



CITY OF GRAND RAPIDS

CITY COUNCIL
CHAMBERS
420 NORTH POKEGAMA
AVE.

Meeting Agenda Full Detail City Council Work Session

Monday, December 19, 2011

4:00 PM

Conference Room 2B

CALL TO ORDER: Pursuant to due notice and call thereof a Special Meeting/Worksession of the Grand Rapids City Council will be held on Monday, December 19, 2011 at 4:00 p.m. in Conference Room 2A, 420 North Pokegama Avenue, Grand Rapids, Minnesota.

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

Discussion Items

1. [11-1865](#) Update with Senator Tom Saxhaug.
2. [11-1968](#) Finalize 2011 tax levy/payable 2012 and 2012 budgets.
Attachments: [Budget memo December 19 2011.pdf](#)

ADJOURN

Attest:

Shawn Gillen, City Administrator



Legislation Details (With Text)

File #:	11-1865	Version:	1	Name:	
Type:	Agenda Item	Status:		CC Worksession	
File created:	10/25/2011	In control:		City Council Work Session	
On agenda:	12/19/2011	Final action:			
Title:	Update with Senator Tom Saxhaug.				
Sponsors:					
Indexes:					
Code sections:					
Attachments:					

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

Title
Update with Senator Tom Saxhaug.



Legislation Details (With Text)

File #:	11-1968	Version:	1	Name:	Finalize 2011 levy and 2012 General Fund Budget
Type:	Agenda Item	Status:			CC Worksession
File created:	12/14/2011	In control:			City Council Work Session
On agenda:	12/19/2011	Final action:			
Title:	Finalize 2011 tax levy/payable 2012 and 2012 budgets.				
Sponsors:					
Indexes:					
Code sections:					
Attachments:	Budget memo December 19 2011.pdf				

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

Title

Finalize 2011 tax levy/payable 2012 and 2012 budgets.

Body

Background Information:

Discuss and finalize 2011 levy/payable in 2012 and 2012 budgets for adoption at the 5 p.m. meeting.

Requested City Council Action

Finalize 2011 tax levy/payable 2012 and 2012 budgets.



M E M O R A N D U M

DATE: December 14, 2011
TO: Mayor Dale Adams, Council members Joe Chandler, Dale Christy, Gary McInerney, and Ed Zabinski
C: Shawn Gillen, City Administrator
FROM: Shirley A. Miller, Finance Director
RE: 2011 Levy and 2012 General Fund Budget

Attached are the following budget documents:

- **Previously Certified Levies and the 2011 Proposed Levy** – this is the preliminary levy that was certified to the County Auditor on September 15, 2011. The Bonded Indebtedness levy was adjusted down by \$14,000 after the bond sale, otherwise, everything else is the same. It includes the \$50,000 the Council added to the levy.
- **2012 Recap of Revenues, Expenditures and Levy Requirements** – this is a recap of the proposed General Fund revenue and expenditures for 2012. The line item "Transfer to Capital Equipment" for \$175,265 includes:
 - \$42,835 that was in the original budget
 - \$50,000 added by the Council
 - 82,420 in reductions to personnel costs, reduction to transfer to Domestic Animal Control Facility due to the contract with the County, etc.
- **Comparison of the preliminary levy with the above adjustments and the levy if the "Transfer to Capital" was reduced to the original \$42,835:**
 - The preliminary tax rate adjusted for the bond sale was 72.534%.
 - If the "Transfer to Capital" was reduced to the original amount of \$42,835, the tax rate would be 70.706%.

If you have questions, please let me know.

PROJECTED LEVY & TAX RATE
CITY OF GRAND RAPIDS
PREVIOUSLY CERTIFIED LEVIES AND 2011 PROPOSED LEVY
December 19, 2011 Work Session Discussion

	2007 Levy Payable 2008	2008 Levy Payable 2009	2009 Levy Payable 2010	2010 Levy Payable 2011	2011 Levy Payable 2012	
General Fund	\$ 3,508,225	3,388,239	3,202,531	3,466,821	3,516,821	1.44%
Library Fund	579,566	577,376	519,716	534,716	524,716	-1.87%
Cemetery	-	-	-	175,000	175,000	0.00%
GREDA Levy	45,000	45,000	45,000	50,000	50,000	0.00%
Levy for Internal Loan-2011 Equip Purchases	-	-	-	-	136,000	
Special Levies	8,000	8,000	8,000	8,000	8,000	0.00%
Bonded Indebtedness	625,480	824,333	\$1,151,272	1,093,789	1,127,071	3.04%
GROSS LEVY	4,766,271	4,842,948	4,926,519	5,328,327	5,537,608	3.93%
Less:						
Fund Balance Contribution	(150,000)	-	-	-	-	
CERTIFIED LEVY	\$4,616,271	\$4,842,948	\$4,926,519	5,328,327	5,537,608	
		4.91%	1.73%	8.16%	3.93%	

2011 ESTIMATED TAX CAPACITY AND PROPOSED LEVY

TAX CAPACITY	\$8,223,764
Less:	
JOBZ	-
TIF Captured tax increment	(132,575)
Fiscal Disparities contribution	(1,075,330)
Taxable tax capacity*	\$7,015,859

CERTIFIED LEVY	\$5,537,608
Less:	
Fiscal disparities distribution levy	(448,714)
Net amount levied to property owners	\$5,088,894

2002 - 2010 TAXABLE TAX CAPACITY, CERTIFIED LEVY and CITY TAX RATE
and 2011 ESTIMATED TAXABLE TAX CAPACITY
and 2011 ESTIMATED LEVY and CITY TAX RATE

TAX YEAR PAYABLE	TAXABLE TAX CAPACITY	NET CERTIFIED LEVY	CITY TAX RATE	CITY/TOWNSHIP TAX RATE	TOTAL TAX RATE
2002	\$ 4,013,622	\$ 3,221,066	80.169	2.696	82.865
2003	4,667,797	3,487,514	76.387	5.031	81.418
2004	4,883,098	3,774,982	79.273	4.625	83.898
2005	5,402,830	3,868,947	71.339	4.603	75.942
2006	5,692,534	3,977,337	69.869	4.452	74.321
2007	6,224,893	4,091,108	65.722	2.972	68.694
2008	6,851,971	4,503,251	65.722	3.834	69.556
2009	7,919,927	4,677,712	59.063	1.841	60.904
2010	7,115,267	4,631,705	65.095	1.271	66.366
2011	7,647,353	4,885,894	61.602	2.288	63.890
2012	7,015,859	5,088,894	70.040	2.494	72.534

CITY OF GRAND RAPIDS
2012 RECAP OF REVENUES, EXPENDITURES AND LEVY REQUIREMENTS

	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011 Adopted Budget	2012 Proposed	Increase/ (Decrease) over 2011	Percent Increase
NON TAX REVENUES:								
Annexation & delinquent taxes	\$ 108,251	\$ 112,929	\$ 210,425	\$ 270,381	\$ 100,000	\$ 250,000	\$ 150,000	150.00%
Payment in Lieu of Taxes (PILOT)	667,148	682,277	854,072	853,542	855,000	855,000	-	0.00%
Licenses and Permits	342,328	207,233	270,376	254,002	271,465	268,250	(3,215)	-1.18%
Local Government Aid (LGA)	1,410,910	965,489	1,280,888	963,410	1,349,614	963,000	(386,614)	-28.65%
Intergovernmental Revenues	873,304	924,182	412,304	782,091	437,433	481,420	43,987	10.06%
Charges for Services	512,529	633,084	636,168	653,822	657,839	725,550	67,711	10.29%
Fines and Forfeitures	126,772	175,497	129,839	101,829	143,400	117,000	(26,400)	-18.41%
Interest Income	199,519	87,933	47,987	23,498	45,000	25,000	(20,000)	-44.44%
Miscellaneous	16,570	34,029	22,643	35,384	18,491	17,380	(1,111)	-6.01%
Other Financing Sources	109,454	796,810	86,675	589,605	10,000	10,000	-	0.00%
Transfers In	3,500	3,500	3,500	3,500	22,822	22,822	-	0.00%
Fund Balance Usage	-	-	-	-	-	-	-	0.00%
Total non-tax revenues	4,370,285	4,622,963	3,954,877	4,531,066	3,911,064	3,735,422	(175,642)	-17.56%
EXPENDITURES:								
Administration	408,534	435,760	445,868	443,132	452,735	463,065	10,330	2.28%
Building Maintenance	123,661	148,977	200,145	202,320	219,301	228,297	8,996	4.10%
Community Development	282,998	327,965	306,006	350,024	333,028	333,541	514	0.15%
Council/Boards	82,524	95,499	116,490	113,392	115,246	112,533	(2,713)	-2.35%
Engineering	312,879	326,324	340,682	261,348	271,953	264,236	(7,717)	-2.84%
Finance	401,461	419,129	447,447	368,823	390,215	393,052	2,837	0.73%
Fire	476,176	476,176	521,613	531,387	592,303	595,590	3,287	0.55%
Fleet Maintenance	521,613	531,387	480,582	592,303	213,233	210,267	(2,966)	-1.39%
Information Technology	156,664	155,853	170,617	158,077	177,081	172,043	(5,038)	-2.85%
Police	1,817,660	1,934,423	2,093,945	1,904,374	1,932,745	2,009,733	76,988	3.98%
Public Works	1,550,171	1,765,677	1,654,774	1,622,751	1,473,911	1,472,470	(1,441)	-0.10%
Recreation	145,920	151,269	162,496	166,154	174,138	172,830	(1,308)	-0.75%
City Wide	112,880	247,921	-	-	373,322	418,322	45,000	12.05%
Special Projects-Council	14,065	35,147	13,713	-	-	-	-	-
Special Projects-Non-Budgeted	17,776	229,830	8,407	123,902	-	-	-	-
Airport Joint Zoning Board	12,513	9,945	-	-	-	-	-	-
Total Department Expenditures	6,437,493	7,291,283	6,962,785	6,837,987	6,719,210	6,845,978	126,768	1.89%
Transfers Out								
Transfer to Capital Equipment	290,000	851,505	100,000	60,000	412,675	175,265	(237,410)	-57.53%
Transfer to Civic Center	30,835	30,835	27,335	-	12,000	12,000	-	-
Transfer to Itasca Historical Soc	12,000	12,000	12,000	12,000	17,000	17,000	-	0.00%
Transfer to Debt Service	150,000	150,000	150,000	190,000	150,000	150,000	-	-
Transfer to Airport	85,000	91,550	91,550	20,000	10,000	10,000	-	0.00%
Transfer to Golf Course	27,722	20,422	175,000	175,000	-	-	-	-
Transfer to DACF	34,071	36,500	42,000	40,000	42,000	27,000	(15,000)	-
Transfers-Other	248,437	241,187	97,497	87,007	-	-	-	-
Transfer to Street Light Utility Fund	136,870	108,393	161,195	-	-	-	-	-
Mt. Itasca contribution					15,000	15,000	-	-
Total Expenditures and Other Use:	7,452,428	8,833,675	7,819,362	7,421,994	7,377,885	7,252,243	(125,643)	-2.29%
Net Levy Required for General Fund	3,119,511	3,508,225	3,388,239	3,202,531	3,466,821	3,516,821	50,000	1.44%
Net Levy for Library	564,660	579,566	577,376	534,716	534,716	524,716	(10,000)	-1.87%
Net Levy for Cemetery					175,000	175,000	-	-
GREDA Levy Request	45,000	45,000	45,000	50,000	50,000	50,000	-	0.00%
Levy for equipment certificates	-	-	-	-	-	136,000	136,000	-
Total Levy Required for Operation	\$ 3,729,171	\$ 4,132,791	\$ 4,010,615	\$ 3,787,247	\$ 4,226,537	\$ 4,402,537	\$ 175,999	4.16%

PROJECTED LEVY & TAX RATE
CITY OF GRAND RAPIDS
December 19, 2011 Work Session

Certified Levy was \$5,552,031
 Certified Tax Rate was 72.740%
 After the bonds were sold reduced debt levy by \$14,423

	2010 Levy Payable 2011	2011 Levy Payable 2012	
General Fund	\$ 3,466,821	\$ 3,516,821	1.44%
Library Fund	534,716	524,716	-1.87%
Cemetery	175,000	175,000	0.00%
GREDA Levy	50,000	50,000	0.00%
Levy for Internal Loan-2011 Equip Purct	-	136,000	
Special Levies	8,000	8,000	0.00%
Bonded Indebtedness	1,093,789	1,127,071	3.04%
LEVY	\$ 5,328,326	\$ 5,537,608	3.93%

2011 PROPOSED LEVY AND TAX RATE

TAX YEAR PAYABLE	TAXABLE TAX CAPACITY	NET CERTIFIED LEVY	CITY TAX RATE	CITY/TOWNSHIP TAX RATE	TOTAL TAX RATE
2002	\$ 4,013,622	\$ 3,221,066	80.169	2.696	82.865
2003	4,667,797	3,487,514	76.387	5.031	81.418
2004	4,883,098	3,774,982	79.273	4.625	83.898
2005	5,402,830	3,868,947	71.339	4.603	75.942
2006	5,692,534	3,977,337	69.869	4.452	74.321
2007	6,224,893	4,091,108	65.722	2.972	68.694
2008	6,851,971	4,503,251	65.722	3.834	69.556
2009	7,919,927	4,677,712	59.063	1.841	60.904
2010	7,115,267	4,631,705	65.095	1.271	66.366
2011	7,647,353	4,885,894	61.602	2.288	63.890
2012	7,015,859	5,088,894	70.040	2.494	72.534

POTENTIAL LEVY WITH ALL REDUCTIONS

	2010 Levy Payable 2011	2011 Levy Payable 2012	
General Fund	\$ 3,466,821	\$ 3,388,591	-2.26%
Library Fund	534,716	524,716	-1.87%
Cemetery	175,000	175,000	0.00%
GREDA Levy	50,000	50,000	0.00%
Levy for Internal Loan-2011 Equip Purct	-	136,000	
Special Levies	8,000	8,000	0.00%
Bonded Indebtedness	1,093,789	1,127,071	3.04%
CERTIFIED LEVY	\$ 5,328,326	\$ 5,409,378	1.52%

POTENTIAL TAX RATE WITH ALL REDUCTIONS

TAX YEAR PAYABLE	TAXABLE TAX CAPACITY	NET CERTIFIED LEVY	CITY TAX RATE	CITY/TOWNSHIP TAX RATE	TOTAL TAX RATE
2012	\$ 7,015,859	\$ 4,960,664	68.212	2.494	70.706%

Every \$25,000 change in the levy, changes the tax rate by approximately 0.357