



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

CITY COUNCIL MEETING AGENDA

Monday, July 08, 2024

5:00 PM

CALL TO ORDER: Pursuant to due notice and call thereof, a Regular meeting of the Grand Rapids City Council will be held on Monday, July 8, 2024 at 5:00 PM in City Hall Council Chambers, 420 North Pokegama Avenue, Grand Rapids, Minnesota.

CALL OF ROLL:

POSITIVE HAPPENINGS IN THE CITY:

PUBLIC FORUM:

COUNCIL REPORTS:

APPROVAL OF MINUTES:

1. Approve minutes for Monday, June 24, 2024 Worksession and Regular meetings.

VERIFIED CLAIMS:

2. Approve the verified claims for the period June 18, 2024 to July 1, 2024 in the total amount of \$1,293,434.31.

CONSENT AGENDA:

3. Consider accepting the resignation of Elias Blocker from the Grand Rapids Area Library Board
4. Consider approving an agreement with Jesse & Ryan Dermody for Tall Timber Days performance.
5. Consider accepting the Fire Relief Association Schedule Form for Lump-Sum Pension reporting Year 2024, 2023 Financial Statements and authorize the budgeted \$5,000 contribution to the Fire Relief Association.
6. Consider adopting a resolution to authorize an operating transfer from the Debt Service Fund-2019A GO & Abatement Bonds to the Capital Project Fund- Permanent Improvement Revolving Fund (PIR).
7. Consider adopting a resolution to authorize an operating transfer from the Enterprise Fund- Storm Water Utility Fund to the Capital Project Fund-Municipal State Aid Maintenance Fund.
8. Consider hiring staff for Public Works for the 2024 Spring/Summer Maintenance Season

9. Consider a request by the police department to apply for a DWI officer grant through the Office of Traffic Safety (OTS).
10. Consider approving updated Section 314- Pursuit Policy policies for the Grand Rapids Police Department to comply with MN POST Boards mandated polices
11. Consider approving the purchase Axon Respond.
12. Consider entering into Advertising Agreements with businesses at Yanmar Arena.

SET REGULAR AGENDA:

POLICE:

13. Consider adopting a resolution accepting a donation of one Fire Suppression Solution unit from the Itasca Mason Blue Lodge #208.

PUBLIC HEARINGS: (scheduled to begin no earlier than 5:00 PM)

14. Conduct a Public Hearing relating to identify qualified users of the Yanmar Arena in the City of Grand Rapids.

FINANCE:

15. Consider adopting a resolution providing for issuance and sale of General Obligation Refunding Bonds, Series 2024A, in the proposed aggregate principal amount of \$8,380,000.
16. Consider adopting a resolution providing for issuance and sale of General Obligation Equipment Certificates, Series 2024B, in the proposed aggregate principal amount of \$1,055,000.

ADJOURNMENT:

NEXT REGULAR MEETING IS SCHEDULED FOR JULY 22, 2024, AT 5:00 PM

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

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 all City 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.

ATTEST: Kimberly Gibeau, City Clerk



CITY OF
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CITY COUNCIL WORKSESSION MINUTES

Monday, June 24, 2024

4:00 PM

Mayor Connelly called the meeting to order at 4:01 pm.

PRESENT: Mayor Tasha Connelly, Councilor Dale Adams, Councilor Molly MacGregor, Councilor Tom Sutherland. ABSENT: Councilor Rick Blake.

STAFF: Tom Pagel, Chad Sterle, Lance Kuschel, Will Richter, Travis Cole, Barb Baird.

DEPARTMENT HEAD REPORT:

1. Yanmar Arena, Parks & Recreation - Dale Anderson

Dale Anderson updated the Council on arena activities, including current status of the remodel. Currently working on the acoustic issues to correct problems with sound. Meeting conference space in the upper lobby area being utilized for many gatherings included parties, team events and weddings. Update on current parks and improvements, including funding.

BUSINESS:

2. Annual Update Visit Grand Rapids - Megan Christianson

Megan Christiansen, Visit Grand Rapids, provided an annual update on activities relative to tourism. Specifically addressed travel trends, lodging tax, marketing campaigns, etc.

3. Grand Rapids Fire Relief Association request to join State Volunteer Firefighter (SVF) fund with management from the Public Employee Retirement Association (PERA).

Fire Chief Travel Cole, along with Fire Fighters Will Richter and Lance Kuschel, present overview of SVF PERA and request to join. This will be added to the Consent agenda as 10a.

REVIEW OF REGULAR AGENDA:

Addition of item #10a is noted. Upon review, no other additions or changes are noted.

There being no further business, the meeting adjourned at 5:00 pm.

Respectfully submitted:

Kimberly Gibeau
 Kimberly Gibeau, City Clerk



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CITY COUNCIL MEETING MINUTES

Monday, June 24, 2024

5:00 PM

Mayor Connelly called the meeting to order at 5:04 pm.

PRESENT: Mayor Tasha Connelly, Councilor Dale Adams, Councilor Molly MacGregor, Councilor Tom Sutherland. ABSENT: Councilor Rick Blake

STAFF: Tom Pagel, Chad Sterle, Barb Baird, Travis Cole

POSITIVE HAPPENINGS IN THE CITY:

Mayor Connelly spoke on the new Forest Lake site homes, the open house event and advised that the Itasca County HRA can be contacted regarding purchasing one of the homes. Also noted was the 11th annual Caring for Kids charity fundraiser hosted at the Pokegama Golf Course, raising over \$152K and expressed appreciation for all sponsors.

Councilor Adams advised that Jean MacDonald, Grand Itasca Clinic & Hospital, announced that six new primary doctors will be coming to the clinic in Grand Rapids, opening up more opportunities for residents to establish care with primary doctors.

PUBLIC FORUM:

Catherine McLynn, 931 N. Pokegama Avenue, spoke in opposition of the recent Pride Festival held on the Central School grounds and the use of tax payer funds used in support of the event. Formal request to take the "Happy Pride" sign down from the Central School marquee.

Brian Anderson, Cohasset, expressed appreciation to the Council for acknowledging positive happenings in the City. However, very disappointed in the media attention to Grand Rapids over the Pride Festival.

Craig Nelson, 32122 Sunny Lane, Grand Rapids, provided photos: one depicting a public execution of a Vietnamese man during the Vietnam War and one showing a child tipping a drag performer at the Itasca Pride Festival on Sunday, June 23, 2024. Mr. Nelson is very disturbed and believes this event is inappropriate in public and offensive and abusive to children.

Stephanie Lipscey, Grand Rapids, clarify news reports, not thousands of attendees, passing out narcam, condoms,

Laura Bybee, Deer River, participants were aggressively attempting to block photography. Opposed to drag shows that should not be performed in public, in front of children.

Mary Fultz, Bovey, MN disagrees with reports that LGBTQ youth are more prone to suicide because of treatment. Suicide has increased in spite of continued growth in acceptance.

Paul DeRocher, Cohasset, MN, concerned about moral climate of the city. Requested ability to be placed on an agenda for the City Council to discuss public policy.

Wade Freshour, 28562 East Harris Road, Grand Rapids offers prayer for Council members, and encourages them to remember comments made tonight when making future decisions about events.

Beth Mattsen, 41717 County Road 63, Cohasset, echo what others have said and request the council not allow this in our community. Please consider what has been said today.

APPROVAL OF MINUTES:

1. Approve Council minutes for Monday, June 10, 2024 Regular meeting and June 10, 2024 Closed meeting summary.

Motion made by Councilor MacGregor, Second by Councilor Sutherland to approve Council minutes as presented. Voting Yea: Mayor Connelly, Councilor Adams, Councilor MacGregor, Councilor Sutherland

VERIFIED CLAIMS:

2. Approve the verified claims for the period June 4, 2024 to June 17, 2024 in the total amount of \$787,613.14.

Motion made by Councilor Adams, Second by Councilor Sutherland to approve the verified claims as presented. Voting Yea: Mayor Connelly, Councilor Adams, Councilor MacGregor, Councilor Sutherland

CONSENT AGENDA:

3. Consider adopting a resolution appointing election judges for 2024 elections.

Adopted Resolution 24-53

4. Consider approving the final pay request for CP 2015-1, Sylvan Bay Overlay and Utilities in the amount of \$89,130.88 and balancing change order #1.
5. Consider approval of seasonal contractors
6. Consider approving quotation for steel handrails at Yanmar Arena
7. Consider adopting a resolution calling for a Public Hearing relating to identify qualified users of the Yanmar Arena in the City of Grand Rapids.

Adopted Resolution 24-54

8. Consider approval of Change Order #2 for CP 2010-1, 3rd Avenue & 7th Street NE Project in the amount of \$19,466.
9. Consider appointment of Councilmember Rick Blake as alternate on the Greenway Joint Recreation Board
10. Consider approving amendment to Hazmat Response Contract with State of Minnesota.
- 10a. Consider adopting a resolution authorizing the Grand Rapids Fire Department to join the statewide volunteer Firefighter plan.

Adopted Resolution 24-55

Motion made by Councilor Adams, Second by Councilor MacGregor to approve the Consent agenda as amended with the addition of 10a. Voting Yea: Mayor Connelly, Councilor Adams, Councilor MacGregor, Councilor Sutherland

There being no further business, the meeting adjourned at 5:46 pm.

Respectfully submitted,

Kimberly Gibeau

Kimberly Gibeau, City Clerk

DATE: 07/02/2024
 TIME: 13:11:50
 ID: AP443GR0.WOW

CITY OF GRAND RAPIDS
 DEPARTMENT SUMMARY REPORT

PAGE: 1

INVOICES DUE ON/BEFORE 07/08/2024

VENDOR #	NAME	AMOUNT DUE

GENERAL FUND		
0609575	FINNLY TECH INC	1,574.00
	TOTAL	1,574.00
CITY WIDE		
1415544	NORTHLAND PORTABLES	364.00
1721095	QUADIENT, INC	648.00
1915248	SHI INTERNATIONAL CORP	217.00
2018225	TREASURE BAY PRINTING	20.50
	TOTAL CITY WIDE	1,249.50
SPECIAL PROJECTS-NON BUDGETED		
1105530	KENNEDY & GRAVEN, CHARTERED	560.00
	TOTAL SPECIAL PROJECTS-NON BUDGETED	560.00
SPECIAL PROJECTS-BUDGETED		
0920050	ITASCA COUNTY HISTORICAL	11,300.00
	TOTAL SPECIAL PROJECTS-BUDGETED	11,300.00
ADMINISTRATION		
0805680	HERREID & ASSOCIATES CONSULT	12,016.53
1301020	MADDEN GALANTER HANSEN, LLP	645.00
	TOTAL ADMINISTRATION	12,661.53
BUILDING SAFETY DIVISION		
0118100	VESTIS GROUP, INC	64.86
0221650	BURGGRAF'S ACE HARDWARE	31.96
0914705	INSTITUTE FOR ENVIRONMENTAL	2,100.00
2018225	TREASURE BAY PRINTING	68.50
	TOTAL BUILDING SAFETY DIVISION	2,265.32
FIRE		
0118100	VESTIS GROUP, INC	43.65
0609685	FIREMEN'S RELIEF ASSOCIATION	5,000.00
1200500	L&M SUPPLY	18.96

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CITY OF GRAND RAPIDS
 DEPARTMENT SUMMARY REPORT

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INVOICES DUE ON/BEFORE 07/08/2024

VENDOR #	NAME	AMOUNT DUE
GENERAL FUND		
FIRE		
1309332	MN STATE RETIREMENT SYSTEM	1,907.70
1321527	MUNICIPAL EMERGENCY SERVICES	17,980.18
1415484	NORTHERN LIGHTS TRUCK	1,312.96
TOTAL FIRE		26,263.45
PUBLIC WORKS		
0103325	ACHESON TIRE INC	715.00
0112700	AL'S RESTORATION LLC	1,329.68
0205090	BEACON ATHLETICS LLC	618.00
0221650	BURGGRAF'S ACE HARDWARE	60.93
0301685	CARQUEST AUTO PARTS	113.70
0305510	CENTRAL LANDSCAPE SUPPLY INC	419.00
0315455	COLE HARDWARE INC	50.92
0315481	CAR, INC	13,050.00
0400720	D&S STUMP GRINDING LLC	925.00
0501650	EARL F ANDERSEN	66.95
0601690	FASTENAL COMPANY	142.23
1015750	JOY'S GREEN HOUSE	10,576.00
1200500	L&M SUPPLY	154.79
1201730	LATVALA LUMBER COMPANY INC.	52.14
1415545	NORTHLAND LAWN & SPORT, LLC	518.98
1621125	PUBLIC UTILITIES COMMISSION	6,000.00
1801899	RAYS SPORT & CYCLE	56.09
2000522	TNT CONSTRUCTION GROUP, LLC	2,781.00
2018560	TROUT ENTERPRISES INC	1,472.20
TOTAL PUBLIC WORKS		39,102.61
FLEET MAINTENANCE		
0301685	CARQUEST AUTO PARTS	491.57
1200500	L&M SUPPLY	10.89
TOTAL FLEET MAINTENANCE		502.46
POLICE		
0301685	CARQUEST AUTO PARTS	182.79
0409501	JOHN P. DIMICH	4,583.33
1309267	MN LEAP	100.00
1618125	PRAXAIR DISTRIBUTION INC	99.25
1920233	STREICHER'S INC	903.99
TOTAL POLICE		5,869.36

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CITY OF GRAND RAPIDS
 DEPARTMENT SUMMARY REPORT

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INVOICES DUE ON/BEFORE 07/08/2024

VENDOR #	NAME	AMOUNT DUE
GENERAL FUND		
RECREATION		
0221650	BURGGRAF'S ACE HARDWARE	87.97
0609575	FINNLY TECH INC	1,574.00
	TOTAL RECREATION	1,661.97
CENTRAL SCHOOL		
0118100	VESTIS GROUP, INC	64.09
0218745	ASHLEY BRUBAKER	224.30
	TOTAL	288.39
AIRPORT		
1809154	RICHARD F RYSAVY	300.00
	TOTAL	300.00
CIVIC CENTER		
GENERAL ADMINISTRATION		
0701650	GARTNER REFRIGERATION CO	3,936.96
1801613	RAPIDS PRINTING	271.00
	TOTAL GENERAL ADMINISTRATION	4,207.96
STATE HAZ-MAT RESPONSE TEAM		
0312110	CLAREY'S SAFETY EQUIPMENT INC	2,052.10
	TOTAL	2,052.10
CEMETERY		
0221650	BURGGRAF'S ACE HARDWARE	99.97
	TOTAL	99.97
DOMESTIC ANIMAL CONTROL FAC		
0118100	VESTIS GROUP, INC	30.00

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CITY OF GRAND RAPIDS
 DEPARTMENT SUMMARY REPORT

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INVOICES DUE ON/BEFORE 07/08/2024

VENDOR #	NAME	AMOUNT DUE

DOMESTIC ANIMAL CONTROL FAC		
	TOTAL	30.00
TIF 1-6 OLD HOSP HSING PAYGO		
1105530	KENNEDY & GRAVEN, CHARTERED	94.00
	TOTAL	94.00
TIF 1-4 OAKWD TERRACE		
0920060	ITASCA COUNTY TREASURER	70,560.00
	TOTAL	70,560.00
TIF 1-11 SAWMILL INN REDEVELOP		
1105530	KENNEDY & GRAVEN, CHARTERED	47.00
	TOTAL	47.00
CAPITAL EQPT REPLACEMENT FUND		
CAPITAL OUTLAY-POLICE		
0221650	BURGGRAF'S ACE HARDWARE	791.70
1920556	STOP STICK LTD	652.00
	TOTAL CAPITAL OUTLAY-POLICE	1,443.70
CIVIC CENTER CAPITAL IMP PJT		
IRA CIVIC CENTER RENOVATION		
2023300	TWIN PORTS TESTING II INC	750.00
	TOTAL IRA CIVIC CENTER RENOVATION	750.00
2022 INFRASTRUCTURE/ARPA		
0701650	GARTNER REFRIGERATION CO	20,183.00
	TOTAL	20,183.00

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CITY OF GRAND RAPIDS
 DEPARTMENT SUMMARY REPORT

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INVOICES DUE ON/BEFORE 07/08/2024

VENDOR #	NAME	AMOUNT DUE

2023	INFRASTRUCTURE BONDS	
CP2015-1	SYLVAN BAY OVR/UTIL	
1900225	SEH	19,401.81
	TOTAL CP2015-1 SYLVAN BAY OVR/UTIL	19,401.81
2024	INFRASTRUCTURE BONDS	
CP2010-1	3RD AVE NE RECON	
0218115	BRAUN INTERTEC CORPORATION	1,398.75
1900225	SEH	78,536.40
2000522	TNT CONSTRUCTION GROUP, LLC	209,327.77
	TOTAL CP2010-1 3RD AVE NE RECON	289,262.92
STORM WATER UTILITY		
0301685	CARQUEST AUTO PARTS	78.19
0514798	ENVIRONMENTAL EQUIPMENT AND	1,143.92
1809154	RICHARD F RYSAVY	360.00
2000522	TNT CONSTRUCTION GROUP, LLC	548.00
T001264	LEA FRIESEN	1,540.00
	TOTAL	3,670.11
	TOTAL UNPAID TO BE APPROVED IN THE SUM OF:	\$515,401.16
CHECKS ISSUED-PRIOR APPROVAL		
PRIOR APPROVAL		
0113105	AMAZON CAPITAL SERVICES	429.91
0201355	BARBARA BAIRD	1,911.96
0301650	JEFF CARLSON	69.00
0305530	CENTURYLINK QC	50.40
0315454	TRAVIS COLE	58.00
0718015	GRAND RAPIDS CITY PAYROLL	727,035.16
0801820	HAWK CONSTRUCTION INC	20,000.00
0815500	HOME DEPOT CREDIT SERVICES	202.51
0920055	ITASCA COUNTY RECORDER	138.00
1101652	SAMUEL A KARKELA	230.00
1105230	CHAD KEECH	3,707.67
1115600	ADAM KORTEKAAS	679.60
1201402	LAKE COUNTRY POWER	50.31
1215250	LOFFLER COMPANIES INC	447.80
1305725	METROPOLITAN LIFE INSURANCE CO	2,177.28
1309149	MN CHIEFS OF POLICE ASSOC	2,415.00
1309199	MINNESOTA ENERGY RESOURCES	166.76
1309302	MN DEPT OF PUBLIC SAFETY	16.25
1309335	MINNESOTA REVENUE	12,398.00

DATE: 07/02/2024
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CITY OF GRAND RAPIDS
 DEPARTMENT SUMMARY REPORT

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INVOICES DUE ON/BEFORE 07/08/2024

VENDOR #	NAME	AMOUNT DUE

CHECKS ISSUED-PRIOR APPROVAL		
PRIOR APPROVAL		
1315650	ANDY MORGAN	323.46
1321750	MUTUAL OF OMAHA	474.58
1601305	THOMAS J. PAGEL	1,126.94
1913344	HEATH SMITH	497.25
2000100	TASC	33.75
2018555	CHAD TROUMBLY	650.00
2305825	WEX INC	2,743.56
TOTAL PRIOR APPROVAL ALLOWED IN THE SUM OF:		\$778,033.15
TOTAL ALL DEPARTMENT		\$1,293,434.31

From: Elias Blocker <em.blocker@gmail.com>
Sent: Wednesday, June 26, 2024 9:41 AM
To: Will Richter <wrichter@grandrapidsmn.gov>
Subject: Library Board Resignation

Good Morning Will,

As you might have heard, I am relocating for work and cannot continue as a member of the board. I cannot speak highly enough of you or the difference you've made for our community, and I am so proud to have been with you all for the last few years.

I, Elias Blocker, hereby resign from the Grand Rapids Area Library Board effective this date, June 26th 2024.

I wish all the joy and success in the world for everyone on the board, and I know they will continue to do amazing things.

Sincerely, Elias Blocker



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REQUEST FOR COUNCIL ACTION

AGENDA DATE: July 8, 2024

AGENDA ITEM: Consider accepting the resignation of Elias Blocker from the Grand Rapids Area Library Board

PREPARED BY: Kimberly Gibeau

BACKGROUND:

Elias Blocker has submitted his resignation from the Grand Rapids Area Library Board, effective immediately. Elias has been on the Library Board since January 2021, serving as a non-resident, with a current term expiring on December 31, 2026.

REQUESTED COUNCIL ACTION:

Make a motion to accept the resignation of Elias Blocker from the Grand Rapids Area Library Board and authorize staff to begin the process of filling the vacancy.



CITY OF
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REQUEST FOR COUNCIL ACTION

AGENDA DATE: July 8, 2024

AGENDA ITEM: Consider approving an agreement with Jesse & Ryan Dermody for Tall Timber Days performance.

PREPARED BY: Kimberly Gibeau

BACKGROUND:

The City's agreement with Tall Timber Days is to contract with bands in order to cover them under the City's insurance. Tall Timber Days then reimburses the City for the cost of the bands. Attached is a contract with Jesse & Ryan Dermody for performance at Tall Timber Days 2024. The contract is attached for your review.

REQUESTED COUNCIL ACTION:

Make a motion approving an agreement with Jesse & Ryan Dermody for Tall Timber Days performance.

MUSIC PERFORMANCE CONTRACT

THIS CONTRACT (the "Agreement") made and entered into this 17th day of June, 2024 (the "Execution Date"),

BETWEEN:

The City of Grand Rapids of Grand Rapids, MN
(the "Client")

OF THE FIRST PART

- AND -

Jesse Dermody

- AND -

Ryan Dermody
(individually and collectively known as the "Performer")

OF THE SECOND PART

BACKGROUND:

- A. The Performer is a professional entertainment group known as "The Brothers Burn Mountain".
- B. The Client wishes to engage the Performer subject to the terms and conditions as follows:

IN CONSIDERATION OF and as a condition of the Client hiring the Performer and other valuable consideration, the receipt and sufficiency of which consideration is acknowledged here, the parties to this Agreement agree as follows:

Business Address of the Performer

- 1. The Performer will be represented by a group leader (the "Group Leader"). Any payments by check or money order should be made out to the Group Leader. The Performer's business

address is as follows:

Group Leader: Jesse Dermody
Address: 9070 Peary Rd, Kelsey, MN 55724
Telephone: (218) 255-5182
Email: dermody2@gmail.com

Business Address of the Client

- 2. The Client's business address is as follows:
Address: Grand Rapids, MN
Telephone: _____

Venue

- 3. The place of performance (the "Venue") is located at:
Name: Tall Timber Days
Address: Grand Rapids, MN 55744
Telephone: (303) 618-5561

Performance

- 4. The entertainment to be provided by the Performer is generally described as Live Music (the "Performance").

Date and Time of Performance

- 5. The Performance will consist of one show on the date and between the times indicated in the table below and the Venue will be available for set-up and sound check at the date and time also indicated in the table:

Set-up Time and Date	Date of Show	Start Time	End Time
12:30pm August 5, 2023	August 5, 2023	2:00 pm	5:00 pm

Payment

6. In full consideration for all services rendered by the Performer at the Performance, the Client agrees to pay the Performer a fixed fee of \$1,000.00 USD (the "Fee").

Performer Expenses

7. The Performer agrees that the Fee is inclusive of all expenses, accommodations, holiday entitlements, traveling expenses to and from the Venue and covers any costs whatsoever incurred by any of the members individually or collectively as a group, except as expressly provided in this Agreement.

Payment of Balance

8. Promptly after the last show on the final date of the Performance, the Client will pay to the Performer any outstanding balance of the Fee in cash, money order, certified check, or online payment.

Cancellation

9. The Performer reserves the right to cancel this Agreement without obligation upon written notice to the Client prior to June 1, 2023.
10. The Client reserves the right to cancel this Agreement without obligation upon written notice to the Performer prior to June 1, 2023. Cancellation by the Client later than June 1, 2023 will require payment of the full Fee.

Non-performance by the Client

11. Those obligations of the Client required to be met prior to the Performance are conditions precedent which must be satisfied in full by the Client before the Performer is required to perform unless otherwise agreed to by all parties in writing. If the Client cancels or postpones the Performance, or any show comprising the Performance, without proper notice or fails to make any payment or fails to perform any other condition precedent as required by this Agreement then the Client will be in breach of this Agreement and the Performer will have no further obligations under this Agreement.

Security Deposit

12. The Performer will not be required to post a security deposit against any or all possible damage related to or arising from the Performance.

Force Majeure

13. Neither the Performer nor the Client will be held liable for any failure to perform its obligations under this Agreement where such breach is due to any of the following: acts or regulations of public authorities, labor difficulties or strike, inclement weather, epidemic, interruption or delay of transportation service, acts of God, or any other legitimate cause beyond the reasonable control of the Performer and the Client.

Sickness and Accidents

14. The Performer agrees to meet its obligations under this Agreement subject to legitimate incapacity by sickness or accident.

No Recording of the Performance

15. Recording or transmitting of the Performance by anyone through any means whatsoever will not be allowed under this Agreement. It is the responsibility of the Client to enforce this provision.

Merchandising

16. The Performer may offer CDs, tapes and other such items for sale at the Performance. The Client will provide a suitable area with reasonable visibility and accessibility to facilitate merchandising.

Exclusivity

17. The Performer will perform exclusively for the Client throughout the actual period of services of this Agreement unless otherwise provided by the Client in writing. The Performer at the time of signing this Agreement will not be under any contract to a third party that might preclude the Performer from fulfilling the requirements of this Agreement.

Indemnification

18. The Performer is responsible only for its own conduct. The Performer will be compensated by the Client for any and all damage done to the Performer's equipment by the Client, its agents or guests. The Client indemnifies and holds the Performer harmless for any and all property damage or personal injury that results from or is related to the Performance that is not directly

caused by the Performer.

Permits

19. The Client warrants and represents that it has obtained any and all permits, approvals, licenses and variances necessary for the Performance.

Security

20. The Client will take reasonable precautions for the safety of the Performer and the Performer's equipment during all aspects of the Performance and at all times while the Performer and the Performer's equipment is on the Venue premises. The Client is also responsible for ensuring that only the Performer and its designated technicians and representatives are allowed on stage or in the backstage area.

Picket Lines

21. The Performer will not be required to cross a picket line established by a labor organization at the Venue nor will the Performer be disciplined, or this Agreement be considered or deemed breached by the Performer, by reason of the Performer's refusal to cross such picket line.

Governing Law

22. This Agreement will be governed by, and construed in accordance with, the laws of the State of Minnesota. The Client and the Performer each submit to the jurisdiction of the courts of the State of Minnesota for the enforcement of this Agreement or any arbitration award or decision arising from this Agreement.

Covenant of Good Faith and Fair Dealing

23. The Client and the Performer agree to perform their obligations under this Agreement, in all respects, in good faith.

Miscellaneous Terms

24. Time is of the essence in this Agreement.
25. This Agreement may be executed in counterpart. Facsimile signatures are binding and are considered to be original signatures.

26. No part of the Performance may consist of acts in violation of any local laws, codes, statutes, ordinances, regulations, rules or any other requirements including building and fire regulations. If the Performer violates this section, the Client may immediately cancel the Performance and this Agreement.
27. The Performer's representative warrants that by signing this Agreement it has the authority to bind the Performer to the terms and conditions of this Agreement.
28. Headings are inserted for the convenience of the parties only and are not to be considered when interpreting this Agreement. Words in the singular mean and include the plural and vice versa. Words in the masculine gender include the feminine gender and vice versa. Words in the neuter gender include the masculine gender and the feminine gender and vice versa.
29. If any term, covenant, condition or provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, it is the parties' intent that such provision be reduced in scope by the court only to the extent deemed necessary by that court to render the provision reasonable and enforceable and the remainder of the provisions of this Agreement will in no way be affected, impaired or invalidated as a result.
30. This Agreement contains the entire agreement between the parties and cannot be changed except by written instrument subsequently executed by the parties to this Agreement. All negotiations and understandings have been included in this Agreement. Statements or representations which may have been made to the Client by the Performer, or to the Performer by the Client, in the negotiation stages of this Agreement may in some way be inconsistent with this final written contract. All such statements are declared to be of no value in this Agreement. Only the written terms of this Agreement will bind the parties.
31. This Agreement and the terms and conditions contained in this Agreement apply to and are binding upon the Performer's successors, assigns, executors, administrators, beneficiaries, and representatives, and the Client's successors and assigns.
32. The Performer specifically warrants and represents that all copyrighted material to be performed has been licensed or authorized by the copyright owners or their representatives. The Performer indemnifies the Client for any copyright infringement and any expenses that may result from such copyright infringement during or as the result of the Performance.

- 33. The Client will be responsible for providing suitable power and electricity for the Performance.
- 34. It is the intent of the parties to this Agreement that the Performer is an independent contractor and will control the manner and means of the Performance. The Client will control the scheduling of the Performance. The Performer is not an employee of the Client. The exclusive nature of this Agreement is limited to the duration of the Performance and it is expected that the Performer will enter other similar agreements with other clients.
- 35. Any notices or delivery required here will be deemed completed when hand-delivered, delivered by agent, or seven days after being placed in the mail, postage prepaid, to the parties at the respective addresses contained in this Agreement or as the parties may later designate in writing.

IN WITNESS WHEREOF the Client and Performer have duly affixed their signatures under hand and seal on this 17th day of June, 2024.

The City of Grand Rapids

per: _____ (seal)

Jesse Dermody
Group Leader: Jesse Dermody

Grand Rapids Fire Relief Association

2024 Schedule Form for Lump-Sum Pension Plans (SC-24)



Office of the State Auditor

Report created on 5/30/2024

Grand Rapids Fire Relief Association

Item 5.

2024 Schedule Form for Lump-Sum Pension Plans (Form SC-24)

Active Members

Annual benefit level in effect for 2024: \$6,500									
Minimum Retirement Age: 50									
Years Required for Full Vesting: 20						2024		2025	
Name	Status	Birth Date	Entry Date	Leaves of Absence and Breaks in Service (months)	Return to Service	Yrs Of Service	Accrued Liability	Yrs Of Service	Accrued Liability
Adam Kortekaas	Active		07/10/2001	12		22	123,353	23	132,829
Shawn Graeber	Active		01/15/2002	0		23	149,500	24	156,000
Jeff Ingle	Active		02/26/2002	91		15	84,104	16	92,403
John Linder	Active		01/13/2004	0		21	121,278	22	130,865
Andrew Horton	Active		10/25/2005	0		19	103,429	20	112,139
Chad Keetch	Active		05/01/2007	0		18	95,132	19	103,429
Bruce Baird	Active		08/12/2008	0		16	92,403	17	101,123
Tom Foss	Active		11/15/2010	0		14	76,211	15	84,104
Karl Gaalaas	Active		05/15/2012	0		13	61,045	14	67,713
Nate Morlan	Active		01/15/2013	24		10	48,366	11	54,799
Tony Clifton	Active		01/15/2013	37		9	38,675	10	44,262
Chad Troumbly	Active		01/29/2013	0		12	61,574	13	68,706
Will Richter	Active		06/09/2014	36		8	36,472	9	42,262
Jake Barsness	Active		07/28/2014	0		10	48,366	11	54,799
Lance Kuschel	Active		03/03/2015	0		10	48,366	11	54,799
William Thayer	Active		11/10/2015	0		9	42,262	10	48,366
Heath Smith	Active		08/01/2016	0		8	36,472	9	42,262
Jeff Cook	Active		04/11/2017	0		8	34,378	9	39,836
Ashley Moran	Active		06/13/2017	6		7	30,983	8	36,472
Sean Martinson	Active		06/13/2017	12		7	30,983	8	36,472
Connor Grigsby	Active		08/29/2017	3		7	24,458	8	28,791
Jeremy Gambill	Active		04/09/2018	0		7	30,983	8	36,472
Paul Martinetto	Active		04/09/2018	0		7	30,983	8	36,472
Cody Hauke	Active		10/09/2018	0		6	20,964	7	25,192
Sam Karkela	Active		05/28/2019	0		6	25,033	7	30,081
Kevin Kubeczko	Active		07/14/2020	0		4	16,202	5	20,861
Patrick Flaherty	Active		07/14/2020	0		4	14,827	5	19,090

Grand Rapids Fire Relief Association

Item 5.

2024 Schedule Form for Lump-Sum Pension Plans (Form SC-24)

Active Members

Annual benefit level in effect for 2024: \$6,500									
Minimum Retirement Age: 50									
Years Required for Full Vesting: 20						2024		2025	
Name	Status	Birth Date	Entry Date	Leaves of Absence and Breaks in Service (months)	Return to Service	Yrs Of Service	Accrued Liability	Yrs Of Service	Accrued Liability
Jaime Turnbull	Active	[REDACTED]	02/15/2022	0		3	11,798	4	16,202
Matt Arford	Active	[REDACTED]	02/15/2022	0		3	11,454	4	15,730

Grand Rapids Fire Relief Association

Item 5.

2024 Schedule Form for Lump-Sum Pension Plans (Form SC-24)

Deferred Members

Name	Birth Date	Yrs Of Service		Deferred Interest Paid	Interest Period	Leaves Of Absence
	Entry Date	Benefit Level	Vesting Min Yrs Required	Interest Option		Member Status Name
	Separation Date	Vesting Percent	Return To Service	Months Of Service Paid	Liability Curr	Liability Next
Amanda MacDonell	██████████	11 Years 1 Months		Yes	FullMonths	0 Months
	10/11/2006	5,500	10 Years	Separate Vehicle		Deferred
	12/01/2017	64 %	No	Yes	55,753	58,541
Rate of Return	-					
Bryan Zuehlke	██████████	18 Years 0 Months		Yes	FullMonths	0 Months
	01/09/2001	5,500	10 Years	Separate Vehicle		Deferred
	01/31/2019	92 %	No	Yes	122,529	128,655
Rate of Return	-					
David Protelsch	██████████	12 Years 9 Months		No		18 Months
	02/27/2001	5,000	10 Years			Deferred
	05/27/2015	68 %	No	Yes	43,350	43,350
Rate of Return	-					
Jason Hoerler	██████████	11 Years 0 Months		Yes	FullMonths	0 Months
	08/15/2006	5,500	10 Years	Separate Vehicle		Deferred
	08/31/2017	64 %	No	Yes	57,730	60,617
Rate of Return	-					
Jeremiah Puelston	██████████	12 Years 5 Months		Yes	FullMonths	5 Months
	10/25/2005	5,500	10 Years	Separate Vehicle		Deferred
	09/11/2018	68 %	No	Yes	66,494	69,819
Rate of Return	-					
Josh Adler	██████████	10 Years 0 Months		Yes	FullMonths	0 Months
	01/01/2011	5,500	10 Years	Separate Vehicle		Deferred
	01/02/2021	60 %	No	Yes	34,191	35,901
Rate of Return	-					
Michael Liebel	██████████	20 Years 0 Months		Yes	FullMonths	0 Months
	09/14/1998	5,500	10 Years	Separate Vehicle		Deferred
	09/30/2018	100 %	No	Yes	158,122	166,028
Rate of Return	-					

Grand Rapids Fire Relief Association

Item 5.

2024 Schedule Form for Lump-Sum Pension Plans (Form SC-24)

Deferred Members

	Birth Date	Yrs Of Service		Deferred Interest Paid	Interest Period	Leaves Of Absence
	Entry Date	Benefit Level	Vesting Min Yrs Required	Interest Option		Member Status Name
	Separation Date	Vesting Percent	Return To Service	Months Of Service Paid	Liability Curr	Liability Next
Robert Kuschel	[REDACTED]	20 Years 0 Months		Yes	FullMonths	6 Months
	07/10/2001	6,500	10 Years	Separate Vehicle		Deferred
	02/08/2022	100 %	No	Yes	132,934	139,581
	Rate of Return	-				
Robert Rima	[REDACTED]	35 Years 0 Months		Yes	FullMonths	0 Months
	08/11/1987	6,500	10 Years	Separate Vehicle		Deferred
	08/31/2022	100 %	No	Yes	264,971	278,220
	Rate of Return	-				
Travis Cole	[REDACTED]	11 Years 6 Months		Yes	FullMonths	0 Months
	08/12/2008	5,500	10 Years	Separate Vehicle		Deferred
	03/01/2020	64 %	No	Yes	52,253	54,866
	Rate of Return	-				

Grand Rapids Fire Relief Association

Item 5.

2024 Schedule Form for Lump-Sum Pension Plans (Form SC-24)

Unpaid Installments

Name	Member Status	Birth Date	Entry Date	Separation Date	Amount Previously Paid	2024 Estimated Liability	2025 Estimated Liability
------	---------------	------------	------------	-----------------	------------------------	--------------------------	--------------------------

No Unpaid Installments

Grand Rapids Fire Relief Association

Item 5.

2024 Schedule Form for Lump-Sum Pension Plans (Form SC-24)

Financial Projections

Calculation of Normal Cost	2024	2025
Total Active Member Liabilities	1,550,054	1,732,531
Total Deferred Member Liabilities	988,327	1,035,578
Total Unpaid Installments	0	0
Grand Total Special Fund Liability	A. 2,538,381	B. 2,768,109
Normal Cost (Cell B - Cell A)		C. 229,728

Projection of Net Assets for Year Ending December 31, 2024

Special Fund Assets at December 31, 2023 (FIRE-23 ending assets)	1.	3,504,906
Projected Income for 2024		
Fire State Aid	D.	124,068
Supplemental State Aid (actual 2023 supplemental state aid)	E.	22,561
Municipal / Independent Fire Dept. Contributions	F.	5,000
Interest / Dividends	G.	90,220
Appreciation / (Depreciation)	H.	(123,358)
Member Dues	I.	0
Other Revenues	J.	0
Total Projected Income for 2024 (Add Lines D through J)	2.	118,491
Projected Expenses for 2024		
Service Pensions	K.	0
Other Benefits	L.	0
Administrative Expenses	M.	49,857
Total Projected Expenses for 2024 (Add Lines K through M)	3.	49,857
Projected Net Assets at December 31, 2024 (Line 1 + Line 2 - Line 3)	4.	3,573,540

Projection of Surplus or (Deficit) as of December 31, 2024

Projected Assets (Line 4)	5.	3,573,540
2024 Accrued Liability (Page 4, cell A)	6.	2,538,381
Surplus or (Deficit) (Line 5 - Line 6)	7.	1,035,159

Grand Rapids Fire Relief Association

Item 5.

2024 Schedule Form for Lump-Sum Pension Plans (Form SC-24)

Calculation of Required Contribution

Year Incurred	Deficit Information - Original		Deficit Information - Adjusted		
	Original Amount	Amount Retired as of 12/31/2023	Original Amount	Amount Retired as of 12/31/2024	Amount Left to Retire 1/1/2025
2015	0	0	0	0	0
2016	0	0	0	0	0
2017	0	0	0	0	0
2018	0	0	0	0	0
2019	0	0	0	0	0
2020	0	0	0	0	0
2021	0	0	0	0	0
2022	0	0	0	0	0
2023	0	0	0	0	0
2024	0	0	0	0	0
Totals	0	0	0	0	0

Normal Cost		8.	229,728
2023 Administrative Expense (FIRE-23)		2023 9.	0
2024 Projected Administrative Expense		2024	0
Amortization of Deficit (Total of Original Amount X 0.10)		10.	0
10% of Surplus		11.	103,516
Fire and Supplemental Aid		12.	146,629
Member Dues		13.	0
5% of Projected Assets at December 31st, 2024		14.	178,677
Required Contribution		15.	0

Grand Rapids Fire Relief Association

Item 5.

2024 Schedule Form for Lump-Sum Pension Plans (Form SC-24)

To be eligible for fire state aid this Schedule Form must be fully completed, certified by the relief association officers, forwarded to the municipal clerk/independent secretary on or before August 1, 2024, and submitted to the Office of the State Auditor.

Relief Association Officer Certification

I have obtained a copy of the schedule form with Confirmation Id 2a3f0602-ff18-4121-9cab-853ad3a9b45f displayed in the lower left corner of each page.

We, the officers of the Grand Rapids Fire Relief Association certify that this Schedule Form was prepared under Minn. Stat. § 424A.092 and that:

- 1) The annual benefit level of \$6,500 per year of service was approved by the Relief Association's board of trustees and, if required by Minn. Stat. § 424A.092, ratified by the affiliated municipal governing board or independent nonprofit firefighting corporation;
- 2) We understand that this form shows that the Relief Association has a projected SURPLUS of \$1,035,159 and a projected funding ratio of 140.78 percent; and
- 3) The required 2025 contribution is **\$0** based on the financial requirements of the Relief Association's Special Fund for the 2024 calendar year.

037cc1da-46da-4620-a790-30fcbd7af663	Lance	Kuschel	05/30/2024
Signature of President	First Name	Last Name	Date
99149c29-fe5b-4d73-b0d5-8be814ea0438	Anthony	Clifton	05/30/2024
Signature of Secretary	First Name	Last Name	Date
Signature of Treasurer	First Name	Last Name	Date

Municipal Clerk / Independent Secretary Certification*

I received the completed Schedule Form from the Grand Rapids Fire Relief Association with Confirmation Id 2a3f0602-ff18-4121-9cab-853ad3a9b45f displayed in the lower left corner of each page.

I have reviewed Line 15 of the Schedule Form. If Line 15 shows a required contribution, I certify that I will advise the governing municipal body or the independent nonprofit firefighting corporation of any required contribution at its next regularly scheduled meeting.

b2ffd688-ada1-49e9-9943-90eba70ace23	Barbara	Baird	05/30/2024
Signature of Municipal Clerk / Secretary of independent nonprofit firefighting corporation	First Name	Last Name	Date

* See the form instructions for additional information about certification requirements.

GRAND RAPIDS FIRE RELIEF ASSOCIATION

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2023



CPAs | CONSULTANTS | WEALTH ADVISORS

**GRAND RAPIDS FIRE RELIEF ASSOCIATION
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YEAR ENDED DECEMBER 31, 2023**

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INTRODUCTORY SECTION

**GRAND RAPIDS FIRE RELIEF ASSOCIATION
BOARD OF TRUSTEES
YEAR ENDED DECEMBER 31, 2023**

Trustee	Position	Term Expires
Lance Kuschel	President	December 31, 2023
Jeffrey Ingle	Vice-President	December 31, 2024
William Richter	Treasurer	December 31, 2024
Anthony Clifton	Secretary	December 31, 2025
Karl Gaalaas	Trustee	December 31, 2023
Jeff Cook	Trustee	December 31, 2025

Ex-Officio Trustees

Tasha Connelly	City Mayor	Appointed
Barb Baird	City Treasurer	Appointed
Travis Cole	Fire Chief	Appointed
John Linder	First Assistant Fire Chief	Appointed
Shawn Graeber	Second Assistant Fire Chief	Appointed

FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

Board of Trustees
Grand Rapids Fire Relief Association
Grand Rapids, Minnesota

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the general fund, and the special pension trust fund of Grand Rapids Fire Relief Association (the Association), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Association's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the general fund, and the special pension trust fund of the Association, as of December 31, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Association and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Association's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Association's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the schedule of changes in the net pension liability and related ratios and the schedule of investment returns be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 GAAS, 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.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Board of Trustees
Grand Rapids Fire Relief Association

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 22, 2024, on our consideration of the Association's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of the Association's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Association's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Brainerd, Minnesota
May 22, 2024

BASIC FINANCIAL STATEMENTS

GRAND RAPIDS FIRE RELIEF ASSOCIATION
GOVERNMENTAL FUND BALANCE SHEET AND STATEMENT OF NET POSITION
DECEMBER 31, 2023

Item 5.

	<u>Balance Sheet General Fund</u>	<u>Adjustments</u>	<u>Statement of Net Position Governmental Activities</u>
ASSETS			
Cash and Cash Equivalents	\$ 18,452	\$ -	\$ 18,452
Receivable	1,290	-	1,290
Capital Assets - Net of Accumulated Depreciation	-	8,614	8,614
Total Assets	<u>\$ 19,742</u>	<u>8,614</u>	<u>28,356</u>
FUND BALANCE			
Fund Balance			
Nonspendable	-	-	-
Unassigned	19,742	(19,742)	-
Total Fund Balance	<u>\$ 19,742</u>	<u>(19,742)</u>	<u>-</u>
NET POSITION			
Investment in Capital Assets		8,614	8,614
Unrestricted		19,742	19,742
Total Net Position		<u>\$ 28,356</u>	<u>\$ 28,356</u>

See accompanying Notes to Basic Financial Statements.

**GRAND RAPIDS FIRE RELIEF ASSOCIATION
GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE AND STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023**

	Statement of Revenues, Expenditures, and Changes in Fund Balance General Fund	Adjustments	Statement of Activities Governmental Activities
EXPENDITURES/EXPENSES			
General Government:			
Member Events	\$ 12,075	\$ -	\$ 12,075
Dues and Subscriptions	1,030	-	1,030
Donations	200	-	200
Retirement Gifts	1,081	-	1,081
Miscellaneous	495	-	495
Depreciation	-	1,751	1,751
Total Expenditures/Expenses	14,881	1,751	16,632
PROGRAM REVENUES			
Membership Dues	14,809	-	14,809
Member Event	2,791	-	2,791
Fundraiser	923	-	923
Total Program Revenues	18,523	-	18,523
REVENUES OVER (UNDER) EXPENDITURES/ EXPENSES	3,642	(1,751)	1,891
CHANGE IN FUND BALANCE	3,642	(3,642)	-
CHANGE IN NET POSITION	-	1,891	1,891
Fund Balance/Net Position - Beginning of Year	16,100	10,365	26,465
FUND BALANCE/NET POSITION - END OF YEAR	\$ 19,742	\$ 12,256	\$ 28,356

See accompanying Notes to Basic Financial Statements.

**GRAND RAPIDS FIRE RELIEF ASSOCIATION
STATEMENT OF FIDUCIARY NET POSITION – PENSION TRUST FUND
DECEMBER 31, 2023**

Item 5.

ASSETS

Cash and Investments, at Fair Value:

Cash and Cash Equivalents	\$ 4,796
Investments:	
Money Market	65,571
Corporate Stock	2,945,553
Treasury Bonds and Notes	440,783
Mutual Funds	47,203
Total Cash and Investments	3,503,906

Receivables:

State Supplemental Benefit Refund Receivable	2,000
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Total Assets	3,505,906
--------------	-----------

NET POSITION

Net Position Restricted for Pension Benefits	\$ 3,505,906
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See accompanying Notes to Basic Financial Statements.

GRAND RAPIDS FIRE RELIEF ASSOCIATION
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION – PENSION TRUST FUND
YEAR ENDED DECEMBER 31, 2023

Item 5.

ADDITIONS

Contributions:

Employer:

State of Minnesota	\$ 146,629
Supplemental Benefit Reimbursement	2,000
Municipal Contribution	5,000
Total Contributions	153,629

Investment Income (Loss):

Net Appreciation (Depreciation) in Fair Value of Investments	255,509
Interest and Dividends	90,777
Less: Investment Expenses	(36,260)
Total Investment Income (Loss)	310,026

Total Additions	463,655
-----------------	---------

DEDUCTIONS

Audit and Accounting	11,289
Benefits Paid	185,942
Salaries	1,597
Total Deductions	198,828

CHANGE IN NET POSITION

264,827

Net Position Restricted for Pension Benefits - Beginning of Year

3,241,079

NET POSITION RESTRICTED FOR PENSION BENEFITS - END OF YEAR

\$ 3,505,906

**GRAND RAPIDS FIRE RELIEF ASSOCIATION
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 ORGANIZATION STRUCTURE

The Association is the administrator of a single employer defined benefit pension plan available to the firefighters of the City of Grand Rapids and operates under the provisions of Minnesota Statute 424A. It is governed by a board of six members elected by the members of the Association and three ex-officio members consisting of the Fire Department Chief, the City Mayor, and the City Administrator. Two Board members are elected for three-year terms at each annual meeting of the Association.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

With the exception of calculating and disclosing the pension liability under Minnesota Section 424A rather than actuarially determining the pension liability as required by Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25*, financial statements of the Association have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The GASB pronouncements are recognized as accounting principles generally accepted in the United States of America for state and local governments.

Financial Reporting Entity

For financial reporting purposes, the Association's financial statements include all funds, agencies, boards, and component units for which it is financially accountable. According to the Governmental Accounting Standards Board criteria, there is financial accountability if the primary government appoints a voting majority of an organization's governing body and has the ability to impose its will on that governing body, or there is the potential for the organization to provide specific financial benefits or to impose specific financial burdens on the primary government. There are no component units included in the Association's financial statements.

Basic Financial Statement Presentation

The Association meets the definition of a special-purpose government and is involved in only one program (i.e., general government). Accordingly, the Association is allowed to present its government-wide statements with the fund statements. At December 31, 2023 and for the year then ended, capital assets of \$8,614 and depreciation expense of \$1,751 were reconciling items.

The government-wide financial statements (i.e., the statement of net position and the statement of activities) display information about the reporting government as a whole. These statements include all financial activities of the Association, except for the fiduciary funds. The Fiduciary Fund is only reported in the statement of plan net position and statement of changes in plan net position.

**GRAND RAPIDS FIRE RELIEF ASSOCIATION
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basic Financial Statement Presentation (Continued)

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

The Association applies restricted resources first when an expense is incurred for a purpose for which both restricted and unrestricted net positions are available.

Fund Types

Resources of the Association are accounted for in two fund types:

General Fund

The General Fund is a governmental fund which accounts for the resources other than those in the Pension Trust Fund. It is used for the good and benefit of the Association as determined by Association by-laws. Its resources consist of fundraiser proceeds, donations, investment earnings, and miscellaneous sources. Fund balance of the General Fund is unrestricted.

Pension Trust Fund

The Pension Trust Fund is a pension trust fund for the accumulation of resources to be used for retirement, dependency, and disability annuity payments of appropriate amounts and at appropriate times in the future. Resources are contributed by the City of Grand Rapids at amounts determined by law (taxes) including the 2% insurance premium tax and amortization aid from the state of Minnesota. Net position of the Pension Trust Fund is restricted for pension benefits.

Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment applied is determined by its measurement focus and basis of accounting. The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this basis of accounting transactions are recorded in the following manner:

**GRAND RAPIDS FIRE RELIEF ASSOCIATION
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus and Basis of Accounting (Continued)

- a. Revenue Recognition – Revenue is recognized when it becomes measurable and available. “Available” means collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 90 days of the end of the current fiscal period. Other revenues (except investment earnings) are recorded as revenue when received because they are generally not measurable until then.

- b. Recording of Expenditures – Expenditures are generally recorded when a liability is incurred. However, expenditures are recorded as prepaid for approved disbursements or liabilities incurred in advance of the year in which the item is to be used.

Reconciliation of Government-Wide and Fund Financial Statements

In the fund financial statements, the governmental funds are reported using the modified accrual basis of accounting. Under this method, governmental funds report only current assets and current liabilities. In the government-wide financial statements, all funds are reported using the accrual basis of accounting.

The governmental fund balance sheet includes adjustments between fund balance and net position as reported in the government-wide statement of net position. Capital assets in the amount of \$8,614 (net of accumulated depreciation) used in governmental activities are not financial resources, and therefore, are not reported in the funds.

The governmental fund statement of revenues, expenditures and changes in fund balances includes adjustments between revenue over (under) expenditures and changes in net position as reported in the government-wide statement of activities. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. For the year ended, December 31, 2023, \$1,751 was reported as depreciation expense.

Investments

Investments are reflected at fair value based on quoted market prices, except for money market investments and participating interest-earning investment contracts that have a remaining maturity at time of purchase of one year or less which are recorded at amortized cost, provided that the fair value of those investments is not significantly affected by the impairment of the credit standing of the issuer or by other factors. Money market investments are short-term, highly liquid debt instruments including commercial paper, banker’s acceptances, and U.S. Treasury and agency obligations.

**GRAND RAPIDS FIRE RELIEF ASSOCIATION
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

Capital assets, which include equipment, are reported in the government-wide financial statements. Capital assets are defined by the Association as all assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased. Donated capital assets are recorded at acquisition value at the date of donation.

Equipment of the Association is depreciated using the straight-line method over an estimated useful life of five years.

Budget

The Association is not legally required to adopt a formal budget and no budget has been adopted.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenue and expense during the reporting period. Actual results could differ from those estimates.

Income Tax Exemption

The Association is exempt from income taxes under Minnesota Statutes §290.05, Subd 1.1 and Internal Revenue Code §501(c)(4).

Accrued Pension Liability

The accrued pension liability at December 31, 2023, has been determined in accordance with Minnesota Statute 69.772 for lump sum benefits for the purpose of determining City of Grand Rapids' required contribution. Also, in accordance with GASB Statement 67, *Financial Reporting for Pension Plans – an Amendment of GASB Statement No. 25*, the net pension liability of the Association has been measured as the total pension liability, less the amount of the pension plan's fiduciary net position, and based on an actuarial valuation of the total pension liability. The benefits payable according to the benefit provisions are detailed in Note 4.

**GRAND RAPIDS FIRE RELIEF ASSOCIATION
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance

In the fund financial statements, governmental funds report nonspendable, restricted, committed, assigned, and unassigned fund balances. Nonspendable portions of fund balance related to prepaids, inventories, long-term receivables, and corpus on any permanent fund. Restricted funds are constrained from outside parties (statute, grantors, bond agreements, etc.). Committed fund balances are established and modified by a resolution approved by the Board of Trustees. The Board of Trustees is authorized to assign fund balances and their intended uses. Unassigned fund balances are considered the remaining amounts. When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, it is the Association's policy to use restricted first, then unrestricted fund balance. When an expenditure is incurred for the purpose for which committed, assigned, and unassigned amounts are available, it is the Associations' policy to use committed first, then assigned, and finally unassigned fund balance.

Net Position

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources in the basic financial statements. Net position is reported at restricted in the basic financial statements when there are limitations imposed on its use through external restrictions imposed by creditors, grantors, laws or regulations of other governments. When restricted and unrestricted net position is available for an expense, it is the Association's policy to use restricted first and then unrestricted.

NOTE 3 DEPOSITS AND INVESTMENTS

Deposits

Minnesota Statutes §356A.06 subd. 8a authorizes the Association to deposit cash and to invest in certificates of deposit in financial institutions designated by the governing body. At December 31, 2023, the Association's deposits were entirely covered by federal depository insurance in accordance with Minnesota Statutes.

Minnesota Statutes require that all Relief Association 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 on bonds. Minnesota Statutes require securities pledged as collateral be held in safekeeping in a restricted account at the Federal Reserve Bank or in an account at a trust department of a commercial bank or other financial institution not owned or controlled by the depository.

Investments

Minnesota Statutes §424A.095 and 356A.06, subdivision 7 authorizes the Association to invest in the following:

NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

Investments (Continued)

- a) **Securities generally; investment forms.** An expanded list plan is authorized to purchase, sell, lend, and exchange the investment securities authorized under this subdivision, including puts and call options and future contracts traded on a contract market regulated by a governmental agency or by a financial institution regulated by a governmental agency. These securities may be owned directly or through shares in exchange-traded or mutual funds, or as units in commingled trusts, subject to any limitations specified in this subdivision.

- b) **Government obligations.** An expanded list plan is authorized to invest funds in governmental bonds, notes, bills, mortgages, and other evidences of indebtedness if the issue is backed by the full faith and credit of the issuer or the issue is rated among the top four quality rating categories by a nationally recognized rating agency. The obligations in which funds may be invested under this paragraph are guaranteed or insured issues of (1) the United States, its agencies, its instrumentalities, or organizations created and regulated by an act of Congress; (2) the Dominion of Canada or one of its provinces, if the principal and interest are payable in United States dollars; (3) a state or one of its municipalities, political subdivisions, agencies, or instrumentalities and; (4) a United States government-sponsored organization of which the United States is a member if the principal and interest are payable in United States dollars.

- c) **Investment-grade corporate obligations.** An expanded list plan is authorized to invest funds in bonds, notes, debentures, transportation equipment obligations, or any other longer term evidences of indebtedness issued or guaranteed by a corporation organized under the laws of the United States or any of its states, or the Dominion of Canada or any of its provinces if:
 - 1) The principal and interest are payable in United States dollars; and
 - 2) The obligations are rated among the top four quality categories by a nationally recognized rating agency.

- d) **Below-investment-grade corporate obligations.** An expanded list plan is authorized to invest in unrated corporate obligations or in corporate obligations that are not rated among the top four quality categories by a nationally recognized rating agency if:
 - 1) The aggregate value of these obligations does not exceed five percent of the covered pension plan's market value;
 - 2) The covered pension plan's participation is limited to 50% of a single offering subject to this paragraph; and
 - 3) The covered pension plan's participation is limited to 25% of an issuer's obligations subject to this paragraph.

GRAND RAPIDS FIRE RELIEF ASSOCIATION
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

Investments (Continued)

e) Other obligations.

- 1) An expanded list plan is authorized to invest funds in:
 - a) Bankers' acceptances and deposit notes of United States banks are limited to those issued by banks rated in the highest four quality categories by a nationally recognized rating agency;
 - b) Certificates of deposit are limited to those issued by (a) United States banks and savings institutions that are rated in the highest four quality categories by a nationally recognized rating agency or whose certificates of deposit are fully insured by federal agencies; or (b) credit unions in amounts up to the limit of insurance coverage provided by the National Credit Union Administration;
 - c) Commercial paper is limited to those issued by United States corporations or their Canadian subsidiaries and rated in the highest two quality categories by a nationally recognized rating agency;
 - d) Mortgage securities and asset-backed securities if rated in the top four quality categories by a nationally recognized rating agency;
 - e) Repurchase agreements and reverse repurchase agreements if collateralized with letters of credit or securities authorized in this section;
 - f) Guaranteed investment contracts if issued by an insurance company or a bank that is rated in the top four quality categories by a nationally recognized rating agency or alternative guaranteed investment contracts if the underlying assets comply with the requirements of this subdivision;
 - g) Savings accounts are limited to those fully insured by federal agencies; and
 - h) Guaranty fund certificates, surplus notes, or debentures if issued by a domestic mutual insurance company.
- 2) Sections 16A.58, 16C.03, subdivision 4, and 16C.05 do not apply to certificates of deposit and collateralization agreements executed by the covered pension plan under clause (1), item (b).

GRAND RAPIDS FIRE RELIEF ASSOCIATION
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

Investments (Continued)

- e) **Other obligations. (Continued)**
 - 3) In addition to investments authorized by clause (1), item (d), the covered plan may purchase from the Minnesota Housing Finance Agency all or any part of a pool of residential mortgages, not in default, that has previously been financed by the issuance of bonds or notes of the Agency. The covered pension plan may also enter into a commitment with the Agency, at the time of any issue of bonds or notes, to purchase at a specific future date, not exceeding 12 years from the date of the issue, the amount of mortgage loans then outstanding and not in default that have been made or purchased from the proceeds of the bonds or notes. The covered pension plan may charge reasonable fees for any such commitment and may agree to purchase the mortgage loans at a price sufficient to produce a yield to the covered pension plan comparable, in its judgment, to the yield available on similar mortgage loans at the date of the bonds or notes. The covered pension plan may also enter into agreements with the Agency for the investment of any portion of the funds of the Agency. The agreement must cover the period of investment, withdrawal privileges, and any guaranteed rate of return.

- f) **Corporate stocks.** An expanded list plan is authorized to invest in stocks or convertible issues of any corporation organized under the laws of the United States or any of its states, any corporation organized under the laws of the Dominion of Canada or any of its provinces, or any corporation listed on an exchange that is regulated by an agency of the United States or of the Canadian national government. An investment in any corporation must not exceed five percent of the total outstanding shares of that corporation, except that an expanded list plan may hold up to 20 percent of the shares of a real estate investment trust and up to 20 percent of the shares of a closed mutual fund. Purchase of shares of exchange-traded or mutual funds shall be consistent with paragraph (a):

- g) **Other investments.**
 - 1) In addition to the investments authorized in paragraphs (a) to (f), and subject to the provisions in clause (2), the covered pension plan may invest in:
 - a) equity and debt investment businesses through participation in limited partnerships, trusts, private placements, limited liability corporations, limited liability companies, limited liability partnerships, and corporations;
 - b) resource investments through limited partnerships, trusts, private placements, limited liability corporations, limited liability companies, limited liability partnerships, and corporations; and;
 - c) international securities.

GRAND RAPIDS FIRE RELIEF ASSOCIATION
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

Investments (Continued)

g) Other investments. (Continued)

- 2) The investments authorized in clause (1) must conform to the following provisions:
 - a) the aggregate value of all investments made under clause (1), items (a), (b), and (c), may not exceed 35% of the market value of the fund for which the expanded list plan is investing;
 - b) there must be at least four unrelated owners of the investment other than the expanded list plan for investments made under clause (1), item (a), (b), or (c);
 - c) the expanded list plan's participation in an investment vehicle is limited to 20% thereof for investments made under clause (1), item (a), (b), or (c);
 - d) the expanded list plan's participation in a limited partnership does not include a general partnership interest or other interest involving general liability. The expanded list plan may not engage in any activity as a limited partner which creates general liability;
 - e) the aggregate value of all unrated obligations and obligations that are not rated among the top four quality categories by a nationally recognized rating agency authorized by paragraph (d) and clause (1), item (d), must not exceed 5% of the covered plan's market value; and
 - f) for volunteer firefighter relief associations, emerging market equity and international debt investments authorized under clause (1), item (d), must not exceed 15% of the association's special fund market value.
- h) **Supplemental plan investments.** The governing body of an expanded list plan may certify assets to the State Board of Investment for investment under section 11A.17.
- i) **Asset mix limitations.** The aggregate value of an expanded list plan's investments under paragraph (f) and (g) and equity investments under paragraph (h), regardless of the form in which these investments are held, must not exceed 85% of the covered plan's market value.

Credit Risk

Generally, credit risk is the risk an issuer of an investment will not fulfill its obligation to the holder of the investment. This risk is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Association does not have a formal policy relating to this risk.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss that may be attributed to the magnitude of the Association's investment in a single issuer. State law limits investments in equity investments to 85% of the Association's total investment portfolio and 5% of the outstanding shares of any one corporation.

**GRAND RAPIDS FIRE RELIEF ASSOCIATION
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

Custodial Risk

For an investment, custodial credit risk is the risk that, in the event of failure of the counterparty, the Association will not be able to recover the value if its investment or collateral securities that are in the possession of an outside party. The Association’s deposit policy for investment custodial credit risk requires compliance with the provisions for state law.

Rate of Return

For the year ended December 31, 2023, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 9.60%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

The following is a summary of investments and deposits at December 31, 2023:

	Fair Value
Corporate Stock	\$ 2,945,553
Mutual Funds	47,203
Money Market	65,571
Treasury Bonds and Notes	440,783
Total Investments	\$ 3,499,110
	Carrying Value
General Fund:	
Cash and Cash Equivalents	\$ 18,452
Pension Trust Fund:	
Cash and Cash Equivalents	4,796
Total Cash and Investments	\$ 3,522,358

Interest Rate Risk

Interest rate risk is the risk that changes in the interest rates of debt investments could adversely affect the fair value of an investment. The Associations investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Fair Value Measurements

The Association uses fair value measurements to record fair value adjustments to certain assets and liabilities to determine fair value disclosures.

**GRAND RAPIDS FIRE RELIEF ASSOCIATION
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

Fair Value Measurements (Continued)

The Association follows an accounting standard that defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs used to measure fair value, and requires expanded disclosures about fair value measurements. In accordance with this standard, the Association has categorized its investments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level III). If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

Financial assets and liabilities recorded on the statement of net position are categorized based on the inputs to the valuation techniques as follows:

Level 1 – Financial assets and liabilities are valued using inputs that are unadjusted quoted prices in active markets accessible at the measurement date of identical financial assets and liabilities. The inputs include those traded on an active exchange, such as the New York Stock Exchange, as well as U.S. Treasury and other U.S. government and agency mortgage-backed securities that are traded by dealers or brokers in active over-the-counter markets.

Level 2 – Financial assets and liabilities are valued based on quoted prices for similar assets, or inputs that are observable, either directly or indirectly for substantially the full term through corroboration with observable market data.

Level 3 – Financial assets and liabilities are valued using pricing inputs which are unobservable for the asset, inputs that reflect the reporting entity’s own assumptions about the assumptions market participants would use in pricing the asset.

The Association’s investments are measured as follows:

	December 31, 2023	Level 1	Level 2	Level 3
Investments by Fair Value Level:				
Treasury Bonds and Notes	\$ 440,783	\$ -	\$ 440,783	\$ -
Mutual Funds	47,203	47,203	-	-
Corporate Stocks	2,945,553	2,945,553	-	-
Total Investments by Fair Value Level	3,433,539	<u>\$ 2,992,756</u>	<u>\$ 440,783</u>	<u>\$ -</u>
Investments Measured at Amortized Cost	65,571			
Total Investments	<u>\$ 3,499,110</u>			

**GRAND RAPIDS FIRE RELIEF ASSOCIATION
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 4 CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2023 is as follows:

	Beginning Balance	Increase	Decrease	Ending Balance
Capital Assets, Being Depreciated:				
Equipment	\$ 13,730	\$ -	\$ -	\$ 13,730
Less: Accumulated Depreciation for:				
Machinery and Equipment	3,365	1,751	-	5,116
Total Capital Assets, Being Depreciated, Net	\$ 10,365	\$ (1,751)	\$ -	\$ 8,614

Depreciation expense of \$1,751 was charged to the general government program/function for the year ended December 31, 2023.

NOTE 5 DEFINED BENEFIT PENSION PLAN

Plan Description

The Association is the administrator of a single employer defined benefit pension plan established to provide benefits for members of the Association. The plan is administered by the Association pursuant to Minnesota Statutes Chapter 69, 424A and the Association's by-laws. Plan contributions are received from the City of Grand Rapids and a portion of that contribution is from the 2% insurance premium tax and supplemental aid from the state of Minnesota.

Membership Information

As of December 31, 2023, membership data related to the Association were:

Retired Members Entitled to Benefits, but Not Yet Receiving Them:		
Fully Vested		3
Partially Vested		7
Active Plan Participants:		
Fully Vested		3
Partially Vested		26
Nonvested		-
Total		39

The above membership data does not include retired members because, once a member retires, he or she is paid in a lump sum fashion and is no longer considered to be a member.

**GRAND RAPIDS FIRE RELIEF ASSOCIATION
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 5 DEFINED BENEFIT PENSION PLAN (CONTINUED)

Funding Status and Progress

The total pension benefit obligation has been determined as measure of the present value of pension benefits, adjusted for the effects of any step-rate benefits, estimated to be payable in the future as a result of service to date. The measure is used as a substitute of the standardized measure of the pension obligation and is intended to help users assess the Association’s funding status on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among public employee retirement systems. This measurement is required by the state of Minnesota as part of the Association’s annual reporting. Also, in accordance with GASB Statement No. 67, *Financial Reporting form Pension Plans – an Amendment of GASB Statement No. 25*, the net pension liability of the Association has been measured as the total pension liability based on an actuarial valuation, less the amount of the pension plan’s fiduciary net position. This measure is independent of the state required funding method used to determine contributions to the Association.

Also, in accordance with GASB Statement No. 67, the amount shown below as the Association’s “net pension asset” has been determined by an actuarial valuation independent of the state of Minnesota’s required forms.

The actuarial total pension liability was determined as of December 31, 2023, and the pension liability used to calculate the total pension liability was determined by an actuarial valuation as of January 1, 2023. Liabilities in this report were calculated as of the valuation date and rolled forward to the measurement date using standard actuarial roll forward techniques.

The actuarial total pension liability was determined by an actuarial valuation as of January 1, 2023, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified.

Valuation Date	1/1/2023
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar
	Closed
Actuarial Assumptions:	
Discount Rate	6.00%
Expected Long-Term Investment Return	6.00%
20-Year Municipal Bond Yield	N/A
Projected Salary Increases	N/A
Includes Inflation at	2.50%
Cost-of-Living Adjustments	None
Age of Service Retirement	50

**GRAND RAPIDS FIRE RELIEF ASSOCIATION
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 5 DEFINED BENEFIT PENSION PLAN (CONTINUED)

Funding Status and Progress (Continued)

Funding status as of December 31, 2023 is as follows:

<u>Date</u>	<u>Net Position Available for Benefits</u>	<u>Accrued Liability</u>	<u>Assets in Excess of (Unfunded) Accrued Liability</u>	<u>Funded Ratio</u>	<u>Pension Benefit Per Year of Service</u>
December 31, 2023	<u>\$ 3,505,906</u>	<u>\$ 2,168,338</u>	<u>\$ 1,337,568</u>	<u>161.7%</u>	<u>\$ 6,500</u>

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.50%.

The best estimate of expected future real rates of return were developed by aggregating data from several published capital market assumption surveys and deriving a single best estimate based on the average survey values. These capital market assumptions reflect both historical market experience as well as diverse views regarding anticipated future returns. The expected inflation assumption was developed based on an analysis of historical experience blended with forward-looking expectations available in market data.

Best estimates of geometric real and nominal rates of return for each major asset class included in the pension plan's asset allocation as of December 31, 2023 (see the discussion of the pension plan's investment policy) are summarized in the following table:

<u>Asset Class</u>	<u>Portfolio Weight</u>	<u>Expected Class Return</u>
Cash	5.00 %	2.00 %
Fixed Income	37.00	3.90
Equities	57.00	7.90
Other	1.00	7.00
Total Portfolio		<u>6.00 %</u>

The discount rate used to measure the total pension liability was 6.00%. Assets were projected using expected benefit payments and expected asset returns. Expected benefit payments were discounted by year using expected assets return assumption for years in which the assets were sufficient to pay all benefit payments. Any remaining benefit payments after the trust fund is exhausted are discounted at the municipal bond rate of return. The equivalent single rate is the discount rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

**GRAND RAPIDS FIRE RELIEF ASSOCIATION
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 5 DEFINED BENEFIT PENSION PLAN (CONTINUED)

Funding Status and Progress (Continued)

The following presents the net pension liability (asset) of the Association, calculated using the discount rate of 6.00%, as well as what the Association’s net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (5.00%) or one-percentage-point higher (7.00%) than the current rate:

	One Percent Decrease	Selected Discount Rate	One Percent Increase
Net Pension Liability (Asset)	\$ (1,274,916)	\$ (1,337,568)	\$ (1,397,150)
Discount Rate	5.00%	6.00%	7.00%

Pension Benefits

Twenty-Year Service Pension

Each member who is at least 50 years of age, has retired from the Grand Rapids Fire Relief, has served at least 20 years of active service with such department before retirement, and has been a member of the Association in good standing for at least 10 years prior to such retirement; shall be entitled to a lump sum service pension in the amount of \$6,500 full year of service.

Less Than Twenty-Year Service Pension

If a member shall have served for more than 10 years, but less than 20 years, as an active member of the Grand Rapids Fire Relief, he may retire from said fire department and be placed on the early vested pension roll.

When he reaches the age of 50 years, and provided that at that time he has been a member of the Association for at least 10 years, he shall upon application, be paid in the following manner:

- A) For active duty of 10 years, 60% of the amount per year of service which would have been earned, had the member served for 20 years or more.
- B) For active duty of more than 10 years, but less than 20 years, 60% of the amount per year of service which would have been earned and 4% added for every year of service beyond 10 years up to 20 years, had the member served for 20 years.
- C) Any member on the early vested pension roll will have their retirement payment transferred to a separate investment vehicle held by the Association and maintained separately from the assets of the Association.
- D) In the event of death of a member on the early vested pension payroll, widow’s benefits shall be paid in accordance with this section.

GRAND RAPIDS FIRE RELIEF ASSOCIATION
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 5 DEFINED BENEFIT PENSION PLAN (CONTINUED)

Pension Benefits (Continued)

Disability Benefits

If a member of the Association shall become totally and permanently disabled, the Association shall pay to such member the sum as stated for each year that he served as an active fire fighter in the Association.

Death Benefits

Upon the death of an active member, the Association will pay to the surviving beneficiaries or estate, a survivor's benefit payment equal to 100% of the Member's accrued benefit. Upon the death of a retired member, the Association will pay to the surviving beneficiaries or estate, a survivor's benefit payment equal to year of active service multiplied by the benefit level in effect for the member multiplied by the vesting percentage for completed years of active service.

Deferred Pensions

A member who has served in the Fire Department for at least 10 years and is otherwise eligible for a service pension benefit, may retire from the Fire Department and be placed on the deferred pension roll. The amount of payable to a deferred member will be transferred to a separate investment vehicle held by the Association and maintained separately from the assets of the Association. Interest will be paid at the investment performance rate actually earned on the separate investment vehicle. The accrued liability for the deferred service pension is equal to the fair market value of the separate investment vehicle held by the Association. When he or she reaches the age of 50 and provided that he or she has been a member of the Association for a period of 10 years at that time, upon making a valid written application he or she shall be paid the sum equal to the fair market value of the member's separate investment vehicle. During the time that any member is on the deferred pension roll he or she shall not be eligible to receive any other benefits provided by the Association.

Requests for benefit payment shall be in writing and filed with the Association not less than 60 days prior to the next Board meeting, unless permitted earlier by the Board.

State Supplemental Benefits

Minnesota Statutes Section 424A.10 provides for the payment of a supplemental benefit equal to 10% of a regular lump-sum distribution up to a maximum of \$1,000. The supplemental benefit is in lieu of state income tax exclusion for lump sum distributions and will no longer be available if state tax law is modified to exclude lump sum distributions from state income tax. Upon the death of an active member, the surviving beneficiaries are eligible for a \$2,000 benefit. The Association qualifies for these benefits.

**GRAND RAPIDS FIRE RELIEF ASSOCIATION
 NOTES TO BASIC FINANCIAL STATEMENTS
 DECEMBER 31, 2023**

NOTE 5 DEFINED BENEFIT PENSION PLAN (CONTINUED)

Funding Requirements

Minnesota Statutes §69.772 specifies minimum contributions required on an annual basis. The minimum contribution from the City of Grand Rapids and state aids is determined as follows:

		Normal Cost	
+		Amortization Payment on Unfunded Accrued Liability Prior to Any Change	
+		Amortization Contribution on Unfunded Accrued Liability Attributed to Any Change	
+		Administrative Expenses	
-		Anticipated State Aid	
-		Projected Investment Earnings	
=		Total Contribution Required	

Contributions Required and Contributions Made

Minnesota Statutes Chapter 424A.092 specifies minimum support rates required on an annual basis. The minimum support rates from the municipality and from state aid are determined as the amount required to meet the normal cost plus amortizing any existing prior service costs over a 10-year period. The significant actuarial assumptions used to compute the municipal support are the same as those used to compute the accrued pension liability. The Association is comprised of volunteers; therefore, there are no payroll expenditures (i.e., there are no covered payroll percentage calculations).

A required contribution of \$180,942 was made by the City of Grand Rapids as a pass through of state aid in accordance with Minnesota Statute for the year ended December 31, 2023. There was an additional contribution of \$5,000 made by the City of Grand Rapids for the year ended December 31, 2023.

NOTE 6 RISK MANAGEMENT

The Association is exposed to various risks of loss primarily related to theft of assets. The Association purchases commercial insurance coverage for such risk. The treasurer of the Association is covered by a bond equal to a minimum of 10% of the Association’s assets as required by Minnesota Statutes § 69.051, subd 2. There has been no significant reduction in insurance coverage from the previous year and there have been no claims resulting from these risks in any of the past three years.

**REQUIRED SUPPLEMENTARY INFORMATION
(UNAUDITED)**

GRAND RAPIDS FIRE RELIEF ASSOCIATION
SCHEDULE OF CHANGES IN THE ASSOCIATION'S NET PENSION LIABILITY
LAST TEN FISCAL YEARS
(UNAUDITED)

	2023	2022	2021
Total Pension Liability			
Service Cost	\$ 80,644	\$ 96,594	\$ 79,740
Interest Cost	127,999	109,591	91,327
Gain or Loss	-	(46,387)	-
Changes in Assumptions	-	(71,281)	-
Changes in Benefit Plans	-	-	215,447
Benefit Payments, Including Member Contribution Refunds	(185,942)	(76,200)	-
Net Change in Total Pension Liability	22,701	12,317	386,514
Total Pension Liability - Beginning of Year	2,145,637	2,133,320	1,746,806
Total Pension Liability - End of Year (a)	2,168,338	2,145,637	2,133,320
Fiduciary Net Position			
Employer Contributions	153,629	137,077	148,391
Net Investment Income	193,109	(456,962)	347,398
Benefit Payments, Including Member Contribution Refunds	(185,942)	(76,200)	-
Administrative Expenses	(12,886)	(10,406)	(12,532)
Gain or Loss	116,917	-	-
Net Change in Fiduciary Net Position	264,827	(406,491)	483,257
Fiduciary Net Position - Beginning of Year	3,241,079	3,647,570	3,164,313
Fiduciary Net Position - End of Year (b)	3,505,906	3,241,079	3,647,570
Association's Net Position Liability/(Asset) - End of Year (a) - (b)	\$ (1,337,568)	\$ (1,095,442)	\$ (1,514,250)
Fiduciary Net Position as a Percentage of the Total Pension Liability	161.69%	151.05%	170.98%

GRAND RAPIDS FIRE RELIEF ASSOCIATION
SCHEDULE OF CAHNGES IN THE ASSOCIATION'S NET PENSION LIABILITY (CONTINUED)
LAST TEN FISCAL YEARS
(UNAUDITED)

2020	2019	2018	2017	2016	2015
\$ 75,628	\$ 73,783	\$ 71,473	\$ 63,391	\$ 72,757	\$ 75,241
88,668	79,734	81,962	72,102	68,376	66,133
69,157	-	(21,899)	-	(40,925)	-
46,936	-	26,796	-	(11,420)	-
-	-	-	99,530	-	-
-	-	(170,700)	-	(130,773)	(222,729)
280,389	153,517	(12,368)	235,023	(41,985)	(81,355)
1,466,417	1,312,900	1,325,268	1,090,245	1,132,230	1,213,585
1,746,806	1,466,417	1,312,900	1,325,268	1,090,245	1,132,230
142,585	136,658	136,511	133,622	135,759	136,098
242,051	133,639	153,082	312,604	138,089	(98,329)
-	-	(170,700)	-	(130,773)	(222,729)
(12,022)	(11,439)	(11,317)	(11,676)	(10,672)	(11,540)
-	271,292	(318,100)	-	-	-
372,614	530,150	(210,524)	434,550	132,403	(196,500)
2,791,699	2,261,549	2,472,073	2,037,523	1,905,120	2,101,620
3,164,313	2,791,699	2,261,549	2,472,073	2,037,523	1,905,120
<u>\$ (1,417,507)</u>	<u>\$ (1,325,282)</u>	<u>\$ (948,649)</u>	<u>\$ (1,146,805)</u>	<u>\$ (947,278)</u>	<u>\$ (772,890)</u>
181.15%	190.38%	172.26%	186.53%	186.89%	168.26%

GRAND RAPIDS FIRE RELIEF ASSOCIATION
SCHEDULE OF INVESTMENT RETURNS
LAST TEN FISCAL YEARS
(UNAUDITED)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Annual Money-Weighted Rate of Return Net of Investment Expense	9.60%	-12.64%	10.92%	11.74%	15.97%	-6.30%	13.62%	1.96%	-6.90%	9.68%

OTHER REQUIRED REPORTS



**INDEPENDENT AUDITORS' 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***

Board of Trustees
Grand Rapids Fire Relief Association
Grand Rapids, Minnesota

We have audited, in accordance with the 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, the financial statements of the governmental activities, the general fund, and the special pension trust fund of the Grand Rapids Fire Relief Association, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Association's basic financial statements, and have issued our report thereon dated May 22, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Association's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances 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 Association's internal control. Accordingly, we do not express an opinion on the effectiveness of the Association's internal control.

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 a 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. 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified.

Board of Trustees
Grand Rapids Fire Relief Association

We identified certain deficiencies in internal control, described in the accompanying schedule of findings and recommendations as items 2023-001 to 2023-002 that we consider to be material weaknesses.

Report on Compliance and Other Matters


As part of obtaining reasonable assurance about whether the Association's financial statements are free from 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 financial statements. 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 or other matters that are required to be reported under *Government Auditing Standards*.

The Association's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Association's response to the findings identified in our audit and described in the accompanying schedule of findings and recommendations. The Association's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

Brainerd, Minnesota
May 22, 2024



CliftonLarsonAllen LLP
CLAconnect.com

**INDEPENDENT AUDITORS' REPORT ON
*MINNESOTA LEGAL COMPLIANCE***

Board of Trustees
Grand Rapids Fire Relief Association
Grand Rapids, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the general fund, and the pension trust fund of Grand Rapids Fire Relief Association (the Association), as of and for the year ended December 31, 2023, and the related notes to the financial statements which collectively comprise the Associations' basic financial statements and have issued our report thereon dated May 22, 2024.

In connection with our audit, nothing came to our attention that caused us to believe that the Association failed to comply with the provisions of the depositories of public funds and public investments and relief associations sections of the *Minnesota Legal Compliance Audit Guide for Relief Associations*, promulgated by the State Auditor pursuant to Minn. Stat. § 6.65, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the relief association's noncompliance with the above-referenced provisions, insofar as they relate to accounting matters.

The purpose of this report is solely to describe the scope of our testing of compliance relating to the provisions of the *Minnesota Legal Compliance Audit Guide for Relief Associations* and the results of that testing, and not to provide an opinion on compliance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Brainerd, Minnesota
May 22, 2024

**GRAND RAPIDS FIRE RELIEF ASSOCIATION
SCHEDULE OF FINDINGS AND RECOMMENDATIONS
YEAR ENDED DECEMBER 31, 2023**

A. FINDINGS – INTERNAL CONTROL OVER FINANCIAL REPORTING

Finding 2023-001 – Segregation of Duties

Type of Finding: Material Weakness in Internal Control Over Financial Reporting

Criteria: There is a lack of segregation of duties within the Association’s record keeping system. Most of the Association’s bookkeeping functions, including receipting and recording of receipts, disbursing and recording of expenses, and reconciliation of bank accounts, are handled by one person, the treasurer or president.

Condition: The Association already has in place some controls to help mitigate the lack of segregation of duties such as: requiring two signatures on all checks and approving the checking accounts and their balances at meetings. These are important internal controls in a small organization and the Association board and members need to continue these oversight practices.

Cause: Lack of appropriate resources.

Possible Effect: The design of the internal controls over financial reporting could adversely affect the Association’s ability to initiate, authorize, record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. This could include the lack of the ability to prevent or detect errors, fraud, or misappropriation of assets in a timely manner.

Repeat Finding: Yes.

Recommendation: We encourage the Association to segregate its accounting functions to the greatest extent possible and financially feasible.

View of Responsible Official: Management is aware of the finding and will continue to monitor and review financial information on a monthly basis.

**GRAND RAPIDS FIRE RELIEF ASSOCIATION
SCHEDULE OF FINDINGS AND RECOMMENDATIONS
YEAR ENDED DECEMBER 31, 2023**

Item 5.

A. FINDINGS – INTERNAL CONTROL OVER FINANCIAL REPORTING (CONTINUED)

Finding 2023-002 – Financial Statement Preparation

Type of Finding: Material Weakness in Internal Control Over Financial Reporting

Criteria: Management is responsible for establishing and maintaining internal controls, including monitoring, and for the fair presentation of the financial statements including the related disclosures, in conformity with accounting principles generally accepted in the United States of America.

Condition: The Board and management share the ultimate responsibility for the Association's internal control system. While it is acceptable to outsource various accounting functions, the responsibility for internal control cannot be outsourced.

The Association engages CLA to assist in preparing its financial statements and accompanying disclosures. However, as independent auditors, CLA cannot be considered part of the Association's internal control system. As part of its internal control over the preparation of its financial statements, including disclosures, the Association has implemented a comprehensive review procedure to ensure that the financial statements, including disclosures, are complete and accurate. Such review procedures should be performed by an individual possessing a thorough understanding of U.S. generally accepted accounting principles, and knowledge of the Association's activities and operations.

Cause: The Association's personnel have not monitored recent accounting developments to the extent necessary to enable them to prepare the Association's financial statements and related disclosures. However, management has reviewed and approved the financial statements and related disclosures.

Possible Effect: The potential exists that a material misstatement of the annual financial statements could occur and not be prevented or detected by the Association's internal controls in the normal course of business.

Repeat Finding: No.

Recommendation: Management should continue to evaluate their internal staff capacity to determine if an internal control policy over the annual financial reporting is beneficial.

View of Responsible Official: There is no disagreement with the finding.



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

REQUEST FOR COUNCIL ACTION

AGENDA DATE: July 8, 2024

AGENDA ITEM: Consider accepting the Fire Relief Association Schedule Form for Lump-Sum Pension reporting Year 2024, 2023 Financial Statements and authorize the budgeted \$5,000 contribution to the Fire Relief Association.

PREPARED BY: Barb Baird

BACKGROUND:

Minnesota State Statute 69.772 requires the officers of the Fire Relief to certify the financial requirements of the Relief Association and minimum obligation of the City with respect to the Special pension fund.

Attached is the schedule Form for Lump-Sum Pension Reporting Year 2023 shows the plan liabilities and the required municipal contribution for 2024. The Fire Relief Association is requesting approval for the payment of the budgeted elective contribution of \$5,000. The 2023 Financial Report is on file for your review in the City Finance Department.

REQUESTED COUNCIL ACTION:

Make a motion accepting the Fire Relief Association Schedule Form for Lump-Sum Pension reporting Year 2024, 2023 Financial Statements and authorize the budgeted \$5,000 contribution to the Fire Relief Association.



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

REQUEST FOR COUNCIL ACTION

AGENDA DATE: July 8, 2024

AGENDA ITEM: Consider adopting a resolution to authorize an operating transfer from the Debt Service Fund-2019A GO & Abatement Bonds to the Capital Project Fund- Permanent Improvement Revolving Fund (PIR).

PREPARED BY: Barb Baird

BACKGROUND:

In 2019, the City issued General Obligation Bonds for the improvements designated as the Golf Course Road Utility Extension/Great River Acres Development. When preparing for the sale of the bonds the City did not have the final assessment information determined for the development of the infrastructure going into the Pillars of Grand Rapids. Therefore, a transfer of these assessment payments should be made into the Capital Project Fund- Permanent Improvement Revolving Fund (PIR) for future infrastructure projects for the assessment years 2022 & 2023. Assessment years 2024-2029 will be made directly into PIR.

REQUESTED COUNCIL ACTION:

Make a motion adopting a resolution to authorize an operating transfer from the Debt Service Fund-2019A GO & Abatement Bonds to the Capital Project Fund- Permanent Improvement Revolving Fund (PIR) in the amount of \$38,190.

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

RESOLUTION NO. 24-

A RESOLUTION AUTHORIZING AN OPERATING TRANSFER FROM THE DEBT SERVICE FUND-2019A GO & ABATEMENT BONDS TO THE CAPITAL PROJECT FUND-PERMANENT IMPROVEMENT REVOLVING FUND (PIR) IN THE AMOUNT OF \$38,190

WHEREAS, in 2019, the City issued General Obligation Bonds for the improvements designated as the Golf Course Road Utility Extension/Great River Acres Development, and

WHEREAS, when preparing for the sale of the bonds the City did not have the final assessment information determined for the development of the infrastructure going into the Pillars of Grand Rapids, and

WHEREAS, the transfer of assessment years 2022 & 2023 is necessary, and

NOW THEREFORE, BE IT RESOLVED, the City Council of the City of Grand Rapids, Itasca County, Minnesota, authorizes an operating transfer from the Debt Service Fund-2019A GO & Abatement Bonds to the Capital Project Fund- Permanent Improvement Revolving Fund (PIR) in the amount of \$38,190.

Adopted this 8th day of July 2024.

Tasha Connelly, Mayor

Attest:

Kim 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
IT'S IN MINNESOTA'S NATURE

REQUEST FOR COUNCIL ACTION

AGENDA DATE: July 8, 2024

AGENDA ITEM: Consider adopting a resolution to authorize an operating transfer from the Enterprise Fund-Storm Water Utility Fund to the Capital Project Fund-Municipal State Aid Maintenance Fund.

PREPARED BY: Barb Baird

BACKGROUND:

In May 2024, the Public Works Department purchased a new John Deere 672G Grader from McCoy Construction for a purchase price of \$315,850. The purchase price was to be split between Storm Water Utility and Municipal State Aid. We have purchased the Grader out of the Municipal State Aid account and now are replenishing this fund with the share from Storm Water Utility proceeds.

REQUESTED COUNCIL ACTION:

Make a motion adopting a resolution to authorize an operating transfer from the Enterprise Fund-Storm Water Utility Fund to the Capital Project Fund-Municipal State Aid Maintenance Fund in the amount of \$165,850 for the purchase of a new Public Works Grader.

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

RESOLUTION NO. 24-

A RESOLUTION AUTHORIZING AN OPERATING TRANSFER FROM THE ENTERPRISE FUND- STORM WATER UTILITY FUND TO THE CAPITAL PROJECT FUND-MUNICIPAL STATE AID MAINTENACE IN THE AMOUNT OF \$165,850

WHEREAS, in May, 2024, the Public Works Department purchased a new John Deere 672G Grader from McCoy Construction for \$315,850, and

WHEREAS, the cost of the grader was to be split between Storm Water Utility and Municipal State Aid, and

WHEREAS, the purchase was paid out of the Municipal State Aid and Storm Water Utility needs to replenish the State Aid Fund, and

NOW THEREFORE, BE IT RESOLVED, the City Council of the City of Grand Rapids, Itasca County, Minnesota, authorizes an operating transfer from the Enterprise Fund-Storm Water Utility Fund to the Capital Project Fund-Municipal State Aid Maintenance in the amount of \$165,850.

Adopted this 8th day of July 2024.

Tasha Connelly5

, Mayor

Attest:

Kim 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
IT'S IN MINNESOTA'S NATURE

REQUEST FOR COUNCIL ACTION

- AGENDA DATE:** July 8, 2024
- AGENDA ITEM:** Consider hiring staff for Public Works for the 2024 Spring/Summer Maintenance Season
- PREPARED BY:** Chery Pierzina, Human Resources Officer
-

BACKGROUND:

The Public Works Department hires part-time workers for the Spring/Summer Maintenance Season to work on all city owned property such as parks, athletic fields, rights-of-way, the Itasca Calvary Cemetery, and the Itasca County Airport.

There is one (1) new hire for a summer maintenance position and the starting date, ending date, and rate of pay is listed below:

Amen Perrington Starting July 9, 2024 Ending October 25, 2024 \$15.00 per hour

All costs associated with this employment are included in the 2024 budget.

REQUESTED COUNCIL ACTION:

Make a motion to hire Amen Perrington as listed above for summer maintenance with the correlating starting date, ending date, and rate of pay.



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

REQUEST FOR COUNCIL ACTION

AGENDA DATE: 7/8/2024

AGENDA ITEM: Consider a request by the police department to apply for a DWI officer grant through the Office of Traffic Safety (OTS).

PREPARED BY: Kevin Ott

BACKGROUND:

The Grand Rapids Police Department was notified that OTS has opened a request for proposal (RFP) for law enforcement agencies to apply for a dedicated DWI officer who would be focused on detecting and arresting impaired drivers. The purpose of the DWI officer is to have a dedicated member of the police department assigned to enforce traffic laws to keep citizens of Grand Rapids safe on our roadways through enforcement.

This program has been ongoing since the fall of 2014 and agencies that continue to meet the goals of the program have been able to keep this grant funding if they continue to be active with traffic enforcement and meet the goals of the program. According to the program coordinator, only one agency in the past 7 years has been terminated from the program and that was due to the agency failing to submit required reporting documents.

In addition, this program is unique to Minnesota and the only such program in the nation. This program has produced statistical results with the areas that this program has been deployed. OTS reports that they have experienced a 35% reduction in impaired driving crashes in these areas between 2022 and 2023. This was achieved through focused and sustained impaired driving enforcement.

If awarded this grant, OTS will award up to \$150,000.00 for reimbursement of the dedicated officer's salary, benefits, training, and traffic related overtime per year.

REQUESTED COUNCIL ACTION:

Make a motion allowing the police department to apply for a DWI officer through the Office of Traffic Safety (OTS).

Kevin Ott

From: Siedschlag, Duane (DPS) <duane.siedschlag@state.mn.us>
Sent: Tuesday, July 2, 2024 6:47 AM
To: Kevin Ott
Subject: RE: Grand Rapids PD- DWI Officer inquiry

Hi Kevin,

Yes, I'm excited to have your agency apply. I know Director Hanson will be thrilled to have coverage in your area, but I'll wait to tell him until I see your application has begun.

This project started in Federal Fiscal Year 2015 (FFY15), so that would be the fall of 2014. Twelve agencies were originally selected and remained that number until I assumed oversight during FFY18. Since 2018, the project expanded to 35 awarded grants in FFY24, although two agencies were not able to fulfill their responsibilities due to staffing and IOD. I have been keeping extensive data on the project that shows an incredible improvement on the overall crash data related to impaired driving. By focusing on these select agencies and providing for focused and sustained impaired enforcement, statewide there was a 35% reduction in impaired driving crashes from 2022 to 2023.

Of the original 12 agencies, three remain. The other nine have discontinued participation due to various reasons, mostly related to staffing. I say mostly, because one agency was Minneapolis PD and their administration decided to discontinue participation following the Floyd death. Historically, only one agency had the grant terminated. The termination was due to lack of communication with OTS following failure to submit required reporting documents. Since I assumed this role, every agency with a grant that has applied the following FFY has been awarded another grant.

Funding for FFY25 will allow for about 36 agencies be awarded grants. There are four current grantees that are not going to apply for FFY5. I expect to be able to award grants to at least 5 new agencies. So far, there is only one new agency that has applied. If a new agency comes in to this project and produces as expected in their work plan, I will keep supplying funding.

As I mentioned on the phone, this project is working and is not going away. Minnesota is the only state in the country with this project, which is why I am presenting at two, perhaps four, national conferences within the next year.

Let me know if you need any other information.

Thank you,

Duane Siedschlag
 Impaired Driving Program Coordinator
 Office of Traffic Safety
 Minnesota Department of Public Safety
 Office: (651)201-7078 Cell: (612)221-8860



From: Kevin Ott <kott@grandrapidsmn.gov>
Sent: Monday, July 1, 2024 4:38 PM

Chapter 3 - General Operations

Section 314 - Pursuit Policy

Effective: 05/20/2024

Reevaluate: 06/01/2027

314.1 PURPOSE AND SCOPE

The primary purpose of this policy is to ensure officers and any member of the Grand Rapids Police Department respects the sanctity of life when making decisions regarding vehicle pursuits. Vehicle pursuits expose innocent citizens, law enforcement officers and fleeing violators to the risk of serious injury or death. The intent of this policy is to provide officers with guidance in balancing the safety of the public, safety of other officers and themselves, and law enforcement's duty to apprehend violators of the law, while minimizing the potential for pursuit related crashes.

314.1.1 Guiding Principles

- A decision to pursue should be based upon the totality of information and circumstances reasonably known to the officer at the time the decision is made, recognizing that law enforcement must often make immediate decisions with partial information.
- The safety of all persons involved in or by a police pursuit is of primary importance. It also must balance the risks of the pursuit to the public and peace officers with the consequences of failing to pursue (Minn. Stat. § 626.8458 Sub. 2 (1)).
- No officer will be disciplined for terminating a pursuit.
- Officers, when responding to an emergency call or pursuing a fleeing vehicle shall, when approaching a stop sign or red light, slow down as necessary for safety, but may proceed cautiously if they sound a siren or display at least one red light to the front (Minn. Stat. §169.03(2)).
- The speed limitations do not apply to an authorized emergency vehicle responding to an emergency call or vehicle pursuit, although this does not relieve the driver of an authorized emergency vehicle from the duty to drive with due regard for the safety of persons using the street, nor does it protect the driver of an authorized emergency vehicle from the consequence of a reckless disregard of the safety of others (Minn. Stat. §169. 177). Officer(s) should consider reducing their speeds and ensuring that the way is clear before proceeding through an intersection or other locations where there is an increased likelihood of a collision with another vehicle or pedestrian. Evaluation of vehicle speeds should take into consideration public safety, officer safety and the safety of the occupants of the fleeing vehicle.
- Involved officers should frequently re-evaluate factors and conditions to assess the continuation of the pursuit.

- Officers must remember that the most important factors to the successful conclusion of pursuit are proper self-discipline and sound professional judgment

314.2 DEFINITIONS

- A. Pursuit: An active attempt by a sworn member operating a patrol unit or specialty unmarked unit to apprehend a driver of a motor vehicle who, having been given a visual and audible signal by a peace officer directing said driver to bring their vehicle to a stop, increases speed, extinguishes motor vehicle headlights or taillights, refuses to stop the vehicle, or uses other means with intent to attempt to elude a peace officer (Minn. Stat. §609.487).
- B. Termination of a Pursuit: A pursuit is terminated when the pursuing officer(s) notify dispatch, turn off their emergency lights and sirens, and reduce speed to the posted speed limit.
- C. Divided Highway: Any highway that is separated into two or more roadways by:
 - 1. A physical barrier, or
 - 2. A clearly indicated dividing section constructed so as to impede vehicular traffic.
- D. Channeling: To direct vehicular traffic into a progressively narrowing passageway or lane location on the roadway.
- E. Compelling Path: The use of channeling technique with a modified roadblock located at its narrowed end. The compelling path differs from a termination roadblock in that the driver or any vehicle traveling the path has an exit option at the narrowed end.
- F. Pursuit Intervention Technique (PIT): A driving maneuver designed to stop a fleeing motorist by applying precision vehicle-to-vehicle-contact resulting in a predictable spin of the suspect's vehicle, bringing it to a stop.
- G. Flee: The term "flee" means to increase speed, extinguish motor vehicle headlights or taillights, refuse to stop the vehicle, or use other means with intent to attempt to elude a peace officer following a signal given by any peace officer to the driver of a motor vehicle (Minn. Stat. § 609.487 Subd. 1).
- H. Primary Unit: The law enforcement unit that initiates a pursuit or any other unit that assumes control of the pursuit.
- I. Support Units: The primary responsibility is to remain in close proximity to the pursuing vehicle(s) so that officers are immediately available to render aid or assistance to anyone who may require it as a result of the pursuit. Support officers may also assume responsibility for radio traffic, and do not take over/assume control of the pursuit.
- J. Other Assisting Units: Units not actively involved in the pursuit itself but assisting by deploying stop sticks, blocking intersections, compelling paths, or otherwise working to minimize risk.

- K. **Ramming:** The deliberate act of impacting a fleeing offender's vehicle with another vehicle to functionally damage or otherwise force the violator to stop.
- L. **Spike Strips:** A device that extends across the roadway and is designed to puncture the tires of the fleeing offender's pursued vehicle.
- M. **Blocking or vehicle intercept:** A slow speed coordinated maneuver where two or more law enforcement vehicles simultaneously intercept and block the movement of a suspect vehicle, the driver of which may be unaware of the impending enforcement stop, with the goal of containment and preventing a pursuit. Blocking is not a moving or stationary roadblock.
- N. **Boxing-in:** A tactic designed to stop a violator's vehicle by surrounding it with law enforcement vehicles and then slowing all vehicles to a stop.
- O. **Paralleling:** The practice of non-pursuing squad vehicles driving on streets nearby to the active pursuit, in a manner parallel to the pursuit route. Parallel driving does not exempt officers from obeying traffic laws. Minn. Stat. § 169.14, subd. 1.
- P. **Roadblocks:** A tactic designed to stop a violator's vehicle by intentionally placing a vehicle or other immovable object in the path of the violator's vehicle.

314.3 PROCEDURE

Officers are authorized to initiate a pursuit when it is reasonable to believe that a suspect is attempting to evade arrest or detention by fleeing in a vehicle that has been given a signal to stop by a peace officer.

314.3.1 Pursuit Considerations - Minn. Stat §626.8458 Subd. 2 (2).

1. Pursuit is justified when the need for immediate apprehension or the risk to public safety outweighs the risk created as a result of the pursuit.
2. Factors to be considered when weighing risks:
 - Severity of the offense (in cases of non-violent offenses, officers should consider terminating the pursuit).
 - Speed of the pursuit
 - Area of the pursuit (including the geographical area, time of day, amount of vehicular and pedestrian traffic)
 - Divided highways and one-way roads (Minn. Stat. § 169.03 Subd. 3)
 - Approach to intersections that are controlled by traffic signals, signs, or other location where there is an increased likelihood of a collision (Minn. Stat. §169.03)
 - Environmental conditions (weather, visibility, road surface conditions)
 - Special hazards (school zones, road construction, parades, special events)
 - The ability to identify the offender at a later time

- Age of the suspect and occupants
 - Other persons in or on the suspect vehicle
3. Standards applied to the ongoing evaluation of a pursuit, as well as the decision to continue a pursuit shall include the following considerations:
- The immediate need to apprehend the offender outweighs the risk created by the pursuit.
 - The dangers created by the pursuit exceed the dangers posed by allowing the offender to escape.
 - Involved officers should frequently re-evaluate factors and conditions to assess the continuation of the pursuit.

314.3.2 Procedures & Tactics for an Officer Engaging in a Pursuit– Minn. Stat. § 626.8458 Subd. 2 (3)

1. Emergency vehicles shall be driven in a safe manner and with due regard for public safety.
2. Emergency vehicles operating in emergency mode, lights and sirens, are permitted to violate certain traffic regulations, when necessary, as long as the operator continues to exercise due care in vehicle operation.

314.3.3 Primary Unit Responsibilities – Minn. Stat. § 626.8458 Subd. 2 (4)

The driver of the primary unit shall notify dispatch of the pursuit and shall provide at least the following critical information to dispatch when possible:

- Travel direction/location/traffic and road conditions
 - Reason for initial contact (specific violations)
 - Identity of fleeing driver, if known
 - Plate number, if available, and/or vehicle description
 - Speed of fleeing vehicle
 - Number of Occupants
 - Information concerning the use of firearms, threat of force, injuries, hostage/s, or other unusual hazards
 - Request for medical assistance for any person injured in the course of the pursuit (Minn. Stat. 626.8458 Subd. 2)
1. Provide relevant evolving information to dispatch
 2. No officer will intentionally make vehicle-to-vehicle contact unless this action is in conformance with agency policy on use of force (Refer to GRPD Use of Force Policy Section 300)

3. Roadblocks must conform to the agency's policy on use of force
4. Only law enforcement vehicles with emergency lights and siren will be used as pursuit vehicles
5. Unmarked and low-profile agency vehicles may engage in pursuits until a marked vehicle can take over as the primary vehicle. Officers shall not become engaged in pursuits while operating a non-departmental (private) motor vehicle or departmental vehicles not equipped with required emergency equipment.
6. Unless relieved by a supervisor or secondary unit, the officer in the primary unit shall be responsible for broadcasting the progress of the pursuit. Unless circumstances reasonably indicate otherwise, the primary unit should relinquish the responsibility of broadcasting the progress of the pursuit to a secondary unit joining the pursuit to minimize distractions and allow the primary unit to concentrate foremost on safe pursuit tactics.

314.3.4 Support Units

1. Distinctively marked patrol vehicles should replace unmarked vehicles involved in a pursuit whenever practicable.
2. Support Units shall announce their involvement when joining the pursuit.
3. The support unit immediately behind the primary unit should assume responsibility for providing evolving information.
4. The number of support units involved in the pursuit should be only those that are reasonably needed for the situation.
5. Serve as backup to the primary unit once the subject has been stopped.

314.3.5 Other Assisting Units

1. Other assisting units, not actively involved in pursuit, shall announce their intentions and communicate with primary and support units.
2. Officers are authorized to use emergency equipment at intersections along the pursuit path to clear intersections of vehicular and pedestrian traffic to protect the public.
3. When possible, non-pursuing personnel needed at the termination of the pursuit should respond in a non-emergency manner, obeying all non-emergency traffic laws.

314.3.6 Supervision of Pursuit Activities

It is the policy of this department that available supervisory control will be exercised over all vehicle pursuits involving officers from this department (Minn. Stat. § 626.8458 Subd. 2 (4)).

Upon becoming aware that a pursuit has been initiated, the Shift Sergeant should monitor and continually assess the situation and ensure the pursuit is conducted within the guidelines and requirements of this policy. The Shift Sergeant has the final responsibility for the coordination, control and termination of a motor vehicle pursuit and shall be in overall command (Minn. Stat. § 626.8458 Subd. 2 (8)).

In the event that there is not a Sergeant, or higher level supervisor, available, supervision should fall to the senior officer working.

The Sergeant of the officer initiating the pursuit, or if unavailable, the nearest supervisor will be responsible for the following:

1. The use of a detached supervisor that is not directly involved in the pursuit, when available, should be considered.

Based on the known information the supervisor, when available, shall monitor the pursuit in order to take appropriate action to continue or terminate the pursuit (Minn. Stat. §626.8458 Subd. 2 (4)).

2. Procedures regarding control over pursuit activities should include:
 - Verbally acknowledge they are monitoring the pursuit.
 - Assess critical information necessary to evaluate the continuation of the pursuit. Evaluate and ensure pursuit is within policy.
 - Direct that the pursuit should be discontinued if it is not justified to continue under the guidelines of this policy or for any other reason.
 - Communicate to all involved units if the pursuit should be terminated
3. Options to keep in mind during a pursuit include, but are not limited to:
 - Parallel pursuits
 - Channeling techniques
 - Creating a compelling path
 - Air support
 - Spike strips or other tire deflation device
 - Pursuit Intervention Techniques (PIT)
 - Blocking or Vehicle Intercept
 - Boxing-in
 - Other apprehension or GPS tracking methods - Minn. Stat. §626.8458 Subd 2 (3)

4. Ensure that all applicable reports are completed, and prepare a post-pursuit critique and analysis of the pursuit for training purposes.

314.3.7 Dispatch Responsibilities

For pursuits originating in the City of Grand Rapids/Itasca County, dispatching will be handled by the Itasca County Communications Center. Dispatch responsibilities will fall under the Itasca County Sheriff's Office policies.

314.4 PURSUIT TERMINATION

Pursuits should be discontinued whenever the totality of objective circumstances known, or which reasonably ought to be known to the officer or supervisor during the pursuit indicates that the present risks of continuing the pursuit reasonably appear to outweigh the risks resulting from the suspect's escape.

Operating an emergency vehicle in a pursuit with emergency light(s) and siren does not relieve the operator of an authorized emergency vehicle of the duty to drive with due regard for the safety of all persons and does not protect the driver from the consequences of his/her reckless disregard for the safety of others (Minn. Stat. § 169.17).

The above factors on when to initiate a pursuit are expressly included herein and will apply equally to the decision to discontinue as well as the decision to initiate a pursuit.

Officers and supervisors must objectively and continuously weigh the seriousness of the offense against the potential danger to innocent motorists, themselves and the public when electing to continue a pursuit.

In the context of this policy, the term terminate shall be construed to mean discontinue or to stop chasing the fleeing vehicle.

The driver of the primary unit and the supervisor shall continually evaluate the risks and likelihood of a successful apprehension of the suspect and shall consider terminating the pursuit under the following conditions.

1. The officer deems the conditions of the pursuit too risky for the safe continuation of the pursuit.
2. A supervisor orders it terminated.
3. Information is communicated that indicates the pursuit is out of compliance with policy.

4. Communication is broken.
5. Visual contact is lost for a reasonable period of time, or the direction of travel cannot be determined.
6. The suspect is known and could be apprehended later, and delaying apprehension does not create a substantial known risk of injury or death to another.
7. Officer's pursuit vehicle sustains damage or a mechanical failure that renders it unsafe to drive
8. Pursuit vehicle suffers an emergency equipment failure that causes the vehicle to no longer qualify for emergency operation use.
9. If the identity of the offender is known and it does not reasonably appear that the need for immediate capture outweighs the risks associated with continuing the pursuit, officers should strongly consider discontinuing the pursuit and apprehending the offender at a later time.
10. When an Officer becomes physically, mentally, or emotionally unable to safely continue / maintain the pursuit.

314.5 PURSUIT INTERVENTION STRATEGIES

Any pursuit intervention tactic, depending upon the conditions and circumstances under which it is used, may present dangers to the officers, the public or anyone in or on the vehicle being pursued. Certain applications of intervention tactics may be construed to be a use of force, including deadly force, and are subject to Department policies guiding such use. Officers who have not received Department-approved training in the application and use of any intervention tactic or equipment shall consider these facts and requirements prior to deciding how, when, where and if an intervention tactic should be employed.

Before employing a pursuit intervention strategy to safely end a pursuit, officers shall consider:

1. The necessity to continue the pursuit and if so;
2. whether the strategy is practical given the situation; and
3. whether the strategy is reasonable when considering the risk of injury to all Involved.
4. Officer Training and comfort with selected strategy/technique

314.5.1 – Strategies

1. Stop-Sticks

(a) Officers shall always consider personal safety during deployment and use stop-sticks consistent with training. The use of stop-sticks on a vehicle with less than 4 wheels shall be considered use of deadly force.

(b) Stop-Sticks may be used on a vehicle that is no longer being actively pursued, but is still fleeing or has freshly fled. Only a GRPD supervisor may authorize their use in these instances. Authorization may be provided after considering the totality of the circumstances, including:

1. a determination that further attempts to stop the vehicle will be futile;
2. reasonable knowledge that the driver has remained the same; and
3. the degree that the vehicle has been or is under surveillance of a peace officer, GPS, camera, or aviation.

If Stop-Sticks are used under this section the supervisor authorizing shall complete a report detailing the factors above.

2. Pursuit Intervention Technique (PIT)

(a) Trained Officers shall consider using the PIT maneuver at the earliest opportunity in a pursuit, knowing the opportunity may be short-lived.

(b) The PIT maneuver may be executed at speeds of 40 mph or less on straight roadways or 25 mph or less in cornering situations. Speeds greater than this may be considered deadly force.

(c) The PIT maneuver is not allowed in the following circumstances unless deadly force is authorized:

1. On vehicles with fewer than four wheels;
2. On a vehicle pulling a trailer;
3. On unconventional vehicle types to include, but not limited to, straight trucks, recreational vehicles, off highway vehicles, ATV's, etc.

3. Intentional Contact

(a) Intentional contact shall only be used when other intervention strategies have been considered and determined not practicable.

(b) Intentional contact shall be considered a use of force (reported as a pursuit), up to and including deadly force, and must be reasonably applied based on the totality of the

circumstances presented.

1. Unless deadly force is authorized, intentional contact shall only occur: (1) at low speeds; and (2) when there is a reasonable belief that no one will be injured as a result.

(c) Intentional contact with any vehicle having fewer than four wheels shall only occur if deadly force is authorized.

4. Channeling/Compelling/Boxing in

The use of squad cars or other devices is allowed as a means to direct a fleeing driver in order to safely end a pursuit.

The use of such techniques must be carefully coordinated with all involved units, taking into consideration the circumstances and conditions apparent at the time, as well as the potential risk of injury to officers, the public and occupants of the pursued vehicle.

5. Roadblocks

Because roadblocks involve a potential for serious injury or death to occupants of the pursued vehicle if the suspect does not stop, the intentional placement of roadblocks in the direct path of a pursued vehicle is generally discouraged and should not be deployed without prior approval of a supervisor, and only then under extraordinary conditions and the need to immediately stop the pursued vehicle substantially outweighs the risks of injury or death to occupants of the pursued vehicle, officers or other members of the public.

6. Ramming

Ramming a fleeing vehicle should be done only after other reasonable tactical means at the officer's disposal have been exhausted. This tactic should be reserved for situations where there does not appear to be another reasonable alternative method. This policy is an administrative guide to direct officers in their decision-making process before ramming another vehicle.

When ramming is used as a means to stop a fleeing vehicle, the following factors should be present:

1. The suspect is an actual or suspected felon, who reasonably appears to represent a serious threat to the public if not apprehended.
2. The suspect is driving with willful or wanton disregard for the safety of other persons or is driving in a reckless and life-endangering manner.

3. If there does not reasonably appear to be a present or immediately foreseeable serious threat to the public, the use of ramming is not authorized.

314.5.2 Use of Firearms

1. Officers shall not shoot from or at a moving vehicle, except when deadly force is authorized pursuant to GRPD Use of Force Policy
2. Officer should make every effort not to place themselves in a position that would increase the possibility that the vehicle they are approaching can be used as a deadly weapon against officers or other users of the road.
3. Firearms shall not be utilized when the circumstances do not provide a high probability of striking the intended target or when there is a substantial risk to the safety of other persons, including risks associated with vehicle crashes.

314.6 INTERJURISDICTIONAL PURSUIT – Minn. Stat. § 626.8458 Subd. 2 (5)

1. The primary unit shall update critical information to the dispatcher before leaving its jurisdiction.
2. The primary law enforcement vehicle shall remain the primary vehicle in other jurisdictions unless the controlling pursuit authority transfers its authority to another jurisdiction.
3. Upon receiving notification the pursuit is entering another agency's jurisdiction, the dispatcher shall forward all critical information possessed by the dispatcher to that agency.
4. When a pursuit enters this law enforcement agency's jurisdiction:
 - The dispatcher shall update the critical information to the shift supervisor or other authorized individual identified by the law enforcement agency.
 - The controlling pursuit authority shall determine if the pursuit is in conformance with policy and shall provide appropriate direction to their units.
5. When a pursuit enters another agency's jurisdiction, the primary officer or supervisor, taking into consideration distance traveled, unfamiliarity with the area and other pertinent facts, should determine whether to request the other agency to assume the pursuit. Unless entry into another jurisdiction is expected to be brief, it is generally recommended that the primary officer or supervisor ensure that notification is provided to the dispatcher and to each outside jurisdiction into which the pursuit is reasonably expected to enter, regardless of whether such jurisdiction is expected to assist (Minn. Stat. § 626.8458 Subd. 2 (5)).
6. If a pursuit from another agency enters the Department's jurisdiction, Dispatch should update the on-duty supervisor. No pursuit will continue into another state unless permission is received from a supervisor, if available, prior to entering that state and the pursuit is of a known or suspected violent felon. Prior to crossing the state line, the dispatcher will notify the appropriate out of state authority to coordinate the pursuit and the channels to be used for communications.

314.6.1 Fresh Pursuit Outside State Boundaries

If the pursuing officer has received supervisory approval, the officer may continue the pursuit across state lines with those states, which grant reciprocity. This would include North Dakota, South Dakota, Iowa, and Wisconsin (Minn. Stat. §626.65, Uniform Law on Fresh Pursuit; Reciprocal.)

314.7 AIR SUPPORT

When practical and available, aircraft assistance should be requested. Once the air unit has established visual contact with the pursued vehicle, it should assume control over the pursuit. The primary and secondary ground units should consider whether the participation of an aircraft warrants their continued involvement in the pursuit (Minn. Stat. § 626.8458 Subd. 2 (4)). The air unit should coordinate the activities of resources on the ground, report progress of the pursuit and provide officers and supervisors with details of upcoming traffic congestion, road hazards or other pertinent information to evaluate whether to continue the pursuit. If ground units are not within visual contact and the air unit determines that it is unsafe to continue the pursuit, the air unit should recommend terminating the pursuit.

314.8 CAPTURE OF SUSPECT(S)

- Proper self-discipline and sound professional judgment are the keys to a successful conclusion of a pursuit and apprehension of evading suspects shall be consistent with the agency use of force policy and Minn. Stat. 609.06.
- Unless relieved by a supervisor, the primary officer should coordinate efforts to apprehend the suspect(s) following the pursuit. Officers should consider safety of the public and the involved officers when formulating plans to contain and capture the suspect.

314.9 CARE AND CONSIDERATION OF VICTIMS

If during a pursuit an officer observes or is made aware of an injury to an individual, the officer shall immediately notify the dispatcher to have the appropriate emergency units respond. Rendering assistance includes but is not limited to: Minn. Stat. §626.8458 Subd. 2 (6)

- Calling an ambulance
- Rendering first aid until the officers are no longer needed at the injury scene
- Summoning additional units to the scene for assistance with the injured persons and/or traffic control

314.10 PURSUIT REPORTING

1. The primary officer and the supervisor shall file a pursuit summary report.
 1. To ensure compliance with Minn. Stat. § 626.5532, the chief law enforcement officer shall ensure the completion of the State pursuit report form and forward it to the Commissioner of Public Safety within 30 days following the pursuit.
 2. As required in Minn. Stat. §626.5532, the report must contain the following elements:
 - a) the reason(s) for, and the circumstances surrounding the pursuit;
 - b) the alleged offense;
 - c) the length of the pursuit in distance and time;
 - d) the outcome of the pursuit;
 - e) any injuries or property damage resulting from the pursuit; and
 - f) any pending criminal charges against the driver.
 - g) other information deemed relevant by the Commissioner of Public Safety.
2. Any supporting officers that were actually engaged in the pursuit, regardless of the initiating agency, shall complete supplementary reports.

314.11 EVALUATION AND CRITIQUE

After each pursuit, the supervisor and law enforcement agency units involved with the pursuit will evaluate the pursuit and make recommendations to the chief law enforcement officer on ways to improve the agency's pursuit policy and tactics.

314.12 TRAINING

In accordance with POST requirements, all sworn members shall be given initial and periodic updated training in the department's pursuit policy and safe emergency vehicle operation tactics. Emergency Vehicle Operations Course (EVOC) training is minimally required for each officer every five years. This training shall comply with learning objectives developed and approved by the board and shall minimally consist of at least eight hours of classroom and skills-based training every five years per Minn. Stat. § 626.8458 Subd. 5. Continual training should also be considered for those officers authorized to use the PIT maneuver, spike strip deployment, GPS tracking, and related pursuit intervention procedures, tactics, and technologies



REQUEST FOR COUNCIL ACTION

- AGENDA DATE:** July 8, 2024
- AGENDA ITEM:** Consider approving updated Section 314- Pursuit Policy policies for the Grand Rapids Police Department to comply with MN POST Boards mandated polices
- PREPARED BY:** Captain Jeremy Nelson
-

BACKGROUND:

The Minnesota POST Board (Peace Officer Standards and Training Board) establishes law enforcement licensing and training requirements and sets standards for law enforcement agencies and officers throughout the state.

The POST Board currently has seventeen (17) Mandated Policies that all law enforcement agencies in Minnesota must have. The POST Board mandates that such policies are the “same as” or “substantially similar” to the provided model policies. POST often updates language within mandated policies. A policy regarding Police Pursuits is one that is required of all Minnesota police agencies.

Language within the attached **GRPD Section 314- Pursuit Policy** was drafted with heavy influence from POST Board Pursuit model policy and MN State Statutes. Making such a change ensures that we are compliant with the licensing authority.

REQUESTED COUNCIL ACTION:

Make a motion to approve updated Section 314- Pursuit Policy policies for the Grand Rapids Police Department to comply with MN POST Boards mandated polices.



Axon Enterprise, Inc.
 17800 N 85th St.
 Scottsdale, Arizona 85255
 United States
 VAT: 86-0741227
 Domestic: (800) 978-2737
 International: +1.800.978.2737

Q-584728-45453.717LD

Issued: 06/10/2024

Quote Expiration: 06/30/2024

Estimated Contract Start Date: 07/15/2024

Account Number: 193090

Payment Terms: N30

Delivery Method:



SHIP TO	BILL TO
Grand Rapids Police Dept. - MN 420 N Pokegama Ave Grand Rapids, MN 55744-2658 USA	Grand Rapids Police Dept. - MN 420 N Pokegama Ave Grand Rapids MN 55744-2658 USA Email:

SALES REPRESENTATIVE	PRIMARY CONTACT
Lily Dokic Phone: Email: lyost@axon.com Fax:	Jeremy Nelson Phone: 218-910-8427 Email: jnelson@grandrapidsmn.gov Fax:

Quote Summary

Program Length	28 Months
TOTAL COST	\$11,954.04
ESTIMATED TOTAL W/ TAX	\$11,954.04

Discount Summary

Average Savings Per Year	\$0.00
TOTAL SAVINGS	\$0.00

Payment Summary

Date	Subtotal	Tax	Total
Jul 2024	\$5,977.02	\$0.00	\$5,977.02
Nov 2025	\$5,977.02	\$0.00	\$5,977.02
Total	\$11,954.04	\$0.00	\$11,954.04

Quote Unbundled Price: \$11,954.04
 Quote List Price: \$11,954.04
 Quote Subtotal: \$11,954.04

Pricing

All deliverables are detailed in Delivery Schedules section lower in proposal

Item	Description	Qty	Term	Unbundled	List Price	Net Price	Subtotal	Tax	Total
A la Carte Software									
73680	AXON RESPOND PLUS - LICENSE	21	28		\$20.33	\$20.33	\$11,954.04	\$0.00	\$11,954.04
Total							\$11,954.04	\$0.00	\$11,954.04

Delivery Schedule

Hardware

Bundle	Item	Description	QTY	Shipping Location	Estimated Delivery Date
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Software

Bundle	Item	Description	QTY	Estimated Start Date	Estimated End Date
A la Carte	73680	AXON RESPOND PLUS - LICENSE	21	07/15/2024	11/14/2026

Shipping Locations

Location Number	Street	City	State	Zip	Country
1	420 N Pokegama Ave	Grand Rapids	MN	55744-2658	USA

Payment Details

Invoice Plan	Item	Description	Qty	Subtotal	Tax	Total
4	73680	AXON RESPOND PLUS - LICENSE	21	\$5,977.02	\$0.00	\$5,977.02
Total				\$5,977.02	\$0.00	\$5,977.02

Invoice Plan	Item	Description	Qty	Subtotal	Tax	Total
5	73680	AXON RESPOND PLUS - LICENSE	21	\$5,977.02	\$0.00	\$5,977.02
Total				\$5,977.02	\$0.00	\$5,977.02

Tax is estimated based on rates applicable at date of quote and subject to change at time of invoicing. If a tax exemption certificate should be applied, please submit prior to invoicing.

Standard Terms and Conditions

Axon Enterprise Inc. Sales Terms and Conditions

Axon Master Services and Purchasing Agreement:

This Quote is limited to and conditional upon your acceptance of the provisions set forth herein and Axon's Master Services and Purchasing Agreement (posted at <https://www.axon.com/sales-terms-and-conditions>), as well as the attached Statement of Work (SOW) for Axon Fleet and/or Axon Interview Room purchase, if applicable. In the event you and Axon have entered into a prior agreement to govern all future purchases, that agreement shall govern to the extent it includes the products and services being purchased and does not conflict with the Axon Customer Experience Improvement Program Appendix as described below.

ACEIP:

The Axon Customer Experience Improvement Program Appendix, which includes the sharing of de-identified segments of Agency Content with Axon to develop new products and improve your product experience (posted at www.axon.com/legal/sales-terms-and-conditions), is incorporated herein by reference. By signing below, you agree to the terms of the Axon Customer Experience Improvement Program.

Acceptance of Terms:

Any purchase order issued in response to this Quote is subject solely to the above referenced terms and conditions. By signing below, you represent that you are lawfully able to enter into contracts. If you are signing on behalf of an entity (including but not limited to the company, municipality, or government agency for whom you work), you represent to Axon that you have legal authority to bind that entity. If you do not have this authority, please do not sign this Quote.

Signature

6/10/2024

Date Signed



e



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

REQUEST FOR COUNCIL ACTION

AGENDA DATE: July 8, 2024

AGENDA ITEM: Consider approving the purchase Axon Respond.

PREPARED BY: Captain Jeremy Nelson

BACKGROUND:

When the Grand Rapids Police Department initially implemented body worn cameras (BWC's) in 2022, part of the package that we purchased included a free trial for Axon Respond. Until recently, we did not know this was only a trial.

Axon Respond is an application that is available on our city issued cell phones as well as from desktop and mobile computers. It allows users to be able to access a map which shows the GPS location of officers who are wearing their BWC's, which is important if Officer's are not in their squad cars. Currently we can only determine an officer's squad car location by their Axon squad camera and GPS through the computer aided dispatch program. An example of when this would be utilized is if an officer was involved in a foot pursuit or creating a perimeter around a scene.

Another feature of Axon Respond that is available is Livestreaming capabilities. This allows a supervisor to log in and view an officer's BWC, only if they are actively recording. An example of when this would be utilized is if an officer is on a call or traffic stop and are not responding to their radio. A supervisor activate livestreaming to observe if the officer maybe in trouble or if they simply do not have their radio on.

The other use that GRPD has for livestreaming BWC's is for use with the tactical robot we purchased in 2023. This robot is designed to have BWC attached to it, and then livestreamed by the officers operating the robot. This has been previously used by GRPD Officers during an arrest involving a suspect potentially with a firearm.

The attached quote was obtained from Axon to enable the livestreaming feature for the 21 BWC's that GRPD currently has. The cost per year is \$5977.02. In 2024, this would come from the Public Safety monies and would be worked into the 2025 budget.

REQUESTED COUNCIL ACTION:

Make a motion accepting the purchase of Axon Respond and authorize the Mayor to sign the attached agreement.

AGREEMENT FOR RENTAL OF WALL LIGHTED SIGN

This Agreement, together with the Terms and Conditions Exhibit attached hereto as Exhibit A and incorporated herein by reference (“Agreement”) dated as of June 10, 2024, is by and between the City of Grand Rapids (“Lessor”), acting through the IRA Civic Center, and Great Clips, Inc. (“Lessee” or “Sponsor”)

WHEREAS the City of Grand Rapids owns a multi-purpose facility known as the Civic Center; and

WHEREAS it will be beneficial to certain business to acquire the privilege of using the advertising signs contained on the interior walls and/or dasherboards (2) in the IRA Civic Center for a certain period of years; and

WHEREAS the Lessor desires to lease the available advertising sign to certain Lessees.

NOW, THEREFORE, IT IS HEREBY AGREED by the IRA Civic Center only, Lessor, and Lessee, that the Lessee shall lease for a period of two (2) years according to the terms set forth herein and upon the following terms and conditions:

1. Lessor shall place signs on the interior walls and/or dasherboards (2) of the IRA Civic Center only, and Lessor shall have the final decision as to exact location of each sign. The choice of each sign and location shall be on a "FIRST COME, FIRST SERVED" basis. Lessor reserves the right to take into consideration actual placement of signs to insure maximum utilization of all advertising areas on the interior walls and/or dasherboards (2) of the IRA Civic Center.
2. Lessee hereby rents from Lessor a 4' x 6' interior wall sign and/or two 32" x 96" dasherboard advertisements for the Lease Term set forth below (“Advertising Signs”).
3. In consideration of Lessee renting the Advertising Signs, Lessee shall pay to Lessor the sum of One Thousand Six Hundred U.S. dollars (\$1,600.00) per year for the years 2022-2023 and 2023-2024 (“Rental Fee”), respectively. Lessee shall pay to Lessor the Rental Fee for the first year in the sum of One Thousand Six Hundred U.S. dollars (\$1,600.00) payable via EFT or check at the commencement of the Lease Term as set forth below.
4. The Lease term for the advertising space shall be as follows: July 1, 2024 to June 30, 2026 (“Lease Term”).
5. Lessee shall have the first right to rent the Advertising Signs for successive years after the Lease Term. Lessor shall invoice Lessee for the Rental Fee and payment in full is due from Lessee by August 1, 2024, and August 1, 2025. The Lessor reserves the right to sell the space of the Advertising Signs if the payment is not received by August 1 of each year during the Lease Term.

- 6. The Advertising logo and design to be used on the Advertising Signs shall be provided the Lessee and subject to approval by the Lessor. The Lessor will not unreasonably withhold its approval of any design submitted by Lessee; however, Lessor reserves the right to set standards for the substance and appearance of any advertising to be placed in the IRA Civic Center pursuant to this Agreement.
- 7. The expense of setup and art work of the sign shall be borne by the Lessee.
- 8. This Agreement shall not be changed unless done so in writing by the Lessee.
- 9. The Lessee's Advertising Signs space cannot be sublet or resold.
- 10. All signs and materials are the property of the Lessor.
- 11. All maintenance of the Advertising Signs will be the responsibility of the IRA Civic Center.

BY: _____
 Lessee

DATE: _____

CITY OF GRAND RAPIDS (Lessor)

BY: _____
 Mayor

DATE: _____

 Tom Pagel, City Administrator

IRA Civic Center

BY: _____

DATE: _____

Dated this _____ day of _____, 20__.

Sponsor: Great Clips, Inc.
Sponsor Representative: Katelyn Fritz, Marketing Analyst
Sponsor's Address: 4400 West 78th St. Suite 700, Minneapolis, MN 55435
Sponsor's Telephone: 952-746-6473
Sponsor's Email: Katelyn.Fritz@greatclips.com

TERMS AND CONDITIONS EXHIBIT TO BE INCORPORATED AS FOLLOWS:

- A. Limitations on Liability.** The maximum liability of Great Clips, Inc. (“Great Clips”) whatsoever arising out of or in connection with the Agreement whether such liability arises from any claim based on breach of contract, breach of warranty, negligence, tort, or otherwise, shall in no case exceed the aggregate of the total fees received from (or due from) Great Clips immediately preceding the event giving rise to such claim. To the extent permitted by law, both parties disclaim liability to the other for all consequential, incidental, punitive and/or special damages of any type or kind however caused, whether by breach of warranty, breach of contract, negligence, or any other legal cause of action and whether or not the party has been advised of the possibility of such damages.
- B. Indemnification.** Each party (the “Indemnifying Party”) shall indemnify, defend and hold harmless the other party, including its parent, affiliates, franchisees, subsidiaries and respective officers, directors, employees, agents and permitted assigns (the “Indemnified Party”), from and against any and all loss, liability, damage, fine, cost, demand, expense, action, claim, or cause of action (including costs of defense, appeal, settlement and reasonable attorneys’ fees and expenses) of whatever type or nature, including damage or destruction of property, or personal injury (including death) brought or claimed by a third-party against the Indemnified Party (collectively, “Loss”), to the extent arising out of, resulting from or relating to the Indemnifying Party’s acts or performance of services under this Agreement, including (i) any negligent or fraudulent act or omission of the Indemnifying Party, its agents, employees or subcontractors; (ii) any inaccurate representation or warranty by the Indemnifying Party; (iii) the failure of the Indemnifying Party, its agents, employees or subcontractors to comply with any term or condition of this Agreement; (iv) the failure of an Indemnifying Party, its agents, employees or subcontractors to comply with any law which may directly or indirectly regulate or affect the obligations of that party under this Agreement; (v) any claims arising from or with respect to the Indemnifying Party’s agents, employees, or subcontractors; or (vi) any claims that any product, component, part, document or other equipment or service provided by the Indemnifying Party under this Agreement infringes (or may infringe) any patent, copyright, trade secret, trademark or other proprietary right of a third party.
- C. Intellectual Property Rights.** Lessor recognizes the validity of all trademarks, service marks, trade names, logos, and other indicia of Lessee or its respective parents, subsidiaries, or affiliates and all related products and services (collectively, the “Great Clips Marks”), and the ownership thereof by Lessee or its respective parents, subsidiaries, or affiliates, and Lessor shall not place any of the Great Clips Marks on Materials developed or produced by Lessor without Lessee’s prior written approval in each such instance. Any such use of the Great Clips Marks shall be limited to the specific consent granted by Lessee hereunder and shall not be deemed or considered the grant of a license to use such Great Clips Marks in any other manner or for any purpose whatsoever. Lessor shall not claim to own or acquire any right, title, or interest in any of the Great Clips Marks or other forms of intellectual property belonging to Lessee to the benefit of Lessee or its respective parents, subsidiaries, or affiliates. Lessor immediately shall discontinue all use of the Great Clips Marks upon termination of this Agreement and shall not thereafter make any further use thereof. Lessor shall not register or attempt to register the Great Clips Marks or any other trademark that may be confusingly similar to the Great Clips Marks. Lessor shall not dispute or contest the validity, enforceability, or ownership of the Great Clips Marks and shall notify Lessee promptly of any attempt by any unauthorized person to use the Great Clips Marks of which Lessor becomes aware. Subject to the terms of the Agreement, when any materials containing Great Clips Marks is no longer needed, the associated materials will be returned or destroyed, as directed by Lessee.
- D. Insurance.** Both parties agree to maintain, throughout the performance of its obligations under this Agreement, policies of Worker’s Compensation insurance with coverage limits as may be required by the law of the states in which services are to be performed. The parties further agree to maintain, at a minimum, General Liability insurance, providing coverage against contractual liability and liability for bodily injury, death, and property damage in the amount reasonably sufficient to cover a potential claim brought against a party and subject to the above Indemnification provision.
- E. Force Majeure.** Neither party will be responsible for delays in or suspension of performance directly caused by catastrophic natural disaster, pandemics/endemics, war or an act of terrorism beyond the reasonable control of that

party (a "Force Majeure Event"). If such delay exceeds or is reasonably expected to exceed sixty (60) days, either party may terminate the Agreement immediately upon written notice to the other party, in which event all obligations and liabilities of the parties with respect to purchases and sales will be discharged and terminated (subject to any applicable terms of the Agreement). Notwithstanding anything to the contrary in the Agreement, in the event the Agreement or any part thereof cannot be carried out as a result of a Force Majeure Event, the parties agree that a proportional part of any prepaid fee shall be refunded to Great Clips for each week that the Agreement cannot be performed. The parties shall work together to determine the total amount of refund due to Great Clips.

- F. Waiver.** Waiver of any breach by either party or failure of either party to exercise any right under this Agreement on one or more occasions shall not be deemed a waiver of any other breach or right to exercise such right on another occasion.
- G. Assignment.** Neither party may assign its rights or obligations, whether by operation of law or otherwise, without the prior written consent of the other party, not to be unreasonably withheld.
- H. Conflict; Entirety of Agreement.** In the event any provision in the Agreement conflicts with this Exhibit A, the terms of this Exhibit A shall govern. This Agreement supersedes all prior oral or written representations or communications between the parties and, together with any attachments, constitutes the entire understanding of the parties. If any provision is determined to be illegal or unenforceable, it shall be removed, but its invalidity shall not affect the remaining provisions.
- I. Relationship of the Parties.** The parties are independent contractors. Nothing in this Agreement shall be construed to create a partnership, joint venture or agency relationship. Neither party shall have any right or authority to assume or create any obligation of any kind expressed or implied in the name of or on behalf of the other party.
- J. Governing Law and Jurisdiction.** The provisions of this Agreement will be construed and enforced in accordance with, and any dispute arising out of or in connection with this Agreement, including any action in tort, will be governed by the laws of the State of Minnesota, without regard to its principles of conflict of laws.
- K. Notices.** Except as otherwise provided herein, all notices shall be in writing and deemed given upon: (i) personal delivery, (ii) when received by the addressee if sent by a nationally recognized overnight courier (receipt requested), or (iii) the first business day after sending by confirmed email, provided that e-mail shall not be sufficient for notices of termination or a legal claim (such as indemnification). Notices shall be sent to the parties as herein identified:

<p>If to Great Clips, Inc.: Attn: Katelyn Fritz, Marketing Manager 4400 West 78th Street, Suite 700 Minneapolis, MN 55435 katelyn.fritz@greatclips.com With a copy to LegalNotice@greatclips.com</p>	<p>If to City of Grand Rapids: Attn: Tom Pagel, City Administrator 420 North Pokegama Avenue Grand Rapids, MN 55744 admin@cityofgrandrapidsmn.com</p>
<p>If to IRA Civic Center: Attn: 1401 NW 3rd Avenue Grand Rapids, MN 55744</p>	

AGREEMENT FOR RENTAL OF ADVERTISING SIGN

WHEREAS, the City of Grand Rapids, acting through Yanmar Arena, Lessor, owns a multi-purpose facility; and

WHEREAS it will be beneficial to certain business to acquire the privilege of using the advertising signs contained on the interior walls and/or dasherboard in Yanmar Arena for a certain period of years; and

WHEREAS the Lessor desires to lease the available advertising sign to certain Lessees.

NOW, THEREFORE, IT IS HEREBY AGREED by Yanmar Arena only, Lessor, and **Mediacom**, Lessee, that the Lessee shall lease for a period of 2 (two) years according to the terms set forth herein and upon the following terms and conditions:

1. Signs will be placed on the interior walls and/or dasherboard of Yanmar Arena only, and Lessor shall have the final decision as to exact location of each sign. The choice of each sign and location shall be on a "FIRST COME, FIRST SERVED" basis. Lessor reserves the right to take into consideration actual placement of signs to insure maximum utilization of all advertising areas on the interior walls and/or dasherboard of Yanmar Arena.
2. The Lessee shall pay to the Lessor in consideration of the sign and/or dasherboard, the sum of \$1200.00 in cash to the Lessor at the commencement of the rental term as set forth below.
3. The Lease term for the advertising space shall be as follows: July 1, 2024, to June 30, 2026. This contract will be automatically be renewed by the Lessor and Lessee yearly unless the Lessee provides written notice to the Lessor of their intent not to renew said lease. This written notice must be provided no later than December 1 of the year prior to the Lessee's cancellation. For example, if the lease has been automatically renewed for a third year, which would end June 30, 2026, the Lessee must notify the Lessor in writing no later than June 1, 2026, for cancellation effective June 30, 2026.
4. Lessee shall have the first right to rent the advertising signs to Lessee for successive years. Although the signed contract is due within 30 days, lessee will be invoiced and payment in full is due August 15, 2024. The Lessor reserves the right to sell sign space if the payment is not received by August 15, 2024.
5. The Advertising logo and design to be used on the signs shall be provided by the Lessee and subject to approval by the Lessor. The Lessor will not unreasonably withhold its approval of any design submitted by Lessee; however, Lessor reserves the right to set standards for the substance and appearance of any advertising to be placed in Yanmar Arena pursuant to this Agreement.
6. The expense of setup and art work of the sign shall be borne by the Lessee.
7. This agreement shall not be changed unless done so in writing by the Lessee.

- 8. The Lessee's advertising space cannot be sublet or resold.
- 9. All signs and materials are the property of the Lessor.
- 10. All maintenance of the signs will be the responsibility of Yanmar Arena.
- 11. Lease rates and terms are \$1200.00 per year for 2024-25 and 2025-26 for two dashboard advertisements.

BY: Bob Turdy VP Capital West
 Lessee

DATE: 6-10-2024

CITY OF GRAND RAPIDS (Lessor)

BY: _____
 Mayor

DATE: _____

 Tom Pagel, City Administrator

Dated this _____ day of _____, 20__.



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

REQUEST FOR COUNCIL ACTION

AGENDA DATE: July 8, 2024

AGENDA ITEM: Consider entering into Advertising Agreements with businesses at Yanmar Arena.

PREPARED BY: Dale Anderson, Director of Parks & Recreation

BACKGROUND:

Advertising is a great source of revenue at the Arena. The following businesses currently advertise but wish to update their Agreements to have dasher board ads and/or a wall sign:

- Mediacom
- Great Clips

REQUESTED COUNCIL ACTION:

Make a motion to enter into Advertising Agreements with businesses at Yanmar Arena.



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

REQUEST FOR COUNCIL ACTION

AGENDA DATE: July 8, 2024

AGENDA ITEM: Consider adopting a resolution accepting a donation of one Fire Suppression Solution unit from the Itasca Mason Blue Lodge #208.

PREPARED BY: Chief Andy Morgan

BACKGROUND:

Often police are first on the scene of a critical fire while awaiting the arrival of volunteer firefighters. The Fire Suppression Tool (FST) is an aerosolized portable unit that is thrown into any room with a fire. Once deployed, the device produces a thick cloud that interrupts the heat and oxygen bond in the fire. A blaze at 1,000 degrees could be cooled to two hundred degrees, allowing emergency fire responders to potentially save lives and reduce the greater impact of the fire.

Itasca Mason Blue Lodge #208 contacted Grand Rapids Police Department recently wishing to donate one (1) Fire Suppression Tool valued at \$1,000.

We certainly appreciate Itasca Mason Blue Lodge #208 continued support.

Requested council action:

Make a motion adopting a resolution accepting a donation of one Fire Suppression Solution unit from the Itasca Mason Blue Lodge #208.

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

RESOLUTION NO. 24-

A RESOLUTION ACCEPTING A DONATION OF A FIRE SUPPRESSION SOLUTION UNIT FROM THE ITASCA MASON BLUE LODGE #208.

WHEREAS, Minnesota State Statutes 465.03, states that cities may accept gifts of real or personal property, including money, and use them in accordance with the terms the donor prescribes; and

WHEREAS, every such acceptance shall be by resolution of the governing body adopted by two-thirds majority of its members,

NOW THEREFORE, BE IT RESOLVED, the City Council of the City of Grand Rapids, Itasca County, Minnesota, accepts the listed donation and terms of the donor as follows:

- Itasca Mason Blue Lodge #208 has donated one (1) Fire Suppression Tool valued at \$1,000 to the Grand Rapids Police Department.

Adopted this 8th day of July, 2024

Tasha Connelly, Mayor

Attest:

Kimberly 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.

https://www.grandrapidsmn.com/news/itasca-blue-lodge-freemasons-donate-fire-suppression-tools-to-grpd-and-icso/article_f9db78f8-323b-11ef-8c74-7bd355ca3628.html

FEATURED

Itasca Blue Lodge Freemasons donate fire suppression tools to GRPD and ICSO

Pam Dowell Secretary, Grand Rapids Police Community Advisory Board
Jun 26, 2024

1 of 2



Captain Jeremy Nelson, Captain Kevin Ott, Freemason Head Jeff Fortune, Freemason Secretary Durin Smith and Pam Dowell presenting a device for first responder fire suppression.

Tuesday June 18, 2024, Itasca Mason Blue Lodge #208 members, Jeff Fortune and Durin Smith, presented fire suppression tools (FST) to the Grand Rapids Police Department and the Itasca County Sheriff's Office. The three Masonic Lodges in Itasca County are planning a raffle to secure twenty-nine more units for the sheriff department's first responder squads.

A portion of the grant monies have been provided by the Minnesota Masonic Charities (MMC), an umbrella organization that promotes greater levels of philanthropy for critical issues and community service. The Freemasons of Minnesota have been working on drives to donate FST devices to communities across Northeast Minnesota.

The FST is an aerosolized portable unit that is [one person] managed by throwing the device into any room with a fire. Once deployed, the device produces a thick cloud that interrupts the heat and oxygen bind in the fire – reducing the heat. A blaze at 1,000 degrees could be cooled to two hundred degrees, allowing emergency fire responders to potentially save lives and reduce the greater impact of the fire.

Law enforcement officials are often first at the scene of a critical fire while awaiting the arrival of volunteer firefighters. A FST device was credited with saving two pets and aiding in keeping a house fire from being a total loss in a St. Paul Park home in Washington County in February 2024. KARE 11 News reported that St. Paul Park Fire Chief Mike Kramer said the FST provided enough time to get the fire department engines set and start an offensive attack on the fire. Linn and Mark Gisselquist owned the home. The couple have an emotional support dog, a golden lab and were dog sitting a friend's Goldendoodle – the couple said they believe the animals survived because of the quick response from the deputy arriving on scene with the FST unit.

Last October during National Fire Prevention month, Nashwauk Masonic Lodge #331 donated FST units to the Nashwauk and Keewatin Police departments. A training video is provided to each agency gifted with the valuable first responder tool. Fortune and Durin both expressed the greater desire of getting FST's for every first responding unit in Itasca County. "Time is critical in a fire, and this unit provides an element of protection for those first responders who are always willing to rush into any scene, ready to lend aid," Fortune said.

Item 13.

The retail value of the units is one thousand dollars. "The value of saving lives, pets, property is priceless," Fortune emphasized. Durin said the goal of the Freemasons throughout history dating back to 1893, is continuing the world's largest benevolent charity by providing funding and purposeful gifts for citizens and community. Freemasonry is the world's largest fraternal organization based on the belief that everyone has a responsibility to make the world a better place. Freemasons provide a culture of philanthropy.

Itasca County has three Freemason Lodges: Itasca Blue Lodge #208, Nashwauk Lodge #331 and Chippewa Lodge #275 located in Bigfork. To learn more about Minnesota Freemasons: <http://mnfreemasons.org>



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

REQUEST FOR COUNCIL ACTION

AGENDA DATE: July 8, 2024

AGENDA ITEM: Conduct a Public Hearing relating to identify qualified users of the Yanmar Arena in the City of Grand Rapids.

PREPARED BY: Barb Baird

BACKGROUND:

A public hearing is required to designate the Bonds as qualified 501(c)(3) bonds pursuant to Section 145 of the Internal Revenue Code of 1986, as amended (the “Code”). The purpose of the public hearing is to identify one or more nonprofit organizations exempt from federal income taxation under Section 501(a) of the Code, as a result of the application of Section 501(c)(3) of the Code, as qualified 501(c)(3) users of the Project, including but not limited to the Grand Rapids Amateur Hockey Association, a Minnesota nonprofit corporation and an organization described in Section 501(c)(3) of the Code, Grand Itasca Clinic and Hospital, a Minnesota nonprofit corporation and an organization described in Section 501(c)(3) of the Code, and Star of the North Skating Club, a Minnesota nonprofit corporation and an organization described in Section 501(c)(3) of the Code (together, the “Qualified Users”).

The City is expected to enter into one or more long-term use agreements with the Qualified Users and may enter into long-term use agreements in the future with other qualified 501(c)(3) organizations regarding use of the Project.

Following the public hearing, the City Council will consider the adoption of a resolution approving the issuance of the Bonds as qualified 501(c)(3) bonds. At the time and place fixed for the public hearing, the City Council will give all persons who appear at the hearing an opportunity to express their views with respect to the proposal. In addition, interested persons may direct any questions or file written comments respecting the proposal with the City Clerk, at or prior to said public hearing.

REQUESTED COUNCIL ACTION:

Hold a Public Hearing relating to identify qualified users of the Yanmar Arena in the City of Grand Rapids and authorizing the issuance of General Obligation Refunding Bonds.



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

REQUEST FOR COUNCIL ACTION

AGENDA DATE: July 8, 2024

AGENDA ITEM: Consider adopting a resolution providing for issuance and sale of General Obligation Refunding Bonds, Series 2024A, in the proposed aggregate principal amount of \$8,380,000.

PREPARED BY: Barb Baird

BACKGROUND:

On December 22, 2022, the City issued its Taxable General Obligation Temporary Bonds, Series 2022, in the original aggregate principal amount of \$10,000,000, pursuant to Minnesota Statutes, Chapter 475, as amended, including Section 475.61, subdivision 6, Section 412.301, and Sections 469.1812 through 469.1815, as amended, and the provisions of Laws of Minnesota 2021, First Special Session, Chapter 14, Article 8, Section. The proceeds of the Temporary Bonds were used to provide temporary financing for the construction, renovation, and improvement of the ice arena located at 1401 NW Third Avenue in the City, including but not limited to replacement of the roof, replacement of the ice plant, new capital equipment, and building, utility and grounds improvements.

REQUESTED COUNCIL ACTION:

Make a motion adopting a resolution providing for issuance and sale of General Obligation Refunding Bonds, Series 2024A, in the proposed aggregate principal amount of \$8,380,000.

CITY OF GRAND RAPIDS, MINNESOTA

RESOLUTION NO. ____

**RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2024A,
IN THE PROPOSED AGGREGATE PRINCIPAL AMOUNT OF
\$8,380,000**

BE IT RESOLVED by the City Council (the “Council”) of the City of Grand Rapids, Minnesota (the “City”) as follows:

Section 1. Authorization.

(a) On December 22, 2022, the City issued its Taxable General Obligation Temporary Bonds, Series 2022 (the “Temporary Bonds”), in the original aggregate principal amount of \$10,000,000, pursuant to Minnesota Statutes, Chapter 475, as amended, including Section 475.61, subdivision 6, Section 412.301, and Sections 469.1812 through 469.1815, as amended (collectively, the “Act”), and the provisions of Laws of Minnesota 2021, First Special Session, Chapter 14, Article 8, Section (the “Special Law”). The proceeds of the Temporary Bonds were used to provide temporary financing for the construction, renovation, and improvement of the ice arena located at 1401 NW Third Avenue in the City, including but not limited to replacement of the roof, replacement of the ice plant, new capital equipment, and building, utility and grounds improvements (the “Project”).

(b) The Temporary Bonds mature on December 1, 2025 and are subject to optional redemption on or after December 1, 2023, at a price of par plus accrued interest.

(c) The City is authorized by Section 475.67, subdivision 3 of the Act to issue and sell its general obligation bonds to refund obligations and the interest thereon before the due date of the obligations, if consistent with covenants made with the holders thereof, when determined by the City Council to be necessary or desirable for the reduction of debt service costs to the City or for the extension or adjustment of maturities in relation to the resources available for their payment.

(d) The Council finds it necessary and desirable for the reduction of debt service costs to the City to issue the City’s General Obligation Refunding Bonds, Series 2024A (the “Bonds”), in the proposed aggregate principal amount of \$8,380,000, pursuant to the Act, including Section 475.67, subdivision 3, and the Special Law. Proceeds of the Bonds will be used to redeem and prepay the Temporary Bonds and provide permanent financing for the Project.

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

Section 2. Qualified Users of the Project.

(a) On the date hereof, the Council conducted a duly noticed public hearing with respect to the designation of the Bonds as “qualified 501(c)(3) bonds” pursuant to Section 145 of the Internal Revenue Code of 1986, as amended (the “Code”), and the designation of one or more

nonprofit organizations exempt from federal income taxation under Section 501(a) of the Code, as a result of the application of Section 501(c)(3) of the Code, as qualified 501(c)(3) users of the Project (the “Qualified Users”), including but not limited to Grand Rapids Amateur Hockey Association, a Minnesota nonprofit corporation and an organization described in Section 501(c)(3) of the Code, Grand Itasca Clinic and Hospital, a Minnesota nonprofit corporation and an organization described in Section 501(c)(3) of the Code, and Star of the North Skating Club, a Minnesota nonprofit corporation and an organization described in Section 501(c)(3) of the Code.

(b) The Council hereby approves the designation of the Bonds as “qualified 501(c)(3) bonds” pursuant to Section 145 of the Code, approves the designation of the Qualified Users as qualified 501(c)(3) users of the Project, and authorizes the City to enter into one or more long-term use agreements with the Qualified Users regarding the use of the Project.

Section 3. Authority of Municipal Advisor. Ehlers and Associates, Inc. (the “Municipal Advisor”) is authorized and directed to negotiate the sale of the Bonds. The Council will meet on Monday, August 12, 2024, or another date selected by City staff, to consider proposals on the Bonds and take any other appropriate action with respect to the Bonds.

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

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

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

Approved this July 8, 2024 by the City Council of the City of Grand Rapids, Minnesota.

Mayor

ATTEST:

City Clerk

July 8, 2024

PRE-SALE REPORT FOR

City of Grand Rapids, Minnesota

**\$8,380,000 General Obligation Refunding Bonds,
Series 2024A**



Prepared by:

Ehlers
3060 Centre Pointe Drive
Roseville, MN 55113

Advisors:

Rebecca Kurtz, Senior Municipal Advisor
Todd Hagen, Senior Municipal Advisor
Dan Tienter, Municipal Advisor

BUILDING COMMUNITIES. IT'S WHAT WE DO.

EXECUTIVE SUMMARY OF PROPOSED DEBT

Proposed Issue:

\$8,380,000 General Obligation Refunding Bonds, Series 2024A

Purposes:

The proposed issue includes tax-exempt financing to current refund the City's Taxable General Obligation Bonds, Series 2022A, and provide permanent financing for the Civic Center improvement project. The Series 2022A Bonds provided temporary financing to facilitate improvements to the project, which allowed time to finalize project costs and secure all of the funding resources.

This refunding is considered to be a Current Refunding as the obligations being refunded are either callable (pre-payable) now or will be within 90 days of the date of issue of the new Bonds.

The Bonds include the following purposes:

- Sales Tax authorized by Minnesota Session Laws 2021, 1st Special Session, Chapter 14, Article 8, Section 7. On November 8, 2022, the voters approved a local option sales tax that allows revenues to finance up to \$5,980,000 for reconstruction, remodeling, and upgrades to the Grand Rapids IRA Civic Center. Authorized costs include design, construction, reconstruction, mechanical upgrades, and engineering costs, as well as the associated bond costs. Debt service will be paid from sales tax revenues.
- Equipment - Ice Arena. The City will be updating the Arena's equipment to replace the R-22 refrigeration system with current technology. Debt service will be paid from a tax levy.
- Equipment. The City will be replacing and updating equipment in the Civic Arena, including but not limited to, security cameras and monitors, dasher boards and glass, HVAC systems, bleacher heaters, and other equipment and furnishings. Debt service will be paid from a tax levy.
- Tax Abatement. The balance of project costs will be paid through tax abatement revenues. The City held the public hearing on November 14, 2022. Debt service will be paid from tax abatement revenues (a tax levy).

Authority:

The Bonds are being issued pursuant to Minnesota Statutes, Chapters:

- 475 - General Bonding Authority
- Minnesota Session Laws 2021, 1st Special Session, Chapter 14, Article 8, Section 7. Special Legislation. Allows the City of Grand Rapids to impose a sales and use tax of one-half of one percent to finance up to \$5,980,000 for reconstruction, remodeling,

and upgrades to the Grand Rapids IRA Civic Center. Authorized costs include design, construction, reconstruction, mechanical upgrades, and engineering costs, as well as the associated bond costs.

- 410 – Equipment Bonding Authority. Allows cities to issue debt without a public hearing or referendum if the amount of equipment certificates issued is less than .25% of the estimated market value of taxable property in the City.
- 469 – Tax Abatement Bonding Authority. Allows cities to issue debt after a public hearing if the total amount of property taxes abated in any year for the Bonds, together with any outstanding annual abatements, does not exceed 10% of the City’s net tax capacity or \$200,000, whichever is greater.

The Bonds will be general obligations of the City for which its full faith, credit and taxing powers are pledged.

The City anticipates certain contractual obligations for private use of the facility by a 501(c)(3) entity. Federal tax code and associated regulations require that a public hearing be held for any tax-exempt financing that will be used to finance a facility with a qualifying private use. The public hearing will be held July 8, 2024.

Federal tax code also requires that the costs of issuance, including any underwriter’s discount, for a qualified 501(c)(3) financing cannot exceed 2.0% of the principal amount of the Bonds.

Term/Call Feature:

The Bonds are being issued for a term of 18 years. Principal on the Bonds will be due on February 1 in the years 2026 through 2042. Interest will be due every six months beginning August 1, 2025.

The Bonds will be subject to prepayment at the discretion of the City on February 1, 2034, or any date thereafter.

Bank Qualification:

Because the City is expecting to issue no more than \$10,000,000 in tax exempt debt during the calendar year, the City will be able to designate the Bonds as “bank qualified” obligations. Bank qualified status broadens the market for the Bonds, which can result in lower interest rates.

Rating:

The City’s most recent bond issues were rated by S&P Global Ratings. The current rating on those bonds is “AA-”. The City will request a new rating for the Bonds.

If the winning bidder on the Bonds elects to purchase bond insurance, the rating for the issue may be higher than the City’s bond rating in the event that the bond rating of the insurer is higher than that of the City.

Basis for Recommendation:

Based on your objectives, financial situation and need, risk tolerance, liquidity needs, experience with the issuance of Bonds and long-term financial capacity, as well as the tax status considerations related to the Bonds and the structure, timing and other similar matters related to the Bonds, we are recommending the issuance of Bonds as a suitable option.

Method of Sale/Placement:

We are recommending the Bonds be issued as municipal securities and offered through a competitive underwriting process. You will solicit competitive bids, which we will compile on your behalf, for the purchase of the Bonds from underwriters and banks.

An allowance for discount bidding will be incorporated in the terms of the issue. The discount is treated as an interest item and provides the underwriter with all or a portion of their compensation in the transaction.

If the Bonds are purchased at a price greater than the minimum bid amount (maximum discount), the unused allowance may be used to reduce your borrowing amount.

Premium Pricing:

In some cases, investors in municipal bonds prefer “premium” pricing structures. A premium is achieved when the coupon for any maturity (the interest rate paid by the issuer) exceeds the yield to the investor, resulting in a price paid that is greater than the face value of the bonds. The sum of the amounts paid in excess of face value is considered “reoffering premium.” The underwriter of the bonds will retain a portion of this reoffering premium as their compensation (or “discount”) but will pay the remainder of the premium to the City. The amount of the premium varies, but it is not uncommon to see premiums for new issues in the range of 2.00% to 10.00% of the face amount of the issue. This means that an issuer with a \$2,000,000 offering may receive bids that result in proceeds of \$2,040,000 to \$2,200,000.

For this issue of Bonds we have been directed to use the net premium to reduce the size of the issue. The resulting adjustments may slightly change the true interest cost of the issue, either up or down.

The amount of premium can be restricted in the bid specifications. Restrictions on premium may result in fewer bids but may also eliminate large adjustments on the day of sale and unintended impacts with respect to debt service payment. Ehlers will identify appropriate premium restrictions for the Bonds intended to achieve the City’s objectives for this financing.

Review of Existing Debt:

We have reviewed all outstanding indebtedness for the City and find that, other than the obligations proposed to be refunded by the Bonds, there are no other refunding opportunities at this time.

We will continue to monitor the market and the call dates for the City’s outstanding debt and will alert you to any future refunding opportunities.

Continuing Disclosure:

Because the City has more than \$10,000,000 in outstanding debt (including this issue) and this issue is over \$1,000,000, the City will be agreeing to provide certain updated Annual Financial Information and its Audited Financial Statement annually, as well as providing notices of the occurrence of certain reportable events to the Municipal Securities Rulemaking Board (the "MSRB"), as required by rules of the Securities and Exchange Commission (SEC). The City is already obligated to provide such reports for its existing bonds, and has contracted with Ehlers to prepare and file the reports.

Arbitrage Monitoring:

The City must ensure compliance with certain sections of the Internal Revenue Code and Treasury Regulations ("Arbitrage Rules") throughout the life of the issue to maintain the tax-exempt status of the Bonds. These Arbitrage Rules apply to amounts held in construction, escrow, reserve, debt service account(s), etc., along with related investment income on each fund/account.

IRS audits will verify compliance with rebate, yield restriction and records retention requirements within the Arbitrage Rules. The City's specific arbitrage responsibilities will be detailed in the Tax Certificate (the "Tax Compliance Document") prepared by your Bond Attorney and provided at closing.

The Bonds may qualify for one or more exception(s) to the Arbitrage Rules by meeting 1) small issuer exception, 2) spend down requirements, 3) bona fide debt service fund limits, 4) reasonable reserve requirements, 5) expenditure within an available period limitations, 6) investments yield restrictions, 7) de minimis rules, or; 8) borrower limited requirements.

An Ehlers arbitrage expert will contact the City within 30 days after the sale date to review the City's specific responsibilities for the Bonds. The City is currently receiving arbitrage services from Ehlers in relation to the Bonds.

Investment of Bond Proceeds:

Ehlers can assist the City in developing a strategy to invest your Bond proceeds until the funds are needed to redeem the refunded obligations.

Risk Factors:

Sales Tax Revenue: A portion of the debt is being paid with sales tax revenue. It should be noted that the amount of revenue is estimated at this time and the actual amount of sales tax revenue that will be available in the future is subject to legislative changes, economic conditions, commercial/retail businesses subject to the tax and actual annual sales subject to the sales tax. If sales tax revenue is inadequate and other funding sources are not available, the City may have to levy taxes to pay debt service on the bonds or appropriate sufficient funds from other sources.]

Current Refunding: The Bonds are being issued to finance a current refunding of prior City debt obligations. Those prior debt obligations are callable on or after December 1, 2023. The new Bonds will not be pre-payable until February 1, 2034.

This refunding is being undertaken based in part on an assumption that the City does not expect to pre-pay off this debt prior to the new call date and that market conditions warrant the refunding at this time.

Other Service Providers:

This debt issuance will require the engagement of other public finance service providers. This section identifies those other service providers, so Ehlers can coordinate their engagement on your behalf. Where you have previously used a particular firm to provide a service, we have assumed that you will continue that relationship. For services you have not previously required, we have identified a service provider. Fees charged by these service providers will be paid from proceeds of the obligation, unless you notify us that you wish to pay them from other sources. Our pre-sale bond sizing includes a good faith estimate of these fees, but the final fees may vary. If you have any questions pertaining to the identified service providers or their role, or if you would like to use a different service provider for any of the listed services, please contact us.

Bond Counsel: Kennedy & Graven, Chartered

Paying Agent: US Bank

Rating Agency: S&P Global Ratings (S&P)

Summary:

The decisions to be made by the City Council are as follows:

- Accept or modify the finance assumptions described in this report.
- Adopt the resolution attached to this report.

PROPOSED DEBT ISSUANCE SCHEDULE

Pre-Sale Review by City Council:	July 8, 2024
Due Diligence Call to Review Official Statement:	Week of July 29, 2024
Conference with Rating Agency:	Week of July 29, 2024
Distribute Official Statement:	August 1, 2024
City Council Meeting to Award Sale of the Bonds:	August 12, 2024
Estimated Closing Date:	September 5, 2024
Redemption Date for the Obligations Being Refunded:	September 25, 2024

Attachments

Estimated Sources and Uses of Funds

Estimated Proposed Debt Service Schedule

Estimated Debt Service Comparison

Resolution Authorizing Ehlers to Proceed with Bond Sale (Provided by Kennedy & Graven)

EHLERS' CONTACTS

Rebecca Kurtz, Senior Municipal Advisor	(651) 697-8516
Todd Hagen, Senior Municipal Advisor	(651) 697-8508
Dan Tienter, Municipal Advisor	(651) 697-8537
Nate Gilger, Public Finance Analyst	(651) 697-8538
Alicia Gage, Senior Financial Analyst	(651) 697-8551

City of Grand Rapids, Minnesota

\$8,380,000 General Obligation Refunding Bonds, Series 2024A

Issue Summary - Proposed Current Refunding Tax GO Temp Bonds 2022A

Assumes Current Market BQ AA- Rates plus 50bps - 501(c)(3)

Total Issue Sources And Uses

Dated 09/05/2024 | Delivered 09/05/2024

	Sales Tax	Equipment - Ice Arena	Equipment - Miscellaneous	Tax Abatement	Issue Summary
Sources Of Funds					
Par Amount of Bonds	\$4,245,000.00	\$2,475,000.00	\$1,045,000.00	\$615,000.00	\$8,380,000.00
Cash: Sales Tax as of 8/10/2024	1,984,447.00	-	-	-	1,984,447.00
Total Sources	\$6,229,447.00	\$2,475,000.00	\$1,045,000.00	\$615,000.00	\$10,364,447.00
Uses Of Funds					
Total Underwriter's Discount (1.200%)	50,940.00	29,700.00	12,540.00	7,380.00	100,560.00
Costs of Issuance	104,000.00	-	-	-	104,000.00
Deposit to Current Refunding Fund	6,069,949.17	2,446,250.42	1,035,342.50	598,874.58	10,150,416.67
Deposit to Project Fund - New Money	-	-	-	8,201.25	8,201.25
Rounding Amount	4,557.83	(950.42)	(2,882.50)	544.17	1,269.08
Total Uses	\$6,229,447.00	\$2,475,000.00	\$1,045,000.00	\$615,000.00	\$10,364,447.00

City of Grand Rapids, Minnesota

\$8,380,000 General Obligation Refunding Bonds, Series 2024A

Issue Summary - Proposed Current Refunding Tax GO Temp Bonds 2022A

Assumes Current Market BQ AA- Rates plus 50bps - 501(c)(3)

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+	Fiscal Total
09/05/2024	-	-	-	-	-
08/01/2025	-	-	304,083.29	304,083.29	-
02/01/2026	845,000.00	4.100%	167,898.75	1,012,898.75	1,316,982.04
08/01/2026	-	-	150,576.25	150,576.25	-
02/01/2027	1,015,000.00	4.000%	150,576.25	1,165,576.25	1,316,152.50
08/01/2027	-	-	130,276.25	130,276.25	-
02/01/2028	1,055,000.00	3.900%	130,276.25	1,185,276.25	1,315,552.50
08/01/2028	-	-	109,703.75	109,703.75	-
02/01/2029	1,095,000.00	3.900%	109,703.75	1,204,703.75	1,314,407.50
08/01/2029	-	-	88,351.25	88,351.25	-
02/01/2030	1,140,000.00	3.850%	88,351.25	1,228,351.25	1,316,702.50
08/01/2030	-	-	66,406.25	66,406.25	-
02/01/2031	215,000.00	3.850%	66,406.25	281,406.25	347,812.50
08/01/2031	-	-	62,267.50	62,267.50	-
02/01/2032	225,000.00	3.850%	62,267.50	287,267.50	349,535.00
08/01/2032	-	-	57,936.25	57,936.25	-
02/01/2033	235,000.00	3.850%	57,936.25	292,936.25	350,872.50
08/01/2033	-	-	53,412.50	53,412.50	-
02/01/2034	240,000.00	3.850%	53,412.50	293,412.50	346,825.00
08/01/2034	-	-	48,792.50	48,792.50	-
02/01/2035	250,000.00	3.850%	48,792.50	298,792.50	347,585.00
08/01/2035	-	-	43,980.00	43,980.00	-
02/01/2036	260,000.00	3.850%	43,980.00	303,980.00	347,960.00
08/01/2036	-	-	38,975.00	38,975.00	-
02/01/2037	270,000.00	4.100%	38,975.00	308,975.00	347,950.00
08/01/2037	-	-	33,440.00	33,440.00	-
02/01/2038	280,000.00	4.200%	33,440.00	313,440.00	346,880.00
08/01/2038	-	-	27,560.00	27,560.00	-
02/01/2039	295,000.00	4.250%	27,560.00	322,560.00	350,120.00
08/01/2039	-	-	21,291.25	21,291.25	-
02/01/2040	305,000.00	4.350%	21,291.25	326,291.25	347,582.50
08/01/2040	-	-	14,657.50	14,657.50	-
02/01/2041	320,000.00	4.450%	14,657.50	334,657.50	349,315.00
08/01/2041	-	-	7,537.50	7,537.50	-
02/01/2042	335,000.00	4.500%	7,537.50	342,537.50	350,075.00
Total	\$8,380,000.00	-	\$2,382,309.54	\$10,762,309.54	-

Yield Statistics

Bond Year Dollars	\$58,183.56
Average Life	6.943 Years
Average Coupon	4.0944723%
Net Interest Cost (NIC)	4.2673046%
True Interest Cost (TIC)	4.2836312%
Bond Yield for Arbitrage Purposes	4.0701902%
All Inclusive Cost (AIC)	4.5089587%

IRS Form 8038

Net Interest Cost	4.0944723%
Weighted Average Maturity	6.943 Years

City of Grand Rapids, Minnesota

\$8,380,000 General Obligation Refunding Bonds, Series 2024A

Issue Summary - Proposed Current Refunding Tax GO Temp Bonds 2022A

Assumes Current Market BQ AA- Rates plus 50bps - 501(c)(3)

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	105% Overlevy
02/01/2025	-	-	-	-	-
02/01/2026	845,000.00	4.100%	471,982.04	1,316,982.04	1,382,831.14
02/01/2027	1,015,000.00	4.000%	301,152.50	1,316,152.50	1,381,960.13
02/01/2028	1,055,000.00	3.900%	260,552.50	1,315,552.50	1,381,330.13
02/01/2029	1,095,000.00	3.900%	219,407.50	1,314,407.50	1,380,127.88
02/01/2030	1,140,000.00	3.850%	176,702.50	1,316,702.50	1,382,537.63
02/01/2031	215,000.00	3.850%	132,812.50	347,812.50	365,203.13
02/01/2032	225,000.00	3.850%	124,535.00	349,535.00	367,011.75
02/01/2033	235,000.00	3.850%	115,872.50	350,872.50	368,416.13
02/01/2034	240,000.00	3.850%	106,825.00	346,825.00	364,166.25
02/01/2035	250,000.00	3.850%	97,585.00	347,585.00	364,964.25
02/01/2036	260,000.00	3.850%	87,960.00	347,960.00	365,358.00
02/01/2037	270,000.00	4.100%	77,950.00	347,950.00	365,347.50
02/01/2038	280,000.00	4.200%	66,880.00	346,880.00	364,224.00
02/01/2039	295,000.00	4.250%	55,120.00	350,120.00	367,626.00
02/01/2040	305,000.00	4.350%	42,582.50	347,582.50	364,961.63
02/01/2041	320,000.00	4.450%	29,315.00	349,315.00	366,780.75
02/01/2042	335,000.00	4.500%	15,075.00	350,075.00	367,578.75
Total	\$8,380,000.00	-	\$2,382,309.54	\$10,762,309.54	\$11,300,425.02

Significant Dates

Dated	9/05/2024
First Coupon Date	8/01/2025

Yield Statistics

Bond Year Dollars	\$58,183.56
Average Life	6.943 Years
Average Coupon	4.0944723%
Net Interest Cost (NIC)	4.2673046%
True Interest Cost (TIC)	4.2836312%
Bond Yield for Arbitrage Purposes	4.0701902%
All Inclusive Cost (AIC)	4.5089587%

IRS Form 8038

Net Interest Cost	4.0944723%
Weighted Average Maturity	6.943 Years

City of Grand Rapids, Minnesota

\$4,245,000 General Obligation Refunding Bonds, Series 2024A

Sales Tax

Proposed Current Refunding Tax GO Temp Bonds 2022A

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	105% Overlevy
02/01/2025	-	-	-	-	-
02/01/2026	730,000.00	4.100%	235,261.89	965,261.89	1,013,524.98
02/01/2027	830,000.00	4.000%	137,450.00	967,450.00	1,015,822.50
02/01/2028	860,000.00	3.900%	104,250.00	964,250.00	1,012,462.50
02/01/2029	895,000.00	3.900%	70,710.00	965,710.00	1,013,995.50
02/01/2030	930,000.00	3.850%	35,805.00	965,805.00	1,014,095.25
Total	\$4,245,000.00	-	\$583,476.89	\$4,828,476.89	\$5,069,900.73

Significant Dates

Dated	9/05/2024
First Coupon Date	8/01/2025

Yield Statistics

Bond Year Dollars	\$14,921.58
Average Life	3.515 Years
Average Coupon	3.9102881%
Net Interest Cost (NIC)	4.2516727%
True Interest Cost (TIC)	4.2781175%
Bond Yield for Arbitrage Purposes	4.0701902%
All Inclusive Cost (AIC)	5.0625430%

IRS Form 8038

Net Interest Cost	3.9102881%
Weighted Average Maturity	3.515 Years

City of Grand Rapids, Minnesota

\$2,475,000 General Obligation Refunding Bonds, Series 2024A

Equipment - Ice Arena

Proposed Current Refunding Tax GO Temp Bonds 2022A

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	105% Overlevy
02/01/2025	-	-	-	-	-
02/01/2026	70,000.00	4.100%	141,687.03	211,687.03	222,271.38
02/01/2027	110,000.00	4.000%	97,935.00	207,935.00	218,331.75
02/01/2028	115,000.00	3.900%	93,535.00	208,535.00	218,961.75
02/01/2029	120,000.00	3.900%	89,050.00	209,050.00	219,502.50
02/01/2030	125,000.00	3.850%	84,370.00	209,370.00	219,838.50
02/01/2031	130,000.00	3.850%	79,557.50	209,557.50	220,035.38
02/01/2032	135,000.00	3.850%	74,552.50	209,552.50	220,030.13
02/01/2033	140,000.00	3.850%	69,355.00	209,355.00	219,822.75
02/01/2034	145,000.00	3.850%	63,965.00	208,965.00	219,413.25
02/01/2035	150,000.00	3.850%	58,382.50	208,382.50	218,801.63
02/01/2036	155,000.00	3.850%	52,607.50	207,607.50	217,987.88
02/01/2037	160,000.00	4.100%	46,640.00	206,640.00	216,972.00
02/01/2038	170,000.00	4.200%	40,080.00	210,080.00	220,584.00
02/01/2039	175,000.00	4.250%	32,940.00	207,940.00	218,337.00
02/01/2040	185,000.00	4.350%	25,502.50	210,502.50	221,027.63
02/01/2041	190,000.00	4.450%	17,455.00	207,455.00	217,827.75
02/01/2042	200,000.00	4.500%	9,000.00	209,000.00	219,450.00
Total	\$2,475,000.00	-	\$1,076,614.53	\$3,551,614.53	\$3,729,195.26

Significant Dates

Dated	9/05/2024
First Coupon Date	8/01/2025

Yield Statistics

Bond Year Dollars	\$25,893.75
Average Life	10.462 Years
Average Coupon	4.1578162%
Net Interest Cost (NIC)	4.2725157%
True Interest Cost (TIC)	4.2857036%
Bond Yield for Arbitrage Purposes	4.0701902%
All Inclusive Cost (AIC)	4.2857036%

IRS Form 8038

Net Interest Cost	4.1578162%
Weighted Average Maturity	10.462 Years

City of Grand Rapids, Minnesota

\$1,045,000 General Obligation Refunding Bonds, Series 2024A

Equipment - Miscellaneous

Proposed Current Refunding Tax GO Temp Bonds 2022A

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	105% Overlevy
02/01/2025	-	-	-	-	-
02/01/2026	30,000.00	4.100%	59,809.90	89,809.90	94,300.40
02/01/2027	45,000.00	4.000%	41,322.50	86,322.50	90,638.63
02/01/2028	50,000.00	3.900%	39,522.50	89,522.50	93,998.63
02/01/2029	50,000.00	3.900%	37,572.50	87,572.50	91,951.13
02/01/2030	55,000.00	3.850%	35,622.50	90,622.50	95,153.63
02/01/2031	55,000.00	3.850%	33,505.00	88,505.00	92,930.25
02/01/2032	55,000.00	3.850%	31,387.50	86,387.50	90,706.88
02/01/2033	60,000.00	3.850%	29,270.00	89,270.00	93,733.50
02/01/2034	60,000.00	3.850%	26,960.00	86,960.00	91,308.00
02/01/2035	65,000.00	3.850%	24,650.00	89,650.00	94,132.50
02/01/2036	65,000.00	3.850%	22,147.50	87,147.50	91,504.88
02/01/2037	70,000.00	4.100%	19,645.00	89,645.00	94,127.25
02/01/2038	70,000.00	4.200%	16,775.00	86,775.00	91,113.75
02/01/2039	75,000.00	4.250%	13,835.00	88,835.00	93,276.75
02/01/2040	75,000.00	4.350%	10,647.50	85,647.50	89,929.88
02/01/2041	80,000.00	4.450%	7,385.00	87,385.00	91,754.25
02/01/2042	85,000.00	4.500%	3,825.00	88,825.00	93,266.25
Total	\$1,045,000.00	-	\$453,882.40	\$1,498,882.40	\$1,573,826.52

Significant Dates

Dated	9/05/2024
First Coupon Date	8/01/2025

Yield Statistics

Bond Year Dollars	\$10,918.81
Average Life	10.449 Years
Average Coupon	4.1568869%
Net Interest Cost (NIC)	4.2717346%
True Interest Cost (TIC)	4.2849057%
Bond Yield for Arbitrage Purposes	4.0701902%
All Inclusive Cost (AIC)	4.2849057%

IRS Form 8038

Net Interest Cost	4.1568869%
Weighted Average Maturity	10.449 Years

City of Grand Rapids, Minnesota

\$615,000 General Obligation Refunding Bonds, Series 2024A

Tax Abatement

Proposed Current Refunding Tax GO Temp Bonds 2022A

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	105% Overlevy
02/01/2025	-	-	-	-	-
02/01/2026	15,000.00	4.100%	35,223.22	50,223.22	52,734.38
02/01/2027	30,000.00	4.000%	24,445.00	54,445.00	57,167.25
02/01/2028	30,000.00	3.900%	23,245.00	53,245.00	55,907.25
02/01/2029	30,000.00	3.900%	22,075.00	52,075.00	54,678.75
02/01/2030	30,000.00	3.850%	20,905.00	50,905.00	53,450.25
02/01/2031	30,000.00	3.850%	19,750.00	49,750.00	52,237.50
02/01/2032	35,000.00	3.850%	18,595.00	53,595.00	56,274.75
02/01/2033	35,000.00	3.850%	17,247.50	52,247.50	54,859.88
02/01/2034	35,000.00	3.850%	15,900.00	50,900.00	53,445.00
02/01/2035	35,000.00	3.850%	14,552.50	49,552.50	52,030.13
02/01/2036	40,000.00	3.850%	13,205.00	53,205.00	55,865.25
02/01/2037	40,000.00	4.100%	11,665.00	51,665.00	54,248.25
02/01/2038	40,000.00	4.200%	10,025.00	50,025.00	52,526.25
02/01/2039	45,000.00	4.250%	8,345.00	53,345.00	56,012.25
02/01/2040	45,000.00	4.350%	6,432.50	51,432.50	54,004.13
02/01/2041	50,000.00	4.450%	4,475.00	54,475.00	57,198.75
02/01/2042	50,000.00	4.500%	2,250.00	52,250.00	54,862.50
Total	\$615,000.00	-	\$268,335.72	\$883,335.72	\$927,502.51

Significant Dates

Dated	9/05/2024
First Coupon Date	8/01/2025

Yield Statistics

Bond Year Dollars	\$6,449.42
Average Life	10.487 Years
Average Coupon	4.1606200%
Net Interest Cost (NIC)	4.2750490%
True Interest Cost (TIC)	4.2881934%
Bond Yield for Arbitrage Purposes	4.0701902%
All Inclusive Cost (AIC)	4.2881934%

IRS Form 8038

Net Interest Cost	\$4.16
Weighted Average Maturity	10.487 Years



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

REQUEST FOR COUNCIL ACTION

AGENDA DATE: July 8, 2024

AGENDA ITEM: Consider adopting a resolution providing for issuance and sale of General Obligation Equipment Certificates, Series 2024B, in the proposed aggregate principal amount of \$1,055,000.

PREPARED BY: Barb Baird

BACKGROUND:

The proposed issue includes financing for the purchase of financial software, which will serve the City and the Grand Rapids Public Utility (GRPU). Debt service will be paid from ad valorem property taxes; however, the tax levy for the GRPU portion of the debt will be written down by utility revenues.

The certificates are being issued for a term of 8 years. Principal on the Certificates will be due on February 1 in years 2026 through 2032. Interest will be due every six months beginning August 1, 2025.

REQUESTED COUNCIL ACTION:

Make a motion adopting a resolution providing for issuance and sale of General Obligation Equipment Certificates, Series 2024B, in the proposed aggregate principal amount of \$1,055,000.

CITY OF GRAND RAPIDS, MINNESOTA

RESOLUTION NO. ____

**RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF
GENERAL OBLIGATION EQUIPMENT CERTIFICATES,
SERIES 2024B, IN THE PROPOSED AGGREGATE PRINCIPAL
AMOUNT OF \$1,055,000**

BE IT RESOLVED by the City Council (the “Council”) of the City of Grand Rapids, Minnesota (the “City”) as follows:

Section 1. Authorization.

(a) Pursuant to Minnesota Statutes, Chapter 475, as amended, and Minnesota Statutes, Section 412.301, as amended (together, the “Capital Equipment Act”), the City is authorized to issue its general obligation equipment certificates of indebtedness on such terms and in such manner as the City determines to finance the purchase of items of capital equipment, subject to certain limitations contained in the Capital Equipment Act.

(b) The City has purchased and acquired or will purchase and acquire computer software to be used by the City and the Grand Rapids Public Utilities Commission or other items of capital equipment authorized under the Capital Equipment Act (collectively, the “Equipment”), pursuant to the Capital Equipment Act.

(c) The Council finds it is necessary and expedient to the sound financial management of the affairs of the City to issue its General Obligation Equipment Certificates, Series 2024B (the “Certificates”), in the proposed aggregate principal amount of \$1,055,000, pursuant to the Capital Equipment Act, to provide financing for the acquisition of the Equipment.

(d) As required by the Capital Equipment Act:

(i) the expected useful life of the Equipment is or will be at least as long as the term of the Certificates; and

(ii) the principal amount of the Certificates to be issued in the year 2024 will not exceed one-quarter of one percent (0.25%) of the estimated market value of taxable property in the City for the year 2024.

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

Section 2. Authority of Municipal Advisor. Ehlers and Associates, Inc. (the “Municipal Advisor”) is authorized and directed to negotiate the sale of the Certificates. The Council will meet on Monday, August 12, 2024, or another date selected by City staff, to consider proposals on the Certificates and take any other appropriate action with respect to the Certificates.

Section 3. Authority of Bond Counsel. The law firm of Kennedy & Graven, Chartered, as bond counsel for the City (“Bond Counsel”), is authorized to act as bond counsel and to assist in the preparation and review of necessary documents, certificates and instruments relating to the Certificates. The officers, employees and agents of the City are hereby authorized to assist Bond Counsel in the preparation of such documents, certificates, and instruments.

Section 4. Covenants. In the resolution awarding the sale of the Certificates, the Council will set forth the covenants and undertakings required by the Act.

Section 5. Official Statement. In connection with the sale of the Certificates, the officers or employees of the City are authorized and directed to cooperate with the Municipal Advisor and participate in the preparation of an official statement for the Certificates and to deliver it on behalf of the City upon its completion.

Approved this July 8, 2024 by the City Council of the City of Grand Rapids, Minnesota.

Mayor

ATTEST:

City Clerk

July 8, 2024

PRE-SALE REPORT FOR

City of Grand Rapids, Minnesota

**\$1,055,000 General Obligation Equipment Certificates,
Series 2024B**



Prepared by:

Ehlers
3060 Centre Pointe Drive
Roseville, MN 55113

Advisors:

Rebecca Kurtz, Senior Municipal Advisor
Dan Tienter, Municipal Advisor
Todd Hagen, Senior Municipal Advisor

BUILDING COMMUNITIES. IT'S WHAT WE DO.

EXECUTIVE SUMMARY OF PROPOSED DEBT

Proposed Issue:

\$1,055,000 General Obligation Equipment Certificates, Series 2024B

Purposes:

The proposed issue includes financing for the purchase of financial software, which will serve the City and the Grand Rapids Public Utility (GRPU). Debt service will be paid from ad valorem property taxes; however, the tax levy for the GRPU portion of the debt will be written down by utility revenues.

Authority:

The Certificates are being issued pursuant to Minnesota Statutes, Chapters:

- 412 - Allows cities to issue general obligation debt without a public hearing or referendum, if the amount of the equipment certificate is less than 0.25% of the estimated market value of taxable property in the City.
- 475 - General Bonding Authority

The Certificates count against the Net Debt Limit of 3% of the estimated market value of taxable property in the City.

The Certificates will be general obligations of the City for which its full faith, credit and taxing powers are pledged.

Term/Call Feature:

The Certificates are being issued for a term of 8 years. Principal on the Certificates will be due on February 1 in the years 2026 through 2032. Interest will be due every six months beginning August 1, 2025.

The Certificates will be subject to prepayment at the discretion of the City on February 1, 2030, or any date thereafter.

Bank Qualification:

Because the City is expecting to issue no more than \$10,000,000 in tax exempt debt during the calendar year, the City will be able to designate the Certificates as "bank qualified" obligations. Bank qualified status broadens the market for the Certificates, which can result in lower interest rates.

Rating:

The City's most recent bond issues were rated by S&P Global Ratings. The current rating on those bonds is "AA-". The City will request a new rating for the Certificates.

If the winning bidder on the Certificates elects to purchase bond insurance, the rating for the issue may be higher than the City's bond rating in the event that the bond rating of the insurer is higher than that of the City.

Basis for Recommendation:

Based on your objectives, financial situation and need, risk tolerance, liquidity needs, experience with the issuance of Certificates and long-term financial capacity, as well as the tax status considerations related to the Certificates and the structure, timing and other similar matters related to the Certificates, we are recommending the issuance of Certificates as a suitable option. Ehlers has reviewed other reasonably feasible alternatives to the recommended issuance of municipal securities.

Method of Sale/Placement:

We are recommending the Certificates be issued as municipal securities and offered through a competitive underwriting process. You will solicit competitive bids, which we will compile on your behalf, for the purchase of the Certificates from underwriters and banks.

An allowance for discount bidding will be incorporated in the terms of the issue. The discount is treated as an interest item and provides the underwriter with all or a portion of their compensation in the transaction.

If the Certificates are purchased at a price greater than the minimum bid amount (maximum discount), the unused allowance may be used to reduce your borrowing amount.

Premium Pricing:

In some cases, investors in municipal bonds prefer "premium" pricing structures. A premium is achieved when the coupon for any maturity (the interest rate paid by the issuer) exceeds the yield to the investor, resulting in a price paid that is greater than the face value of the bonds. The sum of the amounts paid in excess of face value is considered "reoffering premium." The underwriter of the bonds will retain a portion of this reoffering premium as their compensation (or "discount") but will pay the remainder of the premium to the City. The amount of the premium varies, but it is not uncommon to see premiums for new issues in the range of 2.00% to 10.00% of the face amount of the issue. This means that an issuer with a \$2,000,000 offering may receive bids that result in proceeds of \$2,040,000 to \$2,200,000.

For this issue of Certificates we have been directed to use the net premium to reduce the size of the issue. The resulting adjustments may slightly change the true interest cost of the issue, either up or down.

The amount of premium can be restricted in the bid specifications. Restrictions on premium may result in fewer bids but may also eliminate large adjustments on the day of sale and unintended impacts with respect to debt service payment. Ehlers will identify appropriate premium restrictions for the Certificates intended to achieve the City's objectives for his financing.

Review of Existing Debt:

We have reviewed all outstanding indebtedness for the City and find that there are no refunding opportunities at this time.

We will continue to monitor the market and the call dates for the City's outstanding debt and will alert you to any future refunding opportunities.

Continuing Disclosure:

Because the City has more than \$10,000,000 in outstanding debt (including this issue) and this issue is over \$1,000,000, the City will be agreeing to provide certain updated Annual Financial Information and its Audited Financial Statement annually, as well as providing notices of the occurrence of certain reportable events to the Municipal Securities Rulemaking Board (the "MSRB"), as required by rules of the Securities and Exchange Commission (SEC). The City is already obligated to provide such reports for its existing bonds, and has contracted with Ehlers to prepare and file the reports.

Arbitrage Monitoring:

The City must ensure compliance with certain sections of the Internal Revenue Code and Treasury Regulations ("Arbitrage Rules") throughout the life of the issue to maintain the tax-exempt status of the Certificates. These Arbitrage Rules apply to amounts held in construction, escrow, reserve, debt service account(s), etc., along with related investment income on each fund/account.

IRS audits will verify compliance with rebate, yield restriction and records retention requirements within the Arbitrage Rules. The City's specific arbitrage responsibilities will be detailed in the Tax Certificate (the "Tax Compliance Document") prepared by your Bond Attorney and provided at closing.

The Certificates may qualify for one or more exception(s) to the Arbitrage Rules by meeting 1) small issuer exception, 2) spend down requirements, 3) bona fide debt service fund limits, 4) reasonable reserve requirements, 5) expenditure within an available period limitations, 6) investments yield restrictions, 7) de minimis rules, or; 8) borrower limited requirements.

An Ehlers arbitrage expert will contact the City within 30 days after the sale date to review the City's specific responsibilities for the Certificates. The City is currently receiving arbitrage services from Ehlers in relation to the Certificates.

Investment of Certificate Proceeds:

Ehlers can assist the City in developing a strategy to invest your Certificate proceeds until the funds are needed to pay project costs.

Other Service Providers:

This debt issuance will require the engagement of other public finance service providers. This section identifies those other service providers, so Ehlers can coordinate their engagement on your behalf. Where you have previously used a particular firm to provide a service, we have assumed that you will continue that relationship. For services you have not previously required, we have identified a service provider. Fees charged by these service providers will be paid from proceeds of the obligation, unless you notify us that you wish to pay them from other sources. Our pre-sale bond sizing includes a good faith estimate of these fees, but the final fees may vary. If you have any questions pertaining to the identified service providers or their role, or if you would like to use a different service provider for any of the listed services, please contact us.

Bond Counsel: Kennedy & Graven, Chartered

Paying Agent: US Bank

Rating Agency: S&P Global Ratings (S&P)

Summary:

The decisions to be made by the City Council are as follows:

- Accept or modify the finance assumptions described in this report.
- Adopt the resolution attached to this report.

PROPOSED DEBT ISSUANCE SCHEDULE

Pre-Sale Review by City Council:	July 8, 2024
Due Diligence Call to Review Official Statement:	Week of July 29, 2024
Conference with Rating Agency:	Week of July 29, 2024
Distribute Official Statement:	August 1, 2024
City Council Meeting to Award Sale of the Certificates:	August 12, 2024
Estimated Closing Date:	September 5, 2024

Attachments

Estimated Sources and Uses of Funds

Estimated Proposed Debt Service Schedule

Resolution Authorizing Ehlers to Proceed with Certificate Sale (Provided by Kennedy & Graven)

EHLERS' CONTACTS

Rebecca Kurtz, Senior Municipal Advisor	(651) 697-8516
Dan Tienter, Municipal Advisor	(651) 697-8537
Todd Hagen, Senior Municipal Advisor	(651) 697-8508
Nate Gilger, Public Finance Analyst	(651) 697-8538
Alicia Gage, Senior Financial Analyst	(651) 697-8551

City of Grand Rapids, Minnesota

\$1,055,000 General Obligation Equipment Certificates, Series 2024B

Issue Summary - Competitive Sale

Assumes Current Market BQ AA- Rates +50bps

Total Issue Sources And Uses

Dated 09/05/2024 | Delivered 09/05/2024

	City Equipment	Utility Equipment	Issue Summary
Sources Of Funds			
Par Amount of Bonds	\$370,000.00	\$685,000.00	\$1,055,000.00
Planned Issuer Equity contribution	-	225,000.00	225,000.00
Total Sources	\$370,000.00	\$910,000.00	\$1,280,000.00
Uses Of Funds			
Total Underwriter's Discount (1.500%)	5,550.00	10,275.00	15,825.00
Costs of Issuance	13,327.02	24,672.98	38,000.00
Deposit to Project Construction Fund	350,000.00	875,000.00	1,225,000.00
Rounding Amount	1,122.98	52.02	1,175.00
Total Uses	\$370,000.00	\$910,000.00	\$1,280,000.00

City of Grand Rapids, Minnesota

\$1,055,000 General Obligation Equipment Certificates, Series 2024B

Issue Summary - Competitive Sale

Assumes Current Market BQ AA- Rates +50bps

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+l	Fiscal Total
09/05/2024	-	-	-	-	-
08/01/2025	-	-	35,534.00	35,534.00	-
02/01/2026	120,000.00	3.900%	19,620.00	139,620.00	175,154.00
08/01/2026	-	-	17,280.00	17,280.00	-
02/01/2027	140,000.00	3.800%	17,280.00	157,280.00	174,560.00
08/01/2027	-	-	14,620.00	14,620.00	-
02/01/2028	145,000.00	3.750%	14,620.00	159,620.00	174,240.00
08/01/2028	-	-	11,901.25	11,901.25	-
02/01/2029	155,000.00	3.700%	11,901.25	166,901.25	178,802.50
08/01/2029	-	-	9,033.75	9,033.75	-
02/01/2030	160,000.00	3.650%	9,033.75	169,033.75	178,067.50
08/01/2030	-	-	6,113.75	6,113.75	-
02/01/2031	165,000.00	3.650%	6,113.75	171,113.75	177,227.50
08/01/2031	-	-	3,102.50	3,102.50	-
02/01/2032	170,000.00	3.650%	3,102.50	173,102.50	176,205.00
Total	\$1,055,000.00	-	\$179,256.50	\$1,234,256.50	-

Yield Statistics

Bond Year Dollars	\$4,862.86
Average Life	4.609 Years
Average Coupon	3.6862352%
Net Interest Cost (NIC)	4.0116609%
True Interest Cost (TIC)	4.0472519%
Bond Yield for Arbitrage Purposes	3.6820825%
All Inclusive Cost (AIC)	4.9556520%

IRS Form 8038

Net Interest Cost	3.6862352%
Weighted Average Maturity	4.609 Years

City of Grand Rapids, Minnesota

\$1,055,000 General Obligation Equipment Certificates, Series 2024B

Issue Summary - Competitive Sale

Assumes Current Market BQ AA- Rates +50bps

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	105% Overlevy
02/01/2025	-	-	-	-	-
02/01/2026	120,000.00	3.900%	55,154.00	175,154.00	183,911.70
02/01/2027	140,000.00	3.800%	34,560.00	174,560.00	183,288.00
02/01/2028	145,000.00	3.750%	29,240.00	174,240.00	182,952.00
02/01/2029	155,000.00	3.700%	23,802.50	178,802.50	187,742.63
02/01/2030	160,000.00	3.650%	18,067.50	178,067.50	186,970.88
02/01/2031	165,000.00	3.650%	12,227.50	177,227.50	186,088.88
02/01/2032	170,000.00	3.650%	6,205.00	176,205.00	185,015.25
Total	\$1,055,000.00	-	\$179,256.50	\$1,234,256.50	\$1,295,969.33

Significant Dates

Dated	9/05/2024
First Coupon Date	8/01/2025

Yield Statistics

Bond Year Dollars	\$4,862.86
Average Life	4.609 Years
Average Coupon	3.6862352%
Net Interest Cost (NIC)	4.0116609%
True Interest Cost (TIC)	4.0472519%
Bond Yield for Arbitrage Purposes	3.6820825%
All Inclusive Cost (AIC)	4.9556520%

IRS Form 8038

Net Interest Cost	3.6862352%
Weighted Average Maturity	4.609 Years

City of Grand Rapids, Minnesota

\$370,000 General Obligation Equipment Certificates, Series 2024B

City Equipment

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
09/05/2024	-	-	-	-	-
08/01/2025	-	-	12,458.18	12,458.18	-
02/01/2026	40,000.00	3.900%	6,878.75	46,878.75	59,336.93
08/01/2026	-	-	6,098.75	6,098.75	-
02/01/2027	50,000.00	3.800%	6,098.75	56,098.75	62,197.50
08/01/2027	-	-	5,148.75	5,148.75	-
02/01/2028	50,000.00	3.750%	5,148.75	55,148.75	60,297.50
08/01/2028	-	-	4,211.25	4,211.25	-
02/01/2029	55,000.00	3.700%	4,211.25	59,211.25	63,422.50
08/01/2029	-	-	3,193.75	3,193.75	-
02/01/2030	55,000.00	3.650%	3,193.75	58,193.75	61,387.50
08/01/2030	-	-	2,190.00	2,190.00	-
02/01/2031	60,000.00	3.650%	2,190.00	62,190.00	64,380.00
08/01/2031	-	-	1,095.00	1,095.00	-
02/01/2032	60,000.00	3.650%	1,095.00	61,095.00	62,190.00
Total	\$370,000.00	-	\$63,211.93	\$433,211.93	-

Yield Statistics

Bond Year Dollars	\$1,715.06
Average Life	4.635 Years
Average Coupon	3.6857074%
Net Interest Cost (NIC)	4.0093121%
True Interest Cost (TIC)	4.0447782%
Bond Yield for Arbitrage Purposes	3.6820825%
All Inclusive Cost (AIC)	4.9482311%

IRS Form 8038

Net Interest Cost	3.6857074%
Weighted Average Maturity	4.635 Years

City of Grand Rapids, Minnesota

\$370,000 General Obligation Equipment Certificates, Series 2024B

City Equipment

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	105% Overlevy
02/01/2025	-	-	-	-	-
02/01/2026	40,000.00	3.900%	19,336.93	59,336.93	62,303.78
02/01/2027	50,000.00	3.800%	12,197.50	62,197.50	65,307.38
02/01/2028	50,000.00	3.750%	10,297.50	60,297.50	63,312.38
02/01/2029	55,000.00	3.700%	8,422.50	63,422.50	66,593.63
02/01/2030	55,000.00	3.650%	6,387.50	61,387.50	64,456.88
02/01/2031	60,000.00	3.650%	4,380.00	64,380.00	67,599.00
02/01/2032	60,000.00	3.650%	2,190.00	62,190.00	65,299.50
Total	\$370,000.00	-	\$63,211.93	\$433,211.93	\$454,872.53

Significant Dates

Dated	9/05/2024
First Coupon Date	8/01/2025

Yield Statistics

Bond Year Dollars	\$1,715.06
Average Life	4.635 Years
Average Coupon	3.6857074%
Net Interest Cost (NIC)	4.0093121%
True Interest Cost (TIC)	4.0447782%
Bond Yield for Arbitrage Purposes	3.6820825%
All Inclusive Cost (AIC)	4.9482311%

IRS Form 8038

Net Interest Cost	3.6857074%
Weighted Average Maturity	4.635 Years

City of Grand Rapids, Minnesota

\$685,000 General Obligation Equipment Certificates, Series 2024B

Utility Equipment

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
09/05/2024	-	-	-	-	-
08/01/2025	-	-	23,075.82	23,075.82	-
02/01/2026	80,000.00	3.900%	12,741.25	92,741.25	115,817.07
08/01/2026	-	-	11,181.25	11,181.25	-
02/01/2027	90,000.00	3.800%	11,181.25	101,181.25	112,362.50
08/01/2027	-	-	9,471.25	9,471.25	-
02/01/2028	95,000.00	3.750%	9,471.25	104,471.25	113,942.50
08/01/2028	-	-	7,690.00	7,690.00	-
02/01/2029	100,000.00	3.700%	7,690.00	107,690.00	115,380.00
08/01/2029	-	-	5,840.00	5,840.00	-
02/01/2030	105,000.00	3.650%	5,840.00	110,840.00	116,680.00
08/01/2030	-	-	3,923.75	3,923.75	-
02/01/2031	105,000.00	3.650%	3,923.75	108,923.75	112,847.50
08/01/2031	-	-	2,007.50	2,007.50	-
02/01/2032	110,000.00	3.650%	2,007.50	112,007.50	114,015.00
Total	\$685,000.00	-	\$116,044.57	\$801,044.57	-

Yield Statistics

Bond Year Dollars	\$3,147.81
Average Life	4.595 Years
Average Coupon	3.6865228%
Net Interest Cost (NIC)	4.0129407%
True Interest Cost (TIC)	4.0485990%
Bond Yield for Arbitrage Purposes	3.6820825%
All Inclusive Cost (AIC)	4.9596934%

IRS Form 8038

Net Interest Cost	3.6865228%
Weighted Average Maturity	4.595 Years

City of Grand Rapids, Minnesota

\$685,000 General Obligation Equipment Certificates, Series 2024B
Utility Equipment

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	105% Overlevy
02/01/2025	-	-	-	-	-
02/01/2026	80,000.00	3.900%	35,817.07	115,817.07	121,607.92
02/01/2027	90,000.00	3.800%	22,362.50	112,362.50	117,980.63
02/01/2028	95,000.00	3.750%	18,942.50	113,942.50	119,639.63
02/01/2029	100,000.00	3.700%	15,380.00	115,380.00	121,149.00
02/01/2030	105,000.00	3.650%	11,680.00	116,680.00	122,514.00
02/01/2031	105,000.00	3.650%	7,847.50	112,847.50	118,489.88
02/01/2032	110,000.00	3.650%	4,015.00	114,015.00	119,715.75
Total	\$685,000.00	-	\$116,044.57	\$801,044.57	\$841,096.80

Significant Dates

Dated	9/05/2024
First Coupon Date	8/01/2025

Yield Statistics

Bond Year Dollars	\$3,147.81
Average Life	4.595 Years
Average Coupon	3.6865228%
Net Interest Cost (NIC)	4.0129407%
True Interest Cost (TIC)	4.0485990%
Bond Yield for Arbitrage Purposes	3.6820825%
All Inclusive Cost (AIC)	4.9596934%

IRS Form 8038

Net Interest Cost	3.6865228%
Weighted Average Maturity	4.595 Years