



CITY COUNCIL WORKSESSION AGENDA

Monday, April 28, 2025

4:00 PM

CALL TO ORDER: Pursuant to due notice and call thereof, a Worksession meeting of the Grand Rapids City Council will be held on Monday, April 28, 2025 at 4:00 PM in the City Hall Council Chambers, 420 North Pokegama Avenue, Grand Rapids, Minnesota.

ROLL CALL:

BUSINESS:

1. Legislative Update - Will Waggoner, Momentum Advocacy
- [2.](#) Ms. Mary Reedy and Mr. Eric Smedsrud from CLA (CliftonLarsonAllen, LLP) will be here Monday April 28, 2025 to make a presentation to the City Council of the audited 2024 financial statements, management letter, independent auditor's report on compliance and on internal controls.

REVIEW OF REGULAR AGENDA:

ADJOURN:

Attest: Kimberly Gibeau, City Clerk



We'll get you there.

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City of Grand Rapids Audit Results

Grand Rapids City Council

Auditor Discussion Agenda Items

- Audit Results
- Financial Results
- Other Discussions, Insights, Observations



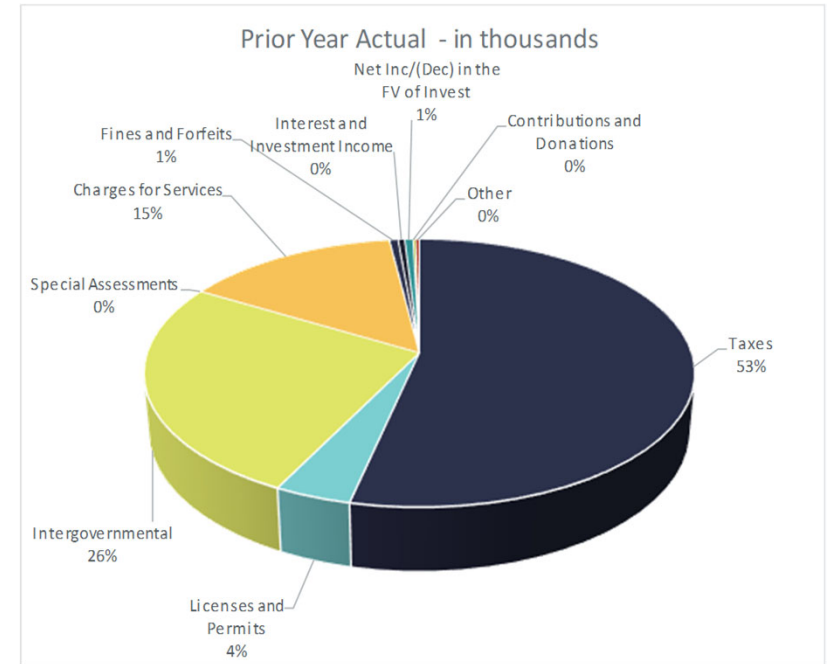
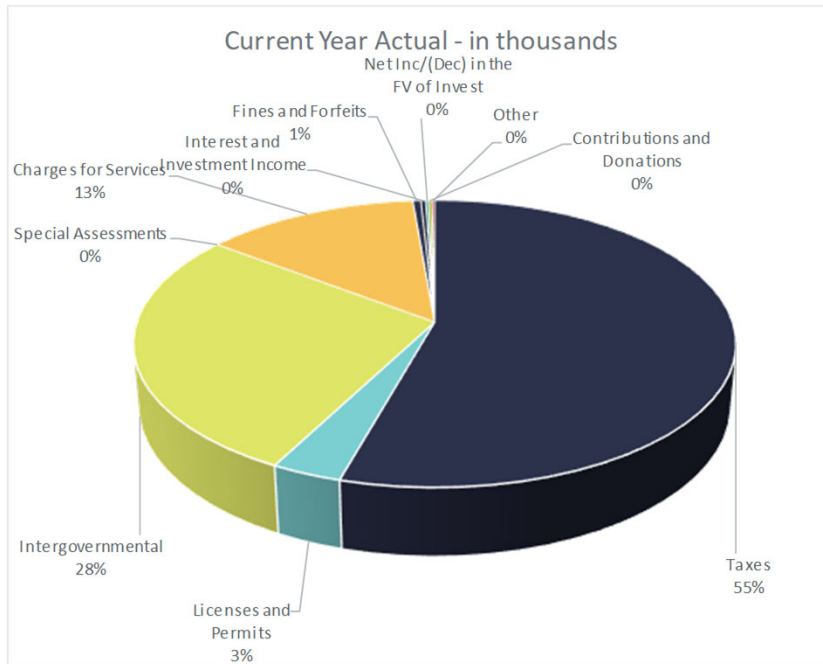
City's Audit Results

- Unmodified Opinion (Clean)
 - On the basic financial statement – concluded financial statements are fairly stated
- Compliance and Internal Control Over Financial Reporting
 - Material weakness in internal control:
 - Material Audit adjustment
 - There was a prior period adjustment for not booking debt proceeds in the prior year.
 - There was an adjustment to remove the internal service fund and correct net position for proper presentation of PERA activity in the Business Type Activity funds
- Minnesota Legal Compliance
 - Seven areas – No findings



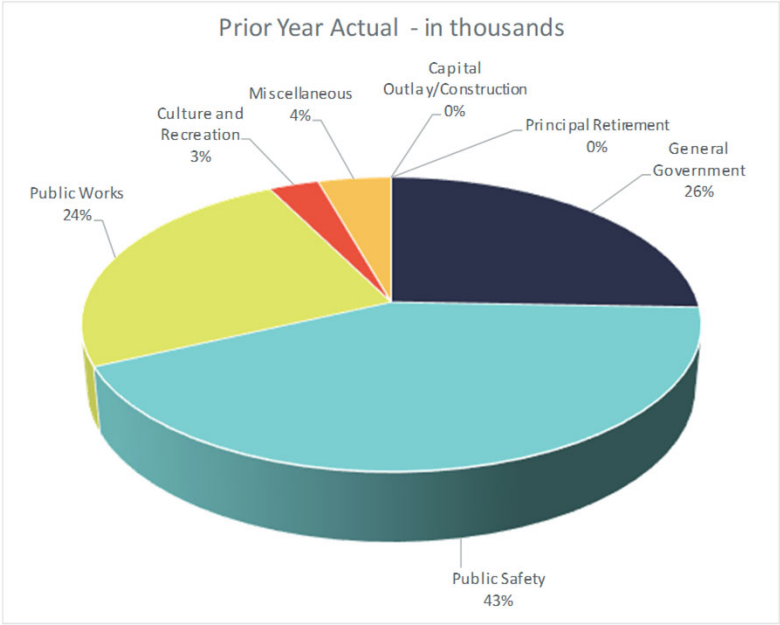
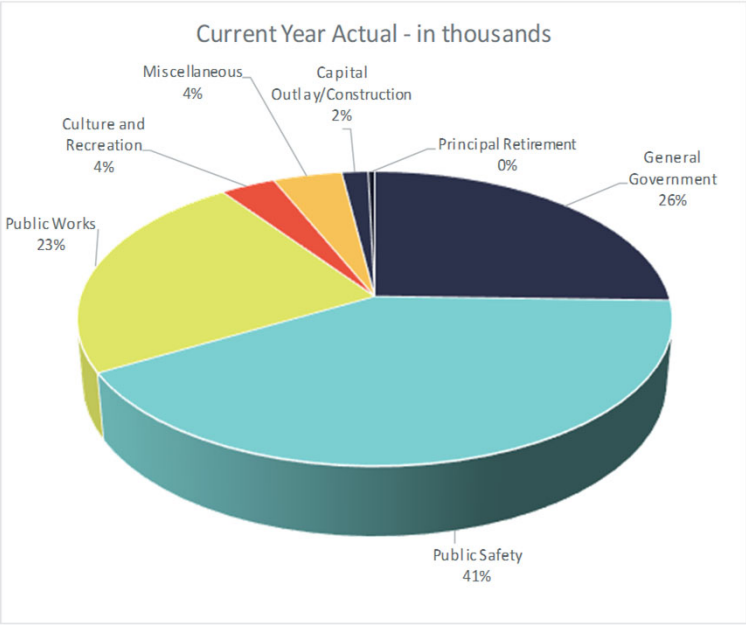
City's Financial Results (Continued)

General Fund Balances-Revenues



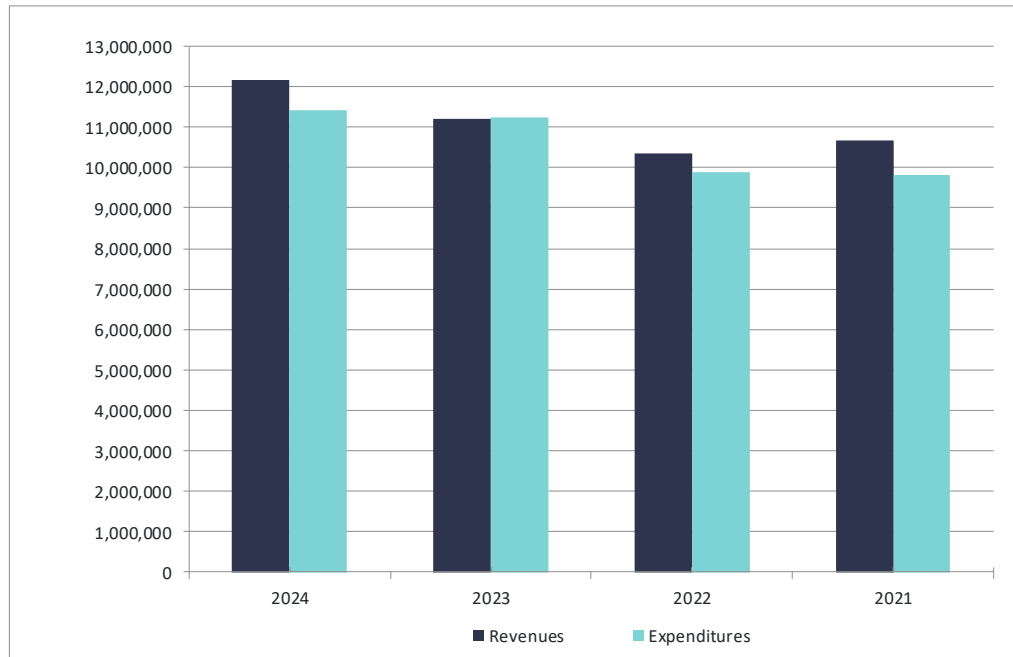
City’s Financial Results (Continued)

General Fund Balances-Expenditures



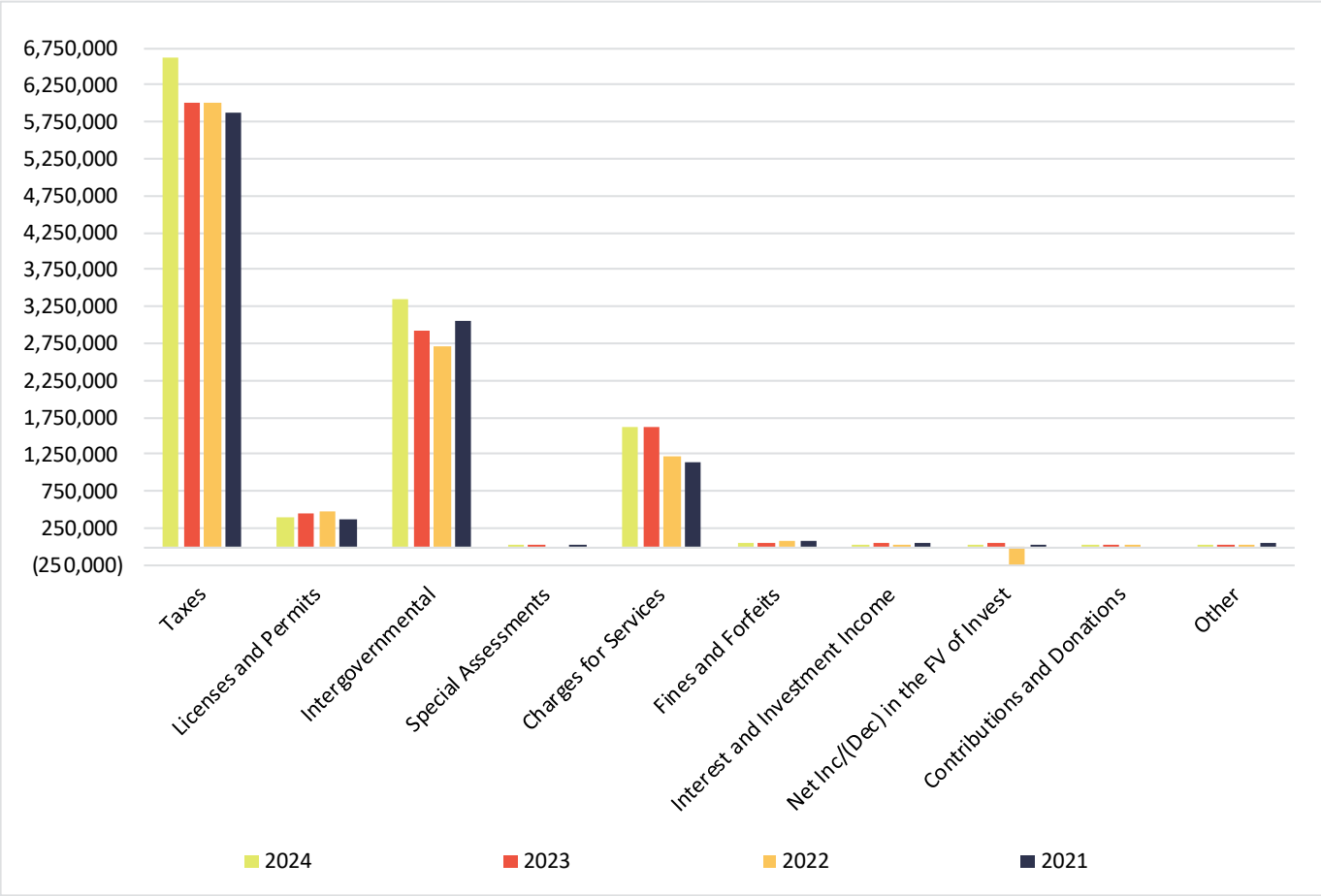
General Fund

Revenues and Expenditures



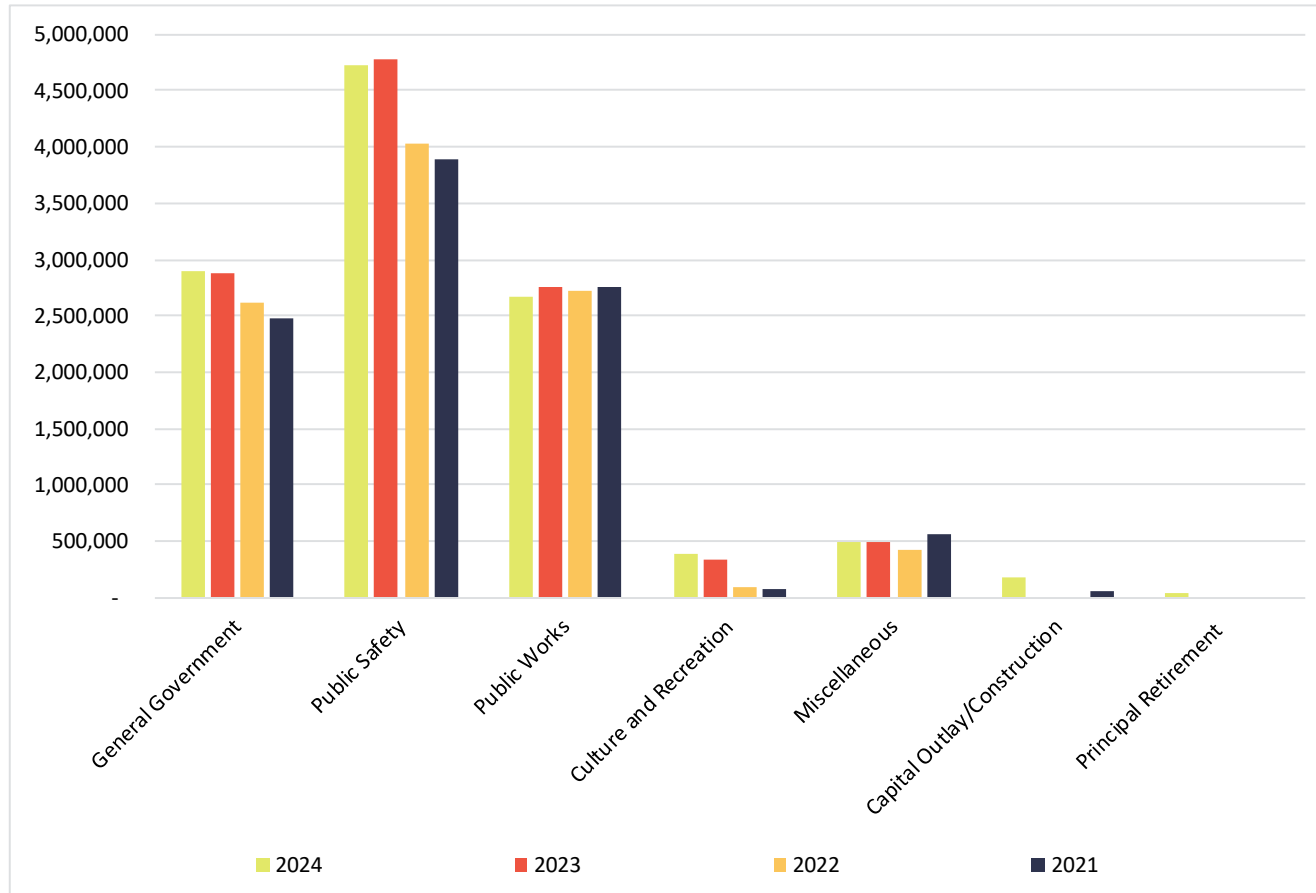
- Revenues increased due to an increase in taxes and intergovernmental revenues
- Expenditures were fairly consistent with prior year
- Transfers out decreased slightly
- Net increase in fund balance of \$284,000
- Ending fund balance of \$7,972,000

General Fund Revenues



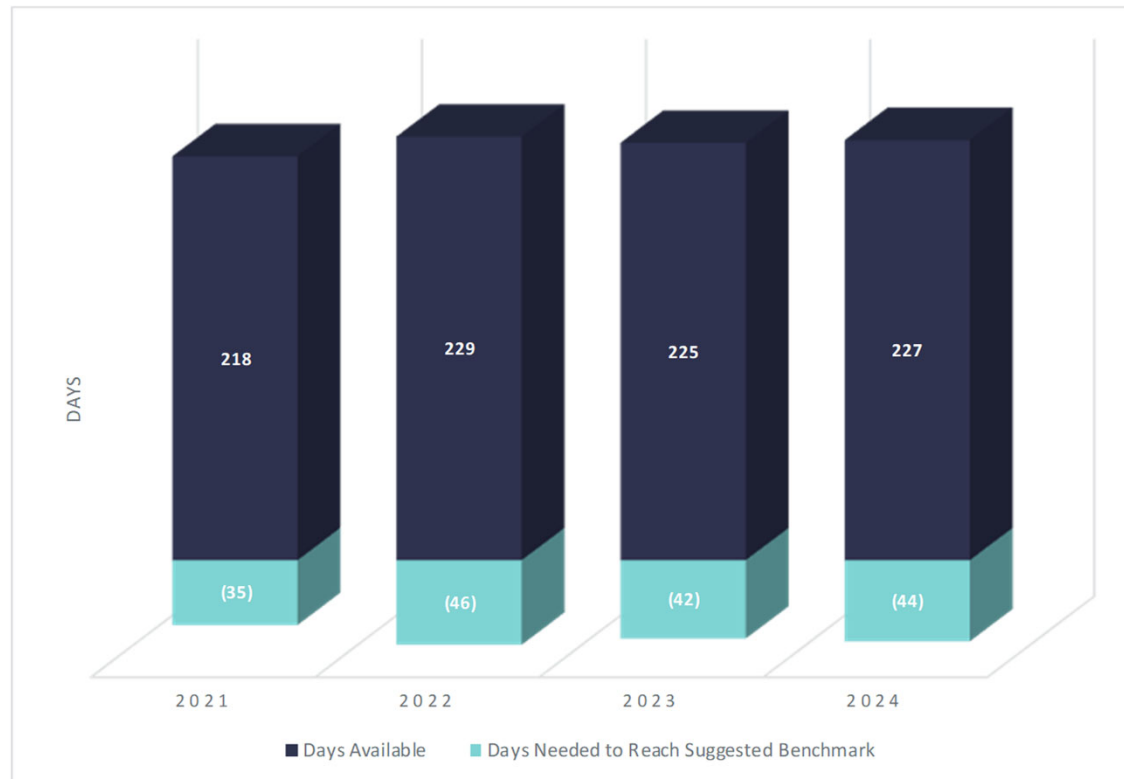
General Fund Expenditures

Item 2.



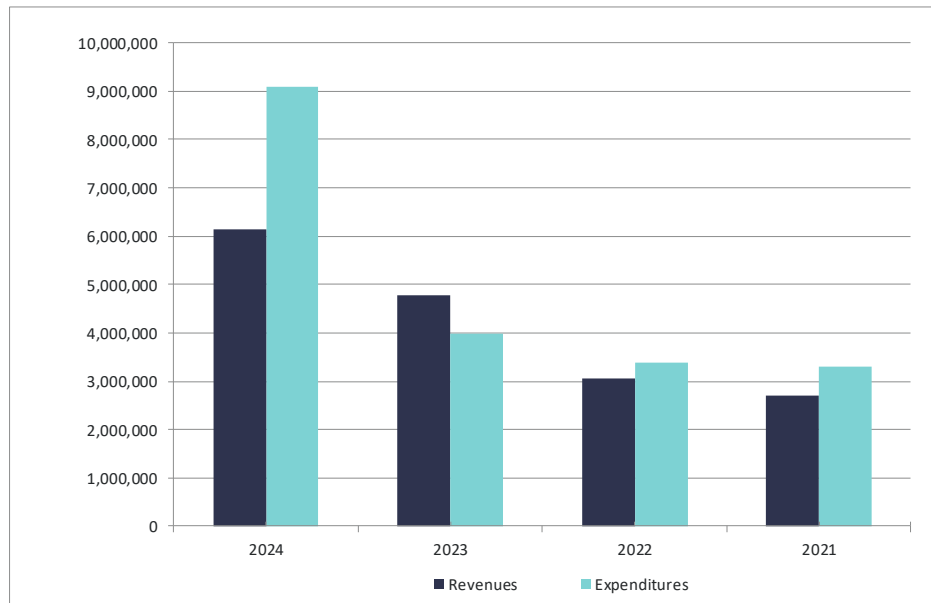
City's Financial Results

General Fund Days Expenditures in Unassigned/Committed Fund Balance



Debt Service Funds

Revenues and Expenditures

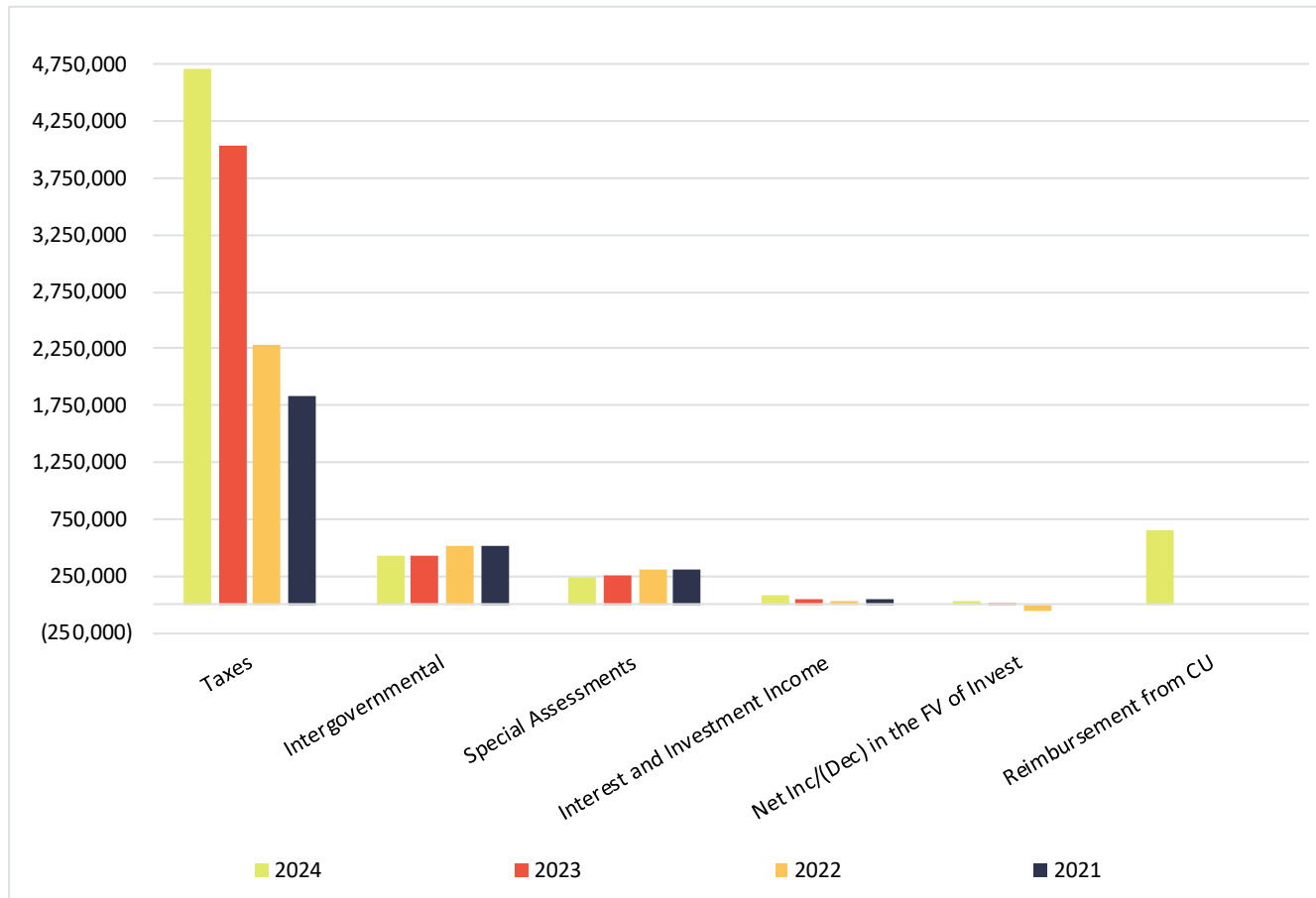


- Combined into one fund
 - Separate internally
- Created a new fund for PUC debt
 - Receivable balance of total debt owed
 - Interest shown as reimbursement from PUC
- Increase in expenditures is due to PUC payment on bonds
- Increase in revenues is due to PUC interest payments
- Current fund balance of \$22,100,000
 - \$15,800,000 relates to PUC

Debt Service Funds

Revenues

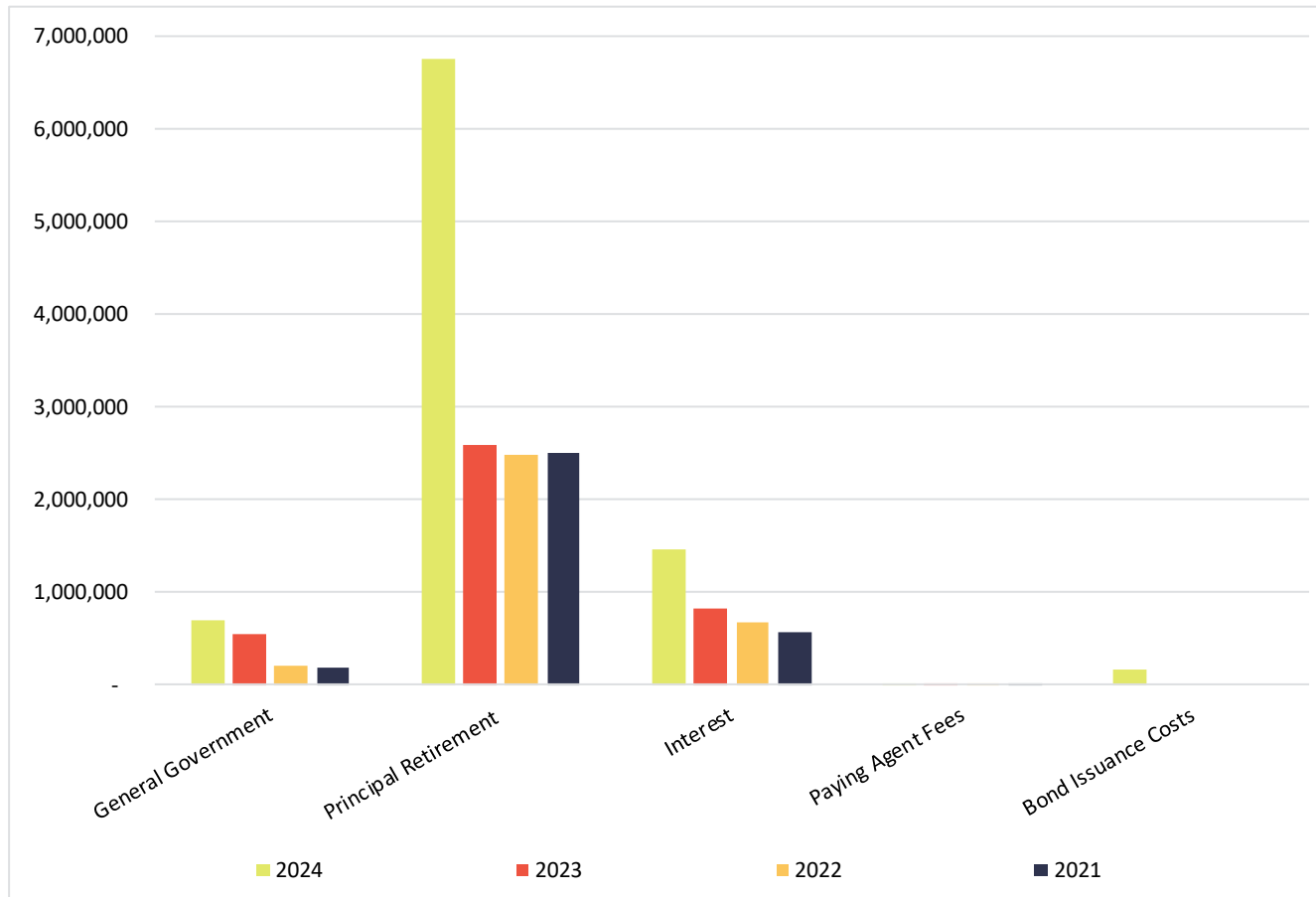
Item 2.



Debt Service Funds

Expenditures

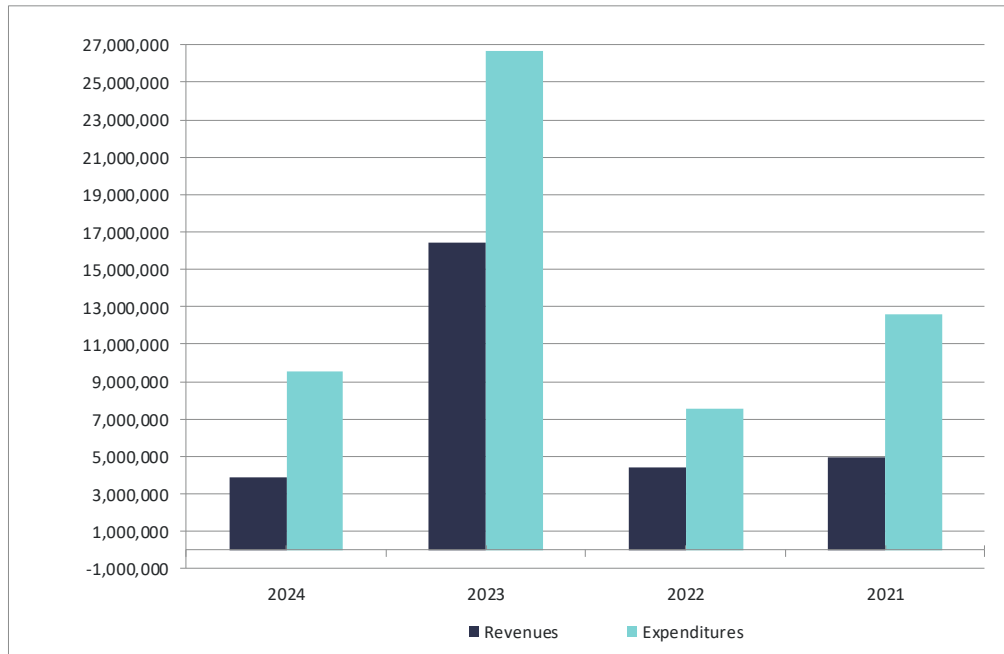
Item 2.



Capital Projects

Revenues and Expenditures

Item 2.



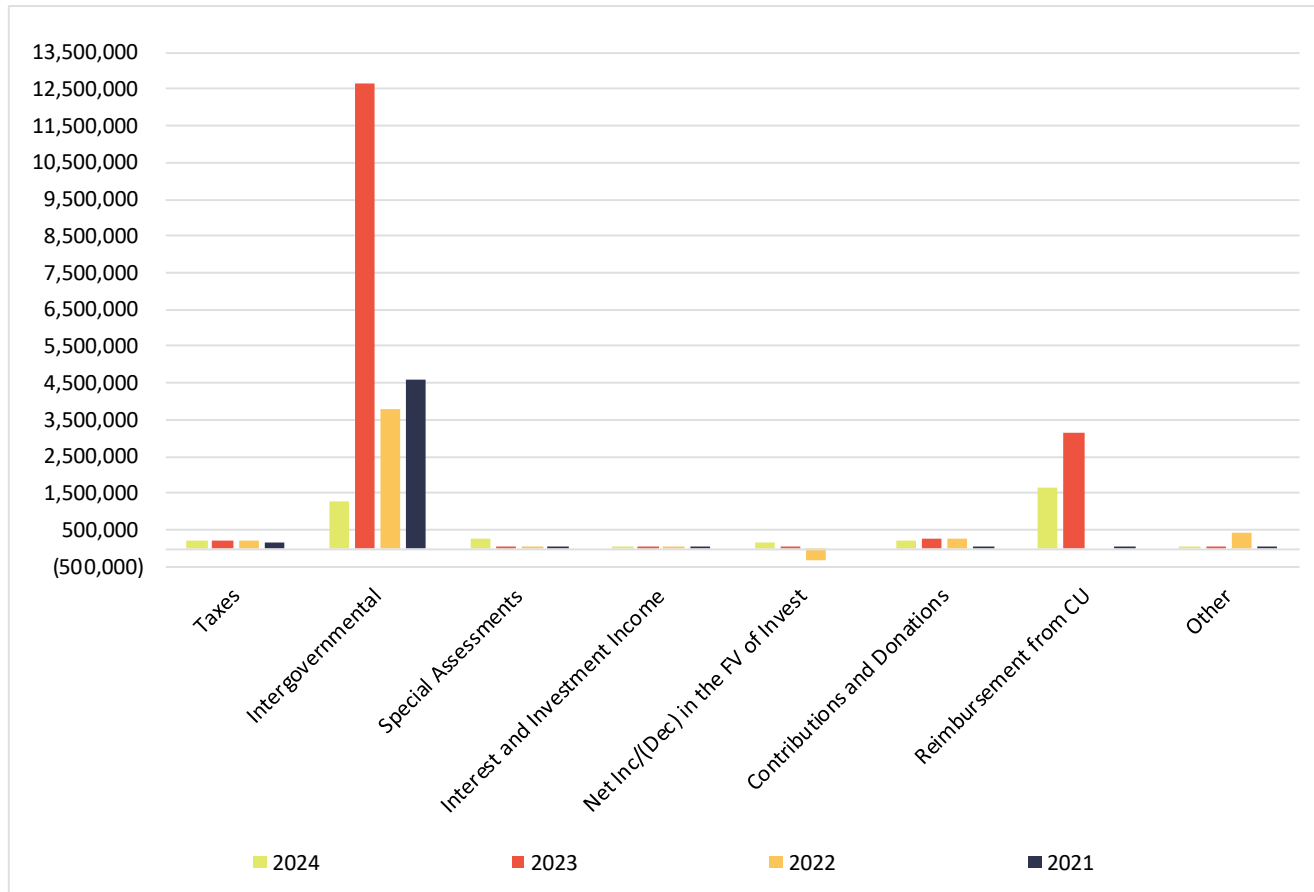
- Combined into one fund
 - Separate internally
- Revenues decreased due to a drop in intergovernmental funding
 - Dependent on projects that are being done
- Expenditures decreased due to a decrease in project
 - Dependent on projects that are being done
- Current fund balance of (\$1,100,000)



Capital Projects

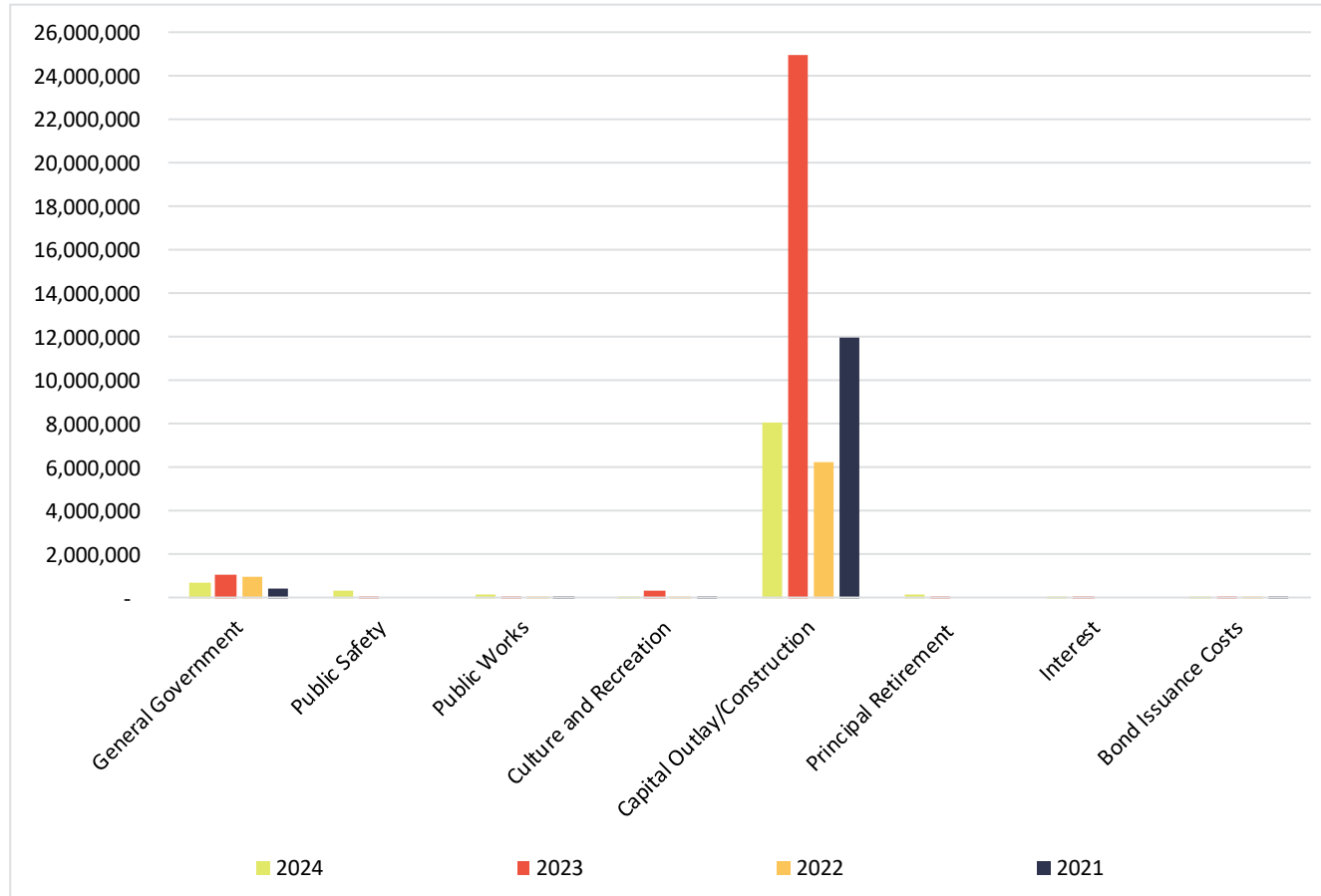
Revenues

Item 2.



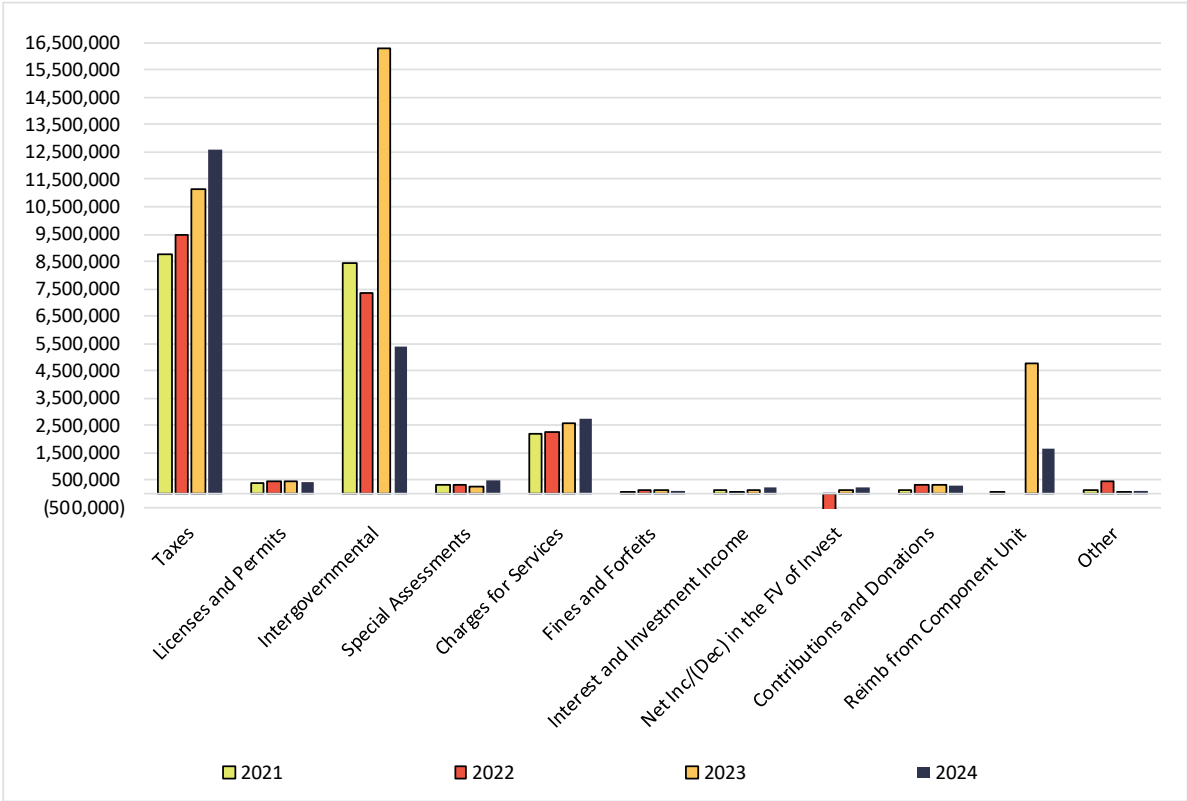
Capital Projects Expenditures

Item 2.



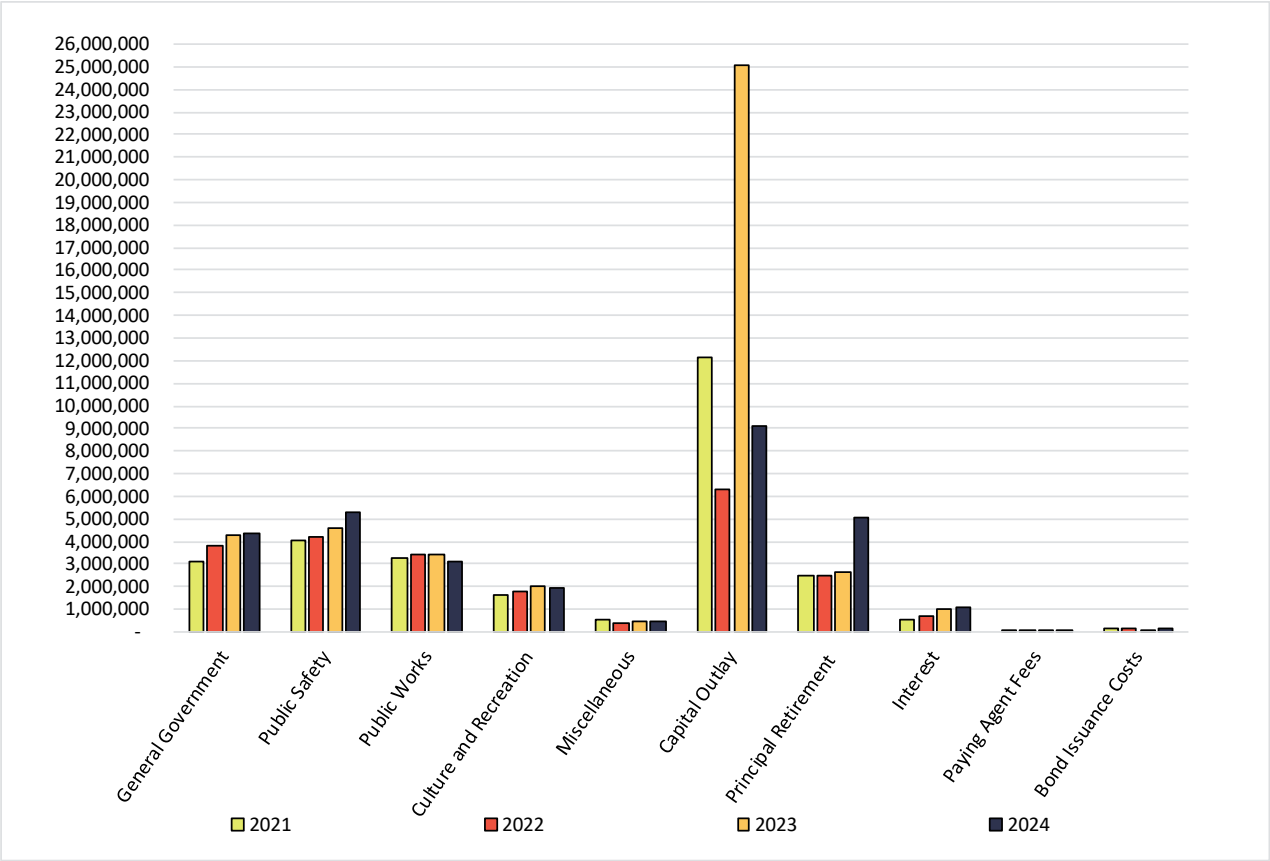
City’s Financial Results (Continued)

All Funds-Total Revenues



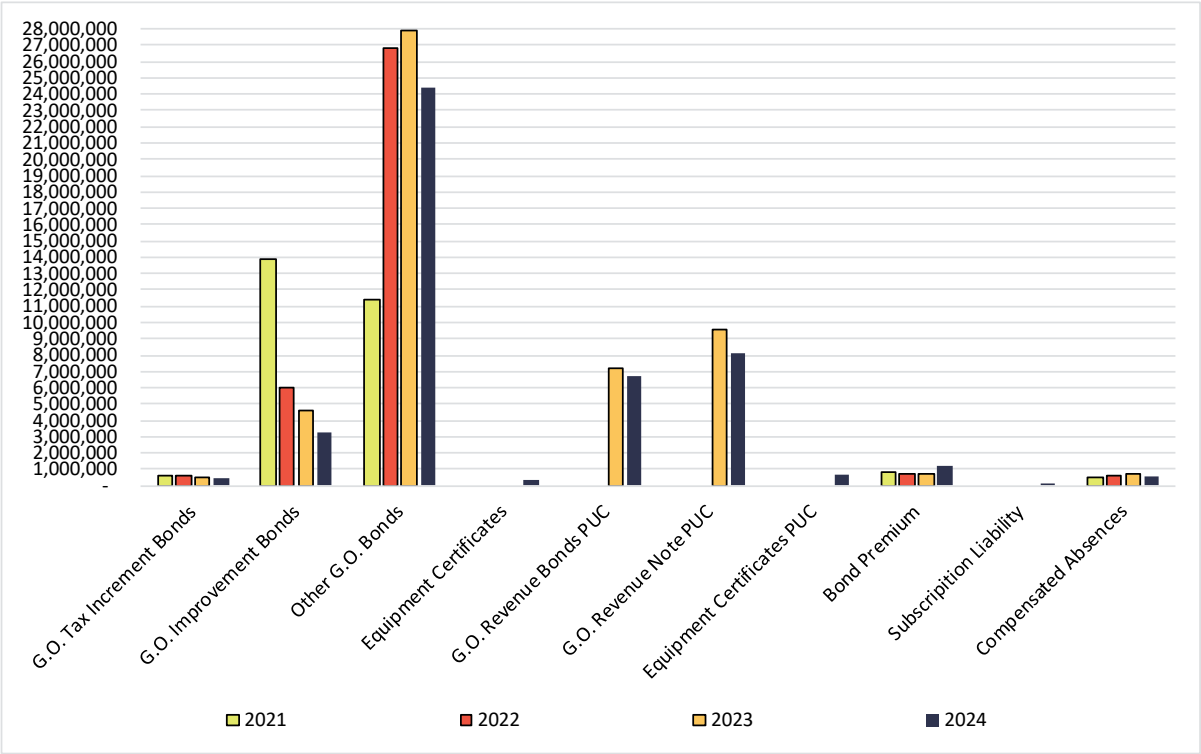
City’s Financial Results (Continued)

All Funds-Total Expenditures



City’s Financial Results (Continued)

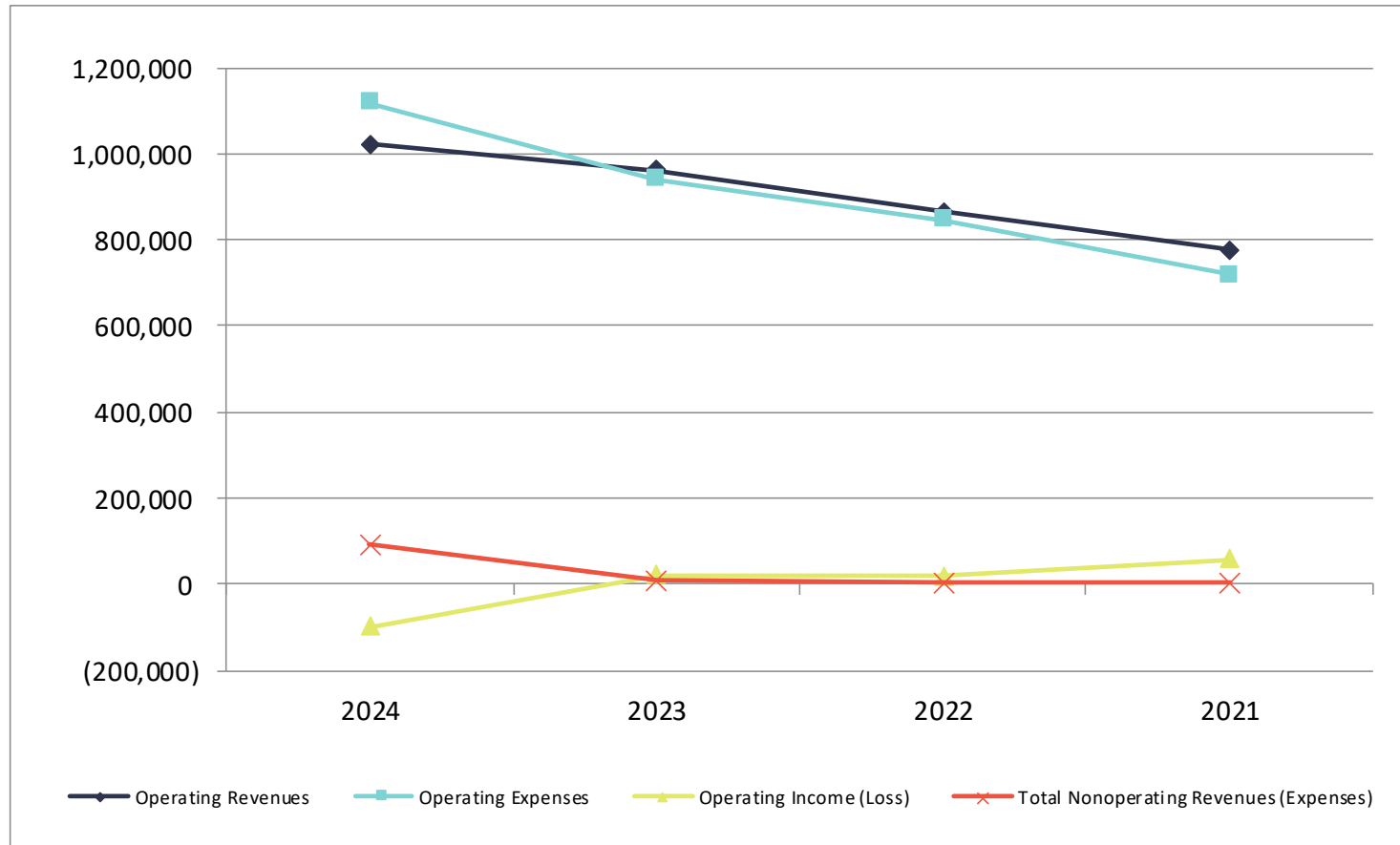
Total City Debt



Enterprise Funds

Pokegama Golf Course

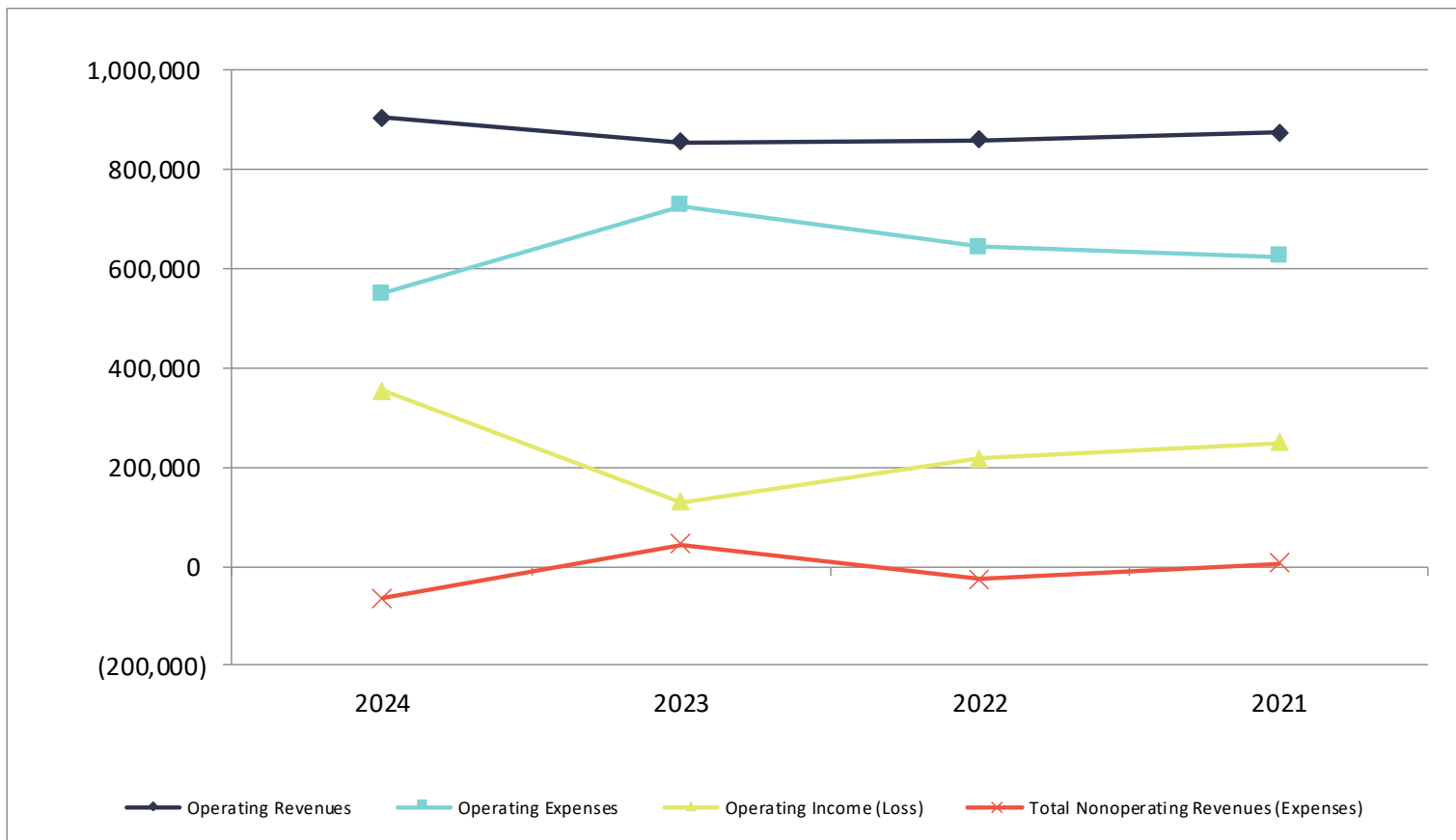
Item 2.



Enterprise Funds

Storm Water Utility

Item 2.



Insights/ Observations

- Overall Audit Results are Positive
 - Staff conscientious and responsible
 - Staff very responsive to audit inquiries/requests
 - State Reporting Form and GFOA Certificate was submitted timely
- Fund Balance Reserves – General Fund
 - Policy is to made up of four categories:
 - Minimal cash flow – to equal 50% of the following General Fund property tax levy and anticipated local government aids
 - Compensated absences – equal to the sum of flexible time off and compensatory time for all 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
 - The calculated targeted general fund unassigned fund balance is \$7.2M and currently the unassigned fund balance in the general fund is \$5.7M



Insights/ Observations (Continued)

- Yanmar Arena Fund had positive change in fund balance of \$113,500
 - Received \$685,000 in charges for service in 2024
 - Transfer out of \$272,000
 - Fund balance of \$20,000
- Public Library Fund had a positive change in fund balance of \$80,000
 - Fund balance of \$855,600
- Airport Operations Fund had a positive change in fund balance of \$275,000
 - Sale of capital assets of \$245,000
 - Fund balance of \$496,000
- Cemetery Fund had a positive change in fund balance of \$24,000
 - Fund balance of \$188,000



Insights/ Observations (Continued)

- Open lines of communication with the City
 - Constant communication about joint projects
 - Need to understand the full cost of the projects
 - What grants did the City receive for the project and how does that impact the costs for the PUC
 - Asset needs to be recorded at cost, including any grant funding
 - Once the assets is being used, it needs to be transferred to the PUC
 - Understand when projects are being considered to ensure funding is available
 - Consider creating a policy that each entity can follow



Questions and Comments



Thank You for the Opportunity to Serve the City!

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