCOMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
December 31, 2011
With Comparative Totals For December 31, 2010

	357 Improvement Refunding Bonds of 2009B	358 Improvement Bonds of 2009C	359 Improvement Bonds of 2010A	360 Improvement Bonds of 2011B
Assets				
Cash and investments	\$399,752	\$812,880	\$249,544	\$810
Due from other governmental units	-	-	-	-
Taxes receivable - delinquent	692	3,120	1,679	-
Special assessments:				
Delinquent	403	17,749	4,994	-
Deferred	98,361	638,610	405,685	187,230
Special deferred	1,156	21,630	-	-
Total assets	\$500,364	\$1,493,989	\$661,902	\$188,040
Liabilities and Fund Balance				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-
Interfund loan payable	-	-	-	-
Deferred revenue	100,613	681,109	412,358	187,230
Total liabilities	100,613	681,109	412,358	187,230
Fund balance:				
Restricted	399,751	812,880	249,544	810
Unassigned	-	-	-	-
Total fund balance	399,751	812,880	249,544	810
Total liabilities and fund balance	\$500,364	\$1,493,989	\$661,902	\$188,040

371 TIF 1-6 Old Hospital Housing Bonds	372 TIF 1-7 Block 37 Redevelopment	373 TIF 1-6 Old Hospital Housing Paygo	374 TIF 1-5 Black Bear Homes	375 TIF 1-4 Oakwood Terrace	Totals Nonmajor Debt Service Funds	
					2011	2010
					\$41,562	\$11,989
-	-	-	-	-	-	242
-	175	-	12	-	11,351	12,784
-	-	-	-	-	94,673	53,920
-	-	-	-	-	3,007,073	3,159,297
-	-	-	-	-	48,403	48,403
<u>\$41,562</u>	<u>\$12,164</u>	<u>\$0</u>	<u>\$21,345</u>	<u>\$176,619</u>	<u>\$7,923,981</u>	<u>\$8,392,781</u>
1,405	9,260	\$3,329	\$ -	\$ -	\$18,648	\$30,374
-	-	1,868	17,882	-	19,750	4,987
-	-	-	125,894	-	125,894	135,000
-	175	-	12	-	3,161,502	3,274,404
<u>1,405</u>	<u>9,435</u>	<u>5,197</u>	<u>143,788</u>	<u>0</u>	<u>3,325,794</u>	<u>3,444,765</u>
40,157	2,729	-	-	176,619	4,725,827	5,084,425
-	-	(5,197)	(122,443)	-	(127,640)	(136,409)
<u>40,157</u>	<u>2,729</u>	<u>(5,197)</u>	<u>(122,443)</u>	<u>176,619</u>	<u>4,598,187</u>	<u>4,948,016</u>
<u>\$41,562</u>	<u>\$12,164</u>	<u>\$0</u>	<u>\$21,345</u>	<u>\$176,619</u>	<u>\$7,923,981</u>	<u>\$8,392,781</u>

CITY OF GRAND RAPIDS, MINNESOTA
SUBCOMBINING STATEMENT OF REVENUE,
EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR DEBT SERVICE FUNDS
For The Year Ended December 31, 2011
With Comparative Totals For The Year Ended December 31, 2010

	301 Debt Service Reserve	308 Tax Abatement	309 Equipment Certificates of 2009D	315 EDA Capital Lease	344 Improvement Bonds of 2001B
Revenue:					
Taxes:					
General property	\$ -	\$ -	\$119,448	\$ -	\$8,630
Tax increments	-	-	-	-	-
Intergovernmental:					
State:					
Market value homestead credit	-	-	2,382	-	173
Supplemental aid	-	-	9,456	-	686
MSA	-	-	-	-	-
Federal BAB credit	-	-	13,011	-	-
Special assessments	-	-	-	-	8,600
Investment income	71	-	1,086	-	2,319
Total revenue	<u>71</u>	<u>0</u>	<u>145,383</u>	<u>0</u>	<u>20,408</u>
Expenditures:					
General government:					
Current:					
Contractual services	-	-	228	-	2,750
Developer assistance	-	-	-	-	-
Debt service:					
Principal retirement	-	-	45,000	-	30,000
Interest	-	-	37,175	-	9,445
Paying agent fees	-	-	400	-	431
Bond issuance costs	-	-	-	-	-
Total expenditures	<u>0</u>	<u>0</u>	<u>82,803</u>	<u>0</u>	<u>42,626</u>
Revenue over (under) expenditures	<u>71</u>	<u>0</u>	<u>62,580</u>	<u>0</u>	<u>(22,218)</u>
Other financing sources (uses):					
Issuance of refunding bonds	-	-	-	-	-
Transfer in	-	-	-	-	-
Transfer out	-	-	-	(26,298)	-
Total other financing sources (uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>(26,298)</u>	<u>0</u>
Net change in fund balance	71	0	62,580	(26,298)	(22,218)
Fund balance (deficit) - January 1	4,647	1,557	79,317	26,298	179,661
Fund balance (deficit) - December 31	<u>\$4,718</u>	<u>\$1,557</u>	<u>\$141,897</u>	<u>\$0</u>	<u>\$157,443</u>

345 Improvement Bonds of 2002A	346 Improvement Bonds of 2003A	347 Improvement Bonds of 2004	353 Improvement Bonds of 2007A	355 Improvement Bonds of 2008C	349 G.O. State- Aid Street Bonds of 2005B	354 G.O. State- Aid Improvement Bonds of 2007B
\$ -	\$ -	\$78,743	\$102,836	\$63,321	\$ -	\$ -
-	-	-	-	-	-	-
-	-	1,561	2,046	1,259	-	-
-	-	6,196	8,121	4,997	-	-
-	-	-	-	-	128,920	114,950
-	-	-	-	-	-	-
-	121,965	114,349	50,106	58,233	-	-
502	10,655	11,983	3,489	2,453	291	363
<u>502</u>	<u>132,620</u>	<u>212,832</u>	<u>166,598</u>	<u>130,263</u>	<u>129,211</u>	<u>115,313</u>
-	-	230	229	229	2,978	229
-	-	-	-	-	-	-
1,015,000	140,000	295,000	110,000	70,000	110,000	80,000
22,812	46,128	71,716	63,815	43,480	18,920	34,950
-	431	431	350	375	403	375
-	14,571	-	-	-	-	-
<u>1,037,812</u>	<u>201,130</u>	<u>367,377</u>	<u>174,394</u>	<u>114,084</u>	<u>132,301</u>	<u>115,554</u>
<u>(1,037,310)</u>	<u>(68,510)</u>	<u>(154,545)</u>	<u>(7,796)</u>	<u>16,179</u>	<u>(3,090)</u>	<u>(241)</u>
-	525,000	-	-	-	-	-
-	-	-	-	-	-	-
<u>(15,671)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(15,671)</u>	<u>525,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
(1,052,981)	456,490	(154,545)	(7,796)	16,179	(3,090)	(241)
<u>1,052,981</u>	<u>730,767</u>	<u>1,039,644</u>	<u>312,126</u>	<u>197,046</u>	<u>9,321</u>	<u>19,578</u>
<u>\$0</u>	<u>\$1,187,257</u>	<u>\$885,099</u>	<u>\$304,330</u>	<u>\$213,225</u>	<u>\$6,231</u>	<u>\$19,337</u>

CITY OF GRAND RAPIDS, MINNESOTA
SUBCOMBINING STATEMENT OF REVENUE,
EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR DEBT SERVICE FUNDS
For The Year Ended December 31, 2011
With Comparative Totals For The Year Ended December 31, 2010

	356 G.O. Street Reconstruction Bonds of 2008B	357 Improvement Refunding Bonds of 2009B	358 Improvement Bonds of 2009C	359 Improvement Bonds of 2010A	360 Improvement Bonds of 2011B
Revenue:					
Taxes:					
General property	\$72,041	\$61,735	\$253,648	\$131,068	\$ -
Tax increments	-	-	-	-	-
Intergovernmental:					
State:					
Market value homestead credit	1,434	1,225	5,055	2,607	-
Supplemental aid	5,691	4,862	20,066	10,350	-
MSA	-	-	-	-	-
Federal BAB credit	-	-	68,211	-	-
Special assessments	12,486	48,930	72,173	88,817	-
Investment income	1,193	4,955	9,738	1,976	810
Total revenue	<u>92,845</u>	<u>121,707</u>	<u>428,891</u>	<u>234,818</u>	<u>810</u>
Expenditures:					
General government:					
Current:					
Contractual services	230	229	228	2,440	-
Developer assistance	-	-	-	-	-
Debt service:					
Principal retirement	60,000	270,000	120,000	-	-
Interest	38,860	16,268	194,888	26,034	-
Paying agent fees	375	400	400	400	-
Bond issuance costs	-	-	-	-	-
Total expenditures	<u>99,465</u>	<u>286,897</u>	<u>315,516</u>	<u>28,874</u>	<u>0</u>
Revenue over (under) expenditures	<u>(6,620)</u>	<u>(165,190)</u>	<u>113,375</u>	<u>205,944</u>	<u>810</u>
Other financing sources (uses):					
Issuance of refunding bonds	-	-	-	-	-
Transfer in	-	150,000	-	41,969	-
Transfer out	-	-	-	-	-
Total other financing sources (uses)	<u>0</u>	<u>150,000</u>	<u>0</u>	<u>41,969</u>	<u>0</u>
Net change in fund balance	(6,620)	(15,190)	113,375	247,913	810
Fund balance (deficit) - January 1	<u>128,863</u>	<u>414,941</u>	<u>699,505</u>	<u>1,631</u>	<u>-</u>
Fund balance (deficit) - December 31	<u><u>\$122,243</u></u>	<u><u>\$399,751</u></u>	<u><u>\$812,880</u></u>	<u><u>\$249,544</u></u>	<u><u>\$810</u></u>

371 TIF 1-6 Old Hospital Housing Bonds	372 TIF 1-7 Block 37 Redevelopment	373 TIF 1-6 Old Hospital Housing Paygo	374 TIF 1-5 Black Bear Homes	375 TIF 1-4 Oakwood Terrace	Totals Nonmajor Debt Service Funds	
					2011	2010
\$ -	\$ -	\$ -	\$ -	\$ -	\$891,470	\$885,601
56,201	25,709	8,427	23,940	27,490	141,767	131,121
-	-	-	4,008	-	21,750	23,469
-	-	-	4,944	-	75,369	79,344
-	-	-	-	-	243,870	245,833
-	-	-	-	-	81,222	72,001
-	-	-	-	-	575,659	628,711
266	22	-	103	2,438	54,713	47,678
<u>56,467</u>	<u>25,731</u>	<u>8,427</u>	<u>32,995</u>	<u>29,928</u>	<u>2,085,820</u>	<u>2,113,758</u>
3,362	1,426	418	473	365	16,044	19,997
-	20,397	7,584	-	-	27,981	55,549
15,000	-	-	-	-	2,360,000	2,227,668
37,059	-	-	25,357	-	686,907	726,033
375	-	-	-	-	5,146	6,577
-	-	-	-	-	14,571	8,916
<u>55,796</u>	<u>21,823</u>	<u>8,002</u>	<u>25,830</u>	<u>365</u>	<u>3,110,649</u>	<u>3,044,740</u>
<u>671</u>	<u>3,908</u>	<u>425</u>	<u>7,165</u>	<u>29,563</u>	<u>(1,024,829)</u>	<u>(930,982)</u>
-	-	-	-	-	525,000	925,000
-	-	-	-	-	191,969	427,364
-	-	-	-	-	(41,969)	-
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>675,000</u>	<u>1,352,364</u>
671	3,908	425	7,165	29,563	(349,829)	421,382
39,486	(1,179)	(5,622)	(129,608)	147,056	4,948,016	4,526,634
<u>\$40,157</u>	<u>\$2,729</u>	<u>(\$5,197)</u>	<u>(\$122,443)</u>	<u>\$176,619</u>	<u>\$4,598,187</u>	<u>\$4,948,016</u>

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NONMAJOR CAPITAL PROJECT FUNDS

The Capital Project Funds account for financial resources to be used for acquisition or construction of major capital facilities (other than those financed by Proprietary Funds).

General Capital Improvement Projects - accounts for general capital improvement projects that are not funded by bonds.

Municipal State Aid - accounts for allotments received from the Minnesota Department of Transportation.

Park Acquisition and Development - accounts for the accumulation of resources to be used to improve the City's park and recreational facilities.

Capital Equipment Replacement – used to accumulate resources for capital equipment replacement.

Street Light and Utility Services – accounts for new street light construction.

Airport Capital fund – accounts for the capital activity of the Grand Rapids / Itasca County Airport.

IRA Civic Center Capital Reserve – used to accumulate resources for IRA Civic Center capital purposes.

7th Avenue Bridge Rehabilitation - accounts for 7th Avenue bridge rehabilitation.

Infrastructure – Bonded Funds - accounts for infrastructure improvements that have been financed by bond proceeds.

Infrastructure – Other Funds - accounts for infrastructure projects which are not financed by bond proceeds.

Permanent Improvement Revolving - designed to be a revolving fund for infrastructure improvements.

CITY OF GRAND RAPIDS, MINNESOTA
 SUBCOMBINING BALANCE SHEET
 NONMAJOR CAPITAL PROJECT FUNDS
 December 31, 2011
 With Comparative Totals For December 31, 2010

	401 General Capital Improvement Projects	402 Municipal State Aid	404 Park Acquisition and Development	407 Capital Equipment Replacement	409 Street and Light Utility
Assets					
Cash and investments	\$280,837	\$86,650	\$13,327	\$958,888	\$9,763
Due from other governmental units	-	-	-	-	-
Due from other funds	17,882	-	-	-	-
Due from component unit	-	5,452	-	-	-
Interfund loan receivable	125,894	-	-	-	-
Prepaid items	-	-	-	228,633	-
Special assessments receivable:					
Deferred	-	-	-	-	-
Special deferred	-	-	-	-	-
Total assets	\$424,613	\$92,102	\$13,327	\$1,187,521	\$9,763
Liabilities and Fund Balance					
Liabilities:					
Accounts payable	\$ -	\$17,639	\$ -	\$ -	\$ -
Due to other governmental units	-	-	-	-	-
Due to component unit	-	-	-	-	-
Interfund loan payable	-	-	-	688,000	-
Contracts payable	-	-	-	-	-
Due to other funds	-	-	-	-	-
Deposits payable	-	-	-	-	-
Deferred revenue	2,652	-	-	109,004	-
Total liabilities	2,652	17,639	0	797,004	0
Fund balance (deficit):					
Nonspendable	105,343	-	-	228,633	-
Restricted	-	-	-	-	-
Assigned	316,618	74,463	13,327	161,884	9,763
Unassigned	-	-	-	-	-
Total fund balance (deficit)	421,961	74,463	13,327	390,517	9,763
Total liabilities and fund balance	\$424,613	\$92,102	\$13,327	\$1,187,521	\$9,763

413 Airport Capital Fund	429 IRA Civic		458 2000 Infrastructure Other	471 2010 Infrastructure Bonds	501 Permanent Improvement Revolving	Totals Nonmajor Capital Project Funds	
	Center Projects	431 7th Ave Bridge Rehab				2011	2010
	\$147,406	\$4,427				\$ -	\$6,258
39,645	-	-	-	140,000	-	179,645	676,478
-	-	578,181	-	-	836,800	1,432,863	-
-	-	-	-	-	-	5,452	518,829
-	-	-	-	-	-	125,894	135,000
-	-	-	-	-	-	228,633	-
-	-	-	-	-	4,846	4,846	4,846
-	-	-	-	-	6,287	6,287	15,505
<u>\$187,051</u>	<u>\$4,427</u>	<u>\$578,181</u>	<u>\$6,258</u>	<u>\$140,000</u>	<u>\$847,933</u>	<u>\$3,491,176</u>	<u>\$4,438,262</u>
\$9,315	\$ -	\$ -	\$ -	\$6,204	\$ -	\$33,158	\$87,356
-	-	-	-	-	-	-	1,419
-	-	-	-	-	-	-	176
-	-	-	-	-	-	688,000	-
21,600	-	-	-	-	-	21,600	99,335
-	-	-	-	299,253	-	299,253	603,912
-	-	-	-	-	-	-	1,032
-	-	-	-	-	11,133	122,789	376,565
<u>30,915</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>305,457</u>	<u>11,133</u>	<u>1,164,800</u>	<u>1,169,795</u>
-	-	-	-	-	-	333,976	128,600
78,068	-	-	6,258	-	-	84,326	6,163
78,068	4,427	578,181	-	-	836,800	2,073,531	3,133,704
-	-	-	-	(165,457)	-	(165,457)	-
<u>156,136</u>	<u>4,427</u>	<u>578,181</u>	<u>6,258</u>	<u>(165,457)</u>	<u>836,800</u>	<u>2,326,376</u>	<u>3,268,467</u>
<u>\$187,051</u>	<u>\$4,427</u>	<u>\$578,181</u>	<u>\$6,258</u>	<u>\$140,000</u>	<u>\$847,933</u>	<u>\$3,491,176</u>	<u>\$4,438,262</u>

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CITY OF GRAND RAPIDS, MINNESOTA
SUBCOMBINING STATEMENT OF REVENUE,
EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR CAPITAL PROJECT FUNDS
For The Year Ended December 31, 2011
With Comparative Totals For The Year Ended December 31, 2010

Statement 18
Page 1 of 2

	401 General Capital Improvement Projects	402 Municipal State Aid	404 Park Acquisition and Development	407 Capital Equipment Replacement
Revenue:				
Intergovernmental:				
State:				
MSA	\$ -	\$106,005	\$ -	\$ -
Other intergovernmental	214,750	-	-	12,988
Special assessments	-	-	-	-
Charges for services	-	-	-	-
Investment income	29,437	2,140	212	10,432
Contributions and donations	11,848	-	-	-
Total revenue	<u>256,035</u>	<u>108,145</u>	<u>212</u>	<u>23,420</u>
Expenditures:				
Current:				
General government	233,252	-	-	13,208
Public safety	-	-	-	2,500
Public works	-	152,885	-	27,490
Culture and recreation	-	-	3,463	-
Capital outlay/construction	-	21,100	12,000	429,551
Debt service:				
Bond issuance costs	-	-	-	-
Total expenditures	<u>233,252</u>	<u>173,985</u>	<u>15,463</u>	<u>472,749</u>
Revenue over (under) expenditures	<u>22,783</u>	<u>(65,840)</u>	<u>(15,251)</u>	<u>(449,329)</u>
Other financing sources (uses):				
Capital lease proceeds	-	-	-	-
Bond issuance	-	-	-	-
Transfers in	10,715	-	-	66,140
Transfers out	-	-	-	(26,822)
Total other financing sources (uses)	<u>10,715</u>	<u>0</u>	<u>0</u>	<u>39,318</u>
Special item:				
Grand Rapids / Itasca County Airport	-	-	-	-
Net change in fund balance	33,498	(65,840)	(15,251)	(410,011)
Fund balance - January 1	<u>388,463</u>	<u>140,303</u>	<u>28,578</u>	<u>800,528</u>
Fund balance (deficit) - December 31	<u>\$421,961</u>	<u>\$74,463</u>	<u>\$13,327</u>	<u>\$390,517</u>

CITY OF GRAND RAPIDS, MINNESOTA
SUBCOMBINING STATEMENT OF REVENUE,
EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR CAPITAL PROJECT FUNDS
For The Year Ended December 31, 2011
With Comparative Totals For The Year Ended December 31, 2010

	409 Street and Light Utility	411 Infrastructure 4th St	413 Airport Capital Fund	429 IRA Civic Center Projects
Revenue:				
Intergovernmental:				
State:				
MSA	\$ -	\$ -	\$ -	\$ -
Other intergovernmental	-	-	272,644	-
Special assessments	-	-	-	-
Charges for services	-	3,490	-	-
Investment income	148	998	1,709	146
Contributions and donations	-	-	-	-
Total revenue	<u>148</u>	<u>4,488</u>	<u>274,353</u>	<u>146</u>
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	12,671	38,899	-
Culture and recreation	-	-	-	-
Capital outlay/construction	-	-	226,465	-
Debt service:				
Bond issuance costs	-	-	-	-
Total expenditures	<u>0</u>	<u>12,671</u>	<u>265,364</u>	<u>0</u>
Revenue over (under) expenditures	<u>148</u>	<u>(8,183)</u>	<u>8,989</u>	<u>146</u>
Other financing sources (uses):				
Capital lease proceeds	-	-	-	-
Bond issuance	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	(63,205)	-	(15,450)
Total other financing sources (uses)	<u>0</u>	<u>(63,205)</u>	<u>0</u>	<u>(15,450)</u>
Special item:				
Grand Rapids / Itasca County Airport	-	-	147,147	-
Net change in fund balance	148	(71,388)	156,136	(15,304)
Fund balance - January 1	<u>9,615</u>	<u>71,388</u>	<u>-</u>	<u>19,731</u>
Fund balance (deficit) - December 31	<u>\$9,763</u>	<u>\$0</u>	<u>\$156,136</u>	<u>\$4,427</u>

431 7th Ave Bridge Rehab	458 2000	465 2007	468 2009	471 2010	501 Permanent	Totals Nonmajor Capital	
	Infrastructure	Infrastructure	Infrastructure	Infrastructure	Improvement	Project Funds	
	Other	Bonds	Bonds	Bonds	Revolving	2011	2010
\$ -	\$ -	\$ -	\$ -	\$185,960	\$ -	\$291,965	\$131,581
-	-	-	-	768,140	-	1,268,522	1,601,501
-	-	-	-	-	9,221	9,221	721
-	-	151,221	-	50,000	-	204,711	21,716
3,753	95	1,777	2,095	1,225	1,636	55,803	42,475
-	-	-	-	-	-	11,848	3,500
<u>3,753</u>	<u>95</u>	<u>152,998</u>	<u>2,095</u>	<u>1,005,325</u>	<u>10,857</u>	<u>1,842,070</u>	<u>1,801,494</u>
-	-	-	-	-	5,767	252,227	131,979
-	-	-	-	-	-	2,500	-
-	-	-	785	-	-	232,730	63,304
-	-	-	-	-	-	3,463	3,873
-	-	229,043	-	1,556,812	-	2,474,971	3,142,630
-	-	-	-	-	-	-	30,776
<u>0</u>	<u>0</u>	<u>229,043</u>	<u>785</u>	<u>1,556,812</u>	<u>5,767</u>	<u>2,965,891</u>	<u>3,372,562</u>
<u>3,753</u>	<u>95</u>	<u>(76,045)</u>	<u>1,310</u>	<u>(551,487)</u>	<u>5,090</u>	<u>(1,123,821)</u>	<u>(1,571,068)</u>
-	-	-	-	-	-	-	136,444
-	-	-	-	-	-	-	825,000
-	-	-	-	-	581,086	657,941	572,045
-	-	(195,943)	(321,938)	-	-	(623,358)	(523,688)
<u>0</u>	<u>0</u>	<u>(195,943)</u>	<u>(321,938)</u>	<u>0</u>	<u>581,086</u>	<u>34,583</u>	<u>1,009,801</u>
-	-	-	-	-	-	147,147	-
<u>3,753</u>	<u>95</u>	<u>(271,988)</u>	<u>(320,628)</u>	<u>(551,487)</u>	<u>586,176</u>	<u>(942,091)</u>	<u>(561,267)</u>
<u>574,428</u>	<u>6,163</u>	<u>271,988</u>	<u>320,628</u>	<u>386,030</u>	<u>250,624</u>	<u>3,268,467</u>	<u>3,829,734</u>
<u>\$578,181</u>	<u>\$6,258</u>	<u>\$0</u>	<u>\$0</u>	<u>(\$165,457)</u>	<u>\$836,800</u>	<u>\$2,326,376</u>	<u>\$3,268,467</u>

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INDIVIDUAL BUDGET TO ACTUAL STATEMENTS

SPECIAL REVENUE FUNDS

CITY OF GRAND RAPIDS, MINNESOTA
SPECIAL REVENUE FUND - 211 PUBLIC LIBRARY
SCHEDULE OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For The Year Ended December 31, 2011
With Comparative Actual Amounts For The Year Ended December 31, 2010

Statement 19

	2011		Actual Amounts	2010 Actual Amounts
	Budgeted Amounts			
	Original	Final		
Revenue:				
General property taxes	\$465,437	\$465,437	\$473,588	\$453,334
Intergovernmental:				
State:				
Market value homestead credit	31,901	31,901	9,417	10,067
Supplemental aid	37,378	37,378	37,378	38,008
Other	-	-	223,823	112
Charges for services:				
Townships	133,000	133,000	135,333	144,511
Other	11,182	11,182	19,221	19,758
Fines and forfeits	15,000	15,000	14,303	14,970
Investment income	8,000	8,000	6,340	9,596
Contributions and donations	11,400	11,400	111,755	22,162
Total revenue	<u>713,298</u>	<u>713,298</u>	<u>1,031,158</u>	<u>712,518</u>
Expenditures:				
Culture and recreation:				
Current:				
Personnel services	503,133	503,133	509,566	489,498
Materials and supplies	98,725	98,725	114,363	96,525
Other services and charges	163,080	163,080	149,684	163,461
Total current	<u>764,938</u>	<u>764,938</u>	<u>773,613</u>	<u>749,484</u>
Capital outlay	-	-	589,786	-
Total expenditures	<u>764,938</u>	<u>764,938</u>	<u>1,363,399</u>	<u>749,484</u>
Revenue over (under) expenditures	(51,640)	(51,640)	(332,241)	(36,966)
Other financing sources:				
Transfers in	-	-	68,309	-
Net change in fund balance	<u>(\$51,640)</u>	<u>(\$51,640)</u>	(263,932)	(36,966)
Fund balance - January 1			<u>690,114</u>	<u>727,080</u>
Fund balance - December 31			<u>\$426,182</u>	<u>\$690,114</u>

CITY OF GRAND RAPIDS, MINNESOTA
SPECIAL REVENUE FUND - 225 CENTRAL SCHOOL
SCHEDULE OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For The Year Ended December 31, 2011
With Comparative Actual Amounts For The Year Ended December 31, 2010

Statement 20

	2011		Actual Amounts	2010 Actual Amounts
	Budgeted Amounts			
	Original	Final		
Revenue:				
Charges for services:				
Rent	\$94,548	\$94,548	\$82,363	\$88,349
Other	-	-	632	618
Intergovernmental	-	-	7,000	11,011
Investment income	-	-	2,164	1,794
Other	-	-	1,181	25
Total revenue	<u>94,548</u>	<u>94,548</u>	<u>93,340</u>	<u>101,797</u>
Expenditures:				
Culture and recreation:				
Current:				
Materials and supplies	3,600	3,600	3,053	3,492
Other services and charges	<u>115,955</u>	<u>115,955</u>	<u>120,873</u>	<u>137,733</u>
Total expenditures	<u>119,555</u>	<u>119,555</u>	<u>123,926</u>	<u>141,225</u>
Revenue over (under) expenditures	(25,007)	(25,007)	(30,586)	(39,428)
Other financing sources:				
Transfer in	<u>12,000</u>	<u>12,000</u>	<u>17,000</u>	<u>12,000</u>
Net change in fund balance	<u>(\$13,007)</u>	<u>(\$13,007)</u>	(13,586)	(27,428)
Fund balance - January 1			<u>147,765</u>	<u>175,193</u>
Fund balance - December 31			<u>\$134,179</u>	<u>\$147,765</u>

CITY OF GRAND RAPIDS, MINNESOTA
SPECIAL REVENUE FUND - 226 AIRPORT OPERATIONS
SCHEDULE OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For The Year Ended December 31, 2011
With Comparative Actual Amounts For The Year Ended December 31, 2010

Statement 21

	2011		Actual Amounts	2010 Actual Amounts
	Budgeted Amounts			
	Original	Final		
Revenue:				
Charges for services:				
Rent	\$115,941	\$115,941	\$127,076	\$ -
Other	4,800	4,800	4,802	-
Intergovernmental:				
State operations reimbursement	64,000	64,000	59,305	-
Itasca County	14,283	14,283	14,283	-
Investment income	2,000	2,000	3,056	-
Other	300	300	138	-
Total revenue	<u>201,324</u>	<u>201,324</u>	<u>208,660</u>	<u>0</u>
Expenditures:				
Public works:				
Current:				
Personnel services	48,313	48,313	95,996	-
Materials and supplies	12,150	12,150	11,873	-
Other services and charges	114,082	114,082	111,825	-
Total current	<u>174,545</u>	<u>174,545</u>	<u>219,694</u>	<u>0</u>
Debt service - loan repayment	<u>35,450</u>	<u>35,450</u>	<u>35,512</u>	<u>-</u>
Total expenditures	<u>209,995</u>	<u>209,995</u>	<u>255,206</u>	<u>0</u>
Revenue over (under) expenditures	(8,671)	(8,671)	(46,546)	0
Other financing sources:				
Transfer in	10,970	10,970	10,000	-
Special item:				
Grand Rapids / Itasca County Airport	<u>-</u>	<u>-</u>	<u>133,482</u>	<u>-</u>
Net change in fund balance	<u>\$2,299</u>	<u>\$2,299</u>	96,936	0
Fund balance - January 1			<u>-</u>	<u>-</u>
Fund balance - December 31			<u>\$96,936</u>	<u>\$0</u>

CITY OF GRAND RAPIDS, MINNESOTA

SPECIAL REVENUE FUND - 228 IRA CIVIC CENTER

Statement 22

SCHEDULE OF REVENUE, EXPENDITURES

AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For The Year Ended December 31, 2011

With Comparative Actual Amounts For The Year Ended December 31, 2010

	2011		Actual Amounts	2010 Actual Amounts
	Budgeted Amounts			
	Original	Final		
Revenue:				
Charges for services:				
Rent	\$446,500	\$446,500	\$434,724	\$409,234
Concessions	138,000	138,000	130,221	119,467
Advertising	53,000	53,000	49,367	51,467
Other	45,300	45,300	17,936	22,215
Investment income	-	-	55	186
Total revenue	<u>682,800</u>	<u>682,800</u>	<u>632,303</u>	<u>602,569</u>
Expenditures:				
Culture and recreation:				
Current:				
Personnel services	316,823	316,823	312,503	292,983
Materials and supplies	113,880	113,880	128,803	103,496
Other services and charges	258,970	258,970	199,229	226,767
Total expenditures	<u>689,673</u>	<u>689,673</u>	<u>640,535</u>	<u>623,246</u>
Revenue over (under) expenditures	(6,873)	(6,873)	(8,232)	(20,677)
Other financing sources (uses):				
Transfers in	<u>12,000</u>	<u>12,000</u>	<u>27,450</u>	<u>-</u>
Net change in fund balance	<u>\$5,127</u>	<u>\$5,127</u>	19,218	(20,677)
Fund balance (deficit) - January 1			<u>(132,449)</u>	<u>(111,772)</u>
Fund balance (deficit) - December 31			<u>(\$113,231)</u>	<u>(\$132,449)</u>

CITY OF GRAND RAPIDS, MINNESOTA
SPECIAL REVENUE FUND - 230 RECREATION PROGRAMS
SCHEDULE OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For The Year Ended December 31, 2011
With Comparative Actual Amounts For The Year Ended December 31, 2010

Statement 23

	2011		Actual Amounts	2010
	Budgeted Amounts			Actual Amounts
	Original	Final		
Revenue:				
Charges for services:				
Rental	\$2,100	\$2,100	\$840	\$1,650
Fees	54,600	54,600	45,523	43,262
Investment income	1,000	1,000	749	610
Contributions and donations	-	-	500	300
Total revenue	<u>57,700</u>	<u>57,700</u>	<u>47,612</u>	<u>45,822</u>
Expenditures:				
Culture and recreation:				
Current:				
Personnel services	55,478	55,478	44,146	36,846
Materials and supplies	363	363	6,329	9,064
Other services and charges	1,920	1,920	1,726	1,573
Total expenditures	<u>57,761</u>	<u>57,761</u>	<u>52,201</u>	<u>47,483</u>
Revenue over (under) expenditures	<u>(61)</u>	<u>(61)</u>	(4,589)	(1,661)
Fund balance - January 1			<u>47,051</u>	<u>48,712</u>
Fund balance - December 31			<u>\$42,462</u>	<u>\$47,051</u>

CITY OF GRAND RAPIDS, MINNESOTA
SPECIAL REVENUE FUND - 231 HAZ-MAT
SCHEDULE OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For The Year Ended December 31, 2011
With Comparative Actual Amounts For The Year Ended December 31, 2010

Statement 24

	2011		Actual Amounts	2010 Actual Amounts
	Budgeted Amounts			
	Original	Final		
Revenue:				
Intergovernmental:				
State:				
Haz-Mat reimbursement	\$45,000	\$45,000	\$51,949	\$45,930
Haz-Mat terrorism grant	-	-	53,337	33,311
Other	-	-	-	685
Total revenue	<u>45,000</u>	<u>45,000</u>	<u>105,286</u>	<u>79,926</u>
Expenditures:				
Public safety:				
Current:				
Personnel services	23,600	23,600	25,699	24,404
Materials and supplies	5,000	5,000	4,257	4,734
Other services and charges	15,400	15,400	27,448	19,725
Total current	<u>44,000</u>	<u>44,000</u>	<u>57,404</u>	<u>48,863</u>
Capital outlay	<u>1,000</u>	<u>1,000</u>	<u>48,483</u>	<u>30,463</u>
Total expenditures	<u>45,000</u>	<u>45,000</u>	<u>105,887</u>	<u>79,326</u>
Revenue over expenditures	<u>\$0</u>	<u>\$0</u>	(601)	600
Fund balance - January 1			<u>654</u>	<u>54</u>
Fund balance - December 31			<u>\$53</u>	<u>\$654</u>

CITY OF GRAND RAPIDS, MINNESOTA
SPECIAL REVENUE FUND - 232 POLICE FORFEITURE
SCHEDULE OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For The Year Ended December 31, 2011
With Comparative Actual Amounts For The Year Ended December 31, 2010

Statement 25

	2011		Actual Amounts	2010 Actual Amounts
	Budgeted Amounts			
	Original	Final		
Revenue:				
Intergovernmental	\$ -	\$ -	\$928	\$1,624
Fines and forfeits	15,000	15,000	35,263	17,972
Investment income	-	-	691	505
Total revenue	<u>15,000</u>	<u>15,000</u>	<u>36,882</u>	<u>20,101</u>
Expenditures:				
Public safety:				
Current:				
Materials and supplies	12,500	12,500	27,020	12,183
Other services and charges	7,500	7,500	3,712	3,000
Total expenditures	<u>20,000</u>	<u>20,000</u>	<u>30,732</u>	<u>15,183</u>
Revenue over (under) expenditures	<u>(\$5,000)</u>	<u>(\$5,000)</u>	6,150	4,918
Fund balance - January 1			<u>44,437</u>	<u>39,519</u>
Fund balance - December 31			<u>\$50,587</u>	<u>\$44,437</u>

CITY OF GRAND RAPIDS, MINNESOTA

SPECIAL REVENUE FUND - 233 CEMETERY

Statement 26

SCHEDULE OF REVENUE, EXPENDITURES

AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For The Year Ended December 31, 2011

With Comparative Actual Amounts For The Year Ended December 31, 2010

	2011		Actual Amounts	2010 Actual Amounts
	Budgeted Amounts			
	Original	Final		
Revenue:				
General property taxes	\$152,349	\$152,349	\$155,147	\$149,140
Intergovernmental:				
State:				
Market value homestead credit	10,440	10,440	3,076	633
Supplemental aid	12,211	12,211	12,211	3,502
PERA	-	-	1,021	510
Charges for services:				
Cemetery	22,000	22,000	25,105	28,715
Other	1,500	1,500	810	1,429
Total revenue	<u>198,500</u>	<u>198,500</u>	<u>197,370</u>	<u>183,929</u>
Expenditures:				
Public works:				
Current:				
Personnel services	157,140	157,140	136,171	168,010
Materials and supplies	5,900	5,900	14,636	6,716
Other services and charges	35,050	35,050	32,852	51,959
Total expenditures	<u>198,090</u>	<u>198,090</u>	<u>183,659</u>	<u>226,685</u>
Revenue over (under) expenditures	410	410	13,711	(42,756)
Other financing sources (uses):				
Transfers in	-	-	29,500	-
Net change in fund balance	<u>\$410</u>	<u>\$410</u>	43,211	(42,756)
Fund balance (deficit) - January 1			<u>(42,756)</u>	-
Fund balance (deficit) - December 31			<u>\$455</u>	<u>(\$42,756)</u>

CITY OF GRAND RAPIDS, MINNESOTA

SPECIAL REVENUE FUND - 235 DOMESTIC ANIMAL CONTROL FACILITY

Statement 27

SCHEDULE OF REVENUE, EXPENDITURES

AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For The Year Ended December 31, 2011

With Comparative Actual Amounts For The Year Ended December 31, 2010

	2011		Actual Amounts	2010 Actual Amounts
	Budgeted Amounts			
	Original	Final		
Revenue:				
Licenses and permits	\$1,750	\$1,750	\$290	\$1,050
Fines and forfeits	8,100	8,100	33,004	7,757
Other	-	-	28	-
Total revenue	<u>9,850</u>	<u>9,850</u>	<u>33,322</u>	<u>8,807</u>
Expenditures:				
Public safety:				
Current:				
Personnel services	35,105	35,105	33,641	31,258
Materials and supplies	4,200	4,200	4,623	7,202
Other services and charges	12,545	12,545	13,525	13,143
Total expenditures	<u>51,850</u>	<u>51,850</u>	<u>51,789</u>	<u>51,603</u>
Revenue over (under) expenditures	(42,000)	(42,000)	(18,467)	(42,796)
Other financing sources:				
Transfers in	<u>42,000</u>	<u>42,000</u>	<u>20,000</u>	<u>43,881</u>
Net change in fund balance	<u>\$0</u>	<u>\$0</u>	1,533	1,085
Fund balance - January 1			<u>3,793</u>	<u>2,708</u>
Fund balance - December 31			<u>\$5,326</u>	<u>\$3,793</u>

AGENCY FUNDS

Agency Funds account for assets held by a governmental unit in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. During 2011, the City of Grand Rapids had the following Agency Funds:

Grand Rapids / Itasca County Airport – this fund was closed effective January 1, 2011 and was used to account for the assets and liabilities of the Airport. See Note 23 for details.

Lodging Tax - accounts for tax pass-through of lodging tax collections.

Cable TV Commission - accounts for the pass-through of franchise fees to the Cable TV Commission.

CITY OF GRAND RAPIDS, MINNESOTA
 COMBINING STATEMENT OF ASSETS AND LIABILITIES
 AGENCY FUNDS
 December 31, 2011
 With Comparative Totals For December 31, 2010

Statement 28

	<u>872 Lodging Tax</u>	<u>877 Cable TV Commision</u>	<u>Totals Agency Funds</u>	
			<u>2011</u>	<u>2010</u>
Assets:				
Cash and investments	<u>\$17,594</u>	<u>\$68,362</u>	<u>\$85,956</u>	<u>\$398,209</u>
Liabilities:				
Accounts payable	\$17,594	\$ -	\$17,594	\$21,631
Due to third-party grantees	<u>-</u>	<u>68,362</u>	<u>68,362</u>	<u>376,578</u>
Total liabilities	<u>\$17,594</u>	<u>\$68,362</u>	<u>\$85,956</u>	<u>\$398,209</u>

CITY OF GRAND RAPIDS, MINNESOTA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
For The Year Ended December 31, 2011

Statement 29

	<u>Balance</u> <u>January 1, 2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>December 31,</u> <u>2011</u>
Grand Rapids / Itasca County Airport:				
Assets				
Cash and investments	<u>\$330,225</u>	<u>\$ -</u>	<u>\$330,225</u>	<u>\$ -</u>
Liabilities				
Due to third-party grantees	<u>\$330,225</u>	<u>\$ -</u>	<u>\$330,225</u>	<u>\$ -</u>
Lodging Tax:				
Assets				
Cash and investments	<u>\$21,631</u>	<u>\$17,594</u>	<u>\$21,631</u>	<u>\$17,594</u>
Liabilities				
Accounts payable	<u>\$21,631</u>	<u>\$17,594</u>	<u>\$21,631</u>	<u>\$17,594</u>
Cable TV Commission:				
Assets				
Cash and investments	<u>\$46,353</u>	<u>\$68,362</u>	<u>\$46,353</u>	<u>\$68,362</u>
Liabilities				
Due to third-party grantees	<u>\$46,353</u>	<u>\$68,362</u>	<u>\$46,353</u>	<u>\$68,362</u>
Totals - All Agency Funds:				
Assets				
Cash and investments	<u>\$398,209</u>	<u>\$85,956</u>	<u>\$398,209</u>	<u>\$85,956</u>
Liabilities				
Accounts payable	<u>\$21,631</u>	<u>\$17,594</u>	<u>\$21,631</u>	<u>\$17,594</u>
Due to third-party grantees	<u>376,578</u>	<u>68,362</u>	<u>376,578</u>	<u>68,362</u>
Total liabilities	<u>\$398,209</u>	<u>\$85,956</u>	<u>\$398,209</u>	<u>\$85,956</u>

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COMPONENT UNIT

Economic Development Authority – The EDA is a discretely presented component unit which does not issue separate financial statements.

CITY OF GRAND RAPIDS, MINNESOTA
COMBINING BALANCE SHEET
ECONOMIC DEVELOPMENT AUTHORITY COMPONENT UNIT
December 31, 2011
With Comparative Totals For December 31, 2010

Statement 30

Assets	General	Capital Project	Totals	
			2011	2010
Cash and investments	\$82,149	\$554,722	\$636,871	\$841,506
Cash and investments with escrow agent	-	-	-	886,125
Due from other governmental units	-	-	-	47,932
Taxes receivable - delinquent	-	549	549	674
Inventory - land held for resale	-	1,397,594	1,397,594	1,397,594
Mortgages, notes and leases receivable	-	181,482	181,482	207,184
Total assets	\$82,149	\$2,134,347	\$2,216,496	\$3,381,015
Liabilities and Fund Balance				
Liabilities:				
Accounts payable	\$91	\$10,096	\$10,187	\$53,825
Due to other governmental units	-	46	46	-
Contracts payable	-	-	-	2,887
Deferred revenue	-	1,624,351	1,624,351	1,905,393
Total liabilities	91	1,634,493	1,634,584	1,962,105
Fund balance:				
Restricted	-	-	-	886,125
Assigned	-	499,854	499,854	436,258
Unassigned	82,058	-	82,058	96,527
Total fund balance	82,058	499,854	581,912	1,418,910
Total liabilities and fund balance	\$82,149	\$2,134,347	\$2,216,496	\$3,381,015

CITY OF GRAND RAPIDS, MINNESOTA

**COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
ECONOMIC DEVELOPMENT AUTHORITY COMPONENT UNIT**

Statement 31

For The Year Ended December 31, 2011

With Comparative Totals For The Year Ended December 31, 2010

	General	Debt Service	Capital Project	Totals	
				2011	2010
Revenue:					
General property taxes	\$ -	\$ -	\$44,361	\$44,361	\$39,379
Intergovernmental	-	-	466,152	466,152	691,559
Investment income	1,331	-	10,789	12,120	9,600
Miscellaneous:					
Loan repayment	-	-	31,916	31,916	892,036
Other	-	-	150	150	171
Total revenue	<u>1,331</u>	<u>0</u>	<u>553,368</u>	<u>554,699</u>	<u>1,632,745</u>
Expenditures:					
Economic development:					
Current:					
Materials and supplies	9	-	-	9	75
Other services and charges	15,791	-	489,772	505,563	954,580
Loan disbursement	-	-	-	-	25,702
Debt service:					
Principal retirement	-	865,000	-	865,000	85,000
Interest	-	21,125	-	21,125	44,120
Total expenditures	<u>15,800</u>	<u>886,125</u>	<u>489,772</u>	<u>1,391,697</u>	<u>1,109,477</u>
Revenue over (under) expenditures	(14,469)	(886,125)	63,596	(836,998)	523,268
Other financing sources:					
Note proceeds	-	-	-	-	100,000
Net change in fund balance	(14,469)	(886,125)	63,596	(836,998)	623,268
Fund balance - January 1	<u>96,527</u>	<u>886,125</u>	<u>436,258</u>	<u>1,418,910</u>	<u>795,642</u>
Fund balance - December 31	<u>\$82,058</u>	<u>\$0</u>	<u>\$499,854</u>	<u>\$581,912</u>	<u>\$1,418,910</u>

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III. STATISTICAL SECTION (UNAUDITED)

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III. STATISTICAL SECTION (UNAUDITED)

This part of the City of Grand Rapids, Minnesota's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City of Grand Rapids, Minnesota's overall financial health.

Contents

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

Sources: Unless otherwise noted, the information in these tables is derived from the comprehensive financial reports for the relevant year. The City implemented GASB Statement 34 for the fiscal year ended December 31, 2003; the City has chosen to provide information for that year forward. Ultimately, these schedules will contain information for the last ten years.

CITY OF GRAND RAPIDS, MINNESOTA
NET ASSETS BY COMPONENT
Last Nine Fiscal Years

	Fiscal Year			
	2003	2004	2005	2006
Governmental activities:				
Invested in capital assets, net of related debt	\$14,128,816	\$14,099,597	\$14,975,618	\$14,245,352
Restricted	9,730,108	11,204,673	13,315,671	17,374,649
Unrestricted	7,797,810	7,488,301	7,313,015	7,821,843
Total governmental activities net assets	<u>\$31,656,734</u>	<u>\$32,792,571</u>	<u>\$35,604,304</u>	<u>\$39,441,844</u>
Business type activities:				
Invested in capital assets, net of related debt	\$1,024,502	\$986,597	\$978,336	\$1,059,454
Restricted	-	-	-	-
Unrestricted	117,701	53,990	(30,559)	(13,726)
Total business-type activities net assets	<u>\$1,142,203</u>	<u>\$1,040,587</u>	<u>\$947,777</u>	<u>\$1,045,728</u>
Primary government:				
Invested in capital assets, net of related debt	\$15,153,318	\$15,086,194	\$15,953,954	\$15,304,806
Restricted	9,730,108	11,204,673	13,315,671	17,374,649
Unrestricted	7,915,511	7,542,291	7,282,456	7,808,117
Total primary government net assets	<u>\$32,798,937</u>	<u>\$33,833,158</u>	<u>\$36,552,081</u>	<u>\$40,487,572</u>

Table 1

Fiscal Year				
2007	2008	2009	2010	2011
\$14,120,418	\$15,968,208	\$18,102,326	\$19,133,457	\$31,703,299
18,556,197	17,300,543	17,035,306	13,417,300	12,379,387
8,243,654	7,166,636	5,973,279	8,374,454	5,813,768
\$40,920,269	\$40,435,387	\$41,110,911	\$40,925,211	\$49,896,454
\$1,042,404	\$999,474	\$1,985,565	\$2,827,242	\$2,793,653
-	-	-	-	-
(23,617)	335,339	355,012	119,244	236,409
\$1,018,787	\$1,334,813	\$2,340,577	\$2,946,486	\$3,030,062
\$15,162,822	\$16,967,682	\$20,087,891	\$21,960,699	\$34,496,952
18,556,197	17,300,543	17,035,306	13,417,300	12,379,387
8,220,037	7,501,975	6,328,291	8,493,698	6,050,177
\$41,939,056	\$41,770,200	\$43,451,488	\$43,871,697	\$52,926,516

CITY OF GRAND RAPIDS, MINNESOTA
CHANGES IN NET ASSETS
 Last Nine Fiscal Years

	Fiscal Year			
	2003	2004	2005	2006
Expenses				
Governmental activities:				
General government	\$1,973,764	\$1,825,292	\$2,078,757	\$2,281,286
Public safety	1,961,038	2,163,003	2,206,081	2,794,668
Public works	4,289,078	4,975,913	5,086,588	2,857,286
Culture and recreation	1,944,383	2,142,322	2,130,496	2,188,722
Interest on long-term debt	651,160	666,575	703,447	824,766
Total governmental activities expenses	<u>10,819,423</u>	<u>11,773,105</u>	<u>12,205,369</u>	<u>10,946,728</u>
Business-type activities:				
Golf course	549,297	556,797	575,457	555,627
Storm water utility	-	20,950	245,088	248,742
Total business-type activities expenses	<u>549,297</u>	<u>577,747</u>	<u>820,545</u>	<u>804,369</u>
Total primary government expenses	<u><u>\$11,368,720</u></u>	<u><u>\$12,350,852</u></u>	<u><u>\$13,025,914</u></u>	<u><u>\$11,751,097</u></u>
Program revenues				
Governmental activities:				
Charges for services:				
General government	\$197,820	\$329,037	\$382,986	\$422,888
Public safety	318,503	324,807	392,814	428,835
Public works	96,218	100,451	134,239	147,559
Culture and recreation:				
Ice rent	918,617	368,325	373,639	369,310
Other activities	-	584,713	569,332	585,736
Operating grants and contributions	501,179	554,581	599,446	832,273
Capital grants and contributions	2,053,126	3,536,875	5,592,360	4,636,728
Total governmental activities program revenues	<u>4,085,463</u>	<u>5,798,789</u>	<u>8,044,816</u>	<u>7,423,329</u>
Business-type activities:				
Charges for services:				
Golf course	514,150	469,888	487,126	454,960
Storm water utility	-	-	420,657	432,503
Operating grants and contributions	-	-	-	4,000
Capital grants and contributions	-	-	20,000	452
Total business-type activities program revenues	<u>514,150</u>	<u>469,888</u>	<u>927,783</u>	<u>891,915</u>
Total primary government program revenues	<u><u>\$4,599,613</u></u>	<u><u>\$6,268,677</u></u>	<u><u>\$8,972,599</u></u>	<u><u>\$8,315,244</u></u>
Net (expense) revenue:				
Governmental activities	(\$6,733,960)	(\$5,974,316)	(\$4,160,553)	(\$3,523,399)
Business-type activities	<u>(35,147)</u>	<u>(107,859)</u>	<u>107,238</u>	<u>87,546</u>
Total primary government net (expense) revenue	<u><u>(6,769,107)</u></u>	<u><u>(6,082,175)</u></u>	<u><u>(4,053,315)</u></u>	<u><u>(3,435,853)</u></u>

Table 2
Page 1 of 2

Fiscal Year				
2007	2008	2009	2010	2011
\$2,249,579	\$3,257,703	\$3,139,210	\$2,407,660	\$2,362,986
2,452,364	2,904,780	3,611,752	2,789,559	2,836,212
4,309,921	5,018,711	5,144,636	4,841,814	5,390,413
2,324,697	2,243,609	2,267,791	2,270,942	2,255,043
839,991	863,133	950,717	978,289	907,838
<u>12,176,552</u>	<u>14,287,936</u>	<u>15,114,106</u>	<u>13,288,264</u>	<u>13,752,492</u>
518,409	473,579	496,554	455,315	549,733
346,998	332,562	370,726	411,849	377,107
<u>865,407</u>	<u>806,141</u>	<u>867,280</u>	<u>867,164</u>	<u>926,840</u>
<u>\$13,041,959</u>	<u>\$15,094,077</u>	<u>\$15,981,386</u>	<u>\$14,155,428</u>	<u>\$14,679,332</u>
\$477,296	\$401,562	\$405,500	\$457,201	\$401,410
422,666	510,127	463,110	388,484	447,864
129,233	206,256	405,086	261,584	432,900
435,919	426,215	404,920	409,234	434,724
594,848	581,602	585,044	515,812	506,187
743,317	614,629	1,100,342	1,027,304	1,240,128
3,018,228	3,658,563	4,673,279	2,463,006	5,349,509
<u>5,821,507</u>	<u>6,398,954</u>	<u>8,037,281</u>	<u>5,522,625</u>	<u>8,812,722</u>
506,659	494,371	516,832	548,820	553,201
484,163	478,596	484,528	505,336	498,587
6,000	-	-	-	-
1,440	-	836,208	97,352	7,995
<u>998,262</u>	<u>972,967</u>	<u>1,837,568</u>	<u>1,151,508</u>	<u>1,059,783</u>
<u>\$6,819,769</u>	<u>\$7,371,921</u>	<u>\$9,874,849</u>	<u>\$6,674,133</u>	<u>\$9,872,505</u>
(\$6,355,045)	(\$7,888,982)	(\$7,076,825)	(\$7,765,639)	(\$4,939,770)
132,855	166,826	970,288	284,344	132,943
<u>(6,222,190)</u>	<u>(7,722,156)</u>	<u>(6,106,537)</u>	<u>(7,481,295)</u>	<u>(4,806,827)</u>

CITY OF GRAND RAPIDS, MINNESOTA
CHANGES IN NET ASSETS
 Last Nine Fiscal Years

	Fiscal Year			
	2003	2004	2005	2006
General revenues and other changes in net assets				
Governmental activities:				
Taxes	\$4,177,182	\$3,828,809	\$3,945,921	\$3,963,138
Payments in lieu of taxes (PILOT)	-	1,042,164	614,528	656,091
Unrestricted grants and contributions	1,905,038	1,929,916	1,795,229	2,048,839
Investment earnings	264,476	284,643	473,405	685,853
Gain on sale of capital assets	212,711	23,669	-	9,397
Special item - Grand Rapids / Itasca County Airport	-	-	-	-
Special item - merger with Grand Rapids Township	-	-	-	-
Transfers	2,500	952	143,203	(2,379)
Total governmental activities	<u>6,561,907</u>	<u>7,110,153</u>	<u>6,972,286</u>	<u>7,360,939</u>
Business-type activities:				
Investment earnings	4,376	3,389	3,191	8,026
Gain on sale of capital assets	-	3,806	-	-
Transfers	(2,500)	(952)	(143,203)	2,379
Total business-type activities	<u>1,876</u>	<u>6,243</u>	<u>(140,012)</u>	<u>10,405</u>
Total primary government	<u>\$6,563,783</u>	<u>\$7,116,396</u>	<u>\$6,832,274</u>	<u>\$7,371,344</u>
Change in net assets:				
Government activities	(\$172,053)	\$1,135,837	\$2,811,733	\$3,837,540
Business-type activities	(33,271)	(101,616)	(32,774)	97,951
Total primary government	<u>(\$205,324)</u>	<u>\$1,034,221</u>	<u>\$2,778,959</u>	<u>\$3,935,491</u>

Fiscal Year				
2007	2008	2009	2010	2011
\$4,062,932	\$4,472,247	\$4,684,768	\$4,793,026	\$5,180,915
667,148	682,276	854,072	853,542	854,710
2,043,737	1,632,339	1,946,680	1,452,870	1,470,249
785,302	534,160	274,557	159,010	184,059
98,573	-	11,553	4,957	5,360
-	-	-	-	6,212,220
-	-	-	574,001	-
175,778	83,078	(19,281)	(257,467)	3,500
<u>7,833,470</u>	<u>7,404,100</u>	<u>7,752,349</u>	<u>7,579,939</u>	<u>13,911,013</u>
15,982	12,312	16,195	2,271	6,313
-	219,966	-	61,827	-
(175,778)	(83,078)	19,281	257,467	(3,500)
<u>(159,796)</u>	<u>149,200</u>	<u>35,476</u>	<u>321,565</u>	<u>2,813</u>
<u>\$7,673,674</u>	<u>\$7,553,300</u>	<u>\$7,787,825</u>	<u>\$7,901,504</u>	<u>\$13,913,826</u>
\$1,478,425	(\$484,882)	\$675,524	(\$185,700)	\$8,971,243
(26,941)	316,026	1,005,764	605,909	135,756
<u>\$1,451,484</u>	<u>(\$168,856)</u>	<u>\$1,681,288</u>	<u>\$420,209</u>	<u>\$9,106,999</u>

CITY OF GRAND RAPIDS, MINNESOTA
FUND BALANCES, GOVERNMENTAL FUNDS
 Last Nine Fiscal Years

	Fiscal Year			
	2003	2004	2005	2006
General Fund:				
Reserved	\$258,685	\$235,408	\$216,786	\$254,671
Unreserved	5,417,022	5,441,087	5,499,269	5,476,583
Fund balance:				
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Unassigned	-	-	-	-
Total general fund	<u>5,675,707</u>	<u>5,676,495</u>	<u>5,716,055</u>	<u>5,731,254</u>
All other governmental funds:				
Reserved	6,384,674	6,453,883	6,009,348	6,170,610
Unreserved, reported in:				
Special revenue funds	411,128	509,117	569,641	657,929
Debt service funds	11,459	7,953	8,168	11,642
Capital projects funds	4,898,625	4,246,125	4,188,638	4,470,244
Fund balance:				
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total all other government funds	<u>11,705,886</u>	<u>11,217,078</u>	<u>10,775,795</u>	<u>11,310,425</u>
Total all funds	<u>\$17,381,593</u>	<u>\$16,893,573</u>	<u>\$16,491,850</u>	<u>\$17,041,679</u>

(1)The City implemented GASB Statement No. 54 for the fiscal year ended December 31, 2011.
 Information for years prior to 2011 is presented in accordance with fund balance classifications in effect at that time.

Table 3

Fiscal Year				
2007	2008	2009	2010	2011
\$264,264	\$224,509	\$219,727	\$497,935	\$ -
5,537,743	4,847,138	4,529,615	4,443,526	-
-	-	-	-	1,071,817
-	-	-	-	15,567
-	-	-	-	76,401
-	-	-	-	3,857,416
<u>5,802,007</u>	<u>5,071,647</u>	<u>4,749,342</u>	<u>4,941,461</u>	<u>5,021,201</u>
7,420,555	7,653,945	6,660,438	7,061,043	-
771,353	805,001	872,154	747,062	-
(89,202)	(120,115)	(121,906)	(130,205)	-
4,363,548	3,298,276	3,690,962	2,773,389	-
-	-	-	-	345,891
-	-	-	-	6,728,771
-	-	-	-	649,367
-	-	-	-	2,073,531
-	-	-	-	(2,855,610)
<u>12,466,254</u>	<u>11,637,107</u>	<u>11,101,648</u>	<u>10,451,289</u>	<u>6,941,950</u>
<u>\$18,268,261</u>	<u>\$16,708,754</u>	<u>\$15,850,990</u>	<u>\$15,392,750</u>	<u>\$11,963,151</u>

CITY OF GRAND RAPIDS, MINNESOTA
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
 Last Nine Fiscal Years

	Fiscal Year			
	2003	2004	2005	2006
Revenues				
Taxes	\$4,156,542	\$4,835,185	\$4,560,272	\$4,603,545
Licenses and permits	114,297	221,574	218,984	261,308
Intergovernmental	3,724,230	2,683,606	4,339,505	4,368,302
Special assessments	984,243	714,438	1,095,157	1,427,730
Charges for services	1,292,998	1,359,973	1,465,506	1,442,030
Fines and forfeitures	96,615	108,929	155,461	182,943
Investment income	264,476	284,643	473,405	685,853
Other	159,116	276,866	281,911	399,095
Total revenues	<u>10,792,517</u>	<u>10,485,214</u>	<u>12,590,201</u>	<u>13,370,806</u>
Expenditures:				
Current:				
General government	1,686,797	1,485,995	1,696,966	1,827,609
Public safety	1,858,656	2,007,343	2,109,319	2,270,087
Public works	1,749,962	1,800,362	1,657,717	1,827,653
Culture and recreation	1,472,887	1,522,410	1,645,368	1,701,061
Miscellaneous	170,692	200,658	245,714	274,962
Capital outlay/construction	3,726,082	5,135,895	8,221,728	3,538,835
Debt service:				
Principal retirement	1,195,000	2,075,000	2,630,000	2,905,000
Interest	632,783	651,325	651,299	790,150
Paying agent fees	6,464	6,137	7,005	6,737
Bond issuance costs	12,383	6,610	107,481	89,977
Total expenditures	<u>12,511,706</u>	<u>14,891,735</u>	<u>18,972,597</u>	<u>15,232,071</u>
Revenues over (under) expenditures	<u>(1,719,189)</u>	<u>(4,406,521)</u>	<u>(6,382,396)</u>	<u>(1,861,265)</u>
Other financing sources (uses):				
Impairment recovery	-	190,000	-	-
Sale of capital assets	212,711	25,419	16,416	11,635
Capital lease proceeds	-	-	-	-
Issuance of refunding bonds	-	-	-	-
Bond issuance/bond premium	2,460,000	3,705,000	5,821,054	4,362,037
Redemption of refunded bonds	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	(1,960,379)
Transfers in	2,101,015	3,202,585	1,990,326	1,727,783
Transfers out	(2,098,515)	(3,204,503)	(1,847,123)	(1,730,162)
Total other financing sources (uses)	<u>2,675,211</u>	<u>3,918,501</u>	<u>5,980,673</u>	<u>2,410,914</u>
Special items:				
Grand Rapids / Itasca County Airport	-	-	-	-
Merger with Grand Rapids Township	-	-	-	-
Net change in fund balance	<u>\$956,022</u>	<u>(\$488,020)</u>	<u>(\$401,723)</u>	<u>\$549,649</u>
Debt service as a percentage of noncapital expenditures	16.6%	22.7%	24.8%	30.1%

Table 4

Fiscal Year				
2007	2008	2009	2010	2011
\$4,718,695	\$5,141,487	\$5,501,090	\$5,717,261	\$6,024,517
342,178	207,233	271,416	255,052	226,118
3,126,346	2,966,264	5,930,076	4,302,317	5,933,373
1,770,868	1,817,539	1,580,506	1,326,354	1,063,987
2,184,707	2,656,951	1,768,797	1,604,785	2,415,698
154,971	202,321	170,589	142,528	191,552
785,302	534,160	274,557	159,010	184,059
298,105	339,705	306,122	275,921	380,749
<u>13,381,172</u>	<u>13,865,660</u>	<u>15,803,153</u>	<u>13,783,228</u>	<u>16,420,053</u>
1,915,271	2,904,262	2,286,301	1,879,463	2,045,880
2,377,536	2,615,025	3,136,407	2,500,602	2,551,622
1,893,997	2,115,328	2,060,388	2,117,665	2,706,560
1,835,221	1,794,133	1,745,838	1,731,467	1,745,924
243,642	403,579	616,948	541,014	369,809
4,174,414	5,340,344	8,592,229	3,836,307	8,398,558
2,050,000	2,420,000	2,845,000	2,177,668	2,990,512
799,726	842,963	863,624	965,697	903,583
9,479	8,257	8,232	7,842	6,204
76,669	100,690	132,045	39,692	42,489
<u>15,375,955</u>	<u>18,544,581</u>	<u>22,287,012</u>	<u>15,797,417</u>	<u>21,761,141</u>
<u>(1,994,783)</u>	<u>(4,678,921)</u>	<u>(6,483,859)</u>	<u>(2,014,189)</u>	<u>(5,341,088)</u>
-	-	-	-	-
98,817	6,175	75,376	4,957	5,360
-	-	-	136,444	-
-	-	-	925,000	525,000
2,946,950	3,005,000	6,835,000	825,000	1,030,000
-	-	(1,265,000)	(635,000)	-
-	-	-	-	-
1,767,911	1,900,187	3,063,829	1,058,790	1,044,991
(1,592,133)	(1,791,948)	(3,083,110)	(1,333,243)	(1,041,491)
<u>3,221,545</u>	<u>3,119,414</u>	<u>5,626,095</u>	<u>981,948</u>	<u>1,563,860</u>
-	-	-	-	347,629
-	-	-	574,001	-
<u>\$1,226,762</u>	<u>(\$1,559,507)</u>	<u>(\$857,764)</u>	<u>(\$458,240)</u>	<u>(\$3,429,599)</u>
23.1%	22.5%	24.2%	25.2%	27.6%

CITY OF GRAND RAPIDS, MINNESOTA
PROGRAM REVENUES BY FUNCTION/PROGRAM
 Last Nine Fiscal Years

Function/Program	Fiscal Year			
	2003	2004	2005	2006
Governmental activities:				
General government	\$302,886	\$428,018	\$398,214	\$426,070
Public safety	572,835	683,604	876,638	842,353
Public works	2,255,573	3,599,018	5,634,498	4,877,145
Culture and recreation	954,169	1,088,149	1,135,466	1,277,761
Total governmental activities program revenues	<u>4,085,463</u>	<u>5,798,789</u>	<u>8,044,816</u>	<u>7,423,329</u>
Business-type activities:				
Golf course	514,150	469,888	487,126	458,960
Storm water utility	-	-	440,657	432,955
Total business-type activities program revenues	<u>514,150</u>	<u>469,888</u>	<u>927,783</u>	<u>891,915</u>
 Total primary government program revenues	<u><u>\$4,599,613</u></u>	<u><u>\$6,268,677</u></u>	<u><u>\$8,972,599</u></u>	<u><u>\$8,315,244</u></u>

Table 5

Fiscal Year				
2007	2008	2009	2010	2011
\$505,461	\$464,692	\$424,628	\$728,689	\$821,768
791,861	1,007,217	1,286,533	823,295	915,580
3,301,008	3,853,979	5,122,533	2,819,062	5,613,348
1,223,177	1,073,066	1,050,224	962,131	1,283,989
5,821,507	6,398,954	7,883,918	5,333,177	8,634,685
512,659	494,371	1,353,040	646,172	561,196
485,603	478,596	484,528	505,336	498,587
998,262	972,967	1,837,568	1,151,508	1,059,783
\$6,819,769	\$7,371,921	\$9,721,486	\$6,484,685	\$9,694,468

CITY OF GRAND RAPIDS, MINNESOTA

TAX CAPACITY VALUE AND ESTIMATED MARKET VALUE OF TAXABLE PROPERTY
 Last Ten Fiscal Years

Table 6

Fiscal Year Ended December 31	Residential Property	Commercial/Industrial Property	All Other	Total Tax Capacity	Less: Fiscal Disparity Contribution	Adjusted Tax Capacity Value	Total Direct Tax Rate	Estimated Market Value	Tax Capacity as a Percent of EMV
2002	\$2,244,504	\$2,140,496	\$54,067	\$4,439,067	\$64,399	\$4,374,668	80.169	\$333,348,100	1.31%
2003	2,581,631	2,452,932	66,413	5,100,976	66,231	5,034,745	66.880	386,538,400	1.30%
2004	2,829,729	2,656,134	89,991	5,575,854	377,899	5,197,955	79.273	423,115,600	1.23%
2005	3,217,394	3,023,343	114,520	6,355,257	290,684	6,064,573	71.339	479,590,790	1.26%
2006	3,350,118	3,083,559	117,525	6,551,202	355,615	6,195,587	69.869	498,247,965	1.24%
2007	3,816,933	3,206,895	122,243	7,146,071	381,146	6,764,925	65.654	551,098,890	1.23%
2008	4,084,756	3,662,227	122,241	7,869,224	437,925	7,431,299	65.764	604,049,500	1.23%
2009	5,010,410	4,410,100	200,285	9,620,795	617,081	9,003,714	58.374	753,764,700	1.19%
2010	4,945,974	4,107,439	187,142	9,240,555	1,171,820	8,068,735	65.095	722,925,300	1.12%
2011	5,332,018	4,224,074	487,931	10,044,023	1,042,860	9,001,163	63.890	784,173,200	1.15%

Source: Itasca County Auditor's Office

CITY OF GRAND RAPIDS, MINNESOTA
DIRECT AND OVERLAPPING PROPERTY TAX RATES
Last Ten Fiscal Years

Table 7

Fiscal Year	Direct Rate - City of Grand Rapids			Overlapping Rates				Overlapping Tax Rate
	Operating	Debt	Total	Itasca County	School District #318	Grand Rapids Township*	Special Taxing District	
2002	68.384	11.785	80.169	70.868	22.343	2.696	0.457	176.533
2003	63.325	13.062	76.387	76.387	24.781	5.031	0.405	173.484
2004	67.858	11.415	79.273	63.927	20.942	4.625	0.370	169.137
2005	62.136	9.203	71.339	58.510	17.596	4.603	0.333	152.381
2006	60.367	9.502	69.869	55.534	16.226	4.452	0.305	146.386
2007	56.521	9.201	65.722	51.522	15.132	4.122	0.272	136.702
2008	57.112	8.610	65.722	46.974	11.871	3.726	0.226	128.561
2009	49.022	10.041	59.063	44.000	13.798	1.738	0.208	118.118
2010	49.863	15.232	65.095	46.361	15.799	1.272	0.234	128.761
2011	51.112	12.778	63.890	44.904	17.051	-	0.218	126.063

*Grand Rapids Township was annexed by the City of Grand Rapids on January 1, 2010

Source: Itasca County Auditor's Office

CITY OF GRAND RAPIDS, MINNESOTA
PRINCIPAL PROPERTY TAXPAYERS
 Current Year and Nine Years Ago

Table 8

Taxpayer	2011			2002		
	Taxable Capacity Value	Rank	Percentage of Total City Capacity Value	Taxable Capacity Value	Rank	Percentage of Total City Capacity Value
UPM Blandin Paper Mill	\$732,457	1	38.59%	\$686,881	1	53.37%
Wal-Mart Stores, Inc.	246,608	2	12.99%	68,110	5	5.29%
Terrex Corporation	136,422	3	7.19%	-	-	0.00%
Grand Hospitality LLC	131,178	4	6.91%	-	-	0.00%
Enbridge Energy, LP	130,614	5	6.88%	-	-	0.00%
Target Corporation	122,526	6	6.46%	68,300	4	5.31%
Arrowhead Prom. & Fulfillment Co.	117,926	7	6.21%	62,928	6	4.89%
Home Depot USA, Inc.	108,408	8	5.71%	-	-	0.00%
Hawkinson Constuction Properties	92,973	9	4.90%	-	-	0.00%
Horseshoe Professional Building	78,886	10	4.16%	-	-	0.00%
Grand Rapids Development Corp.	-	-	0.00%	51,960	7	4.04%
Miner-Varin Investments-Central Square Mall	-	-	-	97,055	3	7.54%
K-Mart Corporation	-	-	-	49,246	9	3.83%
Grand Rapids Economic Development Auth.	-	-	-	49,658	8	3.86%
North Star Partners	-	-	-	105,490	2	8.20%
Aquila, Inc.	-	-	-	47,296	10	3.68%
Total principal taxpayers	\$1,897,998		19.12%	\$1,286,924		27.28%
All other taxpayers	8,028,923		80.88%	3,430,046 (a)		72.72%
Total	<u>\$9,926,921</u>		<u>100.00%</u>	<u>\$4,716,970</u>		<u>100.00%</u>

Source: Itasca County Auditor's Office

UPM Blandin Paper Mill represents 7.4% of the City's 2010/11 taxable net tax capacity. The remaining nine tax payers represent 11.7% of the City's 2010/11 taxable net tax capacity.

(a) Due to changes in the Minnesota Property tax law, decreases in the taxable net tax capacity were due to reductions in property class rates.
 2001 Taxable Net Tax Capacity was \$4,043,258

CITY OF GRAND RAPIDS, MINNESOTA
PROPERTY TAX LEVIES AND COLLECTIONS
 Last Ten Fiscal Years

Table 9

Fiscal Year Ended December 31	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2002	\$3,221,066	\$3,200,684	99.37%	\$7,989	\$3,208,673	99.62%
2003	3,522,635	3,494,418	99.20%	20,652	3,515,070	99.79%
2004	3,848,998	3,788,329	98.42%	60,669	3,848,998	100.00%
2005	4,067,952	4,000,817	98.35%	67,135	4,067,952	100.00%
2006	4,185,550	4,129,799	98.67%	53,459	4,183,258	99.95%
2007	4,300,561	4,236,072	98.50%	55,851	4,291,923	99.80%
2008	4,743,955	4,680,998	98.67%	36,019	4,717,017	99.43%
2009	5,077,422	4,977,588	98.03%	26,634	5,004,222	98.56%
2010	5,275,002	4,956,991	93.97%	55,742	5,012,733	95.03%
2011	5,734,540	5,445,836	94.97%	-	5,445,836	94.97%

Source: Itasca County Auditor's Office

CITY OF GRAND RAPIDS, MINNESOTA
RATIOS OF OUTSTANDING DEBT BY TYPE
 Last Ten Fiscal Years

Table 10

Fiscal Year	Governmental Activities				Total Governmental Activities	Percentage of estimated Market Value	Business-type Activities Capital Leases	Total Primary Government	Per Capita
	General Obligation Bonds	General Obligation Impr Bonds	Tax Increment Bonds	Leases and Loans Payable					
2002	\$ -	\$10,365,000	\$2,590,000	\$1,415,000	\$14,370,000	4.31%	\$ -	\$14,370,000	1,835.48
2003	-	12,000,000	2,220,000	1,415,000	15,635,000	4.04%	-	15,635,000	1,899.06
2004	-	14,070,000	1,850,000	1,345,000	17,265,000	4.11%	127,000	17,392,000	2,051.43
2005	-	17,685,000	1,455,000	1,270,000	20,410,000	4.28%	102,000	20,512,000	2,401.03
2006	1,785,000	17,780,000	1,035,000	1,195,000	21,795,000	4.39%	78,000	21,873,000	2,488.40
2007	1,785,000	19,185,000	585,000	1,115,000	22,670,000	4.12%	53,000	22,723,000	2,585.10
2008	2,670,000	18,595,000	955,000	1,035,000	23,255,000	3.85%	27,000	23,282,000	2,608.34
2009	3,515,000	20,665,000	850,000	950,000	25,980,000	3.45%	-	25,980,000	2,681.11
2010	3,950,000	20,000,000	850,000	865,000	25,665,000	3.26%	-	25,665,000	2,361.30
2011	3,675,000	18,890,000	835,000	194,650	23,594,650	3.01%	-	23,594,650	2,170.82

Note: Personal income not available
 Excludes Component Units.

CITY OF GRAND RAPIDS, MINNESOTA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
 December 31, 2011

Table 11

	<u>Net Debt Outstanding</u>	<u>% of Debt Applicable to City⁽²⁾</u>	<u>City of Grand Rapids Share of Debt</u>
Direct debt			
City of Grand Rapids ⁽¹⁾	\$3,675,000	100.00%	\$3,675,000
Overlapping debt:			
Itasca County	25,075,000	13.75%	3,447,813
School District 318	<u>64,345,000</u>	20.04%	<u>12,894,738</u>
Total overlapping debt	<u>89,420,000</u>		<u>16,342,551</u>
Total direct and overlapping debt	<u><u>\$93,095,000</u></u>		<u><u>\$20,017,551</u></u>

Source: Itasca County Auditor's Office

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This Schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Grand Rapids. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt of each overlapping government.

⁽¹⁾ Excludes general obligation improvement bonds and revenue bonded indebtedness.

⁽²⁾ The percentage of overlapping debt applicable is estimated using the taxable market values. Applicable percentages were estimated by determining the portion of the county's and school district's taxable market value that is within the City's boundaries.

CITY OF GRAND RAPIDS, MINNESOTA
LEGAL DEBT MARGIN INFORMATION
 Last Ten Fiscal Years

Market value	\$784,173,200
Debt limit percentage	<u>3%</u>
Debt limit amount	23,525,196
Debt applicable to limit	
General obligation bonds	<u>3,675,000</u>
Legal debt margin	<u><u>\$19,850,196</u></u>

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Market value	\$333,348,100	\$386,538,400	\$423,115,600	\$479,590,790	\$498,247,965
Legal debt margin					
Debt limit (3% of assessed value)*	6,666,962	7,730,768	8,462,312	9,591,816	9,964,959
Debt applicable to limit:					
Lease revenue bonds	-	1,415,000	1,345,000	1,270,000	1,195,000
General obligation bonds	-	-	-	-	1,785,000
Total net debt applicable to limit	<u>0</u>	<u>1,415,000</u>	<u>1,345,000</u>	<u>1,270,000</u>	<u>2,980,000</u>
Legal debt margin	<u><u>\$6,666,962</u></u>	<u><u>\$6,315,768</u></u>	<u><u>\$7,117,312</u></u>	<u><u>\$8,321,816</u></u>	<u><u>\$6,984,959</u></u>
Total net debt applicable to the limit as a percentage of debt limit	<u><u>100.00%</u></u>	<u><u>81.70%</u></u>	<u><u>84.11%</u></u>	<u><u>86.76%</u></u>	<u><u>70.10%</u></u>

Source: Itasca County Auditors Office and City Finance Department

*Beginning with issues having a settlement after June 30, 2008, State Statutes have increased the legal debt limit from 2% to 3% of the City's taxable market value.

Table 12

<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
\$551,098,890	\$604,049,500	\$753,764,700	\$722,925,300	\$784,173,200
11,021,978	18,121,485	22,612,941	21,687,759	23,525,196
1,115,000	1,035,000	950,000	865,000	-
<u>1,785,000</u>	<u>2,670,000</u>	<u>3,515,000</u>	<u>3,950,000</u>	<u>3,675,000</u>
<u>2,900,000</u>	<u>3,705,000</u>	<u>4,465,000</u>	<u>4,815,000</u>	<u>3,675,000</u>
<u>\$8,121,978</u>	<u>\$14,416,485</u>	<u>\$18,147,941</u>	<u>\$16,872,759</u>	<u>\$19,850,196</u>
<u>73.69%</u>	<u>79.55%</u>	<u>80.25%</u>	<u>77.80%</u>	<u>84.38%</u>

CITY OF GRAND RAPIDS, MINNESOTA
PLEDGED REVENUE COVERAGE
 Last Ten Fiscal Years

Table 13

Fiscal Year	Improvement Bonds				Tax Increment Bonds			
	Special Assessment Collections	Debt Service		Coverage	Tax Increment Collections	Debt Service		Coverage
		Principal	Interest			Principal	Interest	
2002	439,293	695,000	413,918	39.61%	616,505	345,000	186,240	116.05%
2003	481,646	825,000	382,768	39.88%	625,701	370,000	162,993	117.39%
2004	428,556	785,000	453,765	34.60%	479,315	370,000	137,482	94.45%
2005	623,283	745,000	480,012	50.88%	473,574	395,000	111,777	93.45%
2006	934,350	1,190,000	651,791	50.73%	368,863	420,000	84,120	73.17%
2007	1,100,441	1,520,000	640,238	50.94%	348,098	450,000	54,440	69.01%
2008	1,045,175	1,860,000	771,301	39.72%	342,682	480,000	22,543	68.19%
2009	1,014,822	1,975,000	775,452	36.90%	98,936	105,000	40,359	68.06%
2010	1,013,237	1,980,000	775,452	36.77%	131,032	-	37,340	350.92%
2011	824,639	1,460,000	653,434	39.02%	151,953	15,000	37,059	291.89%

Special assessment collections do not include prepayments.

Excludes component units.

CITY OF GRAND RAPIDS, MINNESOTA
DEMOGRAPHIC AND ECONOMIC STATISTICS
 Last Ten Fiscal Years

Table 14

<u>Fiscal Year</u>	<u>Population</u>	<u>Personal Income</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2002	7,829	Information Not Available		10.40%
2003	8,233		12.50%	
2004	8,478		11.70%	
2005	8,543		8.90%	
2006	8,790		8.70%	
2007	8,790		9.30%	
2008	8,926		12.40%	
2009	9,690		13.70%	
2010	10,869		9.60%	
2011	10,869		9.90%	

Source: Minnesota Department of Employment and Economic Development

CITY OF GRAND RAPIDS, MINNESOTA
PRINCIPAL EMPLOYERS
 Current Year and Nine Years Ago

Table 15

Taxpayer	2011			2002		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
ISD #318	675	1	6.97%	575	2	5.86%
Grand Itasca Clinic & Hospital	617	2	6.37%	386	3	3.94%
UPM Blandin Paper Mill	460	3	4.75%	840	1	8.56%
Arrowhead Promo & Fulfillment	349	4	3.60%	270	5	2.75%
Itasca County	310	5	3.20%	380	4	3.87%
Wal-Mart	300	6	3.10%	220	6	2.24%
City of Grand Rapids(a)	225	7	2.32%	119	10	1.21%
Terex Corporation	225	8	2.32%	-	-	0.00%
Grand Village Nursing Home(b)	195	9	2.01%	136	8	1.39%
L&M Fleet Supply	120	10	1.24%	-	-	0.00%
Cub Foods	-	-	-	125	9	1.27%
Potlach Corporation	-	-	-	109	7	1.11%
Total	3,476		35.89%	3,160		32.22%
All other employers	6,209		64.11%	6,648		67.78%
Total	9,685		100.00%	9,808		100.00%

Source: Minnesota Department of Employment and Economic Development

(a) Includes 150 part-time employees

(b) Formerly Itasca County Nursing Home

CITY OF GRAND RAPIDS, MINNESOTA

**FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
Last Ten Fiscal Years**

Table 16

Function/Program	Full-time Equivalent Employees as of December 31									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General government:										
Administration	4.00	4.00	4.00	4.00	4.50	4.50	4.50	4.25	4.25	4.25
Finance	4.00	4.00	5.00	5.00	5.00	5.00	5.00	4.00	4.00	4.00
Community development	1.00	3.00	2.00	3.00	3.00	3.55	4.05	4.05	4.05	4.05
Engineering	2.00	2.00	3.00	3.00	4.00	3.45	3.45	3.45	2.45	2.45
Information technology	1.00	1.00	1.00	1.00	2.00	2.00	2.00	2.00	1.00	2.00
Police officers and dispatchers	20.00	19.00	19.00	20.00	21.00	22.00	23.50	23.50	20.50	20.50
Public works	14.00	13.00	13.00	15.00	15.00	15.00	15.00	15.00	15.00	14.00
Parks and recreation	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	3.00
Library	8.50	8.50	8.25	8.75	8.75	8.75	8.75	8.75	8.75	8.75
Golf course	2.00	2.00	3.00	3.00	3.00	3.00	2.00	2.00	2.00	2.00
Total	<u>60.50</u>	<u>60.50</u>	<u>62.25</u>	<u>66.75</u>	<u>70.25</u>	<u>71.25</u>	<u>72.25</u>	<u>71.00</u>	<u>66.00</u>	<u>65.00</u>

The City has 30 paid-on-call firefighters.

Source: City Finance Department

CITY OF GRAND RAPIDS, MINNESOTA
OPERATING INDICATORS BY FUNCTION/PROGRAM
 Last Ten Fiscal Years

Table 17

Function/Program	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Police:										
Physical and sexual assaults	134	142	131	141	177	156	170	160	303	405
Parking citations	402	471	440	440	1,221	640	755	763	590	849
DUI arrests	52	58	67	94	129	134	138	104	91	171
Traffic citations	1,096	814	794	1,397	1,535	1,305	2,419	1,754	2,959	2,588
Accidents	577	533	565	587	450	507	557	550	531	569
Fire:										
Emergency responses	192	185	172	199	163	194	174	182	172	166
Haz-Mat responses	26	26	27	35	46	3	4	5	27	4
Inspections	N/A	N/A	61	59	72	68	62	91	103	112
Community development:										
Permits issued:										
Commercial	54	61	59	51	82	104	97	97	109	120
Governmental	N/A	N/A	5	5	5	15	7	-	11	14
Residential	231	260	231	264	263	294	271	376	401	386
Public works:										
Streets swept (miles)	67	68	71	75	77	77	88	92	93	93
Roads (miles)	67	68	71	75	77	77	88	92	93	93
Streetlights	799	995	995	1,030	1,057	1,062	1,093	1,288	1,290	1,321
Parks and recreation:										
Playgrounds	10	10	10	10	10	10	10	10	10	10
Baseball/softball fields	5	5	6	6	6	6	6	6	6	7
Soccer fields	3	3	3	3	3	3	3	3	3	3
Skate park	-	-	-	1	1	1	1	1	1	1
Library:										
Volumes in collection	71,902	73,943	80,200	81,802	80,118	81,491	88,570	84,440	82,338	79,400
Total volumes borrowed	225,301	182,465	172,999	183,840	179,729	189,860	196,315	190,895	202,908	187,569
Golf course:										
Number of passes sold										
Junior*	78	62	58	57	30	79	100	104	115	115
Young adult*	27	36	15	19	10	12	19	20	22	27
Single	203	199	154	163	144	156	139	145	135	129
Family	126	125	111	114	89	175	83	89	85	80

*Junior =Children ages 10 to 18

*Young Adult=Ages 19 to 24

Information prior to 2001 is not available

Source: Various City Departments

CITY OF GRAND RAPIDS, MINNESOTA
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
 Last Ten Fiscal Years

Table 18

Function/Program	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	N/A	15	15	15	15	14	16	18	18	20
Fire stations	2	2	2	2	2	2	2	2	2	2
Public works:										
Miles of streets maintained	60	77	71	75	77	77	88	92	93	93
Miles of sidewalks maintained	17	18	18	20	23	77	88	90	91	91
Miles of curbs and gutters maintained	93	94	94	105	108	108	109	112	112	112
Parks and recreation:										
Community parks and playgrounds	21	21	22	22	23	23	24	24	24	24
Total acres	223	223	225	225	226	226	227	227	227	227

Source: Various City Departments

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IV. OTHER INFORMATION (UNAUDITED)

CITY OF GRAND RAPIDS, MINNESOTA
COMBINED SCHEDULE OF INDEBTEDNESS
December 31, 2011

	Interest Rates	Issue Date	Final Maturity Date
General Obligation Tax Increment Bonds:			
Tax Increment Bonds series 2008A	3.75-4.60	8/1/2008	2/1/2034
General Obligation Improvement Bonds:			
Improvement Bonds of 2001B	3.00-5.00	10/1/2001	2/1/2017
Improvement Bonds of 2002A	3.00-4.75	11/1/2002	2/1/2012
Improvement Bonds of 2003A	2.00-4.35	12/1/2003	1/27/2012
Improvement Bonds of 2004A	3.00-4.15	11/1/2004	2/1/2021
Improvement Bonds of 2005A	3.00-3.90	9/1/2005	2/1/2021
Improvement Bonds of 2005B	3.50-3.70	9/1/2005	4/1/2015
Improvement Bonds of 2006C	4.00	10/1/2006	2/1/2022
Improvement Bonds of 2007A	4.00-4.15	9/1/2007	2/1/2023
Improvement Bonds of 2007B	4.00-4.10	12/15/2007	4/1/2022
Improvement Bonds of 2008C	3.25-4.60	11/1/2008	2/1/2024
Improvement Refunding Bonds of 2009B	1.00-3.00	6/1/2009	2/1/2016
Improvement Bonds of 2009C	1.85-5.30	9/1/2009	2/1/2025
Improvement Bonds of 2010A	0.75-3.625	11/1/2010	2/1/2026
Improvement Refunding Bonds of 2011B	0.50 - 3.15	12/1/2011	2/1/2027
Total General Obligation Improvement Bonds			
Other General Obligation Debt:			
Capital Improvement Plan Refunding Bonds of 2006B	4.00	10/1/2006	2/1/2017
Street Reconstruction Bonds of 2008B	3.25-4.60	11/1/2008	2/1/2024
Equipment Certificates of 2009D	2.00-4.85	9/1/2009	2/1/2019
Capital Improvement Plan Bonds of 2010A	0.75-2.25	11/1/2010	2/1/2018
Total Other General Obligation Debt			
Lease Revenue Bonds (EDA):			
Public Facility Lease Revenue Bonds Series 2002	3.00-5.10	5/1/2002	2/1/2012
Capital Lease Payable to Itasca County	0.00	1/22/2010	12/31/2020
Note payable (EDA)	0.00	8/5/2010	8/5/2015
Airport loan payable to Itasca County	0.00	2001	2017
Airport loan payable for T-hangars	0.00	2002	2012
Revenue Bonds and Notes (Public Utilities):			
G.O. Water Revenue Note of 1999	3.04	1/3/2000	8/20/2019
Taxable G.O. Wastewater Revenue Bonds of 2001A	5.00-6.50	10/1/2001	12/1/2021
Taxable G.O. Wastewater Revenue Bonds of 2006A	5.70-5.90	10/1/2006	6/1/2016
Taxable G.O. Wastewater Revenue Bonds of 2009A	2.00-4.90	6/1/2009	12/1/2019
Taxable G.O. Wastewater Revenue Note of 2009E	2.90	11/10/2009	8/20/2029
Taxable G.O. Wastewater Revenue Bonds of 2011A	0.60-3.50	7/25/2011	12/1/2021
Total Revenue Bonds (Public Utilities)			
Total bonded indebtedness			

Exhibit 1

Prior Years		Payable 01/01/11	2011		Payable 12/31/11	Due in 2012	
Original Issue	Payments		Issued	Payments		Principal	Interest
\$850,000	\$ -	\$850,000	\$ -	\$15,000	\$835,000	\$15,000	\$36,496
470,000	250,000	220,000	-	30,000	190,000	30,000	8,189
1,950,000	935,000	1,015,000	-	1,015,000	-		
2,460,000	1,225,000	1,235,000	-	140,000	1,095,000	1,095,000	21,839
3,705,000	1,540,000	2,165,000	-	295,000	1,870,000	235,000	63,649
3,450,000	940,000	2,510,000	-	245,000	2,265,000	245,000	81,089
1,105,000	520,000	585,000	-	110,000	475,000	115,000	14,982
2,505,000	520,000	1,985,000	-	180,000	1,805,000	180,000	68,600
1,775,000	150,000	1,625,000	-	110,000	1,515,000	110,000	59,415
1,150,000	240,000	910,000	-	80,000	830,000	80,000	31,750
1,145,000	65,000	1,080,000	-	70,000	1,010,000	70,000	41,065
1,265,000	275,000	990,000	-	270,000	720,000	250,000	12,513
4,565,000	-	4,565,000	-	120,000	4,445,000	290,000	190,370
1,115,000	-	1,115,000	-	-	1,115,000	80,000	24,775
-	-	-	1,555,000	-	1,555,000	-	18,490
26,660,000	6,660,000	20,000,000	1,555,000	2,665,000	18,890,000	2,780,000	636,726
1,785,000	435,000	1,350,000	-	170,000	1,180,000	165,000	43,900
1,010,000	50,000	960,000	-	60,000	900,000	60,000	36,790
1,005,000	-	1,005,000	-	45,000	960,000	110,000	35,350
635,000	-	635,000	-	-	635,000	85,000	9,319
4,435,000	485,000	3,950,000	0	275,000	3,675,000	420,000	125,359
1,415,000	550,000	865,000	-	865,000	-	-	-
136,444	-	136,444	-	13,644	122,800	13,644	-
100,000	-	100,000	-	-	100,000	-	-
147,000	80,000	67,000	-	10,000	57,000	10,000	-
255,088	214,726	40,362	-	25,512	14,850	14,850	-
1,079,657	497,657	582,000	-	57,000	525,000	59,000	15,960
4,700,000	1,420,000	3,280,000	-	215,000	3,065,000	3,065,000	190,720
1,915,000	645,000	1,270,000	-	185,000	1,085,000	195,000	58,016
925,000	85,000	840,000	-	85,000	755,000	85,000	28,870
23,264,376	700,779	22,563,597	2,840,093	1,118,000	24,285,690	1,150,000	774,039
-	-	-	3,965,000	-	3,965,000	80,000	115,588
31,884,033	3,348,436	28,535,597	6,805,093	1,660,000	33,680,690	4,634,000	1,183,193
\$65,882,565	\$11,338,162	\$54,544,403	\$8,360,093	\$5,529,156	\$57,375,340	\$7,887,494	\$1,981,774

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CITY OF GRAND RAPIDS, MINNESOTA
DEBT SERVICE PAYMENTS TO MATURITY
GENERAL OBLIGATION BONDS
December 31, 2011

Exhibit 2

	Tax Increment Bonds Series 2008A	Capital Improvement Plan Bonds Series 2006B	Street Reconstruction Bonds Series 2008B	Equipment Certificates Series 2009D	Capital Improvement Plan Bonds Series 2010A	Total
Bonds payable	\$835,000	\$1,180,000	\$900,000	\$960,000	\$635,000	\$4,510,000
Future interest payable	543,931	148,800	271,862	168,942	40,819	1,174,354
Totals	<u>\$1,378,931</u>	<u>\$1,328,800</u>	<u>\$1,171,862</u>	<u>\$1,128,942</u>	<u>\$675,819</u>	<u>\$5,684,354</u>
Payments to maturity:						
2012	\$51,496	\$208,900	\$96,790	\$145,350	\$94,319	\$596,855
2013	50,934	221,900	94,600	142,325	98,550	608,309
2014	50,371	224,300	92,334	143,720	97,538	608,263
2015	54,715	226,300	94,897	139,637	96,300	611,849
2016	53,965	223,000	92,298	140,110	94,837	604,210
2017	53,170	224,400	89,633	140,054	93,150	600,407
2018	57,225	-	91,830	139,472	101,125	389,652
2019	56,175	-	88,890	138,274	-	283,339
2020	55,125	-	85,880	-	-	141,005
2021	58,970	-	87,690	-	-	146,660
2022	57,680	-	84,315	-	-	141,995
2023	61,250	-	85,750	-	-	147,000
2024	59,710	-	86,955	-	-	146,665
2025	63,060	-	-	-	-	63,060
2026	61,280	-	-	-	-	61,280
2027	64,368	-	-	-	-	64,368
2028	62,342	-	-	-	-	62,342
2029	65,180	-	-	-	-	65,180
2030	67,765	-	-	-	-	67,765
2031	65,235	-	-	-	-	65,235
2032	67,590	-	-	-	-	67,590
2033	69,715	-	-	-	-	69,715
2034	71,610	-	-	-	-	71,610
	<u>\$1,378,931</u>	<u>\$1,328,800</u>	<u>\$1,171,862</u>	<u>\$1,128,942</u>	<u>\$675,819</u>	<u>\$5,684,354</u>

CITY OF GRAND RAPIDS, MINNESOTA
DEBT SERVICE PAYMENTS TO MATURITY
GENERAL OBLIGATION IMPROVEMENT BONDS
December 31, 2011

	2001B Improvement Bonds	2003A Improvement Bonds	2004A Improvement Bonds	2005A Improvement Bonds	2005B Improvement Bonds	2006C Improvement Bonds
Bonds payable	\$190,000	\$1,095,000	\$1,870,000	\$2,265,000	\$475,000	\$1,805,000
Future interest payable	28,268	21,839	325,845	420,258	35,037	385,700
Totals	<u>\$218,268</u>	<u>\$1,116,839</u>	<u>\$2,195,845</u>	<u>\$2,685,258</u>	<u>\$510,037</u>	<u>\$2,190,700</u>
Payments to maturity:						
2012	\$38,189	\$1,116,839	\$298,649	\$326,089	\$129,982	\$248,600
2013	36,891	-	291,188	307,088	125,958	236,500
2014	35,549	-	283,403	298,276	126,784	219,700
2015	34,161	-	211,463	284,558	127,313	213,100
2016	37,603	-	205,428	275,932	-	211,400
2017	35,875	-	199,223	267,307	-	204,600
2018	-	-	192,847	248,870	-	188,000
2019	-	-	186,217	235,660	-	181,600
2020	-	-	179,418	227,383	-	175,200
2021	-	-	148,009	214,095	-	159,000
2022	-	-	-	-	-	153,000
2023	-	-	-	-	-	-
2024	-	-	-	-	-	-
2025	-	-	-	-	-	-
2026	-	-	-	-	-	-
2027	-	-	-	-	-	-
	<u>\$218,268</u>	<u>\$1,116,839</u>	<u>\$2,195,845</u>	<u>\$2,685,258</u>	<u>\$510,037</u>	<u>\$2,190,700</u>

2007A Improvement Bonds	2007B Improvement Bonds	2008C Improvement Bonds	2009B Improvement Refunding Bonds	2009C Improvement Bonds	2010A Improvement Bonds	2011B Improvement Refunding Bonds	Total
\$1,515,000	\$830,000	\$1,010,000	\$720,000	\$4,445,000	\$1,115,000	\$1,555,000	\$18,890,000
389,424	183,101	295,428	26,431	1,568,934	215,500	252,387	4,148,152
<u>\$1,904,424</u>	<u>\$1,013,101</u>	<u>\$1,305,428</u>	<u>\$746,431</u>	<u>\$6,013,934</u>	<u>\$1,330,500</u>	<u>\$1,807,387</u>	<u>\$23,038,152</u>
\$169,415	\$111,750	\$111,065	\$262,513	\$480,370	\$104,775	\$18,490	\$3,416,726
169,915	103,650	113,419	213,462	472,975	128,950	172,373	2,372,369
165,315	100,650	110,588	209,106	469,120	122,800	171,503	2,312,794
165,615	97,650	107,662	46,125	458,721	116,463	165,330	2,028,161
165,715	94,650	104,662	15,225	452,190	109,963	153,885	1,826,653
160,715	91,650	101,587	-	439,815	103,325	157,160	1,761,257
155,653	88,650	98,475	-	436,465	96,575	145,153	1,650,688
155,425	85,650	100,220	-	427,009	69,885	137,950	1,579,616
150,095	82,650	96,780	-	416,768	68,303	120,629	1,517,226
149,629	79,613	93,260	-	405,964	71,575	83,660	1,404,805
148,923	76,538	89,660	-	404,335	69,700	81,962	1,024,118
148,009	-	85,980	-	391,866	67,750	80,142	773,747
-	-	92,070	-	383,663	65,725	78,182	619,640
-	-	-	-	374,673	68,534	81,007	524,214
-	-	-	-	-	66,177	78,701	144,878
-	-	-	-	-	-	81,260	81,260
<u>\$1,904,424</u>	<u>\$1,013,101</u>	<u>\$1,305,428</u>	<u>\$746,431</u>	<u>\$6,013,934</u>	<u>\$1,330,500</u>	<u>\$1,807,387</u>	<u>\$23,038,152</u>

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CITY OF GRAND RAPIDS, MINNESOTA
TAXABLE VALUATIONS
December 31, 2011

Exhibit 4

	2012 Tax Capacity Values	2011 Tax Capacity Values
	<u> </u>	<u> </u>
Taxable valuations:		
Real estate	\$8,969,941	\$9,744,645
Personal property	410,600	298,439
Net tax capacity	<u>9,380,541</u>	<u>10,043,084</u>
Less: Captured tax increment value	(132,575)	(116,130)
Fiscal disparities contributions	<u>(1,075,330)</u>	<u>(1,042,860)</u>
 Taxable net tax capacity	 <u><u>\$8,172,636</u></u>	 <u><u>\$8,884,094</u></u>

CITY OF GRAND RAPIDS, MINNESOTA
SCHEDULE OF DEFERRED TAX LEVIES
GENERAL OBLIGATION IMPROVEMENT BONDS
December 31, 2011

Year of Levy/ Collection	Supplemental Improvement Bond Levy ⁽¹⁾	\$470,000 Improvement Bonds Series 2001B	\$3,705,000 Improvement & Refdg Bonds Series 2004A	\$3,450,000 Improvement & Refdg Bonds Series 2005A	\$2,505,000 Improvement Bonds Series 2006C	\$1,775,000 Improvement Bonds Series 2007A
2011/2012	(\$62,500)	\$12,864	\$106,460	\$50,933	\$61,069	\$119,947
2012/2013	(62,500)	12,743	111,112	51,089	58,685	117,311
2013/2014	(62,500)	12,575	49,285	48,668	56,300	119,923
2014/2015	(70,929)	17,609	50,077	49,056	53,937	122,325
2015/2016	(44,730)	17,083	50,691	49,475	51,532	119,268
2016/2017	(34,500)	-	51,127	42,064	49,147	116,210
2017/2018	(34,500)	-	51,384	37,621	46,763	118,271
2018/2019	(34,500)	-	51,284	38,542	44,387	114,867
2019/2020	(34,500)	-	50,475	36,654	41,994	116,713
2020/2021	(27,500)	-	-	-	39,610	118,274
2021/2022	(19,670)	-	-	-	17,093	119,616
2022/2023	(17,593)	-	-	-	-	-
2023/2024	-	-	-	-	-	-
2024/2025	-	-	-	-	-	-
2025/2026	-	-	-	-	-	-
	(\$505,922)	\$72,874	\$571,895	\$404,102	\$520,517	\$1,302,725

⁽¹⁾This column represents decreased levies which were approved to eliminate projected cash surpluses in various Debt Service Funds.

⁽²⁾These are Build America Bonds and the amount presented is after reduction for Federal Credit.

\$1,010,000 GO Street Reconstr Bonds Series 2008B	\$1,145,000 Improvement Bonds Series 2008C	\$1,265,000 Improvement and Refunding Bonds Series 2009B	\$4,565,000 Improvement Bonds Series 2009C ⁽²⁾	\$1,005,000 Equipment Certificates Series 2009D ⁽²⁾	\$1,750,000 Improvement and CIP Bonds Series 2010A	\$1,555,000 Improvement and Refunding Bonds Series 2011B	Total
\$79,001	\$77,393	\$177,249	\$312,217	\$138,320	\$153,541	\$50,577	\$1,277,071
77,465	76,046	175,681	314,207	141,068	150,489	54,378	1,277,774
81,022	74,501	35,791	309,506	138,117	145,941	54,647	1,063,776
79,123	72,957	9,266	309,278	140,268	140,973	54,746	1,028,686
77,089	71,255	-	303,279	141,966	135,610	54,675	1,027,193
80,304	69,554	-	307,321	143,319	140,381	54,467	1,019,394
77,981	73,023	-	305,114	144,286	8,073	54,054	882,070
75,657	71,022	-	302,266	-	54,608	58,755	776,888
78,437	68,853	-	299,186	-	58,648	57,848	774,308
75,735	66,684	-	306,205	-	57,130	56,943	693,081
78,126	64,347	-	301,787	-	55,611	55,779	672,689
80,276	70,907	-	302,370	-	53,936	54,615	544,511
-	-	-	302,248	-	57,510	58,407	418,165
-	-	-	-	-	55,486	56,792	112,278
-	-	-	-	-	-	60,309	60,309
<u>\$940,216</u>	<u>\$856,542</u>	<u>\$397,987</u>	<u>\$3,974,984</u>	<u>\$987,344</u>	<u>\$1,267,937</u>	<u>\$836,992</u>	<u>\$11,628,193</u>

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REPORT ON COMPLIANCE WITH MINNESOTA LEGAL COMPLIANCE
AUDIT GUIDE FOR POLITICAL SUBDIVISIONS

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

We have audited the financial statements of the City of Grand Rapids, Minnesota, as of and for the year ended December 31, 2011, and have issued our report thereon dated June 19, 2012. We did not audit the financial statements of the Public Utilities Commission (a component unit), which is discretely presented in the basic financial statements. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion on those financial statements, insofar as it relates to the amounts included for the Public Utilities Commission, was based solely on the report of the other auditors. Accordingly, the Public Utilities Commission is not covered by this report.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the provisions of the *Minnesota Legal Compliance Audit Guide for Political Subdivisions* promulgated by the State Auditor pursuant to Minnesota Statutes Section 6.65. Accordingly, the audit included such tests of the accounting records and such other auditing procedures we considered necessary in the circumstances.

The *Minnesota Legal Compliance Audit Guide for Political Subdivisions* covers seven categories of compliance to be tested: contracting and bidding, deposits and investments, conflicts of interest, public indebtedness, claims and disbursements, miscellaneous provisions, and tax increment financing. Our study included all of the listed categories.

The results of our tests indicate that for the items tested, the City of Grand Rapids, Minnesota complied with the material terms and conditions of applicable legal provisions.

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


HLB TAUTGES REDPATH, LTD.

June 19, 2012



REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

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

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Grand Rapids, Minnesota as of and for the year ended December 31, 2011, which collectively comprise the City of Grand Rapids, Minnesota's basic financial statements and have issued our report thereon dated June 19, 2012. We did not audit the financial statements of the Public Utilities Commission (a component unit), which is discretely presented in the financial statements. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion on those financial statements, insofar as it relates to the amounts included for the Public Utilities Commission, was based solely on the report of the other auditors. Accordingly, the Public Utilities Commission is not covered by this report. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of the City of Grand Rapids, Minnesota is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the City of Grand Rapids, Minnesota's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Grand Rapids, Minnesota's internal control over financial reporting. Accordingly, we do not express an opinion of the effectiveness of the City of Grand Rapids, Minnesota's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is

a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified a deficiency in internal control over financial reporting, described in the accompanying schedule of findings and responses as finding 2011-1 that we consider to be a significant deficiency in internal control over financial reporting. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Grand Rapids, Minnesota's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

The City of Grand Rapids, Minnesota's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. We did not audit the City of Grand Rapids, Minnesota's response and, accordingly, we express no opinion on it.

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



HLB TAUTGES REDPATH, LTD.

June 19, 2012

CITY OF GRAND RAPIDS, MINNESOTA
SCHEDULE OF FINDINGS AND RESPONSES
For The Year Ended December 31, 2011

2011-1 Audit Adjustments

Criteria: A City's controls should allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis.

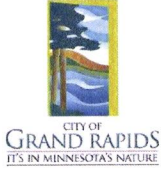
Condition: During the course of our audit, we identified adjustments relating to due from other governments and accumulated depreciation, which were material, and a third adjustment relating to accrued interest receivable which was not material.

Cause: In our viewpoint, the guidance provided by auditing standards combined with the complexity of governmental accounting will result in most local governments receiving a finding of this regard.

Effect: There is an increased risk that financial statement misstatements may occur.

Recommendation: We recommend City staff continue to attempt to appropriately record these types of transactions.

Views of Responsible Officials and Corrective Action Plan: It is the intent of the City's staff to minimize the number of audit adjustments needed each year. As explained in the cause section of the audit comment, due to the complexity of some governmental accounting issues it is unlikely that the City will not have one recommended audit adjustment in any particular year.



CITY OF GRAND RAPIDS

Legislation Details (With Text)

File #: 12-0396 **Version:** 1 **Name:** Chemical Assessment Team RFP
Type: Agenda Item **Status:** Consent Agenda
File created: 6/19/2012 **In control:** Fire
On agenda: 6/25/2012 **Final action:**
Title: Allow the Fire Department to Submit a Request for Proposal as a Chemical Assessment Team.

Sponsors:

Indexes:

Code sections:

Attachments: [HAZMAT RFP RES](#)

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

Title

Allow the Fire Department to Submit a Request for Proposal as a Chemical Assessment Team.

Body

Background Information:

The Grand Rapids Fire Department has been a contracted State Chemical Assessment Team since the inception of the Hazardous Materials Regional Response Program in 1996. Every (not more than) five (5) years, the State of Minnesota requires that all contracting services go through an RFP process. This is a continuation of services that the GRFD has performed with the State of Minnesota since 1996.

The Chemical Assessment Team is responsible for responding to chemical-related emergencies throughout the state, as directed by the State of Minnesota. Annual funding of approximately \$45,000 for reimbursements to the Chemical Assessment Team is provided by the State of Minnesota.

Staff Recommendation:

[Enter Recommendation Here]

Requested City Council Action

Consider adopting a resolution to allow the Grand Rapids Fire Department to submit a Request for Proposal to the State of Minnesota Department of Public Safety to function as a contracted Chemical Assessment Team, and to authorize the Finance Director and Mayor to administer any contracts from this proposal.

Council member introduced the following resolution and moved for its adoption:

RESOLUTION NO. 12-
A RESOLUTION SUPPORTING THE INVOLVEMENT OF THE FIRE DEPARTMENT ON
A CHEMICAL ASSESSMENT TEAM

WHEREAS, the Grand Rapids Fire Department wished to become involved in a Chemical Assessment Team through a State of Minnesota program, and

WHEREAS, the Chemical Assessment Team will have members from the Grand Rapids Fire Department; and

WHEREAS, the Chemical Assessment Team will respond to chemical emergencies in Northeast Minnesota area as set by the State of Minnesota,

WHEREAS, funding for this Chemical Assessment Team will be funded by the State of Minnesota,

NOW THEREFORE, BE IT RESOLVED, the City Council of the City of Grand Rapids, Itasca County, Minnesota, supports the concept of the Chemical Assessment Team and also supports the involvement of the Grand Rapids Fire Department, and

BE IT FURTHER RESOLVED, that Shirley Miller, Finance Director, shall be authorized as fiduciary for this program.

Adopted this 25th day of June, 2012.

Dale Adams, Mayor

Attest:

Kim Johnson-Gibeau, City Clerk

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



CITY OF GRAND RAPIDS

Legislation Details (With Text)

File #: 12-0398 **Version:** 1 **Name:** CP 2011-6 Easement Purchases
Type: Agenda Item **Status:** Consent Agenda
File created: 6/21/2012 **In control:** Engineering
On agenda: 6/25/2012 **Final action:**
Title: Purchase easements related to CP 2011-6, Horseshoe Lake Road Improvements
Sponsors:
Indexes:
Code sections:
Attachments: [6-25-12 Attachment CP 2011-6 Easements.pdf](#)

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

Title

Purchase easements related to CP 2011-6, Horseshoe Lake Road Improvements

Body

Background Information:

Attached are easement agreements related to CP 2011-6, Horseshoe Lake Road Improvements. The total amount of purchase with this group is \$23,980. The property owners involved with these easements are: Keller, Kasper, Spawn, and Kilpatrick.

Staff Recommendation:

City staff is recommending the purchase of easements related to CP 2011-6, Horseshoe Lake Road Improvements in a total amount of \$23,980.

Requested City Council Action

Consider the purchase of easements related to CP 2011-6, Horseshoe Lake Road Improvements in a total amount of \$23,980.



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

ENGINEERING DEPARTMENT

420 NORTH POKEGAMA AVENUE, GRAND RAPIDS, MINNESOTA 55744-2662

OFFER LETTER

May 21, 2012

Kathy A. Keller
1005 Horseshoe Lake Road
Grand Rapids, MN 55744

In reply refer to: Purchasing Easement for construction of the Horseshoe Lake Road Improvements,
City Project 2011-6

\$3,074.00

Dear Kathy A. Keller:

+ \$400⁰⁰ KK PJP

The City of Grand Rapids hereby submits to you an offer of **\$2,674.00**, for a permanent easement, which is the amount of the appraised market value of the above referenced property and/or certain rights therein, as contained in "PUBLIC SERVICE AND INFRASTRUCTURE EASEMENT " attached hereto, disregarding any change in the before value of the property caused by the Horseshoe Lake Road project.

The City's appraisal of market value is based on appraisals made by the City and/or an independent appraiser. This purchase offer does not prohibit you from donating the land necessary to complete this project.

You will have a reasonable length of time to consider the offer (approximately 30 days). To aid in your decision you may want to secure your own appraisal. The City of Grand Rapids will reimburse you a reasonable amount for that appraisal fee, limited to the amount set by law. Reimbursement cannot be made, however, until after your property is acquired.

Minnesota Law also provides that the owner and/or occupants of the property being acquired will be reimbursed for the actual cost of moving personal property. Certain incidental costs incurred in transferring the title will be paid by the City.

If you decide to accept the City's offer you will be paid upon your providing the City with an executed Public Service and Infrastructure Easement. If the City cannot be vested with good title to the property, or if the offer is unacceptable, the City may acquire said easement in eminent domain proceedings.

Also the City is required to obtain a completed W-9 when it compensates any individual or company more than \$600 in a calendar year. At the end of the year, you will then receive a 1099-S reporting the proceeds you received from the City. You may need to report some of the proceeds on your tax return.

Your tax preparer will know what taxes consequences you may have as a result of this income. If you or your accountant would like to further discuss this information, you should contact Shirley Miller, Finance Director, at 218.326.7616

Also this is not a purchase of this property, only an easement on the land, you still own the land, but the county will reduce the land value to reflect the easement.

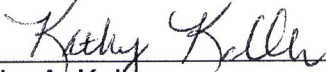
This letter is furnished to inform you of procedures and your rights in this acquisition. It is respectfully requested that you acknowledge its receipt by signing the attached copy in the space provided. Signing this acknowledgment does not in any way commit you to an acceptance of the offer.

Sincerely,



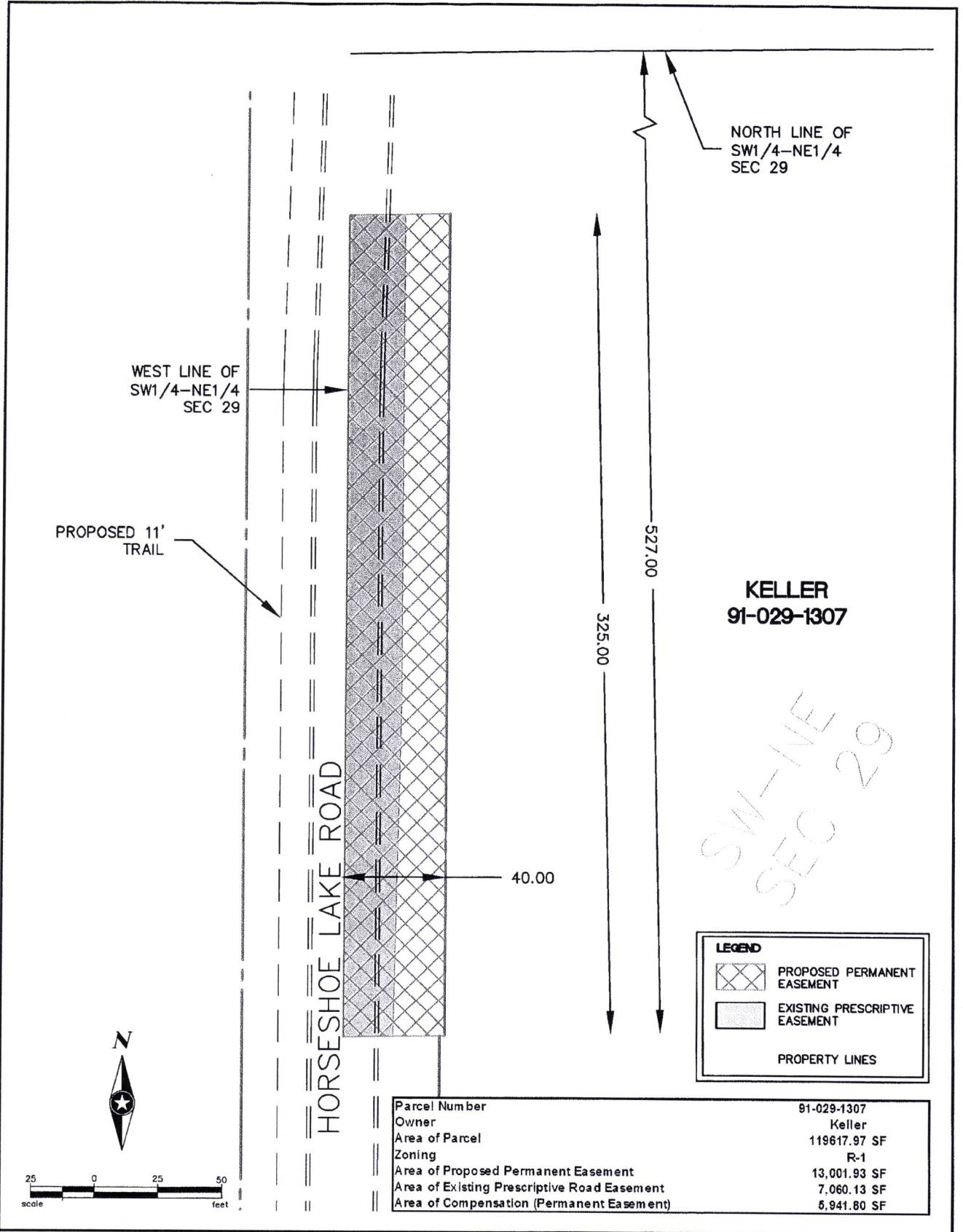
By: Patrick Pollard
Engineering Tech.

Receipt is acknowledged or original of this letter, enclosures and attachments mentioned herein.



Kathy A. Keller

p:\E\G\GRAND\118053\4 - prelim - dgr - prrs\exhibits - dwgs\load\wg\Easements\B - W_Exhibits 22 - 30.dwg 3/27/2012 11:51 AM dshannon



**KELLER
91-029-1307**

SW-1/4
SEC 29

LEGEND	
	PROPOSED PERMANENT EASEMENT
	EXISTING PREScriptive EASEMENT
	PROPERTY LINES

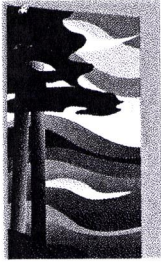
Parcel Number	91-029-1307
Owner	Keller
Area of Parcel	119617.97 SF
Zoning	R-1
Area of Proposed Permanent Easement	13,001.93 SF
Area of Existing Prescriptive Road Easement	7,060.13 SF
Area of Compensation (Permanent Easement)	6,941.80 SF

PHONE: 218.322.4566
 21 MF 5TH ST STE 200
 GRAND RAPIDS, MN 55744-2601
 www.sehinc.com

FILE NO. 118053
DATE: 03/27/12

**KELLER EASEMENT
HORSESHOE LAKE ROAD
GRAND RAPIDS, MINNESOTA**

**EXHIBIT
NO. 29**



OFFER LETTER

May 23, 2012

Larry A. Kasper and Toni D. Kasper
1638 Horseshoe Lake Road
Grand Rapids, MN 55744

In reply refer to: Purchasing Easement for construction of the Horseshoe Lake Road Improvements,
City Project 2011-6

Dear Larry A. Kasper and Toni D. Kasper:

The City of Grand Rapids hereby submits to you an offer of **\$11,000.00**, for a permanent easement, which is the amount of the appraised market value of the above referenced property and/or certain rights therein, as contained in " PUBLIC SERVICE AND INFRASTRUCTURE EASEMENT " attached hereto, disregarding any change in the before value of the property caused by the Horseshoe Lake Road project.

The City's appraisal of market value is based on appraisals made by the City and/or an independent appraiser. This purchase offer does not prohibit you from donating the land necessary to complete this project.

You will have a reasonable length of time to consider the offer (approximately 30 days). To aid in your decision you may want to secure your own appraisal. The City of Grand Rapids will reimburse you a reasonable amount for that appraisal fee, limited to the amount set by law. Reimbursement cannot be made, however, until after your property is acquired.

Minnesota Law also provides that the owner and/or occupants of the property being acquired will be reimbursed for the actual cost of moving personal property. Certain incidental costs incurred in transferring the title will be paid by the City.

If you decide to accept the City's offer you will be paid upon your providing the City with an executed Public Service and Infrastructure Easement. If the City cannot be vested with good title to the property, or if the offer is unacceptable, the City may acquire said easement in eminent domain proceedings.

Also the City is required to obtain a completed W-9 when it compensates any individual or company more than \$600 in a calendar year. At the end of the year, you will then receive a 1099-S reporting the proceeds you received from the City. You may need to report some of the proceeds on your tax return.

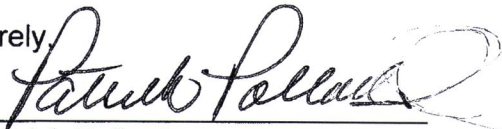
Your tax preparer will know what taxes consequences you may have as a result of this income. If you or your accountant would like to further discuss this information, you should contact Shirley Miller, Finance Director, at 218.326.7616

Also the City will plant small conifers and shrubs along the westerly side of the trail.

Also this is not a purchase of this property, only an easement on the land, you still own the land, but the county will reduce the land value to reflect the easement.

This letter is furnished to inform you of procedures and your rights in this acquisition. It is respectfully requested that you acknowledge its receipt by signing the attached copy in the space provided. Signing this acknowledgment does not in any way commit you to an acceptance of the offer.

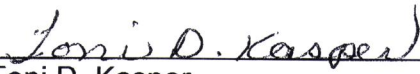
Sincerely,



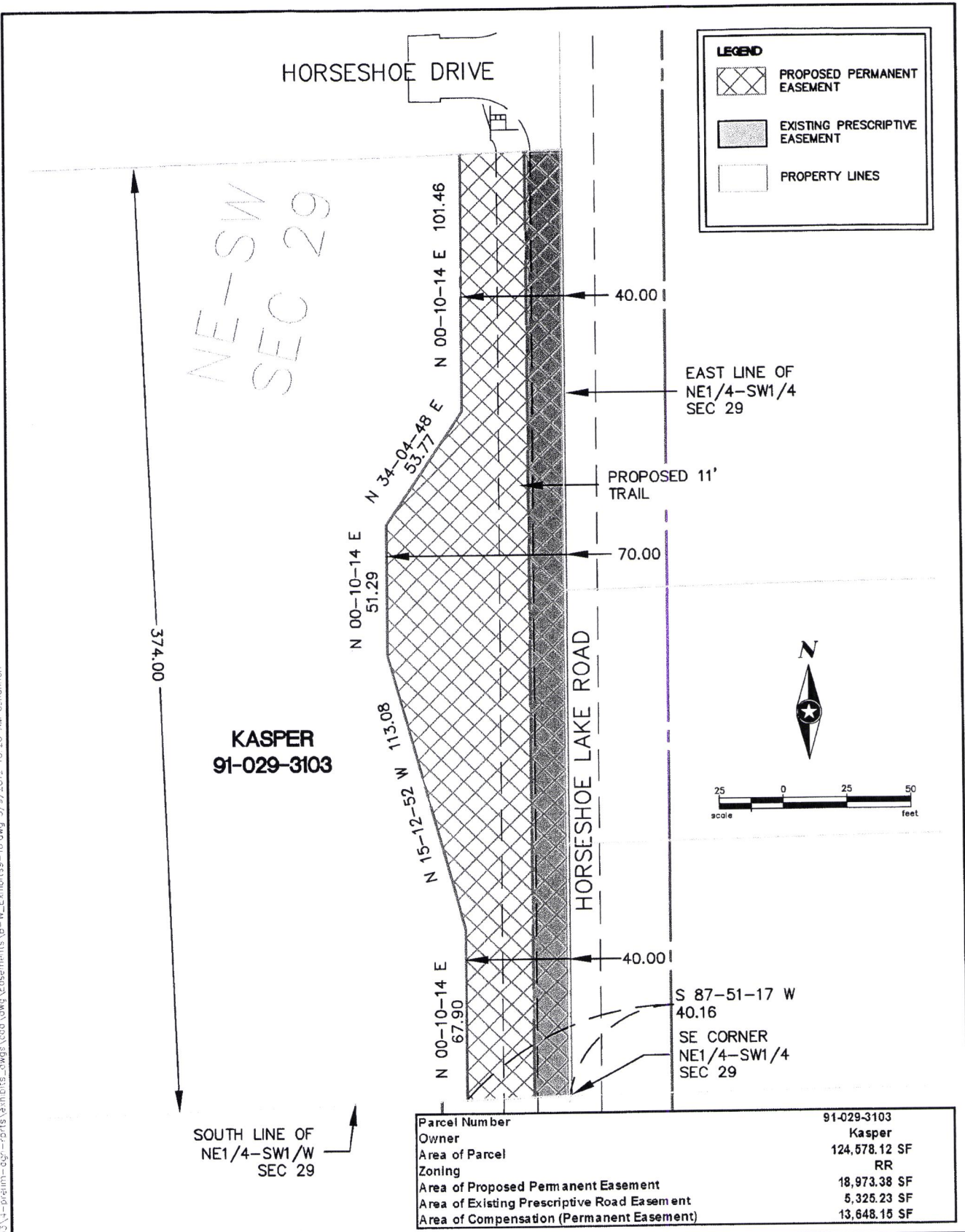
By: Patrick Pollard
Engineering Tech.

Receipt is acknowledged or original of this letter, enclosures and attachments mentioned herein.


Larry A. Kasper


Toni D. Kasper

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NE-SW
SEC 29

**KASPER
91-029-3103**

SOUTH LINE OF
NE1/4-SW1/W
SEC 29

Parcel Number	91-029-3103
Owner	Kasper
Area of Parcel	124,578.12 SF
Zoning	RR
Area of Proposed Permanent Easement	18,973.38 SF
Area of Existing Prescriptive Road Easement	5,325.23 SF
Area of Compensation (Permanent Easement)	13,648.15 SF



PHONE: 218.322.4500
 21 HF 5TH ST STE 200
 GRAND RAPIDS, MI 55744-2601
 www.sehinc.com

FILE NO. 118053
DATE: 03/27/12

**KASPER EASEMENT
HORSESHOE LAKE ROAD
GRAND RAPIDS, MINNESOTA**

**EXHIBIT
NO. 10**



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

ENGINEERING DEPARTMENT

420 NORTH POKEGAMA AVENUE, GRAND RAPIDS, MINNESOTA 55744-2662

OFFER LETTER

May 10, 2012

Robert Spawn and Kristine Spawn
1741 Oakdale Drive
Grand Rapids, MN 55744

In reply refer to: Purchasing Easement for construction of the Horseshoe Lake Road Improvements, City Project 2011-6

Dear Robert Spawn and Kristine Spawn:

The City of Grand Rapids hereby submits to you an offer of **\$2,165.00**, for a permanent easement, which is the amount of the appraised market value of the above referenced property and/or certain rights therein, as contained in "PUBLIC SERVICE AND INFRASTRUCTURE EASEMENT " attached hereto, disregarding any change in the before value of the property caused by the Horseshoe Lake Road project.

The City's appraisal of market value is based on appraisals made by the City and/or an independent appraiser. This purchase offer does not prohibit you from donating the land necessary to complete this project.

You will have a reasonable length of time to consider the offer (approximately 30 days). To aid in your decision you may want to secure your own appraisal. The City of Grand Rapids will reimburse you a reasonable amount for that appraisal fee, limited to the amount set by law. Reimbursement cannot be made, however, until after your property is acquired.

Minnesota Law also provides that the owner and/or occupants of the property being acquired will be reimbursed for the actual cost of moving personal property. Certain incidental costs incurred in transferring the title will be paid by the City.

If you decide to accept the City's offer you will be paid upon your providing the City with an executed Public Service and Infrastructure Easement. If the City cannot be vested with good title to the property, or if the offer is unacceptable, the City may acquire said easement in eminent domain proceedings.

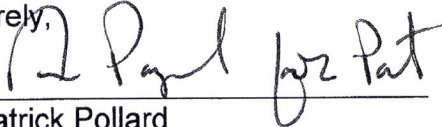
Also the City is required to obtain a completed W-9 when it compensates any individual or company more than \$600 in a calendar year. At the end of the year, you will then receive a 1099-S reporting the proceeds you received from the City. You may need to report some of the proceeds on your tax return.

Your tax preparer will know what taxes consequences you may have as a result of this income. If you or your accountant would like to further discuss this information, you should contact Shirley Miller, Finance Director, at 218.326.7616

Also this is not a purchase of this property, only an easement on the land, you still own the land, but the county will reduce the land value to reflect the easement.

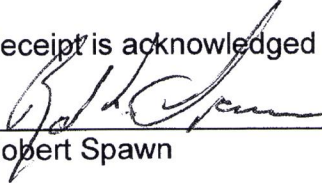
This letter is furnished to inform you of procedures and your rights in this acquisition. It is respectfully requested that you acknowledge its receipt by signing the attached copy in the space provided. Signing this acknowledgment does not in any way commit you to an acceptance of the offer.

Sincerely,

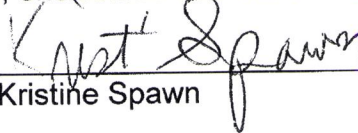


By: Patrick Pollard
Engineering Tech.

Receipt is acknowledged or original of this letter, enclosures and attachments mentioned herein.





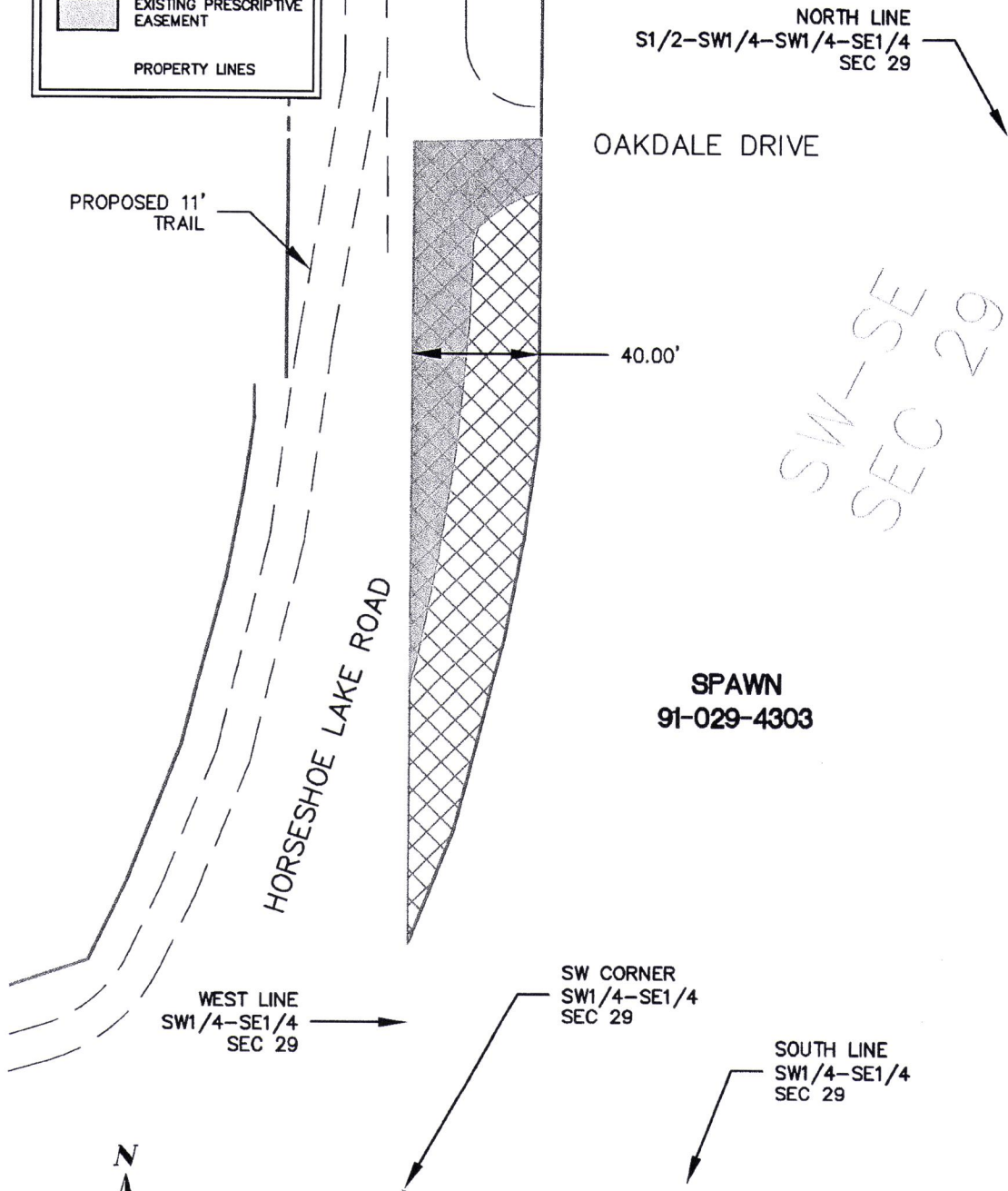
Robert Spawn



Kristine Spawn

LEGEND

-  PROPOSED PERMANENT EASEMENT
-  EXISTING PRESCRIPTIVE EASEMENT
- PROPERTY LINES



SW-SE
SEC 29

**SPAWN
91-029-4303**

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Parcel Number	91-029-4303
Owner	Spawn
Area of Parcel	221,307.26 SF
Zoning	RR
Area of Proposed Permanent Easement	7,591.16 SF
Area of Existing Prescriptive Road Easement	2,780.97 SF
Area of Compensation (Permanent Easement)	4,810.19 SF



PHONE 218.322.4500
21 MC 5TH ST STE 200
GRAND RAPIDS, MI 55744-2601
www.sehinc.com

FILE NO.
118053

DATE:
3/30/2012

**SPAWN EASEMENT
HORSESHOE LAKE ROAD
GRAND RAPIDS, MINNESOTA**

**EXHIBIT
NO. 6**



OFFER LETTER

April 30, 2012

John R. Kilpatrick and Cathy R. Kilpatrick
28090 Scenic Drive
Grand Rapids, MN 55744

In reply refer to: Purchasing Easement for construction of the Horseshoe Lake Road Improvements, City Project 2011-6

Dear John R. Kilpatrick and Cathy R. Kilpatrick:

The City of Grand Rapids hereby submits to you an offer of **\$7,741.00**, for a permanent easement, which is the amount of the appraised market value of the above referenced property and/or certain rights therein, as contained in " PUBLIC SERVICE AND INFRASTRUCTURE EASEMENT " attached hereto, disregarding any change in the before value of the property caused by the Horseshoe Lake Road project.

The City's appraisal of market value is based on appraisals made by the City and/or an independent appraiser. This purchase offer does not prohibit you from donating the land necessary to complete this project.

You will have a reasonable length of time to consider the offer (approximately 30 days). To aid in your decision you may want to secure your own appraisal. The City of Grand Rapids will reimburse you a reasonable amount for that appraisal fee, limited to the amount set by law. Reimbursement cannot be made, however, until after your property is acquired.

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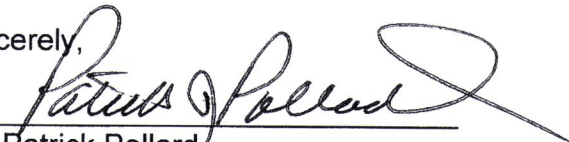
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Your tax preparer will know what taxes consequences you may have as a result of this income. If you or your accountant would like to further discuss this information, you should contact Shirley Miller, Finance Director, at 218.326.7616

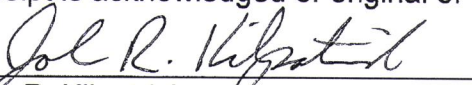
Also this is not a purchase of this property, only an easement on the land, you still own the land, but the county will reduce the land value to reflect the easement.

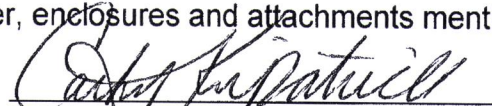
This letter is furnished to inform you of procedures and your rights in this acquisition. It is respectfully requested that you acknowledge its receipt by signing the attached copy in the space provided. Signing this acknowledgment does not in any way commit you to an acceptance of the offer.

Sincerely,

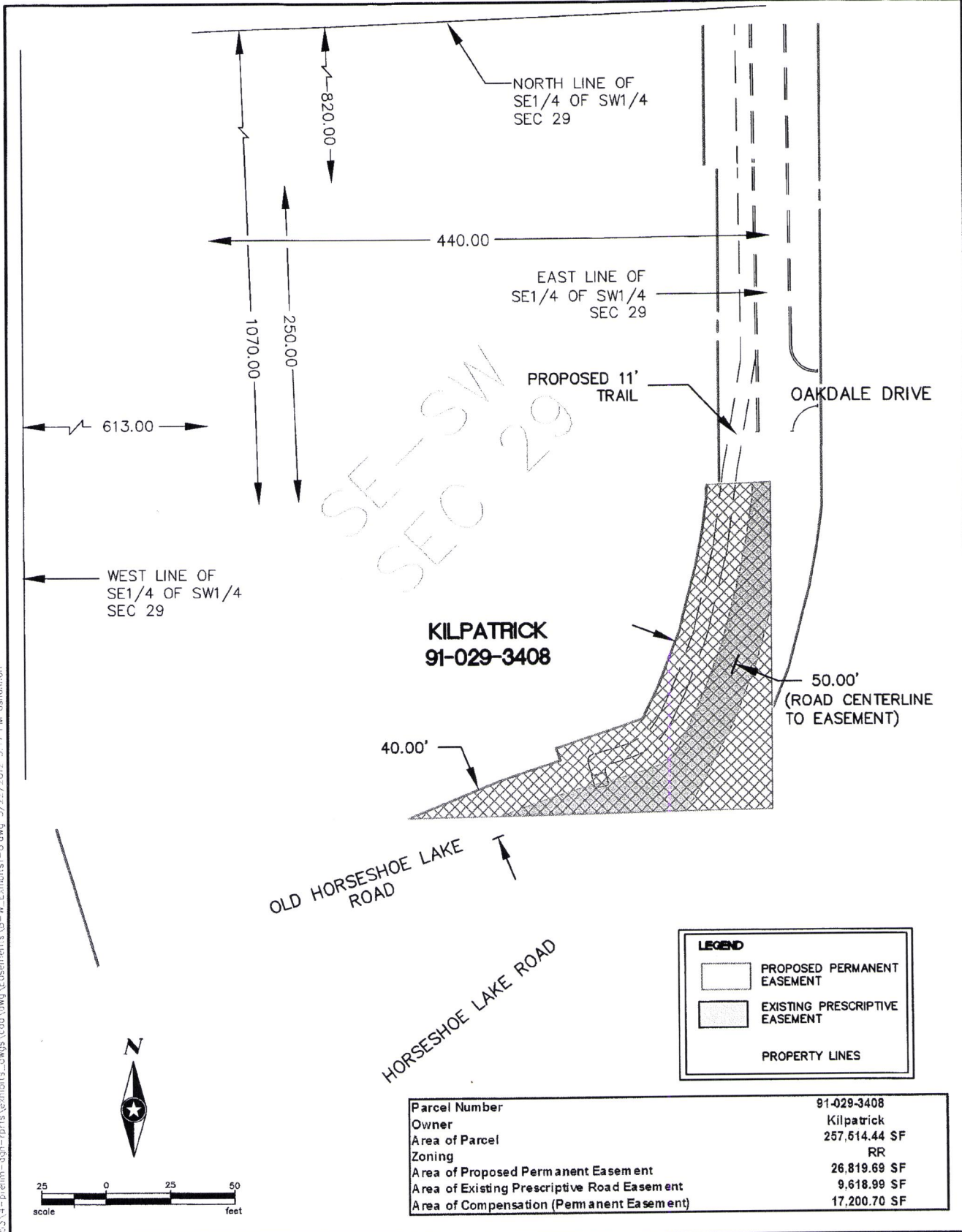

By: Patrick Pollard
Engineering Tech.

Receipt is acknowledged or original of this letter, enclosures and attachments mentioned herein.


John R. Kilpatrick


Cathy R. Kilpatrick

-
-
- 1.) Take out + Dispose of (2) Basswood Clumps + (2) Maple Trees By North Driveway
 - 2.) Replace Landscape scrubbery with Hard Maple trees - approximately (12) In the Fall of 2012 or Spring of 2013
 - 3.) Replace North Driveway approach (H.S. 2K. Rd)
 - 4.) Monitor South Driveway approach For water Flowage - old H.S. Road - probably Replace.
- JRK / 1



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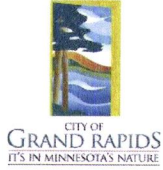
PHONE: 218.322.4500
 21 NE 5TH ST, STE 200
 GRAND RAPIDS, MN 55744-2601
 www.sehinc.com

FILE NO.
118053

DATE:
3/22/2012

**KILPATRICK EASEMENT
 HORSESHOE LAKE ROAD
 GRAND RAPIDS, MINNESOTA**

**EXHIBIT
 NO. 1**



CITY OF GRAND RAPIDS

Legislation Details (With Text)

File #: 12-0401 **Version:** 1 **Name:** Appointment of _____ to the position of Captain for the Grand Rapids Fire Department.
Type: Agenda Item **Status:** Consent Agenda
File created: 6/21/2012 **In control:** Administration
On agenda: 6/25/2012 **Final action:**
Title: Appointment of John Linder to the position of Captain for the Grand Rapids Fire Department.
Sponsors:
Indexes:
Code sections:
Attachments:

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

Title

Appointment of John Linder to the position of Captain for the Grand Rapids Fire Department.

Body

Background Information:

At the May 14, 2012 City Council meeting, the Council authorized City staff to post and interview for the vacancies as they occur and bring back recommended appointments to the positions that will need to be filled due to A.J. Morse's resignation as the 1st Assistant Fire Chief with the Grand Rapids Fire Department.

At the June 11, 2012 City Council meeting, the Council approved the hiring of Michael Liebel from Captain to 2nd Assistant Fire Chief, which left another vacancy. The posting and interviews have been completed for the position of Captain, and based on the results, we are recommending the City Council appoint John Linder to the vacant position effective July 1, 2012.

John's appointment will create a vacancy for the position of Fire Prevention and Education Officer and staff would like to internally post this position opening on June 26, 2012.

Requested City Council Action

Consider appointing John Linder to the position of Captain effective July 1, 2012 at a starting salary of \$382.20 per month and authorize staff to post internally to fill the position of Fire Prevention and Education Officer.



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

CITY OF GRAND RAPIDS

Legislation Details (With Text)

File #: 12-0403 **Version:** 1 **Name:** Employment Contract Extension Agreement for City Administrator Shawn Gillen.

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

File created: 6/21/2012 **In control:** Administration

On agenda: 6/25/2012 **Final action:**

Title: Employment Contract Extension Agreement for City Administrator Shawn Gillen.

Sponsors:

Indexes:

Code sections:

Attachments: [Gillen contract 2012-2016 clean copy](#)

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

Title

Employment Contract Extension Agreement for City Administrator Shawn Gillen.

Requested City Council Action

Consider approving the Employment Contract Extension Agreement for City Administrator Shawn Gillen effective July 1, 2012.

EMPLOYMENT CONTRACT EXTENSION AGREEMENT

AGREEMENT made this 1st day of July, 2012, by and between the City of Grand Rapids, a Minnesota corporation (“Employer” or “City”), and Shawn J. Gillen (“Employee”). The Parties agree as follows:

1. **POSITION.** Employer agrees to renew and extend Employee’s current contract as its City Administrator. Employee agrees to continue to serve as City Administrator in accordance with state statutes and City ordinances and policies and to perform such other legally permissible and proper duties and functions as the City Council shall from time to time assign. This contract extension shall in all ways and nullify and supersede the previous contract executed by the parties on 22nd day of June, 2009.

2. **TERM.** This Agreement shall remain in full force and effect from the date hereby stated above and continue through June 30, 2016, unless terminated by the Employer or Employee as provided in paragraph 16 of this Agreement.

3. **SALARY.** Employer shall pay Employee his present salary of \$97,570 effective July 1, 2012. Thereafter, Employer agrees to increase Employee’s compensation each year by an amount which is no greater than the increase granted to the Employer’s other full-time, non-union employees. The amount of the increase to the base salary shall be based upon an evaluation of the Employee by the Employer and Department Heads. This Agreement shall be amended automatically to reflect any salary adjustments that are provided or required by the Employer’s compensation policies. In addition to Employee’s base salary, Employer agrees to pay to Employee, in exchange for Employee’s guaranteed employment term under this contract, the following monthly amounts to address certain professional expenses incurred by said Employee in the usual and customary execution of his responsibilities as City Administrator: \$1,225 per month in Year 1 (defined as the period of 7/1/2012 through 6/30/2013); \$1,275 per month for Year 2 (defined as the period of 7/1/2013 through 6/30/2014); \$1,325 per month for Year 3 (defined as the period of 7/1/2014 through 6/30/2015); and \$1,375 per month for Year 4 (defined as the period of 7/1/2015 through 6/30/2016). The amount of the increase to this monthly amount will not exceed the aforementioned amounts and will be based on an evaluation of the employee by the employer in a manner specified by the Memorandum of Understanding attached herein.

Also, the Employer will provide the Employee \$400 (four-hundred dollars) for use in purchasing a personal cell phone upon execution of this agreement. The Employer shall also pay to the Employee \$80 per month to reimburse the Employee for costs associated with maintaining a privately owned cell phone which is commonly used by the Employee for work purposes.

4. **PERFORMANCE EVALUATION.** Employee shall be given an annual performance review. The process, form, criteria, and format for the evaluation will be mutually agreed upon by the Employer and Employee. The process at a minimum will include the opportunity for both parties to: (a) prepare a written evaluation, (b) meet and discuss the evaluation, and (c) present a written summary of the evaluation results. The final written evaluation should be completed and delivered to the Employee within thirty (30) days of the evaluation meeting.

5. **PENSION PLAN.** Employer shall contribute to PERA as required by State law for Employee or an alternate pension plan as authorized by State law, if selected by Employee. Employer shall also contribute to any other benefit plans consistent with the benefits provided to other full-time, non-union employees of the Employer.

6. **FLEXIBLE TIME OFF.** The Employee will remain on the City's second tier of the City's flexible time off (FTO) policy for accruing FTO as provided in the City's personnel policies. Accrual of FTO will commence on the Employee's first day of employment.

7. **HOLIDAYS.** Employer shall provide Employee the same holidays as enjoyed by other full-time, non-union employees.

8. **GENERAL INSURANCE.** Employer shall provide and pay the premiums for group hospital, medical, dental for Employee and his dependents equal to that which is provided to all other employees. The Employer will also provide life insurance benefits to the Employee in an amount equal to twice the Employee's annual salary.

9. **DUES AND SUBSCRIPTIONS.** Employer shall continue to budget and pay the professional dues and subscriptions for Employee which are necessary for Employee's continued participation in national, regional, state and local associations necessary and desirable for Employee's continued professional participation, growth, and advancement. Dues and subscriptions include but are not limited to the International City/county Management Association (ICMA) and the Minnesota City/County Management Association (MCMA).

10. **PROFESSIONAL DEVELOPMENT.** Employer shall continue to budget and pay the travel and subsistence expenses of Employee for professional and official travel, meetings and occasions adequate to continue the professional development of Employee and to adequately pursue necessary official and other committees thereof which Employees serves as a member. Professional development includes but is not limited to the International City/County Management Association annual conference, Minnesota City Management Association annual conference, and the League of Minnesota Cities annual conference. Employee shall use good judgment in Employee's outside activities so Employee will not neglect Employee's primary duties to the Employer.

11. **CIVIC CLUB MEMBERSHIP.** Employer recognizes the desirability of representation in and before local civic and other organizations. Employee is authorized to become a member of such civic clubs or organizations as deemed appropriate by organization as approved by the Employer. The Employer agrees to pay the employee \$500 each year for expenses of civic club membership.

12. **GENERAL EXPENSES.** Employer shall reimburse Employee miscellaneous job-related expenses which it is anticipated Employee will incur from time to time, when provided appropriate documentation.

13. **HOURS OF WORK.** Employee will generally be available during regular business hours. It is understood that the position of City Administrator requires attendance at evening and weekend meetings as necessary. In recognition of these work demands, the Employee shall be allowed to use reasonable flexibility in setting his office schedule.

14. **OUTSIDE ACTIVITIES.** The employment provided for by this Agreement shall be the Employee's sole employment. Recognizing that certain outside consulting or teaching opportunities provide indirect benefits to the Employer and the community, the Employee may elect to accept limited teaching or consulting opportunities, subject to a review by the City Attorney to determine if any conflict of interest or other ethical violation exists, with the understanding that such arrangements shall not constitute interference with nor a conflict of interest with his responsibilities under this Agreement, nor shall such arrangements conflict with a regularly scheduled council meeting.

15. **INDEMNIFICATION.** Employer shall defend and indemnify Employee pursuant to Minnesota Statutes, Chapter 466.07 and Chapter 465.76. In addition, Employer shall defend, hold harmless, and indemnify Employee from all torts; civil damages, penalties, and fines; violations of statutes, laws, rules and ordinances, provided the Employee was acting in good faith in the performance of the duties of the position. Nothing in this paragraph shall be deemed to be a waiver by the City of any limitations on liability set forth in Minnesota Statutes, Chapter 466.

16. **TERMINATION GUIDELINES/BENEFITS.** In the event that Employee is terminated by the Employer during such time that the Employee is willing and able to perform the duties of City Administrator, then and in that event, Employer agrees to pay employee at the time of receipt of Employee's last pay check a lump sum cash payment equal to six (6) months salary and to continue to provide and pay for the benefits set forth in paragraph 8 for a period of six (6) months following termination. However, in the event Employee is terminated because of his conviction for an illegal act involving personal gain to Employee, then employer shall have no obligation to pay termination benefits.

If Employer at any time during the employment term reduces the salary or other financial benefits of Employee in a greater percentage than across-the-board reduction for all non-union employees, or if Employer refuses, following written notice, to comply with any other provisions of this Agreement benefiting Employee or Employee resigns following a formal suggestion by Employer that Employee resign, then Employee may, at Employee's option, be deemed to be "terminated" on the effective date of Employee's resignation and the Employee shall also be entitled to receive the termination benefits set forth above.

If Employee voluntarily resigns Employee's position with Employer, Employee agrees to give the Employer ninety (90) days advance notice. If Employee voluntarily resigns Employee's position with Employer, there shall be no termination pay due to Employee.

Should Employee resign prior to the end of the contract period and remains capable of performing the duties of City Administrator in the view of the majority of the City Council,

Employee agrees to reimburse Employer at the last day of employment with the city an amount of \$10,000 (ten-thousand dollars) and forfeits the right to receive benefits set forth in Sections 8 and 11.

If Employee remains employed by the Employer for the full duration of this Contract, agreed to be June 30, 2016, the Employee shall be additionally compensated \$10,000 (ten-thousand dollars) for providing services for the length of the negotiated employment period.

Additionally, the Employer will gift the Employee his present Employer owned laptop computer (identified by serial number 5CB2092XQR) and his Employer owned iPad (identified by serial number DLXGR500DJHF) upon execution of this Agreement.

Should either party desire not to renew this contract at the end of its term, said party shall give the other six months advance notice prior to the expiration of this contract. Notice of non-renewal by either party shall not negate negotiations for a contract extension; however, negotiations shall be concluded no later than 90 days prior to contract expiration. Should this contract reach its full term and six months notice is given by either party, termination benefits shall not apply. Should notice be given by either party of the intent not to renew this contract, Employee shall be held to the same job performance standards during the remaining balance of the contract.

Employee shall also be entitled to all other accrual payouts, such as flexible time off, consistent with the benefits granted to other full-time, non-union employees.

17. **GENERAL CONDITIONS OF EMPLOYMENT.** Nothing in this Agreement shall prevent, limit or otherwise interfere with the right of Employer to terminate the services of Employee at any time, for any reason, subject only to the provisions of this Agreement and statutory requirements. Furthermore, nothing in this Agreement shall prevent, limit or otherwise interfere with the right of Employee to resign at any time from Employee's position with Employer, subject only to the provisions of this Agreement.

18. **CHOICE OF LAW AND VENUE.** This Agreement shall be governed by and construed in accordance with the laws of the State of Minnesota. Any disputes, controversies, or claims arising out of this Agreement shall be heard in the state or federal courts of Minnesota, and all parties to this Agreement waive any objection to the jurisdiction of these courts, whether based on convenience or otherwise.

19. **COUNTERPARTS.** This Agreement may be executed simultaneously in two or more counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

20. **MERGER.** This Agreement supersedes all prior oral or written communications between the parties.

21. **ENTIRE AGREEMENT.** This Agreement constitutes the entire agreement between the parties with respect to the employment relationship between the City and the Administrator,

replaces all prior agreements or understandings, and the parties agree that there were no inducements or representations leading to the execution of this Agreement except as herein contained.

22. **SEVERABILITY.** In case any one or more of the provisions of this Agreement shall be invalid, illegal, or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained in this Agreement will not in any way be affected or impaired thereby.

IN WITNESS WHEREOF, Employer has caused this Agreement to be signed and executed on its behalf of its Mayor and Employee has signed this Agreement, in duplicate, the day and year first written above.

EMPLOYER: CITY OF GRAND RAPIDS

EMPLOYEE: SHAWN J. GILLEN

Dale Adams, Mayor

Shawn J. Gillen

Date: _____

Date: _____

ATTEST:

Kimberly Johnson-Gibeau, City Clerk

Memorandum of Understanding

This document is intended to outline the process of annually reviewing the performance of the City Administrator for the purposes of calculating the annual performance bonus as addressed in paragraph 3 above.

1. The amount of the annual performance bonus is identified in the Employment Agreement Extension Agreement (June 26, 2012).
2. The evaluation of the City Administrator will take into account at least one and not more than three goals.
3. The goals will be mutually agreed upon in writing by no later than June 30 of each year for use in evaluating the Administrator's performance in the subsequent 12 months.
4. During the quarter preceding the award of the bonus, the Mayor and each Council member will rate the Administrator's performance on each goal. This evaluation will utilize a rating system based upon an average score on a scale of one to ten.
5. The percentage of the average rating score of each Council member and mayor will be multiplied by the possible monthly bonus amount to calculate the final monthly bonus payment.

CITY OF GRAND RAPIDS

SHAWN J. GILLEN

Dale Adams, Mayor

Shawn J. Gillen

Date: _____

Date: _____

ATTEST:

Kimberly Johnson-Gibeau, City Clerk



CITY OF GRAND RAPIDS

Legislation Details (With Text)

File #: 12-0405 **Version:** 1 **Name:** Compensation Study Final Report and recommended adjustments.
Type: Agenda Item **Status:** Consent Agenda
File created: 6/21/2012 **In control:** Administration
On agenda: 6/25/2012 **Final action:**
Title: Compensation Study Final Report and recommended adjustments.
Sponsors:
Indexes:
Code sections:
Attachments: [Compensation Study Final Report](#)

Date	Ver.	Action By	Action	Result
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Title

Compensation Study Final Report and recommended adjustments.

Body

Background Information:

The City of Grand Rapids contracted with Springsted to Prepare a Pay Equity and Compensation System Study in 2011. The City has worked with Ann Antonsen, Vice President and Consultant, who has served as the Project Manager and the City's primary contact for this project. We have also worked with Rebecca Edberg, Project Manager, who has been instrumental in assisting us with updating the job descriptions for the City.

Springsted has conducted a study of the City's approximately 70 positions (approximately 80 employees, both unionized and non-represented). Springsted assisted the City in developing a classification and compensation system which has met the goals established by the City and that can be maintained by the City.

The system developed will and/or has:

- * Comply with Minnesota Statutes 471.991-471.999
- * Establish fair and equitable compensation relationships between positions within the City
- * Reflect relevant market conditions outside the organization
- * Apply to all City positions professionally, consistently and objectively
- * Included employee input and participation as an integral part of the study process
- * Provide for ongoing maintenance in accordance with best practices

Springsted has proposed a plan to implement the study recommendations that coincides with the financial and budgetary requirements of the City. An estimate of the cost implementation is attached, and the consultant has ensured us that the new plan is in compliance with the requirements of the Local Government Pay Equity Act.

The final report is attached and contains the following:

- * A detailed study methodology
- * Discussion of the consulting team's findings

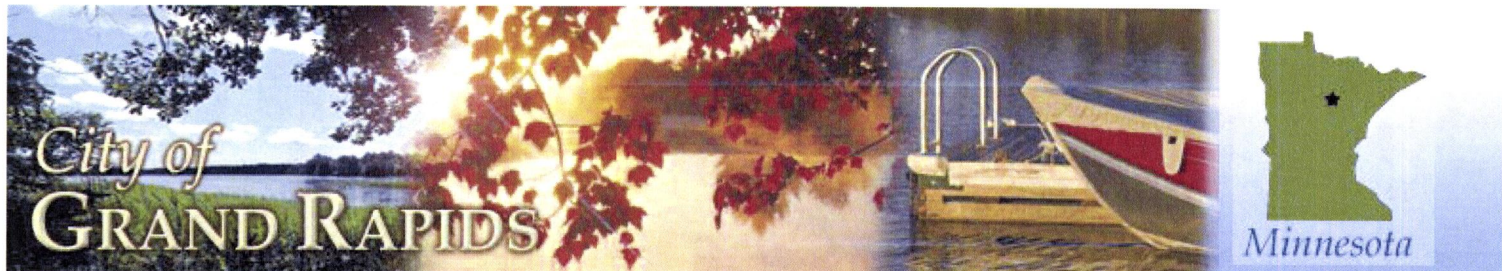
- * List of positions and the assignment of each to a salary grade
- * Salary and benefits survey results

Staff Recommendation:

City Administrator Shawn Gillen and Human Resources Director Lynn DeGrio have discussed the results of the compensation study with Ann Antonsen and support the adjustments as recommended by her.

Requested City Council Action

Consider accepting the Compensation Study Final Report and make the suggested adjustments as recommended.



Final Report

City of Grand Rapids, Minnesota

Classification and Compensation Study

June 1, 2012

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	APPENDIX IV.....	FRINGE BENEFIT COMPARISON

Mission Statement

Springsted provides high quality, independent financial and management advisory services to public and non-profit organizations, and works with them in the long-term process of building their communities on a fiscally sound and well-managed basis.



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LETTER OF TRANSMITTAL

June 1, 2012

Mr. Shawn Gillen
City Administrator
City of Grand Rapids
420 North Pokegama Avenue
Grand Rapids, Minnesota 55744

Re: **Classification and Compensation Final Report**

Dear Mr. Gillen:

Springsted Incorporated is pleased to provide the City of Grand Rapids with the completed Classification and Compensation Study. This Study provides an overview of the City's current compensation and classification system and our final report, including the methodology used to revise position descriptions, job evaluation results, compensation plan and options for implementing a new compensation program.

This Study represents a thorough and comprehensive review of all aspects of the City's classification and compensation system. The recommendations offered in this Study will increase the market competitiveness of the City's compensation program for its employees within the regional marketplace and provide increased internal equity among positions. Implementation of these recommendations will help the City attract new employees and assist in retaining current employees needed to meet the City's service demands.

Springsted expresses its thanks to the City of Grand Rapids staff who completed Springsted's Position Analysis Questionnaires and participated in job audits, and to City staff for providing information and feedback throughout the phases of the Study. Springsted, Incorporated appreciates the privilege of serving the City of Grand Rapids and hope that we may be of assistance to you in the future.

Respectfully submitted,

Ann Antonsen

Ann Antonsen
Consultant

1. Introduction

The City of Grand Rapids, Minnesota, retained Springsted Incorporated to conduct a Classification and Compensation Study of the City's positions in the summer of 2011. The Study represents a comprehensive review of the components that affect an organization's compensation program – position descriptions, current compensation structure, the City's pay philosophy, regional market competitiveness of City salaries, the internal equity of salaries paid to comparable City positions, fringe benefits, and ongoing maintenance and administration of the compensation system.

A classification and compensation system provides the framework for determining how employees will be paid. As a general rule, most organizations conduct new classification and compensation studies approximately every five to seven years ensuring their ability to hire and retain qualified employees and that internal relationships are equitable. The external market comparison is important because it ensures that the compensation plan is adequate to attract new employees and retain existing employees.

If compensation levels fall below those in the regional marketplace:

- The organization will experience difficulty hiring people
- Increased employee turnover as employees seek jobs with other organizations that will pay the market rates for their skills and abilities

Organizations should expect some employee turnover, but when it becomes excessive turnover has a serious impact on the organization's overall effectiveness. Advertising costs are a measurable component of turnover, and as the City moves through the selection process the time spent by current employees covering the void left by the departing employee often diverts their attention from their day to day responsibilities creating overtime demands and often frustration on the part of the remaining employees as they attempt to meet deadlines and maintain acceptable levels of service. These are some of the hidden and non-quantifiable costs associated with turnover.

In addition, time spent by City staff participating in the recruitment and selection process for new employees:

- Often diverts focus from their other duties and responsibilities
- Slowing progress on meeting established goals
- Adding to frustrations in meeting other job objectives beneficial to the City

There is also a substantial cost to turnover that comes with training new employees. Employees receive significant on-the-job training which diverts the attention of other employees away from their regular duties to assist in training. Organizational effectiveness is affected as employees train new employees as those new employees endeavor to become proficient in their job.

While these costs are not necessarily visible in expense reports, they will show up in performance data in the form of reduced service outcomes.

The following Study documents the comprehensive review and evaluation of the City's existing classification and compensation system and the methodology used to develop a new classification and compensation system. The Study was conducted with extensive participation and input from City employees. Department heads were interviewed concerning the nature of their operations and discussed particular issues they were having with employee recruitment and retention. City employees supplied information about the work they perform by employees and their supervisors completing Position Analysis Questionnaires (PAQs) and reviewing current job descriptions and providing information on changes in essential duties and responsibilities or job requirements. Positions were then evaluated by Springsted using the Systematic Analysis and Factor Evaluation (SAFE[®]) system. The SAFE system provides a consistent and objective approach to evaluating jobs by applying standard criteria to the training and experience needed to perform the job, the level of complexity in the work performed, working conditions, the impact of end results and the consequences of error.

A compensation survey was developed and comprehensive wage and benefit data was collected from comparable regional employers. The results of the job evaluation and the salary survey data were used to create a salary curve which served as the foundation for creating a revised classification and compensation program. The compensation program structure relied upon a review of pay philosophy concepts that included:

- Providing fair and equitable compensation to employees
- Maintaining a competitive pay structure that takes into consideration the City's fiscal resources
- Ensuring that employee compensation is based on individual performance that meets or exceeds expectations, and reflects changing economic conditions
- Providing consistent administration of pay policies and procedures among all City departments
- Evaluate additional compensation and fringe benefits in comparison with comparable employers
- Developing recommendations for modifications to the current compensation system that addresses internal equity and external market competitiveness and which meets the requirements of the State of Minnesota Local Government Pay Equity Act

This final report represents the culmination of the Classification and Compensation Study. It reflects significant City staff involvement, including their participation and attendance at orientation meetings held in June of 2011, and submission of Position Analysis Questionnaires. Members of the Springsted team also met with City department heads to learn about the City's

operations. These interviews also provided an opportunity for department heads to explain staffing problems affecting their operations that could be addressed through the Study.

A comprehensive salary survey was also conducted as part of this Study. Survey recipients were selected in conjunction with the City, based on demographics and geographic proximity. Thirty-three public entities, listed below, were invited to participate in the survey:

- City of Albert Lea
- City of Alexandria
- City of Baxter
- City of Bemidji
- City of Brainerd
- City of Chisholm
- City of Cloquet
- City of Crookston
- City of Detroit Lakes
- City of East Grand Forks
- City of Elk River
- City of Fairmont
- City of Faribault
- City of Fergus Falls
- City of Hermantown
- City of Hibbing
- City of Hutchinson
- City of International Falls
- City of Little Falls
- City of Marshall
- City of Moorhead
- City of Morris
- City of New Ulm
- City of North Branch
- City of Owatonna
- City of Sartell
- City of Sauk Centre
- City of Sauk Rapids
- City of Thief River Falls
- City of Virginia
- City of Willmar
- City of Worthington
- City of Zimmerman

The cities of Albert Lea, Alexandria, Detroit Lakes, East Grand Forks, International Falls, Little Falls, Morris, new Ulm, Thief River Falls, Virginia and Worthington did not participate in the survey, however, we were able to gather their information from the League of Minnesota Cities survey, providing an excellent response rate of 28 of the identified regional organizations. The cities of Brainerd, Chisholm, Hermantown, Hibbing, Sauk Rapids and Zimmerman did not respond to either our requests for information nor to the League of Minnesota Cities.

Survey respondents were asked to provide information on only those City of Grand Rapids positions which they considered to be comparable to positions in their organizations. Therefore, survey respondents did not provide data for every position surveyed.

2. Methodology

Springsted, Incorporated used the following methodology to develop recommendations for the City of Grand Rapids:

1. Springsted met with the Human Resources Director to establish a working relationship and gain an understanding of the needs and expectations of the City. This also provided an opportunity to discuss the City's goals in reviewing the compensation and fringe benefits offered to the City's employees, review current policies and practices relating to the City's existing pay practices, and obtain data on the programs and materials currently in use.
2. All department heads were provided information explaining the purpose of the study and Springsted's approach to conducting the study. Individual meetings were conducted with each department head to collect data on department structure, operations, and staffing along with identifying any specific departmental needs and concerns related to this study.
3. Employee orientation sessions were conducted by Springsted explaining the study process and answering questions. These meetings also provided an opportunity for employees to voice concerns and have input into the study.
4. All employees received Position Analysis Questionnaires (PAQs) and instruction sheets. They were encouraged to participate in the study by using the PAQ to respond to questions on characteristics and factors applicable to their position. Each employee's supervisor then reviewed the completed questionnaires for completeness and accuracy and provided any additional information they felt was relevant to the position. Employees and their supervisors were also asked to review current job descriptions and provide information on changes in essential job duties and responsibilities, and any changes in required education and experience, and other knowledge, skills and abilities.
5. Information was gathered from the City on the current compensation structure, current bargaining unit contracts, current benefits, and existing job descriptions covering the positions included in the study.
6. Springsted developed a comprehensive wage and benefits survey which included requests for general information on compensation policies, such as whether an open range or step system was utilized, years to maximum, number of steps if utilized, and percentage between steps and grades.
7. Information was also gathered on minimum, maximum and actual wage information for all positions, information on any additional compensation such as longevity pay, pay for performance, bonuses, and information on a wide variety of fringe benefits, including holidays, vacation, sick leave,

insurances, deferred compensation, uniform allowance and any other additional compensation.

8. Using the salary and benefits data supplied by comparable government organizations recommendations were created for modifications to the City's current compensation system.
9. Guidelines for implementation and ongoing administration of the compensation program were developed. These guidelines provide for annual adjustments to the salary schedule ensuring that the City's pay scale stays current with changing economic and market conditions. The guidelines also provide for annual salary adjustments based on employee performance that meets or exceeds job expectations.

3. Findings and Recommendations

Conducting a comprehensive compensation study involves the analysis of substantial quantities of data collected from comparable employers and the City. We have evaluated the City's existing compensation program based on our analysis of the study data and the survey results. Using this information, we have developed recommendations for development of a new compensation system for the City of Grand Rapids.

A. Evaluation of the Current Compensation Program

Discussions with City personnel and a review of current compensation data indicates that many of the positions in the City of Grand Rapids are under-compensated in relation to other comparable organizations. Other findings indicate a wage problem demonstrated by:

- Concerns about the potential for future employee turnover as employees reach retirement or because employees choose to leave the City to take higher paying jobs or promotional opportunities with other employers
- Difficulty hiring new personnel, especially for specialized positions such as technical, public safety and managerial
- Positions with comparable responsibilities requiring comparable education and experience that are assigned to different pay ranges

B. Pay Philosophy

A pay philosophy guides the design of a compensation system and answers key questions regarding pay strategy. It generally takes a comprehensive, long term focus and explains the compensation program's goals and how the program supports the employer's long-range strategic goals. Without a pay philosophy, compensation decisions tend to be viewed from a short-term tactical standpoint apart from the organization's overall goals.

Market competitiveness and internal equity are among the most important areas addressed in a pay philosophy. An organization's desired market position involves defining the market and identifying where the organization wants to be positioned within that market. Market position should balance what it takes to attract new employees and to retain skilled employees (in other words, eliminating higher pay as the reason employees leave the organization) with the organization's financial resources. Internal equity expresses an organization's desire to provide comparable pay to positions with comparable duties and responsibilities.

A pay philosophy should be developed that establishes a compensation program based on individual employee performance as a key feature of the pay philosophy. Therefore, we have emphasized references to performance in the pay philosophy discussion. As part of this Study, it is

recommended that the City consider these concepts in the adoption of a formal pay philosophy:

- Providing fair and equitable rates of pay to employees
- Defining the City's market area
- Developing a system that establishes a "market rate" for each position and states the minimum wage and maximum rates that the City will pay individuals within a position
- Establishing rates of pay that allow the City to compete successfully for new employees within its market area
- Establishing a market position that is fiscally responsible with public resources
- Ensuring that pay rates for existing employees are based on individual performance that meets or exceeds expectations and reflects changing economic conditions
- Developing a pay system that allows employees to progress through the pay range as long as their performance consistently meets expectations
- Developing pay administration policies and procedures that ensure their consistent application between departments
- Ensuring that the compensation program is understandable to employees, managers, the City Council, and the public

C. Defining and Evaluating Job Classes

City employees completed individual Position Analysis Questionnaires (PAQs). Supervisors reviewed the PAQs and provided information for each position. Employees and supervisors both responded to questions regarding education and experience requirements, various job factors affecting positions, working conditions and the physical requirements of each job in compliance with the Americans with Disabilities Act (ADA).

Employees and supervisors also provided information regarding any changes in essential duties and responsibilities. We examined the PAQs and requested job description changes carefully to review the type of work performed and the qualifications of positions. If the work performed is essentially the same, positions can be consolidated into one job class, such as Administrative Assistant. Consolidating job titles, if practicable, can be beneficial for an organization as it can promote internal equity, particularly with comparable positions that exist in different departments. It also gives greater flexibility to supervisors in assigning work and supports employee cross training and professional development.

All job classes were reviewed to determine those positions that can be exempted from the overtime provisions of the federal Fair Labor Standards Act (FLSA) consistent with the regulations which took effect on August 23, 2004.

With the completion of the review of job descriptions, we utilized the SAFE job evaluation system, to review and rate each City position. The factors considered in determining the relative value of classifications are:

- Training and Ability
- Level of Work
- Physical Demands
- Independence of Actions
- Supervision Exercised
- Experience Required
- Human Relations Skills
- Working Conditions/Hazards
- Impact on End Results

D. Developing A Salary Schedule

The process of developing a salary schedule draws substantially from market data. This data is obtained by conducting a survey of other comparable employers within the City's defined market. Respondents are asked to provide information about the structure of their pay plans, the minimum, maximum and actual salary rates of positions, years to maximum, number of steps, and information on additional compensation if relevant.

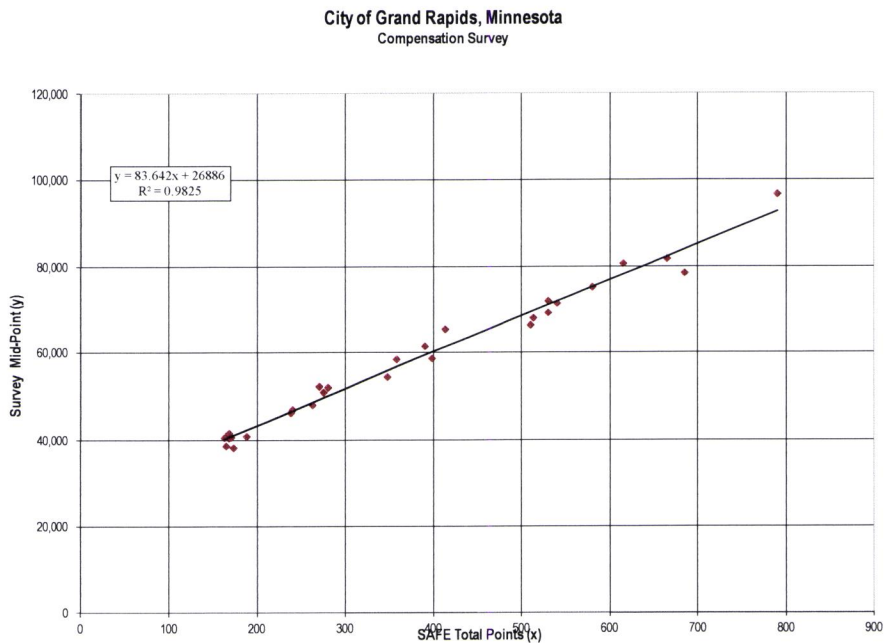
Survey Results. The salary survey included a series of questions designed to obtain information on a variety of pay practices. This survey was conducted using data from comparable employers in the region. Of the 46 positions included in the survey, the information for 38 positions was used in analyzing the salary data. Eight positions were not used in the overall analysis as there was no consistency in the information provided by the responding organizations. A review of the salary ranges (for those positions with ranges, many City positions do not currently have established ranges) indicates that the salary ranges for the majority of the City of Grand Rapids positions included in the survey are below those of comparable organizations. City of Grand Rapids minimum salaries are, on average 2.77% (which is considered consistent) below the market, midpoint salaries are 5.43% below and the maximums of the salary ranges are 12.93% below the average maximums reported by the survey participants.

A summary of the market survey results can be found in Appendix I.

Compensation Plans. A review of the compensation programs of the survey participants indicates that of the 12 organizations that completed the fringe benefit portions of the survey 8 utilize a step system, 1 uses an open range system and 3 have no ranges established in their compensation plans. The number of steps varied from 5 to 10, with an average of 6.71 steps. The

percentage between steps varied from 2.5 to 5 percent, with an average of 3.56% between steps. The number of grades in the pay plans averaged 21 with an average spread from minimum to maximum of 34%. The spread between grades ranges from 5% to 10.7% with an average of 7% between grades.

Designing the Salary Schedule. The first step in designing a compensation plan is to create a salary curve using the salary survey data for the City’s positions and the corresponding job evaluation point factors for each position. This data produced the salary curve shown below. Any given point on the salary curve identifies where the market salary rate and the job evaluation point factors intersect.



The recommended compensation plan was designed by establishing 20 pay grades with a 7 percent spread between pay grades. The midpoint of each pay grade generally corresponds with the market as defined by the salary survey. Each grade has 7 steps with 3.5% between steps (for those positions with established steps). The recommended compensation plan for the City of Grand Rapids can be found in Appendix II of this report.

The consultant then assigned each position to the appropriate salary grade in the salary schedule. The List of Positions and Assignment to Salary Grade is shown in Appendix III.

It is recommended that as part of this compensation plan, individual employee movement between the steps be based on individual employee performance. Employees should only receive step increases if their performance is satisfactory or better.

An established performance evaluation includes ongoing training of the system ensuring that supervisors in all departments consistently apply performance standards. When compensation is based on performance, employees look for assurance that managers will honestly evaluate performance and not inflate ratings in order to obtain a higher salary for particular employees. Generally, such systems provide for a review by the City Manager's Office to provide a mechanism that helps supervisors apply performance standards consistently for all employees.

When pay is based on performance, the evaluation system often provides for reviews at six or 12 month intervals, so employees know how supervisors view their performance and have the opportunity to improve performance and their prospect for a pay increase. Employees who have satisfactory or better performance evaluations should expect annual wage increases.

4. Implementing the Recommended Salary Plan

A. Implementation

Employees can be placed onto the recommended wage schedule in several ways. To estimate implementation costs we used current 2011 employee salaries supplied by the City for all departments.

Option 1

In Option 1 individual employees whose current wage is below the minimum of the proposed range would be placed on the first step of the proposed range for their position. Of the City’s 76 employees, 9 employees or 12% of the City’s workforce are compensated at a level which is below the minimum wage of the proposed wage scale for their position. The annual cost to bring these employees to the minimum of their proposed scale is \$30,747.70, which is 0.81% of the City’s total payroll.

Option 1 - Move to Min

	# of Staff	Current Salary	Proposed Salary	Difference	% Increase
Totals	76	3,779,630.81	3,810,378.51	30,747.70	0.81%
Employee Below Min	9	408,127.62	438,875.31	30,747.70	7.53%
Employee Within Range	65	3,255,524.47	3,255,524.47	-	-
Employee Above Max	2	115,978.72	115,978.72	-	-

Option 2

This option would place employees within the proposed schedule on the step closest to their current actual wage, without an employee receiving a decrease to their current wage. The cost to place these individual employees onto the step closest to their current wage is \$67,698.45. This results in a total cost, along with the employees who are moved to the minimum of the range of \$98,446.15, which is a 2.60% increase.

Option 2 - Next Step

	# of Staff	Current Salary	Proposed Salary	Difference	% Increase
Totals	76	3,779,630.81	3,878,076.96	98,446.15	2.60%
Employee Below Min	9	408,127.62	438,875.31	30,747.70	7.53%
Employee Within Range	65	3,255,524.47	3,323,222.92	67,698.45	2.08%
Employee Above Max	2	115,978.72	115,978.72	-	-

Option 3

The third option to be considered is to move employees onto the proposed wage schedule based on their years of service with the City. For example, an employee who has been employed with the City for 5 years would be placed on step 6 on the proposed wage schedule, regardless of the increase. This is the most costly of the scenarios. The total cost for this option is \$259,202.06, which is a 6.86% increase.

Option 3 - Yrs of Svc

	# of Staff	Current Salary	Proposed Salary	Difference	% Increase
Totals	76	3,779,630.81	4,038,832.87	259,202.06	6.86%
Employee Below Min	9	408,127.62	473,445.40	65,317.79	16.00%
Employee Within Range	65	3,255,524.47	3,449,408.75	193,884.27	5.96%
Employee Above Max	2	115,978.72	115,978.72	-	

Option 4

The fourth option to be considered is to move selected employees onto the proposed wage schedule based on their years of service with the City and compression issues. This option impacts 13 City employees. The total cost for this option is \$10,436.89, which is a 0.28% increase.

Option 4 - Compression Based Increases - Year 1

	# of Staff	Current Salary	Proposed Salary	Difference	% Increase
Totals	76	3,779,630.81	3,790,067.70	10,436.89	0.28%
Employee Below Min	9	408,127.62	414,917.47	6,789.85	1.66%
Employee Within Range	65	3,255,524.47	3,259,171.51	3,647.04	0.11%
Employee Above Max	2	115,978.72	115,978.72	-	

B. Ongoing Administration

After initial implementation is achieved, the City will need to develop administration procedures that provide for annual salary adjustments based on market and economic conditions and adjustments that recognize individual performance.

Employee Adjustments. Employees will move through the wage schedule based on years of service and performance factors. An employee hired at the minimum wage rate who maintains satisfactory performance will move from the minimum to the maximum wage rate in approximately 5 years. Those with above satisfactory performance could move through the wage schedule in a shorter time frame.

Base adjustments. In subsequent years it will be necessary for the City to adjust the salary schedules based on cost of living and other factors such as

recruitment and retention issues. The City can establish a guideline for determining annual base adjustments. For example, the City could base its adjustment on the Consumer Price Index (CPI). The City could also contact comparable jurisdictions to find out what percentage adjustment they are making to their pay scales as a second level of verification of the pay range adjustment. This would also ensure that the City maintains marketability among comparable regional organizations.

If the CPI for example, is 3.0 a 3.0 percent increase would be applied to the pay scale. In addition, employees would move to the next step of the wage schedule on their anniversary date, based on satisfactory performance. By making this base adjustment to all employee salaries, the City ensures that employees will not again fall behind the market.

C. Review of Fringe Benefits

The local government organizations that responded to the salary survey also provided information about their fringe benefit programs. Several observations can be made based on a review of the survey data.

- Holiday leave varies from 10 to 12 days per year, with an average of 11 holidays, 6 of the organizations also offered floating holidays. The City of Grand Rapids provides 11 days of holiday leave, which is consistent with that provided by the survey participants.
- Eight of the organizations provide traditional vacation and sick leave plans, 2 provide paid time off in lieu of vacation and sick leave. The City of Grand Rapids provides paid time off. Paid Time Off for the 2 cities which provide this benefit ranged from 20 to 24 days for years 1 through 4 years of service with an average of 21.5 days. For 5 through 10 years of service, the average number of days is 25.5 with a range of 24 to 27 days. Twenty-seven to 29 days of PTO are provided for 11 through 14 years of service, with an average of 28 days. An average of 29 days of PTO is provided after 15 years of service and an average of 31.5 days after 16 years of service. The City of Grand Rapids is above the average in annual PTO leave.
- Carry-over of paid time off into the next year ranges from 6 to all accumulated days of leave with an average of 40 days which is above Grand Rapids allowable carry-over of 31 days of PTO. Maximum accumulation of paid time off ranges from 27 days to 100 days with an average of 46 days. The City of Grand Rapids allows employees to accumulate a maximum of 82.5 days which is above the average.
- Vacation and sick leave accumulation can be viewed in Appendix IV.
- All organizations offer medical insurance. For traditional health insurance coverage for 2011, the average monthly cost for single coverage is \$531.09 with an average employer contribution of 97%. For

employee plus dependent coverage, the average cost among survey participants was \$1013.19 with an average contribution of 67%. Family insurance coverage had an average monthly cost of \$1443.95 with an average employer contribution of 70%. The City of Grand Rapids cost for health insurance is below the average and the contribution level above the average. The average annual deductible for single coverage is \$712.50, \$1225.00 for employee plus dependent and \$1487.50, all of which is higher than the deductibles paid by City of Grand Rapids employees.

- Ten of the organization also offered High Deductible Plans. The average monthly cost for single coverage is \$449.19 with an average contribution of 96%. For employee plus dependent the average cost is \$777.29 with an average contribution of 87%. For family coverage the average cost is \$1,205.02 with an average employer contribution of 84%. The City of Grand Rapids cost for single coverage is lower than the average as is the City's level of contribution. The City's cost for employee plus dependent is above the average and the contribution is below the average. The City's cost for family coverage is below the average as is the City's level of contribution. For single coverage the average annual deductible is \$2466.67, \$3700 for employee plus dependent and \$5390 for family coverage. City of Grand Rapids deductibles are higher for single coverage, comparable for employee plus dependent and lower for family coverage.
- Eight organizations covered retirees in their medical insurance program, none provided a contribution towards that coverage. The City of Grand Rapids allows retirees to be covered under the City's health insurance plan but does not pay for that coverage, which is consistent with the practices of the survey participants.
- All of the organizations provided life insurance coverage. Four of the organizations who responded offered short-term disability coverage, 1 paid for the coverage. Nine respondents offered long-term disability insurance, and 3 of those organizations paid for that coverage. The City of Grand Rapids does not provide short-term disability coverage and provides long-term disability insurance and pays for that coverage, which is above the average.
- Eleven of the organizations surveyed provided a deferred compensation program, none provided a contribution towards that program. The City of Grand Rapids offers a deferred compensation program and does not provide a contribution, which is consistent with the practices of the responding organizations.
- Eight of the respondents offered a Post Retirement Health Care Savings Plan, the City of Grand Rapids also provides this benefit.

A summary of the fringe benefits survey appears in Appendix IV.

APPENDIX I

Market Survey Information

Position Surveyed	Number of Respondents	Average FTES	Average Midpoint	Minimum Salary			Midpoint Salary		Maximum Salary		
				Lowest	Highest	Average	Lowest	Highest	Lowest	Highest	Average
DNU - 1st Assistant Fire Chief	4	1.50	3,234	2,400	4,891	3,234	2,400	4,891	2,400	4,891	3,234
Accountant	10	1.00	52,471	38,823	51,106	45,625	47,316	60,060	51,480	69,014	59,122
Accounting/Payroll Clerk	22	1.23	41,619	29,858	40,518	36,363	36,953	47,316	40,498	55,808	46,796
Administrative Assistant - Parks and Recreation	8	1.13	40,893	32,554	41,538	35,766	37,826	43,846	42,730	49,234	46,019
Administrative Assistant - Public Works	8	1.00	41,253	32,923	41,538	36,147	37,826	43,846	42,730	51,295	46,358
Administrative Assistant/Floater - Administration	11	1.09	40,642	32,631	44,970	35,697	37,390	47,466	42,148	51,295	45,587
Building Official	21	1.00	58,453	42,369	59,976	51,138	54,860	65,074	55,078	75,000	65,729
Building/Airport Maintenance Worker	7	1.57	38,406	29,910	35,488	31,818	35,058	40,704	40,061	50,149	45,509
Building/Fire Inspector	12	1.25	46,823	35,859	47,076	41,521	40,550	52,603	45,240	60,070	52,125
DNU - Captain	5	3.20	2,750	2,400	2,400	2,400	2,400	2,400	2,400	4,497	3,449
Chief of Police	27	1.00	78,660	59,093	86,111	69,621	71,334	91,727	79,706	97,342	87,699
Children's Librarian	3	1.00	51,132	41,752	48,942	45,034	44,072	57,512	46,392	66,082	57,231
Circulation Technician	3	1.00	40,799	34,184	41,538	37,861	36,083	43,846	37,982	49,579	44,572
City Administrator	25	1.00	96,834	73,656	106,267	85,330	88,159	109,075	87,240	123,216	107,886
City Clerk	13	1.00	46,555	34,611	47,076	40,918	40,144	50,148	45,182	58,484	52,192
City Engineer	6	1.00	80,890	63,228	83,450	72,866	67,350	94,037	71,472	108,142	88,425
Deputy Chief of Police	17	1.12	66,387	47,917	73,872	58,415	56,203	78,690	57,208	83,508	73,737
Director of Community Development	20	1.00	72,096	53,893	73,071	64,150	61,069	85,966	66,981	98,861	79,298
Director of Finance	25	1.00	75,322	55,104	80,589	66,957	64,632	85,066	70,908	91,936	83,221
Director of Human Resources	8	1.00	68,133	47,653	63,852	59,027	53,987	77,820	60,320	91,788	77,239
Director of Information Technology	12	1.00	69,342	57,949	69,703	63,627	65,198	75,853	71,472	82,003	74,933
Director of Library Services	12	1.00	66,482	51,279	72,924	59,812	54,074	76,976	56,869	84,926	73,152
Director of Parks and Recreation	16	1.00	71,550	61,547	72,924	65,130	64,834	76,976	67,642	84,767	77,523
Director of Public Works	23	1.00	82,025	55,104	88,465	71,865	64,632	96,271	74,160	109,752	92,185
Dispatcher	5	3.60	41,853	30,036	38,823	35,671	34,779	47,316	39,521	55,808	48,034
DNU - Firefighter	13	14.62	36,804	36,282	48,636	33,669	42,011	53,402	43,830	59,280	40,044
DNU - GIS Assistant	1	1.00									
GIS/CAD Technician	7	1.00	54,140	41,924	51,106	46,626	50,471	60,060	56,014	69,014	61,655
Lead Mechanic	12	1.00	48,289	35,797	49,754	42,712	44,762	54,153	50,482	58,552	53,875
Maintenance and Plant Operator	10	3.00	41,114	31,025	44,360	36,702	36,201	45,131	41,377	49,421	45,599
Network Technician	6	1.50	47,222	35,797	44,436	40,653	44,762	48,370	51,480	54,665	53,792
Police Officer	24	12.83	52,244	37,898	50,328	46,109	43,712	54,943	49,525	64,792	58,279
Police Sergeant	22	3.82	61,557	46,883	63,128	57,002	53,113	64,345	56,410	73,776	65,603
DNU - Reference Librarian	1	0.00									
DNU - Fire Chief	12	1.00	81,214	62,754	84,840	71,972	73,642	92,326	81,027	100,507	90,457
Line Worker	7	4.14	53,829	33,821	52,707	44,901	47,986	59,301	55,182	65,894	62,757
Line Foreman/Supervisor	3	1.67							69,347	71,822	70,585
Electric Superintendent	1	1.00	70,647	62,795	62,795	62,795	70,647	70,647	78,499	78,499	78,499
Stormwater Specialist	4	1.00	48,686	41,160	51,087	46,124	43,446	53,925	45,732	56,763	51,248
DNU - Community Development Specialist	3	1.00	56,543	45,370	52,936	49,153	53,537	59,550	61,703	66,165	63,934
Assistant Finance Director	7	1.00	65,548	53,364	60,800	58,022	61,362	71,744	67,800	82,688	73,074
DNU - Assistant Library Director	2	1.00	62,221	58,946	58,946	58,946	62,221	62,221	65,495	65,495	65,495
Facilities Maintenance Manager	5	1.00	54,540	40,123	58,826	49,475	64,017	64,017	52,146	69,207	59,071
Director of Golf	1	1.00	58,665	55,577	55,577	55,577	58,665	58,665	61,752	61,752	61,752
Community Assistance Officer	4	1.20	38,822	27,408	42,182	32,850	33,708	47,393	38,849	52,603	44,794
DNU - Library Catalog Technician	1	1.00									

Averages 12.28

DNU – Did not use the information in the analysis

Market Survey Information

Position Surveyed	City of Grand Rapids Information								
	Min	Diff	%	Mid	Diff	%	Max	Diff	%
DNU - 1st Assistant Fire Chief							4,891		
Accountant	46,392	767	1.65%	52,971	500	0.94%	59,549	427	0.72%
Accounting/Payroll Clerk	34,896	(1,467)	-4.20%	40,039	(1,580)	-3.95%	45,182	(1,614)	-3.57%
Administrative Assistant - Parks and Recreation	34,896	(870)	-2.49%	40,039	(854)	-2.13%	45,182	(837)	-1.85%
Administrative Assistant - Public Works	34,896	(1,251)	-3.59%	40,039	(1,214)	-3.03%	45,182	(1,176)	-2.60%
Administrative Assistant/Floater - Administration	32,631	(3,065)	-9.39%	37,390	(3,252)	-8.70%	42,148	(3,438)	-8.16%
Building Official							57,772	(7,957)	-13.77%
Building/Airport Maintenance Worker	35,488	3,670	10.34%	38,624	218	0.57%	41,760	(3,749)	-8.98%
Building/Fire Inspector							46,936	(5,189)	-11.06%
DNU - Captain							4,497		
Chief of Police							72,000	(15,699)	-21.80%
Children's Librarian	41,752	(3,282)	-7.86%	44,072	(7,060)	-16.02%	46,392	(10,838)	-23.36%
Circulation Technician	34,184	(3,677)	-10.76%	36,083	(4,716)	-13.07%	37,982	(6,590)	-17.35%
City Administrator							96,601	(11,285)	-11.68%
City Clerk	34,898	(6,021)	-17.25%	40,040	(6,515)	-16.27%	45,182	(7,010)	-15.52%
City Engineer							82,572	(5,854)	-7.09%
Deputy Chief of Police							63,502	(10,234)	-16.12%
Director of Community Development							67,836	(11,462)	-16.90%
Director of Finance							78,299	(4,922)	-6.29%
Director of Human Resources							62,222	(15,017)	-24.13%
Director of Information Technology							53,346	(21,587)	-40.47%
Director of Library Services							59,758	(13,394)	-22.41%
Director of Parks and Recreation							68,570	(8,953)	-13.06%
Director of Public Works							75,840	(16,345)	-21.55%
Dispatcher	34,898	(774)	-2.22%	40,040	(1,813)	-4.53%	45,182	(2,852)	-6.31%
DNU - Firefighter							33,793		
DNU - GIS Assistant							27,040		
GIS/CAD Technician	46,392	(234)	-0.51%	52,971	(1,170)	-2.21%	59,549	(2,105)	-3.54%
Lead Mechanic	49,103	6,391	13.02%	49,883	1,594	3.20%	50,663	(3,212)	-6.34%
Maintenance and Plant Operator	44,360	7,658	17.26%	45,131	4,016	8.90%	45,901	302	0.66%
Network Technician							44,000	(9,792)	-22.25%
Police Officer	49,074	2,966	6.04%	52,623	379	0.72%	56,172	(2,106)	-3.75%
Police Sergeant	57,261	259	0.45%	59,171	(2,387)	-4.03%	61,081	(4,522)	-7.40%
DNU - Reference Librarian	42,203			44,548			46,893		
DNU - Fire Chief							9,253		
Line Worker									
Line Foreman/Supervisor									
Electric Superintendent									
Stormwater Specialist									
DNU - Community Development Specialist							48,797		
Assistant Finance Director							61,102	(11,972)	-19.59%
DNU - Assistant Library Director							49,275		
Facilities Maintenance Manager							54,930	(4,141)	-7.54%
Director of Golf							58,079	(3,673)	-6.32%
Community Assistance Officer	34,898	2,047	5.87%	40,040	1,218	3.04%	45,182	388	0.86%
DNU - Library Catalog Technician	41,954			44,285			46,616		
Averages		(817.76)	-2.77%		(2,155)	-5.43%		(7,635.76)	-12.93%

APPENDIX II

Compensation Plan

% Between Grades:	7%	Range: 22.93%
% Between Steps:	3.5%	
Starting midpoint:	30,000	

Pts		Grade	Step						
			1	2	3	4	5	6	7
0 - 73	1	26,958.96	27,936.75	28,950.00	30,000.00	31,050.00	32,136.75	33,261.54	
74 - 93	2	28,846.09	29,892.32	30,976.50	32,100.00	33,223.50	34,386.32	35,589.84	
94 - 115	3	30,865.32	31,984.79	33,144.86	34,347.00	35,549.15	36,793.37	38,081.13	
116 - 139	4	33,025.89	34,223.72	35,464.99	36,751.29	38,037.59	39,368.90	40,746.81	
140 - 166	5	35,337.70	36,619.38	37,947.54	39,323.88	40,700.22	42,124.72	43,599.09	
167 - 196	6	37,811.34	39,182.74	40,603.87	42,076.55	43,549.23	45,073.45	46,651.03	
197 - 229	7	40,458.14	41,925.53	43,446.14	45,021.91	46,597.68	48,228.60	49,916.60	
230 - 266	8	43,290.20	44,860.32	46,487.37	48,173.44	49,859.51	51,604.60	53,410.76	
267 - 307	9	46,320.52	48,000.54	49,741.49	51,545.59	53,349.68	55,216.92	57,149.51	
308 - 353	10	49,562.96	51,360.58	53,223.39	55,153.78	57,084.16	59,082.10	61,149.98	
354 - 404	11	53,032.36	54,955.82	56,949.03	59,014.54	61,080.05	63,217.85	65,430.48	
405 - 460	12	56,744.63	58,802.72	60,935.46	63,145.56	65,355.65	67,643.10	70,010.61	
461 - 521	13	60,716.75	62,918.91	65,200.95	67,565.75	69,930.55	72,378.12	74,911.35	
522 - 582	14	64,966.92	67,323.24	69,765.01	72,295.35	74,825.69	77,444.59	80,155.15	
583 - 648	15	69,514.61	72,035.86	74,648.56	77,356.02	80,063.49	82,865.71	85,766.01	
649 - 714	16	74,380.63	77,078.37	79,873.96	82,770.95	85,667.93	88,666.31	91,769.63	
715 - 785	17	79,587.28	82,473.86	85,465.14	88,564.91	91,664.68	94,872.95	98,193.50	
786 - 856	18	85,158.38	88,247.03	91,447.70	94,764.46	98,081.21	101,514.05	105,067.05	
857 - 932	19	91,119.47	94,424.32	97,849.04	101,397.97	104,946.90	108,620.04	112,421.74	
933 - 1058	20	97,497.83	101,034.03	104,698.47	108,495.83	112,293.18	116,223.44	120,291.26	

APPENDIX III

Position Grade Assignment

Poir	Department	Title	Proposed			
			Grade	1	4	7
78.5	Parks and Recreation	Custodian - Parks and Recreation	2	28,846.09	32,100.00	35,589.84
111	Library	Clerk II - Children's Library	3	30,865.32	34,347.00	38,081.13
111	Library	Clerk II - Circulation	3	30,865.32	34,347.00	38,081.13
135.5	Golf	Assistant Superintendent/Equipment Supervisor	4	33,025.89	36,751.29	40,746.81
163	Library	Circulation Technician	5	35,337.70	39,323.88	43,599.09
145	Public Works	Maintenance Worker I	5	35,337.70	39,323.88	43,599.09
168	Finance	Accounting Technician	6	37,811.34	42,076.55	46,651.03
168	Finance	Accounting/Payroll Clerk	6	37,811.34	42,076.55	46,651.03
168	Community Development	Administrative Assistant - Community Development	6	37,811.34	42,076.55	46,651.03
168	Library	Administrative Assistant - Library	6	37,811.34	42,076.55	46,651.03
170.5	Parks and Recreation	Administrative Assistant - Parks and Recreation	6	37,811.34	42,076.55	46,651.03
168	Public Works	Administrative Assistant - Public Works	6	37,811.34	42,076.55	46,651.03
168	Police	Administrative Assistant/Dispatcher/Records Clerk	6	37,811.34	42,076.55	46,651.03
168	Fire	Administrative Assistant/Treasurer - Fire	6	37,811.34	42,076.55	46,651.03
173	Public Works	Building/Airport Maintenance Worker	6	37,811.34	42,076.55	46,651.03
178	Airport/Cemetery	Cemetery Grounds/Burial Services Sexton	6	37,811.34	42,076.55	46,651.03
170	Police	Community Assistance Officer	6	37,811.34	42,076.55	46,651.03
168	Police	Dispatcher	6	37,811.34	42,076.55	46,651.03
185	Engineering	GIS Specialist	6	37,811.34	42,076.55	46,651.03
188	Public Works	Maintenance and Plant Operator	6	37,811.34	42,076.55	46,651.03
180	Public Works	Maintenance and Stormwater Specialist	6	37,811.34	42,076.55	46,651.03
180	Public Works	Maintenance Worker II	6	37,811.34	42,076.55	46,651.03
200	Community Development	Building/Fire Inspector	7	40,458.14	45,021.91	49,916.60
205	Library	Cataloging Technician	7	40,458.14	45,021.91	49,916.60
228	Administration	City Clerk	7	40,458.14	45,021.91	49,916.60
220.5	Parks and Recreation	Concession Manager/Administrative Assistant - Parks and Recreation	7	40,458.14	45,021.91	49,916.60
228	Library	Library Volunteer Coordinator	7	40,458.14	45,021.91	49,916.60
200.5	Public Works	Maintenance Worker III	7	40,458.14	45,021.91	49,916.60
210	Public Works	Public Works Mechanic	7	40,458.14	45,021.91	49,916.60
225.5	Parks and Recreation	Recreation Program Coordinator	7	40,458.14	45,021.91	49,916.60
262.5	Public Works	Lead Mechanic	8	43,290.20	48,173.44	53,410.76
260	Public Works	Leadperson	8	43,290.20	48,173.44	53,410.76
240	Information Technology	Network Technician	8	43,290.20	48,173.44	53,410.76
270	Finance	Accountant	9	46,320.52	51,545.59	57,149.51
275	Library	Children's Librarian	9	46,320.52	51,545.59	57,149.51
270	Community Development	Community Development Specialist	9	46,320.52	51,545.59	57,149.51
290	Engineering	GIS Coordinator	9	46,320.52	51,545.59	57,149.51
280	Police	Police Officer	9	46,320.52	51,545.59	57,149.51
305	Library	Reference Librarian	9	46,320.52	51,545.59	57,149.51
347.5	Public Works	Facilities Maintenance Manager	10	49,562.96	55,153.78	61,149.98
388.5	Library	Assistant Library Director	11	53,032.36	59,014.54	65,430.48
358	Community Development	Building Official	11	53,032.36	59,014.54	65,430.48
398	Golf	Director of Golf	11	53,032.36	59,014.54	65,430.48
387.5	Police	Investigator	11	53,032.36	59,014.54	65,430.48
390	Police	Police Sergeant	11	53,032.36	59,014.54	65,430.48
413	Finance	Assistant Finance Director	12	56,744.63	63,145.56	70,010.61
515	Airport/Cemetery	Director of Airport and Cemetery Services	13	60,716.75	67,565.75	74,911.35
513	Administration	Director of Human Resources	13	60,716.75	67,565.75	74,911.35
510	Library	Director of Library Services	13	60,716.75	67,565.75	74,911.35
530	Police	Assistant Chief of Police	14	64,966.92	72,295.35	80,155.15
530	Community Development	Director of Community Development	14	64,966.92	72,295.35	80,155.15
580	Finance	Director of Finance	14	64,966.92	72,295.35	80,155.15
530	Information Technology	Director of Information Technology	14	64,966.92	72,295.35	80,155.15
540	Parks and Recreation	Director of Parks and Recreation	14	64,966.92	72,295.35	80,155.15
615	Engineering	City Engineer	15	69,514.61	77,356.02	85,766.01
685	Police	Chief of Police	16	74,380.63	82,770.95	91,769.63
665	Public Works	Director of Public Works	16	74,380.63	82,770.95	91,769.63
790	Administration	City Administrator	18	85,158.38	94,764.46	105,067.05

APPENDIX IV

Fringe Benefit Comparison

	Least Reported	Most Reported	Average Reported	Client
Holidays (Days/Year)	10	12	11	11
Floating Holidays	No (3)	Yes (6)	Yes	No
Holiday on Regular Days Off	Other (0)	Fri-Mon (7)	Fri-Mon	Fri-Mon
Comp on Holidays Worked		T&½ (4) - Other (4)		
Time and a ½	T&½ (4)	4	T&½ (4)	T&1/2
Double Time	Dbl (2)	2		
Double Time and a ½	DT&½ (1)	1		
Other	Other (4)	4	Other (4)	
Annual Leave (Days/Year)				
Vacation/Sick or PTO	PTO (2)	Vac-Sick (8)	Vac-Sick	PTO
Vacation - days or hours?				
6 months	-	11.00		
1 year	4.00	11.00	8.44	
2 years	5.00	12.00	9.78	
3 years	10.00	13.00	10.44	
4 years	10.00	14.00	10.56	
5 years	10.00	15.00	12.06	
6 years	10.00	15.00	13.17	
7 years	12.00	15.00	13.94	
8 years	12.50	15.00	14.28	
9 years	14.00	16.00	14.89	
10 years	15.00	20.00	16.22	
11 years	15.00	20.00	16.44	
12 years	15.00	20.00	18.17	
13 years	15.00	20.00	18.39	
14 years	15.00	20.50	18.67	
15 years	15.00	25.00	19.61	
16 years	16.00	25.00	19.89	
17 years	17.00	25.00	20.44	
18 years	18.00	25.00	20.72	
19 years	19.00	25.00	21.67	
20 years	20.00	25.00	22.50	
20+ years	20.00	30.00	23.94	
PTO - days or hours?				
6 months	20.00	20.00	20.00	23.00
1 year	20.00	21.00	20.50	23.00
2 years	21.00	22.00	21.50	23.00
3 years	21.00	22.00	21.50	23.00
4 years	21.00	22.00	21.50	23.00
5 years	21.00	26.00	23.50	30.00
6 years	24.00	27.00	25.50	30.00
7 years	24.00	27.00	25.50	30.00
8 years	24.00	27.00	25.50	30.00
9 years	24.00	27.00	25.50	30.00
10 years	24.00	27.00	25.50	35.00
11 years	27.00	29.00	28.00	35.00
12 years	27.00	29.00	28.00	35.00
13 years	27.00	29.00	28.00	35.00
14 years	27.00	29.00	28.00	35.00
15 years	27.00	31.00	29.00	39.00
16 years	30.00	33.00	31.50	39.00
17 years	30.00	33.00	31.50	39.00
18 years	30.00	33.00	31.50	39.00
19 years	30.00	33.00	31.50	39.00
20 years	30.00	33.00	31.50	39.00
20+ years	30.00	33.00	31.50	39.00
Carried into Next Year	6.00	All	40.10	31.00
Max Accumulation	27.00	100.00	46.00	82.50
Comp after Max Accumulation	Yes (1)	No (10)	No	Yes

Fringe Benefit Comparison

	Least Reported	Most Reported	Average Reported	Client
Sick Leave (Days/Year)	12.00	12.00	12.00	-
Carried into Next Year	12.00	150.00	98.40	
Max. Accumulation	90.00	150.00	125.00	
Paid at Termination/Retirement	No (1)	Yes (8)	Yes	
Use for Medical Appointments	No (0)	Yes (10)	Yes	
Use for Dental Appointments	No (0)	Yes (10)	Yes	
Use for Family Illness	No (0)	Yes (10)	Yes	
Sick Leave Bank	Yes (2)	No (6)	No	
Pension and Retirement				
Other Than Social Security	No (2)	Yes (9)	Yes	Yes
State Sponsored	No (1)	Yes (9)	Yes	Yes
Employer Paid	6%	7%	7%	7%
Employee Paid	6%	6%	6%	6%
Death Benefit	No (0)	Yes (5)	Yes	Yes
Life & Disability Insurance				
Life Insurance	No (0)	Yes (11)	Yes	Yes
Employer Paid	100%	100%	100%	100%
AD&D	No (2)	Yes (7)	Yes	Yes
AD&D Double Indemnity	Yes/No (4/4)	Yes/No (4/4)		
Employer Paid	0%	100%	80%	100%
Short Term Disability	Yes (4)	No (6)	No	No
Employer Paid	0%	100%	33%	
Long Term Disability	No (1)	Yes (9)	Yes	Yes
Employer Paid	0%	100%	38%	100%
Health Insurance	No (0)	Yes (11)	Yes	Yes
Different Levels	No (2)	Yes (9)	Yes	Yes
Not participating	Yes (1)	No (10)	No	No
Traditional Health Insurance Coverage				
Employee Only	\$ 469.00	\$ 631.00	\$ 531.09	\$ 922.00
Employer Paid	78%	100%	97%	100%
Employee Paid	0%	22%	3%	0%
Annual Deductible	\$ 250.00	\$ 1,100.00	\$ 712.50	\$ 500.00
Standard Office Visit Co-pay	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00
Employee/Spouse	\$ 836.50	\$ 1,105.58	\$ 1,013.19	\$ 922.00
Employer Paid	62%	70%	67%	100%
Employee Paid	30%	38%	33%	0%
Annual Deductible	\$ 250.00	\$ 2,200.00	\$ 1,225.00	\$ 1,000.00
Standard Office Visit Co-pay	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00
Employee/Child	\$ 836.50	\$ 1,097.50	\$ 1,009.99	\$ 922.00
Employer Paid	62%	70%	67%	100%
Employee Paid	30%	38%	33%	0%
Annual Deductible	\$ 250.00	\$ 2,200.00	\$ 1,225.00	\$ 1,000.00
Standard Office Visit Co-pay	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00
Employee/Family	\$ 1,177.00	\$ 1,701.00	\$ 1,443.95	\$ 922.00
Employer Paid	49%	100%	70%	100%
Employee Paid	0%	51%	30%	0%
Annual Deductible	\$ 250.00	\$ 2,200.00	\$ 1,487.50	\$ 1,000.00
Standard Office Visit Co-pay	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00

Fringe Benefit Comparison

Fringe Benefit Comparison

	Least Reported	Most Reported	Average Reported	Client
High Deductible Plan				
Employee Only	\$ 354.50	\$ 569.00	\$ 449.19	\$ 353.50
Employer Paid	80%	100%	96%	90%
Employee Paid	0%	20%	5%	10%
Annual Deductible	\$ 500.00	\$ 5,000.00	\$ 2,466.67	\$ 2,500.00
Standard Office Visit Co-pay	\$ -	\$ -		
Employee/Spouse	\$ 758.50	\$ 797.00	\$ 777.29	\$ 883.50
Employer Paid	78%	96%	87%	80%
Employee Paid	4%	22%	13%	20%
Annual Deductible	\$ 500.00	\$ 5,800.00	\$ 3,700.00	\$ 5,000.00
Standard Office Visit Co-pay	\$ -	\$ -		
Employee/Child	\$ 758.50	\$ 797.00	\$ 775.04	\$ 883.50
Employer Paid	78%	96%	87%	80%
Employee Paid	4%	22%	13%	20%
Annual Deductible	\$ 500.00	\$ 5,800.00	\$ 3,700.00	\$ 5,000.00
Standard Office Visit Co-pay	\$ -	\$ -		\$ -
Employee/Family	\$ 949.50	\$ 1,438.50	\$ 1,205.02	\$ 883.50
Employer Paid	54%	100%	84%	80%
Employee Paid	0%	96%	25%	20%
Annual Deductible	\$ 500.00	\$ 10,000.00	\$ 5,390.00	\$ 5,000.00
Standard Office Visit Co-pay	\$ -	\$ -		
Health Care Savings Plan	No (0)	Yes (8)	Yes	Yes
Employer Paid	\$ 25.00	\$ 1,000.00	\$ 387.33	
Employee Paid				
Retirees	No (1)	Yes (8)	Yes	Yes
Years of Service Required	-	1.00		
Employer Paid	0%	0%		0%
Dental Insurance	No (1)	Yes (9)	Yes	Yes
Part of Health Plan	Yes (2)	No (7)	No	No
Employee Only	\$ 25.05	\$ 61.21	\$ 35.60	\$ 23.55
Employer Paid	0%	100%	43%	100%
Employee/Family	\$ 52.58	\$ 175.55	\$ 94.20	\$ 77.90
Employer Paid	0%	100%	43%	30%
Vision Insurance	Yes (2)	No (7)	No	Yes
Part of Health Plan	No (1)	Yes (2)	Yes	No
Employee Only	\$ 11.38	\$ 11.38	\$ 11.38	\$ 5.73
Employer Paid	0%	0%	0%	0%
Employee/Family	\$ 30.13	\$ 30.13	\$ 30.13	\$ 15.20
Employer Paid	0%	0%	0%	0%
Deferred Compensation				
Available to all Employees	No (1)	Yes (10)	Yes	Yes
Type of Plan			457	457
Employer Contribution	Yes (0)	No (10)	No	No
Other Benefits Program				
Other Benefits	Yes/No (4/4)	Yes/No (4/4)		Yes
Post Retirement Hlth Care Svgs	No (1)	Yes (10)	Yes	Yes
Call Back Pay	No (1)	Yes (8)	Yes	No
On Call/Stand By Pay	No (5)	Yes (6)	Yes	No
Clothing Allowance	No (3)	Yes (8)	Yes	Yes
Mgr/Administrator Compensation				
Included in Pay Plan	No (0)	Yes (10)	Yes	Yes
Car or Vehicle Allowance	Yes (5)	No (6)	No	No
Personal Allowance	No (0)	Yes (4)	Yes	
Accrues Leave Differently	Yes (0)	No (11)	No	No
Retirement Plan Differ	Yes (2)	No (9)	No	No
Additional Benefits	Yes/No (0/0)	Yes/No (0/0)	No	Yes

12



CITY OF GRAND RAPIDS

Legislative Master

File Number: 12-0411

File ID: 12-0411	Type: Agenda Item	Status: Draft
Version: 1	Reference:	In Control: Police
		File Created: 06/22/2012
File Name: Purchase of Speed Alert 18 Message Sign		Final Action:

Title:
 Authorize the Police Department to purchase a Speed Alert 18 Radar Message Sign from All Traffic Solutions.

Notes:

Sponsors:

Enactment Date:

Attachments: Speed Sign 1, Speed Sign 2

Enactment Number:

Contact:

Hearing Date:

Drafter:

Effective Date:

History of Legislative File

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
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Text of Legislative File 12-0411

Authorize the Police Department to purchase a Speed Alert 18 Radar Message Sign from All Traffic Solutions.

Background Information:

The police department is continually looking for new ways to resolve traffic complaints by utilizing shrinking resources more creatively, while being more efficient and effective.

The police department would like to purchase a radar message sign to help aid the department in it's response to citizen complaints related to excessive speeds in their neighborhoods. This sign is portable; battery operated and will allow for the police department to affix the sign virtually in any neighborhood. This sign will allow the police department to collect valuable data which will help in focusing our resources in a more efficient and effective manner.

The cost of this sign, including shipping and handling is \$5,245.00 dollars. The purchase of this sign will be made with Traffic Forfeiture dollars and will have no budgetary impact on the police department. After the purchase of the sign, the police department will be reimbursed up to \$1,800.00 dollars through our Safe and Sober Grant, bringing the total cost of the sign to \$3,445.00 dollars.

Requested City Council Action

Consider authorizing the police department to purchase a Speed Alert 18 Radar Message Sign from All Traffic Solutions in the amount of \$5,245.00 dollars.

#12a



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CITY OF GRAND RAPIDS

Text File

File Number: 12-0415

Agenda Date: 6/25/2012

Version: 1

Status: Consent Agenda

In Control: Administration

File Type: Agenda Item

Approve the rehiring of three temporary employees (Jordan Stejskal, Jenna Holt, and Morgan Illikainen) with the IRA Civic Center and Grand Rapids Sports Complex beginning June 26, 2012

Background Information:

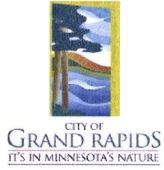
Three former employees are willing to return to work as temporary employees in Concessions at the IRA Civic Center and Grand Rapids Sports Complex. Their rate of pay is determined by their previous length of service and are, as recommended:

Jordan Stejskal	\$7.25/hour
Jenna Holt	\$7.50/hour
Morgan Illikainen	\$8.00/hour

This expense is covered in the 2012 budget.

..Requested City Council Action

Consider approving the rehiring of Jordan Stejskal, Jenna Holt, and Morgan Illikainen as temporary employees with the IRA Civic Center and Grand Rapids Sports Complex beginning June 26, 2012



CITY OF GRAND RAPIDS

Legislation Details (With Text)

File #: 12-0407 **Version:** 1 **Name:** Board & Commission minutes
Type: Minutes **Status:** Approved
File created: 6/21/2012 **In control:** Administration
On agenda: 6/25/2012 **Final action:**
Title: Acknowledge the attached minutes for Boards and Commissions.
Sponsors:
Indexes:
Code sections:
Attachments: [May 15, 2012 Golf Board Minutes](#)
[May 17, 2012 Central School](#)

Date	Ver.	Action By	Action	Result
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Title
Acknowledge the attached minutes for Boards and Commissions.

GRAND RAPIDS GOLF COURSE BOARD
REGULAR MONTHLY MEETING
May 15, 2012
7:30 AM

Present: Steve Forneris, Jeff Ericson, Larry O'Brien, Pat Pollard

Absent: Kelly Hain

Staff: Bob Cahill Director of Golf
 Steve Ross Grounds Superintendent

- I. The meeting was called to order by Pat Pollard.
- II. Steve Forneris made a motion to accept the minutes of the April 17, 2012 Board meeting Jeff Ericson seconded the motion. The motion passed.
- III. Consideration of Monthly Bills

Steve Forneris made a motion to approve the bill list.

3B'S COMPANY	195.00
AMERIPRIDE LINEN & APPAREL	50.00
PGA ASSOC OF AMERICAN	406.00
BLUE CROSS & BLUE SHIELD OF MN	1,546.00
BURGGRAF'S ACE HARDWARE INC	131.35
ROBERT CAHILL	40.00
CITY OF COHASSET	178.59
COLE HARDWARE INC	59.80
DELTA DENTAL OF MINNESOTA	81.70
EDWARDS OIL INC	3,586.90
FILTHY CLEAN INC	653.85
GRAND RAPIDS CITY PAYROLL	14,527.98
GRAND RAPIDS NEWSPAPERS INC	100.00
GRAND RAPIDS STATE BANK	1,455.86
L&M SUPPLY	295.38
GREGORY J. LESSMAN DBA	380.47
MINNESOTA SALES & USE TAX	3,486.42
MINNESOTA TORO	2,521.82
MINNESOTA UNEMPLOYMENT COMP FD	5,305.00
NARDINI FIRE EQUIPMENT CO. INC	1,195.00
NEXTERA COMMUNICATIONS LLC	2.39
PIONEER MUTUAL LIFE INS CO	6.15
PRECISION SMALL ENGINE CO INC	150.08
P.U.C.	1,267.49
NORTHERN MN WATER COND DBA	13.90
REMER IRON WORKS INC	28,349.66
STOKES PRINTING COMPANY	83.36
T & T ESCAVATING LLP	928.84
TWINCITIESGOLF.COM	225.00
VERIZON WIRELESS	35.85
VISA	758.96

WASTE MANAGEMENT	250.09
GLEN MCLEIOD	1,526.17
TOTAL ALL VENDORS:	69,795.06

Jeff Ericson seconded the motion. The motion was passed.

IV. Visitors: None

V. Grounds Superintendent – Steve Ross reported. There has been some irrigation problems this spring because the fairways aerator has been piercing some wires that were only 4 inches deep. The drainage area near the practice green has been repaired and looks great. Steve will begin the process to bid a greens aerifier and Bob will get permission from the Council. The decision to actually purchase will be made at the July meeting after a review of finances has been done.

VI. Concessions Report – No report

VII. Director of Golf – Bob Cahill reported. Finances are off to a great start. Both men's and women's league have started. New and additional smoke alarms have been installed.

VIII. Old Business – None

IX. New Business – None

X. Correspondence and Open Discussion – None

XI. Steve Forneris made a motion to adjourn the meeting. Jeff Ericson seconded the motion. The motion passed.

Respectfully Submitted,

Larry O'Brien
Recording Secretary

**CENTRAL SCHOOL COMMISSION
THURSDAY, MAY 17, 2012
CONFERENCE ROOM 2A, CITY HALL
GRAND RAPIDS, MINNESOTA
AT 9:00 A.M.**

CALL TO ORDER:

Pursuant to due notice and call thereof, a regular meeting of the Central School Commission was held Thursday, May 17, 2012, at 9:00 a.m., in Conference Room 2A, City Hall, Grand Rapids, Minnesota.

CALL OF ROLL:

On a Call of Roll, the following members were present: Commission Chair Denny Brown, Commissioners: Robert Drake, Jean Halverson, Trudy Hasbargen, and Dale LaRoque. Absent: None.

Others present: Shirley Miller, Tom Schmoll

Presentations:

Mr. Aaron Squadroni speaks on behalf of local artist group and requests Commission support for placing an "Art Shanty" on the grounds of Central School. This will be open to the public and stationed on the premises for the month of June.

MOTION BY COMMISSIONER DRAKE, SECOND BY COMMISSIONER HASBARGEN TO SUPPORT THE "ART SHANTY" PROJECT. The following voted in favor thereof: Halverson, Drake, Hasbargen, LaRoque, Brown. Opposed: None, motion passed.

Mr. Mike Andrews presents results of work completed for strategic plan. Recommendation to seek Council support to authorize an RFP to complete a Market Research Analysis. Finance Director Miller will prepare request and presentation.

MOTION BY COMMISSIONER DRAKE, SECOND BY COMMISSIONER HALVERSON TO REQUEST AUTHORIZATION TO COMPLETE RFP PROCESS FOR A MARKET RESEARCH ANALYSIS FOR CENTRAL SCHOOL. The following voted in favor thereof: Halverson, Hasbargen, LaRoque, Drake, Brown. Opposed: None; motion passed.

Additions to agenda:

Commissioner LaRoque excused himself from the meeting.

MOTION BY COMMISSIONER HALVERSON, SECOND BY COMMISSIONER HASBARGEN TO ADD THE FOLLOWING ITEMS TO THE AGENDA: ADVERTISING, TALL TIMBER DAYS ALCOHOL POUR AND FIRST FRIDAYS FEE. The following voted in favor thereof: Halverson, Hasbargen, Drake, Brown. Opposed: None, motion passed.

Commissioner LaRoque returns to meeting.

APPROVAL OF MINUTES:

MOTION BY COMMISSIONER DRAKE, SECOND BY COMMISSIONER HALVERSON TO APPROVE THE MINUTES OF APRIL 19, 2012 AS PRESENTED. The following voted in favor thereof: Halverson, Drake, Hasbargen, LaRoque, Brown. Opposed: None; motion passed.

APPROVE PAYMENT OF BILLS:

MOTION BY COMMISSIONER HASBARGEN, SECOND BY COMMISSIONER DRAKE TO APPROVE PAYMENT FOR THE FOLLOWING ADDITIONAL BILLS: YOU AND ME, LLC - \$175.05 AND JEAN HALVERSON, REIMBURSEMENT FOR WALMART PURCHASE FOR FIRST FRIDAY EVENT - \$23.92. The following voted in favor thereof: Drake, Halverson, Hasbargen, LaRoque, Denny. Opposed: None, motion passed.

MOTION BY COMMISSIONER HALVERSON, SECOND BY COMMISSIONER HASBARGEN TO APPROVE PAYMENT OF CLAIMS IN THE AMOUNT OF \$4,211.94:

Ameripride Linen & Apparel	80.80	Burggraf's Ace Hardware Inc.	4.26
Centurylink Inc.	46.03	Deer River Hired Hands	16.00
Filthy Clean	1,251.56	MN Energy Resources	1,210.75
Occupational Development Ctr.	69.47	Paul Bunyan Telephone	75.18
PUC	1,051.97	SIM Supply	107.11
Waste Management	298.81		

The following voted in favor thereof: Halverson, Drake, Hasbargen, LaRoque, Brown. Opposed: None; motion carried unanimously.

Building Maintenance Report: Ron Edminster not present. Bid opening for foundation work is scheduled for May 17, 2012 at 12:00 p.m.

Management Report: Updates: advertising & marketing, maintenance, Chamber no moving in, issue with unlocked doors has been addressed. Complete report on file in Administration.

Painting of Suite 1 by non-tenant

Insurance issues will need to be reviewed prior to making a determination.

Commissioner Hasbargen departed at 10:41 a.m.

MOTION BY COMMISSIONER DRAKE, SECOND BY COMMISSIONER HALVERSON TO APPROVE NON-TENANT TO PAINT GARDEN LEVEL RENTAL SPACE CONTINGENT UPON INSURANCE COVERAGE. The following voted in favor thereof: LaRoque, Halverson, Drake, Brown. Opposed: None, motion passed.

Update of First Fridays:

Discussed press release for First Fridays event. Tall Timber Days is interested in conducting a wine pour on behalf of Central School for First Friday in August. The First Friday group has a participation fee that includes advertising. Commissioner Drake is asking the Commission to approve payment.

Commissioner LaRoque departed at 10:54 a.m.

MOTION BY COMMISSIONER DRAKE, SECOND BY COMMISSIONER HALVERSON TO PAY FIRST FRIDAYS FEE. The following voted in favor thereof: Drake, Halverson, Brown. Opposed: None, motion passed.

Discussion regarding property tax inclusion in rent is tabled until the next meeting.

There being no further business, the meeting adjourned at 11:01 a.m.

Respectfully submitted, Kimberly Johnson-Gibeau, City Clerk



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CITY OF GRAND RAPIDS

Legislation Details (With Text)

File #: 12-0409 **Version:** 1 **Name:** Department Head Report
Type: Agenda Item **Status:** Department Head Report
File created: 6/21/2012 **In control:** Civic Center, Parks & Recreation
On agenda: 6/25/2012 **Final action:**
Title: Civic Center, Park & Recreation - Dale Anderson

Sponsors:

Indexes:

Code sections:

Attachments: [dep head report 6-25-12](#)
[Civic Center events schedule 12](#)

Date	Ver.	Action By	Action	Result
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Title

Civic Center, Park & Recreation - Dale Anderson



GRAND RAPIDS
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**Recreation and Park Department
IRA Civic Center
420 N Pokegama Avenue
Grand Rapids, MN 55744
218.326.2500 Phone
218.326.5410 Fax**

Memorandum

To: Mayor and City Council
From: Dale Anderson, Parks & Recreation Director
Date: June 25, 2012
Re: Department Head Report

The Legion Park Disc Golf Course is now open to the public. The 18-hole course is extremely challenging and offers players a great workout as you walk up and down numerous hills. We would like to thank ISD #318 and the Blandin Foundation for helping make this project a reality. Many students at the high school participated in the planning, mapping, and construction of the course. We would like to especially thank Shawn Linder, Jenna Boedigheimer, and Tim Larson for the work their classes did. There is no fee to play the course and discs are available to rent at the IRA Civic Center for \$5.00.

Our department is sponsoring the Northern Minnesota Mudrun on August 11th at the Grand Rapids Sports Complex. The latest craze in endurance races, the Mudrun is a 3.5 mile course testing competitor's fitness levels with challenging obstacles including wading through mud pits, army crawling under netting, climbing hay bale stacks, and much more. After the race, the Grand Rapids Amateur Hockey Association is holding a party for racers and the general public featuring three bands with tributes to Kiss, Led Zeppelin, and Lynard Skynard.

More than 130 runners and walkers participated in our 2nd annual Spring into Fitness 5K/10K Run & Walk on April 13th. 70 kids also ran the 1K race. Summer recreation programs including T-ball, Coach-Pitch Ball, Knee High Soccer, and Quick Start Tennis are taking place now. Participation numbers remain solid.

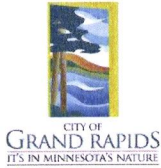
The Civic Center has an extremely busy dryfloor season. Beginning the first weekend in March we hosted a different event every weekend through May 5th. I have included our schedule for your review. We are installing ice tomorrow in the West rink for hockey camps and figure skating programs starting in July. We are also hosting six weekend hockey tournaments beginning July 13th.

An Equal Opportunity / Affirmative Action Employer

IRA Civic Center 2012 Schedule of Events

March	2 – 4	NMBA Builder's Show
	9 – 11	Grand Rapids Area Boat Show
	16 – 18	Jaycee's Home, Sport, and Travel Show
	24 & 25	Creativity Tank – Arts & Crafts Show
	31	Itasca Father/Daughter Ball
April	11	Sandstrom's Food Buyers Show (private show)
	13	Spring Into Fitness 5K / 10K Run & Walk
	14	Private Wedding Reception
	14	March of Dimes Walk
	17	ISD #318 Kindergarten Round-Up
	28	Children First! Expo
May	1	Wheelchairs Plus Medical Expo
	5	GRHS Prom & Post-Prom Party
	5	MS Walk
June	1	GRHS Graduation Ceremony
	9	Iron Range Maiden's Roller Derby Bout
	23	Cage Fighting Extreme
	24	Top Model Challenge
July	14	Private Wedding Reception
	27 & 28	Northern Cruisers Car Club
August	4	Tall Timber Days 5k/10k Run
	18	Private Wedding Reception
	24	Private Wedding Reception
September	15	Goods from the Woods Show
	18	College Fair
	30	MS Walk
October	4	Community Connect Event
	7	Jaycee's Fall Bridal Expo

Call Dale or Sara at 218-326-2500 for more information.



CITY OF GRAND RAPIDS

Legislation Details (With Text)

File #:	12-0397	Version:	1	Name:	Consider adoption of a resolution issuing an order to raze or remove structures upon property located at: 2402 NW 3rd Street Grand Rapids, Minnesota.
Type:	Agenda Item	Status:			Community Development
File created:	6/20/2012	In control:			Community Development
On agenda:	6/25/2012	Final action:			
Title:	Consider adoption of a resolution issuing an order to raze or remove structures upon property located at: 2402 NW 3rd Street Grand Rapids, Minnesota.				
Sponsors:					
Indexes:					
Code sections:					
Attachments:	Harkins Map Harkins Pictures Harkins Condemnation Resolution- 6-25-12				

Date	Ver.	Action By	Action	Result
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Title

Consider adoption of a resolution issuing an order to raze or remove structures upon property located at: 2402 NW 3rd Street Grand Rapids, Minnesota.

Body

Background Information:

In response to a complaint received from the Community Assistant Officer as to the condition of structures located at the above address, Mike Rice (former Building Official) and Travis Cole (Building/Fire Inspector) conducted an onsite inspection, July 8, 2011. As a result of this initial inspection the owner was formally requested to either raze or remove the structures at that location. The Building Safety Division's inspection summary listed the following existing structure conditions leading to our determination that the structures met the definition of a hazardous structure under the Minnesota State Statute 463.15 to 463.26:

- 1) The buildings are found hazardous due to dilapidation of structural members that could fail due to the conditions and environment.
- 2) The buildings are found to be hazardous due to contamination and unsanitary conditions found within the structures.
- 3) The buildings are found to be hazardous due to fire hazards, non-working, and unsafe equipment.
- 4) The buildings are found to be hazardous due to the odors in the immediate environment and surrounding area.

The owner was originally notified of possible condemnation of the structures on July 11, 2011. To date, the property owner has not applied for a building permit to either raze or repair the structures.

The next step in rectifying this situation is the adoption of the attached resolution to order the razing of the structure. Within this action, the property owner still has the ability to commence with removal or repair of the building, on their own accord, within 20 days of receiving notice of this order and if commenced within 20 days, the removal must be complete within 60 days. If no action is taken within these timeframes, the City will move the District Court of Itasca County for summary enforcement of the order and all costs incurred by the City in the demolition would be assessed

against the property.

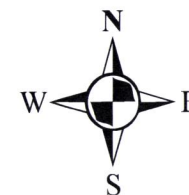
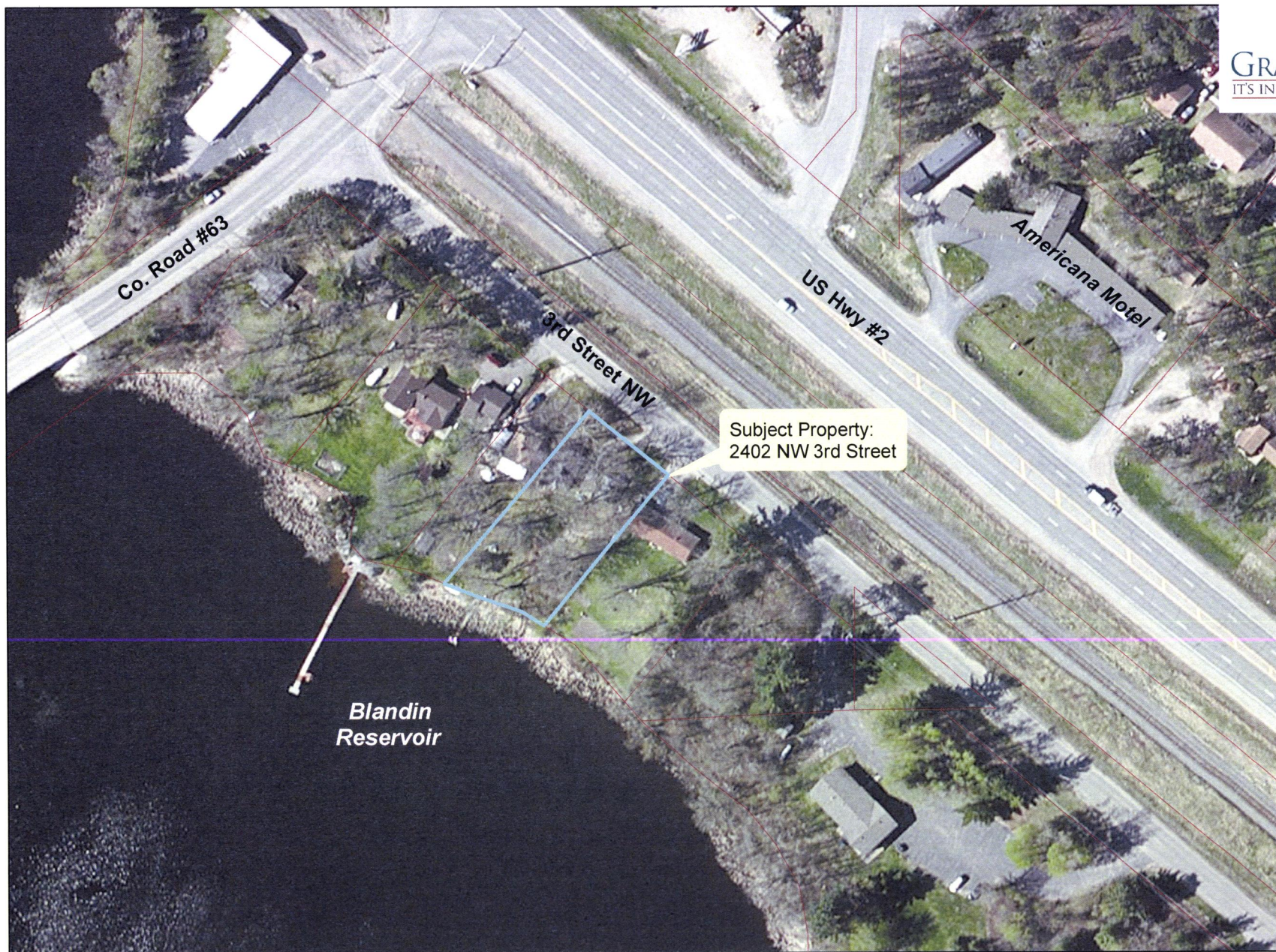
Requested City Council Action

Consider adoption of a resolution issuing an order to raze or remove structures upon property located at: 2402 NW 3rd Street Grand Rapids, Minnesota.


Hazardous Structures: 2402 NW 3rd Street

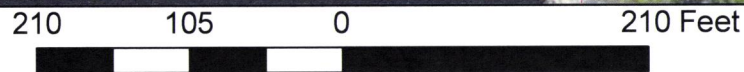


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Legend

 Parcels













Council member _____ introduced the following resolution and moved for its adoption:

GRAND RAPIDS RESOLUTION _____
ORDER TO RAZE OR REMOVE STRUCTURES LOCATED UPON
2402 NW 3RD STREET, GRAND RAPIDS, MINNESOTA

WHEREAS, the City of Grand Rapids is a governing body entitled to order the owner of any hazardous building to raze or remove building;

WHEREAS, under Minnesota Statute 463.15, a hazardous building or property means any building or property which because of inadequate maintenance, dilapidation, physical damage, unsanitary conditions, or abandonment constitutes a fire hazard to public safety or health;

WHEREAS, the owner of record of a structure and property legally described as: A tract of land situated in Government Lot Four (4), Section Eighteen (18), Township Fifty-five (55) North, Range Twenty-five (25) West of the Fourth Principal Meridian, more particularly described as follows: Assuming the east boundary of said Lot 4 as being a north and south bearing and starting with a point on the south right of way of county road a distance of 150.22 feet north and 93.43 feet west of the southeast corner of said Lot 4; thence North 50 degrees 52 minutes West for a distance of 100.3 feet to the point of beginning; thence continuing North 50 degrees 52 minutes West for a distance of 92 feet; thence South 39 degrees 53 minutes West to the shore of the Mississippi River; thence southeasterly along the shore of the Mississippi River, approximately 92 feet to a point; thence North 39 degrees 8 minutes East a distance of 185 feet, more or less, to the point of beginning, Grand Rapids, Itasca County, Minnesota (also known as 2402 NW 3rd Street, Grand Rapids, MN) is Ms. Ellen Harkins. The property contains two buildings.

WHEREAS, the City finds the buildings upon the premises to be hazardous and to constitute a fire hazard and a hazard to public safety and health, as outlined below:

1. The buildings are found to be hazardous due to dilapidation of structural members that could fail due to the condition and environment.
2. The buildings are found to be hazardous due to the contamination and unsanitary conditions found within the structures.
3. The buildings are found to be hazardous due to fire hazards, non-working, and unsafe equipment.
4. The buildings are found to be hazardous due to the odors in the immediate environment and surrounding area.

WHEREAS, the City, has given the owner of this property notice on July 11, 2011, to clean and repair said premise and bring it to a condition where it no longer poses a danger and has met with no action by the owner.

WHEREAS, pursuant to the above stated facts and in accordance with Minnesota Statutes, Section 463.15 to 463.26, the Grand Rapids City Council hereby Orders that the owner of record of said hazardous building raze or remove the building, or within the time allotted make repairs to the same described above.

WHEREAS, it is further Ordered that unless action is commenced to raze or remove the building within twenty (20) days after service of this Order and completed within sixty (60) days of such service, or unless such repairs are commenced within twenty (20) days after service of this Order and completed within sixty (60) days after service, or answer served upon the City of Grand Rapids in the manner provided for the service of answer in a civil action within twenty (20) days from the date of service of this Order, then the City of Grand Rapids will move the District Court of Itasca County for summary enforcement of this Order.

BE IT RESOLVED The Council further Orders that if the City is compelled to take any corrective action herein, all necessary costs expended by the City will be assessed against the real estate concerned and collected in accordance with Minnesota Statute, required by law.

BE IT FURTHER RESOLVED that the owner be served a copy of this Order, and the owner shall have to take the following action:

1. Remove or raze the buildings presently upon the property indicated above.

Failure to comply with or answer this Order as required by Minnesota Statute 463.18 will result in the City of Grand Rapids filing a Motion for Summary Enforcement of this Order in the District Court, Itasca County, Minnesota. The owner shall have twenty days from the date of service of this Order to answer specifically and deny such facts contained in this Order if any are in dispute.

Adopted by the Council this 25th day of June, 2012.

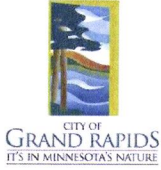
Dale Adams, Mayor

ATTEST:

Kim Johnson-Gibeau, City Clerk

Council member _____ 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.

DRAFT



CITY OF GRAND RAPIDS

Legislation Details (With Text)

File #: 12-0404 **Version:** 1 **Name:** Authorization to begin the process of filling the Building Official vacancy.
Type: Agenda Item **Status:** Administration Department
File created: 6/21/2012 **In control:** Administration
On agenda: 6/25/2012 **Final action:**
Title: Authorization to begin the process of filling the Building Official vacancy.
Sponsors:
Indexes:
Code sections:
Attachments:

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

Title

Authorization to begin the process of filling the Building Official vacancy.

Body

Background Information:

The Building Official position is vacant due to the Separation and Release of Claims Agreement between Michael Rice and the City of Grand Rapids. Community Development Director Rob Mattei has identified this position as key in order for us to meet the expected level of service in our community. Therefore, we are requesting authorization to fill the vacancy. This position is a full-time exempt position and is eligible for the full benefit package. We will bring a recommendation from the search committee to you at a later date. Until a replacement is found, Travis Cole is willing to continue to work in the capacity of Interim Building Official.

Staff Recommendation:

Previously, Community Development Director Rob Mattei, City Engineer Tom Pagel, and Human Resources Director Lynn DeGrio were on the Search Committee for the hiring of the Building Official. I am recommending that a Search Committee also be comprised of at least one City Council member and the City Administrator and would appreciate establishing that committee at this time.

Requested City Council Action

Consider authorizing City Staff to begin the process of filling the Building Official vacancy and create a Search Committee to assist in the process of recruitment.



CITY OF GRAND RAPIDS

Legislation Details (With Text)

File #: 12-0408 **Version:** 1 **Name:** Bill List
Type: Agenda Item **Status:** Verified Claims
File created: 6/21/2012 **In control:** Administration
On agenda: 6/25/2012 **Final action:**
Title: Consider approving the verified claims for the period June 5, 2012 to June 18, 2012, in the total amount of \$ 717,353.38.
Sponsors:
Indexes:
Code sections:
Attachments: [Council Bill List June 25 2012](#)

Date	Ver.	Action By	Action	Result
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Title

Consider approving the verified claims for the period June 5, 2012 to June 18, 2012, in the total amount of \$ 717,353.38.

Requested City Council Action

Approve the verified claims as presented.

COUNCIL BILL LIST - JUNE 25, 2012

DATE: 06/21/2012
 TIME: 08:37:21
 ID: AP443000.CGR

CITY OF GRAND RAPIDS
 DEPARTMENT SUMMARY REPORT

PAGE: 1

INVOICES DUE ON/BEFORE 06/25/2012

VENDOR #	NAME	AMOUNT DUE

GENERAL FUND		
0300200	CDW GOVERNMENT INC	3,205.18
	TOTAL	3,205.18
CITY WIDE		
1309098	MINNESOTA DEPT OF ADMN	105.30
1503245	OFFICE ENTERPRISES INC	299.72
	TOTAL CITY WIDE	405.02
ADMINISTRATION		
0612085	FLAHERTY & HOOD	1,760.52
0718060	GRAND RAPIDS NEWSPAPERS INC	65.00
1920240	STERLE LAW OFFICE	2,500.00
	TOTAL ADMINISTRATION	4,325.52
BUILDING MAINTENANCE-CITY HALL		
0113233	AMERIPRIDE LINEN & APPAREL	25.40
0315455	COLE HARDWARE INC	17.09
0920060	ITASCA COUNTY TREASURER	125.10
1801610	RAPIDS PLUMBING & HEATING INC	48.50
	TOTAL BUILDING MAINTENANCE-CITY HALL	216.09
COMMUNITY DEVELOPMENT		
1309332	MN STATE RETIREMENT SYSTEM	947.78
	TOTAL COMMUNITY DEVELOPMENT	947.78
COUNCIL/COMMISSION/BOARDS		
0914197	INDEPENDENCE FIREWORKS ACCOUNT	3,500.00
1920240	STERLE LAW OFFICE	2,500.00
	TOTAL COUNCIL/COMMISSION/BOARDS	6,000.00
ENGINEERING		
0920060	ITASCA COUNTY TREASURER	45.20
	TOTAL ENGINEERING	45.20

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CITY OF GRAND RAPIDS
 DEPARTMENT SUMMARY REPORT

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INVOICES DUE ON/BEFORE 06/25/2012

VENDOR #	NAME	AMOUNT DUE
GENERAL FUND		
FINANCE		
0315455	COLE HARDWARE INC	16.02
0715813	GOVERNMENT FINANCE OFFICERS	435.00
TOTAL FINANCE		451.02
FIRE		
0221650	BURGGRAF'S ACE HARDWARE INC	10.67
0401804	DAVIS OIL	85.00
0920060	ITASCA COUNTY TREASURER	252.84
1415030	NORD AUTO PARTS	29.34
1801610	RAPIDS PLUMBING & HEATING INC	48.50
TOTAL FIRE		426.35
INFORMATION TECHNOLOGY		
0718210	GREAT NORTHERN SERVICES INC	1,692.93
1309098	MINNESOTA DEPT OF ADMN	419.70
TOTAL INFORMATION TECHNOLOGY		2,112.63
PUBLIC WORKS		
0100046	ASV, INC.	602.91
0103325	ACHESON TIRE COMPANY INC	796.23
0121721	AUTO VALUE - GRAND RAPIDS	99.39
0205535	BENTZ OIL COMPANY INC	57.73
0212553	BLOOMERS GARDEN CENTER	25.44
0212554	BLOOMERS GARDEN & LANDSCAPING	3,242.02
0221650	BURGGRAF'S ACE HARDWARE INC	496.81
0301685	CARQUEST AUTO PARTS	219.59
0305510	CENTRAL LANDSCAPE SUPPLY	452.09
0315455	COLE HARDWARE INC	346.43
0318547	CROP PRODUCTION SERVICES, INC	329.84
0401425	DAKOTA SUPPLY GROUP	2,852.49
0401804	DAVIS OIL	569.74
0522103	EVANS ELECTRIC INC	395.11
0601690	FASTENAL COMPANY	171.10
0801825	HAWKINSON CONSTRUCTION CO INC	559.22
0920040	ITASCA COUNTY FARM SERVICE	66.07
0920060	ITASCA COUNTY TREASURER	1,491.27
1200500	L&M SUPPLY	61.62
1309355	MINNESOTA TORO	71.95
1615650	PORTABLE JOHN	1,058.09
1621125	PUBLIC UTILITIES COMMISSION	2,954.88

COUNCIL BILL LIST - JUNE 25, 2012

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CITY OF GRAND RAPIDS
 DEPARTMENT SUMMARY REPORT

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INVOICES DUE ON/BEFORE 06/25/2012

VENDOR #	NAME	AMOUNT DUE
GENERAL FUND		
PUBLIC WORKS		
1800250	RF BACKFLOW TESTING &	320.32
1801615	RAPIDS WELDING SUPPLY INC	15.71
1805498	REMER IRON WORKS INC	400.00
1900225	SEH-RCM	1,332.50
1908248	SHERWIN-WILLIAMS	328.37
1909450	SILVERTIP GRAPHICS SIGNS	173.67
1920555	STOKES PRINTING COMPANY	105.66
2605225	ZEE SERVICE COMPANY	34.41
TOTAL PUBLIC WORKS		19,630.66
FLEET MAINTENANCE		
0114203	ANDERSON LUBRICANTS INC	1,047.19
0121721	AUTO VALUE - GRAND RAPIDS	4.86
0301685	CARQUEST AUTO PARTS	154.38
1301015	MACQUEEN EQUIPMENT INC	2,163.30
TOTAL FLEET MAINTENANCE		3,369.73
POLICE		
0121721	AUTO VALUE - GRAND RAPIDS	91.89
0301685	CARQUEST AUTO PARTS	144.51
0920060	ITASCA COUNTY TREASURER	4,199.69
1309098	MINNESOTA DEPT OF ADMN	65.00
1801609	RAPIDS TOWING	490.00
1905640	LEIGH SERFLING	1,000.00
1920233	STREICHER'S INC	75.98
TOTAL POLICE		6,067.07
RECREATION		
0221650	BURGGRAF'S ACE HARDWARE INC	70.54
0718050	GRAND RAPIDS MARINE CENTER	1,281.43
1309495	MINUTEMAN PRESS	97.44
1415377	NORTHERN BUSINESS PRODUCTS INC	194.31
TOTAL RECREATION		1,643.72
AIRPORT		
0221650	BURGGRAF'S ACE HARDWARE INC	83.32
0315455	COLE HARDWARE INC	26.13

COUNCIL BILL LIST - JUNE 25, 2012

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CITY OF GRAND RAPIDS
 DEPARTMENT SUMMARY REPORT

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INVOICES DUE ON/BEFORE 06/25/2012

VENDOR #	NAME	AMOUNT DUE
AIRPORT		
0512210	ELECTRICAL SYSTEMS INC	3,530.00
0801450	HALI-BRITE INC	206.89
	TOTAL	3,846.34
TERMINAL EXPENDITURES		
1801610	RAPIDS PLUMBING & HEATING INC	48.50
	TOTAL TERMINAL EXPENDITURES	48.50
CIVIC CENTER		
GENERAL ADMINISTRATION		
0113233	AMERIPRIDE LINEN & APPAREL	84.79
0221650	BURGGRAF'S ACE HARDWARE INC	414.94
0405223	DEER RIVER HIRED HANDS INC	8.00
0415650	DORHOLT TILE & HOME CENTER	1,073.00
0501656	THE EARTHGRAINS COMPANY INC	65.79
1301168	MARKETPLACE FOODS	9.16
1605611	PEPSI-COLA	1,043.24
1801610	RAPIDS PLUMBING & HEATING INC	97.00
1901535	SANDSTROM COMPANY INC	2,972.88
1905150	SECURITY ACCESS CONTROL	57.71
1909510	SIM SUPPLY INC	19.24
	TOTAL GENERAL ADMINISTRATION	5,845.75
RECREATION PROGRAMS		
0315455	COLE HARDWARE INC	149.62
1201730	LATVALA LUMBER COMPANY INC.	24.54
	TOTAL	174.16
STATE HAZ-MAT RESPONSE TEAM		
2300600	W.P. & R.S. MARS COMPANY	64.12
	TOTAL	64.12
POLICE DESIGNATED FORFEITURES		

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CITY OF GRAND RAPIDS
 DEPARTMENT SUMMARY REPORT

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INVOICES DUE ON/BEFORE 06/25/2012

VENDOR #	NAME	AMOUNT DUE

POLICE DESIGNATED FORFEITURES		
0513233	EMERGENCY AUTOMOTIVE TECH INC	324.15
	TOTAL	324.15
CEMETERY		
0221650	BURGGRAF'S ACE HARDWARE INC	203.54
0421455	DULUTH NEWS TRIBUNE	309.40
0920060	ITASCA COUNTY TREASURER	432.70
1200500	L&M SUPPLY	70.56
	TOTAL	1,016.20
DOMESTIC ANIMAL CONTROL FAC		
0113233	AMERIPRIDE LINEN & APPAREL	12.31
0701650	GARTNER REFRIGERATION CO	286.50
0705531	GENERAL PET SUPPLY	91.00
0920060	ITASCA COUNTY TREASURER	130.69
1801610	RAPIDS PLUMBING & HEATING INC	97.00
	TOTAL	617.50
GENERAL CAPITAL IMPRV PROJECTS		
T000840	JANICE BURCH	50.00
	TOTAL	50.00
YMCA ACTIVE LIVING CENTER		
1615465	MICHAEL POLLOCK	196.60
	TOTAL YMCA ACTIVE LIVING CENTER	196.60
CAPITAL EQPT REPLACEMENT FUND		
CAPITAL OUTLAY-POLICE		
0116610	APPLIED CONCEPTS INC	117.56
0315455	COLE HARDWARE INC	2.05
	TOTAL CAPITAL OUTLAY-POLICE	119.61

COUNCIL BILL LIST - JUNE 25, 2012

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CITY OF GRAND RAPIDS
 DEPARTMENT SUMMARY REPORT

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INVOICES DUE ON/BEFORE 06/25/2012

VENDOR #	NAME	AMOUNT DUE

AIRPORT CAPITAL IMPRV PROJECTS		
2011 LAND ACQUISITION		
1618579	PROSOURCE TECHNOLOGIES INC	215.80
TOTAL 2011 LAND ACQUISITION		215.80
2011 INFRASTRUCTURE BONDS		
2014-1 NE 1ST AVENUE		
0218115	BRAUN INTERTEC CORPORATION	225.50
1900225	SEH-RCM	876.43
TOTAL 2014-1 NE 1ST AVENUE		1,101.93
2010-3 19TH AVE NW		
1900225	SEH-RCM	7,616.00
TOTAL 2010-3 19TH AVE NW		7,616.00
2012 INFRASTRUCTURE BONDS		
2004-3 4TH ST SE & POK TO 6TH		
1900225	SEH-RCM	93,491.16
TOTAL 2004-3 4TH ST SE & POK TO 6TH		93,491.16
2011-6 HORSESHOE IMPROVEMENTS		
1900225	SEH-RCM	30,920.04
T000835	LARRY A. KASPER	11,000.00
T000836	KATHY A. KELLER	3,074.00
T000838	KRISTINE ANN SPAWN	2,165.00
T000839	JOHN KILPATRICK	7,741.00
TOTAL 2011-6 HORSESHOE IMPROVEMENTS		54,900.04
2011-4 HORSESHOE/ISLEVIEW		
0218115	BRAUN INTERTEC CORPORATION	570.75
0920055	ITASCA COUNTY RECORDER	58.00
1900225	SEH-RCM	14,693.00
TOTAL 2011-4 HORSESHOE/ISLEVIEW		15,321.75
STORM WATER UTILITY		

COUNCIL BILL LIST - JUNE 25, 2012

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CITY OF GRAND RAPIDS
 DEPARTMENT SUMMARY REPORT

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INVOICES DUE ON/BEFORE 06/25/2012

VENDOR #	NAME	AMOUNT DUE

STORM WATER UTILITY		
1621125	PUBLIC UTILITIES COMMISSION	1,747.05
	TOTAL	1,747.05
	TOTAL UN-PAID TO BE APPROVED	235,542.63
CHECKS ISSUED-PRIOR APPROVAL		
PRIOR APPROVAL		
0112230	ALEXANDRIA FIRE DEPT	900.00
0119697	ABFM	195.00
0205640	LEAGUE OF MN CITIES INS TRUST	202,656.00
0218755	CHARLES BRUEMMER	11.00
0305530	CENTURYLINK INC	268.08
0315454	TRAVIS COLE	213.69
0400029	DVS RENEWAL	33.50
0401801	DAVIS CHIROPRACTIC HEALTH	43.26
0612224	FLEET SERVICES	3,123.46
0717996	GRAND ITASCA CLINIC	30.17
0717997	GRAND ITASCA HOSPITAL	65.27
0718015	GRAND RAPIDS CITY PAYROLL	197,738.38
0718070	GRAND RAPIDS STATE BANK	14.00
0920055	ITASCA COUNTY RECORDER	92.00
1201402	LAKE COUNTRY POWER	24.30
1205145	MIKE LECLAIRE	44.96
1221550	RICK & JAMIE LUOMA	1,000.00
1301168	MARKETPLACE FOODS	99.22
1301250	ROBERT MATTEI	27.15
1301262	BRIAN MATTSON	100.00
1301320	SHAWN MAHANEY	100.00
1305210	MESABI RANGE COMMUNITY &	290.00
1309199	MINNESOTA ENERGY RESOURCES	62.89
1309332	MN STATE RETIREMENT SYSTEM	2,054.00
1309335	MINNESOTA SALES & USE TAX	5,794.57
1315295	CHAD MOEN	40.00
1315650	ANDY MORGAN	115.00
1405850	NEXTERA COMMUNICATIONS LLC	490.59
1415026	MICHELLE NORRIS	100.00
1502645	GARY O'BRIEN	100.00
1512195	OLD SCHOOL PASTRIES & GIFT	38.48
1516220	OPERATING ENGINEERS LOCAL #49	28,746.00
1518550	MATTHEW O'ROURKE	100.00
1520720	KEVIN OTT	100.00
1609561	PIONEER TELEPHONE	15.72
1621130	P.U.C.	14,729.04
1801239	RADTKE PHYSICAL THERAPY	58.33
1805225	REED DRUG INC	310.99
1809150	RICE LAKE CONTRACTING CORP	1,000.00

COUNCIL BILL LIST - JUNE 25, 2012

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CITY OF GRAND RAPIDS
 DEPARTMENT SUMMARY REPORT

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INVOICES DUE ON/BEFORE 06/25/2012

VENDOR #	NAME	AMOUNT DUE

CHECKS ISSUED-PRIOR APPROVAL		
PRIOR APPROVAL		
1809165	RICOH USA INC	701.08
1901820	WILLIAM SAW	100.00
1903557	TROY SCOTT	100.00
1920229	STREET CRIMES	798.00
1920231	ROBERT STEIN	100.00
2205637	VERIZON WIRELESS	1,954.37
2209665	VISA	2,622.29
2209705	VISIT GRAND RAPIDS	11,709.96
2305447	WELLS FARGO BANK NA	800.00
T000016	LOU BECICKA	1,000.00
T000766	RACHEL CONTRACTING INC	1,000.00
	TOTAL PRIOR APPROVAL	481,810.75
	TOTAL ALL DEPARTMENTS	717,353.38



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

CITY OF GRAND RAPIDS

Legislation Details (With Text)

File #:	12-0392	Version:	1	Name:	Conduct a public hearing to consider the vacation of platted right-of-way within McKinney Lake Addition to Grand Rapids.
Type:	Public Hearing	Status:		Status:	Public Hearing
File created:	6/19/2012	In control:		In control:	Community Development
On agenda:	6/25/2012	Final action:		Final action:	
Title:	Conduct a public hearing to consider the vacation of platted right-of-way within McKinney Lake Addition to Grand Rapids.				
Sponsors:					
Indexes:					
Code sections:					
Attachments:	Foust Vacation: Background Info. 6-25-12 Mtg. Foust Vacation Application- 6-25-12 Mtg.				

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

Title

Conduct a public hearing to consider the vacation of platted right-of-way within McKinney Lake Addition to Grand Rapids.

Body

Background Information:

Mrs. Shirley Foust, on behalf of her son and adjacent property owner, Gary Foust, submitted a valid petition on April 23, 2012 requesting the vacation of the following described public right-of-way:

That part of Division Avenue lying southerly of the easterly extension of the north line of Lot 17, McKinney Lake Addition, Itasca County, Minnesota

As stated within the attached Public Vacation Application, the requested right-of-way vacation, if approved, would allow the petitioner to construct a garage/accessory building within the vacated area.

There were no concerns or objections regarding the petitioned right-of-way vacation from the staff review committee which consists of the Public Works Department, Engineering Department, Community Development Department, Fire Department, and the Grand Rapids Public Utilities Commission.

On June 25, 2012 the Planning Commission formally reviewed the proposed vacation and recommended to the City Council approval of the vacation, based on certain findings of fact, which are incorporated into the draft resolution.

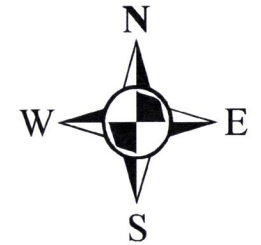
Requested City Council Action

Conduct a public hearing to consider the vacation of platted right-of-way within McKinney Lake Addition to Grand Rapids.


Foust Right-of Way Vacation Request (Division Avenue - McKinney Lake Addition)



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





Legend


 Parcels

2009 Aerial Photo

RGB

 Red: Band_1

 Green: Band_2

 Blue: Band_3

210 105 0 210 Feet



Eric Trast

From: atward@grpuc.org
Sent: Thursday, May 03, 2012 3:16 PM
To: Rob Mattei; Eric Trast; Jeff Davies; Tom Pagel
Subject: Petitioned vacation of platted Division Avenue within McKinney Lake Addition

Rob,

The GRPUC Staff reviewed the above referenced petition and do not object to the vacation request.

Thank you for the opportunity to review the request.

Anthony T. Ward
General Manager
Public Utilities Commission
P. O. Box 658
Grand Rapids, MN 55744
218-326-7188

Eric Trast

From: Rob Mattei
Sent: Thursday, May 03, 2012 8:54 AM
To: Eric Trast
Subject: FW: Petition Vacancy of Division Ave within McKinney Lake Addition

FYI

Rob Mattei

Community Development Director
City of Grand Rapids
420 North Pokegama Avenue
Grand Rapids, MN 55744-2662

Office: 218-326-7622

Mobile: 218-244-2924

Fax: 218-326-7621

rmattei@ci.grand-rapids.mn.us

www.grandrapidsmn.org



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

From: Steve Flaherty
Sent: Thursday, May 03, 2012 8:15 AM
To: Rob Mattei
Cc: Tony Ward; Tom Pagel; Jeff Davies
Subject: Petition Vacancy of Division Ave within McKinney Lake Addition

Rob,

I have reviewed this petition and can find no long-term impacts in regards to the fire department at this time.

Eric Trast

From: Jeff Davies
Sent: Monday, April 30, 2012 3:01 PM
To: Tom Pagel; Rob Mattei; Eric Trast
Subject: RE: Petitioned vacation of platted Division Avenue within McKinney Lake Addition

I agree with Tom Pagel and support the vacation request

Jeff Davies

Public Works Director
City of Grand Rapids
420 North Pokegama Avenue
Grand Rapids, MN 55744-2662
Office: 218-326-7480
Mobile: 218-259-8688
Fax: 218-326-7688
jdavies@ci.grand-rapids.mn.us
www.grandrapidsmn.org



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

From: Tom Pagel
Sent: Monday, April 30, 2012 12:41 PM
To: Rob Mattei; Eric Trast
Cc: Jeff Davies; Tony Ward
Subject: Petitioned vacation of platted Division Avenue within McKinney Lake Addition

Rob;

I have reviewed the requested vacation petition of Division Avenue within McKinney Lake Addition. The Engineering Department supports the requested vacation. If there are no existing utilities within the right of way I would recommend not retaining a utility easement.

Tom Pagel

City Engineer
City of Grand Rapids
420 North Pokegama Avenue
Grand Rapids, MN 55744-2662
Office: 218-326-7626
Mobile: 218-398-0584
Fax: 218-326-7621
tpagel@ci.grand-rapids.mn.us
www.grandrapidsmn.org

Eric Trast

From: Tom Pagel
Sent: Monday, April 30, 2012 12:41 PM
To: Rob Mattei; Eric Trast
Cc: Jeff Davies; Tony Ward
Subject: Petitioned vacation of platted Division Avenue within McKinney Lake Addition

Rob;

I have reviewed the requested vacation petition of Division Avenue within McKinney Lake Addition. The Engineering Department supports the requested vacation. If there are no existing utilities within the right of way I would recommend not retaining a utility easement.

Tom Pagel

City Engineer
City of Grand Rapids
420 North Pokegama Avenue
Grand Rapids, MN 55744-2662
Office: 218-326-7626
Mobile: 218-398-0584
Fax: 218-326-7621
tpagel@ci.grand-rapids.mn.us
www.grandrapidsmn.org



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



Public Vacation Application
 Community Development Department
 420 North Pokegama Ave.
 Grand Rapids, MN 55744
 Tel. (218) 326-7601 Fax (218) 326-7621
 Web Site: www.grandrapidsmn.org

General Information:

Shirley Foust
 Name of Applicant
2124 Shallow Lake Rd
 Address
Warba MN 55743
 City State Zip
shirleyf@frontiernet.net
 Business Telephone/Other Telephone/e-mail

Gary W. Foust
 Name of Owner (If other than applicant)
210 NW 17th Street
 Address
Grand Rapids, MN 55744
 City State Zip
218-259-8171
 Business Telephone/Other Telephone/e-mail

Please check which of the following you are applying for:

- Street Vacation Alley Vacation Easement Vacation

Provide a legal description of the property to be vacated (for example, the North-South alley adjacent to lots 8-12, block 5, Grand Rapids 5th Division). Attach an exhibit and/or electronic file if the legal description is lengthy.

35 feet x 270 feet adjacent to and on east side of Lot 17
Parcel # 91-620-0171. McKinney Lake add. to Grand
Rapids 16-055-25

I(we) certify that, to the best of my(our) knowledge, information, and belief, all of the information presented in this application is accurate and complete and includes all required information and submittals, and that I consent to entry upon the subject property by public officers, employees, and agents of the City of Grand Rapids wishing to view the site for purposes of processing, evaluating, and deciding upon this application.

Shirley Foust
 Signature(s) of Applicant(s)

4-23-2012
 Date

Gary W. Foust
 Signature(s) of Owner(s)-(If other than applicant)

4-23-2012
 Date

APR 23 2012
 Date Received _____ Certified Complete 4/23/12 CDT **Office Use Only** Fee Paid 505⁰⁰

Does the boundary of the requested vacation terminate at or abut a public water body: Yes No

Planning Commission Recommendation Approved _____ Denied _____ Meeting Date 6/7/12
 City Council Action Approved _____ Denied _____ Meeting Date 6/25/12

Summary of Special Conditions of Approval: _____

Required Submittals:

- Application Fee - \$505.00 *¹ Location Map Petition for Vacation
- Proof of Ownership – (a copy of a property tax statement or deed will suffice)

**¹The application fees charged are used for postage to mail the required notices to adjacent properties, publication of the public hearing notice in the Grand Rapids Herald Review, and for a small portion of staff time for case review and preparation of documents. It is the policy of the City of Grand Rapids to require applicants for land use approvals to reimburse the City for costs incurred by the City in reviewing and acting upon applications, so that these costs are not borne by the taxpayers of the City.*

Justification of Proposed Vacation: Please answer the following question (attach additional pages if needed). The Planning Commission and City Council will consider these questions and responses, and other issues (see attached list) in making their findings of fact and recommendation on the proposed rezoning.

1. Explain why the proposed vacation would be in the public's best interest. Please refer to the factors being considered by the Planning Commission and City Council that are listed on the final page of this application.

The 35 feet Right of Way is not being utilized by the city for traffic, pedestrian or utility purposes & if vacated to owner of parcel 91-620-0171 could then be used for the purpose of building a garage and property would then be put on the tax roll of parcel 91-620-0171

Additional Instructions:

Prior to submitting your Petition for Vacation, you will need to arrange for one or more preliminary meetings with the Community Development Director. This meeting is intended to ensure that the proposed application is complete, to answer any questions the applicant may have, discuss meeting schedules and, if applicable, the scope of the required submittals.

Findings for Approval:

The Planning Commission, in formulating its recommendation, and the City Council, in support of its action will make findings of fact based on their responses to the following list of considerations:

- Is the street right-of-way needed for traffic purposes?
- Is the street right-of-way needed for pedestrian purposes?
- Is the street right-of-way needed for utility purposes?
- Would vacating the street right-of-way place additional land on the tax rolls?
- Would vacating the street right-of-way facilitate economic development in the City?

In cases where a street/alley or public right –of-way is adjacent to a public water (lake or river), the City will also give consideration to comments submitted by the Minnesota Department of Natural Resources.

INCOMPLETE APPLICATIONS WILL NOT BE ACCEPTED

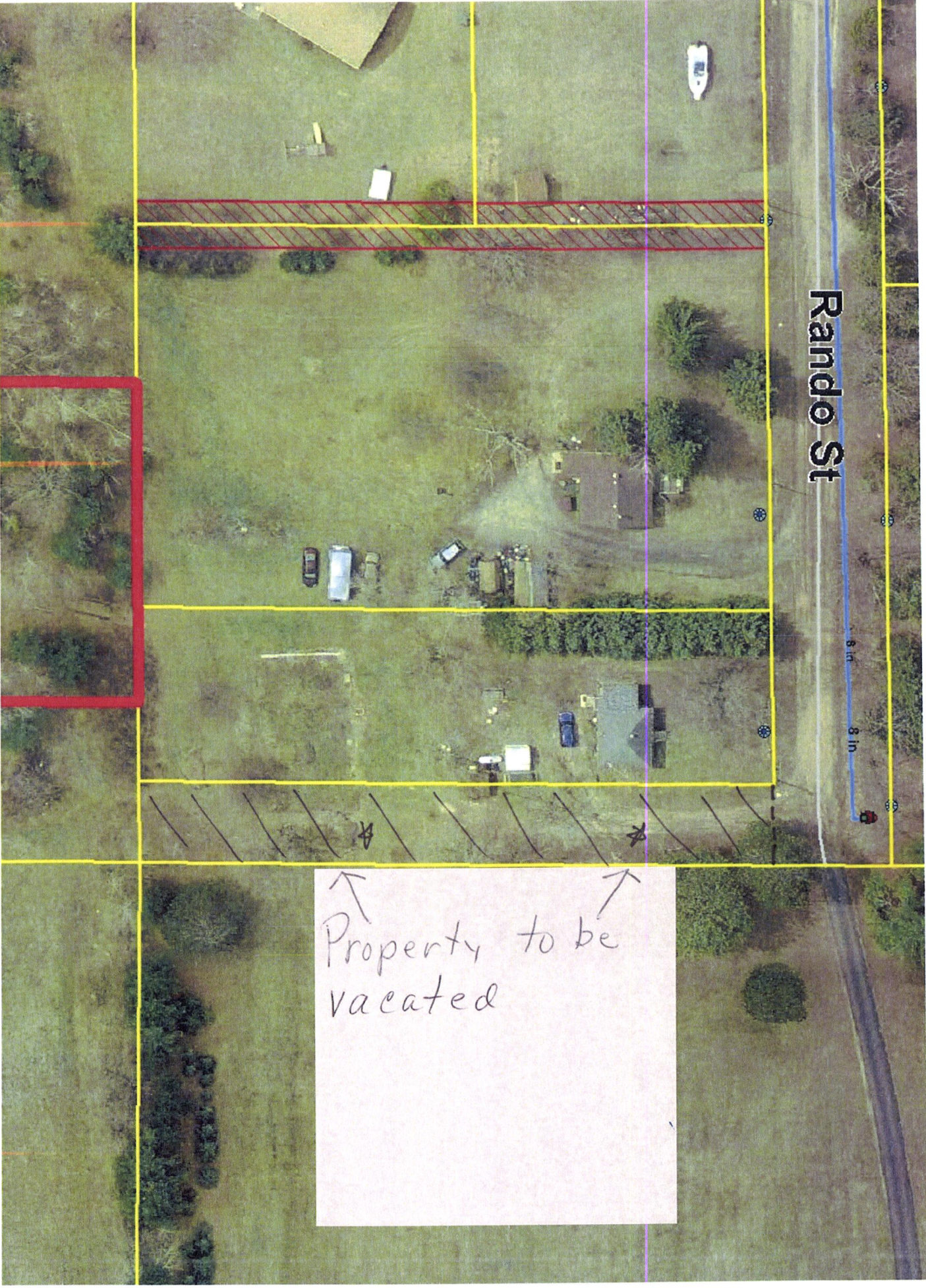
Complete applications shall be submitted to the Community Development Department one month prior to the Planning Commission's review of the vacation. More information may be requested by the City of Grand Rapids Planning Commission or City Council, if deemed necessary to properly evaluate your request. The lack of information requested may be in itself sufficient cause to deny an application.

Rando St

8 in

8 in

↑
Property to be
vacated
↑



DEED TAX DUE: \$231.00

Form No. 1-M-WARRANTY DEED

Individual(s) to Individual(s)

Date: **March 28, 2012**

FOR VALUABLE CONSIDERATION, **Gail Matthews, a single person** Grantor, hereby conveys and warrants to **Gary W. Foust, a single person** Grantee, real property in **Itasca** County, Minnesota, described as follows:

Legal Description attached hereto as Exhibit A and by this reference incorporated herein.

together with all hereditaments and appurtenances belonging thereto, subject to the following exceptions:

Check box if applicable:

- The Seller certifies that the seller does not know of any wells on the described real property.
- A well disclosure certificate accompanies this document.
- I am familiar with the property described in this instrument and I certify that the status and number of wells on the described real property have not changed since the last previously filed well disclosure certificate.

EXHIBIT 'A'

That part of Lot 17, of McKinney Lake Addition to Grand Rapids, described as follows: Commencing at the Northeast corner of said Lot 17, thence West along the North line of said Lot 17, a distance of 75 feet; thence South on a line parallel with the East line of said Lot 17, a distance of 185 feet; thence East on a line parallel with the North line of said Lot 17 to the East line of said Lot 17; thence North on the East line of said Lot 17 to the point of beginning

And

That part of Lot 17, McKinney Lake Addition to Grand Rapids, described as follows: Commencing at the Northeast corner of said Lot 17; thence West along the North line of said Lot 17, a distance of 75 feet; thence South on a line parallel with the East line of said Lot 17, a distance of 185 feet to the point of beginning of the tract to be described; thence continuing along said line to the South line of said Lot 17; thence Easterly 75 feet more or less to the Southeast corner of said Lot 17; thence Northerly along said Easterly line, a distance of 100 feet more or less to intersect a line originating at the point of beginning and parallel to the North line of said Lot 17; thence Westerly along the line parallel to the North line of said Lot 17 to the point of beginning, Itasca County, Minnesota.



CITY OF GRAND RAPIDS

Legislation Details (With Text)

File #: 12-0393 **Version:** 1 **Name:** Consider the adoption of a resolution either approving or denying the vacation of the platted Division Avenue right-of-way within McKinney Lake Addition to Grand Rapids.

Type: Agenda Item **Status:** Public Hearing

File created: 6/19/2012 **In control:** Community Development

On agenda: 6/25/2012 **Final action:**

Title: Consider the adoption of a resolution either approving or denying the vacation of the platted Division Avenue right-of-way within McKinney Lake Addition to Grand Rapids.

Sponsors:

Indexes:

Code sections:

Attachments: [Foust Vacation Resolution- 6-25-12](#)

Date	Ver.	Action By	Action	Result
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Title

Consider the adoption of a resolution either approving or denying the vacation of the platted Division Avenue right-of-way within McKinney Lake Addition to Grand Rapids.

Body

Background Information:

After the public hearing on this matter, the City Council will want to consider the public testimony received and review the recommendation put forward by the Planning Commission.

The Council can accept the recommendation of the Planning Commission, if they are in agreement with it, and adopt the resolution as prepared, or the Council can make its own findings to support its reasons for approving or denying the petitioned right-of-way vacation.

Requested City Council Action

Consider the adoption of a resolution approving the vacation of the platted Division Avenue right-of-way within McKinney Lake Addition to Grand Rapids as recommended by the Planning Commission.

Council member _____ introduced the following resolution and moved for its adoption:

RESOLUTION NO. 12-__

**A RESOLUTION VACATING A PORTION OF PLATTED PUBLIC RIGHT-OF-WAY WITHIN
MCKINNEY LAKE ADDITION TO GRAND RAPIDS, MINNESOTA**

WHEREAS, the City Planning Commission, at their regular meeting on June 7, 2012 reviewed the vacation request for public right-of-way described as:

That part of Division Avenue lying southerly of the easterly extension of the north line of Lot 17, McKinney Lake Addition, Itasca County, Minnesota;

WHEREAS, the Planning Commission found the vacation to be in the best interest of the public's health, safety, and general welfare; and

WHEREAS, the Planning Commission forwarded a recommendation for approval of the requested vacation; and

WHEREAS, the City Clerk's affidavit of publication of Notice of Public Hearing and of mailing notices to area residents were provided; and

WHEREAS, the Grand Rapids City Council conducted a public hearing on the proposed vacation on June 25, 2012, to consider the vacation of public right-of-way described above; and

WHEREAS, all persons who wished to voice their opinion in regard to the above mentioned vacation were allowed to be heard; and

WHEREAS, it appears that it will be in the best interest of the City to approve such petition;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF GRAND RAPIDS, MINNESOTA: that the City Council does concur with the Planning Commission's findings that this vacation is in the best interest of the public's health, safety, and general welfare, and hereby vacates the above described land based on the following findings of fact:

- The portion of street right-of-way is not needed for traffic purposes.
- The portion of street right-of-way is not needed for pedestrian purposes.
- The portion of street right-of-way is not needed for utility purposes.
- Vacating the portion of street right-of-way will put additional land on the tax rolls.
- Vacating the portion of street right-of-way will facilitate additional development in the vacated area.

AND BE IT FURTHER RESOLVED, that;

1. The City Council instructs City Staff to submit a copy of this resolution to the Itasca County Assessor, Itasca County Recorder, and the Itasca County Auditor.

Adopted by the Council this 25th day of June, 2012.

Dale Adams, Mayor

ATTEST:

Kim Johnson-Gibeau, City Clerk

Council member _____ 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.

This document was drafted by:
Eric Trast, Community Development Specialist
City of Grand Rapids
420 North Pokegama Avenue
Grand Rapids, MN 55744

DRAFT



CITY OF GRAND RAPIDS

Legislation Details (With Text)

File #:	12-0394	Version:	1	Name:	Conduct a public hearing to consider the rezoning of three properties from their current zoning designation of I-2 (General Industrial Park) to R-4 (Multiple-family Residential- high density).
Type:	Public Hearing	Status:			Public Hearing
File created:	6/19/2012	In control:			Community Development
On agenda:	6/25/2012	Final action:			
Title:	Conduct a public hearing to consider the rezoning of three properties from their current zoning designation of I-2 (General Industrial Park) to R-4 (Multiple-family Residential- high density).				
Sponsors:					
Indexes:					
Code sections:					
Attachments:	Edverson Zoning Map Amendment -Maps Edverson Rezoning Application- 6-25-12 Mtg.				

Date	Ver.	Action By	Action	Result
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Title

Conduct a public hearing to consider the rezoning of three properties from their current zoning designation of I-2 (General Industrial Park) to R-4 (Multiple-family Residential- high density).

Body

Background Information:

Mr. Harley Edverson filed an application for a Zoning Map Amendment with the City on April 26, 2012. The application requests the City's consideration of the rezoning of the following described property from its current I-2 (General Industrial Park) designation to that of R-4 (Multiple-family Residential- high density):

E 440 ft. of W 880 ft. of the N 30 acres of the NW NE, Section 33, Township 55N, Range 25W, Itasca County, Minnesota

The petition submitted by Mr. Edverson, involves 9.9 acres of land, and is generally located on the south side of 21st Street SE, approximately 600' west of 7th Avenue SE (*see map #1*). Map #1 illustrates the subject property in relation to the existing zoning in the area: GB (General Business) across 21st Street to the northwest, and a combination of I-2 (General Industrial Park) and I-1 (Industrial Park) on the remaining three sides of the property. The southeast corner of the subject property is located within the Airport Safety Zone A for Runway 5-23, which does not allow for any structures to be placed within that area.

It is Mr. Edverson's hope that, if approved, the Zoning Map Amendment would add to the marketability of his property, by addressing the need for more high- density residential zoned property within the city.

A sample listing of the uses permitted by right in an R-4 zoning district are as follows:

Single family detached, twin homes, two family attached, multi-family, group and foster homes for 17 or more residents, senior housing w/services for greater than 17 residents, daycare/nurseries- 14 or fewer persons, accessory buildings, and public athletic facilities.

A sampling of other uses permitted in R-4 with additional restrictions includes:

Bed and breakfast accommodations, emergency housing facilities, churches, daycare/nurseries-

15 or more persons, and elementary and secondary schools.

The following table shows a comparison of the yard and bulk requirement of R-4 and I-2 zoning, and illustrates several differences between the two zoning districts; larger lot size, greater setbacks, more surface coverage, and greater building heights permitted in I-2 zoning.

	R-4	I-2
Min. Lot Size	<u>gross area-15,000 sq. ft.,</u> area (unit)-2,500 sq. ft., width-100 ft.	<u>gross area-1 acre,</u> area (unit)- N/A, width- 150 ft.
Min. Yard Setbacks	front-35 ft, int. side-20 ft, street side-30 ft, rear- 35 ft.	front-50 ft, int. side-25 ft., street side-25 ft, rear- 25 ft.
Max. Lot Coverage	building-35%, total surface-75%, GUOS (unit)- 400	building-60%, total surface-90%, GUOS- N/A
Building Size	max. height- 45 ft., min. dimension- 24 ft	max. height- 110 ft., min. dimension- N/A.

The Comprehensive Plan Future Land Use map (*see map #2*) shows the subject property located within a larger area indicated as future Multi-family Residential. This area includes two city-owned properties, one on either side of 21st Street at 7th Avenue, as well as the subject property.

In addition to the petitioned rezoning, staff recommended that the Planning Commission consider rezoning the City owned parcels, labeled as #1 and #2 on *map #2*, to R-4 (Multiple-family Residential- high density), which would be consistent with both the Edverson petition and the Comprehensive Plan recommendation.

The Planning Commission reviewed the rezoning petition at their June 7, 2012 regular meeting, and, based on their findings, which are incorporated into the draft ordinance, forwarded a recommendation for approval of the petitioned rezoning of the subject property owned by Mr. Edverson and the expanded area.

Requested City Council Action

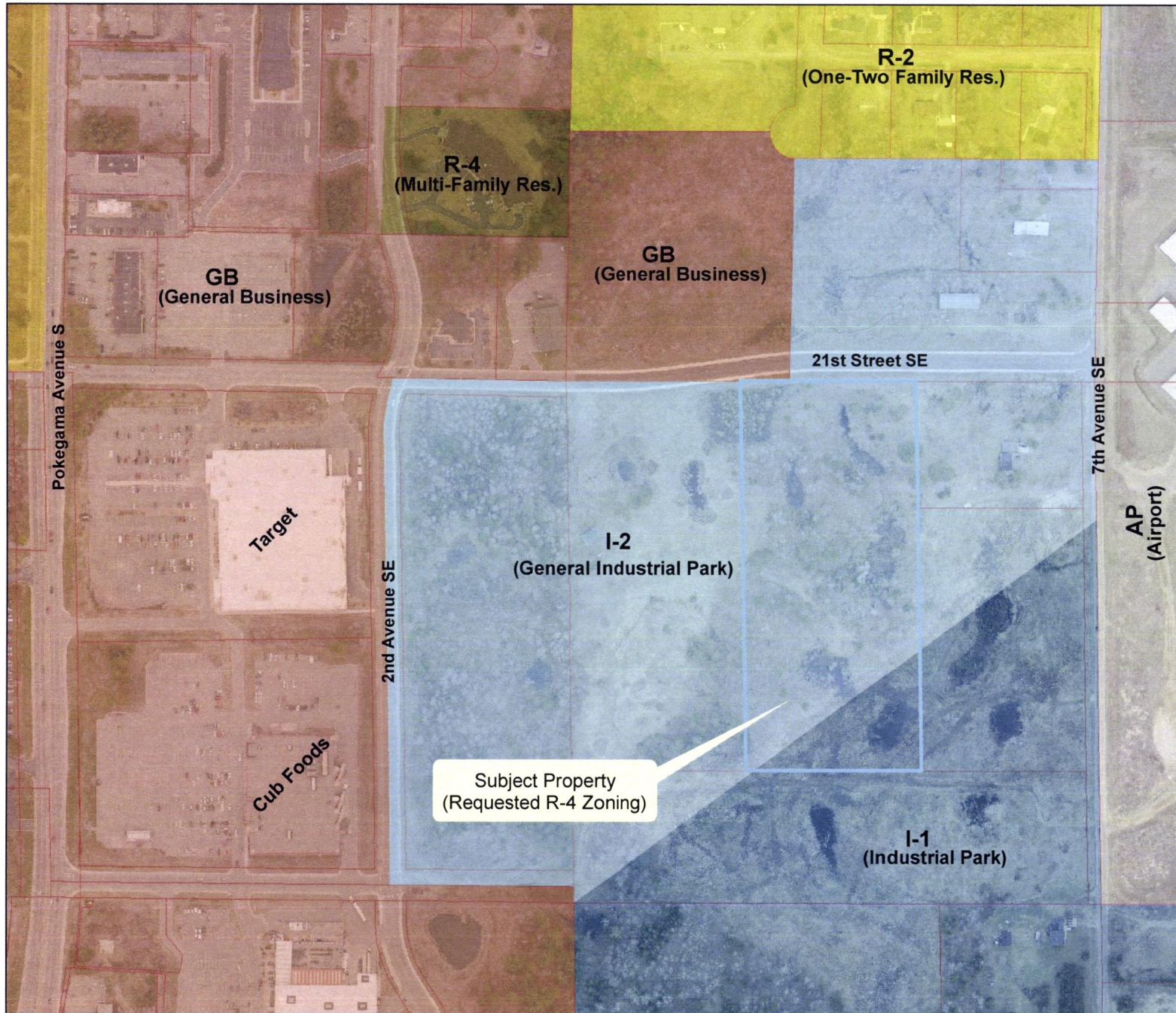
Conduct a public hearing to consider the rezoning of three properties from their current zoning designation of I-2 (General Industrial Park) to R-4 (Multiple-family Residential- high density).

Map #1

Edverson Zoning Map Amendment Request (I-2 to R-4 Requested)



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IT'S IN MINNESOTA'S NATURE



Subject Property
(Requested R-4 Zoning)

490 245 0 490 Feet

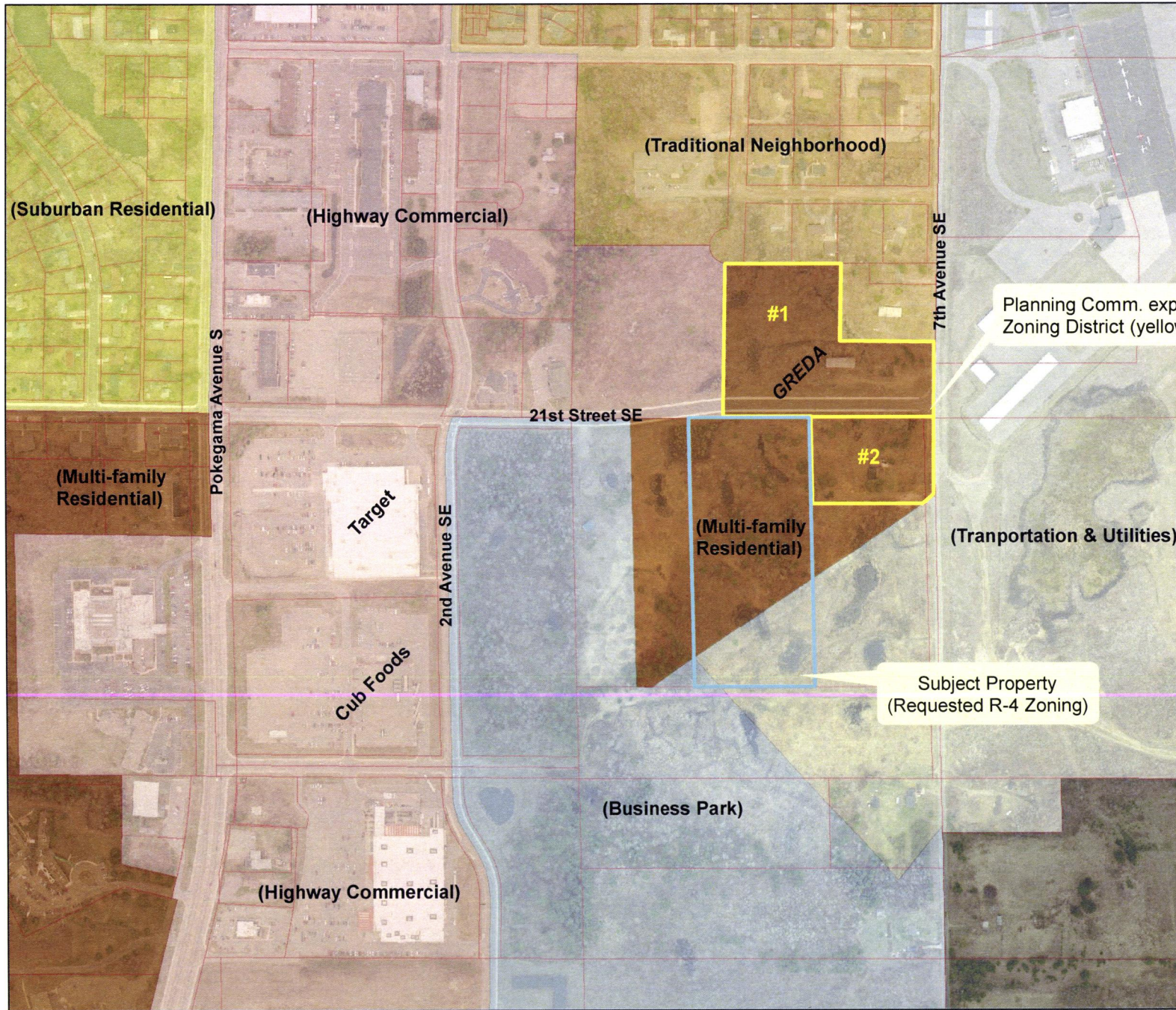


Legend	
	Parcel
	R-1
	R-1a
	SR-1
	R-2
	SR-2
	R-3
	SR-3
	R-4
	RR
	SRR
	RC
	SRC
	LB
	SLB
	CBD
	GB
	SGB
	M
	SM
	I-1
	SI-1
	I-2
	SI-2
	PU
	SPU
	CD
	AG
	AP
	MOD
	UO
	SBO
	PUD

Edverson Zoning Map Amendment Request (Comprehensive Plan Future Land Use)



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GRAND RAPIDS
IT'S IN MINNESOTA'S NATURE



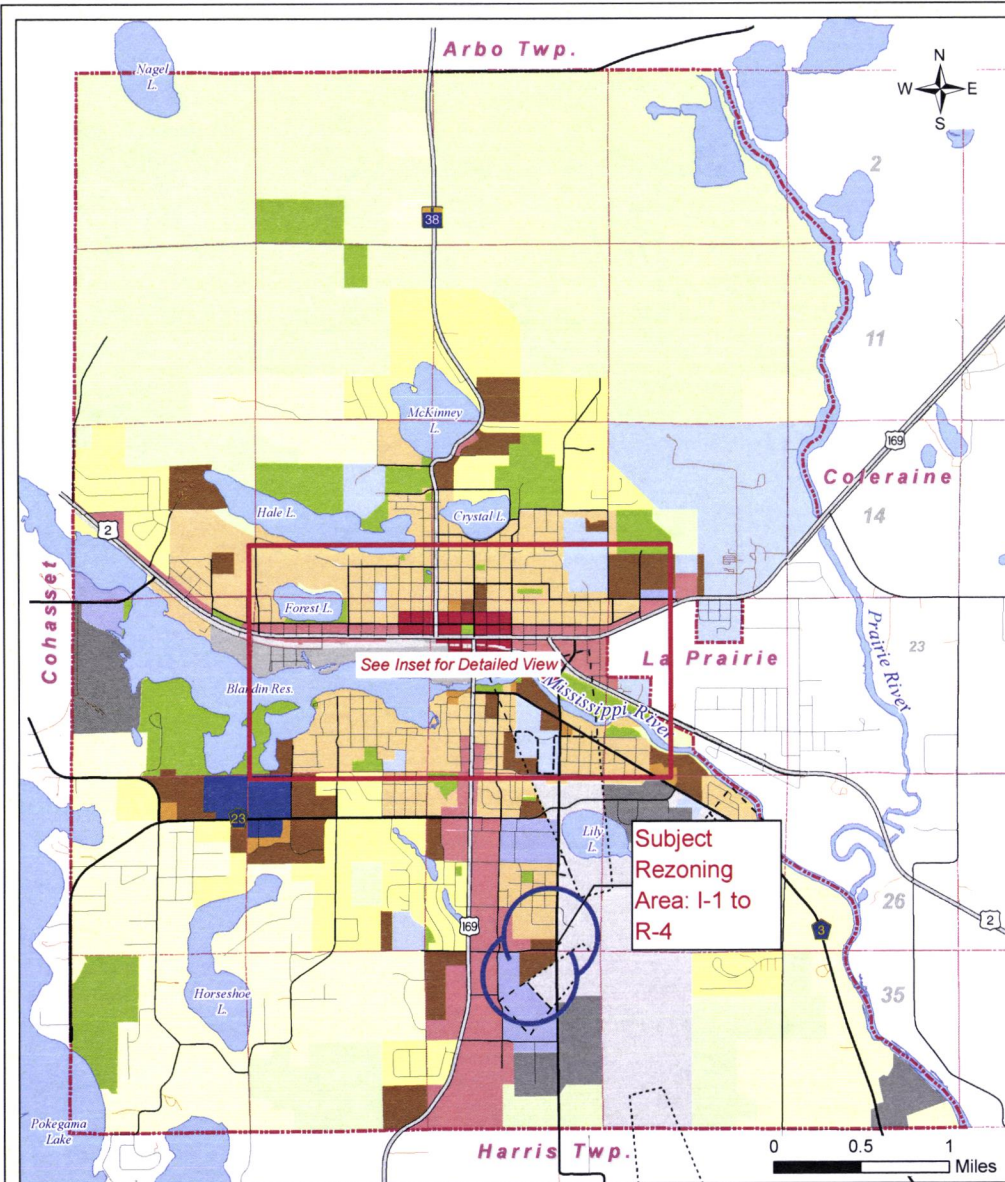
700 350 0 700 Feet



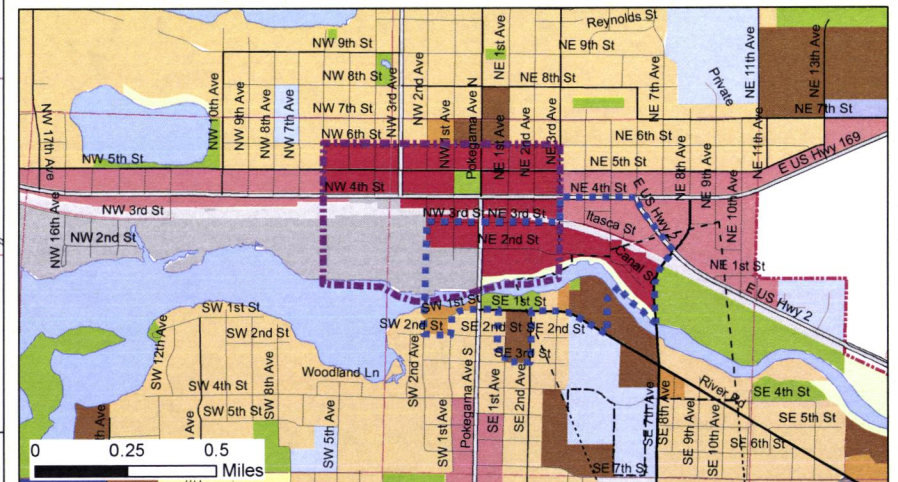
Legend	
Comp. Plan Future Land Use	
[Yellow swatch]	<all other values>
Future Land Use	
[Blue swatch]	Business Park
[Red swatch]	Downtown Mixed Use
[Pink swatch]	Highway Commercial
[Light blue swatch]	Institutional/Civic
[Dark grey swatch]	Industrial Park
[Light grey swatch]	Industrial- Traditional
[Dark blue swatch]	Medical Campus
[Dark red swatch]	Multi-Family Residential
[Orange swatch]	Neighborhood Mixed Use
[Green swatch]	Parks & Recreation
[Light yellow swatch]	Resource Management
[Yellow swatch]	Rural Residential
[Light green swatch]	Suburban Residential
[Light orange swatch]	Traditional Neighborhood
[White swatch]	Transportation & Utilities
[Red outline swatch]	Parcel



Grand Rapids Comprehensive Plan Future Land Use



- | | | |
|---|----------------------------|---------------------------|
| Highway Commercial | Parks & Recreation | City Limits 2010 |
| Downtown Mixed Use | Resource Management | Open Water |
| Neighborhood Mixed Use | Rural Residential | Airport Zones |
| Industrial - Traditional | Suburban Residential | A |
| Industrial Park | Traditional Neighborhood | B |
| Business Park | Multi-Family Residential | Sections |
| Institutional/Civic | Transportation & Utilities | 24 Section Numbers |
| Medical Campus | | |
| Grand Rapids Riverfront Framework Plan Area | | |
| Grand Rapids Downtown Planning Area | | |





Petition for Rezoning (Zoning Map Amendment)

Community Development Department
 420 North Pokegama Ave.
 Grand Rapids, MN 55744
 Tel. (218) 326-7601 Fax (218) 326-7621
 Web Site: www.grandrapidsmn.org

The undersigned do hereby respectfully request the following be granted by support of the following facts herein shown:

Harley Edvenson
 Name of Applicant
28719 E BASS LAKE RD
 Address
Grand Rapids MN 55744
 City State Zip
999-5988
 Business Telephone/Other Telephone/e-mail

 Name of Owner (If other than applicant)

 Address

 City State Zip

 Business Telephone/Other Telephone/e-mail

Parcel Information:

Tax Parcel # 91-033-1204 Property Size: 10 Acres
 Existing Zoning: INDUSTRIAL Requested Zoning: R 4
 Existing Use: VACANT
 Proposed Use: RESIDENTIAL
 Property Address/Location: 21ST STREET SE.
 Legal Description: EAST 440 FT. of WEST 880 FT of No. 30 Acres of The NW 1/4 NE 1/4 Sec 33,
 (attach additional sheet if necessary) TWP. 55 Rgc 25

I (we) certify that, to the best of my(our) knowledge, information, and belief, all of the information presented in this application is accurate and complete and includes all required information and submittals, and that I consent to entry upon the subject property by public officers, employees, and agents of the City of Grand Rapids wishing to view the site for purposes of processing, evaluating, and deciding upon this application.

Harley Edvenson
 Signature(s) of Applicant(s)

4-26-12
 Date

 Signature(s) of Owner(s)-(If other than applicant)

 Date

APR 26 2012

Office Use Only

Date Received _____ Certified Complete 4/27/12 Fee Paid \$505.00

Planning Commission Recommendation Approved _____ Denied _____

Meeting Date 6/7/12

City Council Action Approved _____ Denied _____

Meeting Date _____

Summary of Special Conditions of Approval: _____

Required Submittals (25 copies of each):

- Application Fee - \$505.00 *¹ Location Map Map Showing Surrounding Zoning
- Proof of Ownership – (a copy of a property tax statement or deed will suffice)

**¹The application fees charged are used for postage to mail the required notices to adjacent properties, publication of the public hearing notice in the Grand Rapids Herald Review, and for a small portion of staff time for case review and preparation of documents. It is the policy of the City of Grand Rapids to require applicants for land use approvals to reimburse the City for costs incurred by the City in reviewing and acting upon applications, so that these costs are not borne by the taxpayers of the City.*

Justification of Proposed Rezoning: Please answer all of the following questions (attach additional pages if needed). The planning Commission will consider these questions and responses, and other issues (see attached list) in making their findings of fact and recommendation on the proposed rezoning.

A. What are the Surrounding land uses? Describe the existing uses and zoning classifications in the area surrounding the subject property.

Highway COMMERCIAL + MULTI FAMILY RESIDENTIAL

B. Would the uses permitted by the proposed zoning map change be appropriate for the surrounding area?

yes IT would, IT would FIT right in with
SURROUNDING AREA + comp plan

C. Is the property adequately served by public infrastructure (streets, sidewalks, utilities, etc)?

Yes IT is, The sidewalks, STREET + UTILITIES
ARE IN ALREADY

D. Demonstrate the need for additional property in the proposed zoning district.

there is NOT much of AN INVENTORY of
R-4 in The City

E. What effect will the proposed rezoning have on the growth and development of existing neighborhoods, other lands in the proposed district, commercial and industrial neighborhoods? _____

the rezoning PROMOTES growth + development

F. Demonstrate that the proposed rezoning is the minimum change needed to allow a reasonable use of the property. _____

IT would allow more multi family to be constructed

G. How does the proposed rezoning conform to the City's Comprehensive Plan? _____

Rezoning fits ~~in~~ in with the city's comp plan + future land use

H. Is the timing proper for the proposed rezoning? _____

There is APARTMENT Development going on in the city so would be a demand for this property

I. Any additional information that the Petitioner would like to supply. _____

Additional Instructions:

Prior to submitting your Petition to Rezone, you will need to arrange for one or more preliminary meetings with the Community Development Director. This meeting is intended to ensure that the proposed application is complete, to answer any questions the applicant may have, discuss meeting schedules and, if applicable, the scope of the required submittals.

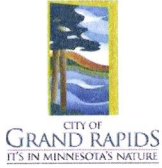
Findings for Approval:

The Planning Commission, in formulating its recommendation, and the City Council, in support of its action will make findings of fact based on their responses to the following list of considerations:

- Will the change affect the character of the neighborhoods?
- Would the change foster economic growth in the community?
- Would the proposed change be in keeping with the spirit and intent of the ordinance?
- Would the change be in the best interest of the general public?
- Would the change be consistent with the Comprehensive Plan?

INCOMPLETE APPLICATIONS WILL NOT BE ACCEPTED

More information may be requested by the City of Grand Rapids Planning Commission or City Council, if deemed necessary to properly evaluate your request. The lack of information requested may be in itself sufficient cause to deny an application.



CITY OF GRAND RAPIDS

Legislation Details (With Text)

File #: 12-0395 **Version:** 1 **Name:** Consider the recommendation of the Planning Commission regarding adoption of an ordinance, amending the Official Zoning Map by rezoning three properties from their current zoning designation of I-2 (General Industrial Park) to R-4 (Multiple-family Residen

Type: Agenda Item **Status:** Public Hearing

File created: 6/19/2012 **In control:** Community Development

On agenda: 6/25/2012 **Final action:**

Title: Consider the recommendation of the Planning Commission regarding adoption of an ordinance, amending the Official Zoning Map by rezoning three properties from their current zoning designation of I-2 (General Industrial Park) to R-4 (Multiple-family Residential- high density).

Sponsors:

Indexes:

Code sections:

Attachments: [Zoning Map Amendment- Ordinance w-Exhibit A 6-25-12](#)

Date	Ver.	Action By	Action	Result
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Title

Consider the recommendation of the Planning Commission regarding adoption of an ordinance, amending the Official Zoning Map by rezoning three properties from their current zoning designation of I-2 (General Industrial Park) to R-4 (Multiple-family Residential- high density).

Body

Background Information:

After the public hearing on this matter, the City Council will want to consider the public testimony received and review the recommendation put forward by the Planning Commission.

The Council can accept the recommendation of the Planning Commission, if they are in agreement with it, and adopt the ordinance as prepared, or the Council can make its own findings to support its reasons for approving or denying the proposed rezoning.

Requested City Council Action

Consider the recommendation of the Planning Commission regarding adoption of an ordinance, amending the Official Zoning Map by rezoning three properties from their current zoning designation of I-2 (General Industrial Park) to R-4 (Multiple-family Residential- high density), and authorize its publication in summary form.

Council member _____ introduced the following Ordinance and moved for its adoption:

ORDINANCE NO. 12- _____

AN ORDINANCE OF THE CITY OF GRAND RAPIDS, MINNESOTA, APPROVING THE REZONING OF PROPERTY FROM I-2 (GENERAL INDUSTRIAL PARK) DESIGNATION TO THAT OF R-4 (MULTIPLE-FAMILY RESIDENTIAL- HIGH DENSITY)

WHEREAS, on June 7, 2012, the Planning Commission approved a motion forwarding a favorable recommendation to the City Council regarding the rezoning of property legally described as,

E 440 ft. of W 880 ft. of the N 30 acres of the NW NE, AND N 318 ft. of NW NE LYG E of W 880 ft. Thereof, all in Section 33, Township 55N, Range 25W, Itasca County, Minnesota;

AND

E 766.9 ft. of S 563 ft. of SW SE Less N 284.5 ft. of E 346.9 ft. Thereof, Section 28, Township 55N, Range 25W, Itasca County, Minnesota

from its current zoning designation of I-2 (General Industrial Park) to R-4 (Multiple-family Residential- high density), and

WHEREAS, the City Council conducted a public hearing on that request at their regular meeting on June 25, 2012 and all were heard, and

WHEREAS, the City Council did concur with the recommendations of the Planning Commission, and determined that the rezoning would be in the best interest of the community.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF GRAND RAPIDS, MINNESOTA:

That the property legally described above and as shown on the attached "Exhibit A", is rezoned from its current designation of I-2 (General Industrial Park) to R-4 (Multiple-family Residential- high density) based on the following findings of fact;

- The proposed rezoning would not have an adverse affect the character of neighboring area.
- The change would foster economic growth by allowing additional uses, other than just industrial uses in this area.
- The change would be in keeping with the spirit and intent of the Zoning Ordinance.
- The change would be in the best interest of the general public as it will provide an additional area for high density housing.
- That the change would be consistent with the Comprehensive Plan.

This Ordinance shall become effective after its passage and publication.

Adopted by the Council this 25th day of June, 2012.

Dale Adams, Mayor

ATTEST:

Kim Gibeau-Johnson, City Clerk

Council member _____ seconded the foregoing Ordinance and the following voted in favor thereof _____; and the following voted against same _____; whereby the Ordinance was declared duly passed and adopted.

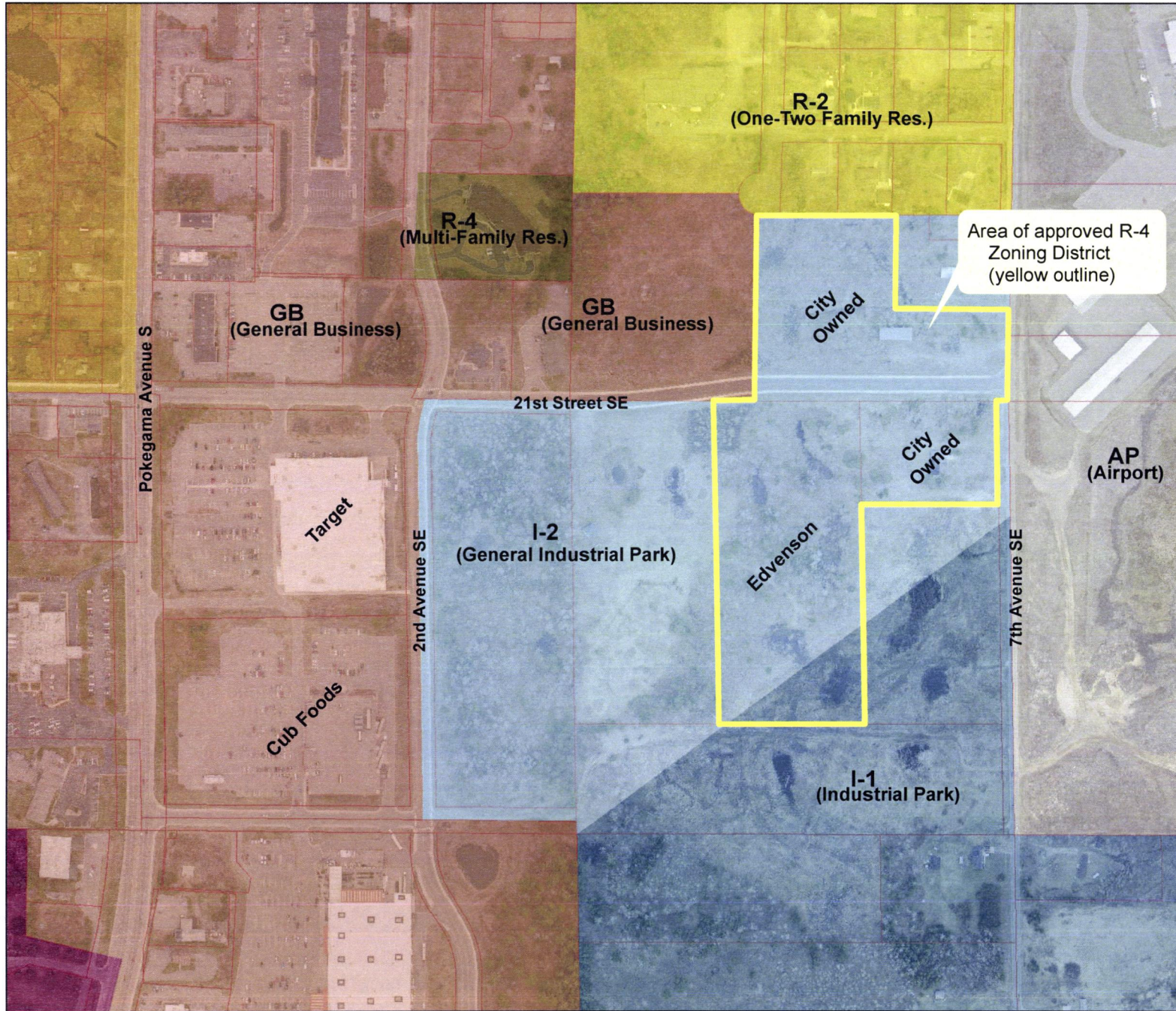
DRAFT

EXHIBIT "A"

Zoning Map Amendment (I-2 to R-4)



CITY OF
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590 295 0 590 Feet



Legend

- Parcel
- R-1
- R-1a
- SR-1
- R-2
- SR-2
- R-3
- SR-3
- R-4
- RR
- SRR
- RC
- SRC
- LB
- SLB
- CBD
- GB
- SGB
- M
- SM
- I-1
- SI-1
- I-2
- SI-2
- PU
- SPU
- CD
- AG
- AP
- MOD
- UO
- SBO
- PUD

