



#### CITY COUNCIL MEETING AGENDA

Monday, June 27, 2022 5:00 PM

CALL TO ORDER: Pursuant to due notice and call thereof, a Regular meeting of the Grand Rapids City

CALL TO ORDER. I disuant to due notice and can increof, a Regular meeting of the Grand Rapids City
Council will be held on Monday, June 27, 2022 at 5:00 PM in City Hall Council Chambers, 420 North
Pokegama Avenue, Grand Rapids, Minnesota.

#### CALL OF ROLL:

PUBLIC FORUM:

#### **COUNCIL REPORTS:**

#### APPROVAL OF MINUTES:

1. Approve Council minutes for Monday, June 13, 2022 Regular meeting.

#### **VERIFIED CLAIMS:**

2. Approve the verified claims for the period June 7, 2022 to June 20, 2022 in the total amount of \$624,384.31.

#### **CONSENT AGENDA:**

- Consider final pay application from Gartner Temperature Controls for New Fire Hall and Police Evidence Garage. Also consider accepting final pay application from Shannons Mechanical for New Fire Hall.
- Consider entering into an Advertising Agreement with a business at the IRA Civic Center.
- Consider Voiding Lost Accounts Payable Check and Issue a Replacement Check
- Consider authorizing quotes and accepting low bid from Neo Electrical Solutions for the Highway 169 South Lighting project
- 7. Adopt a resolution approving LG230 Application for Off-Site Gambling for Confidence **Learning Center**
- 8. Consider accepting the resignation of Makhi Ruesink from the position of part-time Hospital Security Officer.
- Consider approve Bid Package 2 and approve advertisement of bids for the IRA Civic Center project

- 10. Consider hiring a Public Works Summer Maintenance I / Civic Center Maintenance employee.
- 11. Consider accepting quote from Loffler for photocopiers.
- 12. Consider accepting the 2021 audited financial reports.
- 13. Consider approving the School Resource Officer Agreement for 2022-2023 school year with Independent School District #318.
- <u>14.</u> Consider approving changes to Social Media Policy
- <u>15.</u> Consider vacating three seats on the Police Community Advisory Board and support efforts to fill such vacancies
- 16. Consider adopting a resolution authorizing application and acceptance of funds from MN Department of IRRR Development Infrastructure Grant Program.
- 17. Consider approving agreement with Adessa & The Beat for musical entertainment at Tall Timber Days event.
- 18. Consider making a motion to authorize payment for additional fencing in the amount of \$28,865.00 for the proposed construction at the Civic Center.
- 19. Consider accepting the resignation of Robert Sanders from the full-time position of Hospital Security Officer and changing his employment status to part-time.

#### SET REGULAR AGENDA:

#### AIRPORT:

<u>20. Consider</u> approving proposal from Encompass Engineering for an evaluation of the exterior building envelope and water infiltration issues at the former Airport Terminal/ EOC/ Dispatch building.

#### FINANCE:

<u>21. Consider</u> passing a resolution accepting donations from the City of Cohasset, Harris Township, and the Greater Pokegama Lake Association for financial assistance with the July 3rd Fireworks Display.

#### CITY COUNCIL:

- 22. Consider adopting a resolution accepting a \$750.00 donation from the Grand Rapids Players for Human Rights Commission activities.
- 23. Consider appointment of new member to the Human Rights Commission

#### ADJOURNMENT:

#### NEXT REGULAR MEETING IS SCHEDULED FOR JULY 11, 2022, 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 COUNCIL MEETING MINUTES

Monday, June 13, 2022 5:00 PM

Mayor Christy called the meeting to order at 5:00 PM.

CALL OF ROLL: PRESENT: Mayor Dale Christy, Councilor Dale Adams, Councilor Michelle Toven, Councilor Rick Blake, Councilor Tasha Connelly. ABSENT: None.

Staff: Tom Pagel, Chad Sterle, Steve Schaar, Lynn DeGrio, Barb Baird

#### PROCLAMATIONS/PRESENTATIONS:

- 1. Pride Proclamation read into the record.
- 2. Juneteenth Proclamation read into the record.

PUBLIC FORUM: No one wished to speak.

#### **COUNCIL REPORTS:**

Councilor Toven shares the first Juneteenth Celebration will be Sunday, June 19, 2022 at KAXE.

Councilor Connelly shares information about GR Human Rights Commission sponsoring Juneteenth Celebration and interest expressed from other communities in the commission and it's work.

Councilor Adams shares information about Aurora Heights housing project open house on Tuesday, June 14th.

Mayor Christy commends those that helped commemorate the 100th birthday celebration of Judy Garland.

#### APPROVAL OF MINUTES:

3. Approve Council minutes for Monday, May 23, 2022 Worksession and Regular meetings.

Motion made by Councilor Adams, Second by Councilor Toven to approve Council minutes as presented. Voting Yea: Mayor Christy, Councilor Adams, Councilor Toven, Councilor Blake, Councilor Connelly

#### **VERIFIED CLAIMS:**

4. Approve the verified claims for the period May 17, 2022 to June 6, 2022 in the total amount of \$869,174.00.

Motion made by Councilor Blake, Second by Councilor Connelly to approve verified claims as presented. Voting Yea: Mayor Christy, Councilor Adams, Councilor Toven, Councilor Blake, Councilor Connelly

#### ACKNOWLEDGE MINUTES FOR BOARDS AND COMMISSIONS:

5. Council acknowledged meeting minutes for the following:

April 27, 2022 Human Rights Commission April 28, 2022 GREDA meeting May 11, 2022 Library Board May 12, 2022 GREDA meeting

#### **CONSENT AGENDA:**

6. Consider adopting a resolution approving Joint Powers Agreement with the State of Minnesota regarding MN Internet Crimes Against Children Task Force

#### **Adopted Resolution 22-56**

- 7. Consider approving a Lease Agreement with ISD 318 for use of the City's athletic fields.
- 8. Consider approving Septic Check Contract
- 9. Consider approving golf course employment
- 10. Consider adopting a resolution accepting a \$500,000 grant from the Minnesota Department of Transportation for CP 2022-1, Trunk Highway 2 Lighting Project and authorize the execution of the associated agreement.

#### **Adopted Resolution 22-57**

- 11. Consider approving temporary liquor licenses for MacRostie Art Center First Friday Events
- 12. Consider approval of purchasing additional fencing for the proposed construction at the Civic Center.
- 13. Adopt a resolution approving LG214 Premises Permit Application for Community Charities of Minnesota

#### **Adopted Resolution 22-58**

- 14. Consider hiring Mark Stish on a temporary basis in the Public Works Department.
- 15. Consider entering into Revised Independent Contractor Agreement/Golf
- 16. Consider temporary parking lot agreements with Rennix Corporation and Blandin Paper Company related to Grand Rapids Riverfest
- 17. Consider Amendment 1 with Duane Goodwin

Motion made by Councilor Toven, Second by Councilor Connelly to approve the Consent agenda as presented. Voting Yea: Mayor Christy, Councilor Adams, Councilor Toven, Councilor Blake, Councilor Connelly

#### SET REGULAR AGENDA:

Motion made by Councilor Adams, Second by Councilor Blake to approve the regular agenda as presented. Voting Yea: Mayor Christy, Councilor Adams, Councilor Toven, Councilor Blake, Councilor Connelly

#### **ADMINISTRATION:**

18. Consider appointing Amanda McCabe to the Human Rights Commission

Motion made by Councilor Connelly, Second by Councilor Blake to appoint Amanda McCabe to the Human Rights Commission, term to expire March 1, 2025. Voting Yea: Mayor Christy, Councilor Adams, Councilor Toven, Councilor Blake, Councilor Connelly

19. Consider accepting the resignation of Lynn DeGrio and direct staff to begin the hiring process to fill the Human Resource position

Tom Pagel provides recap of Lynn's service to the City and wishes her well in her future employment endeavors.

Motion made by Councilor Connelly, Second by Councilor Toven to accept the resignation of Lynn DeGrio and authorize staff to being the process of filling the position with a shared Human Resource Director with PUC. Voting Yea: Mayor Christy, Councilor Adams, Councilor Toven, Councilor Blake, Councilor Connelly

There being no further business, the meeting adjourned at 5:18 PM.

Respectfully submitted:

Kimberly Gibeau Kimberly Gibeau, City Clerk

DATE: 06/22/2022 TIME: 09:02:26 ID: AP443GR0.WOW CITY OF GRAND RAPIDS PAGE: 1

DEPARTMENT SUMMARY REPORT

	INVOICES DUE ON/BEFORE 06/27/2022	
VENDOR #	NAME	AMOUNT DUE
GENERAL FUND		
CITY WIDE 1900225	SEH	11,325.00
	TOTAL CITY WIDE	11,325.00
ADMINISTRATION		1 000 00
1301020	LOREN SOLBERG CONSULTING, LLC MADDEN GALANTER HANSEN, LLP	1,990.89 513.00
	TOTAL ADMINISTRATION	2,503.89
BUILDING SAFET	V DIVISION	
0118100	ARAMARK UNIFORM SERVICES	52.89
0605652 1901535	FERGUSON WOLSELEY IND GROUP SANDSTROM'S INC	239.00 418.47
	TOTAL BUILDING SAFETY DIVISION	710.36
COMMUNITY DEVE		
0508450	EHLERS AND ASSOCIATES INC	481.25
	TOTAL COMMUNITY DEVELOPMENT	481.25
FINANCE		
0221650	BURGGRAF'S ACE HARDWARE	13.98
	TOTAL FINANCE	13.98
FIRE		
0118100	ARAMARK UNIFORM SERVICES	27.56
	COLE HARDWARE INC	50.37
	CUMMINS INC EDWARDS OIL INC	2,844.73 338.94
0601690	EDWARDS OIL INC FASTENAL COMPANY	235.82
	TOTAL FIRE	3,497.42
INFORMATION TE	CHNOLOGY	
1309332	MN STATE RETIREMENT SYSTEM	305.14
	TOTAL INFORMATION TECHNOLOGY	305.14

DATE: 06/22/2022 TIME: 09:02:26 ID: AP443GR0.WOW CITY OF GRAND RAPIDS PAGE:

DEPARTMENT SUMMARY REPORT

VENDOR #	NAME	AMOUNT DUE
GENERAL FUND		
PUBLIC WORKS		
	ASV HOLDINGS INC	63.66
0103325	ACHESON TIRE INC	30.00
0121721		155.08
	BLOOMERS GARDEN CENTER	155.08 9,530.48
0221650		104.53
	CARQUEST AUTO PARTS	212.67
0315455		374.11
	DIAMOND VOGEL	1,726.00
0718032	GRAND RAPIDS GREENHOUSE H & L MESABI	7,934.06
0800040	MN NORTH COLLEGE CUSTOMIZED	3,337.20 840.00
	KELLY'S IRRIGATION LLC	803.00
1200500	L&M SUPPLY	39.98
1201730	LATVALA LUMBER COMPANY INC.	36.56
1205110		592 40
1301015	MACQUEEN EQUIPMENT INC	3,062.41
	NAPA SUPPLY OF GRAND RAPIDS	358.63
1415545		203.75
	PERSONNEL DYNAMICS LLC	777.60
1609556		749.35
1801610		315.50
1900225	SEH	3,425.00 2,413.00
2000522	TNT CONSTRUCTION GROUP, LLC	2,413.00 825.00
2305453	TROUT ENTERPRISES INC WESCO RECEIVABLES CORP	5,536.00
2303433	WESCO RECEIVABLES CORP	3,330.00
	TOTAL PUBLIC WORKS	43,445.97
FLEET MAINTENA	ANCE	
0121721	AUTO VALUE - GRAND RAPIDS	-18.00
0301685	CARQUEST AUTO PARTS COLE HARDWARE INC	38.21
0315455	COLE HARDWARE INC	58.21
0513233	EMERGENCY AUTOMOTIVE TECH INC MATCO TOOLS	378.47
		1,846.21
1309091	SUPERONE FOODS SOUTH	43.92
	TOTAL FLEET MAINTENANCE	2,347.02
POLICE		
	BETZ EXTINGUISHER COMPANY	60.00
	STREICHER'S INC	1,746.95
		,
	TOTAL POLICE	1,806.95

DATE: 06/22/2022 TIME: 09:02:27 ID: AP443GR0.WOW CITY OF GRAND RAPIDS PAGE: DEPARTMENT SUMMARY REPORT

	INVOICES DUE ON/BEFORE 00/21/2022	
VENDOR #	NAME	AMOUNT DUE
CENTRAL SCHOOL		
1901535 2018680	SANDSTROM'S INC TRU NORTH ELECTRIC LLC	91.80 700.00
	TOTAL	791.80
AIRPORT		
0800040	COLE HARDWARE INC H & L MESABI NELSON ROOFING INC	29.97 1,602.45 3,250.00
	TOTAL	4,882.42
1200500 1615423 1618570	ISTRATION  BURGGRAF'S ACE HARDWARE  L&M SUPPLY  POKEGAMA ELECTRIC INC  PRO-MAX MACHINE, LLC  R & R RENTAL INC  TOTAL GENERAL ADMINISTRATION	107.90 353.98 2,602.00 625.00 45.41 3,734.29
CEMETERY		
0221650 1200500	BURGGRAF'S ACE HARDWARE L&M SUPPLY SHI INTERNATIONAL CORP TOTAL	134.47 78.93 524.00 737.40
MUNICIPAL STATE AI 7TH STREET OV 1900225	ERLAY	13,200.00
	TOTAL 7TH STREET OVERLAY	13,200.00
GR/COHASSET IND PK	INFRAST	
1900225	SEH	2,797.93
	TOTAL	2,797.93

DATE: 06/22/2022 TIME: 09:02:27 ID: AP443GR0.WOW CITY OF GRAND RAPIDS PAGE: 4 DEPARTMENT SUMMARY REPORT

	INVOICES DUE ON/BEFORE 00/21/2022	
VENDOR #	NAME	AMOUNT DUE
2021 INFRASTRUCTURE CP2020/FD-1 NEV 1908090 T001421		36,643.79 478.04
	TOTAL CP2020/FD-1 NEW FIRE HALL	37,121.83
CIVIC CENTER CAPITAL IRA CIVIC CENTI 1309495		1,317.12
	TOTAL IRA CIVIC CENTER RENOVATION	1,317.12
2022 INFRASTRUCTURE, 21ST STREET IM: 1900225	PROVEMENTS	23,810.33
	TOTAL 21ST STREET IMPROVEMENTS	23,810.33
STORM WATER UTILITY		
0514798 1900225	ENVIRONMENTAL EQUIPMENT AND SEH	257.81 500.00
	TOTAL	757.81
CHECKS ISSUED-PRIOR PRIOR APPROVAL		\$155,587.91
0100053 0113105 0305530 0315543 0718015 0718070 0815730 0920055	AT&T MOBILITY AMAZON CAPITAL SERVICES CENTURYLINK QC CONSTELLATION NEWENERGY -GAS GRAND RAPIDS CITY PAYROLL GRAND RAPIDS STATE BANK HOTSY MINNESOTA ITASCA COUNTY RECORDER MCFOA TREASURER MARCO TECHNOLOGIES, LLC MINNESOTA MN IT SERVICES MN FIRE SERV CERTIFICATION BRD MN STATE RETIREMENT SYSTEM OPERATING ENGINEERS LOCAL #49 P.U.C. QUADIENT, INC	3,949.21 64.95 259.00 189.71 288,351.93 529.66 511.23 230.00 2,035.11 453.21 240.00 2,184.00 115,395.00 28,139.11 648.00

DATE: 06/22/2022 CITY OF GRAND RAPIDS TIME: 09:02:27 DEPARTMENT SUMMARY REPORT PAGE: 5

ID: AP443GR0.WOW

INVOICES DUE ON/BEFORE 06/27/2022

VENDOR # NAME AMOUNT DUE

CHECKS ISSUED-PRIOR APPROVAL

PRIOR APPROVAL

2000490 TDS Metrocom 646.58 UNITED STATES POSTMASTER 783.63 2114373 2209665 VISA 3,391.66 2209705 VISIT GRAND RAPIDS INC 18,242.45 2301700 WM CORPORATE SERVICES, INC 2,501.96

TOTAL PRIOR APPROVAL ALLOWED IN THE SUM OF: \$468,796.40

TOTAL ALL DEPARTMENTS \$624,384.31





## REQUEST FOR COUNCIL ACTION

**AGENDA DATE:** June 27, 2022

**AGENDA ITEM:** Consider final pay application from Gartner Temperature Controls for

New Fire Hall and Police Evidence Garage. Also consider accepting final

pay application from Shannons Mechanical for New Fire Hall.

**PREPARED BY:** Nathan Morlan

#### **BACKGROUND:**

Description of New Fire Hall and Police Evidence Final Pay Applications are as follows:

Gartner Temperature Controls original contract sum \$37,075.00

Gartner Temperature Controls final contract sum due to the City Hall portion of the work completed in house \$27,998

Shannons Mechanical original contract sum \$700,000

Shannons Mechanical final contract sum \$732,875.05

#### **REQUESTED COUNCIL ACTION:**

Make a motion to approve New Fire Hall and Police Evidence final pay applications from Gartner Temperature Controls and Shannons Mechanical.

## REQUEST FOR PAYMENT

RECEIVED

CITY OF GRAND RAPIDS

Invoice: GRAND RAPIDS, MN 55744 **420 N POKEGAMA AVENUE** CITY OF GRAND RAPIDS 0 2331 West Superior Street Gartner Refrigeration Co. Duluth, MN 55806 From:

21-42800003 7/23/2021 Invoice date: Draw:

10003806

7/23/2021 Period ending date:

Contract For:

DEDUCTIONS GRAND RAPIDS POLICE ACCESS CNT Scope: EVIDENCE STORAGE ACCESS CONTROL ADDITIONS TOTALS Contract date: 4/14/2021 NET CHANGES by Change Order Project: 21-428 CHANGE ORDER SUMMARY Changes approved in previous Total approved this Month Architect: months by Owner \$2,000.00 \$9,977.00 \$2,000.00 \$6,000.00 \$6,000.00 \$2,000.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$9,977.00 \$3,977.00 \$4,000.00 Total completed less retainage Current request for payment Current additional charges Revised contract amount Contract completed to date Less previous requests Request for payment: Less current retainage Remaining contract to bill Original contract amount Approved changes Current amount due Add-ons to date Less retainage Taxes to date Current tax Current billing

I hereby certify that the work performed and the materials supplied to date , as shown on the above represent the actual value of the accomplishment under the terms of the Contract (and all authorized changes thereof) between the undersigned and the CITY OF GRAND RAPIDS relating to the above referenced project . I also certify that the contractor has paid all amounts previously billed and paid by the owner

State Of MINNESOTA

CONTRACTOR By:

Date:

Gartner Refrigeration Co.

Notary Public

County Of ST LOUIS

day of Subscribed and sworn to before me this My commission expires:

MANAMAN KREAGER My Commission Express Jan 31, 2013 Notary Public-Minnesota

# REQUEST FOR PAYMENT DETAIL

Project: 21-428 / GRAND RAPIDS POLICE ACCES Invoice: 10003806

Draw: 21-42800003

Period Ending Date: 7/23/2021 Detail Page 2 of 2 Pages

Retainage Balance	
Balance To Finish	3,977.00
Comp	60.14
Completed And Stored To Date	6,000.00
Presently Stored Materials	
Work Completed This Period	2,000.00
Previously Completed Work	4,000,00
Total Contract Amount	9,977.00
Description	1 EVIDENCE STORAGE ACCE!
Item ID	~

RECEIVED

CITY OF GRAND RAPIDS

CITY OF GRAND RAPIDS 0 2331 West Superior Street Gartner Refrigeration Co. **Duluth, MN 55806** From:

GRAND RAPIDS, MN 55744 **420 N POKEGAMA AVENUE** 

REQUEST FOR PAYMENT

21-42700002 10003741 6/10/2021 Draw. Invoice date: nvoice:

6/10/2021 Period ending date:

Contract For:

GRAND RAPIDS FIRE ACCESS CNTRL Project: 21-427 \$18,021.00 \$6,000.00 \$0.00 \$18,021.00 Revised contract amount Contract completed to date Request for payment Original contract amount Approved changes

Contract date: 4/14/2021

\$6,000.00

\$0.00

\$0.00

Add-ons to date

\$0.00

Total completed less retainage

Less retainage Taxes to date

Current request for payment

Less previous requests

Current additional charges

Current billing

Less current retainage

Current tax

Current amount due

Remaining contract to bill

\$4,000.00

Scope: 10 DOOR ACCESS WIJACE

Architect

\$2,000.00 \$2,000.00

\$0.00 \$0.00 \$0.00

\$2,000.00

\$12,021.00

DEDUCTIONS **ADDITIONS** TOTALS NET CHANGES by Change Order CHANGE ORDER SUMMARY Changes approved in previous Total approved this Month months by Owner

hereby certify that the work performed and the materials supplied to date , as shown on the above represent the actual value of the accomplishment under the terms of the Contract (and all authorized changes thereof ) between the undersigned and the CITY OF GRAND RAPIDS relating to the above referenced project . I also certify that the contractor has paid all amounts previously billed and paid by the owner .

Sartner Refrigeration Co. CONTRACTOR: Ġ.

Date:

Subscribed and sworn to before me this

State Of MINNESOTA

10 day of

County Of ST LOUIS

My commission expires Notary Public

BRIAN JAMES KREAGER

Notary Public-Mirresota

W. Commence Street, Str. 57, 572 2021

## REQUEST FOR PAYMENT DETAIL

Project: 21-427 / GRAND RAPIDS FIRE ACCESS ( Invoice: 100

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Period Ending Date: 6/10/2021 Detail Page 2 of 2 F	
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Refainage Balance		
Balance To Finish		12.021.00
Comp		33.29
Completed And Stored To Date		6,000.00
Presently Stored Materials		
Work Completed This		2,000.00
Previously Completed Work		4,000.00
Total Contract Amount		16,021.00
Description	FIDE MAIL ACCESS CONTROL	וויד וואדר אככהטט כסואואר
Ol med)	-	•



#### **Commitment Invoices by Date/Status**

Commitment Invoices by Date/Status

#### **Subcontractor Invoices**

Contract Number	Company Name	Invoice #	Billing Period Start Date	Billing Period End Date	Status	Original Contract Amount	Net Change By Change Orders	Revised Contract Amount	Total Completed And Stored To Date	Retainage - Work Completed To Date	Total Earned Less Retainage	Payment Due	Balance To Finish Including Retainage	Total Completed And Stored Percent
SC- S20020C-007	Shannon's Inc.		03/01/2022	03/31/2022	Approved	\$700,000.00	\$32,875.05	\$732,875.05	\$732,875.05	\$0.00	\$732,875.05	\$36,643.79	\$0.00	100.00%

TO OWNER:

Shannon's inc. 1919 Main Ave

City of Grand Rapids 420 North Pokegama Ave Grand Rapids, Minnesota 55744

FROM SUBCONTRACTOR:

International Falls, Minnesota 56649

PROJECT:

Grand Rapids Fire Department 11th Street SE Grand Rapids, Minnesota 55744

SUBCONTRACT DATE: 12/3/2020

APPLICATION NO: 11 INVOICE NO:

SUBCONTRACTOR: Shannon's Inc.

PERIOD: 03/01/22 - 03/31/22 PROJECT NO: S20020C CONTRACT DATE: 12/03/2020

**DISTRIBUTION TO:** 

SUBCONTRACT FOR: WS 006 Mechanical Phase 2 Shannon's

SUBCONTRACTOR'S APPLICATION FOR PAYMENT

Application is made for payment, as shown below, in connection with the Subcontract, Continuation Sheet is attached.

1.	Original Contract Sum		\$ 700,000.00
2.	Net change by change orders	-	\$ 32,875.05
3.	Contract sum to date (line 1 ± 2)		\$ 732,875.05
4.	Total completed and stored to date	_	\$ 732,875.05
	(Column G on detail sheet)	-	Ψ 7 02,07 3.03
5.	Retainage:		
	a. 0.00% of completed work:	\$ 0.00	
	b. 0.00% of stored material:	\$ 0.00	
	Total retainage (Line 5a + 5b or total in column I of detail sheet)	Ψ 0.00	\$ 0.00
6.	Total earned less retainage	<del></del>	\$ 732.875.05
	(Line 4 less Line 5 Total)		Ψ 7 02,07 3.03
7.	Less previous certificates for payment		\$ 696,231.26
	(Line 6 from prior certificate)		\$ 090,231.20
8.	Current payment due:		\$ 36,643,79
9.	Balance to finish, including retainage	·	¥ 30,043.73
	(Line 3 less Line 6)		\$ 0.00

CHANGE ORDER SUMMARY	ADDITIONS	DEDUCTIONS		
Total changes approved in previous months by Owner:	\$ 33,863.05	(\$988.00)		
Total approved this Month:	\$ 0.00	\$ 0.00		
Totals:	\$ 33,863.05	(\$988.00)		
Net change by change orders:	\$ 32,875.05			

The undersigned certifies that to the best of the Subcontractor's knowledge, information and belief, the Work covered by this Application for Payment has been completed in accordance with the Subcontract documents, that all amounts have been paid by the Contractor for Work which previous Certificates for payment were issued and payments received from the Owner, and that current payments shown herein is now due.

Date: 3-16-22 State of:

Subscribed and sworn to before me this

My commission expires

MINNESOTA My Commission Expires Jan. 31, 2029

#### CERTIFICATE FOR PAYMENT

In accordance with the Contract Documents, based on evaluations of the Work and the data comprising this application, the Construction Manager and Architect certifies to the Owner that to the best of the their knowledge, information and belief the Work has progressed as indicated, the quality of the Work is in accordance with the Contract Documents, and the Contractor is entitled to payment of the AMOUNT CERTIFIED.

Λ	MO	INT	CERTI	CIED.

Bv:

\$ 36,643,79

(Attach explanation if amount certified differs from the amount applied. Initial all figures on this Application and on the Continuation Sheet that are changed to conform to the amount certified)

DocuSigned by: CONSTRUCTION MANAGER:	
By:Mark (obb	Date: 4/11/2022
D83D6FFA0215413	
ARCHITECT: (NOTE: If multiple Prime Contractors are resp	consible for performing portions of the Project,

ANOTHER IN THE CONTRACTORS are re	esponsible for performing portions of the Project,
the Architect's Certification is not required.)	
are rate and a construction of the requirement	

This Certificate is not negotiable. The AMOUNT CERTIFIED is payable only to the Contractor name	ned
herein. Issuance, payment, and acceptance of payment are without prejudice to any rights of the Owne	
Contractor under this Contract.	1

Date:

CONTINUATION SHEET DOCUMENT DETAIL SHEET

Item 3.

Document SUMMARY SHEET, APPLICATION AND CERTIFICATE FOR PAYMENT, containing Contractor's signed Certification is attached.

Use Column I on Contracts where variable retainage for line items apply.

APPLICATION NUMBER: 11
APPLICATION DATE: 03/25/2022
PERIOD: 03/01/22 - 03/31/22
ARCHITECTS/ENGINEERS PROJECT NO:

#### **Contract Lines**

Α		В	С	D	E	F	G	Н		l l
				WORK COM	MPLETED	MATERIALS	TOTAL COMPLETED		BALANCE	
NO.	COST CODE	DESCRIPTION OF WORK	SCHEDULED VALUE	FROM PREVIOUS APPLICATION (D + E)	THIS PERIOD	PRESENTLY STORED (NOT IN D OR E)	AND STORED TO DATE (D+E+F)	% (G / C)	TO FINISH (C - G)	RETAINAGE
1	A5.08 - WS 06 Mechanical	00020-Permits & Fees	\$ 10,092.00	\$ 10,092,00	\$ 0.00	\$ 0.00	\$ 10,092.00	100.00%	\$ 0.00	\$ 0.00
2	A5.08 - WS 06 Mechanical	00080-Project Management	\$ 4,400.00	\$ 3,300.00	\$ 0.00	\$ 1,100.00	\$ 4,400.00	100.00%	\$ 0.00	\$ 0.00
3	A5.08 - WS 06 Mechanical	20000- Drains/Wastes/Vents- MTRL	\$ 28,676.00	\$ 25,808.40	\$ 0.00	\$ 2,867.60	\$ 28,676.00	100.00%	\$ 0.00	\$ 0.00
4	A5.08 - WS 06 Mechanical	20000- Drains/Wastes/Vents- LBR	\$ 56,555.00	\$ 39,588.50	\$ 0.00	\$ 16,966.50	\$ 56,555.00	100.00%	\$ 0.00	\$ 0.00
5	A5.08 - WS 06 Mechanical	20020-Domestic Water-MTRL	\$ 38,300.00	\$ 26,810.00	\$ 0.00	\$ 11,490.00	\$ 38,300.00	100.00%	\$ 0.00	\$ 0.00
6	A5.08 - WS 06 Mechanical	20020-Domestic Water-LBR	\$ 47,469.00	\$ 33,228.30	\$ 0.00	\$ 14,240.70	\$ 47,469.00	100.00%	\$ 0.00	\$ 0.00
7	A5.08 - WS 06 Mechanical	20030-Plbg Fixtures/Equip-MTRL	\$ 40,818.00	\$ 30,613.50	\$ 0.00	\$ 10,204.50	\$ 40,818.00	100.00%	\$ 0.00	\$ 0.00
8	A5.08 - WS 06 Mechanical	20030-Plbg Fixtures/Equip-LBR	\$ 14,541.00	\$ 1,454.10	\$ 0.00	\$ 13,086.90	\$ 14,541.00	100.00%	\$ 0.00	\$ 0.00
9	A5.08 - WS 06 Mechanical	20040-Gas Piping- MTRL	\$ 2,815.00	\$ 1,407.50	\$ 0.00	<b>\$ 1</b> ,407.50	\$ 2,815.00	100.00%	\$ 0.00	\$ 0.00
10	A5.08 - WS 06 Mechanical	20040-Gas Piping- LBR	\$ 4,222.00	\$ 422.20	\$ 0.00	\$ 3,799.80	\$ 4,222.00	100.00%	\$ 0.00	\$ 0.00
11	A5.08 - WS 06 Mechanical	40000-Refrigeration- MTRL	\$ 1,000.00	\$ 0.00	\$ 0.00	\$ 1,000.00	\$ 1,000.00	100.00%	\$ 0.00	\$ 0.00
12	A5.08 - WS 06 Mechanical	40010-AC Equipment-MTRL	\$ 5,000.00	\$ 5,000.00	\$ 0.00	\$ 0.00	\$ 5,000.00	100.00%	\$ 0.00	\$ 0.00
13	A5.08 - WS 06 Mechanical	40010-AC Equipment-LBR	\$ 3,000.00	\$ 600.00	\$ 0.00	\$ 2,400.00	\$ 3,000.00	100.00%	\$ 0.00	\$ 0.00
14	A5.08 - WS 06 Mechanical	50000-Hydronic Piping-MTRL	\$ 15,803.00	\$ 13,432.55	\$ 0.00	\$ 2,370.45	\$ 15,803.00	100.00%	\$ 0.00	\$ 0.00
15	A5.08 - WS 06 Mechanical	50000-Hydronic Piping-LBR	\$ 29,349.00	\$ 10,272.15	\$ 0.00	\$ 19,076.85	\$ 29,349.00	100.00%	\$ 0.00	\$ 0.00
16	A5.08 - WS 06 Mechanical	50010-Hydronic Equip-MTRL	\$ 79,963.00	\$ 79,963.00	\$ 0.00	\$ 0.00	\$ 79,963.00	100.00%	\$ 0.00	\$ 0.00
17	A5.08 - WS 06 Mechanical	50010-Hydronic Equip-LBR	\$ 25,419.00	\$ 5,083.80	\$ 0.00	\$ 20,335.20	\$ 25,419.00	100.00%	\$ 0.00	\$ 0.00
18	A5.08 - WS 06 Mechanical	60000- Ductwork/Accrs- MTRL	\$ 40,000.00	\$ 32,000.00	\$ 0.00	\$ 8,000.00	\$ 40,000.00	100.00%	\$ 0.00	\$ 0.00
19	A5.08 - WS 06 Mechanical	60000- Ductwork/Accrs- MTRL	\$ 25,000.00	\$ 18,750.00	\$ 0.00	\$ 6,250.00	\$ 25,000.00	100.00%	\$ 0.00	19

#### **CONTINUATION SHEET**

#### DOCUMENT DETAIL SHEET

CONT	DOCUMENT DETAIL SHEET  DOCUMENT DETAIL SHEET								Item 3.	
Α		В	С	D	Е	F	G	Н		<u> </u>
				WORK COM	MPLETED	MATERIALS	TOTAL COMPLETED		BALANCE	
ITEM NO.	COST CODE	DESCRIPTION OF WORK	SCHEDULED VALUE	FROM PREVIOUS APPLICATION (D + E)	THIS PERIOD	PRESENTLY STORED (NOT IN D OR E)	AND STORED TO DATE (D+E+F)	% (G / C)	TO FINISH (C - G)	RETAINAGE
20	A5.08 - WS 06 Mechanical	60020-Exhaust Fans/Accrs-MTRL	\$ 8,096.00	\$ 8,096.00	\$ 0.00	\$ 0.00	\$ 8,096.00	100.00%	\$ 0.00	\$ 0.00
21	A5.08 - WS 06 Mechanical	60020-Exhaust Fans/Accrs-LBR	\$ 4,000.00	\$ 2,400.00	\$ 0.00	\$ 1,600.00	\$ 4,000.00	100.00%	\$ 0.00	\$ 0.00
22	A5.08 - WS 06 Mechanical	60020-HVAC Equip- MTRL	\$ 36,690.00	\$ 36,690.00	\$ 0.00	\$ 0,00	\$ 36,690.00	100.00%	\$ 0.00	\$ 0.00
23	A5.08 - WS 06 Mechanical	60020-HVAC Equip- LBR	\$ 10,000.00	\$ 9,000.00	\$ 0.00	\$ 1,000.00	\$ 10,000.00	100.00%	\$ 0.00	\$ 0.00
24	A5.08 - WS 06 Mechanical	60020-GRD's-MTRL	\$ 1,708.00	\$ 1,708.00	\$ 0.00	\$ 0.00	\$ 1,708.00	100.00%	\$ 0.00	\$ 0.00
25	A5.08 - WS 06 Mechanical	60020-GRD's-LBR	\$ 2,125.00	\$ 0.00	\$ 0.00	\$ 2,125.00	\$ 2,125.00	100.00%	\$ 0.00	\$ 0.00
26	A5.08 - WS 06 Mechanical	60030-Breeching- MTRL	\$ 8,840.00	\$ 0.00	\$ 0.00	\$ 8,840.00	\$ 8,840.00	100.00%	\$ 0.00	\$ 0.00
27	A5.08 - WS 06 Mechanical	60030-Breeching- LBR	\$ 8,000.00	\$ 0.00	\$ 0.00	\$ 8,000.00	\$ 8,000.00	100.00%	\$ 0.00	\$ 0.00
28	A5.08 - WS 06 Mechanical	02000-Temperature Cntrls [SUB]	\$ 61,079.00	\$ 61,079.00	\$ 0.00	\$ 0.00	\$ 61,079.00	100.00%	\$ 0.00	\$ 0.00
29	A5.08 - WS 06 Mechanical	02020-Insulation [SUB]	\$ 75,072.00	\$ 29,072.00	\$ 0.00	\$ 46,000.00	\$ 75,072.00	100.00%	\$ 0.00	\$ 0.00
30	A5.08 - WS 06 Mechanical	02040-Test & Balance [SUB]	\$ 11,968.00	\$ 11,968.00	\$ 0.00	\$ 0.00	\$ 11,968.00	100.00%	\$ 0.00	\$ 0.00
		TOTALS:	\$ 700,000.00	\$ 497,839.00	\$ 0.00	\$ 202,161,00	\$ 700,000.00	100.00%	\$ 0.00	\$ 0.00

**CONTINUATION SHEET** 

DOCUMENT DETAIL SHEET

Item 3.

Whole	Change	Order	<b>Packages</b>
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Α	В	С	D	E	F	G	Н		ı
ITEM			WORK COM	PLETED	MATERIALS	TOTAL COMPLETED		BALANCE	
NO.	DESCRIPTION OF WORK	SCHEDULED VALUE	FROM PREVIOUS APPLICATION (D + E)	THIS PERIOD	PRESENTLY STORED (NOT IN D OR E)	AND STORED TO DATE (D+E+F)	% (G / C)	TO FINISH (C - G)	RETAINAGE
31	CCO # 001 CE #042 - Mechanical Changes								
31.1	A,-5,08 Mechanical Changes	\$ 20,221.02	\$ 20,221.02	\$ 0.00	\$ 0.00	\$ 20,221.02	100.00%	\$ 0.00	\$ 0.00
32	CCO # 002 CE #046 - Water Meter								
32.1	A5.08 Water Meter	\$ 2,156.00	\$ 2,156.00	\$ 0.00	\$ 0.00	\$ 2,156.00	100.00%	\$ 0.00	\$ 0.00
33	CCO # 003 CE #061 - Vacuum Breakers Credit								
33,1	A5.08 Vacuum Breakers Credit	(\$988.00)	(\$988.00)	\$ 0.00	\$ 0.00	(\$988.00)	100.00%	\$ 0.00	\$ 0.00
34	CCO # 004 CE #062 - ASI 17 Plumbing Changes in Apparatus Bay								
	A5.08 Plumbing Changes in App Bay	\$ 2,853.48	\$ 2,853.48	\$ 0.00	\$ 0.00	\$ 2,853.48	100.00%	\$ 0.00	\$ 0.00
	CCO # 005 CE #073 - ERV Change								
35.1	A,-5,08 ERV Change	\$ 6,237.00	\$ 6,237.00	\$ 0.00	\$ 0.00	\$ 6,237.00	100.00%	\$ 0.00	\$ 0.00
	CCO # 006 CE #076 - Pressure Reducing Valve								
36.1	A5.08 Pressure Reducing Valves	\$ 2,395.55	\$ 2,395.55	\$ 0.00	\$ 0.00	\$ 2,395.55	100.00%	\$ 0.00	\$ 0.00
	TOTALS:	\$ 32,875.05	\$ 32,875.05	\$ 0.00	\$ 0.00	\$ 32,875.05	100.00%	\$ 0.00	\$ 0.00

#### **Grand Totals**

Α	В	С	D	E	F	G	Н				
			WORK COMPLETED		WORK COMPLETED		MATERIALS	TOTAL COMPLETED		BALANCE	
NO.	DESCRIPTION OF WORK	ION OF WORK   SCHEDULED VALUE   FROM PREVIOUS   PRESENTLY STOP		AND STORED TO DATE (D+E+F)	% (G / C)	TO FINISH (C - G)	RETAINAGE				
	GRAND TOTALS:	\$ 732,875.05	\$ 530,714.05	\$ 0.00	\$ 202,161.00	\$ 732,875.05	100.00%	\$ 0.00	\$ 0.00		

DOCUMENT DETAIL SHEET- APPLICATION AND CERTIFICATE FOR PAYMENT





## REQUEST FOR COUNCIL ACTION

**AGENDA DATE:** June 27, 2022

**AGENDA ITEM:** Consider entering into an Advertising Agreement with a business at the

IRA Civic Center.

**PREPARED BY:** Dale Anderson, Director of Parks & Recreation

#### **BACKGROUND:**

Advertising is great source of revenue at the Civic Center. The following businesses wish to enter into Agreements to have dasher board ads and/or a back-lit wall signs:

Lakeview Behavioral Heath

### REQUESTED COUNCIL ACTION:

Make a motion to enter into an Advertising Agreement with a business at the IRA Civic Center.

## AGREEMENT FOR RENTAL OF WALL LIGHTED SIGN

WHEREAS, the City of Grand Rapids, acting through the IRA Civic Center, Lessor, 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 <u>interior walls</u> and/or <u>dasherboard</u> 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 **Lakeview Behavioral Health**, 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:

- Signs will be placed on the <u>interior walls</u> and/or <u>dasherboard</u> 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 <u>interior walls</u> and/or <u>dasherboard</u> of the IRA Civic Center.
- 2. The Lessee shall pay to the Lessor in consideration of the sign and/or dasherboard, the sum of \$300.00 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: January 1, 2023 to December 31, 2024. 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 December 31, 2022, the Lessee must notify the Lessor in writing no later than December 1, 2024 for cancellation effective December 31, 2024.
- 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 <u>July 1, 2022</u>. The Lessor reserves the right to sell sign space if the payment is not received by July 1, 2022.
- 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 the IRA Civic Center 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 the IRA Civic Center.
- 11. Lease rates and terms are \$300.00 per year for the remainder of 2022 and \$600.00 per year for 2023 and 2024 for a 4 x 5 interior wall sign advertisement.

		BY: Lakeview Behavioral Health Lessee
		DATE: 00 10 2022
		CITY OF GRAND RAPIDS (Lessor)
		BY: Mayor
		DATE:
Гот Pagel, City	Administrator	
Dated this	day of	





## REQUEST FOR COUNCIL ACTION

**AGENDA DATE:** June 27, 2022

**AGENDA ITEM:** Consider Voiding Lost Accounts Payable Check and Issue a Replacement

Check

**PREPARED BY:** Laura Pfeifer

#### **BACKGROUND:**

Accounts payable check #149394 issued to Maxine Moe on April 12, 2022 for \$1,872.78 is lost. Maxine Moe has completed an Affidavit of Lost Check for the lost check.

#### REQUESTED COUNCIL ACTION:

Make a motion to void lost accounts payable check #149394, issue a new check and waive bond requirements for the check issued to Maxine Moe in the amount of \$1,872.78.

#### **AFFIDAVIT**

STATE OF ) Minnesota

) SS

COUNTY OF ) Itasca

Maxine M Moe, being first duly sworn on oath, states that he/she resides at 750 Unser Road, Grand Rapids, MN, 55744 and that he/she is the payee named in a check number 149394, issued to Maxine M Moe, drawn by City of Grand Rapids dated April 12, 2022, for the sum of \$1,872.78; that to my knowledge this check was never endorsed by me, that I did not authorize anyone to endorse it for me, and that the circumstances of the loss or destruction of the check are as follows:

#### **Accounts Payable lost check**

I am making this Affidavit in conjunction with my request that the **City of Grand Rapids** issue a duplicate check. I understand that I make this Affidavit under oath and that I may be subject to criminal penalty if my statements in this Affidavit are false.

SIGNED Maxing M. Mol

Subscribed and sworn to before me

This 17 day of June , 2022

Notary Public

CINDY L. PHILLIPS
NOTARY PUBLIC
MINNESOTA
My Commission Expires Jan. 31, 2023





## REQUEST FOR COUNCIL ACTION

**AGENDA DATE:** June 27, 2022

**AGENDA ITEM:** Consider authorizing quotes and accepting low bid from Neo Electrical

Solutions for the Highway 169 South Lighting project

**PREPARED BY:** Matt Wegwerth

#### **BACKGROUND:**

The Highway 169 south lighting project includes the replacement of existing street lights along Hwy 169 south from 13<sup>th</sup> Street to 17<sup>th</sup> Street. RFQ's were sent out and 3 bids were received.

#### Highway 169 South Lighting

Bidder	Amount
Neo Electrical Solutions	\$ 87,495.00
Parsons Electric	\$ 182,132.00
Lanyk Electric	\$ 154,330.00
Engineers Estimate	\$ 117,090.00

City staff are recommending awarding the project to Neo Electrical Solutions. The project will be funded with the PIR account.

#### **REQUESTED COUNCIL ACTION:**

Make a motion to authorize quotes and accept low bid from Neo Electrical Solutions for the Highway 169 South Lighting project

Total Lump Sum Bid: \$ 87, 495 =

We, the undersigned, doing business as Neo Electron Solution Solution Carefully examined the Quotation Documents and the site of the proposed work, and are familiar with all of the conditions, laws and regulations surrounding the construction of the proposed project including the availability of materials and labor. We hereby propose to the City of Grand Rapids, MN to furnish all labor, materials, equipment, skills and facilities for the complete construction of the 2022 Highway 169 South Lighting as described herein. The lump sum price shown includes sales tax and all other applicable taxes, permits and fees.

Dated this day of, 2022
Name of Company NEO RIECTULAL SOLUTIONS
Signature of Authorized Representative / B
Printed Name of Authorized Representative
Title of Authorized Representative OUTSIDE DIVISION MONALER
Legal Address 2180 JACK RREAULT KOND HUDSON WE 54016
Business Phone 715 - 808 - 0463
Fax Number



## QUOTATION FORM

Grand Rapids, MN 2022 Highway 169 South Lighting Project

Submit quotation form to Matt Wegwerth PE, City of Grand Rapids, 420 North Pokegama Avenue, Grand Rapids, MN by 3:00 pm on Thursday, June 16<sup>th</sup>, 2022. Quotes can be mailed, hand delivered or emailed. If mailed or hand delivered, quote should be submitted in a sealed envelope to the City Engineers office:

Quote package shall include the following:

- 1. Quotation Form
- 2. Special Provisions Division SL
- 3. Plan Sheets Highway 169 South Lighting

All spaces of the quotation form shall be filled in. The quote must be in a sealed envelope labeled "2022 Highway 169 South Lighting".

Project Description: The project includes removal and replacement of existing lights along Highway 169, from 13<sup>th</sup> Street South to 17<sup>th</sup> Street South.

Project will be completed on a lump sum, based on the plan set labeled 2022 Highway 169 South Lighting and the estimated following quantities:

	STATEMENT OF ESTIMATED QUANTITIES					
Item No.	DESCRIPTION	Unit	QTY.			
2104.502	REMOVE LIGHTING UNIT	EACH	12			
2104.502	REMOVE LIGHT FOUNDATION	EACH	12			
2104.502	REMOVE SERVICE EQUIPMENT	EACH	1			
2104.503	REMOVE UNDERGROUND WIRE	LIN FT	3,000			
2545.502	LIGHT FOUNDATION DESIGN E MODIFIED	EACH	12			
2545.502	HANDHOLE	EACH	2			
2545.502	SERVICE CABINET	EACH	1			
2545.502	EQUIPMENT PAD	EACH	1			
2545.503	2" NON-METALLIC CONDUIT	LIN FT	1,995			
2545.503	2" NON-METALLIC CONDUIT (DIRECTIONAL BORE)	LIN FT	850			
2545.503	UNDERGROUND WIRE 1/C 2 AWG	LIN FT	210			
2545.503	UNDERGROUND WIRE 1/C 8 AWG	LIN FT	12600			
2545.602	INSTALL LIGHTING UNIT	EACH	12			

Total Lump Sum Bid: \$ <u>\やこ</u>	13200
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We, the undersigned, doing business as Parsons Euchic have carefully examined the Quotation Documents and the site of the proposed work, and are familiar with all of the conditions, laws and regulations surrounding the construction of the proposed project including the availability of materials and labor. We hereby propose to the City of Grand Rapids, MN to furnish all labor, materials, equipment, skills and facilities for the complete construction of the 2022 Highway 169 South Lighting as described herein. The lump sum price shown includes sales tax and all other applicable taxes, permits and fees.

Dated this 16th day of 3cme, 2022
Name of Company PEC Solutions LC dipa Parsons Electric
Signature of Authorized Representative 15 M
Printed Name of Authorized Representative Tova Crowac
Title of Authorized Representative Project manager
Legal Address 4615 Grand Ave Scrite 100-18
Business Phone 218-725-3424
Fax Number <u>n l 2</u>

#### **SPECIAL PROVISIONS**

#### General:

- 1. Council will consider award on Monday, June 27, 2022
- 2. EJCDC Standard Form of Agreement Between Owner and Contractor on the Basis of Lump Sum will be executed for the project once a contractor is awarded the project.
- 3. EJCDC Standard General Conditions of the Construction Contract shall apply to the project.
- 4. All material shall be in accordance with applicable building codes and local specifications.
- 5. Prevailing wage requirements for the State of Minnesota, Grand Rapids, MN, apply to the project. Contractor shall adhere to Minn. Stat. Chap. 177.41-44 regarding prevailing wage rates and contracts and corresponding Rules 5200.1000 to 5200.1120.
- 6. Contractor will be required to provide proof of insurance
- 7. The Work will be substantially completed on or before October 31, 2022 and completed and ready for final payment in accordance with Paragraph 15.06 of the General Conditions on or before November 15, 2022
- 8. City will supply lighting units, anchor bolts and fixtures
- 9. Liquidated damages shall be set at \$300 per day for every day after the completion dates that the project is not complete.
- 10. Contractor will be required to submit a City Stormwater permit. Fee will be waived.
- 11. City has applied for a MnDOT Right of Way permit

#### Construction:

1. Contractor will be required to perform material testing on the concrete used in light bases. This cost shall be at the contractors expense.

S:\Special\_Projects\2022 - Hwy 169 S Lighting\Hwy 169 S Lighting Quote.docx

Total Lump Sum Bid: \$
We, the undersigned, doing business as Lanyk Electric, Inc.  have carefully examine the Quotation Documents and the site of the proposed work, and are familiar with all of the conditions, laws and regulations surrounding the construction of the proposed project including the availability of materials and labor. We hereby propose to the City of Grand Rapids, MN to furnish all labor, materials, equipment, skills and facilities for the complete construction of the 2022 Highway 169 South Lighting as described herein. The lump sum price shown includes sales tax and all other applicable taxes, permits and fees.
Dated this day of, 2022  Name of Company Lanyk Electric, Inc.  Signature of Authorized Representative
Printed Name of Authorized RepresentativeCam Lanyk
Title of Authorized Representative President
Legal Address 5555 Enterprise Drive NE
Business Phone <u>651.245.8163</u>
Fax Number





## REQUEST FOR COUNCIL ACTION

**AGENDA DATE:** June 27, 2022

**AGENDA ITEM:** Adopt a resolution approving LG230 Application for Off-Site Gambling

for Confidence Learning Center

**PREPARED BY:** Kim Gibeau

#### **BACKGROUND:**

Confidence Learning Center has submitted an application to conduct off-site gambling at the Grand Rapids Eagles club, located at 1776 South Pokegama Avenue. Minnesota State Gambling Board requires adoption of a Resolution by the City Council prior to issuing permit. Confidence Learning Center meets all required conditions for requested permit.

#### REQUESTED COUNCIL ACTION:

Make a motion to adopt a resolution approving LG230 Application for Off-Site Gambling for Confidence Learning Center.

Councilor	introduced the following resolution and moved for its adoption:		
	RESOLUTION NO. 22		
	RESOLUTION APPROVING CONFIDENCE LEARNING CENTER OF MINNESOTA LG230 APPLICATION FOR OFF-SITE GAMBLING		
LG230 Application to	confidence Learning Center has presented the City Council of Grand Rapids a Conduct Off-Site Gambling application to conduct gambling at the Eagles Aerie a Avenue South, Grand Rapids, Minnesota; and		
WHEREAS, the approval.	e Gambling Control board may not issue a Off-Site Gambling without City Council		
NOW THEREFORE, BE IT RESOLVED, that the City Council of the City of Grand Rapids approves the LG230 Application to Conduct Off-Site Gambling for Confidence Learning Center to conduct gambling at the Eagles Aerie 2469, 1776 Pokegama Avenue South, Grand Rapids, Minnesota.			
Adopted by the City C	Council this 27 <sup>th</sup> day of June, 2022.		
	Dale Christy, Mayor		
ATTEST:			
Kimberly Gibeau, City	Clerk		
	seconded the foregoing resolution and the following voted in favor ; and the following voted against		
, whereby the resolution was declared duly passed and adopted.			

6/15 Page 1 of 2

## **LG214 Premises Permit Application**

### Annual Fee \$150 (NON-REFUNDABLE)

REQUIRED ATTACHMENTS TO LG214						
If the premises is leased, attach a copy of your lease. Use LG215 Lease for Lawful Gambling Activity.      \$150 annual premises permit fee, for each permit (non-refundable) Make check payable to "State of Minnesota."		Mail the application and required attachments to: Minnesota Gambling Control Board 1711 West County Road B, Suite 300 South Roseville, MN 55113				
		Questions?	Call 65	L-539-190	0 and ask	for Licensing.
ORGANIZATION INFORMATION						
Organization Name: VFW POST 1720 PONTI-PETERSON		Licer	se Num	ber: 0035	6	
Chief Executive Officer (CEO) MICHAEL RANDALL		Daytime Phone: 2183269937				
Gambling Manager: STEVAN HEIM		Daytime Phone: 2183269937				
GAMBLING PREMISES INFORMATION						
Current name of site where gambling will be conducted: BOULDER TAP HOUSE  List any previous names for this location:  Street address where premises is located: 1001 SOUTH POKEGAMA AVE						
(Do not use a P.O. box  City: OR Township:	c number or maili	ng address.)		7in C	Code:	
GRAND RAPIDS	ITASCA			557		
Does your organization own the building where the gambling		ucted?				
Yes No If no, attach LG215 Lease fo	r Lawful Gam	bling Activity.				
A lease is not required if only a raffle will be conducted.	_		_	_		
Is any other organization conducting gambling at this site?	<b>V</b>	Yes	No	Don't k	cnow	
Note: Bar bingo can only be conducted at a site where another form of lawful gambling is being conducted by the applying organization or another permitted organization. Electronic games can only be conducted at a site where paper pull-tabs are played.						
Has your organization previously conducted gambling at this site?  Yes  No  Don't know						
GAMBLING BANK ACCOUNT INFORMATION; MUST BE IN MINNESOTA						
Bank Name: WOODLAND BANK		Bank Account I	Number:	520213		
Bank Street Address: 2610 SOUTH HWY 169	City: GRA	ND RAPIDS	St	ate: MN	Zip Code:	55744
ALL TEMPORARY AND PERMANENT OFF-SITE STORAGE SPACES						
Address (Do not use a P.O. box number):	City				State:	Zip Code:
					MN	
					MN	17
					MN	

#### ACKNOWLEDGMENT BY LOCAL UNIT OF GOVERNMENT: APPROVAL BY RESOLUTION

#### **CITY APPROVAL** for a gambling premises located within city limits

#### **COUNTY APPROVAL** for a gambling premises located in a township

City Nam	ne:	County Name:
Date App	proved by City Council:	Date Approved by County Board:
(If none,	on Number:, attach meeting minutes.) e of City Personnel:	Resolution Number:  (If none, attach meeting minutes.)  Signature of County Personnel:
Title:	Date Signed:	Title: Date Signed: TOWNSHIP NAME:
	Local unit of government must sign.	Complete below only if required by the county.  On behalf of the township, I acknowledge that the organization is applying to conduct gambling activity within the township limits. (A township has no statutory authority to approve or deny an application, per Minnesota Statutes 349.213, Subd. 2.)
		Print Township Name:
		Signature of Township Officer:
		Title: Date Signed:

#### **ACKNOWLEDGMENT AND OATH**

- I hereby consent that local law enforcement officers, the Board or its agents, and the commissioners of revenue or public safety and their agents may enter and inspect the premises.
- 2. The Board and its agents, and the commissioners of revenue and public safety and their agents, are authorized to inspect the bank records of the gambling account whenever necessary to fulfill requirements of current gambling rules and law.
- 3. I have read this application and all information submitted to the Board is true, accurate, and complete.
- All required information has been fully disclosed.
- I am the chief executive officer of the organization.

- 6. I assume full responsibility for the fair and lawful operation of all activities to be conducted.
- I will familiarize myself with the laws of Minnesota governing lawful gambling and rules of the Board and agree, if licensed, to abide by those laws and rules, including amendments to
- Any changes in application information will be submitted to the Board no later than ten days after the change has taken effect
- I understand that failure to provide required information or providing false or misleading information may result in the denial or revocation of the license.
- 10. I understand the fee is non-refundable regardless of license approval/denial.

Signature of Chief Executive Officer (designee may not sign)

Data privacy notice: The information requested on this form (and any attachments) will be used by the Gambling Control Board (Board) to determine your organization's qualifications to be involved in lawful gambling activities in Minnesota. Your organization has the right to refuse to supply the information; however, if your organization refuses to supply this information, the Board may not be able to determine your organization's qualifications and, as a consequence, may refuse to issue a permit. If your organization supplies the information requested, the Board will be able to process your organization's application. Your organization's name and address will be public

information when received by the Board. All other information provided will be private data about your organization until the Board issues the permit. When the Board issues the permit, all information provided will become public. If the Board does not issue a permit, all information provided remains private, with the exception of your organization's name and address which will remain public. Private data about your organization are available to: Board members, Board staff whose work requires access to the information;

Minnesota's Department of Public Safety. Attorney General, Commissioners of Administration, Minnesota Management & Budget, and Revenue; Legislative Auditor, national and international gambling regulatory agencies; anyone pursuant to court order; other individuals and agencies specifically authorized by state or federal law to have access to the information: individuals and agencies for which law or legal order authorizes a new use or sharing of information after this notice was given; and anyone with your written consent.

This form will be made available in alternative format, i.e. large print, braille, upon request.

## LG215 Lease for Lawful Gambling Activity

6/15 Page 1 of 2

TRYTO rease to remain adminib work	E. C. V	
LEASE INFORMATION		
Organization:	License/Site Number:	Daytime Phone:
VFW PONT-PETERSON	00356	2183269937 State: Zip:
Address:	City:	
1212 NW 4TH ST	GRAND RAPIDS	MN 55744
Name of Leased Premises:	Street Address:	
BOULDER TAP HOUSE	1001 SOUTH POKEGA	Daytime Phone:
City:	State: Zip: MN 55744	2189990211
GRAND RAPIDS	Business/Street Address:	2103930211
Name of Legal Owner:	1001 SOUTH POKEG/	AMA AVE
SUPERIOR ALES, LLC	State: Zip:	Daytime Phone:
GRAND RAPIDS	MN 55744	2189990211
Name of Lessor (if same as legal owner, write "SAME"):	Address:	* * * * * * * * * * * * * * * * * * *
RICK LAMPTON	1001 SOUTH POKEG	AMA AVE
City:	State: Zip:	Daytime Phone:
GRAND RAPIDS	MN 55744	2189990211
Check applicable item:    Wew or amended lease. Effective date: 11/01/2021   of the change.   New owner. Effective date: Submit		
CHECK ALL ACTIVITY THAT WILL BE CONDUCT	Photo-separate little transfer and the later	
political files of the control of th	Electronic Pull-Tabs	
✓ Pull-Tabs (paper)		
Pull-Tabs (paper) with dispensing device	Electronic Linked Bing Electronic games may only be	
✓ Bar Bingo Bingo	<ol> <li>at a premises licensed</li> </ol>	for the on-sale of intoxicating liquor
V Paddlewheel Paddlewheel with table  Paddlewheel paddlewheel with table	or the on-sale of 3.2% 2. at a premises where bit business and has a sea	malt beverages; or ago is conducted as the primary ting capacity of at least 100.
PULL-TAB, TIPBOARD, AND PADDLEWHEEL RE	NT (separate rent for	booth and bar ops)
BOOTH OPERATION: Some or all sales of gambling equipment the leased premises.		
ALL GAMES, including electronic games: Monthly rent to be paid  Total rent paid from all organizations for only booth operations  The rent cap does not include BAR OPERATION rent for electronic parts.	s at the leased premises may no	t exceed \$1,750.
BAR OPERATION: All sales of gambling equipment conducted	by the lessor or lessor's employe	<b>e</b> .
ELECTRONIC GAMES: Monthly rent to be paid: 15 %, not to ex games and electronic linked bingo games.	and the state of t	
ALL OTHER GAMES: Monthly rent to be paid: 20 %, not to exce • If any booth sales conducted by a licensed organization at the and is subject to booth operation \$1,750 cap.	eed 20% of gross profits from all premises, rent may not exceed :	i other forms of lawful gambling. 10% of gross profits for that month
BINGO RENT (for leased premises where bingo is	the primary business co	nducted, such as bingo hall)
Biogo rent is limited to one of the following:		
Rent to be paid:  %, not to exceed 10% of the month occasions, excluding bar bingo.  OR-  OR-		
Rate to be paid: S per square foot, not to exce approved by the director of the Gambling Control Board. The confirm the comparable rate and all applicable costs to be paid and the same state and all applicable costs to be paid and the same state and all applicable costs to be paid and the same state and all applicable costs to be paid and same state and all applicable costs to be paid for bar bingo.  Bar bingo does not include bingo games linked to other	lessor must attach documentation do the lesson to the less	on, vermed by the organization, to
LEASE TERMINATION CLAUSE (must be comp	leted)	
The lease may be terminated by either party with a written3		

### LG215 Lease for Lawful Gambling Activity

Lease Term: The term of this agreement will be concurrent with the premises permit issued by the Gambling Control Board (Board).

Management: The owner of the premises or the lessor will not manage the conduct of lawful gambling at the premises. The organization may not conduct any activity on behalf of the lessor on the leased premises.

Participation as Players Prohibited: The lessor will not particinate directly or indirectly as a player in any lawful gambling conducted on the premises. The lessor's immediate family and any agents or gambling employees of the lessor will not participate as players in the conduct of lawful gambling on the premises, except as authorized by Minnesota Statutes, Section 349,181.

Illegal Gambling: The lessor is aware of the prohibition against illegal gambling in Minnesota Statutes 609.75, and the penalties for illegal gambling violations in Minnesota Rules 7865.0220, Subpart 3. In addition, the Board may authorize the organization to withhold rent for a period of up to 90 days if the Board determines that Illegal gambling occurred on the premises or that the lessor or its employees participated in the illegal cambling or knew of the gambling and did not take prompt action to stop the gambling. Continued tenancy of the organization is authorized without payment of rent during the time period determined by the Board for violations of this provision, as authorized by Minnesota Statutes, Section 349.18, Subd. 1(a).

To the best of the lessor's knowledge, the lessor affirms that any and all games or devices located on the premises are not being used, and are not capable of being used, in a manner that violates the prohibitions against illegal gambling in Minnesota Statutes, Section 609.75.

Notwithstanding Minnesota Rules 7865.0220, Subpart 3, an organization must continue making rent payments under the terms of this lease, if the organization or its agents are found to be solely responsible for any illegal gambling, conducted at this site, that is prohibited by Minnesota Rules 7861.0260, Subpart 1, item H, or Minnesota Statutes, Section 609.75, unless the organization's agents responsible for the illegal gambling activity are also agents or employees of the lessor.

The lessor must not modify or terminate the lease in whole or in part because the organization reported, to a state or local law enforcement authority or to the Board, the conduct of illegal gambling activity at this site in which the organization did not narticinate.

Other Prohibitions: The lessor will not impose restrictions on the organization with respect to providers (distributor or linked bingo game provider) of gambling-related equipment and services or in the use of net profits for lawful purposes.

The lessor, the lessor's immediate family, any person residing in the same residence as the lessor, and any agents or employees of the lessor will not require the organization to perform any action that would violate statute or rule. The lessor must not modify or terminate this lease in whole or in part due to the lessor's violation of this provision. If there is a dispute as to whether a violation occurred, the lease will remain in effect pending a final determination by the Compliance Review Group (CRG) of the Board. The lessor agrees to arbitration when a violation of this provision is alleged. The arbitrator shall be the CRG.

Access to Permitted Premises: Consent is given to the Board and its agents, the commissioners of revenue and public safety and their agents, and law enforcement personnel to enter and inspect the permitted premises at any reasonable time during the business hours of the lessor. The organization has access to the premises during any time reasonable and when necessary for the conduct of lawful gambling.

Lessor Records: The lessor must maintain a record of all money received from the organization, and make the record available to the Board and its agents, and the commissioners of revenue and public safety and their agents upon demand. The record must be maintained for 3-1/2 years.

Rent All-Inclusive: Amounts paid as rent by the organization to the lessor are all-inclusive. No other services or expenses provided or contracted by the lessor may be paid by the organization, including but not limited to:

- trash removal
- electricity, heat
- snow removal
- storage
- ianitorial and cleaning services
- other utilities or services
- lawn services
- security, security monitoring
- cost of any communication network or service required to conduct electronic pull-tabs games or electronic bingo

in the case of bar operations, cash shortages.

Any other expenditures made by an organization that is related to a leased premises must be approved by the director of the Board. Rent payments may not be made to an individual.

651-639-4032

Fax:

#### ACKNOWLEDGMENT OF LEASE TERMS

and rules governing lawful gambling activities.

I affirm that this lease is the total and only agreement between the lessor and the organization, and that all obligations and agreements are contained in or attached to this lease and are subject to the approval of the director of the Gambling Control Board. Other terms of the lease: Signature of Organization Official (Lessee): Date: Date: Signature of Lessor: -30-21 9-24-21 Print Name and Title of Lessee: Print Name and Title of Lessor: 1/12 Lail OWNER Mail or fax lease to: Questions? Contact the Licensing Section, Gambling Control Board, at Minnesota Gambling Control Board 651-539-1900. This publication will be made available in alternative format (i.e. 1711 W. County Road B, Suite 300 South large print, braille) upon request. Data privacy notice: The information requested Roseville, MN 55113 on this form and any attachments will become public information when received by the Board, and will be used to determine your compliance with Minnesota statutes

## LG230 Application to Conduct Off-Site Gambling

No Fee

ORGANIZATION INFORMATION
Organization Name: Confidence Learning Center License Number:
Address: 1620 Mary Fawcett Memorial Drive City: East Gull Lake , MN Zip: 00691
Chief Executive Officer (CEO) Name: Jeffrey Olson  Daytime Phone: 218-828-2344
Gambling Manager Name: Travis Grossman  Daytime Phone: 218-828-2344
Daytime Phone: 210-626-2544
GAMBLING ACTIVITY
Twelve off-site events are allowed each calendar year not to exceed a total of 36 days.  From 8 / 29 / 22 to 8 / 29 / 22
Check the type of games that will be conducted:
Raffle Pull-Tabs Bingo Tipboards Paddlewheel
GAMBLING PREMISES
Name of location where gambling activity will be conducted: Eagles Aerie 2469  Street address and
City (or township): 1776 Pokegama Ave S, Grand Rapids  • Do not use a post office box.  Zip: 55744  County: Itasca
<ul> <li>If no street address, write in road designations (example: 3 miles east of Hwy. 63 on County Road 42).</li> </ul>
Does your organization own the gambling premises?  Yes If yes, a lease is not required.
No If no, the lease agreement below must be completed, and signed by the lessor.
LEASE AGREEMENT FOR OFF-SITE ACTIVITY (a lease agreement is not required for raffles)
Rent to be paid for the leased area: \$ (if none, write "0")
All obligations and agreements between the organization and the lessor are listed below or attached.
<ul> <li>Any attachments must be dated and signed by both the lessor and lessee.</li> </ul>
<ul> <li>This lease and any attachments is the total and only agreement between the lessor and the organization conducting lawful gambling activities.</li> </ul>
Other terms, if any:
Lessor's Signature: Date:
Print Lessor's Name:
CONTINUE TO DACE 3

LG230 Application to Conduct Off-Site Gan	ibling 6/15 Pi
Acknowledgment by Local Unit of Government	nent: Approval by Resolution
CITY APPROVAL for a gambling premises located within city limits	COUNTY APPROVAL for a gambling premises located in a township
City Name: City Of Grand Rapids	County Name:
Date Approved by City Council:	Date Approved by County Board:
Resolution Number:	Resolution Number:
(If none, attach meeting minutes.)	(If none, attach meeting minutes.)
Signature of City Personnel:	Signature of County Personnel:
Title: Date Signed:	Title: Date Signed:
	TOWNSHIP NAME:
Local unit of government must sign.	Complete below only if required by the county.  On behalf of the township, I acknowledge that the organization is applying to conduct gambling activity within the township limits. (A township has no statutory authority to approve or deny an application, per Minnesota Statutes 349.213, Subd. 2.)
	Print Township Name:
	Signature of Township Officer:
	Title: Date Signed:
CHIEF EXECUTIVE OFFICER (CEO) ACKNOWLED	GMENT
The person signing this application must be your organization's ( If the CEO has changed and the current CEO has not filed a LG20 Board, he or she must do so at this time.	CEO and have their name on file with the Gambling Control Board. 00B Organization Officers Affidavit with the Gambling Control
I have read this application, and all information is true, accurate stated in this application.	, and complete and, if applicable, agree to the lease terms as
Alor )	6/13/22
Signature of CEO (must be CEO's signature; designee may not	sign) Date
Mail or fax to:	No attachments required.
Minnesota Gambling Control Board Suite 300 South 1711 West County Road B Roseville, MN 55113	Questions? Contact a Licensing Specialist at 651-539-1900.

Fax: 651-639-4032

This publication will be made available in alternative format (i.e. large print, braille) upon request.

Data privacy notice: The information requested on this form (and any attachments) will be used by the Gambling Control Board (Board) to determine your organization's qualifications to be involved in lawful gambling activities in Minnesota. Your organization has the right to refuse to supply the information; however, if your organization refuses to supply this information, the Board may not be able to determine your organization's qualifications and, as a consequence, may refuse to issue a permit. If your organization supplies the information requested, the Board will be able to process your organization's application.

Your organization's name and address will be public information when received by the Board. All other information provided will be private data about your organization until the Board issues the permit. When the Board issues the permit, all information provided will become public.

If the Board does not issue a permit, all information provided remains private, with the exception of your organization's name and address which will remain public.

Private data about your organization are available to: Board members, Board staff whose work requires access to the information; Minnesota's Department of Public Safety; Attorney General; commissioners of Administration, Minnesota Management & Budget, and Revenue; Legislative Auditor; national and international gambling regulatory agencies; anyone pursuant to court order; other individuals and agencies specifically authorized by state or federal law to have access to the information; individuals and agencies for which law or legal order authorizes a new use or sharing of information after this notice was given; and anyone with your written consent.





## REQUEST FOR COUNCIL ACTION

**AGENDA DATE:** June 27, 2022

**AGENDA ITEM:** Consider accepting the resignation of Makhi Ruesink from the position of

part-time Hospital Security Officer.

**PREPARED BY:** Lynn DeGrio

#### **BACKGROUND:**

Makhi Ruesink has submitted his notice of resignation from the position of Hospital Security Officer effective June 20, 2022. Makhi has received an offer to serve as a Police Officer for the Bemidji Police Department.

In his letter of resignation, Makhi stated that he enjoyed getting to meet and know some of the members that make up the Grand Rapids Police Department. He felt like a true member of the team.

#### REQUESTED COUNCIL ACTION:

Make a motion to accept the resignation of Makhi Ruesink from the position of part-time Hospital Security Officer effective June 20, 2022.

#### **Lynn DeGrio**

From:

Kevin Ott

Sent:

Saturday, June 18, 2022 10:22 AM

To:

Steve Schaar; Andy Morgan; Lynn DeGrio

**Subject:** 

Fwd: Resignation letter

Sent from my iPhone

Begin forwarded message:

From: ruesinkmakhi0 < ruesinkmakhi0@gmail.com >

**Date:** June 18, 2022 at 10:17:29 AM CDT **To:** Kevin Ott <a href="mailto:kott@ci.grand-rapids.mn.us">kott@ci.grand-rapids.mn.us</a>

**Subject: Resignation letter** 

06/18/22 Capt.Kevin Ott Grand Rapids Police Department

Please accept this email as a notice of my resignation from my position as Hospital Security. My last day of employment will be June 20th 2022.

I received an offer to serve as a police officer for the Bemidji Police Department.

I enjoyed getting to meet and know some of the members that make up the Grand Rapids Police Department. I felt like a true member of the team.

Thank you for the opportunity to work with all of you. I wish you and all your staff the best and look forward to staying in touch.

Sincerely, Makhi Ruesink

Sent from my Galaxy





## REQUEST FOR COUNCIL ACTION

**AGENDA DATE:** 6-27-22

**AGENDA ITEM:** Consider approve Bid Package 2 and approve advertisement of bids for

the IRA Civic Center project

**PREPARED BY:** Tom Pagel

#### **BACKGROUND:**

Plans and specifications are complete for Bid Package 2 of the IRA Civic Center project. The attached resolution approves the plans and specifications and authorizes the advertisement for bids.

#### REQUESTED COUNCIL ACTION:

Make a motion to approve a resolution approving Bid Package 2 and advertisement of bids for the IRA Civic Center project.

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Councilor	introduced the following resolution and moved f	for its adoption:
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#### RESOLUTION NO. 22-

# A RESOLUTION TO APPROVE PLANS AND SPECIFICATIONS AND ORDER ADVERTISEMENT FOR BIDS FOR BID PACKAGE 2 IRA CIVIC CENTER IMPROVEMENTS CITY PROJECT 2021/P&R-1

WHEREAS, Resolution 22-\_\_\_, ordered in the project and directed the preparations of plans and specifications for CP 2021/P&R-1, IRA Civic Center Improvements, and

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF GRAND RAPIDS, MINNESOTA:

- 1. The plans and specifications for Bid Package 2 of this project, copies of which were presented to the City Council and on file in the Building Officials office, are hereby approved.
- 2. The City Clerk shall prepare and cause to be inserted in the official paper an advertisement for bids upon the making of such improvement under such approved plans and specifications. The advertisement shall be published for 21 days, shall specify the work to be done, shall state that online bids will be received by the Building Official until 2:00 p.m., on Tuesday, August 2, 2022, at which time they will be publicly opened in the Council Chambers of the City Hall by the Building Official, will then be tabulated, and will be considered by the Council at their regular meeting of the Council at 5:00 p.m., Monday, August 8, 2022, in the Council Chambers. Any bidder whose responsibility is questioned during consideration of the bids will be given an opportunity to address the Council on the issue of responsibility. No bids will be considered unless received and accepted via the online electronic bid service and accompanied by a cash deposit, cashier's check, bid bond, or certified check payable to the Clerk for 5 percent (5%) of the amount of such bid.

Dale Christy, Mayor

ATTEST:

Kimberly Gibeau, City Clerk

Councilor \_\_\_\_\_\_ 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.

Adopted by the Council this 27<sup>th</sup> day of June, 2022.





## REQUEST FOR COUNCIL ACTION

**AGENDA DATE:** June 27, 2022

**AGENDA ITEM:** Consider hiring a Public Works Summer Maintenance I / Civic Center

Maintenance employee.

**PREPARED BY:** Dale Anderson, Director of Parks & Recreation

#### **BACKGROUND:**

I am proposing the hiring of Kodi Miller as a Public Works Summer Maintenance I / Civic Center Maintenance employee to work from June 28, 2022 through March 31, 2023 at a pay rate of \$15.00 per hour. This is included in the 2022 and 2023 Public Works and Civic Center budgets.

#### **REQUESTED COUNCIL ACTION:**

Make a motion to hire a Public Works Summer Maintenance I / Civic Center maintenance employee.





## REQUEST FOR COUNCIL ACTION

**AGENDA DATE:** 06/27/2022

**AGENDA ITEM:** Consider accepting quote from Loffler for photocopiers.

**PREPARED BY:** Erik Scott

#### **BACKGROUND:**

The IT Department requested quotes on five multifunction printers from vendors in our region. We detailed that we are seeking to enter into a five-year lease on these devices at a predetermined price that shall be set for the full term of the lease. We also stipulated that the contract/price should include unlimited service and supplies and detailed minimum specifications for the equipment.

We received quotes from four vendors. After verifying that all proposed equipment met or exceeded minimum requirements, we calculated the yearly cost of each proposal based on average usage of our current copiers.

The low quote came in from Loffler at an estimated average yearly cost of \$7,861.54.

#### REQUESTED COUNCIL ACTION:

Make a motion to accept the low quote from Loffler for a five-year lease on five MFPs and authorize the mayor to sign the appropriate documents.

## 2022 RFQ for five year lease for Multifunction Print Devices

Great Lakes	Loffler	Marco	Metro	Current Rate
\$8,119.00	\$7,861.54	\$8,251.00	\$7,862.46	\$9,673.60

Total estimated yearly cost for 5 copiers based on historical usage.





## REQUEST FOR COUNCIL ACTION

**AGENDA DATE:** June 27, 2022

**AGENDA ITEM:** Consider accepting the 2021 audited financial reports.

**PREPARED BY:** Barb Baird

#### **BACKGROUND:**

It has been the past practice for the City Council to accept the Annual Financial Statements and other audit reports. The City Council met in a workshop session on April 25, 2022, to discuss and review the 2021 draft Annual Comprehensive Financial Report, the Report on Internal Controls, the Report on Compliance with Minnesota Legal Compliance Audit Guide, and the Management Report.

Mr. Dave Mol, Redpath & Company, Ltd., presented an overview of the City's financial health to the City Council.

#### REQUESTED COUNCIL ACTION:

Make a motion to accepting the 2021 Annual Comprehensive Financial Report, the Audit Management Letter, and the auditor's comments on Compliance and Internal Controls.

## CITY OF GRAND RAPIDS, MINNESOTA

## AUDIT MANAGEMENT LETTER

December 31, 2021

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To the Honorable Mayor and Members of the City Council

We have substantially completed the 2021 audit of the financial statements of the City of Grand Rapids, Minnesota (the City) and the Economic Development Authority (EDA). The Public Utilities Commission (PUC) is considered a "component unit" of the City. As such, the financial statements of the PUC are included in the City's Annual Financial Report. The audit of the PUC will be completed in May, 2022. Therefore, we have issued draft financial statements pending completion of the PUC audit.

Following this introduction letter is a Report Summary and Executive Summary with page references to the areas discussed. Thank you for the opportunity to serve the City. We are available to discuss this report with you.

REDPATH AND COMPANY, LTD.

and Mal

St. Paul, Minnesota

April 18, 2022

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Audit Management Letter

Report Summary

#### REPORT SUMMARY

Several reports are issued in conjunction with the audit. The Annual Comprehensive Financial Report and Report on Internal Control and Legal Compliance Report have been issued in draft form. Accounting standards require the financial statements of the Public Utilities Commission be included in the City's financial statements. At the time of issuance of this Management Letter, the PUC's audited financial statements were not available. Upon the issuance of the PUC's financial statements, the City's financial statements will be updated and issued in final form. A summary is as follows:

Report Name	Elements of Report	Overview
Annual Comprehensive Financial Report	<ul> <li>Auditor's opinion</li> <li>Management's Discussion and Analysis</li> <li>Financial statements</li> <li>Footnotes</li> <li>Supplemental information</li> </ul>	It is anticipated that an unmodified ("clean") opinion will be issued on the Basic Financial Statements
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters	Results of testing     Internal controls over financial reporting     Compliance with laws, regulations, contracts and grants	<ul> <li>No findings of noncompliance</li> <li>No internal control findings</li> </ul>
State Legal Compliance Report	Results of testing certain provisions of Minnesota Statutes	No findings of noncompliance
Audit Management Letter	<ul> <li>Analysis of financial condition and other issues</li> <li>Comparisons and trend analysis</li> <li>Policies and procedures</li> <li>Audit committee communications</li> </ul>	See page 3 of this report for Executive Summary

Audit Management Letter

#### Governmental Accounting and Financial Reporting

#### **EXECUTIVE SUMMARY**

Several areas highlighted for your reference include the following:

#### Awards:

• The City of Grand Rapids has been awarded the Certificate of

Achievement for Excellence in Financial Reporting for the past 29

years.

#### **Key Financial Indicators:**

- The City's property tax collection rate in 2021 was 97.34%. The Page 10 special assessment collection rate was 88.5% for 2021.
- The fund balance of the City's General Fund increased \$213,000 during 2021. Revenues exceeded budget by \$608,000 and expenditures exceeded budget by \$473,000. The General Fund has met the desired cash flow reserve needs.
- A comparison of Debt Service Fund assets and outstanding debt is shown herein.

  Page 23

#### For the Future:

summarized.

- We recommend the City continue to monitor actual results of the
   Debt Service Funds with the projected amounts to ensure adequate
   Page 25
   funding of the Debt Service Funds.
- Governmental accounting standards affecting future years are Page 33
- Required auditor communications are included in this report. Page 34

Audit Management Letter

#### Governmental Accounting and Financial Reporting

#### **GOVERNMENT ACCOUNTING VS. PRIVATE SECTOR ACCOUNTING**

The City's financial statements are presented in a format that is significantly different than financial statements of a private business.

The key differences that impact accounting and financial reporting include the following:

- A. Service motive vs. profit motive
- B. Stewardship vs. return on investment
- C. Appropriated budget vs. financial plan

#### Service Motive vs. Profit Motive

In the private-sector, there generally is a direct relationship between what an individual pays and what that same individual receives. A customer that purchases two rolls of paper from Blandin Paper would expect to pay more than a customer purchasing one roll of paper. This is referred to as an "exchange-type" transaction.

The situation is different for most goods and services provided by the City of Grand Rapids, Minnesota. Generally, there is not a direct relationship between what a resident pays in taxes and the specific services that same resident receives from the City. This is referred to as a "non-exchange" transaction.

#### Stewardship vs. Return on Investment

Users of private-sector financial statements are investors and creditors. Investors interested in financial information that enables them to evaluate a business's ability to generate a return on their investment. Stock holders are concerned about earnings and earnings per share.

Audit Management Letter

#### Governmental Accounting and Financial Reporting

Citizens and creditors of the City need financial information that allows them to assess the City's stewardship of the financial resources provided. In other words, the financial statements need to demonstrate accountability. This accountability is a foundation of fund accounting. Maintaining separate funds demonstrates accountability to taxpayers, creditors and grantors.

#### **Budget vs. Financial Plan**

Budgets are prepared by both private sector businesses and governments. The private-sector budgets often serve as a management tool for financial planning. In a government, a budget serves as authorization to spend resources for the provision of goods and services. For the City of Grand Rapids, there are annual budgets and project budgets. The Annual Budget Report includes the budget for thirteen individual funds. Additionally, the budget process uses multiple internal meetings, several meetings with the City Council, and public meetings.

#### Summary

Financial reporting of budgetary performance serves as an accountability/compliance tool for the City Council and taxpayers.

In summary, the City's financial statements serve to demonstrate accountability and compliance to taxpayers, creditors and grantors of council action, regulations, and grant agreements.

Audit Management Letter

Excellence in Financial Reporting

## National Recognition for Excellence in Financial Reporting

The "Certificate of Achievement for Excellence in Financial Reporting" is an award program offered by the Government Finance Officers Association of the United States and Canada (GFOA).

This Award Program has three key objectives:

- Recognize governments that issue a high-quality Financial Report.
- Easily readable and understandable Financial Report.
- Providing educational materials, comments, and suggestions for improvements to program participants.

The City of Grand Rapids has been awarded the Certificate of Achievement for Excellence in Financial Reporting for twenty-nine consecutive years (every year since 1992).



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

#### City of Grand Rapids Minnesota

For its Annual Comprehensive Financial Report For the Fiscal Year Ended

December 31, 2020

Christopher P. Morrill

Executive Director/CEO

Audit Management Letter

Financial Reporting Entity

#### FINANCIAL REPORTING ENTITY

The Governmental Accounting Standards Board (GASB) is the standard setting body for accounting principles and financial reporting. The foundation of financial reporting is the distinction between the *primary government* and *component units*.

A primary government consists of all organizations that make up its legal entity. Characteristics of a primary government are a) it has a separately elected governing body, b) it is legally separate, and c) it is fiscally independent of other governments. All funds, organizations, institutions, agencies and departments that are not legally separate are, for financial reporting purposes, part of a primary government.

Component units are legally separate organizations for which the elected officials of the primary government are financially accountable.

The City's finance department has evaluated all of the entities related to the City. A summary of this analysis is as follows:

Entity	Relationship
Library Board	Part of Primary Government
Arts and Culture Advisory Board	Part of Primary Government
Pokegama Golf Course Board	Part of Primary Government
Civic Center/Park & Recreation Board	Part of Primary Government
Human Rights Commission	Part of Primary Government
Planning Commission	Part of Primary Government
Public Utilities Commission	Component Unit – included in Financial Report
E.D.A.	Component Unit – included in Financial Report
Fire Relief Association	Excluded

Audit Management Letter

Fund Financial Statements

## **ACCOUNT BALANCE ANALYSIS OF THE FUND FINANCIAL STATEMENTS**

### **Summary of Financial Activity**

The schedule below presents a condensed financial summary of all funds:

			Interfund	Increase (Decrease)	Fund	Cash
Fund Type	Revenues	Expenditures	Transfers (Net)	in Fund Balance	Balance 12/31/2021	Balance 12/31/2021
General Fund	\$10,718,000	\$9,821,000	(\$684,000)	\$213,000	\$7,555,000	\$4,436,000
Special Revenue Funds	2,295,000	2,317,000	191,000	169,000	1,058,000	1,147,000
Debt Service Funds	2,696,000	3,293,000	21,000	(576,000)	6,077,000	6,168,000
Capital Project Funds	11,641,000	12,570,000	472,000	(457,000)	568,000	3,604,000
Enterprise Funds	1,778,000	1,347,000	<del>-</del> .	431,000	3,412,000	742,000
Total	\$29,128,000	\$29,348,000	\$ -	(\$220,000)	\$18,670,000	\$16,097,000

Additional detail by fund is presented on the next page.

Audit Management Letter

## Fund Financial Statements

	ands Financial Su			Ingranca	F 1D1 /		
	D	Increase Fund Balance					
	Revenue	Expenditures	Interfund	(Decrease) in	Net		
	and Other	and Other	Transfers	Fund Balance/	Position		
Fund	Sources	Uses	(Net)	Net Position	12/31/2021		
General	\$10,718,078	\$9,821,468	(\$683,771)	\$212,839	\$7,554,548		
Special Revenue Funds:							
Public Library	896,565	856,949	-	39,616	656,528		
Central School	57,734	112,665	50,716	(4,215)	72,459		
Airport Operations	249,900	248,103	20,000	21,797	150,623		
IRA Civic Center	701,003	614,736	-	86,267	(47,414)		
Haz-Mat	65,057	65,057	-	ı	1,009		
Police Forfeiture	15,025	13,043	-	1,982	78,202		
Cemetery	284,309	341,635	82,585	25,259	135,656		
Domestic Animal Control Facility	25,792	64,567	37,778	(997)	10,507		
Debt Service Funds:							
Improvement Bonds	1,444,236	1,814,004	(129,011)	(498,779)	3,634,410		
Street Reconstruction Bonds of 2013B and 2020A	293,610	370,342	150,000	73,268	1,047,024		
G.O. State-Aid Street Bonds of 2007B and 2012B	402,918	403,821	-	(903)	14,921		
Refunding Bonds of 2017B	268,598	474,100	-	(205,502)	659,672		
Tax Increment 1-6 Old Hospital Housing	57,182	53,369	-	3,813	93,730		
Tax Increment 1-6 Old Hospital Housing Paygo	31,450	28,742	-	2,708	18,936		
Tax Increment 1-4 Oakwood Terrace	33,101		-	32,917	503,809		
Tax Increment 1-7 Block 37 Redevelopment	17,419	15,807	-	1,612	18,531		
Tax Increment 1-8 Lakewood Heights	35,682	32,165	-	3,517	28,258		
Tax Increment 1-10 River Hills	62,651	56,477	-	6,174	27,165		
Tax Increment 1-11 Sawmill Inn Redevelopment	4,887		-	4,795	4,795		
Tax Abatement - 1st Ave Condo	44,299	44,049	-	250	25,645		
Capital Project Funds:							
	410,810		159,686		280,136		
Municipal State Aid	71,961	, -	-	,	446,729		
1	-	,	=		(129,591)		
Park Acquisition and Development		7,464	-	16,783	94,653		
Arts and Culture Capital Project	349	-	4,167	4,516	71,771		
1 11 1			,		(556,342)		
	.,,	-,,	(222,505)	,	953,581		
	3,636,309	3,669,938	=	(33,629)	102,160		
	-	-	=	-	-		
J	28,123	-	-	,	(24,824)		
Civic Center Capital Improvements	-	, , , , , ,	-		(1,263,858)		
ı	24,532	26,981	332,318	329,869	593,930		
•							
	,	, ,	-	,	2,668,633		
	,	- ,	-	,	743,376		
Total	\$29,129,220	\$29,348,445	\$0	(\$219,225)	\$18,669,368		
	Central School Airport Operations IRA Civic Center Haz-Mat Police Forfeiture Cemetery Domestic Animal Control Facility Debt Service Funds: Improvement Bonds Street Reconstruction Bonds of 2013B and 2020A G.O. State-Aid Street Bonds of 2007B and 2012B Refunding Bonds of 2017B Tax Increment 1-6 Old Hospital Housing Tax Increment 1-6 Old Hospital Housing Paygo Tax Increment 1-7 Block 37 Redevelopment Tax Increment 1-8 Lakewood Terrace Tax Increment 1-10 River Hills Tax Increment 1-11 Sawmill Inn Redevelopment Tax Abatement - 1st Ave Condo Capital Project Funds: General Capital Improvement Projects Municipal State Aid GR/Cohasset Industrial park Park Acquisition and Development Arts and Culture Capital Project Capital Equipment Replacement Infrastructure Bonds Airport Capital Fund 7th Avenue Bridge Rehabilitation IRA Civic Center Project	Central School   57,734     Airport Operations   249,900     IRA Civic Center   701,003     Haz-Mat   65,057     Police Forfeiture   15,025     Cemetery   284,309     Domestic Animal Control Facility   25,792     Debt Service Funds:   1,444,236     Street Reconstruction Bonds of 2013B and 2020A   293,610     G.O. State-Aid Street Bonds of 2007B and 2012B   402,918     Refunding Bonds of 2017B   268,598     Tax Increment 1-6 Old Hospital Housing   57,182     Tax Increment 1-6 Old Hospital Housing Paygo   31,450     Tax Increment 1-7 Block 37 Redevelopment   17,419     Tax Increment 1-10 River Hills   62,651     Tax Increment 1-11 Sawmill Inn Redevelopment   4,887     Tax Abatement - 1st Ave Condo   44,299     Capital Project Funds:   General Capital Improvement Projects   410,810     Municipal State Aid   71,961     GR/Cohasset Industrial park   -	Central School   57,734   112,665     Airport Operations   249,900   248,103     IRA Civic Center   701,003   614,736     Haz-Mat   65,057   65,057     Police Forfeiture   15,025   13,043     Cemetery   284,309   341,635     Domestic Animal Control Facility   25,792   64,567     Debt Service Funds:	Central School   57,734   112,665   50,716   Airport Operations   249,900   248,103   20,000   IRA Civic Center   701,003   614,736	Central School		

Audit Management Letter

Property Taxes

#### **Property Taxes**

Property tax collections (excluding tax increment levies) were as follows for the past four years:

	2018	2019	2020	2021
Property tax levy	\$7,408,178	\$7,689,023	\$7,793,670	\$8,079,328
Receipts:				
Current year levy	7,249,845	7,545,606	7,735,738	7,864,173
Delinquent (prior years levies)	33,345	54,274	32,894	99,195
Total receipts	7,283,190	7,599,880	7,768,632	7,963,368
Collection rates:				
Collections of current year levy as a percent of levy	97.86%	98.13%	99.26%	97.34%
Total receipts as percent of current year levy	98.31%	98.84%	99.68%	98.56%

Audit Management Letter

Special Assessments

#### **Special Assessments**

Special assessment collections have been as follows:

2018	2019	2020	2021
\$453,813	\$414,361	\$370,472	\$306,057
447,143	404,464	336,097	270,910
5,347	14,160	5,476	10,980
452,490	418,624	341,573	281,890
98.5%	97.6%	90.7%	88.5%
99.7%	101.0%	92.2%	92.1%
	\$453,813 447,143 5,347 452,490 98.5%	\$453,813 \$414,361 447,143 404,464 5,347 14,160 452,490 418,624 98.5% 97.6%	\$453,813 \$414,361 \$370,472 447,143 404,464 336,097 5,347 14,160 5,476 452,490 418,624 341,573 98.5% 97.6% 90.7%

The reduction in collection rate for 2021 relates to an assessment in the General Fund for blight. The City collected 27% of the General Fund assessment levied for collection in 2021. We recommend the City continue to monitor the special assessment collection rate and consider the impact on the funding of debt service payments.

Audit Management Letter

General Fund

#### **GENERAL FUND**

The General Fund of the City is maintained to account for the current operating and capital outlay expenditures common to all cities. These basic services include (but are not limited to) public safety, public works, parks, culture and recreation and general government. A summary of the revenue sources of the General Fund of the City of Grand Rapids is as follows:

#### General Fund Revenue By Source

State Tax Relief (LGA, MVHC and

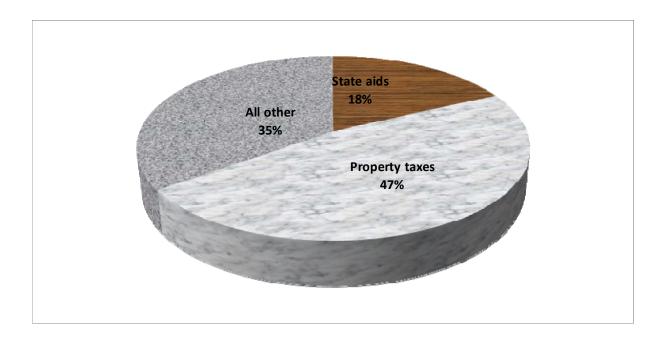
	Property Tax	kes	Supplementa	al Aid)	All Other Rev	venue <sup>(1)</sup>	Total Reve	nue
Year	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent
2012	\$3,666,921	46%	\$1,220,693	16%	\$2,838,309	38%	\$7,725,923	100%
2013	3,677,404	46%	1,214,925	16%	2,914,954	38%	7,807,283	100%
2014	3,622,374	44%	1,507,585	18%	3,032,665	38%	8,162,624	100%
2015	3,946,640	47%	1,556,892	18%	2,942,815	35%	8,446,347	100%
2016	4,156,865	48%	1,587,017	18%	2,847,848	34%	8,591,730	100%
2017	4,358,987	48%	1,582,391	18%	3,060,521	34%	9,001,899	100%
2018	4,330,676	47%	1,671,022	18%	3,241,955	35%	9,243,653	100%
2019	4,642,474	48%	1,668,617	17%	3,350,091	35%	9,661,182	100%
2020	4,719,439	43%	1,854,693	17%	4,475,527	40%	11,049,659	100%
2021	4,963,402	47%	1,944,564	18%	3,757,227	35%	10,665,193	100%

<sup>(1)&</sup>quot;All other revenue" includes the PUC payment in lieu of tax.

Audit Management Letter

General Fund

A chart of 2021 General Fund revenue sources is as follows:



Audit Management Letter

General Fund

The fund balance of the General Fund increased by \$213,000 in 2021 as follows:

			Favorable
	Final		(Unfavorable)
	Budget	Actual	Variance
Revenues	\$10,057,000	\$10,665,000	\$608,000
Expenditures	9,349,000	9,821,000	(472,000)
Revenues over (under) expenditures	708,000	844,000	136,000
Other sources (uses):			
Sale of capital assets	-	11,000	11,000
Insurance recoveries	-	42,000	42,000
Transfers in	0	93,000	93,000
Transfers out	(708,000)	(777,000)	(69,000)
Total other sources (uses)	(708,000)	(631,000)	77,000
Net change in fund balance	\$0	\$213,000	\$213,000

Detail of the preceding budget variances is presented in Statement 11 of the Annual Comprehensive Financial Report. A summary of the budget variances is as follows:

#### Revenue:

**Intergovernmental revenue** – had a favorable budget variance of \$428,000. The City received \$230,000 of IRRRB grant proceeds and \$172,000 in FEMA funding due to the July storm.

**Licenses and permits** – had a favorable variance of \$84,000. For 2021, building activity included two large permits for a new bank and a hotel.

Audit Management Letter

General Fund

#### **Expenditures:**

City-wide – had an unfavorable budget variance of 263,000. The city made a \$230,000 payment to the PUC for an IRRRB grant for the solar garden infostructure.

The City's General Fund balance has been as follows for the past ten years:

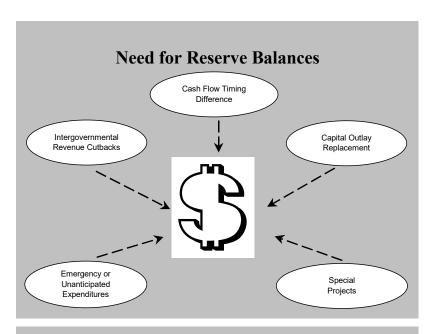
Year	Amount <sup>(1)</sup>	Increase (Decrease) <sup>(1)</sup>	
2012	\$5,516,000	\$495,000	
2013	5,497,000	(19,000)	
2014	5,651,000	154,000	
2015	6,001,000	350,000	
2016	6,239,000	238,000	
2017	6,271,000	32,000	
2018	6,219,000	(52,000)	
2019	6,621,000	402,000	
2020	7,342,000	721,000	
2021	7,555,000	213,000	

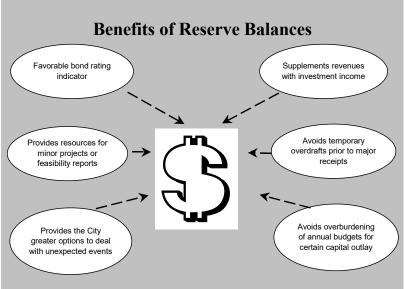
The fund balance of a city's general fund is a key financial indicator. Management controls over the level of fund balance is based on a city's philosophy and approach to determining optimum balances.

Audit Management Letter

General Fund

A summary of the purposes and benefits of General Fund designated balances is as follows:





Audit Management Letter

General Fund

#### Summary of General Fund Balance

The City has a policy regarding General Fund Reserve Balances (Resolution 11-110). The City's policy for reserves in the General Fund is:

*Minimum cash flow* – to equal 50% of the following year's General Fund property tax and anticipated local government aids.

Compensated absences – equal to the sum of flexible time off and compensatory time for all employees each December 31.

*Emergency or unanticipated expenditures* – equal to 10% of the prior year General Fund annual revenues.

*Neighborhood and economic development* – equal to the principal amount of the sale of the liquor store.

At December 31, 2021, the unassigned fund balance of the General Fund available for reserves was \$4,812,207, compared to its targeted balance of \$6,240,669. See schedule on next page.

In addition, the City has established a specified amount of General Fund balance for revenue stabilization, which is reported as committed fund balance. When sufficient reserves exist, the amount committed is equal to 10% of the prior year annual revenues.

Audit Management Letter

General Fund

At December 31, 2021, the fund balance of the General Fund was as follows:

			2021			
		Balance	Increase	Balance	Targeted	
	Fund Balance Constraint	12/31/20	(Decrease)	12/31/2021	Balance	Difference
١.						
1	Nonspendable:					
2	Interfund loan	\$1,320,035	\$159,935	\$1,479,970	\$1,479,970	\$ -
3	Prepaid items	151,041	21,982	173,023	173,023	-
4	Restricted:					
5	Cash - Superior USA	15,755	357	16,112	16,112	-
6	Donor restrictions	20,195	3,209	23,404	23,404	-
7	Committed:					
8	Revenue stabilization	925,572	124,260	1,049,832	1,049,832	-
9	Unassigned (Available for Reserves	):				
10	Cash flow	3,903,332	51,095	3,954,427	3,954,427	-
11	Compensated absences	473,923	9,884	483,807	483,807	-
12	Emergency / unanticipated	531,856	(157,883)	373,973	1,104,966	(730,993)
13	Economic development	-	-	-	697,469	(697,469)
14	Unassigned		<del>-</del>	<del>-</del>		
15	Total	\$7,341,709	\$212,839	\$7,554,548	\$8,983,010	(\$1,428,462)
15	Total	\$7,341,709	\$212,839	\$7,554,548	\$8,983,010	(\$1,4

Audit Management Letter

Special Revenue Funds

#### **SPECIAL REVENUE FUNDS**

Special Revenue Funds are a classification of funds to account for revenues (and expenditures related thereto) segregated by City policy or Federal or State statutes for specific purposes. The City maintained the following Special Revenue Funds during 2021:

Fund	Revenue	Expenditures	Interfund Transfers	Change in Fund Balance	Fund Balance 12/31/2021	Comments
Public Library	\$896,565	\$856,949	\$ -	\$39,616	\$656,528	This fund had a balanced budget for 2021. Revenues exceeded budget by \$15,000. Expenditures were less than budget by \$25,000.
Central School	57,734	112,665	50,716	(4,215)	72,459	This fund had a balanced budget for 2021. Revenues were less than budget by \$21,000. Expenditures were less than budget by \$4,000. Receives transfer from General Fund, for 2021 the transfer was \$5,000 more than budgeted.
Airport Operations	249,900	248,103	20,000	21,797	150,623	This fund had a balanced budget for 2021. Revenue exceeded budget by \$32,000. Expenditures exceed budget by \$16,000.
IRA Civic Center	701,003	614,736	-	86,267	(47,414)	The City budgeted an increase in fund balance of \$72,000. Revenues were less than budget by \$15,000 and expenditures were more than budget by \$14,000.
Haz-Mat	65,057	65,057	-	-	1,009	Balanced budget for 2021.
Police Forfeiture	15,025	13,043	-	1,982	78,202	The city budgeted a decrease in fund balance of \$17,000. However, revenues exceeded budget by \$6,000 and expenditures were less than budget by \$12,000.
Cemetery	284,309	341,635	82,585	25,259	135,656	Balanced budget for 2021. Revenues exceeded budget by \$34,000
Domestic Animal Control Facility	25,792	64,567	37,778	(997)	10,507	Balanced budget for 2021. Receives budgeted transfer from General Fund.
Totals	\$2,295,385	\$2,316,755	\$191,079	\$169,709	\$1,057,570	

Audit Management Letter

Special Revenue Funds

#### **Public Library**

Approximately 60% of the funding of library operations is from property taxes and state aids which are not received until the second-half of the year. Therefore, like the General Fund, a portion of the fund balance is required for cash flow purposes. In response to this circumstance, the Library Board adopted resolution 2012-12 amending the fund balance policy. A summary of Public Library Fund balance at December 31, 2021 is as follows:

	December 31, 2021				
	Targeted	Actual			
Fund Balance Constraint	Balance	Balance	Difference		
Nonspendable:					
Prepaid items	\$12,304	\$12,304	\$ -		
Committed:		_			
Cash flow	443,666	443,666	_		
Compensated absences	46,367	46,367	-		
Emergency/unanticipated expenditures	64,625	64,625	-		
Major equipment replacement	73,857	89,566	(15,709		
Total committed	628,515	644,224	(15,709		

As shown above, the actual fund balance is \$15,709 greater than the targeted fund balance at December 31, 2021.

Audit Management Letter

Special Revenue Funds

#### **IRA Civic Center**

A summary of activity of this Fund is as follows:

	2018	2019	2020	2021	2022 Budget
Revenue	\$721,359	\$741,158	\$558,291	\$659,759	\$640,000
Expenditures:					
Operating	728,528	752,645	515,776	614,736	542,677
Capital outlay					
Revenues over (under) expenditures	(7,169)	(11,487)	42,515	45,023	97,323
Other sources:					
Insurance recoveries	5,493	-	-	41,244	-
Sale of capital assets	-	-	-	-	
Transfers from other funds	<del></del> .				
Net change in fund balance	(1,676)	(11,487)	42,515	86,267	97,323
Fund balance (deficit) - January 1	(163,033)	(164,709)	(176,196)	(133,681)	(47,414)
Fund balance (deficit) - December 31	(\$164,709)	(\$176,196)	(\$133,681)	(\$47,414)	\$49,909

The Fund deficit of (\$47,414) at December 31, 2021 is partially financed by an interfund loan of \$52,074 which is to be repaid over ten years (through 2025).

We recommend the City continue to monitor the financial results of this Fund.

Audit Management Letter

Debt Service Funds

#### **DEBT SERVICE FUNDS**

Debt Service Funds are a type of governmental fund to account for the accumulation of resources for the payment of interest and principal on debt (other than Enterprise Fund debt).

Current governmental reporting standards for fund financial statements do not provide for the matching of long-term debt with its related financing sources. Although this information can be found in the City's Annual Comprehensive Financial Report, it is located in several separate sections. The following schedule extracts information from the Annual Comprehensive Financial Report to provide an overview analysis of long-term debt and its related funding.

Audit Management Letter

Debt Service Funds

The reader is cautioned that 1) future interest revenue from assessments and investments, and 2) future interest expense on bonded debt, is not included in the following schedule.

			12/31/2	2021		Scheduled Ad-valorem	Final
		Fund	Deferred		Outstanding	Property	Maturity
	Fund Description	Balance	Revenue	Total	Debt	Taxes	Date
_	Special Assessment Debt:						
1	Improvement Bonds of 2007B <sup>(2)</sup>	12,382	-	12,382	75,000	-	4/1/2022
2	Improvement Bonds of 2009C(1)	640,377	139,746	780,123	1,405,000	910,429	2/1/2025
3	Improvement Bonds of 2010A	133,365	23,012	156,377	310,000	222,543	2/1/2026
4	Improvement Bonds of 2011B	268,796	106,191	374,987	440,000	285,902	2/1/2027
5	Improvement Bonds of 2012A	702,192	139,164	841,356	1,110,000	759,727	2/1/2028
6	Improvement Bonds of 2012B <sup>(2)</sup>	2,539	-	2,539	1,785,000	-	10/1/2027
7	Improvement Bonds of 2013B	869,516	165,429	1,034,945	2,360,000	756,830	2/1/2029
8	Improvement Bonds of 2014A	364,315	67,276	431,591	1,630,000	1,525,650	2/1/2030
9	Improvement Bonds of 2016A	315,163	123,572	438,735	1,660,000	1,509,577	2/1/3032
10	Improvement Bonds of 2021B	82,586	15,558	98,144	6,255,000	8,123,170	2/1/2042
11	Refunding Bonds of 2017B	659,672	187,845	847,517	895,000	255,255	2/1/2034
12	Street Reconstruction Bonds of 2017A	406,723	135,813	542,536	1,795,000	1,860,358	2/1/2033
13	Street Reconstruction Bonds of 2018A	341,972	127,336	469,308	1,755,000	1,704,176	2/1/2034
14	G. O. Abatement Bonds of 2019A	378,921	770,513	1,149,434	1,515,000	1,748,198	2/1/2035
15	Street Reconstruction Bonds of 2020A	177,508	140,498	318,006	2,275,000	2,319,914	2/1/2036
16	Supplemental levy (3)					(660,000)	
17	Total special assessment debt	5,356,027	2,141,953	7,497,980	25,265,000	21,321,729	

<sup>(1)</sup> These are "Build America Bonds", the interest is subsidized by a federal credit.

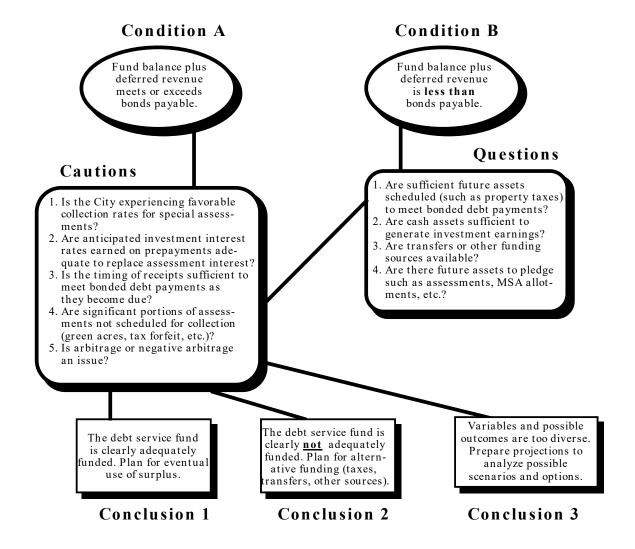
<sup>(2)</sup> To be paid by MSA allotments

<sup>(3)</sup> This amount represents decreased levies which were approved to eliminate projected cash surpluses in various Debt Service Funds.

Audit Management Letter

Debt Service Funds

The following decision chart prompts questions to further evaluate a fund's financial position:



We recommend the City continue to compare actual results of the Debt Service Funds with the projected amounts to ensure adequate funding of the Debt Service Funds and/or possibly reduce future tax levies.

Audit Management Letter

Tax Increment Districts

#### **TAX INCREMENT DISTRICTS**

The City of Grand Rapids currently has the following tax increment districts:

- TIF 1-4 Oakwood Terrace
- TIF 1-6 Old Hospital Housing
- TIF 1-7 Block 37 Redevelopment
- TIF 1-8 Lakewood Heights
- TIF 1-10 River Hills Apartments
- TIF 1-11 Rebound (Sawmill)
- TIF 1-13 Unique Opportunities Apartments

#### **Tax Increment 1-4 (Oakwood Terrace)**

The final payment on a pay-as-you-go note was made in 2006. The fund no longer has note or debt service payments and is collecting tax increment. Any extra tax increment from this district has been pledged to pay any shortfalls of TIF 1-6 (relating to the 2017B TIF Refunding Bonds only). This pledge was made because the owner of Oakwood Terrace is the same owner as the Old Hospital Housing.

Audit Management Letter

Tax Increment Districts

#### **Tax Increment 1-6 (Old Hospital Housing)**

The district is divided into two main parcels:

- 1. Assisted Living Facility on the East Clinic site:
  - o 2008 was the first year tax increment was received relating to this parcel.
  - The tax increment (90%) is used to make debt service payments on the \$850,000 G.O. TIF Bonds, 2008A. This bond issue was refunded by the 2017B Bonds.
- 2. Old hospital site was redeveloped into low to moderate income housing:
  - The old hospital was demolished in 2008. TIF Bond proceeds financed the demolition costs.
  - The tax increment derived from this site is used to make the debt service payments on the \$307,500 Tax Increment Revenue Notes, 2008B (paygo).
  - o The outstanding balance of this note at December 31, 2021 was \$307,500.

Audit Management Letter

Tax Increment Districts

#### **Tax Increment 1-7 (Block 37 Redevelopment)**

The tax increment derived from this site is used to pay the \$389,300 2008A TIF Note (paygo). 90% of the increment collected is pledged to pay the note. The outstanding balance of this note was \$389,300 at December 31, 2021.

#### **Tax Increment 1-8 (Lakewood Heights)**

The tax increment derived from this site are used to pay the \$350,000 2013A TIF Note (paygo). 90% of the increment collected is pledged to pay the note. 2013 was the first year tax increment was received. The outstanding balance of this note was \$220,933 at December 31, 2021.

#### **Tax Increment 1-10 (River Hills)**

Tax incremment derived from the district are used to pay the \$300,000 2016A TIF Note. 90% of the increment collected is pledged to pay the Note. The outstanding balance of this Note was \$225,389 at December 31, 2021. In addition, tax increments derived from this district is used to pay the \$300,000 2017B TIF Note. 90% of the increment collected is pledged to pay the Note. The outstanding balance of this Note was \$241,731 at December 31, 2021.

A Summary of the 2021 financial activity of the TIF funds is as follows:

			Increase		
	Revenue	Expenditures	(Decrease) in	Fund	PAYGO
	and Other	and Other	Fund	Balance	Balance
Fund	Sources	Uses	Balance	12/31/2021	12/31/2021
Tax Increment 1-6 Old Hospital Housing	57,000	53,000	4,000	94,000	1
Tax Increment 1-6 Old Hospital Housing Paygo	31,000	29,000	2,000	19,000	307,500
Tax Increment 1-4 Oakwood Terrace	33,000	ı	33,000	504,000	1
Tax Increment 1-7 Block 37 Redevelopment	17,000	16,000	1,000	19,000	389,000
Tax Increment 1-8 Lakewood Heights	36,000	32,000	4,000	28,000	221,000
Tax Increment 1-10 River Hills	63,000	56,000	ī	6,000	467,000
Tax Increment 1-11 Sawmill Inn Redevelopment	5,000	-	1	5,000	-
Total	242,000	186,000	44,000	675,000	1,384,500

Audit Management Letter

Capital Project Funds

## **CAPITAL PROJECT FUNDS**

The financial activity of the Capital Project Funds for 2021 was as follows:

					Change	Fund	
			Bonds	Interfund	in Fund	Balance	
Fund	Revenue	Expenditures	Issued	Transfers	Balance	12/31/2021	Comments
							2021 expenditures include Hwy 2 lighting
General Capital Improvement Projects	\$410,810	\$399,826	\$ -	\$159,686	\$170,670	\$280,136	project, and the ICC Student Center project
							(\$340,000) and North Homes expansion
Municipal State Aid	71,961	1,282	-	-	70,679	446,729	
GR/Cohasset Industrial park	-	129,591	-	-	(129,591)	(129,591)	
Park Acquisition and Development	24,247	7,464	-	-	16,783	94,653	
Arts and Culture Capital Project	349	-	-	4,167	4,516	71,771	
							2021 expenditures include an ASV track
							loader (\$74,000), Mower (\$57,000), Ram
Capital Equipment Replacement	255,242	436,326	-	198,037	16,953	(556,342)	dump truck (\$72,000) two ford explorers
							(\$101,000) and Jeep Grand Cherokee
							(\$38,000).
							2021 expenditures include preliminary costs
Airport Capital Fund	3,636,309	3,669,938	-	-	(33,629)	102,160	for runway 16/34 reconstruction
							(\$3,653,000)
IRA Civic Center Projects	28,123	-	-	-	28,123	(24,824)	
		1,081,716	_		(1.001.716)	(1,263,858)	This fund accounts for the Civic Center
Civic Center Capital Improvements	-	1,081,716	-	-	(1,081,716)	(1,263,858)	renovation
Permanent Improvement Revolving	24,532	26,981	-	332,318	329,869	593,930	
2019 Infrastructure - Bonded	,	1,960	,	(135,913)	(137,873)	-	This fund accounted for the Golf Course Road utility extension and Cohasset Trail projects
2020 Infrastructure - Bonded	10,974	150,332	-	-	(139,358)	104,334	2021 expenditures were for the 2020 street improvement project
2021 Infrastructure - Bonded	466,044	6,577,227	6,625,304	(86,592)	427,529	849,247	2021 expenditures were for the new Fire Hall (\$4,415,000) and HWY 2 West Trail (\$1,342,000)
2022 Infrastructure - Bonded	87,584	87,584					2021 expenditures were funded by the
2022 mmastructure - Bonded	87,584	87,584	-	-	-	-	federal ARPA monies
Totals	\$5,016,175	\$12,570,227	\$6,625,304	\$471,703	(\$457,045)	\$568,345	
	_		_	_			

Audit Management Letter

Economic Development Authority

#### **ENTERPRISE FUNDS**

The City maintains two Enterprise Funds, the Pokegama Golf Course and the Storm Water Utility Fund.

## Pokegama Golf Course Fund

A summary of golf course operations for the preceding four years is as follows:

	2018	2019	2020	2021
Operating revenue	\$582,728	\$589,751	\$651,736	\$776,841
Operating expenses	621,106	624,109	635,929	718,957
Operating income (loss)	(38,378)	(34,358)	15,807	57,884
Other income (expense) - net Transfers in Transfers out	27,295 - (3,500)	5,190 - (3,500)	(735) - 	119,188 - 
Change in net assets	(\$14,583)	(\$32,668)	\$15,072	\$177,072

Audit Management Letter

#### Economic Development Authority

#### **Storm Water Utility Fund**

This Fund was established in 2004. The transfers out of the Fund are for the storm water utility's portion of infrastructure improvements made during the year.

	2018	2019	2020	2021
Operating revenue	\$699,897	\$694,278	\$743,663	\$873,563
Operating expenses	747,613	740,480	663,576	624,495
Operating income	(47,716)	(46,202)	80,087	249,068
Other income (expense) - net Transfers in (out)	7,526 33,000	3,236	4,123	5,262
Change in net assets	(\$7,190)	(\$42,966)	\$84,210	\$254,330

For 2018, revenue increased as a result a change in rates and storm water credits.

There was no change in rates from 2018 to 2019. Rates increased 13% and 6.25% for 2020 and 2021 respectively.

Audit Management Letter

Economic Development Authority

#### **ECONOMIC DEVELOPMENT AUTHORITY**

This organization was established and began operations in 1987 pursuant to Minnesota Statute 458C (subsequently amended and recodified). During 1994, the City adopted resolution 94-164 which modified the previous enabling resolution to refer to current statutory authority for EDA's as contained in Chapter 469 of Minnesota Statutes. Among other things, this resolution impacted the financial reporting of the EDA. The EDA is reported as a discrete component unit, similar to the Public Utilities Commission.

Fund balances of EDA funds are as follows:

Fund	Revenue	Expenditures	Change in Fund Balance	Fund Balance 12/31/2021
General	\$30,095		\$15,216	
Capital Project	707,772	759,160	(51,388)	821,105
Total	\$737,867	\$774,039	(\$36,172)	\$839,201
	_	_	_	_

Capital Project expenditures for 2021 include the following:

Great River Acres	\$28,371
DEED - Owner Occupied Rehab	163,590
Block 5	134,927
Hangar	31,427
Loans issued	120,000
Airport South Ind. Park	25,627
Loan repayments	210,490
All other	44,728
Total	\$759,160

Audit Management Letter

## Economic Development Authority

The EDA has several loans payable. A summary of these loans is as follows:

Payee	Purpose	Balance 12/31/20	Additions	Deletions	Balance 12/31/21
Blandin Foundation	Block 20 & 21 soil remediation	\$100,000	\$ -	\$ -	\$100,000
Blandin Foundation	Airport industrial park	262,500	-	17,500	245,000
Blandin Foundation	Commercial building improvement loans	101,540	-	27,910	73,630
Blandin Foundation	VFW/Rose Bldgs	-	140,000	-	140,000
IRRRB	Airport Hangar	284,578	-	16,487	268,091
IEDC	Airport Hangar	55,037	-	8,952	46,085
Blandin Foundation	EWCL	550,000	-	123,838	426,162
Blandin Foundation	EWCL	100,000	-	15,803	84,197
	Total -	\$1,453,655	\$140,000	\$210,490	\$1,383,165

The EDA also has inventory of Land Held for resale in the amount of \$3,401,507. A summary of these assets are as follows:

Industrial park East	\$274,500
Airport South Industrial Park - Phase 1	162,212
Airport South Industrial Park - Phase 2	197,739
Airport properties	576,344
Manufacturing Hangar	580,000
Great River Acres	657,883
Block 5	258,602
Forest Lake school site	250,000
Block 18 (VFW and Rose)	134,927
Block 23	42,000
Blocks 20 and 21	267,300
	\$3,401,507

Audit Management Letter

Accounting Standards

## **ACCOUNTING STANDARDS**

Governmental Accounting Standards Board (GASB) statements that are required to be implemented in future years that may affect the City are as follows:

Upcoming GASB Statements	City Implementation Required By
Statement No. 87 Leases.	2022
Statement No. 91 Conduit Debt Obigation	2022
Statement No. 92 Omnibus 2020	2022
Statement No. 93 Replacement of Interbank Offered Rates	2022
<b>Statement No. 94</b> Public-Private and Private-Private Partnershis and Avalability Payment Arrangements	2023
Statement No. 96 Subscription-Based Information Technology Arrangements	2023

**Audit Management Letter** 

Communication With Those Charged With Governance

#### COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

We have substantially completed the audit of the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the for the year ended December 31, 2021. We did not audit the financial statements of the Public Utilities Commission (a discretely presented component unit). Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter dated August 11, 2020. Professional standards also require that we communicate to you the following information related to our audit.

#### **Qualitative Aspects of Accounting Practices**

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 1 to the financial statements. No new accounting standards were required to be implemented by the City of Grand Rapids in 2021.

We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

**Audit Management Letter** 

#### Communication With Those Charged With Governance

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were management's estimation of the factors relating to the Actuarial Accrued Liability related to OPEB, and the net pension liability and the pension related deferred inflows and outflows. We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. Determining sensitivity is subjective, however, we believe the disclosures most likely to be considered sensitive are Note 8 – Defined Benefit Pension Plans.

The disclosures in the financial statements are neutral, consistent, and clear.

#### **Difficulties Encountered in Performing the Audit**

We encountered no difficulties in dealing with management in performing and completing our audit.

#### **Corrected and Uncorrected Misstatements**

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. There were no uncorrected misstatements that have an effect on our opinion on the financial statements. There were no corrected misstatements identified during the audit.

**Audit Management Letter** 

Communication With Those Charged With Governance

#### **Disagreements with Management**

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of the audit.

#### **Management Representations**

We will be requesting certain representations from management that are included in the management representation letter.

#### **Management Consultations with Other Independent Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

#### **Other Audit Findings or Issues**

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Audit Management Letter

Communication With Those Charged With Governance

#### **Other Matters**

We applied certain limited procedures to the management's discussion and analysis and the budgetary comparison information, Schedule of Changes in total OPEB Liability and related ratios and The Schedules of Proportionate Share of Pensions Liability and Pension contributions, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on that RSI.

We were engaged to report on the combining and individual nonmajor fund financial statements and schedules, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the introductory section, statistical section and other information section, which accompany the financial statements but are not RSI. We did not audit or perform other procedures on this other information, and we do not express an opinion or provide any assurance on it.

Audit Management Letter

Communication With Those Charged With Governance

#### **Restriction on Use**

This information is intended solely for the information and use of the City Council and Management of the and is not intended to be, and should not be, used by anyone other than these specified parties.



# INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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

We have audited, 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 business-type activities, the Economic Development Authority (a discretely presented component unit), each major fund, and the aggregate remaining fund information of City of Grand Rapids, Minnesota, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City of Grand Rapids, Minnesota's basic financial statements, and have issued our report thereon dated June 14, 2022. Our report includes a reference to other auditors who audited the financial statements of the Public Utilities Commission (a discretely presented component unit), as described in our report on the City of Grand Rapids, Minnesota's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by those other auditors.

#### **Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City of Grand Rapids, Minnesota'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 City of Grand Rapids, Minnesota's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Grand Rapids, Minnesota'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,

Independent Auditor's 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* Page 2

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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City of Grand Rapids, Minnesota'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*.

#### **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 City of Grand Rapids, Minnesota'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 City of Grand Rapids, Minnesota's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

REDPATH AND COMPANY, LTD.

Kedpath and Company, UT.

St. Paul, Minnesota

June 14, 2022



#### MINNESOTA LEGAL COMPLIANCE REPORT

To the Honorable Mayor and Members of the City Council City of 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 business-type activities, the Economic Development Authority (a discretely presented component unit), each major fund, and the aggregate remaining fund information of City of Grand Rapids, Minnesota, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City of Grand Rapids, Minnesota's basic financial statements, and have issued our report thereon dated June 14, 2022. Our report includes a reference to other auditors who audited the financial statements of the Public Utilities Commission (a discretely presented component unit), as described in our report on the City of Grand Rapids, Minnesota's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by those other auditors.

In connection with our audit, nothing came to our attention that caused us to believe that the City of Grand Rapids, Minnesota failed to comply with the provisions of the contracting and bidding, deposits and investments, conflicts of interest, public indebtedness, claims and disbursements, miscellaneous provisions, and tax increment financing sections of the Minnesota Legal Compliance Audit Guide for Cities, promulgated by the State Auditor pursuant to Minnesota Statute § 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 City of Grand Rapids, Minnesota'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 and the results of that testing, and not to provide an opinion on compliance. Accordingly, this communication is not suitable for any other purpose.

REDPATH AND COMPANY, LTD.

Kedpath and Company, Ita.

St. Paul, Minnesota

June 14, 2022

## ANNUAL COMPREHENSIVE FINANCIAL REPORT

OF THE

## CITY OF GRAND RAPIDS, MINNESOTA

For The Year Ended December 31, 2021

Prepared by:

Finance Department

Barbara Baird Finance Director - This page intentionally left blank -

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I. INTRODUCTORY SECTION

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FINANCE DEPARTMENT

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

June 14, 2022

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

The Annual Financial Report (AFR) for the City of Grand Rapids for the fiscal year ended December 31, 2021, is hereby submitted. Minnesota State Statutes require that local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformance with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. This requirement has been met by the engagement of the firm of Redpath and Company, Ltd. and their report is included in the financial section of this report.

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

The City of Grand Rapids' financial statements have been audited by Redpath and Company, Ltd., a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City of Grand Rapids for the fiscal year ended December 31, 2021, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. The independent auditor concluded, based on the audit, that there was a reasonable basis for rendering an unmodified ("clean") opinion that the City of Grand Rapids' financial statements for the fiscal year ended December 31, 2021, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

#### **Profile of the Government**

The Village of Grand Rapids was incorporated on June 11, 1891, and became a statutory City on January 9, 1974. The City of Grand Rapids, the Itasca County seat, is located 180 miles north of Minneapolis and St. Paul, Minnesota, in the north central part of the state. The City is located in the heart of a resort and recreation area and is the major commercial service and industrial center. The City of Grand Rapids currently occupies a land area of 24.40 square

miles and serves a population of 11,126. The City of Grand Rapids signed an Annexation Agreement with the Grand Rapids Township in 2000 and the City annexed the last area of the Township on January 1, 2010. The City of Grand Rapids is empowered to levy a property tax on both real and personal properties located within its boundaries. It is also empowered by state statute to extend its corporate limits by annexation. The City is the region's retail trade, health care, education and cultural center with a market draw of more than 49,000 people.

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

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

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

The annual budget serves as the foundation for the City of Grand Rapids' financial planning and control. All agencies of the City of Grand Rapids are required to submit requests for appropriation to the City Administrator in May of each year for the following year's budget. The City Administrator uses these requests as the starting point for developing a proposed budget. The City Administrator meets with the Council to develop a budget. The Council is required to hold a public hearing on the proposed budget and certify an adopted final budget to the County Auditor by no later than December 30.

The budget is prepared by fund, function (e.g., public safety), and department (e.g., police). Department heads may make transfers of appropriations within a department. Transfer of appropriations between departments, however, require the special approval of the governing Council. Budget-to-actual comparisons are provided in this report for each individual government fund for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented on page 100 as part of the basic financial statements for the government funds. For governmental funds other than the general fund, and with appropriated annual budgets, this comparison is presented in the governmental fund subsection of this report, shown on pages 144 to 151.

#### Local economy

Grand Rapids is a regional center with a retail market area population of approximately 49,000 and home to several state education and governmental agencies as well as the site of Itasca County government operations. The City is the regional headquarters for the Minnesota Department of Natural Resources and the home of Itasca Community College.

A major contributor to the local economy is forestry and its related products and activities. The UPM Blandin Paper Mill, historically one of the City's largest employers, operates in the City of Grand Rapids. While Blandin has downsized its operations over the past two decades, it continues to be one of few paper production facilities, nationwide, maintaining a full order sheet and delivering a profit to the parent company, further evidenced by UPM's investment of over \$10M in its manufacturing process equipment in 2019. With the City of Grand Rapids showing continued growth in population, it is apparent that the City's efforts in diversifying our economic base have lessened the impact of Blandin's declined employment in the community.

In addition, and also notable in the forest product sector of the economy, the City has been working closely with a new owner of the former Ainsworth oriented strand board manufacturing plant, a 400,000 sf facility that permanently shuddered in 2008. The new owner of the site is proposing a multi-tenant industrial facility redevelopment project that would be anchored by the development of an expanded, modern, data driven 270,000 square foot warehouse/ distribution center for L&M Fleet Supply. Since opening of their first store in 1959, L&M Fleet Supply has been

headquartered in Grand Rapids. During their first 50 years, L&M expanded their store locations to seven Minnesota communities, and since then have added three stores in Wisconsin and two in Upper Michigan. Presently, L&M employs 245 in the Grand Rapids area, including 62 administrative/professional, 81 in distribution and 102 in retail. With this relocation and expansion of the L&M Distribution Center, 30-45 new positions will be added in the next three years.

Grand Rapids is also home to ASV Holdings, Inc. ASV currently employs approximately 224 in their Grand Rapids based manufacturing of compact track loaders and skid steer loaders together with a parts distribution center. In September of 2019, 100% of the ASV shares were purchased by Yanmar, a global producer of engines, agricultural equipment, construction and marine equipment, tools and components.

Currently the City is working with ASV, the Minnesota Department of IRRR and MN DEED to facilitate a proposed expansion of ASV/Yanmar. The proposed project involves a significant expansion of the Grand Rapids production facility with the addition of a 60,000 square feet high-bay warehouse, site improvements, assembly layout modifications, additional equipment and staffing.

Two major elements of the ASV/Yanmar business plan are driving the need to expand. First, a significant ramp-up in the production of ASV and Yanmar branded Compact Track Loaders (CTL); both existing products and the planned launch of new products to keep pace with the growing demand. Second, a relocation of a line of Yanmar Compact Mini Excavator (CEX) production from Japan to the Grand Rapids facility, designed to serve the North American market. Between this year and the end of 2026, ASV/Yanmar projects the addition of 284 production and operations jobs and 79 administrative and professional positions.

In 2018, the City of Grand Rapids entered into a contract for private development with Rebound Hospitality, including the creation of a TIF redevelopment district, involving the demolition of the recently closed Sawmill Inn and the construction of a new Best Western Plus hotel. Construction of a multi-tenant retail store anchored by a Starbucks on another of the newly created commercial sites in this redevelopment began in the fall of 2020.

A permit application has been submitted for a 64-unit My Place extended on the former K-Mart. This project will commence in the spring of 2022 and will be open in spring of 2023.

After two consecutive years of record setting building permit activity in 2019 and 2020, 2021 building permit activity was nearer to the 20-year annual average of \$25.5M, with permits for projects reaching a total value of \$28.7M. Commercial projects accounted for \$13.9M of the total, near the 17-year average of \$14.4M of annual permitted commercial construction. In terms of the number of permits issued, the 2021 total of 526 permits was below the 10 year average of 550. We expect 2022 to be another high year for permitted construction. Currently \$55M of construction has been permitted with one of those projects being a large addition to the Itasca County Courthouse.

In 2021 the construction of a new \$3.7M student center at Itasca Community College and the North Homes \$2.4M development of a new 52-bed psychiatric residential rehabilitation facility were completed. The Pillars of Grand Rapids, a 110-unit \$18M senior housing project, Unique Opportunities \$3M, 48-unit apartment building and Aurora Heights a \$10.2M 56-unit affordable housing project were completed and were greeted with significant interest. As an example, the 48-unit apartment was fully leased 8 weeks prior to opening.

#### Long-term financial planning

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

Realizing the volatility of Local Government Aid (LGA) and the loss of the Market Value Homestead Credit, the City Council is developing funding mechanisms that will assist in minimizing the uncontrolled fluctuations in outside funding along with creating efficiencies in the work force. The City is focusing on reducing the growth of expenditures by making permanent adjustments to the base. The City, (GRPUC), and other cities and townships are working to share services to reduce costs for both the City, GRPUC, and the partnering cities and townships. The City of Grand Rapids is in an agreement with the City of Cohasset to provide Cemetery Sexton Services that will also provide additional resources for the City.

#### **Relevant Financial Policies**

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

In 2017, the City implemented the Uniform Guidance for Procurement Procedures to ensure that the procurement process complies with all applicable legal requirements, federal and state regulations. To ensure that the goods and services required by the City are obtained using established procedures that comply with all legal requirements for public purpose expenditures while promoting fair and open competition to ensure public confidence in the procurement process, ensure fair and equitable treatment of vendors who transact business with the City, and provide safeguards for the maintenance of a procurement system of quality and integrity.

In 2018, the City implemented Governmental Accounting Standards Board (GASB) Statement 75 to improve accounting and financial reporting for post-employment benefits other than pensions. This statement will identify methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service.

#### **Major initiatives**

In 2021, the City continued to focus resources on making needed improvements to the IRA Civic Center.

Recognizing there are needed improvements at the IRA Civic Center and the importance of keeping the facility open, the City Council is moving forward with addressing the following:

**Roof/Truss System:** Multiple truss failures – Due to age, deterioration and an original design that is good for 43% of current building standard loads, any significant snow event creates a dangerous condition. Signage has been put up to warn the public and employees of the risk of building failure. The West venue should not be used during winter months unless a plan to mitigate the risk is carried out diligently. If a significant snow event occurs, the venue will be closed, and events cancelled until the roof is cleared.

**R-22 Ice System:** The Civic Center utilizes two separate refrigeration systems to maintain its two ice sheets. The West system was installed in 1967 and uses R-22 Freon, which under federal EPA law can no longer be produced or imported as of 2019. In addition, the 52-year old piping in the floor contains slow leaks and could pose a complete shut-down of the rink if the situation worsens. The East system was installed in 1995 and with minor modifications has the capacity to run both rinks. This scenario will also increase electrical efficiency helping reduce expenses.

**ADA Improvements:** The West venue is not in compliance with the Americans with Disabilities Act. Minnesota Accessibility Code requires a minimum of 20 percent of the cost of the building renovation to be spent to bring the facility into ADA compliance. There is no way to move between the ground and lobby levels without exiting the building. The outside sidewalk slope is not ADA compliant and a significant risk in the winter. Bathrooms and locker rooms are not ADA compliant and are a barrier to anyone with mobility issues. Our West Venue is used for Grand Rapids High School graduation, weddings, reunions, concerts, shows etc... we need equal opportunity for everyone.

**Health/Safety needs:** There are indoor air quality issues, locker rooms that were designed when hockey was primarily a male only sport and the West venue does not meet the current fire code requirements. We have made small improvements over the years to address maintenance issues but need capital to bring the facility in line with current Health and Safety requirements. Locker room inequities bring the possibility of Title IX lawsuits.

The IRA Civic Center exceeds 200,000 visitors per year, hosts over 30 dry events per year, and a minimum of 12 youth hockey tournaments per year, creating an economic impact that exceeds \$3.5 million per year. Without this facility, our hotels and restaurants will have a difficult time surviving through the winter months. the current opinion of cost for the project is \$15.5 million.

Funding for the project is as follows:

State Bonding \$5 million (secured)
 Blandin Foundation \$1,5 million (applied)
 IRRRB \$0.5 million (applied)

• City of Grand Rapids \$8.5 million

#### **Awards and Acknowledgements**

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Grand Rapids for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended December 31, 2020. This was the twenty-ninth consecutive year that the government has received this prestigious award. In order to be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

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

The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the entire staff of the Finance Department. We would like to express our appreciation to all members of the department who assisted and contributed to the preparation of this report. The Mayor and City Council are to be commended for their diligence and resolve in keeping the City in sound and stable financial condition. The City Council's commitment to continually plan for the City's future and dedication to maintain high financial standards has helped the City maintain its strong financial condition.

Respectfully submitted,

Tom Pagel City Administrator Barbara A. Baird Finance Director - This page intentionally left blank -



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

# City of Grand Rapids Minnesota

For its Annual Comprehensive Financial Report For the Fiscal Year Ended

December 31, 2020

Christopher P. Morrill

Executive Director/CEO

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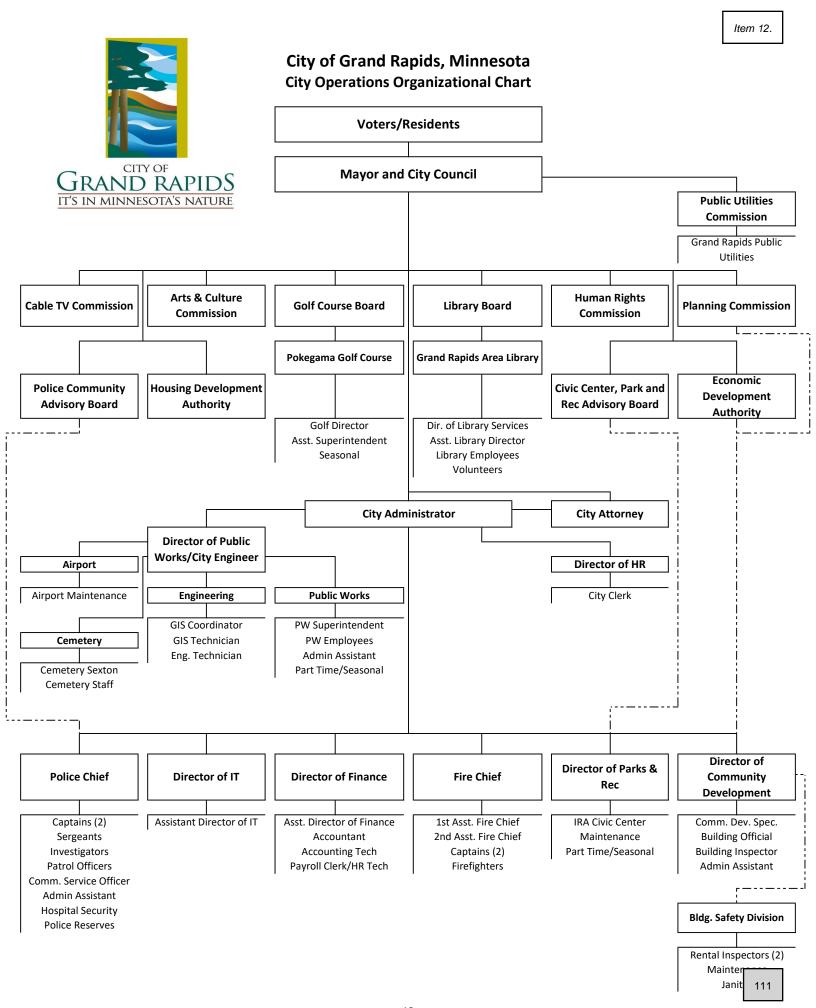
# **GRAND RAPIDS, CITY OF**

# PRINCIPAL CITY OFFICIALS AND DEPARTMENT HEADS

December 31, 2021

	Term Expires
Mayor: Dale Christy	December 31, 2022
Council Members: Dale Adams Tasha Connelly Richard Blake Michelle Toven	December 31, 2024 December 31, 2024 December 31, 2022 December 31, 2022
City Administrator Tom Pagel	
Finance Director - Treasurer Barbara Baird	
Fire ChiefTravis Cole	
Director of Library Services William Richter	
Director of Community DevelopmentRob Mattei	
Director of Human Resources Lynn DeGrio	
City ClerkKim Johnson-Gibeau	
Public Works Director / City Engineer Matt Wegwerth	
Chief of Police Steve Schaar	
Information Technology Erik Scott	
Director of Golf OperationsRobert Cahill	
Director of Parks and Recreation	

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# **II. FINANCIAL SECTION**

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### INDEPENDENT AUDITOR'S REPORT

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

### **Report on the Audit of the Financial Statements**

### **Opinions**

We have audited the financial statements of the governmental activities, the business-type activities, the Economic Development Authority (discretely presented component unit), each major fund, and the aggregate remaining fund information of City of Grand Rapids, Minnesota, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise City's basic financial statements as listed in the table of contents.

In our opinion, based on our report and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the Economic Development Authority (discretely presented component unit), each major fund, and the aggregate remaining fund information of City of Grand Rapids, Minnesota, as of December 31, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Public Utilities Commission (a discretely presented component unit), which represent 46 percent, 43 percent, and 55 percent, respectively, of the assets, net position, and revenues of the primary government and it's discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Public Utilities Commission, is based solely on the report of the other auditors. The financial statements of the Public Utilities Commission were not audited in accordance with *Government Auditing Standards*.

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### **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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City Grand Rapids, Minnesota 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.

### Report on Summarized Comparative Information

We have previously audited the City of Grand Rapids, Minnesota's 2020 financial statements, and we expressed unmodified audit opinions on the respective financial statements of the governmental activities, the business-type activities, the Economic Development Authority (discretely presented component unit), each major fund, and the aggregate remaining fund information in our report dated May 25, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020 is consistent, in all material respects, with the audited financial statements from which it has been derived.

### 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 City of Grand Rapids, Minnesota'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.

### Auditor's 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 auditor's 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 financial statements of the Public Utilities Commission were not audited in accordance with *Government Auditing Standards*. 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 Governmental 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 City of Grand Rapids, Minnesota'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 City of Grand Rapids, Minnesota'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 management's discussion and analysis, the budgetary comparison schedule, and the schedules of OPEB and pension information, as listed in the table of contents, 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 auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### Supplementary Information

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

## Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's 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.

# Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 14, 2022 on our consideration of City of Grand Rapids, Minnesota'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 City of Grand Rapids, Minnesota'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 City of Grand Rapids, Minnesota's internal control over financial reporting and compliance.

REDPATH AND COMPANY, LTD.

Kedpath and Company, UT.

St. Paul, Minnesota

June 14, 2022

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### MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Grand Rapids (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2021. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 3 through 7 of this report.

## **Financial Highlights**

The assets and deferred outflows of the City exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$64,969,705 (net position).

The City's total net position increased by \$4,123,773. The governmental activities of the City increased by \$3,671,156. This increase is due to the investment in capital outlay.

The business-type activities increased by \$452,617 due to an increase in Golf Course revenue and due to rate increases in the Storm Water Utility.

As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$15,257,359. Of this amount, \$6,321,661 is restricted by external constraints established by creditors, grantors, contributors, or by state statutory provisions.

At the end of the current fiscal year the general fund balance was \$7,554,548. Of that amount, \$1,652,993 was in a non-spendable form, \$39,516 was restricted, \$1,049,832 was committed and \$4,812,207 was unassigned.

The City's total debt increased from \$22,617,600 to \$26,686,627 (excluding compensated absences). The City issued General Obligation Improvement Bonds, Series 2021B for \$6,255,000.

### **Overview of the Financial Statements**

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

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

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

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

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

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

The government-wide financial statements can be found on pages 37 through 39 of this report.

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

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

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

For 2021, the City maintained five individual major governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balance for the following major funds:

- General fund
- Capital Equipment Replacement
- Airport Capital
- 2021 Infrastructure Bonds
- Civic Center Capital Improvements

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

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

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

The basic governmental fund financial statements can be found on pages 40 and 41 of this report.

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

Internal service funds are used to report activities that provide services for the City's other departments, such as pension benefits. The internal service fund is reported with governmental activities in the government-wide financial statements.

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

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

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

- Lodging Tax
- Cable TV Commission

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

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government—wide and fund financial statements. The notes to the financial statements can be found on pages 49 through 98 of this report.

**Other information**. The combining statements referred to earlier in connection with nonmajor governmental funds, agency funds, and the Economic Development Authority (EDA) component unit is presented immediately following the required supplementary information on budgetary comparisons. Combining and individual fund statements and schedules can be found on pages 118 through 141 of this report.

### **Government-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$64,969,705 at the close of the most recent fiscal year.

The largest portion of the City's net position (\$51,410,762 or 79%) reflects its investment in capital assets (e.g. land, infrastructure, buildings, machinery, and equipment) less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

### **CITY OF GRAND RAPIDS' NET POSITION**

	Governmer	ntal Activities	Business-Ty	pe Activities	To	tals
	2021	2020	2021	2020	2021	2020
Assets:	_				-	
Current and other assets	\$22,028,726	\$23,219,060	\$752,040	\$394,602	\$22,780,766	\$23,613,662
Capital assets	73,667,622	65,585,277	2,756,809	2,738,601	76,424,431	68,323,878
Total assets	95,696,348	88,804,337	3,508,849	3,133,203	99,205,197	91,937,540
Total deferred outflows of resources	3,521,770	1,286,930			3,521,770	1,286,930
Liabilities:						
Long-term liabilities outstanding	27,929,884	25,468,249	11,612	6,535	27,941,496	25,474,784
Other liabilities	4,806,229	5,092,953	121,152	203,200	4,927,381	5,296,153
Total liabilities	32,736,113	30,561,202	132,764	209,735	32,868,877	30,770,937
Total deferred inflows of resources	4,888,385	1,607,601			4,888,385	1,607,601
Net position:						
Net investment in capital assets	48,653,953	45,277,093	2,756,809	2,708,980	51,410,762	47,986,073
Restricted	9,519,302	10,530,098	-	-	9,519,302	10,530,098
Unrestricted	3,420,365	2,115,273	619,276	214,488	4,039,641	2,329,761
Total net position	\$61,593,620	\$57,922,464	\$3,376,085	\$2,923,468	\$64,969,705	\$60,845,932

A portion of the City's net position represents resources that are subject to external restrictions on how thy may be used. The remaining balance of unrestricted net position is \$4,074,533

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net position for the government as a whole.

In 2016, the City adopted GASB Statement No. 68, Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27. Essentially, the standard required the unfunded portion of defined benefit pension plans to be reported by all participating employers. Recording the net pension liability and the pension related deferred outflows and inflows of resources do not change the City's future funding requirements or obligations under the plans, which are determined by Minnesota statutes.

Net position was impacted by \$4,433,258 at December 31, 2021 due to the Public Employees Retirement Association net pension liability. Pension-related amounts included in the above schedule related to the standard are as follows

Deferred outflows of resources	\$3,418,746
Noncurrent assets	-
Deferred inflows of resources	(3,235,362)
Noncurrent liabilities	(4,616,642)
Total	(\$4,433,258)

### **Governmental Activities**

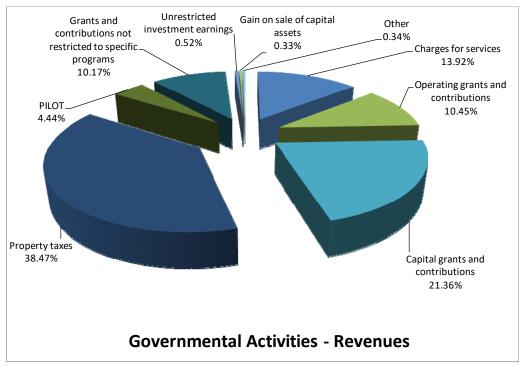
Governmental activities increased the City's net position by \$3,671,156 in 2021. Key elements of this increase are as follows:

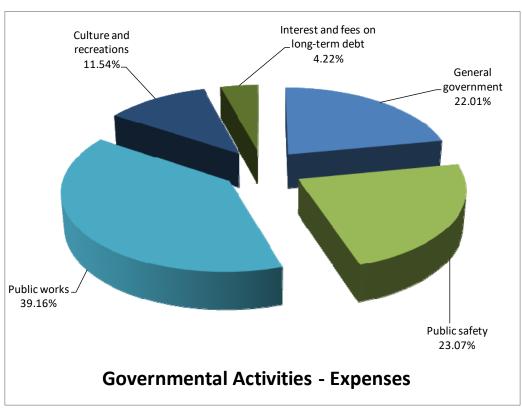
- Annual principal payments on bonds were greater than new bond debt issued during the year. Therefore, reduction of debt increased the City's net position.
- Interest and fees on long-term debt increased by \$89,226 primarily due to issuance of debt.
- Operating grants and contributions decreased \$1,013,900 due to one-time pass through grants received in 2020 from the State of Minnesota (CARES Funding).
- Capital grants and contributions increased by \$3,297,072 due to a grant from the Department of Transportation Aeronautics Division to rehabilitate Runway 16/34 at the Grand Rapids/Itasca County Airport.

# City of Grand Rapids' Changes in Net Position

	Governmen	tal Activities	Business-Type Activities		То	tals
	2021	2020	2021	2020	2021	2020
Revenues:						
Program revenues:						
Charges for services	\$2,870,644	\$3,623,221	\$1,657,616	\$1,400,224	\$4,528,260	\$5,023,445
Operating grants and contributions	2,153,675	3,169,921	-	-	2,153,675	3,169,921
Capital grants and contributions	4,403,281	1,088,517	115,400	-	4,518,681	1,088,517
General revenues:						
Taxes	7,924,863	7,659,562	-	-	7,924,863	7,659,562
Payments in lieu of taxes (PILOT)	914,886	911,762	-	-	914,886	911,762
Grants and contributions not						
restricted to specific programs	2,096,967	2,086,492	-	-	2,096,967	2,086,492
Unrestricted investment earnings	107,623	136,466	5,229	3,644	112,852	140,110
Gain (loss) on sale of capital assets	67,402	2,512,675	-	-	67,402	2,512,675
Other	70,478				70,478	
Total revenues	20,609,819	21,188,616	1,778,245	1,403,868	22,388,064	22,592,484
Expenses:						
General government	3,727,831	4,566,308	712,099	-	4,439,930	4,566,308
Public safety	3,907,045	3,811,071	613,529	-	4,520,574	3,811,071
Public works	6,633,805	7,451,179	-	-	6,633,805	7,451,179
Culture and recreation	1,954,824	1,825,496	-	-	1,954,824	1,825,496
Interest and fees on long-term debt	715,158	625,932	-	-	715,158	625,932
Golf course	-	-	-	636,642	-	636,642
Storm water utility				657,178		657,178
Total expenses	16,938,663	18,279,986	1,325,628	1,293,820	18,264,291	19,573,806
Change in net position before transfers	3,671,156	2,908,630	452,617	110,048	4,123,773	3,018,678
Transfers - primary government	_	-	_	_	_	-
. , ,						
Change in net position	3,671,156	2,908,630	452,617	110,048	4,123,773	3,018,678
Net position - January 1	57,922,464	55,013,834	2,923,468	2,813,420	60,845,932	57,827,254
Net position - December 31	\$61,593,620	\$57,922,464	\$3,376,085	\$2,923,468	\$64,969,705	\$60,845,932

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





## **Business-Type Activities**

Business-type activities increased the City's net position by \$452,617 in 2021. The City has two business-type activities – Pokegama Golf Course and a Storm Water Utility Fund. The net position of the Pokegama Golf Course increased \$177,072 in 2021 compared to an \$15,072 decrease in 2020. The Golf Course had a 17% increase in the number of rounds played and a 11% increase in season pass sales.

The Storm Water Utility Fund is used to pay for storm water maintenance and infrastructure construction. The net position of the Storm Water Utility Fund increased \$254,330 in 2021 compared to a \$84,210 decrease in 2020. The increase is due to the change made to the Storm Water Utility rates and an \$39,081 decrease in operating expenses. This fund was established in 2004 with storm water utility charges implemented on January 1, 2005. Any funds that are not used for storm water utility maintenance by the Public Works Department are used to reduce storm water infrastructure improvement project costs.

### Financial Analysis of the Government's Funds

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

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$15,527,359. Approximately 11% of this total amount (\$1,698,102) constitutes non-spendable fund balance and approximately 41% (\$6,321,661) constitutes restricted fund balance. The remainder of the fund balance consists of amounts committed (\$1,980,975) and assigned (\$2,364,975) by City Council, as well as unassigned fund balance (\$2,891,646). Additional information about the City's fund balance classifications can be found in Note 15.

The general fund balance increased by \$212,839 in 2021, compared to a \$720,900 increase in 2020. Prior to other financing sources and uses and special items, the General Fund balance increased \$212,839 in 2021 compared to a \$1,037,345 increase in 2020. Key elements of this increase are as follows:

- Intergovernmental revenue decreased \$726,689 due to receipt of \$891,600 federal CARES monies and a one-time Iron Range Resources and Rehabilitation Board grant for \$300,000 for the Grand Rapids Public Utilities Super Oxygenation Project for their Waste Water Treatment Plant received in 2020.
- Charges for services increased \$64,453 primarily due to an increase in Engineering and Administrative charges for City Construction Projects.

Miscellaneous expenditures decreased \$644,797 due to a one-time grant payment to the Grand Rapids Economic Development Authority for small business assistance and a one-time grant payment to Grand Rapids Public Utilities for the Super Oxygenation Project made in 2020.

The Capital Equipment Replacement fund had a fund balance increase of \$16,953 due to \$40,300 recovered in the sale of fixed assets.

The Airport Capital fund had a fund balance decrease of \$33,629 due to contracts payable in 2021.

The 2021 Infrastructure Bonds had a fund balance increase of \$427,529 due to the issuance of bonds in 2021.

The Civic Center Capital Improvement fund has a decrease in fund balance of \$1,086,716 due to a contract with ICS Consulting for design costs.

The non-major special revenue funds increased by \$169,709 for 2021 due to the Civic Center having an \$86,260 increase and the Cemetery had a \$25, 250 increase in fund balance.

The non-major debt service funds decreased by \$576,130 due to the closing of a fund that had matured and the reduction of levy amounts needed for bond payments.

The non-major capital project funds increased by \$213,818. This is due to the closing of a debt service fund that matured and the balance of \$211,435 transferred into the Permanent Improvement Revolving fund.

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

The Golf Course had an operating income of \$57,884. Operating revenues increased by \$125,105 due to an increase in the number of rounds played and an increase of \$26,495 in season pass sales.

The Storm Water Utility had an operating income of \$249,068. Operating revenues increased by \$129,900 due to an increase in the Storm Water Utility rates.

#### **Budgetary Highlights**

General Fund. The General Fund had an increase in fund balance of \$212,839. The General Fund revenue was over budget by \$608,803 due to several items. Licenses and Permits was over approximately \$84,000 because of the construction of a new hotel and a new bank. Charges for services over budget by \$19,000 due an unbudgeted increase in Finance charges and Engineering charges for City projects. Intergovernmental Revenue was over budget by \$428,000 primarily due to receipt of a one-time Iron Range Resources and Rehabilitation grant monies for the Grand Rapids Public Utilities Solar Garden Project and \$172,570 in State Emergency funding for storm damage that occurred on July 26, 2021

Total expenditures were over budget by \$472,818. Miscellaneous expenditures was over budget by \$219,799 due to a one-time Iron Range Resources and Rehabilitation grant that was paid out to the Grand Rapids Public Utilities.

### **Capital Asset and Debt Administration**

**Capital assets**. The City's gross investment in capital assets for its governmental and business-type activities as of December 31, 2021, amounts to \$76,424,431. (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings, infrastructure, machinery and equipment.

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

	Governmental Activities		Business-Ty	pe Activities	Totals		
	2021	2020	2021	2020	2021	2020	
Land and land improvements	\$7,095,296	\$7,080,791	\$919,686	\$910,812	\$8,014,982	\$7,991,603	
Building and improvements	10,599,387	9,768,260	1,360,335	1,361,702	11,959,722	11,129,962	
Vehicles, equipment and furnitu	4,705,456	4,619,881	476,788	466,087	5,182,244	5,085,968	
Infrastructure	38,184,298	35,634,358	-	-	38,184,298	35,634,358	
Construction in progress	13,083,185	8,481,987			13,083,185	8,481,987	
Total	\$73,667,622	\$65,585,277	\$2,756,809	\$2,738,601	\$76,424,431	\$68,323,878	

Additional information on the City's capital assets can be found in Note 6.

**Long-term debt**. At the end of the current fiscal year, the City had total long-term debt outstanding of \$26,686,627 (excluding compensated absences), a increase of \$4,039,406 from 2020. Of the total outstanding amount:

- \$7,650,000 is general obligation improvement debt that is supported in part by special assessments,
- \$615,000 is general obligation tax increment debt which is financed through the City's economic development program,
- \$17,615,000 are CIP Bonds, Street Reconstruction Bonds and an Equipment Certificate that is supported by property tax levies,
- \$806,627 is a combined total of unamortized bond premiums and capital leases.

### **City of Grand Rapids' Outstanding Debt**

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

	Governmental Activities		Business-Type Activities			Totals	
	2021	2020	2	021	2020	2021	2020
General obligation improvement bonds	\$7,650,000	\$9,425,000	\$	-	\$ -	\$7,650,000	\$9,425,000
General obligation tax increment bond	615,000	650,000		-	-	615,000	650,000
Other general obligation bonds	17,615,000	12,065,000		-	-	17,615,000	12,065,000
Capital leases, loans, bond premium	806,627	477,600		-	29,621	806,627	507,221
Total	\$26,686,627	\$22,617,600		\$0	\$29,621	\$26,686,627	\$22,647,221

The City issued General Obligation Improvement Bonds, Series 2021B for \$6,255,000 in 2021.

State statutes limit the amount of general obligation debt a Minnesota city may issue to 3% of total Estimated Market Value. The current debt limitation for the City is \$25,087,196. Of the City's outstanding debt, \$15,747,803 is counted within the statutory limitation.

Additional information on the City's long-term debt can be found in Note 7.

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

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# **BASIC FINANCIAL STATEMENTS**

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# CITY OF GRAND RAPIDS, MINNESOTA STATEMENT OF NET POSITION

December 31, 2021

With Comparative Totals For December 31, 2020

		n · -			Componer		
	6	Primary Government  Governmental Business-Type Total			Economic	Public Utilities	
Acceptan	Governmental Activities	Business-Type	2021	2020	Development		
Assets:  Cash and investments	\$15,393,231	Activities \$741,847	\$16,135,078	\$16,929,552	Authority \$884,143	S3,689,146	
Accrued interest receivable	16,144	5/41,04/	16,144	20,609	-	4,197	
Due from other governmental units	985,087	_	985,087	1,127,289	_	-	
Due from primary government	-	_	-	-	18,551	18,505	
Due from component units	63,086	112,846	175,932	218,169	-	-	
Accounts receivable - net	169,983	7,945	177,928	157,357	47,080	3,229,994	
Pledges receivable	14,387	-	14,387	42,510	-	-,,	
Internal balances	133,038	(133,038)	-	-	-	_	
Prepaid items	523,671	22,440	546,111	212,462	-	129,278	
Property taxes receivable	347,009	-	347,009	266,022	-	-	
Special assessments receivable	2,568,840	-	2,568,840	2,788,630	-	-	
Inventories - at cost	-	-	-	-	-	613,402	
Other receivable	-	-	-	133,555	-	12,320	
Land held for resale	-	-	-	-	3,401,507	-	
Notes receivable	300,000	-	300,000	300,000	1,018,454	-	
Restricted cash and investments	- -	-	-	-	-	3,972,818	
Restricted accounts receivable	-	-	-	-	-	13,414,453	
Financial assurance landfill closure	-	_	-	_	-	4,526,085	
Net pension asset	1,514,250	_	1,514,250	1,417,507	-	-	
Capital assets - nondepreciable	20,178,481	919,686	21,098,167	16,473,590	-	2,227,117	
Capital assets - net of accumulated depreciation	53,489,141	1,837,123	55,326,264	51,850,288	-	58,212,213	
Regulatory assets	=	-	-	-	-	159,654	
Non-utility property - net of amortization	-	_	-	_	-	592,157	
Total assets	95,696,348	3,508,849	99,205,197	91,937,540	5,369,735	90,801,339	
			,,.,	2 - 1,2 - 1 ,4 - 1 - 1	-,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	, ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	
Deferred outflows of resources:						105 500	
Service territory acquisition  Loss on refunding	-	-	-	-	-	185,580 84,480	
Related to pensions	3,520,699	-	3,520,699	1,285,603	-	1,137,052	
Related to OPEB	1,071		1,071	1,327	-	1,137,032	
Total deferred outflows of resources	3,521,770		3,521,770	1,286,930		1,407,112	
	3,321,770		3,321,770	1,200,750		1,407,112	
Liabilities:							
Accounts payable	415,845	23,422	439,267	717,757	15,799	1,832,215	
Accrued wages payable	134,534	5,853	140,387	97,621	-	58,672	
Due to other governmental units	32,128	3,440	35,568	284,492	80,361	118,594	
Due to component units	134,119	6,299	140,418	432,827	-	-	
Contracts payable	234,296	-	234,296	401,237	-	-	
Deposits payable	358,714	58,260	416,974	418,102	1,605	435,196	
Due to primary government	-	-	-	-	-	129,038	
Accrued interest payable	295,869	975	296,844	242,676	-	170,729	
Unearned revenue	658,653	21,134	679,787	111,023	-	113,392	
Compensated absences:							
Due within one year	47,071	1,769	48,840	45,797	-	219,594	
Due in more than one year	483,103	11,612	494,715	476,061	-	96,636	
Net pension liability:							
Due in more than one year	3,235,362	-	3,235,362	4,874,930	-	1,580,066	
Landfill closure costs:							
Due in more than one year	-	-	-	-	-	4,526,085	
Noncurrent liabilities:							
Due within one year	2,495,000	-	2,495,000	2,544,621	43,193	1,859,000	
Due in more than one year	24,191,627	-	24,191,627	20,102,600	1,997,855	15,327,187	
Other post employment benefits:							
Due in more than one year	19,792	<u> </u>	19,792	21,193		-	
Total liabilities	32,736,113	132,764	32,868,877	30,770,937	2,138,813	26,466,404	
Deferred inflows of resources:							
Demand payment deferral	-	-	-	-	-	12,915,642	
Related to pensions	4,876,464	-	4,876,464	1,596,904	-	1,558,185	
Related to other post employment benefits	11,921	-	11,921	10,697	-	-	
Other deferred credits	- · · · · · · · · · · · · · · · · · · ·	_	-	_	-	34,772	
Total deferred inflows of resources	4,888,385	0	4,888,385	1,607,601	0	14,508,599	
	-,,		,,	,,		,,- / /	
Net position:	40 (52 052	2.757.000	51 410 772	47.006.072		42 227 (22	
Net investment in capital assets	48,653,953	2,756,809	51,410,762	47,986,073	-	43,337,623	
Restricted for:	7 022 000		7 022 000	0.017.000		1 170 000	
Debt service	7,922,980	-	7,922,980	9,017,009	-	1,170,000	
Itasca County share of airport	74,387	-	74,387	77,229	-	-	
Pensions	1,356,381	-	1,356,381	1,373,361	-	- 225	
Other purposes	165,554	-	165,554	62,499	-	2,367,622	
Unrestricted	3,420,365	619,276	4,039,641	2,329,761	3,230,922	4,358,203	
Total net position	\$61,593,620	\$3,376,085	\$64,969,705	\$60,845,932	\$3,230,922	\$51,233,448	

STATEMENT OF ACTIVITIES

For The Year Ended December 31, 2021

With Comparative Totals For The Year Ended December 31, 2020

			Program Revenues	
			Operating	Capital
		Charges For	Grants and	Grants and
Functions/Programs	Expenses	Services	Contributions	Contributions
Primary government:				
Governmental activities:				
General government	\$3,727,831	\$591,979	\$760,664	\$ -
Public safety	3,907,045	879,364	636,868	-
Public works	6,633,805	505,483	731,767	4,391,187
Culture and recreation	1,954,824	893,818	-	12,094
Interest and fees on long-term debt	715,158	-	24,376	-
Total governmental activities	16,938,663	2,870,644	2,153,675	4,403,281
Business-type activities:				
Golf course	712,099	781,728	-	115,400
Storm water utility	613,529	875,888	-	-
Total business-type activities	1,325,628	1,657,616	0	115,400
Total primary government	\$18,264,291	\$4,528,260	\$2,153,675	\$4,518,681
Component units:				
Economic Development Authority	\$332,777	\$44,077	\$455,590	\$ -
Public Utilities Commission	27,865,909	25,345,701	- -	2,366,944
Total component units	\$28,198,686	\$25,389,778	\$455,590	\$2,366,944

General revenues:

General property taxes

Payments in lieu of taxes (PILOT)

Grants and contributions not

restricted to specific programs

Unrestricted investment earnings

Gain on sale of capital assets

Other

Transfers

Total general revenues. and transfers

Change in net position

Net position - January 1

Net position - December 31

	Changes in No			Compone	
	Primary Gov			Economic	Public
Governmental	Business-Type	Total	Total	Development	Utilities
Activities	Activities	2021	2020	Authority	Commission
(\$2,375,188)	\$ -	(\$2,375,188)	(\$2,938,868)	\$ -	\$ -
(2,390,813)	=	(2,390,813)	(2,488,734)	-	-
(1,005,368)	-	(1,005,368)	(3,812,342)	-	-
(1,048,912)	=	(1,048,912)	(562,152)	-	-
(690,782)		(690,782)	(596,231)		
(7,511,063)	0	(7,511,063)	(10,398,327)	0	(
_	185,029	185,029	17,094	_	_
<u>-</u>	262,359	262,359	89,310	<u>-</u>	_
0	447,388	447,388	106,404	0	(
(7,511,063)	447,388	(7,063,675)	(10,291,923)	0	(
				166,890	-
					(153,264
				166,890	(153,264
7,924,863	_	7,924,863	7,659,562	55,175	_
914,886	-	914,886	911,762	-	-
2,096,967	-	2,096,967	2,086,492	2,827	-
107,623	5,229	112,852	140,110	7,008	15,677
67,402	-	67,402	2,512,675	25,500	26,246
70,478	-	70,478	-	-	-
-		<u> </u>			-
11,182,219	5,229	11,187,448	13,310,601	90,510	41,923
3,671,156	452,617	4,123,773	3,018,678	257,400	(111,341
57,922,464	2,923,468	60,845,932	57,827,254	2,973,522	51,344,789
\$61,593,620	\$3,376,085	\$64,969,705	\$60,845,932	\$3,230,922	\$51,233,448

Near Part		101 General	407 Capital Equipment	413 Airport	482 2021 Infrastructure	483 Civic Center Capital	Other Governmental	T. 10	.15 1
Manuel content creative   March   Ma		Fund	Replacement	Capital Fund	Bonds	Improvements	Funds		
Part		\$4.472.521	\$469.079	¢	\$072 221	\$	\$0.477.411	\$15.202.221	\$16 427 220
Dec			5408,978	<b>3</b> -	\$975,321	3 - -	59,477,411		
Define the member mane			-	355,052	6,924	-	136,516		
March   1968   1968   1968   1968   1968   1968   1969	Due from other funds		-		-	-	-		
Pedage			-	-	-	-			
Image   1,50%   1,00			-	4,000	-	-			
Pengel filess			-	-	-	-	14,387		
Taxe recoverbe definiquent			205 520	-	-	-	45 100		
Pool   1	•		303,339	-		-			
Total assets			_	_	_	-			
Part	•						-,,		
Material payable	Total assets	\$8,980,624	\$774,517	\$359,052	\$980,245	\$0	\$12,408,287	\$23,502,725	\$22,951,187
Material payable	Liabilities. Deferred Inflows of Resources, and Fund Balances								
Account spayable 114.7									
Martin   M		\$167,004	\$78	\$ -	\$ -	\$ -	\$248,763	\$415,845	\$703,554
Pose to other governmental units	* *		-	-		•			
Pube to other plane	Due to other governmental units	19,161	-	-	-	-	12,967	32,128	283,844
Pose sher funds	Due to component units	104,478	-	-	-	-			349,618
Policy plays   14,000   13,0	* -	-	-		130,998	-			
Internal foam payable   1,30,781   1,00,78			-	224,853	-	1,263,858			
Treat liabilities		349,245		-	-	-			
Total labilities		- 2.260	1,330,781	-	-	-			
Pure distance of resources			1 220 950	256 802	120,000	1 262 959			
Mariable revenue	Total natimites	/30,093	1,530,839	230,892	130,998	1,203,838	1,233,790	4,973,096	3,390,039
Total deferred inflows of resources   6669.1881   0   0   0   0   0   2.600.2887   3.272.270   3.447.162     Fund balances:		660.000					2 (02 007	2 252 250	2 445 142
Nonsepadable			0	- 0	- 0				
Nonsepadable									
Restricted		1.652.002					45 100	1 (09 102	1 524 017
Committed   1,049,832	•		-	-	-	-			
Nation   1,1,1,1,1,1,1,1,1,1,1,1,1,1,1,1,1,1,1			-	-	-	-			
Product   Prod			_	102.160	849.247	-			
Total fund balances 7,554,548 (556,342) 102,160 849,247 (1,263,858) 8,371,604 15,257,359 15,907,866		4.812.207	(556,342)	-	-	(1,263,858)			
Pund balance reported above				102,160	849,247				
Announts reported for governmental activities in the statement of net position are different because:   Capital assets used in governmental activities are not financial resources, and therefore, are reported as unavilable revenue in the funds:   Delinquent taxes	Total liabilities, deferred inflows of resources, and fund balances	\$8,980,624	\$774,517	\$359,052	\$980,245	\$0	\$12,408,287	\$23,502,725	\$22,951,187
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds.    Delinquent taxes	Fund balance reported above							\$15,257,359	\$15,907,986
Delinquent taxes         347,009         266,022           Assessments not yet due or delinquent         2,568,840         2,788,630           Pledges not yet due         14,387         42,510           Due from other governmental units         10,634         12,980           Land held for resale         -         -           Other receivable not yet due         300,000         300,000           Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not         expected in the funds:           Bonds payable and unamortized bond premium         (26,686,627)         (22,617,600)           Capital lease and loans payable         -         -           Accrued interest payable         -         -           Compensated absences payable         (530,174)         (513,331)           Other post employment benefits         (530,174)         (513,331)           An internal service fund is used by management to charge the costs of pension and other post employment benefits to individual funds. The assets and liabilities are included in the governmental activities on the Statement of Net Position.         (4,397,340)         (50,884,946)           Amounts pertaining to the Grand Rapids Fire Relief Association Pension Plan are not current financial resources, and, therefore, are not reported in the governmental funds:         1,417,507           Deferred outfl	Capital assets used in governmental activities are not financial resources, and Other long-term assets are not available to pay for current-period expenditure.	I therefore, are not re	eported in the funds.					73,667,622	65,585,277
Assessments not yet due or delinquent Pledges not yet due Pledges not yet due Due from other governmental units 10,634 12,980 Land held for resale Other receivable not yet due Notes receivable not yet due Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds:  Bonds payable and unamortized bond premium Capital lease and loans payable Capital lease and loans payable Accrued interest payable Other post employment benefits An internal service fund is used by management to charge the costs of pension and other post employment benefits to individual funds. The assets and liabilities are included in the governmental activities on the Statement of Net Postion.  Ann outpertaining to the Grand Rapids Fire Relief Association Pension Plan are not current financial resources, and, therefore, are not reported in the governmental funds:  Net pension asset  Net pension asset  1,514,250 1,417,507 Deferred outflows of resources 11,514,250 1,417,507 Deferred outflows of resources 1,514,250 1,635,389 1,635,38								347 000	266 022
Pledges not yet due									
Due from other governmental units         10,634         12,980           Land held for resale         -         -           Other receivable not yet due         300,000         300,000           Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not         300,000         300,000           Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not         (26,686,627)         (22,617,600)           Capital lease and loans payable         -         -         -           Accrued interest payable         (295,869)         (241,417)         (513,331)         (513,331)           Other post employment benefits         (30,642)         (30,563)           An internal service fund is used by management to charge the costs of pension and other post employment benefits to individual funds. The assets and liabilities are included in the governmental activities on the Statement of Net Position.         (4,397,340)         (5,084,946)           Amounts pertaining to the Grand Rapids Fire Relief Association Pension Plan are not current financial resources, and, therefore, are not reported in the governmental funds:         1,514,250         1,417,507           Deferred outflows of resources         10,953         119,443           Deferred inflows of resources         (259,822)         (163,589)									
Land held for resale         -									
Notes receivable not yet due         300,000         300,000           Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds:         (26,686,627)         (22,617,600)           Bonds payable and unamortized bond premium         (26,686,627)         (22,617,600)           Capital lease and loans payable         (295,869)         (241,417)           Accrued interest payable         (530,174)         (533,31)           Other post employment benefits         (30,642)         (30,563)           An internal service fund is used by management to charge the costs of pension and other post employment benefits to individual funds. The assets and liabilities are included in the governmental activities on the Statement of Net Position.         (4,397,340)         (5,084,946)           Amounts pertaining to the Grand Rapids Fire Relief Association Pension Plan are not current financial resources, and, therefore, are not reported in the governmental funds:         1,514,250         1,417,507           Deferred outflows of resources         101,953         119,443           Deferred inflows of resources         (259,822)         (163,589)								-	-
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds:    Ronds payable and unamortized bond premium	Other receivable not yet due							12,040	133,555
Bonds payable and unamortized bond premium         (26,686,627)         (22,617,600)           Capital lease and loans payable         -         -           Accrued interest payable         (295,869)         (241,417)           Compensated absences payable         (530,174)         (513,331)           Other post employment benefits         (30,642)         (30,563)           An internal service fund is used by management to charge the costs of pension and other post employment benefits to individual funds. The assets and liabilities are included in the governmental activities on the Statement of Net Position.         (4,397,340)         (5,084,946)           Amounts pertaining to the Grand Rapids Fire Relief Association Pension Plan are not current financial resources, and, therefore, are not reported in the governmental funds:         1,514,250         1,417,507           Deferred outflows of resources         101,953         119,443           Deferred inflows of resources         (259,822)         (163,589)		e current period and	therefore are not					300,000	300,000
Capital lease and loans payable         (295,869)         (241,417)           Accrued interest payable         (530,174)         (513,331)           Compensated absences payable         (30,642)         (30,563)           An internal service fund is used by management to charge the costs of pension and other post employment benefits to individual funds. The assets and liabilities are included in the governmental activities on the Statement of Net Position.         (4,397,340)         (5,084,946)           Amounts pertaining to the Grand Rapids Fire Relief Association Pension Plan are not current financial resources, and, therefore, are not reported in the governmental funds:         1,514,250         1,417,507           Deferred outflows of resources         101,953         119,443           Deferred inflows of resources         (259,822)         (163,589)	reported in the funds:								
Accrued interest payable         (295,869)         (241,417)           Compensated absences payable         (530,174)         (513,331)           Other post employment benefits         (30,642)         (30,563)           An internal service fund is used by management to charge the costs of pension and other post employment benefits to individual funds. The assets and liabilities are included in the governmental activities on the Statement of Net Position.         (4,397,340)         (5,084,946)           Amounts pertaining to the Grand Rapids Fire Relief Association Pension Plan are not current financial resources, and, therefore, are not reported in the governmental funds:         1,514,250         1,417,507           Deferred outflows of resources         101,953         119,443           Deferred inflows of resources         (259,822)         (163,589)	Bonds payable and unamortized bond premium							(26,686,627)	(22,617,600)
Compensated absences payable         (530,174)         (513,331)           Other post employment benefits         (30,642)         (30,563)           An internal service fund is used by management to charge the costs of pension and other post employment benefits to individual funds. The assets and liabilities are included in the governmental activities on the Statement of Net Position.         (4,397,340)         (5,084,946)           Amounts pertaining to the Grand Rapids Fire Relief Association Pension Plan are not current financial resources, and, therefore, are not reported in the governmental funds:         1,514,250         1,417,507           Deferred outflows of resources         101,953         119,443           Deferred inflows of resources         (259,822)         (163,589)								-	-
Other post employment benefits  An internal service fund is used by management to charge the costs of pension and other post employment benefits to individual funds. The assets and liabilities are included in the governmental activities on the Statement of Net Position.  Amounts pertaining to the Grand Rapids Fire Relief Association Pension Plan are not current financial resources, and, therefore, are not reported in the governmental funds:  Net pension asset  Deferred outflows of resources  1,514,250 1,417,507 119,443 119,443 119,443 119,443 119,443									
An internal service fund is used by management to charge the costs of pension and other post employment benefits to individual funds. The assets and liabilities are included in the governmental activities on the Statement of Net Position.  Amounts pertaining to the Grand Rapids Fire Relief Association Pension Plan are not current financial resources, and, therefore, are not reported in the governmental funds:  Net pension asset  Deferred outflows of resources  1,514,250 1,417,507 119,443 119,443 1259 1269 1279 1279 1289 1289 1289 1289 1289 1289 1289 128									
individual funds. The assets and liabilities are included in the governmental activities on the Statement of Net Position.  Amounts pertaining to the Grand Rapids Fire Relief Association Pension Plan are not current financial resources, and, therefore, are not reported in the governmental funds:  Net pension asset Deferred outflows of resources  1,514,250 1,417,507 101,953 119,443 101,953 119,443 101,953 119,443		and other neet amul	larmant hanafita ta					(30,642)	(30,363)
Amounts pertaining to the Grand Rapids Fire Relief Association Plan are not current financial resources, and, therefore, are not reported in the governmental funds:  Net pension asset Deferred outflows of resources 1,514,250 1,417,507 101,953 119,443 105,679 106,589				on				(4 397 340)	(5 084 946)
Net pension asset       1,514,250       1,417,507         Deferred outflows of resources       101,953       119,443         Deferred inflows of resources       (259,822)       (163,589)	Amounts pertaining to the Grand Rapids Fire Relief Association Pension Plan			011.				(4,377,340)	(3,004,240)
Deferred outflows of resources       101,953       119,443         Deferred inflows of resources       (259,822)       (163,589)	, , ,							1 514 250	1 417 507
Deferred inflows of resources (259,822) (163,589)	*								
Net position of governmental activities \$57,922,464								(237,022)	(100,009)
	Net position of governmental activities							\$61,593,620	\$57,922,464

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE GOVERNMENTAL FUNDS

For The Year Ended December 31, 2021

With Comparative Totals For The Year Ended December 31,2020

		407 Capital Equipment	413 Airport	482 2021 Infrastructure	483 Civic Center Capital	Other Governmental		
	101 General Fund	Replacement	Capital Fund	Bonds	Improvements	Funds	Totals Governme	
Revenues:						_	2021	2020
Taxes:								
General property	\$4,963,402	\$177,454	\$ -	\$ -	\$ -	\$2,423,419	\$7,564,275	\$7,332,807
Tax abatements	-	-	-	-	-	44,049	44,049	62,717
Tax increments		-	-	-	-	235,552	235,552	228,759
Payments in lieu of taxes (PILOT)	914,886	-	-	-	-	-	914,886	911,762
Licenses and permits	384,777	-	-	-	-	-	384,777	450,688
Intergovernmental	3,049,276	9,091	3,636,309	466,044	-	1,262,755	8,423,475	5,742,470
Special assessments	11,081	-	-	-	-	330,405	341,486	432,474
Charges for services	1,153,571	-	-	-	-	1,065,977	2,219,548	2,067,732
Fines and forfeits	73,726	-	-	-	-	24,611	98,337	92,407
Investment income	43,266	3,284	-	-	-	61,073	107,623	136,466
Contributions and donations	27,377	6,222	-	-	-	68,202	101,801	115,322
Reimbursement from component unit	-	-	-	-	-	10,974	10,974	791,679
Other grants	-	-	-	-	-	-	-	142,000
Other	43,831	18,827	-	-	-	67,530	130,188	14,427
Total revenues	10,665,193	214,878	3,636,309	466,044	0	5,594,547	20,576,971	18,521,710
Expenditures:								
Current:								
General government	2,485,436	5,419	_	_	_	603,495	3,094,350	2,960,690
Public safety	3,888,431	5,117			_	132,258	4,020,689	3,847,373
Public works	2,750,168	5,000	1,589	_	_	518,898	3,275,655	2,984,860
Culture and recreation	76,075	5,000	-	-	-	1,587,630	1,663,705	1,525,058
Miscellaneous	569,299	-	-	-	-	1,367,030	569,299	1,214,096
	52,059		2 669 240	6,460,610	1,081,716	472,280		7,745,469
Capital outlay/construction  Debt service:	32,039	425,907	3,668,349	0,400,010	1,061,710	472,280	12,160,921	7,743,409
						2.515.000	2.515.000	2 400 000
Principal retirement	-	-	-	-	-	2,515,000	2,515,000	2,480,000
Interest	-	-	-	-	-	578,766	578,766	613,237
Paying agent fees	-	-	-	-	-	6,600	6,600	6,850
Bond issuance costs				116,617			116,617	57,920
Total expenditures	9,821,468	436,326	3,669,938	6,577,227	1,081,716	6,414,927	28,001,602	23,435,553
Revenues over (under) expenditures	843,725	(221,448)	(33,629)	(6,111,183)	(1,081,716)	(820,380)	(7,424,631)	(4,913,843)
Other financing sources (uses):								
Bond issuance	-	-	-	6,255,000	-	-	6,255,000	2,275,000
Bond premium				370,304			370,304	83,520
Sale of capital assets	11,038	40,364	-	-	-	-	51,402	2,345,140
Sale of land held for resale	-	-	-	-	-	-	-	181,765
Insurance recoveries	41,847	_	_	_	_	55,451	97,298	206,288
Transfers in	82,585	280,622	_	_	_	934,705	1,297,912	806,486
Transfers out	(766,356)	(82,585)	_	(86,592)	_	(362,379)	(1,297,912)	(806,486)
Total other financing sources (uses)	(630,886)	238,401	0	6,538,712	0	627,777	6,774,004	5,091,713
Net change in fund balance	212,839	16,953	(33,629)	427,529	(1,081,716)	(192,603)	(650,627)	177,870
Fund balance - January 1	7,341,709	(573,295)	135,789	421,718	(182,142)	8,764,207	15,907,986	15,730,116
Fund balance - December 31	\$7,554,548	(\$556,342)	\$102,160	\$849,247	(\$1,263,858)	\$8,571,604	\$15,257,359	\$15,907,986
Salative December 31	ψ1,00π,0π0	(4000,012)	\$102,100	ψ012,211	(#1,203,030)	\$0,071,001	ψ.υ, <u>υ</u> υ,,υυ,	\$15,707,700

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES For The Year Ended December 31, 2021

With Comparative Amounts For The Year Ended December 31, 2020

Statement 5

	2021	2020
ounts reported for governmental activities in the statement of activities atement 2) are different because:		
Net changes in fund balances - total governmental funds (Statement 4)	(\$650,627)	\$177,870
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:		
Depreciation	(3,759,308)	(3,680,006)
Capital outlay	12,160,921	7,745,469
Capital outlay not capitalized	(283,148)	(1,406,936)
In the statement of activities only the gain/loss on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the net book value of the capital assets sold.	(36,120)	(90,417)
Revenues in the statement of activities that do not provide current financial resources are		
not reported as revenues in the funds:		
Change in delinquent taxes	80,987	34,702
Change in deferred and delinquent special assessments	(219,850)	(152,939)
Change in pledges receivable	(28,123)	(49,963)
Change in land held for resale	-	(193,844)
Change in other receivable	(121,461)	-
The issuance of long-term debt (e.g., bonds, notes) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The amounts of these differences are:		
Proceeds from the issuance of bonds	(6,255,000)	(2,275,000)
Principal payments on bonds, capital leases and loans payable	2,515,000	2,493,644
Current year bond premium and amortization of bond premium	(329,027)	(47,463)
Change in due from other governmental units accrual related to a federal credit on BAB bonds  Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.  Expenses reported in the statement of activities include the effects of the changes in these expense accruals as follows:	(2,346)	(2,264)
Change in compensated absences payable	(16,843)	(98,763)
Change in other post employment benefits	(79)	(987)
Change in accrued interest payable	(54,452)	16,018
Governmental funds report Fire Department pension contributions as expenditures, however pension expense is reported in the statement of activities. This is the amount by which pension expense differed from pension contributions.		
Pension expense  Pension expense	(16,980)	170,238
1 onston expense	(10,300)	1/0,230

An internal service fund is used by management to charge pension costs to individual funds.

This amount is the portion of net revenue attributable to governmental activities.

Change in net position of governmental activities (Statement 2)

269,271

\$2,908,630

687,612

\$3,671,156

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

December 31, 2021

With Comparative Totals For Enterprise Funds For December 31, 2020  $\,$ 

Statement 6

	Bu	siness-Type Activiti	es - Enterprise Funds		Governmental Activities
	613 Pokegama	655 Storm Water	•	1.0	
Assets:	Golf Course	Utility	Tota 2021	2020	Internal Service 2021
			2021	2020	2021
Current assets:	Φ250 46 <b>7</b>	£40 <b>2</b> 200	Φ <b>7.41</b> .0.47	Ф502 222	Φ.
Cash and cash equivalents	\$259,467	\$482,380	\$741,847	\$502,222	\$ -
Due from component units Accounts receivable	2 007	112,846	112,846	64,779	-
Prepaid items	3,887 22,440	4,058	7,945 22,440	10,158	-
Total current assets	285,794	599,284	885,078	8,480 585,639	- 0
Noncurrent assets:	203,774	377,204	005,070	363,037	
Capital assets:					
Land and land improvements	871,481	48,205	919,686	910,812	_
Buildings and structures	2,445,317	-	2,445,317	2,380,914	_
Machinery, equipment and furniture	1,018,556	488,036	1,506,592	1,396,788	_
Total capital assets	4,335,354	536,241	4,871,595	4,688,514	0
Less: Allowance for depreciation	(1,817,719)	(297,067)	(2,114,786)	(1,949,913)	-
Net capital assets	2,517,635	239,174	2,756,809	2,738,601	0
Total noncurrent assets	2,517,635	239,174	2,756,809	2,738,601	0
Total assets	2,803,429	838,458	3,641,887	3,324,240	0
Deferred outflows of resources - pension related	-	-	-	-	3,418,746
Liabilities:					
Current liabilities:					
Accounts payable	6,934	16,488	23,422	14,203	_
Accrued wages payable	2,139	3,714	5,853	7,223	_
Due to other governmental units	2,947	493	3,440	648	_
Due to component units	1,899	4,400	6,299	83,209	_
Due to other funds	0	-	-	10,475	-
Accrued interest payable	975	-	975	1,259	-
Deposits payable	-	58,260	58,260	51,000	-
Interfund loan payable	97,114	-	97,114	123,423	-
Compensated absences payable - current	1,654	115	1,769	1,992	-
Capital lease payable - current	-	-	-	29,621	=
Unearned revenue	21,134	<u>-</u>	21,134	14,045	-
Total current liabilities	134,796	83,470	218,266	337,098	0
Noncurrent liabilities:					
Compensated absences payable	-	11,612	11,612	6,535	-
Net pension liability		<u> </u>	<u> </u>	<u> </u>	3,235,362
Total noncurrent liabilities	0	11,612	11,612	6,535	3,235,362
Total liabilities	134,796	95,082	229,878	343,633	3,235,362
Deferred inflows of resources - pension related			<u> </u>		4,616,642
Net position:					
Investment in capital assets	2,517,635	239,174	2,756,809	2,708,980	-
Unrestricted	150,998	504,202	655,200	271,627	(4,433,258)
Total net position	\$2,668,633	\$743,376	\$3,412,009	\$2,980,607	(\$4,433,258)
Net position reported above			\$3,412,009	\$2,980,607	
Adjustment to report the cumulative internal balance for the net effect of activity					
between the internal service fund and the enterprise funds over time.			(35,924)	(57,139)	
Net position of business-type activities			\$3,376,085	\$2,923,468	
		•		·	

STATEMENT OF REVENUES, EXPENSES AND

CHANGES IN FUND NET POSITION

PROPRIETARY FUNDS

For The Year Ended December 31, 2021

With Comparative Totals For Enterprise Funds For The Year Ended December 31, 2020

Item 12.

		Governmental			
	(12 P. 1	Activities			
	613 Pokegama Golf Course	655 Storm Water Utility	Totals		Internal Service
	Goil Course	Office	2021	2020	2021
Operating revenues:			2021	2020	2021
Season passes	\$192,745	\$ -	\$192,745	\$173,495	\$ -
Green fees	323,794	-	323,794	278,445	-
Special play	14,777	_	14,777	7,579	_
Rentals and leases	245,525	_	245,525	192,217	-
Charges for service	-	873,563	873,563	743,663	574,068
Total operating revenues	776,841	873,563	1,650,404	1,395,399	574,068
				-,-,-,-,-	
Operating expenses:					
Personnel services	285,756	273,253	559,009	568,932	(109,373)
Materials and supplies	75,081	58,582	133,663	88,896	-
Other services and charges	245,607	240,297	485,904	474,851	-
Depreciation	112,513	52,363	164,876	166,826	-
Total operating expenses	718,957	624,495	1,343,452	1,299,505	(109,373)
Operating income (loss)	57,884	249,068	306,952	95,894	683,441
N					
Nonoperating revenues (expenses): Intergovernmental revenue	4,781	_	4,781		25,386
Investment income	2,292	2,937	5,229	3,644	23,380
	(3,391)	2,937		*	-
Interest expense Insurance recoveries	(3,391)	-	(3,391)	(5,081)	-
Miscellaneous revenue	106	2,325	2,431	4,825	-
	100	2,323	2,431	4,823	-
Gain (loss) on sale of capital assets	2 700	5,262	9,050	2 200	25.296
Total nonoperating revenues (expenses)	3,788	3,202	9,030	3,388	25,386
Income before contributions and transfers	61,672	254,330	316,002	99,282	708,827
Capital Contributions	115,400	<del>-</del>	115,400	_	_
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total transfers and contributions	115,400	0	115,400	0	0
Change in net position	177,072	254,330	431,402	99,282	708,827
Net position - January 1	2,491,561	489,046	2,980,607	2,881,325	(5,142,085)
Net position - December 31	\$2,668,633	\$743,376	\$3,412,009	\$2,980,607	(\$4,433,258)
Changes in net position reported above			\$431,402	\$99,282	
Adjustment to report the cumulative internal balance for the net effect of activity		activity	6. 6. 5		
between the internal service funds and the enterp	orise funds over time.		21,215	10,766	
Change in net position of business-type activities (	(Statement 2)		\$452,617	\$110,048	

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

For The Year Ended December 31, 2021

With Comparative Totals For The Year Ended December 31, 2020

Statement 8

	В	asiness-Type Activitie	es - Enterprise Fund	ls	Governmental Activities
	613 Pokegama	655 Storm Water	•		
	Golf Course	Utility	Tota	ls	Internal Service
		_	2021	2020	2021
Cash flows from operating activities: Receipts from customers and users Receipts from interfund charges for pension benefits	\$782,115 -	\$831,955 -	\$1,614,070 -	\$1,402,130 -	\$ - 574,068
Payment to suppliers Payment to employees	(344,536) (283,288)	(357,105) (272,237)	(701,641) (555,525)	(458,647) (578,212)	(574,068)
Net cash flows provided by operating activities	154,291	202,613	356,904	365,271	0
Cash flows from noncapital financing activities: Interfund borrowing cash payments Interest on interfund borrowing Intergovernmental revenue Net cash flows provided by (used in) noncapital	(26,310) (3,674) 4,781	-	(26,310) (3,674) 4,781	(26,379) (4,719)	-
financing activities	(25,203)		(25,203)	(31,098)	0
Cash flows from capital and related financing activities:  Acquisition of capital assets  Contributions received  Principal payment on capital lease	(174,207) 115,400 (29,621)	(8,877) - -	(183,084) 115,400 (29,621)	(17,166) - (28,508)	- - -
Net cash flows (used in) capital and related financing activities	(88,428)	(8,877)	(97,305)	(45,674)	0
Cash flows from investing activities: Investment income	2,292	2,937	5,229	3,644	
Net increase in cash and cash equivalents	42,952	196,673	239,625	292,143	0
Cash and cash equivalents - January 1	216,515	285,707	502,222	210,079	-
Cash and cash equivalents - December 31	\$259,467	\$482,380	\$741,847	\$502,222	\$0
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	\$57.004	\$240,069	\$206.052	\$05.804	\$402.441
Operating income (loss) Adjustments to reconcile operating income (loss)	\$57,884	\$249,068	\$306,952	\$95,894	\$683,441
to net cash flows from operating activities:					
Depreciation	112,513	52,363	164,876	166,826	-
Miscellaneous revenue	106	2,325	2,431	4,825	-
Intergovernmental revenue Changes in assets and liabilities:	-	-	-	-	25,386
Decrease (increase) in receivables	(1,921)	(43,933)	(45,854)	(5,377)	-
Decrease (increase) in prepaid items	(15,489)	1,529	(13,960)	(493)	-
Decrease (increase) in deferred outflows of resources	-	-	-	-	(2,252,586)
Increase (decrease) in unearned revenue	7,089	-	7,089	7,283	-
Increase (decrease) in payables	(5,891)	(58,739)	(64,630)	96,313	(1,639,568)
Increase (decrease) in deferred inflows of resources	06.407	(46,455)	40.052	260 277	3,183,327
Total adjustments  Net cash provided by operating activities	96,407 \$154,291	(46,455) \$202,613	49,952 \$356,904	269,377 \$365,271	(683,441)
rect cash provided by operating activities	\$1,271	φ202,013	φ330,70 <del>1</del>	φυσυ,4/1	<u> </u>

Noncash capital and related financing activities:

None

### Item 12.

### CITY OF GRAND RAPIDS, MINNESOTA

STATEMENT OF NET POSITION FIDUCIARY FUNDS

December 31, 2021

With Comparative Totals For December 31, 2020

Statement 9

	2021	2020
Assets:		
Cash and investments	\$95,786	\$90,727
Prepaid items	580	-
Total assets	96,366	90,727
Liabilities:		
Accounts payable	96,366	90,727
Total liabilities	96,366	90,727
Net position:		
Restricted	\$0	\$0

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FIDUCIARY FUNDS

For The Year Ended December 31, 2021

With Comparative Totals For The Year Ended December 31, 2020

### **Statement 10**

	2021	2020
Additions:		
Lodging tax collections	\$356,555	\$252,385
Cable franchise fee collections	259,158	314,553
Total additions	615,713	566,938
Deductions:		
Payments to other entities	589,062	546,532
Administrative fees	26,651	20,406
Total deductions	615,713	566,938
Net increase (decrease) in fiduciary net position	-	-
Net position - beginning	-	-
Net position - ending	\$ -	\$ -

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NOTES TO FINANCIAL STATEMENTS December 31, 2021

### Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

#### A. FINANCIAL REPORTING ENTITY

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

### COMPONENT UNITS

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

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

The EDA's governing board is appointed by the City Council. The primary government is able to impose its will because the City Council has the ability to approve or modify the EDA's budget and to veto or overrule other decisions of the EDA's governing body. The EDA is responsible for advancing the expansion of the local economy through efforts focused on business assistance, recruitment, retention and expansion. Funding for the various programs administered by the EDA is provided through imposed tax levies and state funding sources. The EDA does not issue separate financial statements.

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

### JOINT POWERS AGREEMENT – GRAND RAPIDS/ITASCA COUNTY AIRPORT

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

NOTES TO FINANCIAL STATEMENTS December 31, 2021

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

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

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

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

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

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

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

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

The City reports the following major governmental funds:

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

The *Capital Equipment Replacement* accounts for the accumulation of resources for capital improvement replacement.

The Airport Capital Fund accounts for the capital activity of the Grand Rapids/Itasca County Airport.

The 2021 Infrastructure Bonds Fund accounts for Projects to be funded by the Improvement Bonds.

The Civic Center Capital Improvements Fund accounts for the capital activity of the Civic Center.

The City reports the following major proprietary funds:

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

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

Additionally, the City reports the following fund types:

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

*Internal Service Fund* - the pension benefit fund is used to provide pension benefits to other funds of the City on a cost reimbursement basis.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are transactions between the City's enterprise funds and various other functions of government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

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

NOTES TO FINANCIAL STATEMENTS December 31, 2021

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

### D. BUDGETARY INFORMATION

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

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

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

- 1. The City Administrator submits to the City Council a proposed operating and capital budget for the fiscal year commencing the following January 1. These budgets include proposed expenditures and the means of financing them.
- 2. Public hearings are conducted to obtain taxpayer comments.
- 3. The budget is legally enacted through passage of a resolution on a fund basis.
- 4. Interdepartmental or interfund appropriations and deletions are or may be authorized by the City Council with fund (contingency) reserves or additional revenues. Management can amend budgets within each department.
- 5. Formal budgetary integration is employed as a management control device during the year for the General Fund and certain Special Revenue Funds.
- 6. Legal debt obligation indentures determine the appropriation level and debt service tax levies for the Debt Service Funds. Supplementary budgets are adopted for the Proprietary Funds to determine and calculate user charges. These debt service and budget amounts represent general obligation bond indenture provisions and net income for operation and capital maintenance and are not reflected in the financial statements.
- 7. A capital improvement program is reviewed annually by the City Council for the Capital Project Funds. However, appropriations for major projects are not adopted until the actual bid award of the improvement. The appropriations are not reflected in the financial statements.
- 8. Expenditures may not legally exceed budgeted appropriations at the total department level without City Council authorization. Monitoring of budgets is maintained at the expenditure category level (i.e., personnel; material and supplies; other services and charges; capital outlay) within each activity.
- 9. The City Council may authorize transfer of budgeted amounts between City funds.

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

The following is a listing of Funds whose expenditures exceeded budgeted appropriations:

		Final		Am	ount Over	
	Budget		Actual		Budget	
Major Funds:						
General fund	\$	9,348,650	\$ 9,821,468	\$	472,818	
Nonmajor Funds:						
IRA Civic Center		601,753	614,736		12,983	
Haz-Mat		60,000	65,057		5,057	
Airport		231,740	248,103		16,363	
Cemetery		249,612	341,635		92,023	

The expenditures exceeding budget were funded by available fund balance, interfund loan or other funding sources.

### E. CASH AND INVESTMENTS

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

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

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

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

NOTES TO FINANCIAL STATEMENTS December 31, 2021

#### F. INVESTMENT INCOME

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

### G. PROPERTY TAX REVENUE RECOGNITION

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

#### GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

### **GOVERNMENTAL FUND FINANCIAL STATEMENTS**

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

### H. SPECIAL ASSESSMENT REVENUE RECOGNITION

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

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

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

### GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

### **GOVERNMENTAL FUND FINANCIAL STATEMENTS**

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

### I. INVENTORIES

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

### J. PREPAID ITEMS

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

### K. LAND HELD FOR RESALE

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

### L. CAPITAL ASSETS

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

	Governmental	Proprietary
Assets	Funds	Funds
Land and land improvements	\$10,000	\$5,000
Buildings and structures	25,000	5,000
Vehicles, equipment and furniture	5,000	2,500
Infrastructure	100.000	5.000

Assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are recorded at acquisition value.

NOTES TO FINANCIAL STATEMENTS December 31, 2021

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

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

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

#### M. INTERFUND TRANSACTIONS AND BALANCES

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

Short-term receivables and payables between funds are classified as "due from other funds" or "due to other funds" on the balance sheet. Such items, which are expected to be eliminated in 2022, represent temporary balances due to interfund billings or reclassifications of funds with internally reported negative cash balances.

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

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

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

N. COMPENSATED ABSENCES

NOTES TO FINANCIAL STATEMENTS December 31, 2021

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

#### O. LONG-TERM OBLIGATIONS

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

### P. FUND BALANCE CLASSIFICATIONS

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

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

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

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

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

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

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

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

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

When committed, assigned or unassigned resources are available for use, it is the City's policy to use resources in the following order: 1) committed 2) assigned and 3) unassigned, except for the revenue stabilization commitment which is to be used only in certain circumstances as described in Note 15C.

### O. TRANSACTIONS BETWEEN THE CITY AND ITS COMPONENT UNITS

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

Significant transactions between the City and its component units during 2021 are described in Notes 19 and 20.

### R. USE OF ESTIMATES

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

### S. UTILITY REVENUE RECOGNITION

Billings are rendered and recorded monthly based on metered usage.

### T. RECLASSIFICATIONS

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

#### U. COMPARATIVE TOTALS

The basic fund financial statements and combining and individual fund financial statements and schedules include certain prior-year summarized comparative information in total but not at the level of detail required for a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the City's financial statements for the year ended December 31, 2020, from which the summarized information was derived.

NOTES TO FINANCIAL STATEMENTS December 31, 2021

### V. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represent a consumption of net assets that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The government has two items that qualify for reporting in this category. They are the pension and other post employment benefits related deferred outflows of resources reported on the government-wide Statement of Net Position and the proprietary funds Statement of Net Position.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represent an acquisition of net assets that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The government has pension and other post employment benefits related deferred inflows of resources reported in the government-wide Statement of Net Position and the proprietary funds Statement of Net Position. The government also has a type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental fund balance sheet. The governmental funds report unavailable revenues from the following sources: property taxes, special assessments, due from component units, land held for resale, and notes receivable.

### W. PENSION PLANS

### COST SHARING MULTIPLE - EMPLOYER PLANS

For purposes of measuring the net pension liability, deferred outflows and inflows of resources, and pension expense, information about the fiduciary net position of the Public Employees Retirement Association (PERA) and additions to and deductions from PERA's fiduciary net position have been determined on the same basis as they are reported by PERA, except that PERA's fiscal year end is June 30. For this purpose, plan contributions are recognized as of employer payroll paid dates and benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

### SINGLE EMPLOYER PLAN

For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Grand Rapids Fire Department Relief Association (Relief) and additions to/deductions from the Relief's fiduciary net position have been determined on the same basis as they were reported by the Relief. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

NOTES TO FINANCIAL STATEMENTS December 31, 2021

### Note 2 DEPOSITS AND INVESTMENTS

### A. DEPOSITS

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

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

Minnesota Statutes require that securities pledged as collateral be held in safekeeping by the City Treasurer or in a financial institution other than that furnishing the collateral. Minnesota Statute 118.A.03 identifies allowable forms of collateral.

At December 31, 2021 the carrying amount of the City's deposits with financial institutions was \$9,770,709.

<u>Custodial credit risk – Deposits</u> – Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State Statutes require that insurance, surety bonds or collateral protect all City deposits. The market value of collateral pledged must equal 110% of deposits not covered by insurance or bonds. As of December 31, 2021, the bank balance of the City's deposits was \$9,988,575 all of which was either insured by the Federal Deposit Insurance Corporation (FDIC) or covered by perfected pledged collateral held in the City's name.

### **B. INVESTMENTS**

Subject to rating, yield, maturity and issuer requirements as prescribed by statue, Minnesota Statutes 118A.04 and 118A.05 authorized the City to invest in United States securities, state and local securities, commercial paper, time deposits, high-risk mortgage-backed securities, temporary general obligation bonds, repurchase agreements, Minnesota joint powers investment trust and guaranteed investment contracts.

As of December 31, 2021, the City had the following investments and maturities:

			Investment Maturities (in Years)		
Investment Type	Rating	Fair Value	Less Than 1	1-5	6-10
Brokered CD's Money Market Mutual Fund	NR AAAm	\$7,335,000 8,258	\$1,205,000 8,258	\$4,095,000	\$2,035,000
Total		\$7,343,258	\$1,213,258	\$4,095,000	\$2,035,000
NR - Not Rated			Total investments Deposits Petty cash Total cash and invest	ments	\$7,343,258 9,770,709 1,040 \$17,115,007

NOTES TO FINANCIAL STATEMENTS December 31, 2021

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The hierarchy has three levels. Level 1 investments are valued using inputs that are based on quoted prices in active markets for identical assets. Level 2 investments are valued using inputs other than quoted prices included in Level 1 that are observale either directly or indirectly. Level 2 include quoted prices for similar assets in active markets, quoted prices for identical or similar assets in inactive markets, inputs other than quoted prices that are observable for the asset, or inputs derived principally from or corroborated by observable market data by correlation or other means. Level 3 investments are valued using inputs that are unobservable.

The City has the following recurring fair value measurements as of December 31, 2021:

		Fair	sing	
Investment Type	12/31/2021	Level 1	Level 2	Level 3
Investments at fair value:				
Brokered CD's	\$7,335,000	\$ -	\$7,335,000	\$ -
Other	8,258		8,258	
Total	\$7,343,258	\$ -	\$7,343,258	\$ -

Following is a reconciliation of the City's cash and investment balances as of December 31, 2021:

Cash and investments - primary government:	
Governmental and business-type (Statement 1)	\$16,135,078
Fiduciary (Statement 9)	95,786
Cash and investments - EDA (Statement 1)	884,143
	\$17,115,007

### C. INVESTMENT RISKS

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

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

<u>Credit Risk</u> – Credit risk is the risk that an issuer or other counterparty to an investment will be unable to fulfill its obligation to the holder of the investment. State law limits investments to commercial paper to those rated in the highest quality category by at least two nationally recognized rating agencies; in any security of the State of Minnesota or any of its municipalities which is rated "A" or

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

better by a national bond rating service for general obligation and rated "AA" or better for a revenue obligation; a general obligation of the Minnesota Housing Finance Agency to those rated "A" or better by a national bond rating agency; mutual funds or money market funds whose investments are restricted to securities described in MS 118A.04. The City's investment policy does not place further restrictions on investment options.

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

Investment balances at December 31, 2021 for the Public Utilities Commission are as follows:

Demand deposits and cash on hand	\$5,609,964
U.S. Agencies	1,070,000
Certificates of deposits - negotiable	982,000
Total cash and investments	7,661,964
Less restricted amounts	(3,972,818)
Total cash and investments - unrestricted	\$3,689,146

### Note 3 RECEIVABLES

Significant receivables balances not expected to be collected within one year of December 31, 2021 are as follows:

Primary Government					
	Major Funds				
	General	Storm Water Utility	Nonmajor Funds	Total	EDA
Special assessments receivable	\$51,719	\$768	\$1,224,758	\$1,277,245	\$ -
Property taxes receivable	119,919	-	15,579	135,498	-
Interfund loan receivable	1,219,669	-	-	1,219,669	-
Pledges Receivable	-	-	14,837	14,837	-
Notes receivable	300,000	<del>-</del> -	<del>-</del> -	300,000	1,022,320
	\$1,691,307	\$768	\$1,255,174	\$2,947,249	\$1,022,320

### PLEDGES RECEIVABLE

The City completed construction on a multi-use pavilion addition to the IRA Civic Arena in 2018. A portion of the funding was a capital drive, which began in 2016. As shown above, as of December 31, 2021, outstanding pledges receivable were \$14,837.

### NOTES RECEIVABLE

The City issued a note receivable for \$300,000 due from Grand Plaza Housing Limited Partnership. The note is due January 1, 2039 and has a zero percent (0%) interest rate.

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

### Note 4 UNAVAILABLE REVENUES

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. At the end of the current fiscal year, the various components of unavailable revenue reported in the governmental funds were as follows:

	Property Taxes	Special Assessments	Land Held for Resale	Notes Receivable	Other Receivables	Total
Primary government:						
Major funds:						
General Fund	\$307,111	\$62,272	\$ -	\$300,000	\$ -	\$669,383
Nonmajor Funds	39,898	2,536,568			26,421	2,602,887
Total primary government	347,009	2,598,840	0	300,000	26,421	3,272,270
EDA (discretely presented component unit)	_	_	3,401,507	1,055,417	_	4,456,924
LDA (discretely presented component unit)			3,401,307	1,033,417		4,430,724
Total unavailable revenue	\$347,009	\$2,598,840	\$3,401,507	\$1,355,417	\$26,421	\$7,729,194

### Note 5 INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The City has approved four interfund loans. One loan was made to the Pokegama Golf Course for the Pokegama Golf and Park Place Project and the Pokegama Golf Course Irrigation Control Project. Loans were also made to the IRA Civic Center Fund and the Capital Equipment Replacement Fund as financing to those funds for capital expenditures. A summary at December 31, 2021 is as follows:

	Interfund	Interfund
	Loan	Loan
	Receivable	Payable
Major funds:		
General Fund	\$1,479,969	\$ -
Capital Equipment Replacement	-	1,330,781
Pokegama Golf Course	-	97,114
Nonmajor funds:		
Special revenue funds:		
IRA Civic Center		52,074
Total	\$1,479,969	\$1,479,969

NOTES TO FINANCIAL STATEMENTS December 31, 2021

Amounts reported as due to/from other funds at December 31, 2021 are as follows:

	Due From Other Funds	Due To Other Funds	
Major Funds:			
General Fund	\$1,621,952	\$ -	
Nonmajor Funds:			
Special Revenue Funds:			
Haz-Mat	-	10,805	
Public Library	-	1,664	
Central School	-	4,500	
Capital Project Funds:			
Airport Capital Fund	-	224,853	
IRA Civic Center Projects	-	36,973	
GR/Cohasset Industrial Park	-	79,299	
2022 Infrastructure Bonds	-	1,263,858	
Total	\$1,621,952	\$1,621,952	

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

Amounts reported as interfund transfers at December 31, 2021 are as follows:

		Transfers In		
	General Fund	Capital Equipment Replacement Fund	Nonmajor Governmental Funds	Total
Transfers out:				
General Fund	\$ -	\$280,622	\$485,734	\$766,356
Capital Equipment Replacement Fund	82,585	-	-	82,585
2021 Infrastructure Bonds	-	-	86,592	86,592
Nonmajor Governmental Funds	-	-	362,379	362,379
Total	\$82,585	\$280,622	\$934,705	\$1,297,912

The City makes routine interfund transfers to allocate financial resources to the funds that receive benefit from services provided by another fund or to establish or close-out funds. During 2021, the City made transfers from the General Fund to Special Revenue Funds (\$108,494) to provide ongoing support, to the Improvement Refunding Bonds of 2013B Debt Service Fund (\$150,000) as part of its debt financing plan, and to Capital Project Funds (\$280,622) for capital purposes. Transfers were also made to allocate funds for capital purposes (\$236,252) and debt service purposes (82,425).

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

### Note 6 CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2021 was as follows:

	Beginning			Ending
Primary Government	Balance	Increases	Decreases	Balance
~				
Governmental activities:				
Capital assets, not being depreciated:	Φ <b>7</b> 000 <b>7</b> 01	Ø14.505	Ф	# <b>7</b> 005 <b>2</b> 06
Land and land improvements	\$7,080,791	\$14,505	\$ -	\$7,095,296
Artwork	19,800	-	- (6.550.105)	19,800
Construction in progress	8,462,187	11,159,393	(6,558,195)	13,063,385
Total capital assets, not being depreciated	15,562,778	11,173,898	(6,558,195)	20,178,481
Capital assets, being depreciated:				
Buildings and improvements	28,769,039	1,493,587	(38,749)	30,223,877
Vehicles, equipment and furniture	13,176,905	835,881	(483,609)	13,529,177
Infrastructure	75,497,381	4,932,602	(75,705)	80,354,278
Total capital assets, being depreciated	117,443,325	7,262,070	(598,063)	124,107,332
Il-4-di-4i f				
Less accumulated depreciation for:	10 000 770	(40.275	(25.5(4)	10 624 400
Buildings and improvements	19,000,779	649,275	(25,564)	19,624,490
Vehicles, equipment and furniture	8,557,024	743,145	(476,448)	8,823,721
Infrastructure	39,863,023	2,366,888	(59,931)	42,169,980
Total accumulated depreciation	67,420,826	3,759,308	(561,943)	70,618,191
Total capital assets being depreciated - net	50,022,499	3,502,762	(36,120)	53,489,141
Governmental activities capital assets - net	\$65,585,277	\$14,676,660	(\$6,594,315)	\$73,667,622
Primary Government	Beginning Balance	Increases	Decreases	Ending Balance
Trinary Government	Balance	Hiereases	Decreases	Datanec
Business-type activities:				
Capital assets, not being depreciated:				
Land and land improvements	\$910,812	\$8,874	\$ -	\$919,686
Total capital assets, not being depreciated	910,812	8,874	0	919,686
Capital assets, being depreciated:				
Buildings and improvements	2,380,914	64,403	_	2,445,317
Machinery, equipment and furniture	1,396,788	109,807	_	1,506,595
Total capital assets, being depreciated	3,777,702	174,210	0	3,951,912
Less accumulated depreciation for:				
Buildings and improvements	1,019,212	65,773	-	1,084,985
Machinery, equipment and furniture	930,701	99,103	-	1,029,804
Total accumulated depreciation	1,949,913	164,876	0	2,114,789
Total capital assets being depreciated - net	1,827,789	9,334	0	1,837,123
Business-type activities capital assets - net	\$2,738,601	\$18,208	\$0	\$2,756,809

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

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

Governmental activities:	
General government	\$157,491
Public safety	273,584
Public works, including depreciation of general infrastructure assets	3,007,705
Culture and recreation	320,528
Total depreciation expense - governmental activities	\$3,759,308
Business-type activities:	
Golf course	\$112,513
Storm water utility	52,363
Total depreciation expense - business-type activities	\$164,876

## Note 7 LONG-TERM DEBT

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

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

As of December 31, 2021, the governmental long-term bonded debt of the financial reporting entity consisted of the following:

	Interest	Issue	Maturity	Original	Payable
Primary Government	Rates	Date	Date	Issue	12/31/2021
Governmental Activities:					
G.O. Tax Increment Bonds:					
Refunding TIF Bonds Series 2017B	4.20 - 4.00	12/28/2017	2/1/2034	\$705,000	\$615,000
G.O. Improvement Bonds:					
Improvement Bonds of 2007B	4.00 - 4.10	12/15/2007	4/1/2022	1,150,000	75,000
Improvement Bonds of 2009C	1.85 - 4.30	9/1/2009	2/1/2025	4,565,000	1,405,000
Improvement Bonds of 2010A	0.75 - 3.625	11/1/2010	2/1/2026	1,115,000	310,000
Improvement Refunding Bonds of 2011B	0.50 - 3.15	12/1/2011	2/1/2027	1,555,000	440,000
Improvement Bonds of 2012A	0.50 - 3.25	4/1/2012	2/1/2028	2,245,000	1,110,000
Improvement Bonds of 2012B	0.40 - 2.60	4/1/2012	10/1/2027	4,175,000	1,785,000
Improvement Bonds of 2013A	0.30 - 1.35	5/8/2013	2/1/2021	1,525,000	-
Improvement Bonds of 2014A	0.50 - 2.90	11/1/2014	2/1/2030	3,000,000	1,630,000
Improvement Refunding Bonds of 2017B	2.30 - 3.00	12/28/2017	2/1/2034	2,215,000	895,000
Improvement Bonds of 2021B	2.00 - 2.75	7/1/2021	2/1/2042	6,255,000	6,255,000
Total G.O. Improvement Bonds				27,800,000	13,905,000
Other General Obligation Bonds:					
Street Reconstruction Bonds of 2013B	3.00 - 3.50	9/1/2013	2/1/2029	4,025,000	2,360,000
Street Reconstruction Bonds of 2016A	0.85 - 2.20	10/5/2016	2/1/2032	2,170,000	1,660,000
Street Reconstruction Bonds of 2017A	3.00 - 3.50	9/7/2017	2/1/2033	2,130,000	1,795,000
Street Reconstruction Bonds of 2018A	3.00 - 3.25	10/18/2018	2/1/2034	1,960,000	1,755,000
Street Reconstruction Bonds of 2020A	1.60 - 2.00	11/5/2020	2/1/2036	2,275,000	2,275,000
G.O. Abatement Bonds of 2019A	2.00 - 3.00	9/5/2019	2/1/2035	1,585,000	1,515,000
Total other general obligation bonds				14,145,000	11,360,000
Total bonded debt - governmental activities				42,650,000	25,880,000
Bond premium				590,533	806,627
Compensated absences				513,331	530,174
Total governmental activities				\$43,753,864	\$27,216,801
Business-Type Activities:					
Compensated absences				\$8,527	\$13,381
Capital lease payable	3.84	7/20/2017	7/19/2021	142,747	-
Total business-type activities				\$151,274	\$13,381
Component Units:					
EDA:					
Note payable - Airport Ind Park/Kent	0.00	7/16/2015	7/16/2035	\$350,000	\$245,000
Note payable - Block 20 & 21 Soil	0.00	8/5/2010	12/31/2029	100,000	100,000
Note payable - Blandin	0.00	2016	2026	175,000	73,630
Note payable - IRRRB	1.00	12/2/2016	8/1/2036	293,000	268,091
Note payable - IEDC	1.00	11/15/2016	11/1/2026	90,000	46,085
Note payable - EWCL	0.00	4/1/2020	10/1/2026	650,000	510,359
Note payable - Blandin	0.00	1/29/2021	1/29/2026	140,000	140,000
Special assessment payable				679,180	657,883
Total EDA				2,477,180	2,041,048
Public Utilities:					
Taxable G.O. Wastewater Revenue Note of 2009E	2.90	11/10/2009	8/20/2029	26,370,232	12,419,000
G.O. Utility Revenue Bonds of 2012D	2.00 - 3.35	4/1/2012	2/1/2033	2,025,000	1,270,000
G.O. Utility Revenue Bonds of 2013C	2.00 - 4.50	7/15/2013	2/1/2029	2,305,000	305,000
G.O. Refunding Bonds of 2021A	0.25 - 0.63	5/27/2021	10/15/2025	872,000	775,500
G.O. Refunding Bonds of 2021C	0.45 - 1.25	9/2/2021	2/1/2029	1,210,000	1,210,000
G.O. Refunding Bonds of 2021D	2.0 - 3.0	12/9/2021	2/1/2033	1,120,000	1,120,000
Total public utilities				33,902,232	17,099,500
*					
Total component units				\$36,379,412	\$19,140,548

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

Annual debt service requirements to maturity for long-term debt are as follows:

	G.O. Tax Incre	ment Bonds	G.O. Improve	ment Bonds	Other G.O.	Bonds
Year Ending	Governmental	Activities	Governmenta	1 Activities	Governmental	Activities
December 31,	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$35,000	\$17,050	\$1,610,000	\$367,140	\$850,000	\$286,503
2023	40,000	15,925	1,665,000	305,436	885,000	263,153
2024	35,000	14,800	1,565,000	254,672	910,000	239,002
2025	40,000	13,815	1,435,000	205,138	935,000	214,152
2026	40,000	12,895	1,020,000	166,823	975,000	188,027
2027	45,000	11,918	990,000	138,778	980,000	160,896
2028	45,000	10,725	610,000	116,173	1,020,000	132,602
2029	50,000	9,300	450,000	101,171	1,050,000	103,312
2030	55,000	7,725	465,000	88,421	730,000	79,708
2031	50,000	6,150	305,000	78,850	745,000	61,831
2032	55,000	4,575	310,000	72,700	765,000	43,564
2033	60,000	2,850	320,000	66,400	610,000	26,258
2034	65,000	975	325,000	59,950	445,000	13,185
2035	-	-	330,000	53,400	290,000	5,374
2036	-	-	335,000	46,750	170,000	1,360
2037	-	-	345,000	39,950	-	-
2038	-	-	350,000	33,000	-	-
2039	-	-	360,000	25,900	-	-
2040	-	-	365,000	18,650	-	-
2041	-	-	370,000	11,300	-	-
2042	<u> </u>	-	380,000	3,800		
Total	\$615,000	\$128,703	\$13,905,000	\$2,254,402	\$11,360,000	\$1,818,927

	Revenue Bonds and Notes			
Year Ending	PUC Compo	nent Unit		
December 31,	Principal	Interest		
2022	\$1,859,000	\$478,326		
2023	2,025,500	440,191		
2024	2,073,000	342,781		
2025	2,118,000	293,206		
2026	1,986,000	241,652		
2027-2031	6,628,000	428,613		
2032-2033	410,000	10,903		
Total	\$17,099,500	\$2,235,672		

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

Year Ending	Revenue Bonds and Notes EDA Component Unit				
December 31,	Principal	Interest			
2022	\$43,193	\$3,100			
2023	305,983	2,842			
2024	17,500	2,583			
2025	91,130	2,321			
2026-2030	837,859	8,147			
2031-2035	87,500	3,676			
Total	\$1,383,165	\$22,669			

### **CHANGE IN LONG-TERM LIABILITIES**

Long-term liability activity for the year ended December 31, 2021, was as follows:

	Balance			Balance	Due Within
	12/31/20	Additions	Reductions	12/31/21	One Year
Governmental Activities:		,			
Bonds payable:					
G.O. Tax increment bonds	\$650,000	\$ -	(\$35,000)	\$615,000	\$35,000
G.O. Improvement bonds	9,425,000	6,255,000	(1,775,000)	13,905,000	1,610,000
Other G.O. bonds	12,065,000	-	(705,000)	11,360,000	850,000
Bond premium	477,600	370,304	(41,277)	806,627	-
Compensated absences	513,331	83,513	(66,670)	530,174	47,071
Total governmental activities	\$23,130,931	\$6,708,817	(\$2,622,947)	\$27,216,801	\$2,542,071
		:			
Business Type Activities:					
Capital lease payable	\$29,621	\$ -	(\$29,621)	\$ -	\$ -
Compensated absences	8,527	5,286	(432)	13,381	1,769
Total business-type activities	\$38,148	\$5,286	(\$30,053)	\$13,381	\$1,769
Component Units:					
Note payables - EDA	\$1,453,655	\$140,000	(\$210,490)	\$1,383,165	\$43,193
Assessment payable - EDA	679,180	-	(21,297)	657,883	-
Direct Placement - PUC	-	3,202,000	(96,500)	3,105,500	207,000
G.O. Revenue bonds and notes - PUC	17,201,000	-	(3,207,000)	13,994,000	1,652,000
Equipment lease payable - PUC	964,292	-	(964,292)	-	-
Unamortized premiums and discounts - PUC	201	91,304	(4,818)	86,687	-
Compensated absences - PUC	342,952	263,548	(290,270)	316,230	219,594
Total component units	\$20,641,280	\$3,696,852	(\$4,794,667)	\$19,543,465	\$2,121,787

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

### **CAPITAL LEASE PAYABLE**

During 2017, the City entered into an equipment lease with TCF Equipment Finance relating to the use of equipment for the golf course. This agreement qualifies as a capital lease with an interest rate of 3.84%. The cost of the assets acquired through the lease was \$142,747 and accumulated depreciation on these assets at December 31, 2021 is \$76,057. Depreciation in the amount of \$16,829 has been recorded as depreciation expense during 2021.

NOTES TO FINANCIAL STATEMENTS December 31, 2021

### TAXABLE NOTE PAYABLES - EDA

In 2010, the EDA entered into a \$100,000 mortgage agreement, without interest, with the Charles K. Blandin Foundation. The proceeds of this note were used to finance soil correction of EDA land held for resale at Block 20/21. The EDA has pledged proceeds from the sale of Block 20/21 to payment of this note upon the earlier of the sale of Block 20/21 or the extended maturity date of the note (December 31, 2029).

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

On July 16, 2015, the EDA entered into a \$350,000 mortgage agreement, without interest, with the Charles K. Blandin Foundation. The proceeds of this note were used to finance the Economic Development Opportunity at the Grand Rapids Airport. The note is payable in annual installments of \$17,500 through the year 2035 commencing one calendar year after the funds are disbursed. The note may be fully or partially prepaid at any time.

In 2017 the EDA obtained a loan from the Blandin Foundation in the amount of \$175,000 for the purpose of providing financing for economic development projects. The loan proceeds were used to provide loans to private developers. The debt to the Blandin Foundation is payable solely from and to the extent of repayment of the developer loans.

In 2016, the EDA entered into a \$293,000 loan agreement with the IRRRB. The proceeds were used to finance the acquisition of an airport hangar. The note is to be repaid from all net lease revenues from the hangar.

In 2016, the EDA entered into a \$90,000 loan agreement with Itasca Economic Development Corporation. The proceeds of the note were used for the acquisition of an airport hangar. The note is payable in annual installments of \$9,502 including interest at 1.0%.

In 2020, the EDA entered into a \$650,000 loan agreement with the Blandin Foundation. The loan proceeds were used to provide emergency working capital loans to local business. The loan matures on October 1, 2026. The interest rate is 0%.

In 2021, the EDA entered into a \$140,000 loan agreement with the Blandin Foundation. The loan matures on January 29, 2026. The interest rate is 0%.

NOTES TO FINANCIAL STATEMENTS December 31, 2021

### TAXABLE GENERAL OBLIGATION WASTEWATER REVENUE NOTE, SERIES 2009E

In 2009, the City authorized the issuance of the Taxable General Obligation Wastewater Revenue Note (Public Utilities Project), Series 2009E in the amount of \$28,509,779, payable to the Minnesota Public Facilities Authority. The bonds were closed in 2012 and the total draws made were \$26,370,232. As of December 31, 2021, the outstanding balance on the note was \$12,419,000.

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

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

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

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

### CITY OF GRAND RAPIDS, MINNESOTA NOTES TO FINANCIAL STATEMENTS December 31, 2021

### REVENUE PLEDGED

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

		Reve	nue Pledged			Curren	Year
			Percent of		Remaining	Principal	Pledged
	Use of		Total	Term of	Principal	and Interest	Revenue
Bond Issue	Proceeds	Type	Debt Service	Pledge	and Interest	Paid	Received
G.O. Improvement, 2007B	Street reconstruction	MSA allotments	100%	2007- 2022	\$76,538	\$79,613	\$79,613
G.O. Improvement, 2009C (Build America Bond)	Infrastructure improvements	Special assessments Federal BAB credit Ad Valorem Taxes	24% 10% 66%	2010- 2024	\$1,554,537	\$405,964	\$338,250
G.O. Improvement, 2010A	Infrastructure improvements, refund existing debt	Special assessments Ad Valorem Taxes	34% 66%	2012- 2026	\$337,886	\$71,575	\$61,009
G.O. Improvement, 2011B	Infrastructure improvements, refund existing debt	Special assessments Ad Valorem Taxes	56% 46%	2012- 2026	\$481,254	\$83,660	\$55,340
G.O. Improvement, 2012A	Infrastructure improvements	Special assessments Ad Valorem Taxes	32% 68%	2013- 2027	\$1,235,723	\$179,100	\$106,650
G.O. Improvement, 2012B	Street reconstruction	MSA allotments	100%	2013- 2027	\$1,915,693	\$322,908	\$322,908
G.O. Improvement, 2013A	Refunded 2004A and 2005A Bonds	Special assessments Ad Valorem Taxes	41% 59%	2014- 2021	\$ -	\$176,181	\$ -
G.O. Street Reconstruction, 2013B	Street reconstruction	Ad Valorem Taxes	100%	2014- 2029	\$2,686,631	\$339,488	\$124,179
G.O. Improvement, 2014A	Street reconstruction, abatement, CIP Projects, and equipment	Special assessments Ad Valorem Taxes	20% 80%	2014- 2029	\$1,811,235	\$245,770	\$236,692
G.O. Street Reconstruction, 2016A	Street reconstruction, abatement, CIP Projects, and equipment	Special assessments Ad Valorem Taxes	80% 20%	2016- 2032	\$1,855,900	\$170,210	\$174,769
G.O. Street Reconstruction, 2017A	Street reconstruction, abatement, CIP Projects, and equipment	Special assessments Ad Valorem Taxes	13% 87%	2018- 2033	\$2,167,112	\$183,800	\$190,294
G.O. Refunding, 2017B	Refund of 2006A, 2007A, 2008A, 2008B and 2008C bonds	Special assessments Tax Increment Ad Valorem Taxes	11% 28% 61%	2018- 2034	\$1,670,878	\$526,550	\$264,385
G.O. Improvement, 2018A	Street reconstruction, abatement, CIP Projects, and equipment	Ad Valorem Taxes Special assessments	81% 19%	2018- 2033	\$2,128,619	\$170,513	\$156,482
G.O. Improvement, 2019A	Abatement Bond	Ad Valorem Taxes Tax abatement	92% 8%	2019- 2035	\$1,773,915	\$108,980	\$100,462
G.O. Street Reconstruction, 2020A	CIP Projects, and equipment	Special assessments Ad Valorem Taxes	92% 8%	2020- 2036	\$2,566,749	\$29,454	\$162,700
G.O. Improvement, 2021B	CIP projects, Abatement Bond	Ad Valorem Taxes Tax abatement	80% 20%	2022- 2042	\$7,819,362	\$ -	\$ -

NOTES TO FINANCIAL STATEMENTS December 31, 2021

### Note 8 DEFINED BENEFIT PENSION PLANS

### A. PLAN DESCRIPTION

The City participates in the following cost-sharing multiple-employer defined benefit pension plans administered by the Public Employees Retirement Association of Minnesota (PERA). PERA's defined benefit pension plans are established and administered in accordance with Minnesota Statutes, Chapters 353 and 356. PERA's defined benefit pension plans are tax qualified plans under Section 401(a) of the Internal Revenue Code.

### 1. General Employees Retirement Fund (GERF)

All full-time (with the exception of employees covered by PEPFF) and certain part-time employees of the City are covered by the General Employees Retirement Fund (GERF). GERF members belong to the Coordinated Plan. Coordinated Plan members are covered by Social Security.

### 2. Public Employees Police and Fire Fund (PEPFF)

The PEPFF, originally established for police officers and firefighters not covered by a local relief association, now covers all police officers and firefighters hired since 1980. Effective July 1, 1999, the PEPFF also covers police officers and firefighters belonging to local relief associations that elected to merge with and transfer assets and administration to PERA.

### B. BENEFITS PROVIDED

PERA provides retirement, disability, and death benefits. Benefit provisions are established by state statute and can only be modified by the state Legislature. Vested, terminated employees who are entitled to benefits but are not receiving them yet are bound by the provisions in effect at the time they last terminated their public service.

### 1. GERF Benefits

Benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service. Two methods are used to compute benefits for PERA's Coordinated members. Members hired prior to July 1, 1989 receive the higher of Method 1 or Method 2 formulas. Only Method 2 is used for members hired after June 30, 1989. Under Method 1, the accrual rate for Coordinated members is 1.2% of average salary for each of the first ten years of service and 1.7% of average salary for each additional year. Under Method 2, the accrual rate for Coordinated Plan members is 1.7% of average salary for all years of service. For members hired prior to July 1, 1989 a full annuity is available when age plus years of service equal 90 and normal retirement age is 65. For members hired on or after July 1, 1989, normal retirement age is the age for unreduced Social Security benefits capped at 66.

Benefit increases are provided to benefit recipients each January. The postretirement increase is equal to 50% of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1% and a maximum of 1.5%. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. For recipients receiving the annuity or benefit for at least one month but less than a full year as of the June 30 before the effective date of the increase will receive a reduced prorated increase. For members retiring on January 1, 2024 or later, the increase will be delayed until normal retirement age (age 65 if hired prior to July 1, 1989, or age 66 for individuals hired on or after July 1, 1989). Members retiring under Rule of 90 are exempt

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

from the delay to normal retirement, or age 66 for individuals hired on or after July 1, 1989). Members retiring under Rule of 90 are exempt from the delay to normal retirement.

### 2. PEPFF Benefits

Benefits for the PEPFF members first hired after June 30, 2010 but before July 1, 2014 vest on a prorated basis from 50% after five years up to 100% after ten years of credited service. Benefits for PEPFF members first hired after June 30, 2014 vest on a prorated basis from 50% after ten years up to 100% after twenty years of credited service. The annuity accrual rate is 3% of average salary for each year of service. For PEPFF members who were first hired prior to July 1, 1989, a full annuity is available when age plus years of service equal at least 90.

Benefit increases are provided to benefit recipients each January. The postretirement increase is fixed at 1%. Recipients that have been receiving the annuity or benefit for at least 36 months as of the June 30 before the effective date of the increase will receive the full increase. For recipients receiving the annuity or benefit for at least 25 months but less than 36 months as of the June 30 before the effective date of the increase will receive a reduced prorated increase.

### C. CONTRIBUTIONS

Minnesota Statutes Chapter 353 sets the rates for employer and employee contributions. Contribution rates can only be modified by the state Legislature.

### 1. GERF Contributions

Coordinated Plan members were required to contribute 6.5% of their annual covered salary in fiscal year 2021 and the City was required to contribute 7.5% for Coordinated Plan members. The City's contributions to the GERF for the year ended December 31, 2021 were \$292,388. The City's contributions were equal to the required contributions as set by state statute.

### 2. PEPFF Contributions

Police and Fire members were required to contribute 11.80% of their annual covered salary in fiscal year 2021 and the City was required to contribute 17.70%. The City's contributions to the PEPFF for the year ended December 31, 2021 were \$281,680. The City's contributions were equal to the required contributions as set by state statute.

#### D. PENSION COSTS

### 1. GERF Pension Costs

At December 31, 2021, the City reported a liability of \$2,233,444 for its proportionate share of GERF's net pension liability. The City's net pension liability reflected a reduction due to the State of Minnesota's contribution of \$16 million. The State of Minnesota is considered a non-employer contributing entity and the state's contribution meets the definition of a special funding situation. The State of Minnesota's proportionate share of the net pension liability associated with the City totaled \$68,208. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2020 through June 30,

NOTES TO FINANCIAL STATEMENTS December 31, 2021

2021, relative to the total employer contributions received from all of PERA's participating employers. The City's proportionate share was 0.0523% at the end of the measurement period and 0.0524% for the beginning of the period.

City's proportionate share of the net pension liability	\$2,233,444
State of Minnesota's proportionate share of the net	
pension liability associated with the City	68,208
Total	\$2,301,652

For the year ended December 31, 2021, the City recognized pension expense of \$11,810 for its proportionate share of the GERF's pension expense. In addition, the City recognized an additional \$5,503 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$16 million to the GERF.

At December 31, 2021, the City reported its proportionate share of the GERF's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows	Deferred Inflows
	of Resources	of Resources
Differences between expected and		
actual economic experience	\$13,708	\$68,350
Changes in actuarial assumptions	1,363,695	49,390
Net collective between projected and		
actual investment earnings	-	1,934,726
Changes in proportion	41,300	26,015
Contributions paid to PERA		
subsequent to the measurement date	159,996	
Total	\$1,578,699	\$2,078,481

The \$159,996 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2021. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended	Pension
December 31,	Expense
2022	(\$99,147)
2023	(14,276)
2024	(18,781)
2025	(527,574)
2026	-
Thereafter	-

NOTES TO FINANCIAL STATEMENTS December 31, 2021

#### 2. PEPFF Pension Costs

At December 31, 2021, the City reported a liability of \$1,001,918 for its proportionate share of the PEPFF's net pension liability. The net pension liability was measured as of June 30, 2021 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportionate share of the net pension liability was based on the City's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2020 through June 30, 2021, relative to the total employer contributions received from all of PERA's participating employers. The City's proportionate share was 0.1298% at the end of the measurement period and 0.1315% for the beginning of the period.

The State of Minnesota also contributed \$18 million to PEPFF during the plan fiscal year ended June 30, 2021. The contribution consisted of \$9 million in direct state aid that meets the definition of a special funding situation and \$9 million in supplemental state aid that does not meet the definition of a special funding situation. The direct state aid was paid on October 1, 2020. Thereafter, by October 1 of each year, the state will pay \$9 million to the PEPFF until full funding is reached or July 1, 2048, whichever is earlier. The \$9 million in supplemental state aid will continue until the fund is 90% funded, or until the State Patrol Plan (administered by the Minnesota State Retirement System) is 90% funded, whichever occurs later. Strong asset returns for the fiscal year ended 2021 will accelerate the phasing out of these state contributions, although we do not anticipate them to be phased out during the fiscal year ending 2022.

The State of Minnesota is included as a non-employer contributing entity in the PEPFF Schedule of Employer Allocations and Schedule of Pension Amounts by Employer, Current Reporting Period Only (pension allocation schedules) for the \$9 million in direct state aid. PEPFF employers need to recognize their proportionate share of the State of Minnesota's pension expense (and grant revenue) under GASB 68 special funding situation accounting and financial reporting requirements. For the year ended December 31, 2021, the City recognized pension expense of \$8,201 for its proportionate share of the Police and Fire Plan's pension expense. The City recognized an additional (\$134,887) as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$9 million to the PEPFF.

The State of Minnesota is not included as a non-employer contributing entity in the Police and Fire Pension Plan pension allocation schedules for the \$9 million in supplemental state aid. The City also recognized \$11,682 for the year ended December 31, 2021 as revenue and an offsetting reduction of net pension liability for its proportionate share of the State of Minnesota's on-behalf contributions to the Police and Fire Fund.

NOTES TO FINANCIAL STATEMENTS December 31, 2021

At December 31, 2021, the City reported its proportionate share of the PEPFF's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	
Differences between expected and	of resources	of feedurees	
actual economic experience	\$191,861	\$ -	
Changes in actuarial assumptions	1,472,558	528,854	
Net collective between projected and			
actual investment earnings	-	1,912,724	
Changes in proportion	19,098	96,583	
Contributions paid to PERA			
subsequent to the measurement date	156,529_		
Total	\$1,840,046	\$2,538,161	

The \$156,529 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2021. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as outflows:

Year Ended	Pension
December 31,	Expense
2022	(\$681,907)
2023	(147,446)
2024	(132,650)
2025	(211,938)
2026	319,297
Thereafter	-

The net pension liability will be liquidated by Pension Benefit Internal Service Fund

### E. ACTUARIAL ASSUMPTIONS

The total pension liability in the June 30, 2021 actuarial valuation was determined using an individual entry-age normal actuarial cost method and the following actuarial assumptions:

Inflation	2.25% per year
Investment Rate of Return	6.50%

The long-term investment rate of return is based on a review of inflation and investment return assumptions from a number of national investment consulting firms. The review provided a range of investment return rates deemed to be reasonable by the actuary. An investment return of 6.50% was deemed to be within that range of reasonableness for financial reporting purposes.

NOTES TO FINANCIAL STATEMENTS December 31, 2021

Salary growth assumptions in the GERF range in annual increments from 10.25% after one year of service to 3.0% after 29 years of service and 6.0% per year thereafter. In the PEPFF, salary growth assumptions range from 11.75% after one year of service to 3.0% after 24 years of service.

Mortality rates for GERF were based on the Pub-2010 General Employee Mortality Table. Mortality rates for PEPFF were based on the Pub-2010 Public Safety Employee Mortality tables. The tables are adjusted slightly to fit PERA's experience. Cost of living benefit increases after retirement are assumed to be 1.25% per year for GERF and 1.0% per year for PEPFF.

Actuarial assumptions for GERF are reviewed every four years. The most recent four-year experience study for GERF was completed in 2019. The assumption changes were adopted by the Board and become effective with the July 1, 2020 actuarial valuation. The most recent four-year experience study for PEPFF was completed in 2020 and adopted by the Board and became effective with the July 1, 2021 actuarial valuation.

The following changes in actuarial assumptions and plan provisions occurred in 2021:

### General Employees Fund

Changes in Actuarial Assumptions:

- The investment return and single discount rates were changed from 7.50% to 6.50% for financial reporting purposes.
- The mortality improvement scale was changed from Scale MP-2019 to Scale MP-2020.

### Police and Fire Fund

Changes in Actuarial Assumptions:

- The investment return and single discount rates were changed from 7.50% to 6.50% for financial reporting purposes.
- The inflation assumption was changed from 2.50% to 2.25%.
- The payroll growth assumption was changed from 3.25% to 3.00%.
- The base mortality tables for healthy annuitants, disabled annuitants and employees were changed from RP-2014 tables to Pub-2010 Public Safety Mortality tables. The mortality improvement scale was changed from MP-2019 to MN-2020.
- Assumed salary increase and retirement rates were modified as recommended in the July 14, 2020
  experience study. The changes result in a decrease in gross salary increase rates, slightly more
  unreduced retirements and fewer assumed early retirements.
- Assumed rates of withdrawal were changed from select and ultimate rates to service-based rates.
   The changes result in more assumed terminations.
- Assumed rates of disability were increased for ages 25-44 and decreased for ages over 49. Overall, proposed rates result in more projected disabilities.
- Assumed percent married for active female members was changed from 60% to 70%.

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

The State Board of Investment, which manages the investments of PERA, prepares an analysis of the reasonableness on a regular basis of the long-term expected rate of return using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce an expected long-term rate of return by weighting the expected future rates of return by the target asset allocation percentages. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

	Target	Long-Term Expected
Asset Class	Allocation	Real Rate of Return
Domestic equity	33.5%	5.10%
International equity	16.5%	5.30%
Fixed income	25%	0.75%
Private markets	25%	5.90%
Total	100%	_

### F. DISCOUNT RATE

The discount rate used to measure the total pension liability in 2021 was 6.5%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net position of the GERF and the PEPFF was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

### G. PENSION LIABILITY SENSITIVITY

The following presents the City's proportionate share of the net pension liability, calculated using the discount rate disclosed in the preceding paragraph, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate one percentage point lower or one percentage point higher than the current discount rate:

	1% Decrease in		1% Increase in
	Discount Rate (5.5%)	Discount Rate (6.5%)	Discount Rate (7.5%)
City's proportionate share of the GERF net pension liability	\$4,555,086	\$2,233,444	\$328,395
City's proportionate share of the PEPFF net pension liability	\$3,180,922	\$1,001,918	(\$784,324)

### H. PENSION PLAN FIDUCIARY NET POSITION

Detailed information about each pension plan's fiduciary net position is available in a separately-issued PERA financial report that includes financial statements and required supplementary information. That report may be obtained at www.mnpera.org.

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

#### I. PENSION EXPENSE

Pension expense recognized by the City for the year ended December 31, 2021 is as follows:

GERF	\$11,810
PEPFF	(134,887)
Fire Relief (note 10)	21,980
Total	(\$101,097)

### Note 9 DEFINED CONTRIBUTION PLAN

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

Plan benefits depend solely on amounts contributed to the plan plus investment earnings, less administrative expenses. Minnesota Statutes, Chapter 353D.03, specifies plan provisions, including the employee and employer contribution rates for those qualified personnel who elect to participate. An eligible elected official who decides to participate contributes 5% of salary which is matched by the elected official's employer. For ambulance service personnel, employer contributions are determined by the employer, and for salaried employees must be a fixed percentage of salary. Employer contributions for volunteer personnel may be a unit value for each call or period of alert duty. Employees who are paid for their services may elect to make member contributions in an amount not to exceed the employer share. Employer and employee contributions are combined and used to purchase shares in one or more of the seven accounts of the Minnesota Supplemental Investment Fund. For administering the plan, PERA receives 2% of employer contributions and twenty-five hundredths of 1% (.0025) of the assets in each member's account annually.

Total contributions made by the City during fiscal year 2021 were:

Contribu	ution Amount	Percentage of 0	Covered Payroll	Required
	Employer			
Employee	(Pension Expense)	Employee	Employer	Rate
\$1,716	\$1,716	5%	5%	5%

### Note 10 SINGLE EMPLOYER PLAN

### A. PLAN DESCRIPTION

All members of the Grand Rapids Fire Department are covered by a defined benefit plan administered by the Grand Rapids Fire Department Relief Association (Relief Association). The Plan is a single employer retirement plan and is established and administered in accordance with Minnesota Statute, Chapter 424A and 424B.

NOTES TO FINANCIAL STATEMENTS December 31, 2021

### **B. BENEFITS PROVIDED**

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

### Twenty Year Service Pension

A member of the Association who shall have served in the Grand Rapids Fire Department for at least 20 years, but has not reached the age of 50 years, may retire from said department and be placed on the deferred pension roll. When the member reaches the age of 50 years, upon application, the member shall be paid the sum of \$6,500 for each full year of active service. For members retiring prior to January 1, 2015, during the time the member is on the deferred pension roll, the Association shall add to the amount payable to such member interest, compounded annually, at the rate of 5% per year. Fully vested members will be eligible to receive the final year on a pro-rated basis. For members retirning after January 1, 2015, the amount payable will be transferred to a separate investment vehicle held by the Relief Association. The deferred member bears the full investment risk subsequent to transfer. When the member applies for their pension, the deferred service pension shall be equal to the fair market value of the member's separate investment vehicle.

### **Disability Benefits**

A member who becomes permanently disabled from being an active firefighter in the Fire Department of the City of Grand Rapids will be eligible to collect a disability benefit in an amount equal to his/her full years of active service multiplied by the yearly lump sum service pension rate. If a member receives a disability benefit and subsequently returns to active duty, the total disability benefit will be deducted from his/her service pension.

### Survivor Benefits

To be eligible to receive a survivor benefit, a participant must satisfy the following requirements:

- (i) Have died in active service with the Fire Department; or
- (ii) Have died prior to receiving his retirement benefit.

If a participant in active service dies, the participant's beneficiary shall receive a lump sum payment equal to 100% of the participant's accrued benefit.

If a participant who has retired or ceased from active service dies, the participant's beneficiary shall receive a lump sum survivor benefit determined as follows:

Years of active		Benefit level in		Vesting
	multiplied by	effect for	multiplied by	percentage for
service credited	multiplied by		muniphed by	completed years
to participant		participant		of active service

The survivor benefit level will be the benefit level in effect at the participant's separation date. However, if the participant had a break in service, the survivor benefit level shall be determined as described in the definition of break in service.

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

Such survivor benefit shall be paid to the participant's beneficiary as soon as administratively feasible following the participant's death and the approval of the survivor benefit payment request form. A participant's beneficiary shall be as follows:

- (a) The participant's surviving spouse; or
- (b) If no surviving spouse, the participant's surviving children; or
- (c) If no surviving spouse or surviving children, the participant's designated beneficiary or beneficiaries.

### State Supplemental Benefits

Minnesota Statute 424A.10 provides for the payment of a supplemental benefit equal to ten percent of a regular lump sum distribution up to a maximum of \$1,000. The supplemental benefit is in lieu of a 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. The Association qualifies for these benefits.

### C. EMPLOYEES COVERED BY BENEFIT TERMS

At December 31, 2021, the following employees were covered by the benefit terms:

Retired members entitled to benefits,	
but have not received them	10
Current members:	
Fully vested (20 years or more)	1
Partially vested (10 years to 19 years)	12
Nonvested (less than 10 years)	18
Total	41

### D. CONTRIBUTIONS

Minnesota Statutes Chapter 424A.092 sets the minimum contribution requirement for the City and State aid on an annual basis. These statutes are established and amended by the state legislature. The Relief Association is comprised of volunteers; therefore, members have no contribution requirements. The City receives the State aid contribution and is required by state statutes to pass this through as payment to the Relief Association. The City's contributions to the Relief Association for the year ended December 31, 2021, were \$5,000. State aid contributions for the year ended December 31, 2021, were \$143,391.

### E. NET PENSION LIABILITY

The City's net pension liability (asset) was measured as of December 31, 2021, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2021.

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

#### F. ACTUARIAL ASSUMPTIONS

The total pension liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Investment rate of return	5.00%
20-year municipal bond yield	N/A
Projected salary increases	2.50%
Inflation	None
Cost-of-living adjustments	5.00%
Age of service retirement	50
Post retirement benefit increase	5.00%

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates 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 asset class estimates are combined to produce the portfolio long-term expected rate of return by weighting the expected future real rates of return by the current asset allocation percentage (or target allocation, if available) and by adding expected inflation. All results are then rounded to the nearest quarter percentage point.

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 the measurement date are summarized in the following table:

Asset Class	Portfolio Weight	Expected Class Return
Asset Class	Weight	Class Return
Cash	6%	1.80%
Fixed income	49%	3.20%
Equities	44%	7.20%
Other	1%	7.00%
Total portfolio	100%	5.00%

#### G. DISCOUNT RATES

The discount rate used to measure the total pension liability was 5.00%. The liability discount rate was developed using the alternative method described in paragraph 43 of GASB 67, which states that "if the evaluations required by paragraph 41 can be made with sufficient reliability without a separate projection of cash flows into and out of the pension plan, alternative methods may be applied in making the evaluations." The determination of the discount rate assumed that the plan's current overfunded status, combined with Minnesota statutory funding requirements, provide sufficient reliability that projected plan assets will be adequate to pay future retiree benefits. Therefore, the plan's long-term expected return on

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

#### H. CHANGES IN THE NET PENSION LIABILITY

	<u>,</u>	Increase (Decrease)	
	Total Pension	Plan Fiduciary	Net Pension
	Liability	Net Position	Liability (Asset)
	(a)	(b)	(a) - (b)
D.I	¢1.746.006	¢2.164.212	(01 417 507)
Balance at January 1, 2021	\$1,746,806	\$3,164,313	(\$1,417,507)
Changes for the year:			
Service cost	79,740	-	79,740
Interest	91,327	-	91,327
Assumption changes	-	-	-
Plan changes	215,447	-	215,447
Contributions - employer	-	5,000	(5,000)
On behalf contributions - State of MN	-	143,391	(143,391)
Contributions - employee	-	-	-
Net investment income	-	161,612	(161,612)
Benefit payments	,	-	-
Administrative expense	-	(12,532)	12,532
Gain or loss		185,786	(185,786)
Net changes	386,514	483,257	(96,743)
Balance at December 31, 2021	\$2,133,320	\$3,647,570	(\$1,514,250)

## I. PENSION LIABILITY (ASSET) SENSITIVITY

The following presents the net pension liability (asset) of the City, calculated using the discount rate of 5.00 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.00 percent) or 1-percentage-point higher (6.00 percent) than the current rate:

1	1% Decrease		1% Increase	
•	in Discount	Discount Rate	in Discount	
	Rate (4.00%)	(5.00%)	(6.00%)	
Net pension liability (asset)	(\$1,428,018)	(\$1,514,250)	(\$1,596,278)	

## J. PENSION PLAN FIDUCIARY NET POSITION

Detailed information about the pension plan's fiduciary net position is available in the separately issued Relief Association financial report. That report may be obtained by writing to Grand Rapids Fire Department Relief Association, 104 SE 11<sup>th</sup> Street, Grand Rapids, Minnesota, 55744.

NOTES TO FINANCIAL STATEMENTS December 31, 2021

# K. PENSION EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RLEATED TO PENSIONS

For the year ended December 31, 2021, the City recognized pension expense of (\$21,980). The City also recognized \$143,391 for the year ended December 31, 2021, as pension expense (and grant revenue) for the State of Minnesota's on-behalf contribution to the plan. At December 31, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between majested and	Of Resources	Of Resources
Differences between projected and		
actual economic investment earnings	\$ -	\$240,188
Liability gains	51,867	18,006
Assumption changes	50,086_	1,628
Total	\$101,953	\$259,822

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended	Expense	
December 31,	Amount	
2022	(\$35,767)	
2023	(91,913)	
2024	(37,657)	
2025	(22,098)	
2026	15,057	
Thereafter	14,509	

## Note 11 POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

#### A. PLAN DESCRIPTION

In addition to providing the pension benefits described in Note 8 and 9, the City provides post employment health care benefits, as defined in paragraph B, through The Operating Engineers Local #49 Health and Welfare Fund (the plan). The plan is a multi-employer defined benefit OPEB plan administered by a plan administrator selected by the plan. The authority to provide these benefits is established in Minnesota Statutes Sections 471.61 Subd. 2a and 299A.465. The benefits, benefit levels, employee contributions and employer contributions are governed by the City and can be amended by the City through its personnel manual and collective bargaining agreements with employee groups. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

#### **B. BENEFITS PROVIDED**

#### Clerical and Public Works Employees

Clerical and public works employees who retire at age 55 or older with 10 or more years of service may continue medical coverage in the Operating Engineer Local #49 Plan by paying full premiums from their City and State health savings accounts. Once these accounts are depleted, the City is

NOTES TO FINANCIAL STATEMENTS December 31, 2021

required to allow retirees to continue participation in the plan until age 65. The City is required to pay \$100 per month and the retiree is required to pay the remaining portion of the premium cost. The premium is a blended rate premium determined on the entire active and retired population. Since the projected claims costs for the retirees exceed the premium paid by retirees, the retirees are receiving an implicit rate subsidy (benefit).

#### Police and Sergeants

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

#### Exempt and Library Employees

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

#### C. PARTICIPANTS

At December 31, 2021, the following employees were covered by the benefit terms:

Active employees electing coverage	48
Retirees electing coverage	-
Spouses electing coverage	-
Total	48

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

#### D. TOTAL OPEB LIABILITY AND CHANGES IN TOTAL OPEB LIABILITY

The City's total OPEB liability of \$19,792 was measured as of January 1, 2021, and was determined by an actuarial valuation dated January 1, 2021. Changes in the total OPEB liability during 2021 were:

Balance - beginning of year	\$21,193
Changes for the year:	
Service cost	1,966
Interest cost	672
Plan changes	-
Differences between expected and actual experience	(3,354)
Changes in assumptions	(685)
Benefit payments	<u> </u>
Net changes	(1,401)
Balance - end of year	\$19,792

There were no plan changes since the measurement date of January 1, 2021.

#### E. ACTUARIAL ASSUMPTIONS AND OTHER INPUTS

The total OPEB liability in the actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.00%
Salary increases	varied by contract
Discount rate	2.00%
20-year muncipal bond yield	2.00%

Since the plan is funded on a pay-as-you-go basis, both the discount rate and the investment rate of return was based on published rate information for 20-year, tax exempt, municipal bonds as of the measurement date.

Mortality rates were based on the RP-2014 White Collar Mortality tables with MP-2018 generational improvements scale (Blue Collar tables for Police and Fire Personnel).

The actuarial assumptions used in the January 1, 2021 valuation are similar to those used to value pension liabilities for Minnesota public employees. The state pension plans base their assumptions on periodic experience studies.

Changes in assumptions and other inputs since the prior measurements date are as follows:

- The mortality tables were updated from the RP-2014 Mortality Tables (Blue Collar for Public Safety, White Collar for Others) with MP-2018 Generational Improvement Scale to the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Safety) with MP-2020 Generational Improvement Scale
- The retirement and withdrawal tables for police and fire employees were updated.
- The inflation rate changed from 2.50% to 2.00%

NOTES TO FINANCIAL STATEMENTS December 31, 2021

- - The salary increases were changed from a flat 3.00% per year for all employees to rates which vary by service and contract group.
  - The discount rate was changed from 2.90% to 2.00%.
  - These changes increased the liability \$685.

## F. SENSITIVITY OF THE TOTAL OPEB LIABILITY TO CHANGES IN THE DISCOUNT RATE

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1% lower (1.00%) or 1% higher (3.00%) than the current discount rate:

	1% Decrease	Discount Rate	1% Increase
	(1.00%)	(2.00%)	(3.00%)
Total OPEB liability	\$21,440	\$19,792	\$18,231

# G. SENSITIVITY OF THE TOTAL OPEB LIABILITY TO CHANGES IN THE HEALTHCARE COST TREND RATES

The Healthcare cost trend rate is not applicable as the subsidized benefit is not assumed to increase. Therefore the OPEB liability is not affected by a change in the healthcare cost trend rate as follows:

	Current Healthcare Cost		
	1% Decrease	Trend Rates	1% Increase
Total OPEB liability	\$19,792	\$19,792	\$19,792

# H. OPEB EXPENSE AND DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES RELATED TO OPEB

For the year ended December 31, 2021, the City recognized \$79 of OPEB expense. At December 31, 2021 the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows	Deferred Inflows
	of Resources	of Resources
Differences between expected		
and actual experience	\$ -	\$10,117
Changes in assumptions	1,071_	1,804
Total	\$1,071	\$11,921

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

Amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized on OPEB expense as follows:

	OPEB
Year Ended	Expense
December 31,	Amount
2022	(\$2,559)
2023	(2,561)
2024	(2,626)
2025	(2,618)
2026	(486)

#### Note 12 TAX ABATEMENTS – PAY-AS-YOU-GO TAX INCREMENT

#### A. TAX INCREMENT DISTRICTS

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

## B. TAX ABATEMENTS – PAY-AS-YOU-GO TAX INCREMENT

The City provides tax abatements pursuant to Minnesota Statutes 469.174 to 469.1794 (Tax Increment Financing) through a pay-as-you-go note program. Tax increment financing (TIF) can be used to encourage private development, redevelopment, renovation and renewal, growth in low-to-moderate-income housing, and economic development within the City. TIF captures the increase in tax capacity and property taxes from development or redevelopment to provide funding for the related project.

The City has five tax increment pay-as-you-go agreements. The agreements are not a general obligation of the City and are payable solely from available tax increment. Accordingly, these agreements are not reflected in the financial statements of the City. Details of the pay-as-you-go notes are as follows:

#### TIF District #1-6, Old Hospital:

Issued in 2008 (2008B) in the principal sum of \$307,500 with an interest rate of 7.75 % per annum. Principal and interest shall be paid on August 1, 2010 and each February 1 and August 1 thereafter to and including February 1, 2032. Payments are payable solely from available tax increment derived from the developed/redeveloped property and paid to the City. The pay-as-you-go note provides for payment to the developer equal to 90% of all tax increment received in the prior six months. The payment reimburses the developer for public improvements. Principal and interest payments will be completed February 1, 2032. The City shall have no obligation to pay any unpaid balance of principal or accrued interest that may remain after the final payment on February 1, 2032. The current year abatement (TIF note payments) amounted to \$28,152. At December 31, 2021, the principal amount outstanding on the note was \$307,500.

NOTES TO FINANCIAL STATEMENTS December 31, 2021

#### TIF District #1-7, Block 37:

Issued in 2008 (2008A) in the principal sum of \$389,300 with an interest rate of 7.25% per annum. Principal and interest shall be paid on August 1, 2009 and each February 1 and August 1 thereafter to and including February 1, 2035. Payments are payable solely from available tax increment derived from the developed/redeveloped property and paid to the City. The pay-as-you-go note provides for payment to the developer equal to 90% of all tax increment received in the prior six months. The payment reimburses the developer for public improvements. Principal and interest payments will be completed February 1, 2035. The current year abatement (TIF note payments) amounted to \$15,538. At December 31, 2021, the principal amount outstanding on the note was \$389,300.

## TIF District #1-8, Lakewood Heights:

Issued in 2013 (2013A) in the principal sum of \$350,000 with an interest rate of 5.00% per annum. Principal and interest shall be paid on August 1, 2013 and each February 1 and August 1 thereafter to and including February 1, 2035. Payments are payable solely from available tax increment derived from the developed/redeveloped property and paid to the City. The pay-as-you-go note provides for payment to the developer equal to 90% of all tax increment received in the prior six months. The payment reimburses the developer for street, utilities, right-of-way, land acquisition, and other public improvements. Principal and interest payments will be completed February 1, 2039. The City shall have no obligation to pay any unpaid balance of principal or accrued interest that may remain after the final payment on February 1, 2039. The current year abatement (TIF note payments) amounted to \$31,896. At December 31, 2021, the principal amount outstanding on the note was \$220,933.

#### TIF District #1-10, River Hills Apartments:

Issued in 2017 (2016A) in the principal sum of \$300,000 with an interest rate of 4.00% per annum. Principal and interest shall be paid on August 1, 2017 and each February 1 and August 1 thereafter to and including February 1, 2033. Payments are payable solely from available tax increment derived from the developed/redeveloped property and paid to the City. The pay-as-you-go note provides for payment to the developer equal to 90% of all tax increment received in the prior six months. The payment reimburses the developer for public improvements. Principal and interest payments will be completed February 1, 2033. The current year abatement (TIF note payments) amounted to \$27,420. At December 31, 2021, the principal amount outstanding on the note was \$225,389.

Issued in 2018 (2017B) in the principal sum of \$300,000 with an interest rate of 4.00% per annum. Principal and interest shall be paid on August 1, 2018 and each February 1 and August 1 thereafter to and including February 1, 2034. Payments are payable solely from available tax increment derived from the developed/redeveloped property and paid to the City. The pay-as-you-go note provides for payment to the developer equal to 90% of all tax increment received in the prior six months. The payment reimburses the developer for public improvements. Principal and interest payments will be completed February 1, 2034. The abatements for 208 and 2020 (TIF note payments) amounted to \$28,739. At December 31, 2021, the principal amount outstanding on the note was \$241,730.

NOTES TO FINANCIAL STATEMENTS December 31, 2021

TIF District #1-13, Unique Opportunities Apartments:

Issued in 2021 (2021A) in the principal sum of \$372,000 with an interest rate of 5.00% per annum. Principal and interest shall be paid on August 1, 2023 and each February 1 and August 1 thereafter to and including August 1, 2038. Payments are payable solely from available tax increment derived from the developed/redeveloped property and paid to the City. The pay-as-you-go note provides for payment to the developer equal to 90% of all tax increment received in the prior six months. The payment reimburses the developer for public improvements. Principal and interest payments will be completed August 1, 2038. The current year abatement (TIF note payments) amounted to \$-0-. At December 31, 2021, the principal amount outstanding on the note was \$372,000

## 1<sup>st</sup> Avenue Condominiums Abatement:

Issued in 2015, this Taxable Limited Revenue Note, Series 2015 in the principal sum of \$320,000 with an interest rate of 3.00% per annum. Principal and interest shall be paid on August 1, 2015 and each February 1 and August 1 thereafter to and including February 1, 2030. Payments are payable solely from available tax abatement derived from the developed/redeveloped property and paid to the City and to Itasca County. The Taxable Limited Revenue Note provides for payment to the developer equal to all tax abatement received in the prior six months. The payment reimburses the developer for public improvements. Principal and interest payments will be completed February 1, 2030. The current year abatement (TIF note payments) amounted to \$44,049. At December 31, 2021, the principal amount outstanding on the note was \$96,806.

#### C. ARBITRAGE

The City issued greater than \$5 million of bonds in the years 2006, 2007, 2011, and 2013 and, therefore; is required to rebate excess investment income relating to these issues to the federal government. The City calculates arbitrage rebate every five years as permitted by arbitrage regulations. The extent of the City's liability for arbitrage rebates for bond issues not currently requiring five year rebate calculations is not determinable at this time. However, in the opinion of management, any such liability would be immaterial.

#### Note 13 CONTINGENCIES

#### A. LITIGATION

Existing and pending lawsuits, claims and other actions in which the City is a defendant are either covered by insurance; of an immaterial amount; or, in the judgment of the City management, remotely recoverable by plaintiffs.

#### B. FEDERAL AND STATE FUNDS

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

NOTES TO FINANCIAL STATEMENTS December 31, 2021

#### C. TAX INCREMENT DISTRICTS

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

#### D. FORGIVABLE LOAN

Unrecorded loan – deferred loan agreement of \$300,000 issued on November 9, 2017 between the EDA and Grand Itasca Clinic and Hospital is only required to be repaid if the borrower defaults on the terms of the loan, which includes sale of the property. If default should occur, the entire remaining unforgiven principal and accrued interest is immediately due and payable. If no events of default occur, and if the borrower does not sell the property within five years of the closing date, no payments shall be payable on the note and the principal balance of the loan shall be forgiven. The loan bears interest at 0%. The entire balance of this deferred loan totaling \$300,000 at December 31, 2021, has not been recorded as receivable, since management has determined that it is highly unlikely the borrower will default on the loan.

#### Note 14 OTHER DEFERRED DEBITS AND CREDITS

During 1997-1998, 2006-2007, 2009-2010 and 2011-2012, the GFPUC constructed landfill sites to dispose of industrial waste from Blandin Paper. Cost of the sites is deferred and expensed over the estimated useful life of the individual site. The entire cost of the 1997 and a portion of 2007 site was reimbursed by Blandin Paper and is recorded as a deferred credit. The 1997 and 2007 site was reimbursed by Blandin Paper and is recorded as a deferred credit. These deferred credits are amortized as revenue over the life of the landfill. The 2006A bonds were issued to fund the remaining portion of the 2007 landfill project. The 2009A bonds were issued to fund the 2009 landfill project and a portion of the 2011A bonds were issued for the 2011 project. Blandin Paper pays a demand charge in amounts sufficient to pay principal and interest on these bonds. For rate making purposes, the Commission has elected to defer the demand charge revenue until the debt service is paid.

On the statement of net position, the Commission reports \$592,157 of non-utility property. This amount consists of deferred debits relating to the 2011 Landfill Phase 8.

Bond issuance costs are recovered through rates over the life of the debt. The commission has elected to create a regulatory asset for this cost and amortize it over the life of the debt using the effective interest rate method. The unamortized balance at December 31, 2021 and 2020 is \$159,654 and \$99,663

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

#### Note 15 FUND BALANCE

## A. CLASSIFICATIONS

Definitions of fund balance classifications are included in Note 1P. At December 31, 2021, a summary of the governmental fund balance classifications are as follows:

		Capital	2021		Civic Center	Other	
	General	Equipment	Infrastructure	Airport	Capital	Governmental	
	Fund	Replacement	Bonds	Capital	Improvements	Funds	Total
Nonspendable:							
Prepaid items	\$173,023	\$ -	\$ -	\$ -	\$ -	\$45,109	\$218,132
Interfund loans receivable	1,479,970	-	-	-	-	-	1,479,970
Restricted:							
Debt service	=	=	-	-	-	6,076,896	6,076,896
Law enforcement	=	=	-	-	-	79,211	79,211
Other purposes	39,516	-	-	-	-	126,038	165,554
Committed:							
Revenue stabilization	1,049,832	-	-	-	-	-	1,049,832
Public library	-	-	-	-	-	644,224	644,224
Central school	-	-	-	-	-	72,459	72,459
Airport operations	-	-	-	-	-	74,386	74,386
Cemetery	-	-	-	-	-	130,332	130,332
Domestic animal control facility	-	-	-	-	-	9,742	9,742
Assigned:							
Capital purposes	-	-	849,247	102,160	-	1,413,568	2,364,975
Unassigned	4,812,207	(556,342)	<u> </u>	<u> </u>	(1,263,858)	(100,361)	2,891,646
Total	\$7,554,548	(\$556,342)	\$849,247	\$102,160	(\$1,263,858)	\$8,571,604	\$15,257,359

## B. MINIMUM UNASSIGNED FUND BALANCE POLICY

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

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

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

At December 31, 2021, the unassigned fund balance of the General Fund was \$4,812,207, compared to its targeted unassigned fund balance of \$6,240,669 based on the above policy.

NOTES TO FINANCIAL STATEMENTS December 31, 2021

#### C. REVENUE STABILIZATION

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

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

Due to the recession which began in 2008, the City depleted its revenue stabilization reserve in 2010. During 2011, the City began replenishing the reserve in accordance with its policy described above. The reserve at December 31, 2021 is as follows:

Revenue stabilization at December 31, 2019	\$817,236
2020 replenishment	108,336
•	
Revenue stabilization at December 31, 2020	925,572
2021 replenishment	124,260
_	
Revenue stabilization at December 31, 2021	\$1,049,832

# **Note 16 COMMITMENTS**

#### A. POWER CONTRACT

Minnesota Power (MP) provides wholesale electric service to the Public Utilities Commission under a contract that expires December 31, 2029, unless prior to that date, a new customer of GRPU with a 15-minute peak of equal to or greater than 10 MW locates in the IEDC Eco Industrial Park, which would then extend the Term of Agreement through December 31, 2034. The contract requires no minimum purchase of power and provides that GRPUC may add new renewable generation up to ten percent (10%) (non-cumulative) of the total GRPUC load, based on the previous year's average annual billed demand, excluding any existing renewable generation capacity prior to September 1, 2015. In addition, beginning in 2019, the generation capacity charge for each year is based on the previous year generation capacity charge adjusted as determined by the power supply formula rate for capacity, except that the charge will not be more than 2% higher, or 1% lower, than the previous year's charge. The peak power requirements for 2021 and 2020 were 31,868 and 30,004 kW, respectively.

On February 1, 2018, GRPUC renewed the purchased power contract with MP and it is set to expire in December 31, 2029, unless a new customer of GRPUC was a 15-minute peak of equal to or greater than 10 MW locates to an industrial park, which would extend the contract until December 31, 2034. GRPUC received the Tioga Substation asset as part of the contract in 2019. This amount is recorded as contributed Capital during the year. GRPUC is responsible for any repairs and maintenance necessary for the asset.

NOTES TO FINANCIAL STATEMENTS December 31, 2021

GRPUC entered into a municipal Minnesota Interconnect agreement on September 16, 2021, with MP. The GRPUC, as the area EPS operator, and aids as the interconnect customer, both agree to allow each party to connect to the other party's area electric power system related solar equipment at the Itasca clean energy solar plus battery storage project in Grand Rapids, Minnesota.

#### B. CONSTRUCTION COMMITMENTS

The Public Utilities Commission has several active construction projects as of December 31, 2021. The remaining commitment on these projects is \$105,817.

#### C. LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS

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

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

Closure cost estimate	\$1,912,560
Post-closure care cost estimate	2,025,154
Contingency action	588,371
Total	\$4,526,085

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

Under the 1996-2001 permit, landfill sites C, D, E, and F were filled to capacity. The 2001-2006 permit included Kettle D and landfill Phases One through Four. Phases Five through Eight were added under the new permit effective September 2006 to September 2011. Kettle D was filled in 2006 and closed in 2008. Phases One through Four were filled and began the closure process in 2007. Final closure on Phases One through Four was completed in 2010. Construction of Phases Five and Six was completed in 2008. Phases Five and Six were put into service in 2008 and have an estimated life of ten years. Phase 7 was constructed in 2010 and placed into service in 2010 with an estimated life of ten years. Construction of Phase 8 began in 2011, and was placed in service in 2013.

On January 11, 2022 and December 14, 2020, Blandin Paper Company established an irrevocable letter of credit for \$4,526,085 and \$3,640,255 with Nordea Bank on behalf of the Public Utilities Commission. The purpose of the letter of credit is to provide assurance that funds will be available when needed for closure, post-closure care of, and/or contingency action of the landfill.

Closure costs relate to open and planned landfill sites. There are no sites that will be closed within one year. Post-closure costs cover all sites, including those that are already closed. No issues have been identified that would require post-closure costs to be incurred, and no issues are anticipated in the next year.

NOTES TO FINANCIAL STATEMENTS December 31, 2021

#### Note 17 RISK MANAGEMENT

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

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

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

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

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

## Note 18 CONDUIT DEBT

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

As of December 31, 2021, there were three bond issues outstanding, with an estimated aggregate principal amount payable of \$3,173,539

#### Note 19 OPERATING LEASE

In 1996, the City entered into an operating lease agreement with the Public Utilities Commission component unit for space in a facility owned by the Public Utilities Commission. Annual payments consist of the 48% of total operating costs of the facility.

The term of the lease is through the later of September 1, 2095. However, the City may cancel the lease on September 1 of any year by delivery of notice of termination to the Public Utilities Commission no later than the preceding July 1.

NOTES TO FINANCIAL STATEMENTS December 31, 2021

#### Note 20 PAYMENTS IN LIEU OF TAX - PUC

Effective January 1, 1997, the Public Utilities Commission and the City of Grand Rapids established a formal agreement for payments in lieu of tax from the Commission to the City. Beginning January 1, 2010, the PILOT agreement was modified and the annual cash payment changed to 4.84 mills per kilowatt hours sold, with a minimum annual payment of \$823,000. The agreement was modified again in 2012. Beginning January 1, 2013, the annual cash PILOT is increased to 5.00 mills per kilowatt hours sold, with a minimum annual payment of \$868,000. In 2015, a resolution was approved to exclude kilowatt hours sold in electric service territory acquisitions made after January 1, 2015, for a period of time equivalent to the time basis used in the lost revenue calculation; typically a period of ten years from the date of the electric service territory acquisition. The amount of the PILOT cash payment from the Commission to the City for 2021 was \$882,288.

#### Note 21 DEFICIT FUND BALANCES

At December 31, 2021, individual funds with deficit fund balances are as follows:

IRA Civic Center	(\$47,414)
------------------	------------

Capital Project Funds:

IRA Civic Center Projects	(24,824)
Capital Equipment Replacement	(556,342)
GR/Cohasset Industrial park	(129,591)
Civic Center Capital Improvements	(1,263,858)

#### Note 22 MAJOR CUSTOMER AND DEMAND PAYMENT DEFERRAL

The Public Utilities Commission has a contract with UPM Blandin Paper Company (UPM Blandin) where UPM Blandin reimburses the Commission for expenses associated with the operations of the industrial wastewater treatment plant. Amounts charged for wastewater treatment service was \$3,354,423 and \$3,591,588 for 2021 and 2020, respectively. GRPUC also has contracts with UPM Blandin whereby UPM Blandin pays demand charges for principal and interest on the General Obligation Revenue Bonds Series 2009A, 2009E, 2011A, 2013C, and 2021C along with the loader and truck leases, as discussed in Note 6. For ratemaking purposes the commission has elected to defer the recognition of the revenue until the debt service on the bonds are paid. The total demand charges paid by UPM Blandin for 2021 and 2020 were \$2,340,202 and, \$2,800,010 respectively.

## Note 23 SUBSEQUENT EVENTS – PUC

Rate adjustment – On December 15, 2021, the commission approved annual rate increases for water and wastewater services of approximately \$30,000 added to each utility and 2% added to each customer bill effective February 2022. On December 15, 2021, the commission approval the 2022 annual rate increase for electric services of approximately 1.9% effective April 2022.

Refunding of Bonds – In February 2022, GRPUC called the remaining maturities of the 2012D bonds. The bonds were called with debt proceeds from the 2021D bond issue.

NOTES TO FINANCIAL STATEMENTS December 31, 2021

#### Note 24 RECENTLY ISSUED ACCOUNTING STANDARDS

The Governmental Accounting Standards Boards (GASB) recently approved the following statements which were not implemented for these financial statements:

Statement No. 87 Leases. The provisions of this Statement are effective for reporting periods beginning after June 15, 2021.

**Statement No. 91** Conduit Debt Obligations. The provisions of this Statement are effective for reporting periods beginning after December 15, 2021.

**Statement No. 92** *Omnibus 2020.* The provisions of this Statement are effective for reporting periods beginning after June 15, 2021.

**Statement No. 94** *Public-Private and Public-Public Partnerships and Availability Payment Arrangements.* The provisions of this Statement are effective for reporting periods beginning after June 15, 2022.

**Statement No. 96** Subscription – Based Information Technology Arrangements. The provisions of this Statement are effective for reporting periods beginning after June 15, 2022.

The effect these standards may have on future financial statements is not determinable at this time, but it is expected that Statement No. 87 may have a material impact.

**REQUIRED SUPPLEMENTARY INFORMATION** 

REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

For The Year Ended December 31, 2021

With Comparative Actual Amounts For The Year Ended December 31, 2020

Statement 11 Page 1 of 4

		2021					
				Actual	2020		
	Budgeted A	Amounts	Actual	Over (Under)	Actual		
Revenues:	Original	Final	Amounts	Final Budget	Amounts		
Taxes:							
General property taxes	\$5,197,994	\$4,951,509	\$4,963,402	\$11,893	\$4,719,439		
Payment in lieu of taxes:							
Housing Authorities	45,000	45,000	46,886	1,886	43,76		
Public utilities	868,000	868,000	868,000	-	868,00		
Total taxes	6,110,994	5,864,509	5,878,288	13,779	5,631,20		
Licenses and permits:		·					
Business	39,032	39,032	45,533	6,501	34,73		
Nonbusiness	262,030	262,030	339,244	77,214	415,95		
Total licenses and permits	301,062	301,062	384,777	83,715	450,68		
Intergovernmental:			-		•		
Federal:							
Public safety grants	30,000	30,000	6,163	(23,837)	951,99		
State:	,			, , ,	,		
Local government aid	1,695,670	1,695,670	1,695,670	_	1,615,91		
Market value homestead credit	-	-	210	210	80		
Taconite supplemental aid	_	246,485	246,485	_	235,81		
Taconite credit - mobile homes	_	-	2,199	2,199	2,16		
Municipal state aid street maintenance	186,200	186,200	186,200	-,133	186,20		
Police aid	173,000	173,000	174,659	1,659	179,57		
Fire aid	128,000	128,000	143,391	15,391	137,58		
Police training aid	18,500	18,500	20,607	2,107	18,81		
PERA aid	-	-	20,007	2,107	5,84		
State - miscellaneous	500	500	432,132	431,632	304,09		
US Gas Tax Refund	500	500	1,085	585	304,07		
Local:	300	300	1,003	363	_		
School District #318	142,331	142,331	140,475	(1,856)	107,16		
Total intergovernmental	2,374,701	2,621,186	3,049,276	428,090	3,745,96		
Charges for services:	2,374,701	2,021,100	3,049,270	420,090	3,743,90		
General government	200,208	200,208	207,202	6,994	189,89		
Public safety	676,177	676,177	727,303	51,126			
•					691,08		
Public works	258,218	258,218	219,066	(39,152)	209,13		
Total charges for services	1,134,603	1,134,603	1,153,571	18,968	1,090,11		
Fines and forfeits	57,000	57,000	73,726	16,726	54,33		
Special assessments	45.000	- 45,000	11,081	11,081	16,81		
Investment income	45,000	45,000	43,266	(1,734)	47,88		
Miscellaneous:	11.250	11.050	05.055	17.105			
Donations/contributions	11,250	11,250	27,377	16,127	60		
Rentals and leases	3,000	3,000	3,542	542	3,02		
Other	19,500	19,500	40,289	20,789	9,02		
Total miscellaneous	33,750	33,750	71,208	37,458	12,65		
Total revenues	10,057,110	10,057,110	10,665,193	608,083	11,049,65		

REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

For The Year Ended December 31, 2021

With Comparative Actual Amounts For The Year Ended December 31, 2020

Statement 11 Page 2 of 4

	2021					
•				Actual	2020	
	Budgeted A	mounts	Actual	Over (Under)	Actual	
-	Original	Final	Amounts	Final Budget	Amounts	
xpenditures:						
General government:						
Mayor and city council:						
Current:						
Personnel services	\$45,294	\$45,294	\$45,246	(\$48)	\$45,26	
Materials and supplies	-	-	278	278	2	
Other services and charges	50,000	50,000	54,073	4,073	44,51	
Total mayor and city council	95,294	95,294	99,597	4,303	89,79	
Administration:						
Current:						
Personnel services	553,661	553,661	550,975	(2,686)	545,44	
Materials and supplies	4,150	4,150	2,451	(1,699)	1,62	
Other services and charges	67,356	67,356	100,012	32,656	67,23	
Total administration	625,167	625,167	653,438	28,271	614,31	
Finance:					- ,-	
Current:						
Personnel services	518,284	518,284	516,968	(1,316)	506,83	
Materials and supplies	3,450	3,450	2,497	(953)	3,66	
Other services and charges	55,765	55,765	49,086	(6,679)	45,03	
Total finance	577,499	577,499	568,551	(8,948)	555,53	
Information technology:	377,199	377,199	300,331	(0,710)	333,33	
Current:						
Personnel services	220,790	220,790	236,695	15,905	217,25	
Materials and supplies	11,650	11,650	10,682	(968)	6,10	
	61,005	61,005	48,522	(12,483)	47,20	
Other services and charges Capital outlay	01,003	01,003	40,322	(12,463)	47,20	
	293,445	293,445	295,899	2,454	270,56	
Total information technology	293,443	293,443	293,899	2,434	270,30	
Community development:						
Current:	404.066	404.066	404.261	(505)	476.75	
Personnel services	494,866	494,866	494,361	(505)	476,75	
Materials and supplies	6,200	6,200	3,798	(2,402)	6,23	
Other charges and services	36,800	36,800	21,395	(15,405)	32,68	
Capital outlay		-		- (10.010)	10,73	
Total community development	537,866	537,866	519,554	(18,312)	526,41	
Building safety:						
Current:						
Personnel services	194,164	194,164	258,232	64,068	155,24	
Materials and supplies	12,300	12,300	8,415	(3,885)	11,26	
Other charges and services	84,600	84,600	81,750	(2,850)	75,77	
Capital outlay			-		-	
Total building maintenance - city hall	291,064	291,064	348,397	57,333	242,28	
Total general government	2,420,335	2,420,335	2,485,436	65,101	2,298,90	

REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

For The Year Ended December 31, 2021

With Comparative Actual Amounts For The Year Ended December 31, 2020

Statement 11 Page 3 of 4

		2021					
				Actual	2020		
	Budgeted A	Amounts	Actual	Over (Under)	Actual		
	Original	Final	Amounts	Final Budget	Amounts		
Expenditures: (continued)							
Public safety:							
Police protection:							
Current:							
Personnel services	\$2,919,092	\$2,919,092	\$2,860,805	(\$58,287)	\$2,792,218		
Materials and supplies	110,300	110,300	108,797	(1,503)	94,386		
Other charges and services	243,088	243,088	230,015	(13,073)	193,440		
Capital outlay			42,614	42,614	28,118		
Total police protection	3,272,480	3,272,480	3,242,231	(30,249)	3,108,162		
Fire protection:							
Current:							
Personnel services	520,781	520,781	534,069	13,288	502,047		
Materials and supplies	55,600	55,600	44,162	(11,438)	45,296		
Other charges and services	117,464	117,464	110,583	(6,881)	87,230		
Capital outlay	-	-	-	-	-		
Total fire protection	693,845	693,845	688,814	(5,031)	634,573		
Total public safety	3,966,325	3,966,325	3,931,045	(35,280)	3,742,735		
Public works:							
Public works:							
Current:							
Personnel services	1,281,725	1,281,725	1,419,602	137,877	1,323,395		
Materials and supplies	239,000	239,000	287,002	48,002	271,901		
Other services and charges	478,100	478,100	555,238	77,138	443,564		
Street lighting	240,000	240,000	238,889	(1,111)	173,064		
Total public works	2,238,825	2,238,825	2,500,731	261,906	2,231,578		
Fleet maintenance:		·			, ,		
Current:							
Personnel services	208,358	208,358	202,424	(5,934)	205,599		
Materials and supplies	25,800	25,800	16,806	(8,994)	14,146		
Other services and charges	44,400	44,400	30,207	(14,193)	25,841		
Capital outlay	-	-	9,445	9,445	19,654		
Total fleet maintenance	278,558	278,558	258,882	(19,676)	265,240		
Total public works	2,517,383	2,517,383	2,759,613	242,230	2,477,164		

REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

For The Year Ended December 31, 2021

With Comparative Actual Amounts For The Year Ended December 31, 2020

Statement 11 Page 4 of 4

		202	21		
	Budgeted A	mounts	Actual	Actual Over (Under)	2020 Actual
	Original	Final	Amounts	Final Budget	Amounts
Expenditures: (continued)					"
Culture and recreation:					
Current:					
Personnel services	\$83,407	\$83,407	\$70,580	(\$12,827)	\$75,929
Materials and supplies	2,500	2,500	37	(2,463)	303
Other services and charges	9,200	9,200	5,458	(3,742)	6,477
Capital outlay	<u> </u>	-	-	-	37,118
Total culture and recreation	95,107	95,107	76,075	(19,032)	119,827
Miscellaneous:					
City-wide:					
Current:					
Other services and charges	220,700	220,700	483,406	262,706	1,139,681
Capital outlay	-	-	-	-	159,539
Special projects:					
Current:					
Other services and charges	128,800	128,800	85,893	(42,907)	74,415
Total miscellaneous	349,500	349,500	569,299	219,799	1,373,635
Total expenditures	9,348,650	9,348,650	9,821,468	472,818	10,012,264
Revenues over (under) expenditures	708,460	708,460	843,725	135,265	1,037,395
Other financing sources (uses):					
Sale of capital assets	-	-	11,038	11,038	181,765
Insurance recoveries	-	-	41,847	41,847	19,356
Transfers in	-	-	82,585	82,585	-
Transfers out	(708,460)	(708,460)	(766,356)	(57,896)	(517,616)
Total other financing sources (uses)	(708,460)	(708,460)	(630,886)	77,574	(316,495)
Net change in fund balance	\$0	\$0	212 820	\$212,839	720,000
net change in fund balance	\$0	ΦU	212,839	\$212,039	720,900
Fund balance - January 1			7,341,709	-	6,620,809
Fund balance - December 31		:	\$7,554,548	=	\$7,341,709

#### Item 12.

#### CITY OF GRAND RAPIDS, MINNESOTA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
For The Last Ten Years

Statement 12

	2021		2020		2019		2018
Total OPEB Liability:		•					
Service cost	\$	1,966	\$	1,937	\$	1,645	\$ 1,556
Interest cost		672		935		1,648	16,116
Plan changes		-		-		-	(402,538)
Differences between expected and actual experience		(3,354)		-		(12,815)	-
Changes in assumptions		(685)		1,317		(2,164)	400
Benefit payments		-		(11,216)		(16,670)	(35,410)
Net change in total OPEB liability		(1,401)		(7,027)		(28,356)	(419,876)
Total OPEB liability - beginning		21,193		28,220		56,576	 476,452
Total OPEB liability - ending	\$	19,792	\$	21,193	\$	28,220	\$ 56,576
Covered-employee payroll	\$	2,910,494		\$2,761,631		\$2,681,195	\$5,049,054
Total OPEB liabilty as a percentage of covered-employee payroll		0.7%		0.8%		1.1%	1.1%

The schedule is provided prospectively beginning with the City's fiscal year ended December 31, 2018 and is intended to show a ten year trend. Additional years will be added as they become available.

## Item 12.

#### CITY OF GRAND RAPIDS, MINNESOTA

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY  $^{(1)}$  - GENERAL EMPLOYEES RETIREMENT FUND

Measurement Date June 30	Fiscal Year Ending December 31	City's Proportionate Share (Percentage) of the Net Pension Liability	City's Proportionate Share (Amount) of the Net Pension Liability (a)	State's Proportionate Share (Amount) of the Net Pension Liability Associated with City (b)	City's Proportionate Share of the Net Pension Liability and the State's Proportionate Share of the Net Pension Liability Associated with City (a+b)	Covered Payroll (c)	City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll ((a+b)/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015 2016	2015 2016	0.0522% 0.0515%	\$2,705,275 4,181,545	\$ - 54,641	\$2,705,275 4,236,186	\$2,975,003 3,160,670	90.9% 134.0%	78.2% 68.9%
2017	2017	0.0522%	3,332,414	41,879	3,374,293	3,354,712	100.6%	75.9%
2018	2018	0.0525%	2,912,485	95,496	3,007,981	3,526,752	85.3%	79.5%
2019	2019	0.0509%	2,814,147	87,496	2,901,643	3,593,322	80.8%	80.2%
2020	2020	0.0524%	3,141,619	97,027	3,238,646	3,739,709	86.6%	79.1%
2021	2021	0.0522%	2,233,444	68,208	2,301,652	3,757,969	61.2%	87.0%

The schedule is provided prospectively beginning with the City's fiscal year ended December 31, 2015 and is intended to show a ten year trend. Additional years will be reported as they become available.

**CITY OF GRAND RAPIDS, MINNESOTA**REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF PENSION CONTRIBUTIONS<sup>(1)</sup> - GENERAL EMPLOYEES RETIREMENT FUND

Fiscal Year Ending	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b/c)
December 31, 2015	\$233,723	\$233,723	\$ -	\$3,114,384	7.50%
December 31, 2016	243,845	243,845	-	3,251,272	7.50%
December 31, 2017	257,796	257,796	-	3,437,287	7.50%
December 31, 2018	266,730	266,730	-	3,556,404	7.50%
December 31, 2019	276,142	276,142	-	3,681,888	7.50%
December 31, 2020	291,122	291,122	-	3,881,626	7.50%
December 31, 2021	292,388	292,388	-	3,898,515	7.50%

<sup>1.</sup> The schedule is provided prospectively beginning with the City's fiscal year ended December 31, 2015 and is intended to show a ten year trend. Additional years will be reported as they become available.

#### CITY OF GRAND RAPIDS, MINNESOTA

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY  $^{(\mathrm{l})}$  -

PUBLIC EMPLOYEES POLICE AND FIRE FUND

Measurement Date	Fiscal Year Ending	Proportion (Percentage) of the Net Pension Liability	Proportionate Share (Amount) of the Net Pension Liability (a)	Covered Payroll (b)	Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll (a/b)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
June 30, 2015	December 31, 2015	0.1500%	\$1,704,351	\$1,333,738	127.8%	86.6%
June 30, 2016	December 31, 2016	0.1440%	5,778,971	1,384,958	417.3%	63.9%
June 30, 2017	December 31, 2017	0.1310%	1,768,656	1,348,835	131.1%	85.4%
June 30, 2018	December 31, 2018	0.1331%	1,418,709	1,403,112	101.1%	88.8%
June 30, 2019	December 31, 2019	0.1377%	1,465,956	1,452,254	100.9%	89.3%
June 30, 2020	December 31, 2020	0.1315%	1,733,311	1,483,509	116.8%	87.2%
June 30, 2021	December 31, 2021	0.1298%	1,001,918	1,533,581	65.3%	93.7%

<sup>1.</sup> The schedule is provided prospectively beginning with the City's fiscal year ended December 31, 2015 and is intended to show a ten year trend. Additional years will be reported as they become available.

CITY OF GRAND RAPIDS, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF PENSION CONTRIBUTIONS<sup>(1)</sup> - PUBLIC EMPLOYEES POLICE AND FIRE FUND

Fiscal Year Ending	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b/c)
December 31, 2015	\$219,785	\$219,785	\$ -	\$1,354,978	16.22%
December 31, 2016	223,959	223,959	-	1,382,461	16.20%
December 31, 2017	221,152	221,152	-	1,365,140	16.20%
December 31, 2018	232,463	232,463	-	1,434,959	16.20%
December 31, 2019	248,008	248,008	-	1,463,178	16.95%
December 31, 2020	279,224	279,224	-	1,577,536	17.70%
December 31, 2021	281,680	281,680	-	1,591,411	17.70%

<sup>1.</sup> The schedule is provided prospectively beginning with the City's fiscal year ended December 31, 2015 and is intended to show a ten year trend. Additional years will be reported as they become available.

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS  $^{\left(l\right)}$ 

GRAND RAPIDS FIRE DEPARTMENT RELIEF ASSOCIATION

	D 1 21 2021	D 1 21 2020	D 1 21 2010	D 1 21 2010	D 1 21 2017	D 1 21 2016	D 1 21 2015
Fiscal year ending Measurement date	December 31, 2021 December 31, 2021	December 31, 2020 December 31, 2020	December 31, 2019 December 31, 2019	December 31, 2018 December 31, 2018	December 31, 2017 December 31, 2017	December 31, 2016 December 31, 2016	December 31, 2015 December 31, 2015
Total pension liability:	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016	December 31, 2013
Service cost	\$79,740	\$75,628	\$73,783	\$71,473	\$63,391	\$72,757	\$75,241
Interest cost	91,327	88,668	79,734	81,962	72,102	68,376	66,133
Plan changes	215,447	88,008	/9,/34	81,902	99,530	08,370	00,133
Loss	213,447	-	-	(21,899)	99,330	-	-
Differences between expected and actual experience	-	69,157	-	(21,899)	-	(40,925)	-
	-	,	-	26,796	-		-
Changes of assumptions Benefit payments, including refunds of employee contributions	-	46,936	-	(170,700)	-	(11,420) (130,773)	(222,729)
1 3	386,514	280,389	153,517		235,023		
Net change in total pension liability	1,746,806	1,466,417	1,312,900	(12,368) 1,325,268	1,090,245	(41,985) 1,132,230	(81,355) 1,213,585
Total pension liability - beginning							
Total pension liability - ending (a)	\$2,133,320	\$1,746,806	\$1,466,417	\$1,312,900	\$1,325,268	\$1,090,245	\$1,132,230
Plan fiduciary net position:							
Contributions - employer	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
Contributions - State of Minnesota	143,391	137,585	131,658	131,511	128,622	130,759	131,098
Contributions - employee	-	-	-	-	-	-	-
Net investment income	161,612	242,051	133,639	153,082	312,604	138,089	(98,329)
Benefit payments, including refunds of employee contributions			-	(170,700)	-	(130,773)	(222,729)
Administrative expense	(12,532)	(12,022)	(11,439)	(11,317)	(11,676)	(10,672)	(11,540)
Gain or Loss	185,786	-	271,292	(318,100)	-	-	
Net change in plan fiduciary net position	483,257	372,614	530,150	(210,524)	434,550	132,403	(196,500)
Plan fiduciary net position - beginning	3,164,313	2,791,699	2,261,549	2,472,073	2,037,523	1,905,120	2,101,620
Plan fiduciary net position - ending (b)	\$3,647,570	\$3,164,313	\$2,791,699	\$2,261,549	\$2,472,073	\$2,037,523	\$1,905,120
N	(01.514.050)	(01.415.505)	(01.005.000)	(00.40, 640)	(01.146.005)	(00.45.050)	(0772 000)
Net pension liability / (asset) - ending (a) - (b)	(\$1,514,250)	(\$1,417,507)	(\$1,325,282)	(\$948,649)	(\$1,146,805)	(\$947,278)	(\$772,890)
Plan fiduciary net position as a percentage of the total pension liability	170.98%	181.15%	190.38%	172.26%	186.53%	186.89%	168.26%
Covered-employee payroll	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Net pension liability as a percentage of covered employee payroll	(2)	(2)	(2)	(2)	(2)	(2)	(2)

GASB 68 was implemented in 2015. Information prior to 2015 is not available.
 The Grand Rapids Fire department Relief Association is comprised of volunteers, therefore there are no payroll expenditures.

# CITY OF GRAND RAPIDS, MINNESOTA

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CONTRIBUTIONS  $^{(1)}$  -

GRAND RAPIDS FIRE DEPARTMENT RELIEF ASSOCIATION

Fiscal Year Ending	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	Covered Payroll (c)	Contributions as a Percentage of Covered-Employee Payroll (b/c)
December 31, 2015	\$ -	\$5,000	(\$5,000)	(2)	(2)
December 31, 2016	-	5,000	(5,000)	(2)	(2)
December 31, 2017	-	5,000	(5,000)	(2)	(2)
December 30, 2018	-	5,000	(5,000)	(2)	(2)
December 31, 2019	-	5,000	(5,000)	(2)	(2)
December 31, 2020	-	5,000	(5,000)	(2)	(2)
December 31, 2021	-	5,000	(5,000)	(2)	(2)

<sup>1.</sup> GASB 68 was implemented in 2015. Information prior to 2015 is not available.

<sup>2.</sup> The Grand Rapids Fire department Relief Association is comprised of volunteers, therefore, there are no payroll expenditures. (i.e., there are no covered payroll amounts or percentage calculations.)

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION December 31, 2021

#### A. LEGAL COMPLIANCE – BUDGETS

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

#### **B. PENSION INFORMATION**

#### PERA – General Employees Retirement Fund

#### 2021 Changes

Changes in Actuarial Assumptions

- The investment return and single discount rates were changed from 7.50% to 6.50% for financial reporting purposes.
- The mortality improvement scale was changed from Scale MP-2019 to Scale MP-2020.

#### 2020 Changes

Changes in Actuarial Assumptions

- The price inflation assumption was decreased from 2.50% to 2.25%.
- The payroll growth assumption was decreased from 3.25% to 3.00%.
- Assumed salary increase rates were decreased 0.25% and assumed rates of retirement were changed resulting in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements. Assumed rates of termination and disability were also changed.
- Base mortality tables were changed from RP-2014 tables to Pub-2010 tables, with adjustments.
- The mortality improvement scale was changed from Scale MP-2018 to Scale MP-2019.
- The spouse age difference was changed from two years older for females to one year older.
- The assumed number of married male new retirees electing the 100% Joint & Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100% Joint & Survivor option changed from 15% to 30%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

#### Changes in Plan Provisions:

 Augmentation for current privatized members was reduced to 2.0% for the period July 1, 2020 through December 31, 2023 and 0.0% after. Augmentation was eliminated for privatizations occurring after June 30, 2020.

#### 2019 Changes

Changes in Actuarial Assumptions

- The mortality projection scale was changed from MP-2017 to MP-2018

Changes in the Plan Provisions

- The employer supplemental contribution was changed prospectively, decreasing from \$31.0 million to \$21.0 million per year. The State's special funding contribution was changed prospectively, requiring \$16.0 million due per year through 2031.

# 2018 Changes

Changes is Actuarial Assumptions:

- The mortality projection scale was changed from MP-2015 to MP-2017.
- The assumed benefit increase was changed from 1.00 percent per year through 2044 and 2.50 percent per year thereafter to 1.25 percent per year.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION December 31, 2021

#### 2017 Changes

#### Changes is Actuarial Assumptions:

- The Combined Service Annuity (CSA) loads were changed from 0.8 percent for active members and 60 percent for vested and non-vested deferred members. The revised CSA loads are now 0.0 percent for active member liability, 15.0 percent for vested deferred member liability and 3.0 percent for non-vested deferred member liability.
- The assumed post-retirement benefit increase rate was changed from 1.0 percent per year for all years to 1.0 percent per year through 2044 and 2.5 percent per year thereafter.

#### 2016 Changes

- Changes in Actuarial Assumptions:
- The assumed post-retirement benefit increase rate was changed from 1.0% per year through 2035 and 2.5% per year thereafter to 1.0% per year for all future years.
- The assumed investment return was changed from 7.9% to 7.5%. The single discount rate was changed from 7.9% to 7.5%.
- Other assumptions were changed pursuant to the experience study date June 30, 2015. The assumed future salary increases, payroll growth, and inflation were decreased by 0.25% to 3.25% for payroll growth and 2.50% for inflation.

## PERA - Public Employees Police and Fire Fund

#### 2021 Changes

Changes in Actuarial Assumptions

- The investment return and single discount rates were changed from 7.50% to 6.50% for financial reporting purposes.
- The inflation assumption was changed from 2.50% to 2.25%.
- The payroll growth assumption was changed from 3.25% to 3.00%.
- The base mortality tables for healthy annuitants, disabled annuitants and employees were changed from RP-2014 tables to Pub-2010 Public Safety Mortality tables. The mortality improvement scale was changed from MP-2019 to MN-2020.
- Assumed salary increase and retirement rates were modified as recommended in the July 14, 2020
  experience study. The changes result in a decrease in gross salary increase rates, slightly more
  unreduced retirements and fewer assumed early retirements.
- Assumed rates of withdrawal were changed from select and ultimate rates to service-based rates. The changes result in more assumed terminations.
- Assumed rates of disability were increased for ages 25-44 and decreased for ages over 49. Overall, proposed rates result in more projected disabilities.
- Assumed percent married for active female members was changed from 60% to 70%.

# 2020 Changes

Changes in Actuarial Assumptions

- The mortality projection scale was changed from MP-2018 to MP-2019.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION December 31, 2021

#### 2019 Changes

Changes in Actuarial Assumptions

- The mortality projection scale was changed from MP-2017 to MP-2018

Changes in the Plan Provisions

- There have been no changes since the prior valuation

#### 2018 Changes

Changes in Actuarial Assumptions:

- The mortality projection scale was changed from MP-2016 to MP-2017.

#### 2017 Changes

Changes in Actuarial Assumptions:

- The single discount rate was changed from 5.6% to 7.5%.
- Assumed salary increases were changed as recommended in the June 30, 2016 experience study. The net effect is proposed rates that average 0.34 percent lower than the previous rates.
- Assumed rates of retirement were changed, resulting in fewer retirements.
- The Combined Service Annuity (CSA) load was 30 percent for vested and non-vested deferred members. The CSO has been changed to 33 percent for vested members and 2 percent for non-vested members.
- The base mortality table for healthy annuitants was changed from the RP-2000 fully generational table to the RP-2014 fully generational table (with a base year for 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016. The base mortality table for disabled annuitants was changed from the RP-2000 disabled mortality table to the mortality tables assumed for healthy retirees.
- Assumed termination rates were decreased to 3.0 percent for the first three years of service. Rates beyond the selection period of three years were adjusted, resulting in more expected terminations overall.
- Assumed percentage of married female members decreased from 65 percent to 60 percent.
- Assumed age difference was changed from separate assumptions for male members (wives assumed to be three years younger) and female members (husbands assumed to be four years older) to the assumption that males are two years older than females.
- The assumed percentage of female members electing Joint and Survivor annuities was increased.
- The assumed post-retirement benefit increase rate was changed from 1.00 percent for all years to 1.00 percent per year through 2064 and 2.50 percent thereafter.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION December 31, 2021

#### 2016 Changes

Changes in Actuarial Assumptions:

- The assumed post-retirement benefit increase rate was changed from 1.0% per year through 2037 and 2.5% thereafter to 1.0% per year for all future years.
- The assumed investment return was changed from 7.9% to 7.5%. The single discount rate changed from 7.9% to 5.6%.
- The assumed future increases, payroll growth, and inflation were decreased by 0.25% to 3.25% for payroll growth and 2.50% for inflation.

#### Single Employer - Fire Relief Association

There are no factors that affect trends in the amounts reported, such as change in benefit terms or assumptions. With only six years reported in the RSI, there is no additional information to include in the notes. Details can be obtained from the financial reports of the Fire Relief Association.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits. During the measurement period ending December 31, 2021, benefit level per year of service increased from \$5,500 to \$6,500.

#### C. OPEB INFORMATION

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits.

2021 Changes

#### **Assumption Changes:**

- The discount rate was changed from 2.90% to 2.00%.
- The mortality tables were updated from the RP-2014 tables to the Pub-2010 public retirement plans head count weighted mortality tables.

2020 Changes

#### **Assumption Changes:**

• The discount rate was changed from 3.80% to 2.90%.

2019 Changes

#### **Assumption Changes:**

- The mortality tables were updated from the RP-2014 White Collar Mortality Tables with MP-2016 Generational Improvement Scale (with Blue Collar adjustment for Police and Fire Personnel) to the RP-2014 White Collar Mortality Tables with MP-2018 Generational Improvement Scale (with Blue Collar adjustment for Police and Fire Personnel).
- The retirement and withdrawal tables for police and fire employees were updated.
- The discount rate was changed from 3.30% to 3.80%.
- These changes decreased the liability \$2,164.

# COMBINING AND INDIVIDUAL NONMAJOR FUND FINANCIAL STATEMENTS AND SCHEDULES

# **NONMAJOR GOVERNMENTAL FUNDS**

# **SPECIAL REVENUE FUNDS**

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

# DEBT SERVICE FUNDS

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

# **CAPITAL PROJECT FUNDS**

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

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

December 31, 2021

With Comparative Totals For December 31, 2020

**Statement 19** 

Special   Special   Service   Project   2021   2020   20					Tota	als
Revenue		Special	Debt	Capital	Nonmajor Gover	nmental Funds
Cash and investments         \$1,146,890         \$6,168,314         \$2,162,207         \$9,477,411         \$8,865,973           Due from other governmental units         129,016         -         7,500         136,516         483,408           Due from component units         -         -         5,600         51,307           Accounts receivable         77,966         10,772         12,000         100,738         87,110           Prepaid items         23,109         -         22,000         45,109         52,941           Taxes receivable - delinquent         39,898         -         -         14,387         14,387         42,510           Special assessments receivable         -         2,129,980         406,588         2,536,568         2,717,106           Total assets         \$1,416,879         \$8,309,066         \$2,682,342         \$12,408,287         \$12,330,878           Liabilities.           Liabilities.           Accounts payable         \$1,416,879         \$8,009,066         \$2,682,342         \$12,408,287         \$12,330,878           Accounts payable         \$1,416,879         \$8,01,57         \$82,184         \$2,48,763         \$544,574           Accounts payable		•	Service	•		
Due from other governmental units   129,016   -   7,500   136,516   483,408   Due from component units   -     -     57,660   57,660   51,307   51,660   57,660   51,307   51,660   57,660   51,307   51,660   51,307   51,660   51,307   51,660   51,307   51,660   51,307   51,660   51,307   51,660   51,307   51,660   51,607   51,600   51,607   52,941   52,000   52,941   52,000   52,941   52,000   52,941   52,000   52,941   52,000   52,941   52,000   52,941   52,000   52,941   52,000   52,623,42   51,2408,287   52,171,106   52,000   52,623,42   51,2408,287   51,230,878   52,12408,287   52,12408,287	Assets					
Due from component units	Cash and investments	\$1,146,890	\$6,168,314	\$2,162,207	\$9,477,411	\$8,865,973
Accounts receivable         77,966         10,772         12,000         100,738         87,110           Prepaid items         23,109         -         22,000         45,109         52,941           Taxes receivable - delinquent         39,898         -         -         39,898         30,523           Pledges receivable         -         2,129,980         406,588         2,536,568         2,717,106           Total assets         \$1,416,879         \$8,309,066         \$2,682,342         \$12,408,287         \$12,330,878           Liabilities:           Accounts payable         \$76,422         \$90,157         \$82,184         \$248,763         \$544,574           Accrued wages payable         20,097         -         -         20,097         11,910           Due to other governmental units         12,967         -         20,097         11,910           Due to other governmental units         12,967         -         29,641         13,987           Contracts payable         9,641         -         -         29,641         13,987           Due to other funds         29,118         -         104,123         133,241         105,712           Deposits payable         9,469	Due from other governmental units	129,016	-	7,500	136,516	483,408
Prepaid items	Due from component units	-	-	57,660	57,660	51,307
Taxes receivable - delinquent   39,898   -	Accounts receivable	77,966	10,772	12,000	100,738	87,110
Pledges receivable	Prepaid items	23,109	-	22,000	45,109	52,941
Total assets   S1,416,879   S8,309,066   S2,682,342   S12,408,287   S12,330,878	Taxes receivable - delinquent	39,898	-	-	39,898	30,523
Total assets         \$1,416,879         \$8,309,066         \$2,682,342         \$12,408,287         \$12,330,878           Liabilities:           Accounts payable         \$76,422         \$90,157         \$82,184         \$248,763         \$544,574           Accounts payable         \$20,097         -         -         20,097         11,910           Due to other governmental units         \$12,967         -         -         20,641         13,987           Contracts payable         -         -         71,259         -         -           Contracts payable         -         -         71,259         -         -           Due to other funds         29,118         -         104,123         133,241         105,712           Deposits payable         9,469         -         -         9,469         9,231           Interfund loan payable         52,074         -         -         50,666         656,285         88,128           Total liabilities         319,411         90,157         824,228         1,233,796         1,066,577           Deferred inflows of resources:           Unavailable revenue         39,898         2,142,013         420,976         2,602,887	Pledges receivable	-	-	14,387	14,387	42,510
Liabilities, Deferred Inflows of Resources, and Fund Balance           Liabilities:           Accounts payable         \$76,422         \$90,157         \$82,184         \$248,763         \$544,574           Accrued wages payable         20,097         -         -         20,097         11,910           Due to other governmental units         12,967         -         -         129,641         13,987           Contracts payable         -         -         71,259         71,259         -         29,641         13,987           Contracts payable         -         -         71,259         71,259         -         29,641         13,987           Contracts payable         -         -         71,259         71,259         -         29,641         13,987           Deposits payable         9,469         -         -         9,469         9,231         105,712         0.00	Special assessments receivable		2,129,980	406,588	2,536,568	2,717,106
Liabilities:         Accounts payable         \$76,422         \$90,157         \$82,184         \$248,763         \$544,574           Accrued wages payable         20,097         -         -         20,097         11,910           Due to other governmental units         12,967         -         -         12,967         226,634           Due to component units         29,641         -         -         29,641         13,987           Contracts payable         -         -         71,259         71,259         -           Due to other funds         29,118         -         104,123         133,241         105,712           Deposits payable         9,469         -         -         9,469         9,231         105,712           Deposits payable         9,469         -         -         566,662         656,285         88,128           Interfund loan payable         52,074         -         -         566,662         656,285         88,128           Total liabilities         319,411         90,157         824,228         1,233,796         1,066,577           Deferred inflows of resources:           Unavailable revenue         39,898         2,142,013         420,976         2,602,887	Total assets	\$1,416,879	\$8,309,066	\$2,682,342	\$12,408,287	\$12,330,878
Accounts payable         \$76,422         \$90,157         \$82,184         \$248,763         \$544,574           Accrued wages payable         20,097         -         -         20,097         11,910           Due to other governmental units         12,967         -         -         12,967         226,634           Due to component units         29,641         -         -         29,641         13,987           Contracts payable         -         -         71,259         71,259         -           Due to other funds         29,118         -         104,123         133,241         105,712           Deposits payable         9,469         -         -         9,469         9,231           Interfund loan payable         52,074         -         -         52,074         66,401           Unearned revenue         89,623         -         566,662         656,285         88,128           Total liabilities         319,411         90,157         824,228         1,233,796         1,066,577           Deferred inflows of resources:           Unavailable revenue         39,898         2,142,013         420,976         2,602,887         2,790,139           Fund balance:	Liabilities, Deferred Inflows of R	esources, and Fund	Balance			
Accrued wages payable         20,097         -         -         20,097         11,910           Due to other governmental units         12,967         -         -         12,967         226,634           Due to component units         29,641         -         -         29,641         13,987           Contracts payable         -         -         71,259         71,259         -           Due to other funds         29,118         -         104,123         133,241         105,712           Deposits payable         9,469         -         -         9,469         9,231           Interfund loan payable         52,074         -         -         52,074         66,401           Unearned revenue         89,623         -         566,662         656,285         88,128           Total liabilities         319,411         90,157         824,228         1,233,796         1,066,577           Deferred inflows of resources:           Unavailable revenue         39,898         2,142,013         420,976         2,602,887         2,790,139           Fund balance:           Nonspendable         23,109         -         22,000         45,109         52,941           Res	Liabilities:					
Due to other governmental units         12,967         -         -         12,967         226,634           Due to component units         29,641         -         -         29,641         13,987           Contracts payable         -         -         71,259         71,259         -           Due to other funds         29,118         -         104,123         133,241         105,712           Deposits payable         9,469         -         -         9,469         9,231           Interfund loan payable         52,074         -         -         52,074         66,401           Unearned revenue         89,623         -         566,662         656,285         88,128           Total liabilities         319,411         90,157         824,228         1,233,796         1,066,577           Deferred inflows of resources:           Unavailable revenue         39,898         2,142,013         420,976         2,602,887         2,790,139           Fund balance:           Nonspendable         23,109         -         22,000         45,109         52,941           Restricted         153,598         6,076,896         51,651         6,282,145         6,792,754	Accounts payable	\$76,422	\$90,157	\$82,184	\$248,763	\$544,574
Due to component units         29,641         -         -         29,641         13,987           Contracts payable         -         -         71,259         71,259         -           Due to other funds         29,118         -         104,123         133,241         105,712           Deposits payable         9,469         -         -         9,469         9,231           Interfund loan payable         52,074         -         -         52,074         66,401           Unearned revenue         89,623         -         566,662         656,285         88,128           Total liabilities         319,411         90,157         824,228         1,233,796         1,066,577           Deferred inflows of resources:           Unavailable revenue         39,898         2,142,013         420,976         2,602,887         2,790,139           Fund balance:           Nonspendable         23,109         -         22,000         45,109         52,941           Restricted         153,598         6,076,896         51,651         6,282,145         6,792,754           Committed         931,143         -         -         931,143         853,737           Assigned	Accrued wages payable	20,097	-	-	20,097	11,910
Contracts payable         -         -         71,259         71,259         -           Due to other funds         29,118         -         104,123         133,241         105,712           Deposits payable         9,469         -         -         9,469         9,231           Interfund loan payable         52,074         -         -         52,074         66,401           Unearned revenue         89,623         -         566,662         656,285         88,128           Total liabilities         319,411         90,157         824,228         1,233,796         1,066,577           Deferred inflows of resources:           Unavailable revenue         39,898         2,142,013         420,976         2,602,887         2,790,139           Fund balance:           Nonspendable         23,109         -         22,000         45,109         52,941           Restricted         153,598         6,076,896         51,651         6,282,145         6,792,754           Committed         931,143         -         -         931,143         853,737           Assigned         -         -         1,413,568         1,413,568         1,146,364           Unassigned	Due to other governmental units	12,967	-	-	12,967	226,634
Due to other funds         29,118         -         104,123         133,241         105,712           Deposits payable         9,469         -         -         9,469         9,231           Interfund loan payable         52,074         -         -         52,074         66,401           Unearned revenue         89,623         -         566,662         656,285         88,128           Total liabilities         319,411         90,157         824,228         1,233,796         1,066,577           Deferred inflows of resources:           Unavailable revenue         39,898         2,142,013         420,976         2,602,887         2,790,139           Fund balance:           Nonspendable         23,109         -         22,000         45,109         52,941           Restricted         153,598         6,076,896         51,651         6,282,145         6,792,754           Committed         931,143         -         -         931,143         853,737           Assigned         -         -         1,413,568         1,413,568         1,146,364           Unassigned         (50,280)         -         (50,081)         (100,361)         (371,634)           Total	Due to component units	29,641	-	-	29,641	13,987
Deposits payable         9,469         -         -         9,469         9,231           Interfund loan payable         52,074         -         -         52,074         66,401           Unearned revenue         89,623         -         566,662         656,285         88,128           Total liabilities         319,411         90,157         824,228         1,233,796         1,066,577           Deferred inflows of resources:           Unavailable revenue         39,898         2,142,013         420,976         2,602,887         2,790,139           Fund balance:           Nonspendable         23,109         -         22,000         45,109         52,941           Restricted         153,598         6,076,896         51,651         6,282,145         6,792,754           Committed         931,143         -         -         931,143         853,737           Assigned         -         -         1,413,568         1,413,568         1,146,364           Unassigned         (50,280)         -         (50,081)         (100,361)         (371,634)           Total fund balance         1,057,570         6,076,896         1,437,138         8,571,604         8,474,162	Contracts payable	-	-	71,259	71,259	-
Interfund loan payable         52,074         -         -         52,074         66,401           Unearned revenue         89,623         -         566,662         656,285         88,128           Total liabilities         319,411         90,157         824,228         1,233,796         1,066,577           Deferred inflows of resources:           Unavailable revenue         39,898         2,142,013         420,976         2,602,887         2,790,139           Total deferred inflows of resources         39,898         2,142,013         420,976         2,602,887         2,790,139           Fund balance:           Nonspendable         23,109         -         22,000         45,109         52,941           Restricted         153,598         6,076,896         51,651         6,282,145         6,792,754           Committed         931,143         -         -         931,143         853,737           Assigned         -         -         1,413,568         1,413,568         1,146,364           Unassigned         (50,280)         -         (50,081)         (100,361)         (371,634)           Total fund balance         1,057,570         6,076,896         1,437,138         8,571,604	Due to other funds	29,118	-	104,123	133,241	105,712
Unearned revenue         89,623         -         566,662         656,285         88,128           Total liabilities         319,411         90,157         824,228         1,233,796         1,066,577           Deferred inflows of resources:           Unavailable revenue         39,898         2,142,013         420,976         2,602,887         2,790,139           Total deferred inflows of resources         39,898         2,142,013         420,976         2,602,887         2,790,139           Fund balance:           Nonspendable         23,109         -         22,000         45,109         52,941           Restricted         153,598         6,076,896         51,651         6,282,145         6,792,754           Committed         931,143         -         -         931,143         853,737           Assigned         -         -         1,413,568         1,413,568         1,146,364           Unassigned         (50,280)         -         (50,081)         (100,361)         (371,634)           Total fund balance         1,057,570         6,076,896         1,437,138         8,571,604         8,474,162	Deposits payable	9,469	-	-	9,469	9,231
Total liabilities         319,411         90,157         824,228         1,233,796         1,066,577           Deferred inflows of resources:         Unavailable revenue         39,898         2,142,013         420,976         2,602,887         2,790,139           Total deferred inflows of resources         39,898         2,142,013         420,976         2,602,887         2,790,139           Fund balance:         Nonspendable         23,109         -         22,000         45,109         52,941           Restricted         153,598         6,076,896         51,651         6,282,145         6,792,754           Committed         931,143         -         -         931,143         853,737           Assigned         -         -         1,413,568         1,413,568         1,146,364           Unassigned         (50,280)         -         (50,081)         (100,361)         (371,634)           Total fund balance         1,057,570         6,076,896         1,437,138         8,571,604         8,474,162	Interfund loan payable	52,074	-	-	52,074	66,401
Deferred inflows of resources:   Unavailable revenue   39,898   2,142,013   420,976   2,602,887   2,790,139     Total deferred inflows of resources   39,898   2,142,013   420,976   2,602,887   2,790,139     Fund balance:   Nonspendable   23,109   - 22,000   45,109   52,941     Restricted   153,598   6,076,896   51,651   6,282,145   6,792,754     Committed   931,143   931,143   853,737     Assigned   - 1,413,568   1,413,568   1,146,364     Unassigned   (50,280)   - (50,081)   (100,361)   (371,634)     Total fund balance   1,057,570   6,076,896   1,437,138   8,571,604   8,474,162     Total liabilities, deferred inflows	Unearned revenue	89,623		566,662	656,285	88,128
Unavailable revenue         39,898         2,142,013         420,976         2,602,887         2,790,139           Total deferred inflows of resources         39,898         2,142,013         420,976         2,602,887         2,790,139           Fund balance:           Nonspendable         23,109         -         22,000         45,109         52,941           Restricted         153,598         6,076,896         51,651         6,282,145         6,792,754           Committed         931,143         -         -         931,143         853,737           Assigned         -         -         1,413,568         1,413,568         1,146,364           Unassigned         (50,280)         -         (50,081)         (100,361)         (371,634)           Total fund balance         1,057,570         6,076,896         1,437,138         8,571,604         8,474,162	Total liabilities	319,411	90,157	824,228	1,233,796	1,066,577
Fund balance:         39,898         2,142,013         420,976         2,602,887         2,790,139           Fund balance:         Nonspendable         23,109         -         22,000         45,109         52,941           Restricted         153,598         6,076,896         51,651         6,282,145         6,792,754           Committed         931,143         -         -         931,143         853,737           Assigned         -         -         1,413,568         1,413,568         1,146,364           Unassigned         (50,280)         -         (50,081)         (100,361)         (371,634)           Total fund balance         1,057,570         6,076,896         1,437,138         8,571,604         8,474,162	Deferred inflows of resources:					
Fund balance:  Nonspendable 23,109 - 22,000 45,109 52,941  Restricted 153,598 6,076,896 51,651 6,282,145 6,792,754  Committed 931,143 931,143 853,737  Assigned - 1,413,568 1,413,568 1,146,364  Unassigned (50,280) - (50,081) (100,361) (371,634)  Total fund balance 1,057,570 6,076,896 1,437,138 8,571,604 8,474,162	Unavailable revenue	39,898	2,142,013	420,976	2,602,887	2,790,139
Nonspendable       23,109       -       22,000       45,109       52,941         Restricted       153,598       6,076,896       51,651       6,282,145       6,792,754         Committed       931,143       -       -       931,143       853,737         Assigned       -       -       1,413,568       1,413,568       1,146,364         Unassigned       (50,280)       -       (50,081)       (100,361)       (371,634)         Total fund balance       1,057,570       6,076,896       1,437,138       8,571,604       8,474,162	Total deferred inflows of resources	39,898	2,142,013	420,976	2,602,887	2,790,139
Nonspendable       23,109       -       22,000       45,109       52,941         Restricted       153,598       6,076,896       51,651       6,282,145       6,792,754         Committed       931,143       -       -       931,143       853,737         Assigned       -       -       1,413,568       1,413,568       1,146,364         Unassigned       (50,280)       -       (50,081)       (100,361)       (371,634)         Total fund balance       1,057,570       6,076,896       1,437,138       8,571,604       8,474,162	Fund halance					
Restricted         153,598         6,076,896         51,651         6,282,145         6,792,754           Committed         931,143         -         -         931,143         853,737           Assigned         -         -         1,413,568         1,413,568         1,146,364           Unassigned         (50,280)         -         (50,081)         (100,361)         (371,634)           Total fund balance         1,057,570         6,076,896         1,437,138         8,571,604         8,474,162		23 100	_	22 000	<i>45</i> 100	52 0/1
Committed         931,143         -         -         931,143         853,737           Assigned         -         -         1,413,568         1,413,568         1,146,364           Unassigned         (50,280)         -         (50,081)         (100,361)         (371,634)           Total fund balance         1,057,570         6,076,896         1,437,138         8,571,604         8,474,162   Total liabilities, deferred inflows	±	,	6 076 896	•	·	
Assigned 1,413,568 1,413,568 1,146,364 Unassigned (50,280) - (50,081) (100,361) (371,634) Total fund balance 1,057,570 6,076,896 1,437,138 8,571,604 8,474,162  Total liabilities, deferred inflows		•	-	J1,0J1 -		
Unassigned         (50,280)         -         (50,081)         (100,361)         (371,634)           Total fund balance         1,057,570         6,076,896         1,437,138         8,571,604         8,474,162           Total liabilities, deferred inflows		731,173	_	1 413 568	·	•
Total fund balance         1,057,570         6,076,896         1,437,138         8,571,604         8,474,162           Total liabilities, deferred inflows	_	(50.280)	_			
			6,076,896	<del></del>		
	Total liabilities defermed inflavor					
		\$1,416,879	\$8,309,066	\$2,682,342	\$12,408,287	\$12,330,878

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND

CHANGES IN FUND BALANCE

NONMAJOR GOVERNMENTAL FUNDS

For The Year Ended December 31, 2021

With Comparative Totals For The Year Ended December 31, 2020

Statement 20

	~	D 1		Tota	
	Special	Debt	Capital	Nonmajor Govern	
Davianuasi	Revenue	Service	Project	2021	2020
Revenues: Taxes:					
	\$866,589	\$1,556,830	\$ -	\$2,423,419	\$2,445,435
General property  Tax abatements	\$600,369	44,049	Φ -	\$2,423,419 44,049	62,717
Tax increments	-	235,552	-	235,552	228,759
	246,240	510,760	505,755	1,262,755	
Intergovernmental	240,240	307,905	22,500	330,405	1,812,178 415,661
Special assessments	1 065 077	· ·	· ·	ŕ	
Charges for services	1,065,977	-	-	1,065,977	977,614
Fines and forfeits	24,611	-	- 7.17	24,611	38,076
Investment income	12,819	40,937	7,317	61,073	81,763
Contributions and donations	7,819	-	60,383	68,202	114,722
Reimbursement from component unit	-	-	10,974	10,974	1 42 000
Other grants	15.050	-	-	-	142,000
Other	15,879		51,651	67,530	2,373
Total revenues	2,239,934	2,696,033	658,580	5,594,547	6,321,298
Expenditures:					
Current:					
General government	-	192,786	410,709	603,495	668,342
Public safety	132,258	-	-	132,258	132,756
Public works	495,858	-	23,040	518,898	527,350
Culture and recreation	1,584,350	-	3,280	1,587,630	1,442,349
Capital outlay/construction	104,289	-	367,991	472,280	1,714,530
Debt service:					
Principal retirement	-	2,515,000	-	2,515,000	2,480,000
Interest	-	578,766	-	578,766	613,237
Paying agent fees	-	6,600	-	6,600	6,850
Decertify TIF districts	-	-	-	-	-
Bond issuance costs	-	-	-	-	-
Total expenditures	2,316,755	3,293,152	805,020	6,414,927	7,585,414
Revenues over (under) expenditures	(76,821)	(597,119)	(146,440)	(820,380)	(1,264,116)
Other financing sources (uses):					
Bond issuances					
Bond premium	-	-	-	-	-
Sale of capital assets	-	-	-	-	4,000
Insurance recoveries	55,451	-	-	55,451	186,932
Transfers in	191,079	232,425	511,201	934,705	442,776
Transfers out	191,079				
	246.520	(211,436)	(150,943)	(362,379)	(213,075)
Total other financing sources (uses)	246,530	20,989	360,258	627,777	420,633
Net change in fund balance	169,709	(576,130)	213,818	(192,603)	(843,483)
Fund balance - January 1	887,861	6,653,026	1,223,320	8,764,207	9,317,645
Fund balance - December 31	\$1,057,570	\$6,076,896	\$1,437,138	\$8,571,604	\$8,474,162

Prior year ending fund balance reported \$8,474,162 Prior year ending fund balance for funds reported as nonmajor in prior year and major in current year:

413 Airport Capital Fund (135,789)483 2022 Infrastructure Bonds 182,142

Add prior year ending fund balance for funds reported as major in

prior year and nonmajor in current year:

481 2020 Infrastructure Bonds 243,692

Current year beginning fund balance

\$8,764,20

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### NONMAJOR SPECIAL REVENUE FUNDS

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

<u>Public Library</u> - accounts for the operations of the City's public library.

<u>Central School</u> - accounts for the operation and preservation of a historic building.

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

<u>IRA Civic Center</u> - accounts for the operation of the City's civic center.

<u>Haz-Mat</u> - accounts for the State approved Hazardous Materials Program.

<u>Police Forfeiture</u> - accounts for the County, State and Federal forfeitures received.

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

<u>Domestic Animal Control Facility</u> - accounts for costs associated with operating the facility.

SUBCOMBINING BALANCE SHEET NONMAJOR SPECIAL REVENUE FUNDS

December 31, 2021

With Comparative Totals For December 31, 2020

	211 Public	225 Central	226 Airport	228 IRA Civic
	Library	School	Operations	Center
Assets				
Cash and investments	\$644,482	\$95,887	\$179,583	\$200
Due from other governmental units	42,033	-	66,231	-
Accounts receivable	-	-	74	76,692
Prepaid items	12,304	-	1,850	2,866
Taxes receivable - delinquent	30,777			
Total assets	\$729,596	\$95,887	\$247,738	\$79,758
Liabilities, Deferred Inflows of Resources, and Fund Balance				
Liabilities:				
Accounts payable	\$17,037	\$12,060	\$14,713	\$30,458
Accrued wages payable	10,105	-	1,771	4,318
Due to other governmental units	11,022	=	159	715
Due to component units	2,463	1,742	1,323	23,425
Due to other funds	1,664	4,500	-	12,149
Deposits payable	-	5,126	4,343	=
Interfund loan payable	-	-	-	52,074
Unearned revenue	<u> </u>		74,806	4,033
Total liabilities	42,291	23,428	97,115	127,172
Deferred inflows of resources:				
Unavailable revenue	30,777			
Total deferred inflows of resources	30,777	0	0	0
Fund balance (deficit):				
Nonspendable	12,304	-	1,850	2,866
Restricted	-	-	74,387	-
Committed	644,224	72,459	74,386	-
Unassigned	<u> </u>			(50,280)
Total fund balance (deficit)	656,528	72,459	150,623	(47,414)
Total liabilities, deferred inflows				
of resources, and fund balance	\$729,596	\$95,887	\$247,738	\$79,758

			235 Domestic		
231 Haz-Mat	232 Police Forfeiture	233 Cemetery	Animal Control Facility	Totals Nonmajor Spe	oial Dayramya Eymda
	roriellure	233 Cemetery	Facility	2021	2020
					2020
\$ -	\$88,686	\$131,206	\$6,846	\$1,146,890	\$957,174
13,302	-	1,165	6,285	129,016	86,832
-	-	1,200	-	77,966	72,110
-	-	5,324	765	23,109	30,941
	-	9,121		39,898	30,523
\$13,302	\$88,686	\$148,016	\$13,896	\$1,416,879	\$1,177,580
\$507	\$ -	\$366	\$1,281	\$76,422	\$51,283
904	-	2,149	850	20,097	11,910
77	-	163	831	12,967	5,393
-	-	261	427	29,641	13,987
10,805	-	-	-	29,118	12,863
-	-	-	-	9,469	9,231
-	-	-	-	52,074	66,401
	10,484	300		89,623	88,128
12,293	10,484	3,239	3,389	319,411	259,196
<u> </u>	<u> </u>	9,121		39,898	30,523
	0	9,121	0	39,898	30,523
-	-	5,324	765	23,109	30,941
1,009	78,202	-	-	153,598	139,728
-	-	130,332	9,742	931,143	853,737
-	-	-	-	(50,280)	(136,545)
1,009	78,202	135,656	10,507	1,057,570	887,861
					,
\$13,302	\$88,686	\$148,016	\$13,896	\$1,416,879	\$1,177,580

SUBCOMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE NONMAJOR SPECIAL REVENUE FUNDS For The Year Ended December 31, 2021

With Comparative Totals For The Year Ended December 31, 2020

	211 Public Library	225 Central School	226 Airport Operations	228 IRA Civic Center
Revenues:				
General property taxes	\$667,279	\$ -	\$ -	\$ -
Intergovernmental	33,728	-	110,389	-
Charges for services	176,537	47,651	130,123	659,758
Fines and forfeits	220	-	-	-
Investment income	10,982	431	262	1
Contributions and donations	7,819	-	-	-
Other		1,359	3,212	
Total revenues	896,565	49,441	243,986	659,759
Expenditures:				
Current:				
Public safety	-	-	-	-
Public works	-	-	236,864	-
Culture and recreation	856,949	112,665	-	614,736
Capital outlay	-	-	11,239	-
Total expenditures	856,949	112,665	248,103	614,736
Revenues over (under) expenditures	39,616	(63,224)	(4,117)	45,023
Other financing sources (uses):				
Sale of capital assets	-	-	-	-
Insurance recoveries	-	8,293	5,914	41,244
Transfers in		50,716	20,000	
Total other financing sources (uses)	0	59,009	25,914	41,244
Net change in fund balance	39,616	(4,215)	21,797	86,267
Fund balance (deficit) - January 1	616,912	76,674	128,826	(133,681)
Fund balance (deficit) - December 31	\$656,528	\$72,459	\$150,623	(\$47,414)

231 Haz-Mat	232 Police Forfeiture	233 Cemetery	235 Domestic Animal Control Facility	Totals Nonmajor Sp Fund	S
				2021	2020
\$ - 65,057	\$ - 2,438	\$199,310 31,366	\$ - 3,262	\$866,589 246,240	\$852,988 220,703
03,037	2,438	51,908	3,202	1,065,977	977,614
-	1,861	51,908	22,530	24,611	38,076
-	613	530	22,330	12,819	9,707
-	-	330	-	7,819	12,898
-	10,113	1,195	-	15,879	1,973
65,057	15,025	284,309	25,792	2,239,934	2,113,959
	10,020	20.,200			2,110,505
54.640	12.042		(4.565	122.250	122.75(
54,648	13,043	-	64,567	132,258	132,756
-	-	258,994	-	495,858	516,190
10.400	-	- 92 (41	-	1,584,350	1,441,129
10,409 65,057	13,043	82,641	64,567	<u>104,289</u>	2 124 105
	13,043	341,635	04,367	2,310,/33	2,134,105
0	1,982	(57,326)	(38,775)	(76,821)	(20,146)
_	_	_	_	_	4,000
_	_	_	_	55,451	-
_	-	82,585	37,778	191,079	110,280
0	0	82,585	37,778	246,530	114,280
					,
0	1,982	25,259	(997)	169,709	94,134
1,009	76,220	110,397	11,504	887,861	793,727
\$1,009	\$78,202	\$135,656	\$10,507	\$1,057,570	\$887,861

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#### NONMAJOR DEBT SERVICE FUNDS

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

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

- General Debt Bonds
- Tax Increment Bonds
- Improvement Bonds

General Debt Bonds are repaid primarily from general property taxes.

<u>Tax Increment Bonds</u> are repaid primarily from tax increment collections.

<u>Improvement Bonds</u> are repaid primarily from special assessments.

CITY OF GRAND RAPIDS, MINNESOTA SUBCOMBINING BALANCE SHEET NONMAJOR DEBT SERVICE FUNDS

December 31, 2021

With Comparative Totals For December 31, 2020

Assets	305 Refunding Bonds of 2017B	306 GO Street Reconstruction & CIP 2018A	307 GO & Abatement Bond 2019A	310 GO Street Reconstruction Bonds of 2020A	311 GO & Abatement Bond 2021B
Cash and investments	\$659,575	\$341,972	\$378,921	\$177,508	\$82,586
Accounts receivable	547	-	-	-	-
Special assessments: Delinquent	3,309			131	_
Deferred	54,498	127,336	112,633	140,367	15,558
Special deferred	130,038		657,880	<u>-</u>	<del>-</del>
Total assets	\$847,967	\$469,308	\$1,149,434	\$318,006	\$98,144
Liabilities, Deferred Inflows of Resources, and Fund Balance					
Liabilities:					
Accounts payable	\$450	\$ -	s -	\$ -	\$ -
Total liabilities	450	0	0	0	0
Deferred inflows of resources:					
Unavailable revenue	187,845	127,336	770,513	140,498	15,558
Total deferred inflows of resources	187,845	127,336	770,513	140,498	15,558
Fund balance:					
Restricted	659,672	341,972	378,921	177,508	82,586
Total fund balance	659,672	341,972	378,921	177,508	82,586
Total liabilities, deferred inflows					
of resources, and fund balance	\$847,967	\$469,308	\$1,149,434	\$318,006	\$98,144

354 G.O. State-Aid Improvement Bonds of 2007B	358 Improvement Bonds of 2009C	359 Improvement Bonds of 2010A	360 Improvement Bonds of 2011B	361 Improvement Bonds of 2012A	362 G.O. State-Aid Street Bonds of 2012B
\$12,382	\$652,411	\$133,365	\$269,796	\$702,192	\$2,539
-	-	-	-	-	-
-	1,932	32	327	2,689	-
-	125,780	22,980	105,864	131,323	-
-				5,152	
\$12,382	\$780,123	\$156,377	\$375,987	\$841,356	\$2,539
\$ -	\$ -	<u> </u>	\$1,000	\$ -	\$ -
0	0	0	1,000	0	0
	139,746	23,012	106,191	139,164	<u> </u>
0	139,746	23,012	106,191	139,164	0
12,382	640,377	133,365	268,796	702,192	2,539
12,382	640,377	133,365	268,796	702,192	2,539
\$12,382	\$780,123	\$156,377	\$375,987	\$841,356	\$2,539

CITY OF GRAND RAPIDS, MINNESOTA SUBCOMBINING BALANCE SHEET NONMAJOR DEBT SERVICE FUNDS

December 31, 2021

With Comparative Totals For December 31, 2020

Assets	365 G.O. Street Reconstruction Bonds of 2013B	366 Improvement Bonds of 2014A	367 Improvement Bonds of 2016A	368 G.O. Improvement Reconstruction Bonds of 2017A	369 1st Ave Condo Abatement	370 TIF 1-8 Lakewood Heights
Cash and investments	\$869,516	\$364,315	\$304,938	\$406,722	\$47,670	\$44,206
Accounts receivable	-	=	10,225	-	=	=
Special assessments:						
Delinquent	9,429	-	8	257	-	-
Deferred	154,825	67,276	123,564	132,325	=	-
Special deferred	1,175			3,292		
Total assets	\$1,034,945	\$431,591	\$438,735	\$542,596	\$47,670	\$44,206
Liabilities, Deferred Inflows of Resources, and Fund Balance						
Liabilities:						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$22,025	\$15,948
Total liabilities	0	0	0	0	22,025	15,948
Deferred inflows of resources:						
Unavailable revenue	165,429	67,276	123,572	135,873	-	-
Total deferred inflows of resources	165,429	67,276	123,572	135,873	0	0
Fund balance:						
Fund balance: Restricted	869,516	364,315	315,163	406,723	25,645	28,258
Total fund balance	869,516	364,315	315,163	406,723	25,645	28,258
Tour fund online	802,510	304,313	313,103	400,723	23,043	20,230
Total liabilities, deferred inflows						
of resources, and fund balance	\$1,034,945	\$431,591	\$438,735	\$542,596	\$47,670	\$44,206

371 TIF 1-6 Old Hospital Housing Bonds	372 TIF 1-7 Block 37 Redevelopment	373 TIF 1-6 Old Hospital Housing Paygo	375 TIF 1-4 Oakwood Terrace	376 TIF 1-10 River Hills	377 TIF 1-11 Sawmill Inn Redevelopment	Totals Nonmajor Deb	: Service Funds
					_	2021	2020
\$93,730	\$26,300	\$33,805	\$503,809	\$55,261	\$4,795	\$6,168,314	\$6,742,722
-	-	-	-	-	-	10,772	47,147
-	-	_	-	_	-	18,114	47,147
-	-	-	-	-	-	1,314,329	1,435,595
-					. <u> </u>	797,537	1,122,657
\$93,730	\$26,300	\$33,805	\$503,809	\$55,261	\$4,795	\$8,309,066	\$9,348,121
s -	\$7,769	\$14,869	\$ -	\$28,096	\$ -	\$90,157	\$89,696
0	7,769	14,869	0	28,096	0	90,157	89,696
-						2,142,013	2,605,399
0	0	0	0	0	0	2,142,013	2,605,399
93,730	18,531	18,936	503,809	27,165	4,795	6,076,896	6,653,026
93,730	18,531	18,936	503,809	27,165	4,795	6,076,896	6,653,026
\$93,730	\$26,300	\$33,805	\$503,809	\$55,261	\$4,795	\$8,309,066	\$9,348,121

SUBCOMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE NONMAJOR DEBT SERVICE FUNDS

For The Year Ended December 31, 2021

With Comparative Totals For The Year Ended December 31, 2020

	305 Refunding Bonds of 2017B	306 GO Street Reconstruction & CIP 2018A	307 GO & Abatement Bond 2019A	310 GO Street Reconstruction Bonds of 2020A	311 GO & Abatement Bond 2021B
Revenues:					<u> </u>
Taxes:					
General property	\$207,279	\$129,736	\$75,307	\$143,157	\$ -
Tax abatement	-	-	-	-	-
Tax increments	-	-	-	-	-
Intergovernmental:					
State:					
Supplemental aid	10,619	6,646	3,858	7,334	-
MSA	-	-	-	-	-
IRRRB grant	-	-	-	-	-
Federal BAB credit	-	-	-	-	-
Special assessments	46,487	20,100	21,297	12,209	-
Investment income	4,213	2,180	2,648	813	361
Total revenues	268,598	158,662	103,110	163,513	361
Expenditures:					
General government:					
Current:					
Contractual services	200	3,950	200	200	200
Developer assistance	-	-	-	-	-
Decertify TIF districts	-	-	-	-	-
Debt service:					
Principal retirement	440,000	115,000	70,000	-	-
Interest	33,450	55,513	38,980	29,454	-
Paying agent fees	450	500	500	500	-
Bond issuance costs		<u> </u>			<u> </u>
Total expenditures	474,100	174,963	109,680	30,154	200
Revenues over (under) expenditures	(205,502)	(16,301)	(6,570)	133,359	161
Other financing sources (uses):					
Transfer in	-	-	-	-	82,425
Transfer out	-	-	-	-	-
Total other financing sources (uses)	0	0	0	0	82,425
Net change in fund balance	(205,502)	(16,301)	(6,570)	133,359	82,586
Fund balance (deficit) - January 1	865,174	358,273	385,491	44,149	
Fund balance (deficit) - December 31	\$659,672	\$341,972	\$378,921	\$177,508	\$82,586

Statement 24 Page 1 of 2

354 G.O. State-Aid Improvement Bonds of 2007B	358 Improvement Bonds of 2009C	359 Improvement Bonds of 2010A	360 Improvement Bonds of 2011B	361 Improvement Bonds of 2012A	362 G.O. State-Aid Street Bonds of 2012B
\$ -	\$248,586	\$52,938	\$29,825	\$75,307	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	12,735	2,712	1,528	3,858	-
79,613	-	-	-	-	322,908
-	-	-	-	-	-
-	26,722	-	-	-	-
-	50,207	5,359	23,987	27,485	-
151	3,889	821	1,884	5,037	246
79,764	342,139	61,830	57,224	111,687	323,154
200	200	200	1,200	200	200
-	-	-	-	-	-
75,000	325,000	60,000	70,000	145,000	280,000
4,613	80,964	11,575	13,660	34,100	42,908
375	400	400	525	525	525
80,188	406,564	72,175	85,385	179,825	323,633
80,188	400,304	/2,1/3	83,383	179,823	323,033
(424)	(64,425)	(10,345)	(28,161)	(68,138)	(479)
				_	
-	-	-	-	_	-
0	0	0	0	0	0
(424)	(64,425)	(10,345)	(28,161)	(68,138)	(479)
12,806	704,802	143,710	296,957	770,330	3,018
\$12,382	\$640,377	\$133,365	\$268,796	\$702,192	\$2,539

SUBCOMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE NONMAJOR DEBT SERVICE FUNDS

For The Year Ended December 31, 2021

With Comparative Totals For The Year Ended December 31, 2020

	364 Improvement Refunding Bonds of 2013A	365 G.O. Street Reconstruction Bonds of 2013B	366 Improvement Bonds of 2014A	367 Improvement Bonds of 2016A	368 G.O. Improvement Reconstruction Bonds of 2017A	369 1st Ave Condo Abatement	370 TIF 1-8 Lakewood Heights
Revenues:							
Taxes:							
General property	\$ -	\$85,446	\$215,480	\$137,937	\$155,832	\$ -	\$ -
Tax abatement	-	-	-	-	-	44,049	-
Tax increments	-	-	-	-	-	-	35,440
Intergovernmental:							
State:							
Supplemental aid	-	4,377	11,039	7,066	7,983	-	-
MSA	-	-	-	-	-	-	-
IRRRB grant	-	-	-	-	-	-	-
Federal BAB credit	-	-	-	-	-	-	-
Special assessments	-	34,356	10,173	29,766	26,479	-	-
Investment income	1,139	5,918	2,001	1,812	2,516	250	242
Total revenues	1,139	130,097	238,693	176,581	192,810	44,299	35,682
Expenditures:							
General government:							
Current:							
Contractual services	4,751	200	200	2,700	200	-	269
Developer assistance	-	-	-	- -	-	44,049	31,896
Decertify TIF districts	_	-	-	-	-	-	-
Debt service:							
Principal retirement	175,000	260,000	205,000	135,000	125,000	_	-
Interest	1,181	79,488	40,770	35,210	58,800	-	-
Paying agent fees	-	500	500	450	450	-	-
Bond issuance costs	_	-	_	-	-	-	-
Total expenditures	180,932	340,188	246,470	173,360	184,450	44,049	32,165
Revenues over (under) expenditures	(179,793)	(210,091)	(7,777)	3,221	8,360	250	3,517
Other financing sources (uses):							
Transfer in	-	150,000	-	-	-	-	-
Transfer out	(211,436)	-	-	-	-	-	-
Total other financing sources (uses)	(211,436)	150,000	0	0	0	0	0
Net change in fund balance	(391,229)	(60,091)	(7,777)	3,221	8,360	250	3,517
Fund balance (deficit) - January 1	391,229	929,607	372,092	311,942	398,363	25,395	24,741
Fund balance (deficit) - December 31	<u>\$0</u>	\$869,516	\$364,315	\$315,163	\$406,723	\$25,645	\$28,258

371 TIF 1-6 Old Hospital Housing Bonds	372 TIF 1-7 Block 37 Redevelopment	373 TIF 1-6 Old Hospital Housing Paygo	375 TIF 1-4 Oakwood Terrace	376 TIF 1-10 River Hills	377 TIF 1-11 Sawmill Inn Redevelopment	Totals Nonmajor Deb	t Service Funds
						2021	2020
\$ -	\$ -	\$ -	\$ -	\$ -	\$ - -	\$1,556,830 44,049	\$1,592,447 62,717
56,656	17,264	29,519	29,399	62,397	4,877	235,552	228,759
-	-	1,762	-	-	-	81,517	82,233
-	-	-	-	-	-	402,521	405,139
-	-	-	-	-	-	-	-
-	-	-	-	-	-	26,722	31,965
-	-	-	-	-	-	307,905	400,935
526	155	169	3,702	254	10	40,937	62,792
57,182	17,419	31,450	33,101	62,651	4,887	2,696,033	2,866,987
269 -	269 15,538	589 28,153	184 -	319 56,158	92	16,992 175,794	28,293 174,846
35,000	_	_	_	_	_	2,515,000	2,480,000
18,100	_	_	_	_	_	578,766	613,237
-	-	-	_	_	_	6,600	6,850
_	_	-	_	-	-	-	-
53,369	15,807	28,742	184	56,477	92	3,293,152	3,303,226
3,813	1,612	2,708	32,917	6,174	4,795	(597,119)	(436,239)
_	_		_	_	_	232,425	150,000
		-				(211,436)	(5,130)
		0		0		20,989	144,870
3,813	1,612	2,708	32,917	6,174	4,795	(576,130)	(291,369)
89,917	16,919	16,228	470,892	20,991	<u>-</u>	6,653,026	6,944,395
\$93,730	\$18,531	\$18,936	\$503,809	\$27,165	\$4,795	\$6,076,896	\$6,653,026

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### NONMAJOR CAPITAL PROJECT FUNDS

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

<u>General Capital Improvement Projects</u> – accounts for general capital improvement projects that are not funded by bonds.

<u>Municipal State Aid</u> – accounts for allotments received from the Minnesota Department of Transportation.

<u>Park Acquisition and Development</u> – accounts for the accumulation of resources to be used to improve the City's park and recreational facilities.

<u>Airport Capital Fund</u> – accounts for the capital activity of the Grand Rapids/Itasca County Airport.

<u>GR Arts and Culture Capital Fund</u> – accounts for the accumulation of resources to be used to improve the City's arts and culture.

<u>IRA Civic Center Projects</u> – accounts for the capital activity of the Civic Center.

<u>Infrastructure – Bonded Funds</u> – accounts for infrastructure improvements that have been financed by bond proceeds.

<u>Infrastructure – Other Funds</u> – accounts for infrastructure projects which are not financed by bond proceeds.

<u>Permanent Improvement Revolving</u> – designed to be a revolving fund for infrastructure improvements.

SUBCOMBINING BALANCE SHEET NONMAJOR CAPITAL PROJECT FUNDS

December 31, 2021

With Comparative Totals For December 31, 2020

Statement 25
Page 1 of 2

	401 General Capital Improvement Projects	402 Municipal State Aid	403 GR/Cohasset Industrial Park	404 Park Acquisition and Development	418 GR Arts and Culture Capital Project
Assets					
Cash and investments	\$317,886	\$446,729	\$ -	\$82,653	\$49,771
Accounts Receivable	-	-	-	12,000	-
Due from other governmental units	7,500	-	-	-	-
Due from component units	-	-	-	-	-
Pledges receivable	-	-	-	-	-
Prepaid items	-	-	-	-	22,000
Special assessments receivable:					
Delinquent	-	-	-	-	-
Deferred	-	-	-	-	-
Special deferred					
Total assets	\$325,386	\$446,729	\$0	\$94,653	\$71,771
Liabilities, Deferred Inflows of Resources, and I	Fund Balance				
Liabilities:					
Accounts payable	\$3,750	\$ -	\$50,292	\$ -	\$ -
Contracts payable	-	-	-	-	-
Due to other funds	-	-	79,299	-	-
Due to component units	-	-	-	-	-
Due to other governments	-	-	-	-	-
Unearned Revenue	41,500	-			
Total liabilities	45,250	0	129,591	0	0
Deferred inflows of resources:					
Unavailable revenue					
Total deferred inflows of resources	0	0	0	0	0
Fund balance (deficit):					
Nonspendable	-	-	-	-	22,000
Restricted	51,651	-	-	-	-
Assigned	228,485	446,729	-	94,653	49,771
Unassigned			(129,591)		
Total fund balance (deficit)	280,136	446,729	(129,591)	94,653	71,771
Total liabilities, deferred inflows of					
resources, and fund balance	\$325,386	\$446,729	\$0	\$94,653	\$71,771

SUBCOMBINING BALANCE SHEET NONMAJOR CAPITAL PROJECT FUNDS

December 31, 2021

With Comparative Totals For December 31, 2020

Statement 25 Page 2 of 2

	429 IRA Civic Center Projects	481 2020 Infrastructure Bonds	484 2022 Infrastructure/ ARPA	501 Permanent Improvement Revolving	Totals Nonmajor Capi	tal Project Funds
Assets					2021	2020
Cash and investments	\$ -	\$169,103	\$527,062	\$569,003	\$2,162,207	\$1,166,077
Accounts Receivable	· <u>-</u>	-	-	-	12,000	15,000
Due from other governmental units	-	_	_	_	7,500	396,576
Due from component units	-	10,974	_	46,686	57,660	51,307
Pledges receivable	14,387	-	_	-	14,387	42,510
Prepaid items	-	-	-	_	22,000	22,000
Special assessments receivable:					-	-
Delinquent	-	-	-	14,511	14,511	10,537
Deferred	-	-	-	81,968	81,968	93,727
Special deferred				310,109	310,109	7,443
Total assets	\$14,387	\$180,077	\$527,062	\$1,022,277	\$2,682,342	\$1,805,177
Liabilities, Deferred Inflows of Resour	ces, and Fund Balance					
Liabilities:						
Accounts payable	\$ -	\$4,484	\$1,900	\$21,758	\$82,184	\$403,595
Contracts payable	-	71,259	-	-	71,259	-
Due to other funds	24,824	-	-	-	104,123	92,849
Due to component units	-	-	-	-	-	-
Due to other governments	-	-	-	-	-	221,241
Unearned Revenue		<u> </u>	525,162		566,662	
Total liabilities	24,824	75,743	527,062	21,758	824,228	717,685
Deferred inflows of resources:						
Unavailable revenue	14,387	-		406,589	420,976	154,217
Total deferred inflows of resources	14,387	0	0	406,589	420,976	154,217
Fund balance (deficit):						
Nonspendable	-	-	-	-	22,000	22,000
Restricted	-	-	-	-	51,651	-
Assigned	-	-	-	593,930	1,413,568	1,146,364
Unassigned	(24,824)	104,334	<u> </u>		(50,081)	(235,089)
Total fund balance (deficit)	(24,824)	104,334	0	593,930	1,437,138	933,275
Total liabilities, deferred inflows of						
resources, and fund balance	\$14,387	\$180,077	\$527,062	\$1,022,277	\$2,682,342	\$1,805,177

	401 General Capital Improvement Projects	402 Municipal State Aid	403 GR/Cohasset Industrial Park	404 Park Acquisition and Development	418 GR Arts and Culture Capital Project
Revenues:					
Intergovernmental:					
State:					
MSA	\$ -	\$68,824	\$ -	\$ -	\$ -
Other	349,347	-	-	-	-
Other intergovernmental	-	-	-	-	-
Special assessments	-	-	-	-	-
Investment income	1,312	3,137	-	487	349
Contributions and donations	8,500	-	-	23,760	-
Reimbursement from component unit	-	-	-	-	-
Other grants	-	-	-	-	-
Other	51,651				
Total revenues	410,810	71,961	0	24,247	349
Expenditures:					
Current:	384,796				
General government Public works		1,282	-	-	-
	-	1,282	-	3,280	-
Culture and recreation	15,030	-	120.501	3,280 4,184	-
Capital outlay/construction Debt service:	15,030	-	129,591	4,184	-
Bond issuance costs					
Total expenditures	399,826	1,282	129,591	7,464	
rotal expenditures	399,820	1,282	129,391	/,404	
Revenues over (under) expenditures	10,984	70,679	(129,591)	16,783	349
Other financing sources (uses):					
Bond proceeds	-	-	-	-	-
Bond premium	-	-	-	-	-
Sale of capital assets	-	-	-	-	-
Insurance recoveries	-	-	-	-	-
Transfers in	159,686	-	-	-	4,167
Transfers out					
Total other financing sources (uses)	159,686	0	0	0	4,167
Net change in fund balance	170,670	70,679	(129,591)	16,783	4,516
Fund balance (deficit) - January 1	109,466	376,050		77,870	67,255
Fund balance (deficit) - December 31	\$280,136	\$446,729	(\$129,591)	\$94,653	\$71,771

CITY OF GRAND RAPIDS, MINNESOTA
SUBCOMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE
NOMAJOR CAPITAL PROJECT FUNDS
For The Year Ended December 31, 2021
With Comparative Totals For The Year Ended December 31, 2020

	429 IRA Civic Center	480 2019	481 2020	484 2022 Infrastructure/	501 Permanent Improvement	T. I.V.	5.18 C . R . I
D	Projects	Infrastructure Bonds	Infrastructure Bonds	ARPA	Revolving	Totals Nonmajor Cap 2021	2020
Revenues: Intergovernmental: State:					-	2021	2020
MSA	\$ -	S -	S -	S -	\$ -	\$68,824	\$66,235
Other	-				· -	349,347	482,521
Other intergovernmental	-	=	=	87,584	-	87,584	523,382
Special assessments	=	-	-	-	22,500	22,500	14,726
Investment income	-	=	=	-	2,032	7,317	9,264
Contributions and donations	28,123	-	-	-	- -	60,383	101,824
Reimbursement from component unit	- -	=	10,974	-	-	10,974	-
Other grants	-	-	-	_	-	-	142,000
Other	_	_	_	_	_	51,651	400
Total revenues	28,123	0	10,974	87,584	24,532	658,580	1,340,352
Expenditures: Current:							
General government	_		_	20,690	5,223	410,709	465,203
Public works	=	-	-	20,090	21,758	23,040	11,160
Culture and recreation	-	-	=	-	21,736	3,280	1,220
Capital outlay/construction	=	1,960	150,332	66,894	-	367,991	1,670,500
Debt service:	-	1,960	130,332	00,894	-	307,991	1,070,300
Bond issuance costs							
Total expenditures		1,960	150,332	87,584	26,981	805,020	2,148,083
Total expenditures		1,900	130,332	87,384	20,981	803,020	2,146,063
Revenues over (under) expenditures	28,123	(1,960)	(139,358)	0	(2,449)	(146,440)	(807,731)
Other financing sources (uses):							
Bond proceeds	-	-	-	-	-	-	-
Bond premium	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-
Insurance recoveries	-	-	-	-	-	-	186,932
Transfers in	-	-	-	-	347,348	511,201	182,496
Transfers out	-	(135,913)	-	-	(15,030)	(150,943)	(207,945)
Total other financing sources (uses)	0	(135,913)	0	0	332,318	360,258	161,483
Net change in fund balance	28,123	(137,873)	(139,358)	0	329,869	213,818	(646,248)
Fund balance (deficit) - January 1	(52,947)	137,873	243,692	<u> </u>	264,061	1,223,320	1,579,523
Fund balance (deficit) - December 31	(\$24,824)	\$0	\$104,334	\$0	\$593,930	\$1,437,138	\$933,275
		Prior year ending fur Prior year ending fur prior year and maj 413 Airport Cap 483 2022 Infrast	nd balance for funds repo or in current year: ital Fund	rted as nonmajor in	balance:		\$933,275 (135,789) 182,142
		prior year and non 481 2020 Infrast	major in current year: ructure Bonds	reported as major in		_	243,692
		Current year beginn	ing fund balance			=	\$1,223,320

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# INDIVIDUAL BUDGET TO ACTUAL STATEMENTS SPECIAL REVENUE FUNDS

#### CITY OF GRAND RAPIDS, MINNESOTA

SPECIAL REVENUE FUND - 211 PUBLIC LIBRARY

SCHEDULE OF REVENUES, EXPENDITURES

AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For The Year Ended December 31, 2021

		2020		
	Budgeted A	mounts	Actual	Actual
	Original	Final	Amounts	Amounts
Revenues:				
General property taxes	\$677,282	\$677,282	\$667,279	\$663,785
Intergovernmental:				
State:				
Supplemental aid	33,728	33,728	33,728	33,613
Other	-	-	-	650
Charges for services:				
Townships	128,000	128,000	146,043	144,150
Other	28,732	28,732	30,494	23,449
Fines and forfeits	-	=	220	2,270
Investment income	4,300	4,300	10,982	6,924
Contributions and donations	9,500	9,500	7,819	12,898
Miscellaneous	<u> </u>	<u>-</u>		
Total revenues	881,542	881,542	896,565	887,739
Expenditures:				
Culture and recreation:				
Current:				
Personnel services	571,706	571,706	654,618	648,922
Materials and supplies	92,000	92,000	83,995	62,453
Other services and charges	217,836	217,836	118,336	115,237
Total current	881,542	881,542	856,949	826,612
Capital outlay	-	-	-	5,536
Total expenditures	881,542	881,542	856,949	832,148
Revenues over (under) expenditures		<u>-</u>	39,616	55,591
Other financing sources:				
Transfer in	-	-	-	6,241
Insurance recoveries	-	-	-	=
Total other financing sources (uses)	0	0	0	6,241
Net change in fund balance	\$0	\$0	39,616	61,832
Fund balance - January 1			616,912	555,080
Fund balance - December 31			\$656,528	\$616,912

#### CITY OF GRAND RAPIDS, MINNESOTA

SPECIAL REVENUE FUND - 225 CENTRAL SCHOOL

SCHEDULE OF REVENUES, EXPENDITURES

AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For The Year Ended December 31, 2021

		2020		
	Budgeted A	mounts	Actual	Actual
	Original	Final	Amounts	Amounts
Revenues:		_		
Charges for services:				
Rent	\$70,200	\$70,200	\$47,651	\$73,065
Other	-	=	-	-
Investment income	400	400	431	765
Other	500	500	1,359	349
Total revenues	71,100	71,100	49,441	74,179
Expenditures:				
Culture and recreation:				
Current:				
Materials and supplies	2,100	2,100	1,682	910
Other services and charges	108,620	108,620	110,983	97,831
Total current	110,720	110,720	112,665	98,741
Capital Outlay	5,400	5,400	-	-
Total expenditures	116,120	116,120	112,665	98,741
Revenues over (under) expenditures	(45,020)	(45,020)	(63,224)	(24,562)
Other financing sources:				
Insurance recoveries	-	-	8,293	-
Transfer in	45,020	45,020	50,716	27,464
Total other financing sources (uses)	45,020	45,020	59,009	27,464
Net change in fund balance	\$0	\$0	(4,215)	2,902
Fund balance - January 1			76,674	73,772
Fund balance - December 31			\$72,459	\$76,674

#### CITY OF GRAND RAPIDS, MINNESOTA

SPECIAL REVENUE FUND - 226 AIRPORT OPERATIONS

SCHEDULE OF REVENUES, EXPENDITURES

AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For The Year Ended December 31, 2021

	2021			2020	
	Budgeted Amounts		Actual	Actual	
	Original	Final	Amounts	Amounts	
Revenues:					
Charges for services:					
Rent	\$117,400	\$117,400	\$121,309	\$116,140	
Other	5,902	5,902	8,814	6,205	
Intergovernmental:					
State operations reimbursement	66,488	66,488	66,231	30,689	
Itasca County	20,000	20,000	20,000	20,000	
Federal	-	-	24,158	53,472	
Investment income	1,950	1,950	262	565	
Other	-	-	3,212	-	
Total revenues	211,740	211,740	243,986	227,071	
Expenditures:					
Public works:					
Current:					
Personnel services	91,046	91,046	90,593	115,315	
Materials and supplies	39,250	39,250	31,683	12,228	
Other services and charges	101,444	101,444	114,588	141,281	
Total current	231,740	231,740	236,864	268,824	
Capital outlay	-	-	11,239	6,019	
Total expenditures	231,740	231,740	248,103	274,843	
Revenues over (under) expenditures	(20,000)	(20,000)	(4,117)	(47,772)	
Other financing sources:					
Sale of capital assets	-	-	-	4,000	
Insurance recoveries	-	-	5,914	-	
Transfer in	20,000	20,000	20,000	20,000	
Total other financing sources (uses)	20,000	20,000	25,914	24,000	
Net change in fund balance	<u>\$0</u>	\$0	21,797	(23,772)	
Fund balance - January 1			128,826	152,598	
Fund balance - December 31			\$150,623	\$128,826	

#### CITY OF GRAND RAPIDS, MINNESOTA

SPECIAL REVENUE FUND - 228 IRA CIVIC CENTER

SCHEDULE OF REVENUES, EXPENDITURES

AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For The Year Ended December 31, 2021

		2020			
	Budgeted A	Amounts	Actual	Actual	
	Original	Final	Amounts	Amounts	
Revenues:					
Charges for services:					
Rent	\$589,321	\$589,321	\$588,587	\$421,120	
Concessions	-	-	-	57,215	
Advertising	78,000	78,000	63,130	71,321	
Other	6,800	6,800	8,041	8,635	
Investment income	<del>-</del>	-	1	-	
Total revenues	674,121	674,121	659,759	558,291	
Expenditures:					
Culture and recreation:					
Current:					
Personnel services	258,670	258,670	214,386	225,896	
Materials and supplies	20,200	20,200	13,546	43,469	
Other services and charges	322,883	322,883	386,804	246,411	
Capital outlay	<u>-</u>	-	_	-	
Total expenditures	601,753	601,753	614,736	515,776	
Revenues over (under) expenditures	72,368	72,368	45,023	42,515	
Other financing sources (uses):					
Insurance recoveries	-	-	41,244	-	
Total other financing sources (uses)	0	0	41,244	0	
Net change in fund balance	\$72,368	\$72,368	86,267	42,515	
Fund balance (deficit) - January 1			(133,681)	(176,196)	
Fund balance (deficit) - December 31			(\$47,414)	(\$133,681)	

#### CITY OF GRAND RAPIDS, MINNESOTA

SPECIAL REVENUE FUND - 231 HAZ-MAT

SCHEDULE OF REVENUES, EXPENDITURES

AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For The Year Ended December 31, 2021

		2020			
	Budgeted Amounts		Actual	Actual	
	Original	Final	Amounts	Amounts	
Revenues:					
Other Revenue	\$ -	\$ -	\$ -	\$ -	
Intergovernmental:					
State:					
Haz-Mat reimbursement	60,000	60,000	65,057	59,560	
Total revenues	60,000	60,000	65,057	59,560	
Expenditures:					
Public safety:					
Current:					
Personnel services	26,200	26,200	24,132	18,712	
Materials and supplies	13,800	13,800	13,047	26,401	
Other services and charges	20,000	20,000	17,469	13,265	
Capital outlay	-	-	10,409	1,182	
Total expenditures	60,000	60,000	65,057	59,560	
Revenues over (under) expenditures	\$0	\$0	0	0	
Fund balance - January 1			1,009	1,009	
Fund balance - December 31			\$1,009	\$1,009	

#### CITY OF GRAND RAPIDS, MINNESOTA

SPECIAL REVENUE FUND - 232 POLICE FORFEITURE

SCHEDULE OF REVENUES, EXPENDITURES

AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For The Year Ended December 31, 2021

		2021				
	Budgeted	Budgeted Amounts		Actual		
	Original	Final	Amounts	Amounts		
Revenues:						
Intergovernmental	\$8,000	\$8,000	\$2,438	\$10,136		
Fines and forfeits	-	-	1,861	525		
Investment income	-	-	613	805		
Miscellaneous	500	500	10,113			
Total revenues	8,500	8,500	15,025	11,466		
Expenditures:						
Public safety:						
Current:						
Materials and supplies	3,500	3,500	13,043	10,496		
Other services and charges	2,000	2,000	-	1,200		
Capital outlay	20,000	20,000		-		
Total expenditures	25,500	25,500	13,043	11,696		
Revenues over (under) expenditures	(17,000)	(17,000)	1,982	(230)		
Other financing sources:						
Transfers out	<del>-</del>					
Net change in fund balance	(\$17,000)	(\$17,000)	1,982	(230)		
Fund balance - January 1			76,220	76,450		
Fund balance - December 31			\$78,202	\$76,220		

#### CITY OF GRAND RAPIDS, MINNESOTA

SPECIAL REVENUE FUND - 233 CEMETERY

SCHEDULE OF REVENUES, EXPENDITURES

AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For The Year Ended December 31, 2021

		2021				
	Budgeted A	mounts	Actual	Actual		
	Original	Final	Amounts	Amounts		
Revenues:				_		
General property taxes	\$202,728	\$202,728	\$199,310	\$189,203		
Intergovernmental:						
State:						
Supplemental aid	10,084	10,084	10,084	9,583		
Other	<del>-</del>	-	21,282	0		
Charges for services:						
Cemetery	35,150	35,150	51,908	56,314		
Investment income	650	650	530	648		
Other	1,000	1,000	1,195	1,624		
Total revenues	249,612	249,612	284,309	257,372		
Expenditures:						
Public works:						
Current:						
Personnel services	189,622	189,622	214,954	201,295		
Materials and supplies	14,600	14,600	10,378	13,306		
Other services and charges	45,390	45,390	33,662	32,765		
Capital Outlay	<del>-</del>	-	82,641	32,475		
Total expenditures	249,612	249,612	341,635	279,841		
Revenues over (under) expenditures	-	-	(57,326)	(22,469)		
Other financing sources:						
Transfers in	<u> </u>	<u> </u>	82,585	32,475		
Net change in fund balance	\$0	\$0	25,259	10,006		
Fund balance - January 1		-	110,397	100,391		
Fund balance - December 31		=	\$135,656	\$110,397		

#### CITY OF GRAND RAPIDS, MINNESOTA

SPECIAL REVENUE FUND - 235 DOMESTIC ANIMAL CONTROL FACILITY

SCHEDULE OF REVENUES, EXPENDITURES

AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For The Year Ended December 31, 2021

	2021			2020
	Budgeted A	Budgeted Amounts		Actual
	Original	Final	Amounts	Amounts
Revenues:				_
Intergovernmental	\$3,000	\$3,000	\$3,262	\$3,000
Fines and forfeits	36,500	36,500	22,530	35,281
Donations	-	-	-	-
Miscellaneous	<u> </u>	<u> </u>	<u>-</u>	-
Total revenues	39,500	39,500	25,792	38,281
Expenditures:				
Public safety:				
Current:				
Personnel services	49,251	49,251	47,586	44,908
Materials and supplies	3,500	3,500	3,412	1,978
Other services and charges	18,525	18,525	13,569	14,614
Total expenditures	71,276	71,276	64,567	61,500
Revenues over (under) expenditures	(31,776)	(31,776)	(38,775)	(23,219)
Other financing sources:				
Transfers in	31,776	31,776	37,778	24,100
Net change in fund balance	\$0	\$0	(997)	881
Fund balance - January 1		_	11,504	10,623
Fund balance - December 31		=	\$10,507	\$11,504

## CITY OF GRAND RAPIDS, MINNESOTA

COMBINING STATEMENT OF NET POSITION CUSTODIAL FUNDS

December 31, 2021

With Comparative Totals For December 31, 2020

	872 Lodging Tax	877 Cable TV Commision	Total	
Assets:				
Cash and investments	\$18,232	\$77,554	\$95,786	
Receivables:				
Accounts	-	-	-	
Prepaid items	<del>-</del>	580	580	
Total assets	18,232	78,134	96,366	
Liabilities:				
Accounts payable	18,232	78,134	96,366	
Total liabilities	18,232	78,134	96,366	
Net position:				
Restricted	\$ -	\$ -	\$ -	

## COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION CUSTODIAL FUNDS

For The Year Ended December 31, 2021

With Comparative Totals For The Year Ended December 31, 2020

Statement 36

	872 Lodging Tax	877 Cable TV Commission	Totals	
			2021	2020
Additions:				
Lodging tax collections	\$356,555	\$ -	\$356,555	\$252,385
Cable franchise fee collections	-	259,158	259,158	314,553
Total additions	356,555	259,158	615,713	566,938
Deductions:				
Payments to other entities	337,595	251,467	589,062	546,532
Administrative fees	18,960	7,691	26,651	20,406
Total deductions	356,555	259,158	615,713	566,938
Net increase (decrease) in fiduciary net position	-	-	-	-
Net position - beginning	-	-	-	-
Net position - ending	\$ -	\$ -	\$ -	\$ -

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# **COMPONENT UNIT**

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

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**Statement 37** 

#### CITY OF GRAND RAPIDS, MINNESOTA

COMBINING BALANCE SHEET

ECONOMIC DEVELOPMENT AUTHORITY COMPONENT UNIT

December 31, 2021

With Comparative Totals For December 31, 2020

		Capital	Totals	
Assets	General	Project	2021	2020
Cash and investments	\$18,096	\$866,047	\$884,143	\$954,130
Accounts receivable	ψ10,000 -	47,080	47,080	49,489
Due from other governmental units	<del>-</del>	18,551	18,551	8,857
Inventory - land held for resale	_	3,401,507	3,401,507	2,995,877
Prepaid expenses	_	- , - , <del>-</del>	- y - y	2,000
Notes receivable		1,042,609	1,042,609	1,230,652
Total assets	\$18,096	\$5,375,794	\$5,393,890	\$5,241,005
Liabilities, Deferred Inflows of Resources, and F	und Balance			
Liabilities:				
Accounts payable	\$ -	\$15,799	\$15,799	\$27,061
Deposits payable	-	1,605	1,605	1,535
Due to primary government	-	-	-	600
Due to other governmental units		80,361	80,361	105,452
Total liabilities	0	97,765	97,765	134,648
Deferred inflows of resources:				
Unavailable revenue		4,456,924	4,456,924	4,230,984
Total deferred inflows of resources	0	4,456,924	4,456,924	4,230,984
Fund balance:				
Nonspendable	-	-	-	2,000
Assigned	-	821,105	821,105	870,493
Unassigned	18,096		18,096	2,880
Total fund balance	18,096	821,105	839,201	875,373
Total liabilities, deferred inflows				
of resources, and fund balance	\$18,096	\$5,375,794	\$5,393,890	\$5,241,005

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

**Statement 38** 

For The Year Ended December 31, 2021

With Comparative Totals For The Year Ended December 31, 2020

		Capital	Totals	
	General	Project _	2021	2020
Revenues:				
General property taxes	\$30,000	\$25,175	\$55,175	\$56,221
Intergovernmental	- -	166,417	166,417	747,173
Charges for services	-	3,705	3,705	11,817
Investment income	95	6,913	7,008	9,609
Contributions	-	- -	- -	-
Miscellaneous:				
Loan repayment	-	302,023	302,023	267,922
Other	-	38,039	38,039	36,914
Total revenues	30,095	542,272	572,367	1,129,656
Expenditures:				
Economic development:				
Current:				
Materials and supplies	12	-	12	13
Other services and charges	14,867	289,652	304,519	224,592
Grants issued	-	-	-	411,000
Loan disbursement	-	120,000	120,000	1,045,000
Capital outlay	-	134,927	134,927	-
Debt service:				
Principal	-	210,489	210,489	51,418
Interest		4,092	4,092	12,666
Total expenditures	14,879	759,160	774,039	1,744,689
Revenues over (under) expenditures	15,216	(216,888)	(201,672)	(615,033)
Other financing sources:				
Sale of land held for resale	-	25,500	25,500	175,000
Proceeds from loan issuance	-	140,000	140,000	650,000
Total other financial sources	-	165,500	165,500	825,000
Net change in fund balance	15,216	(51,388)	(36,172)	209,967
Fund balance - January 1	2,880	872,493	875,373	665,406
Fund balance - December 31	\$18,096	\$821,105	\$839,201	\$875,373

III. STATISTICAL SECTION (UNAUDITED)

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#### III. STATISTICAL SECTION (UNAUDITED)

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

#### Contents

#### **Financial Trends**

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

#### **Revenue Capacity**

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

#### **Debt Capacity**

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

#### **Demographic and Economic Information**

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

#### **Operating Information**

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

Sources: Unless otherwise noted, the information in these tables is derived from the comprehensive financial reports for the relevant year.

NET POSITION BY COMPONENT

Last Ten Fiscal Years

	Fiscal Year				
	2012	2013	2014	2015	
Governmental activities:					
Net investment in capital assets	\$30,975,963	\$31,861,617	\$33,830,578	\$33,884,548	
Restricted	12,077,081	12,808,310	10,281,228	9,803,311	
Unrestricted	7,680,276	7,617,727	4,784,327	4,927,309	
Total governmental activities net position	\$50,733,320	\$52,287,654	\$48,896,133	\$48,615,168	
Business type activities:					
Net investment in capital assets	\$2,755,540	\$2,864,018	\$2,894,190	\$2,841,005	
Restricted	-	-	-	-	
Unrestricted	339,608	272,420	424,469	494,673	
Total business-type activities net position	\$3,095,148	\$3,136,438	\$3,318,659	\$3,335,678	
Primary government:					
Net investment in capital assets	\$33,731,503	\$34,725,635	\$36,724,768	\$36,725,553	
Restricted	12,077,081	12,808,310	10,281,228	9,803,311	
Unrestricted	8,019,884	7,890,147	5,208,796	5,421,982	
Total primary government net position	\$53,828,468	\$55,424,092	\$52,214,792	\$51,950,846	

Note: GASB 68 was implemented in 2015. Net position was restated for 2014 to reflect the reporting of net pension liability and pension related deferred outflows of resources. Net postion for years prior to 2014 was not restated.

		Fiscal Y	<sup>7</sup> ear		
2016	2017	2018	2019	2020	2021
\$36,971,014	\$37,512,555	\$40,214,116	\$42,846,042	\$45,277,093	\$48,653,953
10,100,529	13,147,731	10,060,607	10,896,992	10,530,098	9,519,302
2,940,736	(1,186,433)	814,352	1,270,800	2,115,273	3,420,365
\$50,012,279	\$49,473,853	\$51,089,075	\$55,013,834	\$57,922,464	\$61,593,620
\$2,797,345	\$2,904,137	\$2,954,613	\$2,888,261	\$2,708,980	\$2,756,809
-	-	-	-	-	-
337,782	14,513	(60,547)	(74,841)	214,488	624,115
\$3,135,127	\$2,918,650	\$2,894,066	\$2,813,420	\$2,923,468	\$3,380,924
\$39,768,359	\$40,416,692	\$43,168,729	\$45,734,303	\$47,986,073	\$51,410,762
10,100,529	13,147,731	10,060,607	10,896,992	10,530,098	9,519,302
3,278,518	(1,171,920)	753,805	1,195,959	2,329,761	4,044,480
\$53,147,406	\$52,392,503	\$53,983,141	\$57,827,254	\$60,845,932	\$64,974,544

CHANGES IN NET POSITION

Last Ten Fiscal Years

		Fiscal Yo	ear	
	2012	2013	2014	2015
Expenses				
Governmental activities:				
General government	\$2,206,280	\$2,420,199	\$3,701,667	\$2,993,026
Public safety	2,929,368	3,117,628	3,382,829	3,674,182
Public works	6,772,303	5,601,025	5,417,245	5,239,892
Culture and recreation	2,235,595	2,000,748	2,054,143	2,028,067
Interest and fees on long-term debt	921,653	1,309,223	834,833	740,526
Total governmental activities expenses	15,065,199	14,448,823	15,390,717	14,675,693
Business-type activities:				
Golf course	561,484	554,933	554,859	598,114
Storm water utility	341,287	434,932	425,389	440,557
Total business-type activities expenses	902,771	989,865	980,248	1,038,671
Total primary government expenses	\$15,967,970	\$15,438,688	\$16,370,965	\$15,714,364
Program revenues				
Governmental activities:				
Charges for services:				
General government	\$434,949	\$590,194	\$563,808	\$565,218
Public safety	433,622	478,032	527,001	561,365
Public works	419,069	716,553	424,349	323,177
Culture and recreation:	,	,	,	,
Ice rent	440,565	451,836	474,909	484,801
Other activities	521,523	500,351	526,763	532,720
Operating grants and contributions	1,572,878	1,358,914	1,980,477	1,615,576
Capital grants and contributions	3,737,070	3,439,782	1,757,480	806,243
Total governmental activities program revenues	7,559,676	7,535,662	6,254,787	4,889,100
Business-type activities:				
Charges for services:				
Golf course	561,653	524,670	555,588	589,499
Storm water utility	498,189	551,049	553,074	563,011
Operating grants and contributions	-	-	-	-
Capital grants and contributions	100	-	46,388	-
Total business-type activities program revenues	1,059,942	1,075,719	1,155,050	1,152,510
Total primary government program revenues	\$8,619,618	\$8,611,381	\$7,409,837	\$6,041,610
Net (expense) revenue:				
Governmental activities	(\$7,505,523)	(\$6,913,161)	(\$9,135,930)	(\$9,786,593)
Business-type activities	157,171	85,854	174,802	113,839
Total primary government net (expense) revenue	(7,348,352)	(6,827,307)	(8,961,128)	(9,672,754)
1 70 (1 /	(-)	(-///	(-)	(- ) ),)

Table 2 Page 1 of 2

2016	2017	2018	2019	2020	2021
\$3,649,895	\$3,096,685	\$3,027,254	\$4,330,097	\$4,566,308	\$3,727,83
4,208,454	3,807,777	3,551,574	3,872,939	3,811,071	3,907,04
5,646,605	6,368,065	6,569,274	8,735,821	7,451,179	6,633,80
2,367,449	2,327,649	2,387,392	2,215,769	1,825,496	1,954,82
731,702	871,133	662,757	654,344	625,932	715,15
16,604,105	16,471,309	16,198,251	19,808,970	18,279,986	16,938,66
651,127	683,231	628,752	630,928	636,642	712,09
688,176	701,325	755,772	743,983	657,178	613,52
1,339,303	1,384,556	1,384,524	1,374,911	1,293,820	1,325,62
\$17,943,408	\$17,855,865	\$17,582,775	\$21,183,881	\$19,573,806	\$18,264,29
\$458,276	\$559,770	\$425,485	\$1,126,227	\$649,606	\$591,9
580,225	587,714	614,953	717,861	781,224	879,3
326,167	1,048,588	897,927	488,316	1,387,390	505,4
496,778	509,811	526,840	562,840	421,120	588,5
551,263	531,064	463,216	450,658	383,881	305,2
2,262,521	1,179,042	1,878,743	2,536,708	3,169,921	2,153,6
3,523,916	1,410,953	2,730,703	7,022,082	1,088,517	4,403,2
8,199,146	5,826,942	7,537,867	12,904,692	7,881,659	9,427,6
569,276	567,053	582,728	597,184	653,736	781,7
567,357	592,947	718,751	696,628	746,488	875,8
-	-	-	-	-	-
<u> </u>		<u> </u>	<u> </u>	<u> </u>	115,4
1,136,633	1,160,000	1,301,479	1,293,812	1,400,224	1,773,0
\$9,335,779	\$6,986,942	\$8,839,346	\$14,198,504	\$9,281,883	\$11,200,6
(\$8,404,959)	(\$10,644,367)	(\$8,660,384)	(\$6,904,278)	(\$10,398,327)	(\$7,511,0
(202,670)	(224,556)	(83,045)	(81,099)	106,404	447,3
(8,607,629)	(10,868,923)	(8,743,429)	(6,985,377)	(10,291,923)	(7,063,6
(0,007,027)	(10,000,723)	(0,/=3,=47)	(0,703,311)	(10,4)1,243)	(7,003,0

CHANGES IN NET POSITION

Last Ten Fiscal Years

		Fiscal Ye	ear	
	2012	2013	2014	2015
General revenues and other changes in net position				
Governmental activities:				
Taxes	\$5,725,515	\$5,896,074	\$6,022,589	\$6,640,739
Payments in lieu of taxes (PILOT)	854,998	901,179	903,494	902,766
Unrestricted grants and contributions	1,382,817	1,442,510	1,740,285	1,742,132
Investment earnings	128,235	80,298	122,519	109,041
Gain on sale of capital assets	83,853	67,523	6,900	- -
Insurance recoveries and other	63,471	26,696	20,924	7,450
Special item - Grand Rapids / Itasca County Airport	<del>-</del>	- -	- -	-
Special item - merger with Grand Rapids Township	-	=	-	-
Transfers	103,500	53,215	3,500	103,500
Total governmental activities	8,342,389	8,467,495	8,820,211	9,505,628
Business-type activities:				
Unrestricted grants and contributions	-	-	-	-
Investment earnings	5,885	3,385	6,919	6,349
Gain on sale of capital assets	5,530	5,266	- -	331
Insurance recoveries	- -	· =	4,000	-
Transfers	(103,500)	(53,215)	(3,500)	(103,500)
Total business-type activities	(92,085)	(44,564)	7,419	(96,820)
Total primary government	\$8,250,304	\$8,422,931	\$8,827,630	\$9,408,808
Change in net position:				
Government activities	\$3,402,619	\$961,972	\$1,907,050	\$369,698
Business-type activities	40,858	112,607	93,273	77,982
Total primary government	\$3,443,477	\$1,074,579	\$2,000,323	\$447,680

Note: GASB 68 was implemented in 2015. Pension expense for years prior to 2015 was not restated.

Table 2 Page 2 of 2

Fiscal Year							
2016	2017	2018	2019	2020	2021		
\$6,945,795	\$7,239,603	\$7,354,409	\$7,629,869	\$7,659,562	\$7,924,86		
903,478	906,119	915,788	913,682	911,762	914,88		
1,776,992	1,759,578	1,864,606	1,843,498	2,086,492	2,096,96		
107,331	121,034	133,871	206,030	136,466	107,623		
14,196	60,429	21,576	199,455	2,512,675	67,402		
50,778	15,678	14,856	-	-	70,478		
-	-	-	-	-	-		
-	-	-	33,003	-	-		
3,500	3,500	(29,500)	3,500		-		
9,802,070	10,105,941	10,275,606	10,829,037	13,306,957	11,182,219		
-	1,000	=	=	-	-		
5,619	3,884	3,322	3,953	3,644	5,229		
-	5,750	895	-	-	-		
-	945	24,744	-	-	-		
(3,500)	(3,500)	29,500	(3,500)	-	-		
2,119	8,079	58,461	453	3,644	5,229		
\$9,804,189	\$10,114,020	\$10,334,067	\$10,829,490	\$13,310,601	\$11,187,44		
\$15,477	\$1,700,982	(\$368,761)	\$3,924,759	\$2,908,630	\$3,671,15		
115,958	(194,591)	(166,095)	(80,646)	110,048	452,61		
\$131,435	\$1,506,391	(\$534,856)	\$3,844,113	\$3,018,678	\$4,123,77		

FUND BALANCES - GOVERNMENTAL FUNDS  $^{(1)}$  Last Ten Fiscal Years

		Fisca	l Year	
	2012	2013	2014	2015
General Fund:			_	
Fund balance:				
Nonspendable	\$882,863	\$607,301	\$401,947	\$306,783
Restricted	13,186	12,479	14,268	17,185
Committed	156,520	243,403	331,201	422,995
Unassigned	4,463,866	4,633,494	4,903,066	5,253,912
Total general fund	5,516,435	5,496,677	5,650,482	6,000,875
All other governmental funds:				
Fund balance:				
Nonspendable	408,722	206,417	23,387	26,659
Restricted	7,830,851	8,922,847	6,607,864	7,012,776
Committed	662,669	601,378	636,819	646,943
Assigned	1,989,644	1,684,947	1,819,910	2,076,696
Unassigned	(964,192)	(546,851)	(117,775)	(184,210)
Total all other government funds	9,927,694	10,868,738	8,970,205	9,578,864
Total all funds	\$15,444,129	\$16,365,415	\$14,620,687	\$15,579,739

	Fiscal Year							
2016	2017	2018	2019	2020	2021			
\$636,954	\$1,108,226	\$1,146,321	\$1,236,463	\$1,471,076	\$1,652,993			
17,577	21,677	19,419	22,535	35,950	39,516			
517,869	613,922	713,901	817,236	925,572	1,049,832			
5,066,530	4,526,746	4,339,372	4,544,575	4,909,111	4,812,207			
6,238,930	6,270,571	6,219,013	6,620,809	7,341,709	7,554,548			
10.224	27.251	20.120	70 720	52.041	45 100			
18,334	37,351	38,130	79,738	52,941	45,109			
7,033,902	9,945,077	7,212,565	7,108,403	6,792,754	6,282,145			
804,728	748,398	736,371	780,416	853,737	931,143			
1,480,898	1,433,487	2,110,453	1,677,812	1,811,774	2,364,975			
(579,562)	(929,731)	(798,902)	(537,062)	(944,929)	(1,920,561)			
8,758,300	11,234,582	9,298,617	9,109,307	8,566,277	7,702,811			
\$14,997,230	\$17,505,153	\$15,517,630	\$15,730,116	\$15,907,986	\$15,257,359			

# CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS Last Ten Fiscal Years

	Fiscal Year				
	2012	2013	2014	2015	
Revenues					
Taxes	\$6,553,504	\$6,772,986	\$6,951,608	\$7,549,081	
Licenses and permits	202,354	324,015	275,941	343,241	
Intergovernmental	4,434,468	4,671,032	5,014,278	3,887,034	
Special assessments	1,546,363	1,760,500	990,937	835,650	
Charges for services	3,658,568	2,160,357	2,021,418	1,945,088	
Fines and forfeits	160,984	204,756	172,374	150,911	
Investment income	128,235	80,298	122,519	109,041	
Other	350,181	388,486	441,708	378,950	
Total revenues	17,034,657	16,362,430	15,990,783	15,198,996	
Expenditures:					
Current:					
General government	1,864,611	2,013,753	2,591,609	2,318,002	
Public safety	2,639,573	2,829,259	3,074,009	3,224,886	
Public works	2,786,207	2,853,198	3,188,479	2,575,664	
Culture and recreation	1,709,487	1,731,099	1,735,137	1,720,627	
Miscellaneous	393,733	523,877	570,460	545,535	
Capital outlay/construction	7,640,162	6,370,341	3,698,823	749,073	
Decertify TIF districts	· · ·	-	- -	-	
Debt service:					
Principal retirement	3,239,850	3,925,000	5,040,000	2,475,000	
Interest	802,977	881,735	815,457	764,607	
Paying agent fees	8,630	8,855	8,775	8,000	
Bond issuance costs	127,049	112,905	70,491	-	
Total expenditures	21,212,279	21,250,022	20,793,240	14,381,394	
Revenues over (under) expenditures	(4,177,622)	(4,887,592)	(4,802,457)	817,602	
Other financing sources (uses):					
Sale of capital assets	51,788	55,254	6,900	2,000	
Capital lease proceeds	-	-	-	-	
Issuance of refunding bonds	_	1,525,000	_	_	
Bond issuance/bond premium	7,397,605	4,134,377	3,000,000	_	
Insurance recoveries	105,707	41,032	47,329	35,950	
Redemption of refunded bonds	-	-	-	-	
Payment to refunded bond escrow agent	_	_	_	_	
Transfers in	705,445	1,855,266	1,053,297	602,038	
Transfers out	(601,945)	(1,802,051)	(1,049,797)	(498,538	
Total other financing sources (uses)	7,658,600	5,808,878	3,057,729	141,450	
Special items:					
Grand Rapids / Itasca County Airport	_	_	_	_	
Merger with Grand Rapids Township					
Net change in fund balance	\$3,480,978	\$921,286	(\$1,744,728)	\$959,052	
-	φυ, <del>4</del> ου,77ο	\$721,200	(φ1,/++,/20)	φ939,032	
Debt service as a percentage of	28.2%	28.8%	33.4%	23.5%	

Table 4

		Fiscal Y			
2016	2017	2018	2019	2020	2021
\$7,802,196	\$8,179,557	\$8,217,883	\$8,490,925	\$8,536,045	\$8,758,762
259,518	332,376	212,505	499,947	450,688	384,777
5,726,983	3,771,612	5,860,934	10,498,053	5,742,470	8,423,475
989,932	631,282	762,813	514,977	432,474	341,486
1,980,441	2,083,233	2,089,178	2,163,196	2,067,732	2,219,548
140,003	116,367	114,828	112,553	92,407	98,337
107,331	121,034	133,871	206,030	136,466	107,623
899,017	1,093,069	712,397	312,273	1,063,428	242,963
17,905,421	16,328,530	18,104,409	22,797,954	18,521,710	20,576,971
3,047,872	2,404,189	2,426,762	3,525,148	2,960,690	3,094,350
3,338,016	3,340,909	3,608,088	3,798,604	3,847,373	4,020,689
2,731,258	2,822,303	2,795,132	2,864,435	2,984,860	3,275,655
1,947,341	1,931,650	2,015,958	1,869,413	1,525,058	1,663,705
514,541	553,452	562,856	332,564	1,214,096	569,299
5,870,681	4,736,594	4,546,229	8,813,591	7,745,469	12,160,921
-	91,038	-	95,693	-	-
2,590,000	2,597,000	5,420,000	2,480,000	2,480,000	2,515,000
711,789	680,534	669,089	629,512	613,237	578,766
7,600	7,150	6,250	6,350	6,850	6,600
52,693	112,018	60,199	50,948	57,920	116,617
20,811,791	19,276,837	22,110,563	24,466,258	23,435,553	28,001,602
(2,906,370)	(2,948,307)	(4,006,154)	(1,668,304)	(4,913,843)	(7,424,631
55,400	133,885	47,887	210,616	2,526,905	51,402
-	-	-	-	-	-
-	3,013,286	-	-	2,275,000	6,255,000
2,214,183	2,289,881	1,973,026	1,647,547	83,520	370,304
50,778	15,678	27,218	19,127	206,288	97,298
-	-	-	-	-	-
-	-	-	-	-	-
1,002,717	4,116,142	2,096,040	982,070	806,486	1,297,912
(999,217)	(4,112,642)	(2,125,540)	(978,570)	(806,486)	(1,297,912
2,323,861	5,456,230	2,018,631	1,880,790	5,091,713	6,774,004
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	-
	<del>-</del> -	<del>-</del> -	<del>-</del> -	<del>-</del> -	-
(\$582,509)	\$2,507,923	(\$1,987,523)	\$212,486	\$177,870	(\$650,627
22.1%	21.3%	32.8%	16.7%	16.5%	16.4%

PROGRAM REVENUES BY FUNCTION/PROGRAM

Last Ten Fiscal Years

	Fiscal Year						
	2012	2013	2014	2015			
Function/Program							
Governmental activities:							
General government	\$493,124	\$597,344	\$566,308	\$594,476			
Public safety	1,073,037	1,100,379	1,122,613	1,141,745			
Public works	4,825,540	4,537,627	3,325,271	1,922,976			
Culture and recreation	1,014,136	1,066,206	1,059,045	1,070,269			
Other	-	-	-	-			
Total governmental activities program revenues	7,405,837	7,301,556	6,073,237	4,729,466			
Business-type activities:							
Golf course	561,753	524,670	555,588	589,499			
Storm water utility	498,189	551,049	553,074	563,011			
Total business-type activities program revenues	1,059,942	1,075,719	1,108,662	1,152,510			
Total primary government program revenues	\$8,465,779	\$8,377,275	\$7,181,899	\$5,881,976			

Fiscal Year							
2016	2017	2018	2019	2020	2021		
<b>00</b> 04 ( <b>0</b> 6	<b>**</b> **********************************	\$40 C <b>50 5</b>	<b>0.1.0.51.0.50</b>	<b>01 (07 11</b> )	<b>#1.252</b> (15		
\$781,676	\$567,926	\$486,735	\$1,261,059	\$1,627,440	\$1,352,643		
1,083,258	1,133,127	1,154,522	1,393,344	1,322,337	1,516,232		
3,971,370	2,785,332	4,360,082	8,941,143	3,638,837	5,628,437		
2,115,700	1,108,439	1,494,977	1,255,309	1,263,344	905,912		
-	232,118	41,551	34,710	29,701	24,376		
7,952,004	5,826,942	7,537,867	12,885,565	7,881,659	9,427,600		
569,276	567,053	582,728	597,184	653.736	781,728		
567,357	592,947	718,751	696,628	746,488	875,888		
1,136,633	1,160,000	1,301,479	1,293,812	1,400,224	1,657,616		
\$9,088,637	\$6,986,942	\$8,839,346	\$14,179,377	\$9,281,883	\$11,085,216		

Table 6

#### CITY OF GRAND RAPIDS, MINNESOTA

TAX CAPACITY VALUE AND ESTIMATED MARKET VALUE OF TAXABLE PROPERTY

Last Ten Fiscal Years

Fiscal Year Ended December 31	Residential Property	Commercial/ Industrial Property	All Other	Total Tax Capacity	Less: Fiscal Disparity Contribution	Adjusted Tax Capacity Value	Total Direct Tax Rate	Estimated Market Value	Tax Capacity as a Percent of EMV
2012	4,709,194	4,226,300	445,047	9,380,541	1,075,330	8,305,211	69.485	780,687,600	1.06%
2013	4,505,919	4,181,742	653,369	9,341,030	1,127,446	8,213,584	68.999	769,618,250	1.07%
2014	4,496,682	3,933,451	618,235	9,048,368	1,120,826	7,927,542	79.308	754,740,246	1.05%
2015	4,571,503	3,906,927	681,838	9,160,268	933,840	8,226,428	79.245	762,916,480	1.08%
2016	4,724,671	3,974,339	819,387	9,518,397	1,109,824	8,408,573	79.232	786,530,358	1.07%
2017	4,756,343	3,960,710	882,231	9,599,284	1,192,888	8,406,396	82.208	792,082,220	1.06%
2018	4,757,558	3,908,563	937,951	9,604,072	1,216,383	8,387,689	82.493	795,696,602	1.05%
2019	5,115,784	3,801,713	910,424	9,827,921	1,219,912	8,608,009	83.290	824,925,900	1.04%
2020	5,144,945	3,818,146	789,321	9,752,412	1,152,780	8,599,632	83.457	822,147,100	1.05%
2021	5,258,120	3,870,142	769,972	9,898,234	1,094,170	8,804,064	83.454	836,239,865	1.05%

Source: Itasca County Auditor's Office

DIRECT AND OVERLAPPING PROPERTY TAX RATES

Last Ten Fiscal Years

Table 7

	Direct Rat	e - City of Grand R	apids				
Fiscal Year	Operating	Debt	Total	Itasca County	School District #318	Special Taxing District	Overlapping Tax Rate
2012	54.893	14.592	69.485	47.702	17.774	0.228	135.189
2013	54.778	14.221	68.999	50.869	17.862	0.247	137.977
2014	60.623	18.685	79.308	53.852	18.583	0.260	152.003
2015	59.934	19.311	79.245	55.038	16.618	0.115	151.016
2016	62.105	17.127	79.232	58.157	16.530	0.296	154.215
2017	63.426	18.782	82.208	60.240	16.909	0.293	159.650
2018	63.881	18.612	82.493	62.465	17.189	0.254	162.401
2019	65.202	18.088	83.290	64.844	24.182	0.298	172.614
2020	65.307	18.150	83.457	67.034	23.901	0.305	174.697
2021	66.095	17.359	83.454	62.770	21.635	0.281	168.140

Source: Itasca County Auditor's Office

#### PRINCIPAL PROPERTY TAXPAYERS

Current Year and Nine Years Ago

Table 8

	-	2021			2012	
Taxpayer	Taxable Capacity Value	Rank	Percentage of Total City Capacity Value	Taxable Capacity Value	Rank	Percentage of Total City Capacity Value
UPM Blandin Paper Mill	\$540,541	1	5.48%	\$723,541	1	7.85%
Enbridge Energy, LP	355,972	2	3.61%	266,807	2	2.90%
Wal-Mart Stores	158,024	3	1.60%	224,356	3	2.43%
Enbridge Energy Pipelines	126,850	4	1.28%	139,206	4	1.51%
Majestic Pines	125,977	5	1.28%	,		
Grand Hospitality LLC	123,700	6	1.25%	131,077	5	1.42%
Grand Rapids Healthcare	118,341	7	1.20%			
Grand Itasca Clinic & Hospital	112,267	8	1.14%	119,112	6	1.29%
ASV, Inc. *	110,910	9	1.12%			
Arrowhead Promotion & Fulfillment Co	103,964	10	1.05%	113,340	8	1.23%
Target Corporation				116,982	7	1.27%
Home Depot USA, Inc				108,352	9	1.18%
Grand Rapids State Bank				80,925	10	0.88%
Total principal taxpayers	1,876,546		19.01%	2,023,698		21.96%
All other taxpayers	7,995,986		80.99%	7,191,071		78.04%
Total	\$9,872,532		100.00%	\$9,214,769		100.00%

Source: Itasca County Auditor's Office

Current Property Valuations, Net Tax Capacity by Classification, Trend of Valuations and Larger Taxpayers have been furnished by Itasca County.

<sup>\*</sup>Formerly Terex Corp., Inc.

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

Table 9

Fiscal Year	Taxes Levied		Collected within the Fiscal Year of the Levy		Total Collections to Date	
Ended December 31	for the Fiscal Year	Amount	Percentage of Levy	Subsequent Years	Amount	Percentage of Levy
2012	\$5,910,987	\$5,863,061	99.19%	\$46,826	\$5,909,887	99.98%
2013	6,125,207	6,013,791	98.18%	101,422	6,115,213	99.84%
2014	6,281,859	6,201,927	98.73%	79,932	6,281,859	100.00%
2015	6,845,166	6,774,792	98.97%	70,374	6,845,166	100.00%
2016	6,951,560	6,847,996	98.51%	86,123	6,934,119	99.75%
2017	7,258,674	7,169,418	98.77%	47,974	7,217,392	99.43%
2018	7,408,178	7,249,845	97.86%	54,730	7,304,575	98.60%
2019	7,689,023	7,545,606	98.13%	60,840	7,606,446	98.93%
2020	7,793,670	7,698,321	98.78%	40,614	7,738,935	99.30%
2021	8,079,328	7,864,173	97.34%	-	7,864,173	97.34%

Source: Itasca County Auditor's Office

RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years

Table 10

	General Obligation	Gov General Obligation	vernmental Activ Tax Increment	vities Other	Total Governmental	Business-type Activities Capital	Total Primary	Bonded Debt Per
Fiscal Year	Bonds	Impr Bonds	Bonds	Debt	Activities	Leases	Government	Capita
2012	\$3,255,000	\$22,530,000	\$820,000	\$1,200,843	\$27,805,843	\$ -	\$27,805,843	2,558
2013	6,835,000	20,600,000	805,000	1,264,593	29,504,593	-	29,504,593	2,715
2014	6,475,141	20,054,957	790,000	108,868	27,428,966	-	27,428,966	2,524
2015	5,794,793	18,268,519	770,000	85,224	24,918,536	-	24,918,536	2,293
2016	7,276,630	16,417,458	750,000	61,580	24,505,668	-	24,505,668	2,255
2017	8,821,458	17,584,683	730,000	40,936	27,177,077	111,968	27,289,045	2,386
2018	9,664,438	13,270,296	705,000	27,292	23,667,026	85,564	23,752,590	2,086
2019	10,678,913	11,416,220	680,000	13,648	22,788,781	58,129	22,846,910	2,006
2020	12,429,876	9,537,720	650,000	-	22,617,596	29,621	22,647,217	1,988
2021	18,320,191	7,751,432	615,000	-	26,686,623	-	26,686,623	2,399

Note: Personal income not available.

Excludes component units.

Includes unamortized issuance premium for 2014 through 2021

Table 11

#### CITY OF GRAND RAPIDS, MINNESOTA

RATIOS OF GENERAL BONDED DEBT OUTSTANDING

Last Ten Fiscal Years

	General Bonded Debt Outstanding										
Fiscal Year	General Obligation Bonds $c$	Less Amounts Restricted for Debt service	Net General Obligation Bonded Debt	Percentage of Estimated Market Value a	Bonded Debt Per Capita <i>b</i>						
2012	\$3,255,000	\$148,221	\$3,106,779	0.3980%	285.84						
2013	6,835,000	959,776	5,875,224	0.7634%	540.55						
2014	6,475,141	1,232,228	5,242,913	0.6947%	482.37						
2015	5,794,793	1,252,221	4,542,572	0.5954%	417.94						
2016	7,276,630	2,100,311	5,176,319	0.6581%	476.25						
2017	8,821,458	2,913,286	5,908,172	0.7459%	516.67						
2018	9,664,438	2,690,044	6,974,394	0.8765%	612.38						
2019	10,678,913	3,716,614	6,962,299	0.8440%	611.32						
2020	12,429,876	3,903,822	8,526,054	1.0370%	748.56						
2021	18,320,191	4,051,168	14,269,023	1.7063%	1,282.49						

a See Table 6 for Estimated Market Value data.

b Population can be found in Table 14.

c Includes unamortized issuance premium for 2014 through 2021

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

December 31, 2021

Table 12

Direct debt	Net Debt Outstanding	% of Debt Applicable to City <sup>(2)</sup>	City of Grand Rapids Share of Debt
City of Grand Rapids (1)	\$26,686,623	100.00%	\$26,686,623
Overlapping debt:			
Itasca County	68,245,000	13.58%	9,270,870
School District 318	56,195,000	19.61%	11,020,270
Total overlapping debt	124,440,000		20,291,139
Total direct and overlapping debt	\$151,126,623		\$46,977,762

Source: Itasca County Auditor's Office

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

(1) Includes all debt related to governmental activities as presented in Table 10, which includes unamortized bond premiums of \$806,627.

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

Table 13

#### Legal Debt Margin Calculation for Fiscal Year 2021

Estimated Market value Debt limit percentage*	\$836,239,865 3%
Debt limit amount	25,087,196
Debt applicable to limit:	
Lease revenue bonds	-
General obligation bonds	18,320,191
	18,320,191
Less:	
Cash and equivalents in G.O. Bond Debt Service Funds	(2,572,388)
Total net debt applicable to limit	15,747,803
Legal debt margin	\$9,339,393

#### Legal Debt Margin Calculation for Fiscal Years 2012 Through 2021

Fiscal Year	Population	Debt Limit	Net Debt Applicable to Limit	Legal Debt Margin	Amount of Debt Applicable to Debt Limit	Net Bonded Debt per Capita
2012	10,869	\$23,420,628	\$2,565,287	\$20,855,341	10.95%	236.02
2013	10,869	23,088,548	5,798,436	17,290,112	25.11%	533.48
2014	10,869	22,642,207	5,393,126	17,249,081	23.82%	496.19
2015	10,869	22,887,494	4,581,451	18,306,043	20.02%	421.52
2016	10,869	23,595,911	5,471,587	18,124,324	23.19%	503.41
2017	11,435	23,762,467	6,588,263	17,174,204	27.73%	576.15
2018	11,389	23,870,898	7,606,103	16,264,795	31.86%	667.85
2019	11,389	24,747,777	8,386,527	16,361,250	33.89%	736.37
2020	11,390	24,664,413	10,002,051	14,662,362	40.55%	878.14
2021	11,126	25,087,196	15,747,803	9,339,393	62.77%	1,415.41

Source: Itasca County Auditors Office and City Finance Department

PLEDGED REVENUE COVERAGE

Last Ten Fiscal Years

Table 14

		Improveme		Tax Increme	ent Bonds			
	Special	<b>.</b>			Tax			
	Assessment	Debt Se	ervice		Increment	Debt So	ervice	
Fiscal Year	Collections	Principal	Interest	Coverage	Collections	Principal	Interest	Coverage
2012	\$762,948	\$1,490,000	\$589,994	36.68%	\$172,671	\$15,000	\$36,497	335.30%
2013	697,612	1,610,000	587,496	31.75%	193,981	15,000	35,934	380.85%
2014	609,576	1,645,000	466,922	28.86%	180,957	15,000	35,371	359.25%
2015	551,895	1,315,000	437,515	31.49%	237,023	20,000	34,715	433.20%
2016	514,410	1,505,000	416,830	26.77%	372,139	20,000	33,965	689.59%
2017	412,018	1,495,000	380,497	21.97%	383,897	20,000	33,170	722.02%
2018	447,143	1,450,000	344,854	24.91%	362,772	25,000	28,371	679.72%
2019	404,464	1,510,000	296,329	22.39%	227,734	25,000	19,900	507.20%
2020	314,002	1,505,000	256,638	17.82%	228,705	30,000	19,076	466.02%
2021	258,644	1,420,000	215,700	15.81%	235,563	35,000	18,100	443.62%

Special assessment collections do not include prepayments.

Excludes component units.

DEMOGRAPHIC AND ECONOMIC STATISTICS

Last Ten Fiscal Years

Table 15

Fiscal Year	Population	Personal Income	Per Capita Personal Income	Unemployment Rate				
2012	10,869		9.90%					
2013	10,869							
2014	10,869			6.70%				
2015	10,869			8.47%				
2016	10,869	Information	Information Not Available					
2017	11,435			6.10%				
2018	11,389			5.60%				
2019	11,389			5.28%				
2020	11,390			7.52%				
2021	11,126			4.61%				

Source: Minnesota Department of Employment and Economic Development

PRINCIPAL EMPLOYERS

Current Year and Nine Years Ago

Table 16

		2021			2012	
_			Percentage			Percentage
			of Total City			of Total City
Taxpayer	Employees	Rank	Employment	Employees	Rank	Employment
ISD #318(1)	1,086	1	11.66%	600	1	6.49%
Grand Itasca Clinic & Hospital	680	2	7.30%	600	2	6.49%
Itasca County	454	3	4.88%	390	4	4.22%
Northland Counseling Center, Inc	250	4	2.68%			
UPM Blandin Paper Mill	225	5	2.42%	450	3	4.87%
Arrowhead Promo & Fulfillment	220	6	2.36%	290	5	3.14%
ASV Inc.(3)	215	7	2.31%	220	8	2.38%
Wal-Mart	183	8	1.97%	280	6	3.03%
City of Grand Rapids(1)	189	9	2.03%	225	7	2.43%
Grand Village Nursing Home(2)	150	10	1.61%	160	9	1.73%
Itasca Community College				140	10	1.51%
				- 10		-121
Total	3,652		39.22%	3,355		36.28%
All other employers	5,659		60.78%	5,892		63.72%
Till other employers			00.7070	3,072		03.7270
Total	9,311		100.00%	9,247		100.00%

Source: Minnesota Department of Employment and Economic Development Source: ReferenceUSA, written and telephone survey (June 2020).

- (1) Includes full-and part-time employees.
- (2) Formerly known as Itasca County Nursing Home.
- (3) Formerly Terex Corp., Inc.

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM Last Ten Fiscal Years

Table 17

	Full-time Equivalent Employees as of December 31									
Function/Program	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General government:										
Administration	4.00	4.00	4.00	4.00	4.00	4.00	3.00	4.00	4.00	4.00
Finance	4.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Community development	4.05	4.05	4.05	4.05	4.55	4.55	4.55	5.55	5.55	4.55
Engineering	2.45	2.45	2.45	2.45	2.45	3.45	3.45	4.45	4.45	4.45
Information technology	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Police officers and dispatchers	21.50	21.50	22.50	22.50	22.50	25.50	26.50	27.50	27.70	24.70
Public works	14.00	14.00	14.00	14.00	14.00	16.00	17.00	18.00	20.00	20.00
Parks and recreation	3.00	3.00	3.00	3.00	3.00	3.00	2.00	3.00	2.00	2.00
Library	8.75	8.75	8.75	8.75	8.50	8.50	8.50	8.50	6.50	7.50
Golf course	2.00	2.00	2.00	2.00	2.00	2.00	1.00	1.00	1.00	2.00
Total	65.75	66.75	67.75	67.75	68.00	74.00	73.00	79.00	78.20	76.20

The City has 30 paid-on-call firefighters.

Source: City Finance Department

Table 18

#### CITY OF GRAND RAPIDS, MINNESOTA

OPERATING INDICATORS BY FUNCTION/PROGRAM

Last Ten Fiscal Years

Function/Program	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Police:										
Physical and sexual assaults	449	605	460	441	346	145	218	230	231	191
Parking citations	579	537	314	239	208	590	487	451	370	337
DUI arrests	199	135	211	117	110	94	72	73	52	56
Traffic citations	2,764	2,113	1,544	2,175	1,579	1,366	1232	1381	863	953
Accidents	536	543	568	495	451	416	535	412	320	358
Fire:	330	313	300	173	131	110	333	112	320	330
Emergency responses	200	174	138	167	182	212	146	199	203	219
Haz-Mat responses	4	14	36	53	17	13	3	0	1	1
Inspections	69	62	100	55	6	5	8	19	28	26
Community development:	**				-	_				
Permits issued:										
Commercial	133	138	96	110	120	153	120	107	113	134
Governmental	14	16	25	20	29	22	12	12	13	14
Residential	495	442	373	401	405	382	393	442	386	378
Public works:										
Streets swept (miles)	93	93	93	93	93	93	93	94	94	94
Roads (miles)	93	93	93	93	93	93	93	94	94	94
Streetlights	1,321	1,326	1,325	1,325	1,325	1,578	1584	1630	1624	1,696
Parks and recreation:										
Playgrounds	10	10	10	11	11	11	11	11	11	11
Baseball/softball fields	7	7	7	7	7	7	7	7	7	7
Soccer fields	3	3	3	3	3	3	2	3	3	3
Skate park	1	1	1	1	1	1	1	1	1	1
Library:										
Volumes in collection	79,866	75,343	75,173	75,751	74,541	70,991	73,332	74,073	73,670	72,425
Total volumes borrowed	187,035	183,311	172,438	173,954	163,483	160,089	183,169	191,876	98,190	131,131
Golf course:										
Number of passes sold										
Junior*	64	57	59	77	57	46	42	40	62	48
Young adult*	38	18	14	15	12	11	11	10	34	38
Single	120	106	110	107	128	113	99	101	101	127
Family	79	63	63	74	63	60	64	62	48	56

<sup>\*</sup>Junior = Children ages 10 to 18 \*Young Adult=Ages 19 to 24 Source: Various City Departments

#### CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM

Last Ten Fiscal Years

Table 19

	Fiscal Year									
Function/Program	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	20	20	20	20	20	20	22	20	20	20
Fire stations	2	2	2	2	2	2	2	2	2	1
Public works:										
Miles of streets maintained	93	93	93	93	95	95	95	95	94	94
Miles of sidewalks maintained	91	91	91	100	103	103	104	103	48	48
Miles of curbs and gutters maintained	112	112	112	112	113	113	113.5	113	113	113
Parks and recreation:										
Community parks and playgrounds	24	24	24	26	25	25	25	25	25	25
Total acres	227	227	227	350	350	350	350	350	350	350

Source: Various City Departments

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IV. OTHER INFORMATION (UNAUDITED)

# COMBINED SCHEDULE OF INDEBTEDNESS

December 31, 2021

	Interest Rates	Issue Date	Final Maturity Date
General Obligation Tax Increment Bonds:			
Refunding TIF Bonds Series 2017B	4.20 - 4.60	12/28/2017	2/1/2034
Total General Obligation Tax Increment Bonds			
General Obligation Improvement Bonds:			
Improvement Bonds of 2007B	4.00 - 4.10	12/15/2007	4/1/2022
Improvement Bonds of 2009C	1.85 - 4.3	9/1/2009	2/1/2025
Improvement Bonds of 2010A	0.75 - 3.625	11/1/2010	2/1/2026
Improvement Refunding Bonds of 2011B	0.50 - 3.15	12/1/2011	2/1/2027
Improvement Bonds of 2012A	0.50 - 3.25	4/1/2012	2/1/2028
Improvement Bonds of 2012B	0.40 - 2.60	4/1/2012	10/1/2027
Improvement Bonds of 2013A	.30 - 1.35	5/8/2013	2/1/2021
Improvement Bonds of 2014A	0.50 - 2.90	11/1/2014	2/1/2030
Improvement Refunding Bonds of 2017B	2.3 - 3.0	12/28/2017	2/1/2034
Total General Obligation Improvement Bonds			
Other General Obligation Debt:			
Street Reconstruction Bonds of 2013B	3.00-3.50	9/1/2013	2/1/2029
Street Reconstruction Bonds of 2016A	0.850 - 2.2	10/5/2016	2/1/2032
Street Reconstruction Bonds of 2017A	3.0 - 3.45	9/7/2017	2/1/2033
Street Reconstruction Bonds of 2018A	3.0 - 3.25	10/18/2018	2/1/2034
G.O. Bonds of 2019A	2.0 - 3.0	9/5/2019	2/1/2035
Street Reconstruction Bonds of 2020A	1.60 - 2.00	11/5/2020	2/1/2036
G.O. Bonds of 2021B	2.00 - 2.75	7/1/2021	2/1/2042
Total Other General Obligation Debt			
Note payable - Block 20 & 21 Soil	0.00	8/5/2010	12/31/2029
Note payable - Airport Ind Park/Kent	0.00	7/16/2015	7/16/2035
Note payable - Blandin	0.00	2016	2026
Note payable - IRRRB (airport hangar)	1.00	12/2/2016	8/1/2036
Note payable - IEDC (airport hangar)	1.00	11/15/2015	11/1/2026
Note payable - VFW/Rose buildings	0.00	1/29/2021	1/29/2026
Note payable - Blandin	0.00	4/1/2020	10/1/2026
Note payable - Blandin	0.00	4/1/2020	10/1/2026
Revenue Bonds and Notes (Public Utilities):			
Taxable G.O. Wastewater Revenue Note of 2009E	2.90	11/10/2009	8/20/2029
Taxable G.O. Wastewater Revenue Bonds of 2011A	0.60-3.50	7/25/2011	12/1/2021
G.O. Utility Revenue Bonds of 2012D	2.00 - 3.35	4/1/2012	2/1/2033
Taxable G.O. Utility Revenue Bonds of 2013C	2.00-4.50	9/1/2013	2/1/2029
G.O. Utility Revenue Bonds of 2021A	0.25 - 0.63	5/27/2021	10/15/2025
G.O. Utility Revenue Bonds of 2021D	2.0 - 3.0	12/9/2021	2/1/2033
G.O. Utility Revenue Bonds of 2021C	0.45 - 1.25	9/2/2021	2/1/2029
Equipment Lease	2.64	10/15/2015	10/15/2025
Total Revenue Bonds (Public Utilities)	2.01	-0.10.2010	10.10.10.00

Total bonded indebtedness

Prior Years									
Original		Payable	202	.1	Payable	Due in 2022			
Issue	Payments	01/01/21	Issued	Payments	12/31/2021	Principal	Interest		
\$705,000	\$55,000	\$650,000	-	\$35,000	\$615,000	\$35,000	\$17,050		
705,000	55,000	650,000	0	35,000	615,000	35,000	17,050		
<u> </u>	· · · · · · · · · · · · · · · · · · ·	<u> </u>		<u>,                                      </u>		· ·			
1,150,000	1,000,000	150,000	-	75,000	75,000	75,000	1,538		
4,565,000	2,835,000	1,730,000	-	325,000	1,405,000	340,000	64,335		
1,115,000	745,000	370,000	-	60,000	310,000	60,000	9,700		
1,555,000	1,045,000	510,000	-	70,000	440,000	70,000	11,962		
2,245,000	990,000	1,255,000	-	145,000	1,110,000	150,000	31,147		
4,175,000	2,110,000	2,065,000	-	280,000	1,785,000	280,000	37,728		
1,525,000	1,350,000	175,000	-	175,000	-	-	-		
3,000,000	1,165,000	1,835,000	-	205,000	1,630,000	200,000	37,330		
2,215,000	880,000	1,335,000	-	440,000	895,000	435,000	20,325		
21,545,000	12,120,000	9,425,000	0	1,775,000	7,650,000	1,610,000	214,065		
	_			_					
4,025,000	1,150,000	2,620,000	_	260,000	2,360,000	260,000	71,688		
2,170,000	245,000	1,795,000	-	135,000	1,660,000	135,000	32,510		
2,130,000	90,000	1,920,000	-	125,000	1,795,000	125,000	55,050		
1,960,000	-	1,870,000	-	115,000	1,755,000	115,000	52,063		
1,585,000	-	1,585,000	-	70,000	1,515,000	90,000	36,580		
2,275,000	-	2,275,000	-	-	2,275,000	125,000	38,613		
-		-	6,255,000	-	6,255,000	-	153,075		
14,145,000	1,485,000	12,065,000	6,255,000	705,000	17,615,000	850,000	439,579		
100,000		100,000		-	100,000	<u> </u>	-		
350,000	87,500	262,500		17,500	245,000	17,500	-		
175,000	73,460	101,540		27,910	73,630		-		
293,000	8,422	284,578		16,487	268,091	16,652	2,639		
90,000	34,963	55,037		8,952	46,085	9,041	461		
			140,000		140,000				
550,000	<u> </u>	550,000		123,838	426,162		-		
100,000		100,000	-	15,803	84,197	<del>-</del> -	-		
26,370,232	12 590 222	13,781,000		1 262 000	12 410 000	1 521 000	202 256		
3,965,000	12,589,232 3,465,000	500,000	-	1,362,000 500,000	12,419,000	1,531,000	393,356		
2,025,000	655,000	1,370,000	-	100,000	1,270,000	100,000	33,438		
2,305,000	755,000	1,550,000	-	145,000	1,405,000	150,000	55,350		
2,303,000	755,000	1,550,000	872,000	96,500	775,500	193,000	3,092		
-	-	-	1,120,000	90,300	1,120,000	193,000	19,720		
-	-	-	1,120,000	-	1,210,000	15,000	9,667		
1,832,571	868,279	964,292	1,210,000	964,292	1,210,000	15,000	9,00/		
36,497,803	18,332,511	18,165,292	3,202,000	3,167,792	18,199,500	1,989,000	514,623		
\$74,550,803	\$32,196,856	\$41,758,947	\$9,597,000	\$5,893,282	\$45,462,665	\$4,527,193	\$1,188,417		

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Exhibit 2

# CITY OF GRAND RAPIDS, MINNESOTA DEBT SERVICE PAYMENTS TO MATURITY GENERAL OBLIGATION BONDS

December 31, 2021

	Tax Increment Bonds Series 2017B	Street Reconstruction Bonds Series 2013B	Street Reconstruction Bonds Series 2016A	Street Reconstruction Bonds Series 2017A	Street Reconstruction Bonds Series 2018A	G.O Bonds Series 2019A	Street Reconstruction Bonds Series 2020A	Total
Bonds payable	\$615,000	\$2,360,000	\$1,660,000	\$1,795,000	\$1,755,000	\$1,515,000	\$2,275,000	\$11,975,000
Future interest payable	128,703	326,634	195,900	372,112	373,620	258,915	291,749	1,947,633
Totals	\$743,703	\$2,686,634	\$1,855,900	\$2,167,112	\$2,128,620	\$1,773,915	\$2,566,749	\$13,922,633
Payments to maturity:								
2022	\$52,050	\$331,688	\$167,510	\$180,050	\$167,062	\$126,580	\$163,613	\$1,188,553
2023	55,925	333,738	169,760	181,225	168,537	123,880	171,013	1,204,078
2024	49,800	335,488	166,960	182,250	164,937	126,105	173,262	1,198,801
2025	53,815	336,938	169,110	183,125	166,262	123,255	170,462	1,202,967
2026	52,895	337,713	171,160	183,850	167,438	130,255	172,612	1,215,922
2027	56,918	332,881	168,160	179,500	163,538	127,105	169,712	1,197,814
2028	55,725	337,325	170,110	179,963	164,563	128,880	171,762	1,208,328
2029	59,300	340,863	167,010	180,159	165,438	126,130	173,713	1,212,613
2030	62,725	-	168,860	180,118	161,238	128,880	170,613	872,434
2031	56,150	-	170,445	179,754	156,950	126,580	173,102	862,981
2032	59,575	-	166,815	179,058	162,419	129,170	171,103	868,140
2033	62,850	-	-	178,063	157,638	126,650	173,908	699,109
2034	65,975	-	-	-	162,600	124,070	171,515	524,160
2035	-	-	-	-	-	126,375	168,999	295,374
2036							171,360	171,360
	\$743,703	\$2,686,634	\$1,855,900	\$2,167,112	\$2,128,620	\$1,773,915	\$2,566,749	\$13,922,630

#### CITY OF GRAND RAPIDS, MINNESOTA

DEBT SERVICE PAYMENTS TO MATURITY GENERAL OBLIGATION IMPROVEMENT BONDS

December 31, 2021

	2007B Improvement Bonds	2009C Improvement Bonds	2010A Improvement Bonds	2011B Improvement Refunding Bonds
Bonds payable	\$75,000	\$1,405,000	\$310,000	\$440,000
Future interest payable	1,538	149,537	27,886	41,254
Totals	\$76,538	\$1,554,537	\$337,886	\$481,254
Payments to maturity:				
2022	\$76,538	\$404,335	\$69,700	\$81,962
2023	-	391,866	67,750	80,142
2024	-	383,663	65,725	78,182
2025	-	374,673	68,534	81,00
2026	-	-	66,177	78,70
2027	-	-	-	81,26
2028	-	-	-	-
2029	-	-	-	-
2030	-	=	-	-
2031	-	-	-	-
2032	-	=	-	-
2033	-	-	-	-
2034	-	=	-	-
2035	-	-	-	-
2036	-	=	-	-
2037	-	-	-	-
2038	-	-	-	-
2039	-	-	-	-
2040	-	-	-	-
2041	-	-	-	-
2042				
	\$76,538	\$1,554,537	\$337,886	\$481,254

2012A Improvement Bonds	2012B Improvement Bonds	2014A Improvement Bonds	2017B Improvement Refunding Bonds	2021B Improvement Bonds	Total
\$1,110,000	\$1,785,000	\$1,630,000	\$895,000	\$6,255,000	\$13,905,000
125,723	130,693	181,235	32,175	1,564,361	2,254,402
\$1,235,723	\$1,915,693	\$1,811,235	927,175	\$7,819,361	\$16,159,402
	<u> </u>	· · · · · · · · · · · · · · · · · · ·		<del></del>	
\$181,147	\$317,728	\$237,330	\$455,325	\$153,075	\$1,977,140
182,867	322,025	238,480	304,375	382,931	1,970,436
178,644	320,807	239,120	167,475	386,056	1,819,672
173,607	319,112	239,230	-	383,975	1,640,138
173,488	316,926	169,775	-	381,756	1,186,823
173,207	319,095	170,885	-	384,331	1,128,778
172,763	-	171,710	-	381,700	726,173
-	-	172,240	-	378,931	551,171
-	-	172,465	-	380,956	553,421
-	-	-	-	383,850	383,850
-	-	-	-	382,700	382,700
-	-	-	-	386,400	386,400
-	-	-	-	384,950	384,950
-	_	-	_	383,400	383,400
-	_	-	-	381,750	381,750
-	_	-	-	384,950	384,950
-	_	-	-	383,000	383,000
-	_	-	-	385,900	385,900
-	-	_	-	383,650	383,650
_	-	<u>-</u>	_	381,300	381,300
<u>-</u> _	<u>-</u>	<u>-</u> _	<u>-</u> _	383,800	383,800
\$1,235,723	\$1,915,693	\$1,811,235	\$927,175	\$7,819,361	\$16,159,402

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## CITY OF GRAND RAPIDS, MINNESOTA

TAXABLE VALUATIONS

December 31, 2021

Exhibit 4

	2022	2021
	Tax Capacity	Tax Capacity
	Values	Values
Taxable valuations:		
Real estate	\$9,807,960	\$9,128,262
Personal property	703,981	769,972
Net tax capacity	10,511,941	\$9,898,234
Less: Captured tax increment value	(197,401)	(172,874)
Fiscal disparities contributions	(1,172,324)	(1,094,170)
Taxable net tax capacity	\$9,142,216	\$8,631,190

#### CITY OF GRAND RAPIDS, MINNESOTA SCHEDULE OF DEFERRED TAX LEVIES GENERAL OBLIGATION BONDS December 31, 2021

Year of Levy/ Collection	Supplemental Improvement Bond Levy <sup>(1)</sup>	\$4,565,000 Improvement Bonds Series 2009C <sup>(2)</sup>	\$1,750,000 Improvement and CIP Bonds Series 2010A	\$1,555,000 Improvement & Refunding Bonds Series 2011B	\$2,245,000 Improvement Bonds Series 2012A	\$4,025,000 Improvement Bonds Series 2013B
Concetton		20070	Series 2010/1	Series 2011B	561163 2012/1	Series 2013B
2021/2022	(\$150,000)	303,548	\$55,611	\$55,779	\$133,284	\$104,470
2022/2023	(150,000)	303,716	53,936	54,615	129,704	106,465
2023/2024	(135,000)	303,165	57,510	58,407	124,414	108,145
2024/2025	(80,000)	-	55,486	56,792	124,376	109,510
2025/2026	(80,000)	-	-	60,309	124,165	104,522
2026/2027	(55,000)	-	-	-	123,784	109,864
2027/2028	(10,000)	-	-	-	-	113,854
2028/2029	-	-	-	-	-	-
2029/2030	-	-	-	-	-	-
2030/2031	-	-	-	-	-	-
2031/2032	-	-	-	-	-	-
2032/2033	-	-	-	-	-	-
2033/2034	-	-	-	-	-	-
2034/2035	-	-	-	-	-	-
2034/2036	-	-	-	-	-	-
2034/2037	-	-	-	-	-	-
2034/2038	-	-	-	-	-	-
2034/2039	-	-	-	-	-	-
2034/2040	-	-	-	-	-	-
2034/2041	<u> </u>					-
	(\$660,000)	\$910,429	\$222,543	\$285,902	\$759,727	\$756,830

<sup>&</sup>lt;sup>(1)</sup>This column represents decreased levies which were approved to eliminate projected cash surpluses in various Debt Service Funds.

<sup>(2)</sup> This is a Build America Bond and the amount presented is after reduction for Federal Credit.

 $<sup>^{\</sup>rm (3)} S chedule$  of Deferred Tax Levies excludes levy for GO Improvement Bonds Series 2006C

S JIDIL 5

\$3,000,000 Improvement Bonds Series 2014A	\$2,170,000 GO Street Reconst Bonds Series 2016A	\$2,130,000 GO Street Reconst Bonds Series 2017A	\$2,920,000 Improvement Refunding Bonds Series 2017B <sup>(3)</sup>	\$1,960,000 GO Street Reconst Bonds Series 2018A	\$1,585,000 Improvement Bonds Series 2019A	\$2,275,000 GO Street Reconst Bonds Series 2020A	\$6,255,000 GO CIP/ Abatement 2021B	Total
****			****					
\$234,356	\$151,759	\$169,245	\$186,807	\$142,454	\$131,492	\$163,852	\$405,000	\$2,087,657
235,301	148,818	170,400	68,448	139,506	133,907	166,452	409,041	1,970,309
235,700	151,129	171,398	-	141,808	130,914	163,696	406,928	1,918,214
162,032	153,334	172,237	-	143,953	138,421	166,191	404,670	1,607,002
163,345	150,184	167,670	-	140,690	135,114	163,331	407,518	1,536,848
164,363	152,284	168,353	-	142,677	137,057	165,720	404,828	1,513,930
165,077	149,029	168,641	-	144,507	133,591	168,005	401,992	1,434,696
165,476	151,024	168,765	-	140,929	136,532	164,935	404,263	1,331,924
-	152,914	168,555	-	137,351	134,116	167,115	406,245	1,166,296
-	149,102	168,001	-	144,089	136,952	165,283	405,090	1,168,517
-	-	167,093	-	139,999	134,305	168,534	409,080	1,019,011
-	-	-	-	146,213	131,660	166,293	407,610	851,776
-	-	-	-	-	134,137	163,879	406,035	704,051
-	-	-	-	-	-	166,628	404,355	570,983
-	-	-	-	-	-	-	407,820	407,820
-	-	-	-	-	-	-	405,825	405,825
-	-	-	-	-	-	-	408,975	408,975
-	-	-	-	-	-	-	406,665	406,665
-	-	-	-	-	-	-	404,250	404,250
-	-	-	-	-	-	-	406,980	406,980
\$1,525,650	\$1,509,577	\$1,860,358	\$255,255	\$1,704,176	\$1,748,198	\$2,319,914	\$8,123,170	\$21,321,729

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**AGENDA DATE:** June 27, 2022

**AGENDA ITEM:** Consider approving the School Resource Officer Agreement for 2022-

2023 school year with Independent School District #318.

**PREPARED BY:** Kimberly Gibeau

#### **BACKGROUND:**

Since 1999, the City of Grand Rapids and School District #318 have had an annual agreement for a school resource officer at the Grand Rapids Senior High School. In 2006, the district requested an additional school resource officer for the Robert J. Elkington Middle School. The police department will be providing Officer Michelle Norris and Officer Troy Scott to the school district for the SRO positions. The fees for the 2022 – 2023 school year is \$153,871.37 for the two SRO positions. Attached for your review is the 2022 – 2023 SRO agreement, which was approved by School District #318 at a special school board meeting on June 16, 2022.

#### **REQUESTED COUNCIL ACTION:**

Make a motion to approve the School Resource Officer Agreement for 2022-2023 school year with School District #318.

# SCHOOL RESOURCE OFFICER AGREEMENT For the School Year 2022 - 2023

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

#### 1. PURPOSE

The City and School District wish to participate in a School Resource Officer Program. The purpose of this agreement is to set forth the terms and conditions to create, fund and implement the position of Police School Resource Officer.

#### 2. SERVICES

The City shall provide the services of two full-time Minnesota P.O.S.T Board licensed peace officers, and related support services and supplies, to assist the School District in establishing and maintaining a School Resource Officer Program for the School District. The officers will have primary responsibility in serving as a resource to faculty, classroom members and school administrators in the prevention and diversion of juvenile problem behavior. The City agrees to provide vehicle, fuel, maintenance and other equipment deemed necessary by the Chief of Police. The School District agrees to provide adequate office space that will allow for cellular connectivity to the countywide law enforcement records system and a telephone at the site of majority assignment.

While present at schools/facilities outside their law enforcement jurisdiction, i.e. Outside Grand Rapids, and not responding to a mutual aid request from another law enforcement agency, if confronted with a criminal or delinquency matter, School Resource Officers will take necessary steps, in accordance with State law and department policy, to contain the situation and turn the matter over to the law enforcement agency having jurisdiction.

Primary responsibility for the resolution of any incident shall remain with the law enforcement agency having jurisdiction unless otherwise requested by that agency. In accordance with the Itasca County Mutual Aid Agreement, School Resource Officers may assist other law enforcement agencies having jurisdiction at any time they are requested to do so. School Resource officers will not conduct routine patrol outside their jurisdiction in relation to the School Resource Officer program without a request from the law enforcement agency having jurisdiction.

#### 3. TERM

This Agreement shall commence on the first day of the teacher workshop on August 30, 2022 and shall end on the last staff day on June 2, 2023. This Agreement may be renewed on an annual basis, as agreed by both parties.

Either party may terminate this agreement for cause on 90 days written notice to the other party. If this agreement is terminated by the School District, the City shall receive from the School District the funds allocated for the program based on services provided through the date of termination.

If School is conducted through distance learning at any point during the 2022/2023 school year, due to COVID-19, ISD 318 payment shall be reduced by fifty percent (50%) during the distance-learning period.

#### 4. PAYMENT

The School District shall pay to the City \$153,871.37 pursuant to Minnesota Statutes Section 126C.44 to partially reimburse the City for the costs incurred by the City for salary, benefits and transportation costs of the Police School Resource Officers in the School District's senior high, middle and secondary schools.

One-half of the sum owing under this contract shall be payable upon the execution of this Agreement. The remaining half of the sum owing under this contract should be payable on the last staff day on June 2, 2023.

#### 5. GENERAL PROVISIONS

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

#### 6. SCHEDULING

The Chief of Police shall determine the duty hours of the School Resource Officer on school days with input by the School District. The duty hours of the School Resource Officer on school days are flexible and will be primarily coordinated with the school day, and/or activities, but will

be consistent with the City's labor contract with the Police Union. During non-school periods, the Chief of Police will determine the officer's duties and schedule.

# 7. HOLD HARMLESS AND INDEMNIFICATION

The City of Grand Rapids agrees to and shall defend, indemnify and hold harmless the School District, its officials, officers, agents and employees from and against any and all claims, losses, damages, judgements or liabilities of whatever nature, including any portion thereof, arising from or related to the indemnifying party's acts, omissions or performance under this agreement. It is the intent of the parties that each party be responsible for its own actions occurring under this agreement.

Dated:	6/16/22	2	GRAND RAPIDS SCHOOL DISTRICT #	318
			Business Manager	
Dated:			CITY OF GRAND RAPIDS	
			Mayor	
			City Administrator	-

CITY OF GRAND RAPIDS SCHOOL DISTRICT RESOURCE OFFICER CHARGES

Sc	Troy Scott Michelle Norris	Troy Scott Michelle Norris	2023 Troy Scott 2023 Michelle Norris	2022 Troy Scott 2022 Michelle Norris		2023	2023	2022	2022	YEAR
School Year 2022 - 2023	Jan-May 2023 Jan-May 2023 Total	Sept-Dec 2022 Sept-Dec 2022 Total	ott Norris	ott Norris	<u> Hor</u>	Michelle Norris	Troy Scott	Michelle Norris	Troy Scott	EMPLOYEE
153,871.37	44,423.93 44,423.93 88,847.87	32,511.75 32,511.75 65,023.50	54.4411 54.4411	52.7788 52.7788	Hourly Rate per 2080 hours	35.000	35.000	34.120	34.120	WAGE
	33,535.72 33,535.72 67,071.43	Middle School			hours	6.20	6.20	6.04	6.04	PERA
	Sept-Dec 2023 Sept-Dec 2023 YR 2023	<u>o</u>				0.508	0.508	0.495	0.495	MEDICARE
	155,919.30			Sept-Dec = 77 days = 43% = 616 hours Jan-May = 102 days = 57% = 816 hours	2022 - 2023 ye	9.338	9.338	8.810	8.810	HEALTH
				days = 43% = days = 57% =	ar - 179 days	0.012	0.012	0.012	0.012	LIFE
				e 816 hours	per school ye	1	1	1	ì	DENTAL
					2022 - 2023 year - 179 days per school year = 1,432 hours	3.39	3.39	3.30	3.30	WORK
					G)	54.4411	54.4411	52.7788	52.7788	TOTAL

S:\Baird - Pfeifer\2023 Personnel Budgets\2022-2023 School Resource Officers.xlsx

S:\Baird - Pfeifer\2023 Personnel Budgets\2022-2023 School Resource Officers.xlsx

CITY OF GRAND RAPIDS SCHOOL DISTRICT RESOURCE OFFICER CHARGES

TOTAL	52.7788	52.7788	54,4411	54.4411					
WORK	3.30	3.30	3.39	3.39	2022 - 2023 year - 179 days per school year = 1,432 hours				
DENTAL	4	ı		,	per school yea	616 hours 816 hours			
LIFE	0.012	0.012	0.012	0.012	ar - 179 days <sub>I</sub>	days = 43% = days = 57% =			
НЕАГТН	8.810	8.810	9.338	9.338	2022 - 2023 ye	Sept-Dec = 77 days = 43% = 616 hours Jan-May = 102 days = 57% = 816 hours			155 919 30
MEDICARE	0.495	0.495	0.508	0.508					Sept-Dec 2023 Sept-Dec 2023 YR 2023
PERA	6.04	6.04	6.20	6.20	ours			Middle School	33,535.72 33,535.72 67,071.43
WAGE	34.120	34.120	35.000	35.000	Hourly Rate per 2080 hours	52.7788 52.7788	54.4411 54.4411	32,511.75 32,511.75 65,023.50	44,423.93 44,423.93 88,847.87
EMPLOYEE	Troy Scott	Michelle Norris	Troy Scott	Michelle Norris	Houri	vris	orris	Sept-Dec 2022 Sept-Dec 2022 Total	Jan-May 2023 Jan-May 2023 Total
YEAR	2022	2022	2023	2023		2022 Troy Scott 2022 Michelle Norris	2023 Troy Scott 2023 Michelle Norris	Troy Scott Michelle Norris	Troy Scott Michelle Norris

153,871.37 School Year 2022 - 2023





**AGENDA DATE:** June 27, 2022

**AGENDA ITEM:** Consider approving changes to Social Media Policy

**PREPARED BY:** Kimberly Gibeau

#### **BACKGROUND:**

City staff are recommending changes to the City's Social Media Policy that will more accurately reflect the intent and practice of the City's social media platforms. A redlined version is attached for review.

## **REQUESTED COUNCIL ACTION:**

Make a motion to approve changes to the City's Social Media Policy as presented.



# **Social Media Policy**

#### **Overview**

The City of Grand Rapids intends to use social media websites as additional communication channels to help promote its programs, events, and services, and represent itself appropriately and consistently on the Internet. Social media technology is an effective medium for the City to distribute news of an event quickly and will not be used as a forum for public discussion.

A social media presence is yet another way government can communicate to the broadest possible audience of those it serves. The City of Grand

Rapids' intent is to increase transparency, immediacy, and feedback to the community and to address the fast-changing landscape of the Internet and the way residents obtain information online.

The best, most appropriate, City of Grand Rapids uses of social media tools fall into two categories:

- Channels to supplement information from other City communications sources, such as the
  website, and draw more eyes back to those communication sources, and to broadcast the City's
  messages to the widest possible audience
- Channels for disseminating time-sensitive information as quickly as possible (i.e. emergency information)

#### **General Technicalities**

All City of Grand Rapids social media pages will adhere to the content standards below.

- The City has a "page" in Facebook, not a "group." Facebook pages offer distinct advantages, including greater visibility, customization, and measurability.
- The type of page is "government."
- The City's web team will standardize and provide all City Facebook page displays to include the City logo and other pertinent information.
- Any City Facebook page will be based on a template that includes consistent City branding and style. The web team will provide departments with the template.

- Departments will use proper grammar and standard AP style, avoiding jargon and abbreviations.
   Facebook is more casual than most other communications tools but still represents the City at all times.
- An application shall not be used unless it serves a business purpose, adds to the user experience, comes from a trusted source, and is approved by the IT Director, or City Administrator.
- All new social media tools proposed for City use will be approved by the City Administrator, , IT Director, or the appropriate Department Head.
- Employees representing the City of Grand Rapids on the City's social media sites must conduct themselves professionally at all times as representatives of the City.
- Elected officials should comply with the guidelines outlined in the City's Technology, Communications, and Social Media Policies.

#### **Social Media Administrators**

A successful social media page requires monitoring. Each City department shall appoint one or two of its staff as the assigned administrator(s) (AA), who will be responsible for monitoring the social page. Posts shall be approved by the AA or a designated alternate.

Posts and monitoring shall be done during office hours, with the exception of emergency situations..

AFTER HOURS: In the event of an emergency need for an after-hours posting, designated communications department staff shall be contacted to post information on the City's website followed by social media.

#### **Employee Access to Social Media Sites**

Designated AA employees are allowed to use personal logins/accounts to access social media sites as part of their work duties. Use of personal mobile devices and access of personal social media sites should be minimal while at work in accordance with the Personnel Policy Manual. Authorization during work time is for the expressed purpose of allowing social media editors to conduct their work.

Social media accounts are considered a City asset, and log-ins to those accounts must be securely administered in accordance with City technology policies.

## City's Social Media Posts

#### **Accuracy and Timeliness**

The City of Grand Rapids will make every effort to ensure the accuracy of the information provided on its social media pages. However, several factors that are beyond the City control (including unauthorized modification of electronic data, transmission errors, browser incompatibilities, information that has been cached on the local computer or storage device, or other aspects of electronic communication in an evolving and time-sensitive environment) can affect the quality of the information displayed on the site. For that reason, the City does not guarantee the accuracy of the information provided on its social media page and is not liable for reliance on this information.

The City's timeliness of posts may also vary based on staff availability.

Therefore, a disclaimer shall be posted on any social media site, stating:

This social media page is intended to get information out to a wide number of people quickly, not as an in-depth or complete source of information, but as an evolving supplement to the City of Grand Rapids' website (<a href="www.cityofgrandrapidsmn.com">www.cityofgrandrapidsmn.com</a>), newsletter, press releases, and inperson communications. Staff will post within office hours (Monday- Friday, 8 am-4:30 pm) and within the varying perimeters of staff availability.

#### **Data Practices Concerns**

Any content maintained in a social media format that is related to City business, including a list of subscribers is a public record. The department maintaining the site is responsible for responding completely and accurately to any public records request for public records on social media. Content related to City business shall be maintained in an accessible format and so that it can be produced in response to a request.

Content posted to social media sites will be transitory in nature, in order to adhere to the City's records retention policy.

A social media account shall not be used by the City or any City employee or representative to disclose private, confidential, and non-public information.

# **Employee Conduct**

All City employees have a responsibility to help communicate accurate and timely information to the public in a professional manner. When using social media, City employees must follow all policies outlined here and in the Personnel Policy Manual.

Social media platforms provide new ways to engage with citizens and customers to build stronger relationships, civic engagement, and "connectedness." Employees designated to participate in social media are expected to follow these principles:

- Postings shall be related to that department's specific function and subject matter expertise.
- Postings shall be factual, respectful, on-point, and reasonably avoid being thought of as spam, off-topic, or offensive.
- Per the City's communications policy (see applicable section of the Personnel Policy Manual), employees must notify the City's Communications department of any media contacts received related to their posts. Further, under no circumstances shall non-department head personnel comment to reporters regarding matters of City policy, opinion, or interpretation.

- Employees shall not use the City's social media sites to copy or transmit any documents, images, software, or other information protected by a copyright owned by someone or an entity other than the City of Grand Rapids without proper authorization from the copyright owner. Copyright protection applies to any document, image, software or information unless it is specifically marked as public, not copyrighted, or freeware. In the absence of any specific copyright markings, material or information should be assumed to be copyright-protected. It is the employee's responsibility to obtain proper authorization from the copyright owner before using the electronic communications system to copy or transmit original copyrighted material.
- City social media sites or equipment may not be used by staff as a platform to share personal opinions or for political purposes, private business or charitable activities, commercial or personal transactions, promotion of religious views, or for any other purpose prohibited by law.
- Replies to individual constituent inquiries received via social media sites must be retained per the City's record retention schedule.
- Decisions to remove posts that violate the City's social media policy shall be made by the appropriate department head, or the City Administrator. Employees monitoring City social media pages must bring questionable posts to the attention of their department head or the City Administrator immediately.
- Employees who are asked by organizations to post information on the City's social media sites shall refer the request to the City Administrator, or the appropriate Department Head.

#### **Guidelines for Personal Communications**

While every individual has a right to speak out on the issues facing the community, state, and nation, employees must take great care to make it clear that their personal opinions are their own and do not represent the official policy position of the City. It is important for employees to remember that their personal communications may reflect on the City, especially if they are commenting on City business, supervisors, or policies.

The following guidelines apply to personal communications including various forms of social media, letters to the editor of newspapers, personal endorsements, email, City correspondence, newsletters, and cable television.

- All City employees are expected to actively protect any information considered private or protected under Data Privacy and HIPAA Compliance laws. (Questions should be directed to the City of Grand Rapids' Human Resources Director.)
- Employees MUST NOT post information, images, or icons obtained in their official capacity with the City on their personal social media pages and/or accounts without prior approval from the appropriate Department Head AND the City Administrator. For example, employees shall not post photos, icons, or information from an incident/call on his/her personal social media sites.
- If you wish to write an opinion based upon your work experience, you shall not make reference to the City if you are not discussing City business. For example, write, "As a police officer..." rather than, "As a City of Grand Rapids police officer..." or "As a public employee ..." rather than "As a City of Grand Rapids employee...."
- Employees shall not comment on social media or publish something related to City business without identifying themselves and using a disclaimer such as, "I am an employee of the City of Grand Rapids. However, these are my own opinions and do not represent those of the City of Grand Rapids."
- The City of Grand Rapids expects its employees to be truthful, courteous and respectful toward supervisors, coworkers, citizens, customers and other persons associated with the City. Do not engage in name-calling or personal attacks.

- Refrain from making comments about the workplace, policies, or supervisors, or discussing
  internal employment issues on social media. Assume anything written about a coworker or
  supervisor will be read by that coworker, your supervisor, and many others.
- Remember that what you write or post is public, and will be so for a long time. It also may be spread to large audiences without your knowledge or permission. Refrain from sending or posting information including images or icons that you would not want your supervisor or other employees to read, or that you would be embarrassed to see in the newspaper or viewed by your parents, spouse, or loved ones.
- City resources, working time, or official City positions must not be used for personal profit or
  business interests, for promotion of religious views, or to participate in personal political activity.
  For example, an employee must not use any City logo (including the Pokegama Golf Course logo
  or public safety badges or logos), email, or working time to promote his/her side business or for
  personal gain.
- Personal social media account names or email names shall not be tied to the City (eg, using your City email address when posting).

#### **Social Media Guidelines For Elected Officials**

Elected officials should comply with the following guidelines when using City of Grand Rapids social media sites:

- Elected officials shall not use official City social media sites for campaigning purposes.
- Elected officials shall not post comments or links to any content that endorses or opposes political candidates or ballot propositions, including links to an elected official's campaign site.
- Elected officials should be mindful of the risks of electronic communication in relation to the Minnesota Data Practices Act and the Open Meeting Law; two-way communication between elected officials should be strictly avoided.
- Elected officials should not use social media as a mechanism for conducting official City business other than to informally communicate with the public.
- Elected officials should reveal that they are elected officials for the City if/when making a post and be honest, straightforward, and respectful.
- Elected officials should be sure that efforts to be honest don't result in sharing non-public information related to coworkers, personnel data, medical information, claims or lawsuits, or other non-public or confidential information.
- Elected officials should add value to any social media discussion by staying focused on the issue.
- To help prevent errors, elected officials should not post official information (eg, incorrect information about a new city ordinance) about the City, as it could create liability issues.
- If an elected official makes a mistake, it should be corrected as soon as the official is made aware of the error. Corrections should be upfront and as timely as possible. If you modify an earlier post, make is clear the posting has been corrected. Consider designing corrections with "Fixed link" or "Fact correction" prior to the correction.
- Elected officials who are contacted by the media on a topic of official City business should follow City communications protocols.





**AGENDA DATE:** June 27, 2022

**AGENDA ITEM:** Consider vacating three seats on the Police Community Advisory Board

and support efforts to fill such vacancies

**PREPARED BY:** Captain Andy Morgan

#### **BACKGROUND:**

In 2016 the City of Grand Rapids established the Police Community Advisory Board (PCAB) with the purpose of establishing and enhancing communication between Grand Rapids residents, the Police Department and City Council. The goal of the collaboration is to identify and focus on public safety issues and then partner with community leaders, community organizations and stakeholders in developing solutions to multi-faceted community concerns.

Bylaws were established and continue to guide the board. Article VI addresses Board attendance and further details that all members shall be required to attend at least 75% of all meeting. Board members who are unable to meet the attendance requirements may be removed by a majority vote of the Board. Maintaining active members ensures that the group can establish quorums and remain effective in their work.

Board Members Megan Phillips, John Nalan and Liz Branum have failed to satisfy the attendance requirement. All continue to receive basic Board communications / notices. None of the three have reciprocated communication efforts.

During a Police Community Advisory Board meeting on April 21, 2022, all attending members agreed to move forward with removing those above mentioned members from the Board.

#### **REQUESTED COUNCIL ACTION:**

Make a motion to vacate the three seats on the Police Community Advisory Board and support efforts to fill such vacancies.





**AGENDA DATE:** June 27, 2022

**AGENDA ITEM:** Consider adopting a resolution authorizing application and acceptance of

funds from MN Department of IRRR Development Infrastructure Grant

Program.

**PREPARED BY:** Kimberly Gibeau

#### **BACKGROUND:**

The ITS World Conference is scheduled for September 18 - 22, 2022 in Los Angeles, California. Funds are available to cover the cost of travel and conference fees associated with this conference for Tom Pagel, City Administrator.

## REQUESTED COUNCIL ACTION:

Make a motion to adopt a resolution authorizing application and acceptance of funds from MN Department of IRRR Development Infrastructure Grant Program.

Councilor introduced the following resolution and moved for its adoption:

#### **City of Grand Rapids**

#### **Resolution No. 22-**

# A RESOLUTION AUTHORIZING THE CITY OF GRAND RAPIDS TO MAKE APPLICATION TO AND ACCEPT FUNDS FROM THE MINNESOTA DEPART OF IRRR DEVELOPMENT INFRASTRUCTURE GRANT PROGRAM

WHEREAS the authorizing authority approves of the attached application for the City of Grand Rapids, Minnesota, for travel costs and conference fees associated with the ITS World Conference, from September 18 to 22, 2022, in Los Angeles, California; and

WHEREAS the authorizing authority hereby agrees to accept funding for the underlying travel if approved by the IRRRB.

NOW THEREFORE BE IT RESOLVED that the authorizing authority of the City of Grand Rapids, Minnesota, does hereby adopt this resolution.

Adopted by this council on the 27<sup>th</sup>, day of June, 2022.

	Dale Christy, Mayor
Attest:	
Kimberly Gibeau, City Clerk	

Councilor 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.





**AGENDA DATE:** June 27, 2022

**AGENDA ITEM:** Consider approving agreement with Adessa & The Beat for musical

entertainment at Tall Timber Days event.

**PREPARED BY:** Kimberly Gibeau

#### **BACKGROUND:**

Adessa and The Beat are a musical performance group that has agreed to perform in Grand Rapids on August 5, 2022 at the Tall Timber Days event.

Total cost of services provided by contractor is \$1650, on a one-time basis. Total cost is inclusive of contractor's services, any setup time and travel time and out-of-pocket costs, etc.

## **REQUESTED COUNCIL ACTION:**

Make a motion to approve agreement with Adessa & The Beat for musical entertainment at Tall Timber Days.

## **Client Service Proposal/Agreement**

Entered into on February 1st, 2022

Project is on August 5th, 2022 for Musical Entertainment at Tall Timber Days event in Grand Rapids,

MN

Parties:

#### Adessa & The Beat

Known as "Contractor"

And

#### **City of Grand Rapids**

Known as "Client"

Collectively, all of the above people or businesses entering this Agreement will be referred to as the "Parties."

#### **Purpose of the Agreement**

Client wishes to hire Contractor to provide services relating to Client's event as detailed in this Agreement. Contractor has agreed to provide such services according to the terms of this Agreement.

#### **Terms**

#### **SERVICES**

Contractor shall provide Client with the following services on a one-time basis (herein known as "Services"):

#### Up to 4 hours of live musical entertainment performed by Adessa & The Beat

### COST

The total cost of all Services Contractor agrees to provide to Client is **\$1650** on a one-time basis (the "Total Cost"). Total Cost is inclusive of Contractor's Services, any setup time, travel time and out-of-pocket costs, etc.

#### **RELATIONSHIPS OF THE PARTIES**

Contractor and any related sub-contractors are not employees, partners or members of Client's company or organization. Contractor has the sole right to control and direct the means, manner and method by which the services in this Agreement are performed. Contractor has the right to hire assistants, subcontractors or employees to provide Client with its Services. Parties are individually and separately responsible for their own business operation and expenses, including securing or paying any licensing fees, insurance, taxes (including FICA), registrations or permits. Client is not responsible for paying for any benefits, Workers Compensation, insurance or unemployment fees to Contractor.

#### STYLE RELEASE

Client has spent a satisfactory amount of time reviewing Contractor's work and has a reasonable expectation that Contractor's Services will produce a reasonably similar outcome and result for Client. Contractor will use reasonable efforts to ensure Client's services are carried out in a style and manner consistent with Contractor's current portfolio and services, and Contractor will try to incorporate any suggestions Client makes. However, Client understands and agrees that:

- Every client and final delivery is different, with different tastes, budgets, and needs;
- Musical entertainment is a subjective service and Contractor is a provider with a unique vision, with an ever-evolving style and technique;
- Contractor will use her personal judgment to create favorable results for Client, which may not include strict adherence to Client's suggestions;
- Dissatisfaction with Contractor's independent judgment or individual management style are not valid reasons for termination of this Agreement or request of any monies returned.

#### **LIMIT OF LIABILITY**

Client agrees that the maximum amount of damages she/he is entitled to in any claim of or relating to this Agreement or Services provided herein are not to exceed Contractor's total cost as set forth in this Agreement.

#### **INDEMNIFICATION**

Client agrees to indemnify and hold harmless Contractor and its employees, agents and independent contractors for any injury, property damage, liability, claim or other cause of action arising out of or related to Services provided herein.

#### **ASSUMPTION OF RISK**

Client and related parties/ participants expressly assume any risk of musical entertainment and related activities as described herein.

#### NON-DISPARAGEMENT

The Parties mutually agree not to make public defamatory statements that would materially harm the reputation or business activities of any Parties to this Agreement.

#### **CANCELLATIONS**

#### **CLIENT DESIRES TO CANCEL**

If the Client desires to cancel Services of Contractor for any reason at any time, then Client shall provide at least 30 days Notice to Contractor in order to cancel this contract. Providing Notice will not relieve Client of any currently outstanding payment obligations. Contractor will not be obligated to refund any portion of monies Client has previously paid to Contractor. Contractor has no obligation to attempt to re-book further Services to make up for Client's cancellation.

#### CONTRACTOR DESIRES TO CANCEL

In the event Contractor cannot or will not perform her obligations in any or all parts of this Agreement, it (or a responsible party) will immediately give Notice to Client, and at the Contractor's discretion, either attempt to find a reasonable substitute to fulfill the terms of this Agreement or issue a refund or credit based on a reasonably accurate percentage of Services rendered. In the case of a refund where, at the discretion of the Contractor, no reasonable substitute is found, Contractor shall excuse Client of further performance obligations in this Agreement.

#### **FORCE MAJEURE**

Either party may choose to be excused of any further performance obligations in the event of a disastrous occurrence outside the control of either party that materially affects the performance of Services, such as: an act of God (fires, explosions, earthquakes, hurricane, natural disasters, flooding, storms or infestation), or War, Invasion, Act of Foreign Enemies, Embargo, or other Hostility (whether declared or not), or any hazardous situation created outside the control of either party such as a riot, disorder, nuclear leak or explosion, or act or threat of terrorism.

#### **NO-SHOWS**

If it becomes impossible for Contractor to render Services due to the fault of the Client or parties related to Client, such as failure to provide necessary elements of the Services or failure of one or

more essential parties to the Services to complete tasks in a timely manner, it is within the Contractor's sole discretion to allow for any additional time or dates to render Services. In such an event, any outstanding amount will immediately become due and payable to Contractor.

#### **GOVERNING LAW**

The laws of Minnesota govern all matters arising under or relating to this Agreement, including torts.

#### **NOTICE**

Parties shall provide effective notice ("Notice") to each other, including any payments or invoices, via either of the following methods of delivery at the date and time which the Notice is sent:

- Email
- 2. Contractor Email: adessaruth0804@gmail.com
- 3. Client's Email: davidjess356@hotmail.com
- Mail
- 4. Contractor's Address: 109 6th ave Bovey MN 55709
- 5. Client's Address(es): 420 N Pokegama Ave, Grand Rapids, MN 55744

#### **SEVERABILITY**

If any portion of this Agreement is deemed to be illegal or unenforceable, the remaining provisions of this Agreement remain in full force, if the essential provisions of this Agreement for each party remain legal and enforceable.

#### **AMENDMENTS**

The parties may amend this Agreement only by the parties' written agreement with proper Notice.

#### **ASSIGNMENTS**

Neither party may assign or subcontract any rights or obligations in this Agreement without proper Notice, unless otherwise provided herein.

On behalf of Adessa & The Beat: <u>Adessa</u>	<u>a Cournoyer 2.1.22</u>	
On behalf of City of Grand Rapids:		





**AGENDA DATE:** June 27<sup>th</sup>, 2022

**AGENDA ITEM:** Consider making a motion to authorize payment for additional fencing in

the amount of \$28,865.00 for the proposed construction at the Civic

Center.

**PREPARED BY:** Barb Baird

#### **BACKGROUND:**

At the June 13, 2022 Council Meeting, the Council approved purchasing additional fencing for the Civic Center project, we have received the invoice to purchase the fencing and would like to have approval for payment. Attached is the invoice for the additional fencing required.

# REQUESTED COUNCIL ACTION:

Make a motion to authorize payment for additional fencing in the amount of \$28,865.00 for the proposed construction at the Civic Center.

Iron Oakes Fence LLC 4295 Davis Road Grand Rapids, MN 55744

RECEIVED

Invoice

JUN 1 3 2022

Invoice #: 00000576

CITY OF GRAND RAPIDS

Date: 6/9/2022 Ship Via:

Page:

Ship To:

Bill To:

City of Grand Rapid

420 North Pokegama Avenue Grand Rapids, MN 55744

City of Grand Rapid 420 North Pokegama Avenue

Grand Rapids, MN 55744

Description

**Amount** 

Tx

Temp panels and bases per estimate

\$28,865.00

Please submit 1/2 down as down promised on

Freight:

\$0.00

Sales Tax:

\$0.00

Total Amount:

\$28,865.00

Amount Applied:

\$0.00

Shipping Date:

Terms: Net 10

Your Order #:

Balance Due:

\$28,865.00





**AGENDA DATE:** 6/24/2022

**AGENDA ITEM:** Consider accepting the resignation of Robert Sanders from the full-time

position of Hospital Security Officer and changing his employment status

to part-time.

**PREPARED BY:** Lynn DeGrio

#### **BACKGROUND:**

Robert Sanders was hired as a part-time Hospital Security Officer on August 6, 2019. On February 1, 2020, Rob's status changed from part-time to full-time. Effective August 19, 2022, Rob has requested to be placed on part-time status, as he will be attending studies this fall at Hibbing Community College.

City staff would like to begin the process of filling the full-time position. We will come back to the City Council at a later date with a recommendation.

#### REQUESTED COUNCIL ACTION:

Make a motion to change the status of Robert Sanders from full-time to part-time effective August 19, 2022 and authorize City staff to begin the process of filling the full-time position.

## Lynn DeGrio

From:

Kevin Ott

Sent:

Friday, June 24, 2022 9:38 AM

To:

Lynn DeGrio

Subject:

FW: Notice

Lynn,

FYI on Rob's notice to leave full-time in August, but remain part-time.

#### **Kevin Ott**

Police Captain Grand Rapids Police Department 420 North Pokegama Avenue Grand Rapids, MN 55744-2662 Office: 218-326-3464

Fax:

218-326-7610

From: Robert Sanders < rsanders@ci.grand-rapids.mn.us>

Sent: Friday, June 24, 2022 4:50 AM

To: Kevin Ott <kott@ci.grand-rapids.mn.us>; Gary DeGrio <gdegrio@ci.grand-rapids.mn.us>

**Subject:** Notice

Dear Kevin Ott,

This is to inform you that I am my 60 day notice and I will be resigning from my full-time position as Security Officer at Grand Itasca Clinic and Hospital for the Grand Rapids Police Department. I would like to remain employed as a part-time/casual employee, therefor I will be attending studies this fall at Hibbing Community College. My first day attending is on August 22, 2022—my last full-time shift would be August 19<sup>th</sup>.

I just want to thank you and everyone at GRPD for the support and guidance while being part of great group of men and women.

Any questions, just give me a call.

Thank you,

**Robert Sanders** 

#### **Robert Sanders**

Hospital Security Grand Rapids Police Department 420 North Pokegama Avenue Grand Rapids, MN 55744-2662

**Office:** 218-326-3464 **Fax:** 218-326-7610





**AGENDA DATE:** June 27, 2022

**AGENDA ITEM:** Consider approving proposal from Encompass Engineering for an

evaluation of the exterior building envelope and water infiltration issues

at the former Airport Terminal/ EOC/ Dispatch building.

**PREPARED BY:** Nathan Morlan

#### **BACKGROUND:**

This proposal not to exceed \$7500 is for an evaluation and writing of specifications for repairs of the exterior building envelope and roof at the former Airport Terminal Building/ EOC/ Dispatch Center. The roof covering is in need of replacement and there are several other areas of water infiltration in the exterior envelope. This proposed evaluation will give a specification to quote the necessary repairs.

## REQUESTED COUNCIL ACTION:

Make a motion to approve proposal from Encompass Engineering for exterior building envelope evaluation at the former Airport Terminal/ EOC/ Dispatch building.





June 15, 2022

Nathan Morlan
Facility Maintenance Manager/Building Official
City of Grand Rapids
420 North Pokegama Avenue
Grand Rapids, MN 55744
nmorlan@ci.grand-rapids.mn.us

Re: Professional Services Proposal: Leak Evaluation

Municipal Airport County Dispatch & EOC 1500 SE 7<sup>th</sup> Avenue Grand Rapids, MN 55744

#### Dear Nathan:

In accordance with your request, we are pleased to present our proposal to conduct an evaluation of reported leaks in the County Dispatch and EOC building located at the Grand Rapids Airport.

#### **SCOPE OF PROPOSED SERVICES**

Encompass, Inc. proposes to provide the following services:

#### **Document Review**

- Review available pertinent documents provided by the City of Grand Rapids.
- Desirable documents for review include design drawings, specifications, addenda, and other
  documents related to the original construction; building repairs; maintenance reports, work
  orders, or reports from others relative to the area of reported leaks.

### **Site Visit & Documentation**

- The assessment will consist of a review and documentation of existing conditions of the exterior facade and any related structural components.
- The inspections will be led by a licensed professional engineer and two technicians.
- We will make (2) exploratory openings into the exterior facade to review the as-built
  configuration; these openings will be repaired in a temporary manner. Permanent repair of
  the openings will be at the direction and expense of the City of Grand Rapids.
- We will conduct water testing at (2) locations.
- Access will be via the roof, ladders, and grade.

#### Report

Encompass will prepare a written report of our assessment. Report will include:

- Summary of observations, collected data, test data, and photographs.
- Assessment and analysis of building envelope conditions and deficiencies.
- Recommendations for general repair strategies, activities, and timing.

#### **COST OF PROFESSIONAL SERVICES**

The cost to conduct an evaluation of reported leaks at the County Dispatch Building located at the Grand Rapids Airport will be performed on an hourly basis at the rates listed below and will not exceed \$7,500.

Preparation of contract construction/bidding documents is outside the scope of this proposal. A proposal for this work can be provided upon completion of the facade evaluation and determination of general project scope.

#### **BASIS OF PAYMENT**

Basis of Payment for the services outlined above shall be per hour of service rendered at the rates below. In addition to hourly service, all direct project expenses shall be billed at cost. Expenses could include, but not limited to, cost of printing and reproduction of documents and automobile mileage at the rate of \$.625 per mile. Invoicing for professional engineering services will be made monthly. Hourly rates for professional services, by classification, are:

1.	Principal Engineer	\$210.00
2.	Associate Principal	\$195.00
3.	Senior Project Engineer	\$190.00
3.	Licensed Project Engineer	\$180.00
4.	Degreed Engineer	\$165.00
5.	Senior Construction Consultant	\$160.00
6.	Technician II	\$135.00
7.	Technician I	\$120.00

#### **WARRANTY**

No warranty is implied or intended. Encompass does not warranty the work performed by others. We do not warranty the work of contractors and/or subcontractors.

#### **LIMITATION OF LIABILITY**

The liability of Encompass (including its employees) for any actions, damages, claims, demands, judgments, losses, costs, or expenses arising out of or resulting from Encompass' or its employee's negligent acts, errors, or omissions is limited to an amount equal to the fees paid by Client to Encompass for professional services rendered pursuant to this Proposal, including any claims for contribution or indemnity.

#### MOLD DISCLAIMER

Evaluation and/or abatement of any fungal growth is outside the scope of our proposed services.

#### **CONSEQUENTIAL DAMAGES**

Neither party shall be liable to the other for loss of profits or revenue; loss of use or opportunity; loss of good will; cost of substitute facilities, goods, or services; cost of capital; or for any special, consequential, indirect, punitive, or exemplary damages.

#### MINNESOTA STATUTORY LIEN NOTICE

- Any person or company supplying labor or materials for this improvement to your property may file a lien against your property if that person or company is not paid for the contributions.
- Under Minnesota law, you have the right to pay persons who supplied labor or materials for
  this improvement directly and deduct this amount from our contract price, or withhold the
  amounts due them from us until 120 days after completion of the improvement unless we
  give you a lien waiver signed by persons who supplied any labor or material for the
  improvement and who gave you timely notice.

#### **ENTIRE AGREEMENT**

Upon Client's acceptance, this Proposal represents and contains the entire agreement and understanding between Encompass and the Client with respect to the subject matter of this Proposal and supersedes any and all prior oral and written agreements and understandings.

#### **MODIFICATIONS**

The accepted Proposal may be modified only by a written instrument executed by both parties.

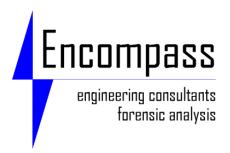
Thank you for the opportunity to present this proposal. We will be pleased to review the scope of this proposal with you at your convenience. If this proposal meets with your approval, please indicate your acceptance by signing below and returning one copy to Encompass, Inc. Upon receipt of your acceptance, we will coordinate commencement with you. A City of Grand Rapids contract or purchase order may be provided in lieu of a signed proposal.

Respectfully submitted,

**ENCOMPASS, INC.** 

Curt Isernhagen, P.E.

Principal



# ENCOMPASS, INC. PROPOSAL ACCEPTANCE

# DISPATCH CENTER BUILDING - GRAND RAPIDS AIRPORT PROFESSIONAL ENGINEERING SERVICES LEAK EVALUATION PROPOSAL DATED: JUNE 15, 2022

We accept the scope, terms and conditions of this proposal as described herein.

#### **CITY OF GRAND RAPIDS**

	Date:	
Nathan Morlan Facility Maintenance Manager/Building Official		

<sup>\*</sup> a City of Grand Rapids contract or purchase order may be provided in lieu of a signed proposal





## REQUEST FOR COUNCIL ACTION

**AGENDA DATE:** June 27, 2022

**AGENDA ITEM:** Consider passing a resolution accepting donations from the City of

Cohasset, Harris Township, and the Greater Pokegama Lake Association

for financial assistance with the July 3<sup>rd</sup> Fireworks Display.

**PREPARED BY:** Dale Anderson, Director of Parks & Recreation

#### **BACKGROUND:**

Our partnership with the City of Cohasset, Harris Township, and the Greater Pokegama Lake Association has provided a quality Fireworks Display for years. The resolution is attached for your review.

#### REQUESTED COUNCIL ACTION:

Make a motion to pass a resolution accepting donations from the City of Cohasset, Harris Township, and the Greater Pokegama Lake Association for financial assistance with the July 3<sup>rd</sup> Fireworks Display.

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

#### **RESOLUTION NO. 22-**

A RESOLUTION ACCEPTING A \$5,266 DONATION FROM HARRIS TOWNSHIP,
A \$5,266 DONATION FROM THE CITY OF COHASSET,
A \$3,660 DONATION FROM THE GREATER POKEGAMA LAKE ASSOCIATION AND
A \$1,000 FROM THE BLANDIN FOUNDATION FOR THE
INDEPENDENCE DAY FIREWORKS AT POKEGAMA LAKE
TO BE HELD JULY 3, 2022

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:

- The Township of Harris has donated \$5,266 for the Independence Day Fireworks at Pokegama Lake.
- The City of Cohasset has donated \$5,266 for the Independence Day Fireworks at Pokegama Lake.
- The Greater Pokegama Lake Association has donated \$3,660 for the Independence Day Fireworks at Pokegama Lake.
- The Blandin Foundation has donated \$1,000 for the Independence Day Fireworks at Pokegama Lake.

Adopted this 27 <sup>th</sup> day of June, 2022.	
	Dale Christy, Mayor
Attest:	
Kim Johnson-Gibeau, City Clerk	_

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





# REQUEST FOR COUNCIL ACTION

**AGENDA DATE:** June 27, 2022

**AGENDA ITEM:** Consider adopting a resolution accepting a \$750.00 donation from the

Grand Rapids Players for Human Rights Commission activities.

**PREPARED BY:** Kimberly Gibeau

#### **BACKGROUND:**

The Grand Rapids Players has submitted a donation letter with \$750.00 to be used towards activities of the Human Rights Commission. The letter is attached for information.

#### REQUESTED COUNCIL ACTION:

Make a motion to adopt a resolution accepting a \$750 donation from the Grand Rapids Players to be used for Human Rights Commission activities.

Councilor introduced the following resolution and moved for its adoption:

#### **RESOLUTION NO. 22-**

# A RESOLUTION ACCEPTING A \$750.00 DONATION FOR THE HUMAN RIGHTS COMMISSION

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:

• Grand Rapids Players donated \$750.00 to be used for Human Rights Commission activities in the community.

Adopted this 27 <sup>th</sup> day of June, 2022.		
	Dale Christy, Mayor	
Attest:		
Kimberly Gibeau, City Clerk		

Councilor 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.



### To: Grand Rapids Human Rights Commission

Please accept this donation on behalf of the Board of Directors of Grand Rapids Players. This donation is to support and further your mission of inclusivity, awareness, and action in our community, especially for those whose voices have so often been overlooked.

Grand Rapids Players is currently working towards creating a more equitable theatre community after realizing the error and hurt in our choice of Sister Act for our 2022 spring musical. The decision to cancel the show led to many conversations, from support and love to ignorance and division. Erasure and whitewashing are not acceptable, and we are committed to avoid these trends, moving forward. We want to be sure that we are using theatre to build community and not divide it. This is an ongoing conversation and we have formed a committee to focus on cultural sensitivity: CARES – Cultural Awareness, Responsiveness and Equity.

The donation is a small action step on our way to growing as an organization and as individuals. We welcome further dialogue with your organization to help expand this community into one that is accepting of all people and hearing the voices that have been marginalized for too long.

Thank you for all your work to help our community and all who live here.

**Grand Rapids Players Board of Directors** 





## REQUEST FOR COUNCIL ACTION

**AGENDA DATE:** June 27, 2022

**AGENDA ITEM:** Consider appointment of new member to the Human Rights Commission

**PREPARED BY:** Kimberly Gibeau

#### **BACKGROUND:**

The Human Rights Commission currently has one opening, an unexpired term, through March 1, 2023. We have one applicant. Commissioner Connelly will make recommendation.

#### REQUESTED COUNCIL ACTION:

Make a motion to appoint Joan Gunderman to the Human Rights Commission to fill an unexpired vacancy, term to expire March 1, 2023.

Item 21.



# APPLICATION FOR CITY BOARDS AND COMMISSIONS

Return to: City Administration Office 420 N. Pokegama Avenue Grand Rapids, MN 55744 218-326-7600

Personal	Information:

Name: Joan A. Gunderman	Da	ate:	June 3, 2022
Address: 110 Birch Lane North		y Phone:	218-831-3405
Employer: Retired	Ev	ening Phone	e:(same)
Occupation: ELCA Pastor		E-Mail earthmother@paulbunyan.net	
Please rank in order the Boards/Commissions on which you do not wish to serve):	on which you woul	d like to ser	ve (leave blank any
Arts & Culture Commission Economic Development Authority Golf Course Board Human Rights Commission Library Board	Parks, Recreation Planning Commun Police Commun Public Utilities	iission ity Advisor	y Board
Do you have special qualifications that you fe City Board or Commission? (i.e. work experience) Being a pastor requires a number of chairing boards & committees, admic children through elderly adults. I amic have been added to committee the committee of the children through elderly adults. I amic have been added to consider it by a current Board you related to any City employee or elected. If yes, to whom and how are you related?	ence, volunteer expenses skills: public spear inistration, scholars a passionate sup a Board or Commissionard member.	rience, educ iking, teach ship, relatin porter of, a "	ation, hobbies, ling,

for releasing any and all auth	vill be issued a City of Grand Rapids official email and will utilize
for releasing any and all auth I recognize and agree that I w	vill be issued a City of Grand Rapids official email and will utilize
for releasing any and all auth I recognize and agree that I w	vill be issued a City of Grand Rapids official email and will utilize
for releasing any and all auth	vill be issued a City of Grand Rapids official email and will utilize
I agree to relinquish and waiv for releasing any and all auth	ve all claims that may arise against the City, its agents or employed orized data referenced above relating to this agreement.
I agree to relinquish and wait	ve all claims that may arise against the City, its agents or employed
I agree to inform the City Clo	erk's office of any change indicated above.
of Grand Rapids.	
This authorization shall be m	nodified or cancelled only upon written notice to the City Clerk, C
purposes.	
	erson(s) receiving such private data must use it only for lawful
above to members of the gen	neral public, City staff, Mayor and City Council members upon
I also authorize the City of G	Grand Rapids to release such authorized private data referenced
Cell Phone # 218-831-3405	<del></del>
Work Phone# N/A	
Home Phone #_N/A	
recease the following private	data upon request made to the City (check all that apply).
If appointed, I, Joan A. Gu	authorize the City of Grand Rapids to
Data Authorization:	
	•
discount.	s, please explain: Our full-time retirement home is in Coleraine.
Do you own property or own YES NO V If yes	n a husiness within the Grand Davids site limits