

**City of Grant  
City Council Agenda  
June 4, 2013**

*The regular monthly meeting of the Grant City Council will be called to order at 7:00 o'clock p.m. on Tuesday, June 4, 2013, in the Grant Town Hall, 8380 Kimbro Ave. for the purpose of conducting the business hereafter listed, and all accepted additions thereto.*

1. **CALL TO ORDER**
2. **PLEDGE OF ALLEGIANCE**
3. **APPROVAL OF REGULAR AGENDA**
4. **APPROVAL OF CONSENT AGENDA**
  - A. May 2, 2013 City Council Meeting Minutes
  - B. Bill List, \$66,547.60
  - C. Brochman Blacktopping, Pothole Repair, \$41,487.00
  - D. Washington County, Snow Removal, \$9006.77
5. **PUBLIC INPUT**
  - A. When Will Planning Commission be Reappointed, Loren Sederstrom
  - B. Road Referendum on Ballot, Bob Engelhart
  - C. GRP Tractor Parade, Larry Lanoux
  - D. Public Agenda Item Request Process, John Smith
6. **STAFF REPORTS**
  - A. City Engineer, Phil Olson
    - i. Seal Coat/Roadway Maintenance Plan
    - ii. Irish Avenue Drainage Repair
  - B. City Planner, Jennifer Haskamp (No Planning Items)
  - C. City Attorney, Nick Vivian
    - i. Harmony Horse Farm Update
    - ii. Charter Commission Update
7. **NEW BUSINESS**

A. Accept 2012 Audit, Sharon Schwarze

B. Schedule 2014 Budget Meeting, Sharon Schwarze

C. Resolution No. 2013-15, Accepting Letter of Resignation from Council Member Fogelson

8. **UNFINISHED BUSINESS**

A. City Website Update, Mayor Carr

B. Emergency Sirens, Council Member Lobin

9. **DISCUSSION ITEMS**

A. City Council Reports (any updates from Council)

B. 2013 City Council Goals

C. Staff Updates

10. **COMMUNITY CALENDAR JUNE 5 THROUGH JUNE 30, 2013:**

Mahtomedi Public Schools Board Meeting, Thursday, June 13, 2013, Mahtomedi District Education Center, 7:00 p.m.

Stillwater Public Schools Board Meeting, Thursday, June 13 and 27<sup>th</sup>, 2013, Stillwater City Hall, 7:00 p.m.

Washington County Commissioners Meeting, Tuesdays, Government Center, 9:00 a.m.

11. **ADJOURNMENT**

**I. GUIDELINES FOR CONDUCT AT GRANT CITY MEETINGS**

1. Public input (agenda item) and public comment during agenda items will be addressed as time allows and individuals must be recognized by the Meeting Chair prior to making comments.
2. Any individual addressing the Council will approach the microphone and clearly state their name and full address.
3. Comments and reading of written statements shall be limited to two (2) minutes. You are encouraged not to be repetitious of comments made by any previous speakers.
4. No personal attacks are allowed during any public input, public comment or public hearings.

**II. PUBLIC INPUT –AGENDA ITEM**

The City is currently utilizing the Agenda Item Request Form for Public Input.

### **III. PUBLIC COMMENT – DURING AGENDA ITEMS**

Citizens may share their comments or concern on a specific agenda item if called upon by the City Council. This is the portion of the Council meeting that citizens may comment on an individual agenda item if called on to do so. All comments must be addressed to the Mayor and Council and name and full address must be stated clearly. If the agenda item has had a public hearing, this will not be a continuation of that hearing.

CITY OF GRANT  
MINUTES

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**DATE** : May 2, 2013  
**TIME STARTED** : 7:00 p.m.  
**TIME ENDED** : 10:32 p.m.  
**MEMBERS PRESENT** : Councilmember Bohnen, Fogelson, Huber, Lobin and Mayor Carr  
**MEMBERS ABSENT** : None

Staff members present: City Attorney, Nick Vivian; City Engineer, Phil Olson; City Planner, Jennifer Haskamp; and Administrator/Clerk, Kim Points

**CALL TO ORDER**

Mayor Carr called the meeting to order at 7:00 p.m.

**PLEDGE OF ALLEGIANCE**

**SETTING THE AGENDA**

Mayor Carr advised the City has a new system for public input. The agenda request item form specifically stated the City must have jurisdiction over a topic and must not address individual Council Members. In addition, the Open Meeting Violation topic should be processed as a complaint.

Council Member Fogelson excused himself from the meeting at 7:02 p.m.

Mayor Carr removed the Charter Commission, Disbandment of the Planning Commission, and Open Meeting Violation from the Public Input.

**Mayor Carr moved to approve the agenda, as amended. Council Member Lobin seconded the motion. Motion carried with Council Member Bohnen voting nay.**

**CONSENT AGENDA**

- |  |          |
|--|----------|
| April 2, 2013 City Council Meeting Minutes                                 | Approved |
| Bill List, \$56,717.72   | Approved |
| Resolution No. 2013-13, Collette Lot Line Adjustment                       | Approved |
| Camp Odayin Application for Exempt Gambling Permit, Raffle at Indian Hills | Approved |

1 **Council Member Lobin moved to approve the Consent Agenda, as presented. Council Member**  
2 **Bohnen seconded the motion. Motion carried unanimously.**

3  
4 Council Member Fogelson returned to the meeting at 7:06 p.m.

5  
6 **PUBLIC INPUT**

7  
8 **Outdoor Warning Siren, Larry Lanoux** – Mr. Larry Lanoux came forward and commented on the  
9 sirens that were recently purchased and not having service when the power goes out.

10  
11 **Charter Commission, John Smith** – This item was removed from the agenda.

12  
13 **Disbandment of the Planning Commission, Mark Wojcik** – This item was removed from the  
14 agenda.

15  
16 **Comment on Public Input, Robert Engelhart** – Mr. Robert Engelhart came forward and  
17 commented on Public Input being removed from the City Council agenda, meeting minutes being  
18 edited and not receiving a response from a Council Member.

19  
20 **Open Meeting Violation, Loren Sederstrom** – This item was removed from the agenda.

21  
22 **CONCEPT PLAN REVIEW, PAUL LOVAS**

23  
24 City Planner Haskamp provided the background on this item advising an incomplete application was  
25 reviewed and the proposal does not meet the City Code. The applicant withdrew his application and  
26 would like to discuss the proposal with the Council. The issue with the application relates to lot  
27 minimum requirements.

28  
29 Mr. Paul Lovas came forward and advised he may need a variance to get the project done. He would  
30 like to give a family member a larger lot. He noted he currently owns a nine acre lot that is not  
31 buildable and would like to adjust the lot line from that parcel.

32  
33 Mayor Carr advised the City looks at the non-buildable lot as a 10 acre lot. There is a contiguous lot  
34 ordinance and the minimum lot size is five acres. The house would be non-conforming. He  
35 suggested a lot split with a private permanent easement.

36  
37 City Attorney Vivian suggested a lot split that creates two five acre parcels and then creates an  
38 easement on the back lot.

39  
40 Mr. Lovas advised that would not work as he wants his family member to have a three acre lot. He  
41 stated this is an unusual situation that would work for him and his family member but apparently not  
42 for the City.

43  
44 City Attorney Vivian advised variances are not granted for non-conforming lots.

1 City Planner Haskamp advised there is one building on a 10 acre lot. It is a non-conforming lot with a  
2 non-conforming building that has two PID's and two legal descriptions. They are separate. The only  
3 way to solve the issues is to bring the lot into conformance.

4  
5 City Attorney Vivian agreed and noted the County does not enforce the City ordinances. There are  
6 two deeds and one was transferred into another name. There is the potential to combine the two lots  
7 and then subdivide into two five acre parcels.

8  
9 Mayor Carr suggested the non-conforming lot should be brought to four acres or provides an  
10 easement. The City is not involved with private easements.

11  
12 **STAFF REPORTS**

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14 **City Engineer, Phil Olson**

15  
16 **Seal Coat/Roadway Maintenance Plan** – City Engineer Olson stated a revised Seal Coat/Roadway  
17 Maintenance plan was included in the packet for review and comment. This plan is an updated  
18 version of the Seal Coat plan developed in 2008.

19  
20 Due to the degraded condition of some of the City's roads, it appears that several of the roadways may  
21 benefit more from an increased amount of patching compared to receiving a scheduled seal coat.  
22 These roadways were discussed during the road tour. They have now been incorporated into the new  
23 Seal Coat/Roadway Maintenance Plan has candidates for patching.

24  
25 The new Seal Coat/Roadway maintenance plan also allows the City to give residents an opportunity  
26 to utilize the patching money for a larger overlay or rehabilitation project. By notifying residents that  
27 their road is scheduled for patching in the near future, residents would have the ability to petition the  
28 city for a project with partial funding from this project.

29  
30 The plan has identified roadways for patching through 2016. Roadways scheduled beyond 2016 are  
31 currently scheduled for a seal coat but should be reviewed again prior to completing the seal coat.

32  
33 The budget for 2013 is \$60,000.

34  
35 Council Member Bohnen stated the concept was to get a locked down seal coating schedule. That  
36 way if a road project is done, the Ciuty can contribute the seal coating dollars to that project. The  
37 problem is that many of the roads are beyond seal coating.

38  
39 Council Member Fogelson stated it does not make any sense to seal coat roads that are beyond repair.

40  
41 Mayor Carr stated he believes it is a good idea to have the plan and it may eventually be utilized to  
42 establish funding districts.

43  
44 City Engineer Olson stated the 2013 patching should be started or a notice should be sent out to  
45 residents.

1 Council Member Bohnen advised the initial potholing process will be completed as scheduled. The  
2 timing is key due to obtaining bids and the three neighborhoods needs to be identified. Extensive pot  
3 hole repair can happen anything during the season. The seal coat has to be done when it is warm.  
4 City Engineer Olson advised the updated plan indicates it will take effect in 2014 so there would only  
5 be patching done this year.

6  
7 The Council directed staff to bring back a letter to send to residents in the three neighborhoods. The  
8 plan will be reviewed again and based on the funding district to ensure it is in the right order per  
9 funding district opportunities.

10  
11 **Class 5 Surfacing Quotes** – City Engineer Olson advised the City completes a calls 5 resurfacing  
12 project every year on roadways scheduled by the Road Commission. The request for quotes was sent  
13 to Miller Excavating, Inc., and Raleigh Trucking Inc. He reviewed the quotes and asked for Council  
14 approval.

15  
16 Council Member Bohnen advised that last year the City deviated from the regular process and  
17 obtained quotes and purchased gravel from different contractors. He stated that worked very well and  
18 he would like to continue with that process.

19  
20 Council Member Huber stated there were quality issues last year and asked why the City would look  
21 at two contractors again this year.

22  
23 Council Member Bohnen advised the two different contractors have a different clay content and  
24 certain gravel works better with the roads that have dust control applied. Last year the contractors  
25 were very flexible with the process and recommended the City accept the quotes and he purchase the  
26 gravel as he deems necessary.

27  
28 **Council Member Fogelson moved to accept both quotes and authorize the Road Commissioner**  
29 **to purchase Class 5 from both contractors as he deems appropriate. Council Member Lobin**  
30 **seconded the motion. Motion carried unanimously.**

31  
32 **Irish Avenue Drainage Repair** – City Engineer Olson advised this item was to authorize extensive  
33 patching on Irish Avenue. However, this may be part of an overlay project and he recommends this  
34 be delayed for a few months.

35  
36 Council Member Bohnen advised safety patching will be done extensively but the City will want to  
37 see if this is part of an overlay project. He referred to the cost estimate for the project and suggested it  
38 be put out to contractors for a design bid.

39  
40 City Engineer Olson advised he would put together a simple request for a design bid.

41  
42 **Resolution No. 2013-14, CSAH 7 Pavement Rehabilitation Project** – City Engineer Olson advised  
43 Washington County is requesting municipal consent for a pavement rehabilitation project on CSAH  
44 7. The project will extend from Manning Avenue to White Bear Township. It will address poor

1 pavement conditions with a full depth reclamation and bituminous overlay. This project will not  
 2 require cost participation from Grant.

3  
 4 **Council Member Fogelson moved to adopt Resolution No. 2013-14, as presented. Council**  
 5 **Member Lobin seconded the motion. Motion carried unanimously.**  
 6

7 **Manning Avenue Pavement Rehabilitation Project** – Washington County is requesting municipal  
 8 consent for a pavement rehabilitation project on Manning Avenue. This project is proposed to extend  
 9 from 80<sup>th</sup> Street to Highway 96. The project will include a roundabout at Highway 96 along with  
 10 minor turn lane improvements.

11  
 12 This project also includes a signal and a right turn lane at 80<sup>th</sup> Street. Per the Washington County  
 13 Policy for Cost Participation (attached), Grant is required to fund 25% of the signal and 100% of the  
 14 turn lane. Additionally, Grant is required to fund 50% of the electric costs, approximately \$250 per  
 15 year.

16  
 17 On April 16<sup>th</sup>, Council Member Bohnen and I met with Washington County to discuss the details and  
 18 funding for this project. At the meeting, an alternate funding option was discussed where Grant  
 19 would fund the signal based on the percentage of traffic from Grant. This method is recognition of  
 20 Grant’s limited use of the signal.

21  
 22 The traffic volumes at Manning Avenue and 80<sup>th</sup> Street are as follows:

- 23 • Manning Avenue: 13,400 cars/day
- 24 • 80<sup>th</sup> Street (Stillwater): 2,000 cars/day
- 25 • 80<sup>th</sup> Street (Grant): 300 cars/day (summer)
- 26 • 80<sup>th</sup> Street (Grant): 30 cars/day (winter)

27  
 28 Below is a comparison of Grant’s funding obligation based on Washington County’s current policy  
 29 and based on an estimate of the traffic volumes. Additional discussion is needed with Washington  
 30 County to determine the exact traffic volumes and formula for the agreements.

31  
 32 Washington County Policy:

33  $\$10,000$  (turn lane) x 100% +  $\$150,000$  (signal) x 25% =  $\$47,500$   
 34

35 Traffic Volumes:

36  $300$  cars/day (Grant) ÷  $2000$  cars/day (Stillwater) = 15%

37  $\$80,000$  (50% of the cost of the turn lane and signal) x 15% =  $\$12,000$   
 38

39 Staff is requesting Council direction prior to working with Washington County to develop agreements  
 40 for this project. The agreements will still need Council approval at a future City Council meeting.

41  
 42 Council Member Bohnen noted he has ordered road counts on that road.

43  
 44 City Engineer Olson stated warrants are being met there for a stop light by the City of Stillwater.  
 45



1 Council Member Huber added it should like the City is solving Stillwater's problems with City of  
2 Grant dollars.

3  
4 City Engineer Olson stated the City does have the option to say no. Municipal consent is needed for  
5 the project.

6  
7 Council Member Bohnen stated there is a change a stop light will be put in at McKusick and the City  
8 may have to finance a turn lane. If the same stadards is used, the City will have to pay 50% plus the  
9 turn lane costs and the only reason a turn lane may be constructed is to have a sensor to trip the stop  
10 light. He suggested contributing \$10,000 to this project may be a good idea.

11  
12 It was the consensus of the Council to contribute up to \$10,000 for the project.

13  
14 **Staff Report** – A report from City Engineer Olson was provided for April 2013 engineering activities  
15 to be placed on file.

16  
17 **City Planner, Jennifer Haskamp**

18  
19 **Staff Report** – A report from City Planner Haskamp was provided for April 2013 planning activities  
20 to be placed on file.

21  
22 **City Attorney, Nick Vivian**

23  
24 **Civil Legal Services Contract** – City Attorney Vivian advised that as the City goes into budget  
25 season, he put together a contract for review. The theory behind it is to help with the annual budget  
26 process. It provides for a flat fee and more interaction with the City. All of his communities have a  
27 flat fee for prosecutions and many have a flat fee for general also. The Administrator/Clerk requested  
28 a draft contract and it was included in your packets for consideration and review.

29  
30 Mayor Carr stated the numbers came from the three line items in the budget. General legal fees are  
31 typically at \$30,000 - \$35,000 per year. He asked if a retainer system still allows for keeping track of  
32 time entries and what is being billed.

33  
34 Council Member Huber thanked the Administrator/Clerk for getting the draft agreement. He would  
35 like to see what went into developing the numbers. Information for the past several years would be  
36 helpful as well as to see what the City is actually being billed for.

37  
38 Council Member Bohnen reviewed year to date numbers for 2011 and 2012. He would like to review  
39 the bills to determine what are ordinary services and extraordinary services.

40  
41 It was the consensus of the Council that more information is needed to further discuss the agreement.

42  
43 **Staff Report** – A report from City Attorney Vivian was provided for April 2013 legal activities to be  
44 placed on file.

45

1 **Building Inspector, Jack Kramer** – A report was from Building Inspector Kramer was provided for  
2 April 2013 to be placed on file for review.

3  
4 **NEW BUSINESS**

5  
6 **City Assessor contract, Administrator/Clerk** – Administrator/Clerk Points provided a three year  
7 contract and pricing for the City Assessor. She noted there have not been any service issues or resident  
8 complaints. The three year contract will lock in the pricing for assessing services.

9  
10 **Council Member Huber moved to provisionally approve the contract based on obtaining a price**  
11 **quote from the County and the contract expiration date be changed to September 1. Mayor**  
12 **Carr seconded the motion.**

13  
14 Administrator/Clerk Points pointed out that the contract expiration date may be per the County.

15  
16 Council Member Huber withdrew the expiration date requirement from the motion. Mayor Carr  
17 agreed to the withdrawal.

18  
19 Council Member Fogelson suggested a one year contract be approved so the City can go out for bids  
20 next year. If the County comes back with a less expensive option a special meeting would have to be  
21 held because a contract has to be in place by June 1.

22  
23 Council Member Bohnen stated he is prepared to take action tonight. The County could have been  
24 called prior to the meeting.

25  
26 **Mayor Carr added a friendly amendment to include if the County comes back with a less**  
27 **expensive option a special meeting is called. Council Member Huber agreed to the friendly**  
28 **amendment. Motion carried with Council Member Bohnen and Fogelson voting nay.**

29  
30 **Town Hall Repairs, Council Member Fogelson** – Council Member Fogelson advised every year the  
31 City does have some repairs done to Town Hall. Dollars have been dedicated for grading, windows  
32 and steps. Bids for the windows were included in the packet.

33  
34 It was the consensus of the Council to move forward with the replacement of four wood windows this  
35 year.

36  
37 **Reschedule November 5, 2013 City Council Meeting, Administrator/Clerk** – Administrator/Clerk  
38 Points advised the November 5 Council meeting has to be rescheduled due to a School District  
39 special referendum.

40  
41 The November 2013 regular City Council meeting was rescheduled to Monday, November 4, 2013.

42  
43 **Approval to Extend Asphalt Apron on 69<sup>th</sup>, Council Member Bohnen** – Council Member Bohnen  
44 advised there is a visibility issue at 69<sup>th</sup> and the County Road. The asphalt apron would give time to  
45 get on the asphalt. He did speak to the County about a cost share and they have declined but may

1 wave the permit fee. The County may be interested in the installation of a blinking light warning that  
2 a car is coming.

3  
4 **Council Member Fogelson moved to approve the project as presented and continue discussions**  
5 **with the County regarding the placement of flashing signs. Council Member Huber seconded**  
6 **the motion.**

7  
8 Mr. Paul Roth came forward and stated he has lived there a long time. His kids are of driving age  
9 now and it is very dangerous.

10  
11 Mayor Carr stated he is confused as to why the County wants the City's help on 80<sup>th</sup> Street but they  
12 will not help with paving their own right of way.

13  
14 City Engineer Olson advised he can talk to the County about some warning lights being placed there  
15 while the project is being done.

16  
17 Council Member Bohnen stated he is comfortable with talking to the County again about the City  
18 helping with 80<sup>th</sup> Street and them helping with this project.

19  
20 **Motion carried unanimously.**

21  
22 **OLD BUSINESS**

23  
24 **City Website Update, Mayor Carr** – There were no issues raised with the website.

25  
26 **CUP Review Process, Mayor Carr** – Mayor Carr advised staff will present an option for CUP  
27 reviews.

28  
29 Administrator/Clerk Points advised staff discussed CUP reviews at a staff meeting and research was  
30 done on how other cities conduct CUP reviews. Staff is recommending a systematic approach that  
31 includes all CUP's grouped by addresses. All CUP documents will be administratively reviewed and  
32 those that are a large land use in relation to health, safety and welfare will have an on-site visit.  
33 Those that do not have reviewable conditions will not have an on-site visit. Staff as a team will  
34 review all the CUP documents and a report will be drafted every year. Only reviews that have  
35 compliance issues will be brought to the Council.

36  
37 Council Member Bohnen stated the option sounds fair and equitable and he appreciates that.  
38 However, the City has limited funds and staff so he would prefer the City utilize the complaint basis  
39 this year and revisit this next year.

40  
41 Mayor Carr stated he lived through the complaint basis previously utilized. The ordinance says the  
42 City is to review CUP's. He stated the staff option is a good compromise.

43  
44 Council Member Fogelson stated he likes the new approach and it is apolitical. The only concern is  
45 cost but it is the best solution he has heard.

1 Council Member Huber stated he would like to see what the costs are to implement the process. He  
2 asked staff to keep the billing separated.

3 Discussion was held as to whether the process should have a five or four year cycle.  
4

5 Council Member Bohnen stated the fewer there are to review every year the less expensive it will be.  
6 Having a four year cycle is setting the City up for failure and the City may get bogged down with  
7 litigation.  
8

9 **Mayor Carr moved to implement the CUP Review Process as outlined on a four year cycle.**  
10 **Council Member Fogelson seconded the motion. Motion carried with Council Member Bohnen**  
11 **voting nay.**

12  
13 **DISCUSSION ITEMS**

14  
15 **City Council Reports:**

16  
17 Council Member Fogelson stated the Metropolitan Council had a meeting on ground water and the  
18 relationship to ground water and what is happening in White Bear Lake. He stated the City needs to  
19 continue being represented at the meetings.  
20

21 Council Member Huber stated the Cable Commission is getting close to franchise negotiation. There  
22 are \$30,000 dollars in funds that need to be utilized. He stated he met with the tech people regarding  
23 lighting issues and other upgrades to Town Hall. He will continue to provide updates.  
24

25 Council Member Bohnen referred to the potholes on the roadways. He stated he has received some  
26 very concerning calls regarding the potholes and damage to vehicles. The timing this year between  
27 the frost coming out and the potholes being fixed has been lengthy. Residents are ruining tires and it  
28 is dangerous. Residents need to wait on traffic and go around the potholes.  
29

30 Mayor Carr stated there will be water testing in May in the City of Scandia. Information will be  
31 posted on the website.  
32

33 **2013 City Council Goals** – There was no discussion regarding this item.  
34

35 **Staff Reports (any updates from Staff):**

36  
37 Administrator/Clerk Points advised a citizen has requested there be another clean-up day. Due to the  
38 weather road side trash was not picked up. Maroney's is available for a one time pick up at Town  
39 Hall if the Council would like to accommodate the request.  
40

41 It was the consensus of the Council to schedule a onetime pickup at Town Hall for road side trash that  
42 is picked up. Information will be posted on the website.  
43

44 Administrator/Clerk Points referred to the staff report and updated the Council on the Municipal  
45 Clerk's training. She noted the City of Grant was the tenth largest City in the first year group.

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**Council Member Huber moved to approve Administrator/Clerk attendance at the Municipal Clerk’s Training for the next two consecutive years. Council Member Fogelson seconded the motion. Motion carried unanimously.**

**COMMUNITY CALENDAR MAY 3 THROUGH MAY 31, 2013:**

**Mahtomedi Public Schools Board Meeting, Thursday, May 9, 2013, Mahtomedi District Education Center, 7:00 p.m.**

**Grant Community Meeting, Wednesday, May 15, 2013, Town Hall, 5:00 – 7:00 p.m.**

**Stillwater Public Schools Board Meeting, Thursday, May 9th and 23<sup>th</sup>, 2013, Stillwater City Hall, 7:00 p.m.**

**Washington County Commissioners Meeting, Tuesdays, Government Center, 9:00 a.m.**

**CLOSED SESSION FOR THE PURPOSE OF CONFERRING WITH LEGAL COUNSEL AS PERMITTED BY THE ATTORNEY-CLIENT PRIVILEGE PURSUANT TO MINN. STAT. 13D.05 SUBD.3 (d) ON THE FOLLOWING LEGAL MATTER:**

Nelson v city of Grant et al

**Council Member Fogelson moved to go into closed session at 10:30 p.m. Council Member Lobin seconded the motion. Motion carried unanimously.**

**Council Member Lobin moved to go back into open session at 10:31 p.m. Council Member Fogelson seconded the motion. Motion carried unanimously.**

City Attorney Vivian advised the purpose of the closed session was to confer with legal counsel regarding the decision of Nelson v City of Grant. No action was taken.

**ADJOURN**

**There being no further business, Council Member Fogelson moved to adjourn at 10:32 p.m. Council Member Bohnen seconded the motion. Motion carried unanimously.**

These minutes were considered and approved at the regular Council Meeting June 4, 2013.

\_\_\_\_\_  
Kim Points, Administrator/Clerk

\_\_\_\_\_  
Tom Carr, Mayor

Date range: 04/28/2013 to 05/28/2013

<u>Vendor</u>	<u>Date</u>	<u>Check #</u>	<u>Total</u>	<u>Description</u>	<u>Void</u>	<u>Account#</u>	<u>Detail</u>
Payroll Period Ending 05/28/2013	05/28/2013	12076	\$3,171.64		No	100-41101-100	\$3,171.64
Washington County Transportation	05/28/2013	12077	\$9,006.77	Snow and Ice Control	No	100-43113-210	\$9,006.77
Xcel Energy	05/28/2013	12078	\$266.01	Utilities	No	100-43004-381 100-43010-381 100-43117-381	\$206.53 \$11.69 \$47.79
Commercial Asphalt	05/28/2013	12079	\$1,762.00	Gravel	No	100-43106-224	\$1,762.00
ADT Security Services	05/28/2013	12080	\$650.81	Annual Service Charge	No	100-43003-300	\$650.81
Graphic Resources	05/28/2013	12081	\$1,201.99	Spring Newsletter	No	100-41307-350	\$1,201.99
Brochman Blacktopping Co.	05/28/2013	12082	\$28,002.00	Roads/Pothole Repair/McKusick	No	100-43109-300 100-43109-300	\$21,012.00 \$6,990.00
Smith Appraisal Service	05/28/2013	12083	\$5,432.50	3rd Quarter Assessment Fees	No	100-41208-300	\$5,432.50
Croix Valley Inspector	05/28/2013	12084	\$5,345.82	Building Inspector	No	100-42004-300	\$5,345.82
Beissel Window and Siding	05/28/2013	12085	\$2,292.00	Down Payment Window Replacement	No	100-43002-220	\$2,292.00
Washington County Assessment/Tax	05/28/2013	12086	\$1,127.31	Assessment Services	No	100-41208-300	\$1,127.31
Todd Benjamin	05/28/2013	12087	\$14.40	Mailbox Replacement	No	100-41306-810	\$14.40
Brochman Blacktopping Co.	05/28/2013	12088	\$13,485.00	Roads/Pothole Repair	No	100-43109-300	\$13,485.00
KEJ Enterprises	05/28/2013	12089	\$4,125.00	Snow Removal/Sand Salt	No	100-43108-300 100-43113-300	\$700.00 \$3,425.00
CenturyLink	05/28/2013	12090	\$162.75	City Phone	No	100-41309-321	\$162.75
Chestnut Cambonne	05/28/2013	12091	\$6,222.77	Respondent's Brief/Neilsen	No	100-41205-300	\$6,222.77
Washington County Property Records	05/28/2013	12092	\$470.00	Accuvote Annual Fee	No	100-41303-210	\$470.00
Swanson Haskamp Consulting	05/28/2013	12093	\$1,201.00	Planning	No	100-41209-300 854-49310-430 857-49310-430	\$948.00 \$115.00 \$138.00
Sprint	05/28/2013	12094	\$25.27	City Cell Phone	No	100-43116-321	\$25.27
Washington County Property Records	05/28/2013	12095	\$504.43	Truth in Taxation Notice	No	100-41208-300	\$135.00

<u>Vendor</u>	<u>Date</u>	<u>Check #</u>	<u>Total</u>	<u>Description</u>	<u>Void</u>	<u>Account #</u>	<u>Detail</u>
Waste Management	05/28/2013	12096	\$4,347.38	Recycling	No	100-41308-350	\$369.43
Ken Roman	05/28/2013	12097	\$90.00	Video Services	No	100-43011-384	\$4,347.38
CliftonLarsonAllen	05/28/2013	12098	\$7,200.00	Inv#079820	No	100-41318-300	\$90.00
On Site Sanitation	05/28/2013	12099	\$207.33	Last Billing	No	100-41201-301	\$7,200.00
Scott Fogelson	05/28/2013	12100	\$1,282.50	1/2 2013 Council Payment	No	100-43007-210	\$207.33
Eckberg Lammers	05/28/2013	12101	\$4,855.75	Legal Services	No	100-41005-100 100-41006-100	\$1,207.50 \$75.00
T. A. Schilsky & Sons, Inc.	05/28/2013	12102	\$647.58	Pothole Materials/Sales Tax	No	100-41204-300 100-41205-300 100-41206-300 801-49310-300	\$1,675.64 \$1,613.44 \$1,541.67 \$25.00
WSB & Associates	05/28/2013	12103	\$4,298.50	Engineering	No	100-43106-224	\$647.58
PERA	05/28/2013	12104	\$584.95	PERA	No	100-41203-300 100-42007-300	\$2,306.50 \$1,992.00
Kline Bros Excavating	05/28/2013	12105	\$8,012.50	Road Maintenance	No	100-41102-120 100-41113-100	\$314.14 \$270.81
IRS	05/28/2013	EFT36	\$1,045.41	Payroll Taxes May	No	100-43101-300	\$8,012.50

Total For Selected Checks

\$117,041.37

\$117,041.37

Brochman Blacktopping Co.  
 12770 Mckusick Rd.  
 Stillwater, Mn. 55082

Date 5/3/2013  
 Invoice # 2456

**Bill To**

City Of Grant  
 111 Wildwood Rd.  
 Po. Box. 577  
 Wilfornie, MN 55090

Terms Due on receipt Due Date 5/3/2013

Item	Description	Qty	Price	Amount
asphalt mix	66 tons x \$73.00=	1	4,818.00	4,818.00
Man hours	151 x \$50.00=	1	7,550.00	7,550.00
Trucking	46 hrs. x \$30.00=	1	1,380.00	1,380.00
Skid loader	34 hrs. x \$25.00=	1	850.00	850.00
Roller	22 hrs. x \$25.00=	1	550.00	550.00
Tack	80 gallons x \$3.00=	1	240.00	240.00
Asphalt patching repair of pot holes on Mckusick Rd. No. 04/26/2013				
asphalt mix	18 tons x \$73.00=	1	1,314.00	1,314.00
Man hours	63 x \$50.00=	1	3,150.00	3,150.00
Trucking	17 hrs. x \$30.00=	1	510.00	510.00
Skid loader	13 hrs. x \$25.00=	1	325.00	325.00
Roller	10 hrs. x \$25.00=	1	250.00	250.00
Tack	25 gallons x \$3.00=	1	75.00	75.00
Asphalt patching repair of pot holes on Keats Ave. No. 04/25/2013				

Thank you! for your business.

Subtotal	\$21,012.00
Sales Tax (0.0%)	\$0.00
<b>Total</b>	<b>\$21,012.00</b>
Payments/Credits	\$0.00
<b>Balance Due</b>	<b>\$21,012.00</b>

brochmanpaving@msn.com

651-439-5379  
 Fax 651-439-5379



Brochman Blacktopping Co.  
 12770 Mckusick Rd.  
 Stillwater, Mn. 55082

# Invoice

Date 5/9/2013  
 Invoice # 2458

**Bill To**  
 City Of Grant  
 111 Wildwood Rd.  
 Po. Box. 577  
 Willernie, MN 55090

Terms Due on receipt Due Date 5/9/2013

Item	Description	Qty	Price	Amount
Man hours	30 x \$50.00=	1	1,500.00	1,500.00
Trucking	8 hrs. x \$30.00=	1	240.00	240.00
Skid loader	7 hrs. x \$25.00=	1	175.00	175.00
Roller	4 hrs. x \$25.00=	1	100.00	100.00
Tack	15 gals. x \$3.00=	1	45.00	45.00
Labor & materials for asphalt pot hole patching repairs at Irish Ave. No. 05/06/2013				
Man hours	52 hrs. x \$50.00=	1	2,600.00	2,600.00
Trucking	18 hrs. x \$30.00=	1	540.00	540.00
Skid loader	10 hrs. x \$25.00=	1	250.00	250.00
Roller	9 hrs. x \$25.00=	1	225.00	225.00
Tack	25 gals. x \$3.00=	1	75.00	75.00
Labor & materials for asphalt pot hole patching repairs at Kimbro Ave. No. 05/06/2013, 05/07/2013				
Man hours	53 hrs. x \$50.00=	1	2,650.00	2,650.00
Trucking	18 hrs. x \$30.00=	1	540.00	540.00
Skid loader	12 hrs. x \$25.00=	1	300.00	300.00
Roller	7 hrs. x \$25.00=	1	175.00	175.00
Tack	25 gals. x \$3.00=	1	75.00	75.00

Thank you! for your business.

Subtotal

Sales Tax (0.0%)

Total

Payments/Credits

Balance Due

brochmanpaving@msn.com

651-439-5379  
 Fax 651-439-5379

*\$13,485.00*

Brochman Blacktopping Co.  
 12770 Mckusick Rd.  
 Stillwater, Mn. 55082

# Invoice

Date 5/9/2013  
 Invoice # 2458

**Bill To**

City Of Grant  
 111 Wildwood Rd.  
 Po. Box. 577  
 Willernie, MN 55090

Terms Due on receipt Due Date 5/9/2013

Item	Description	Qty	Price	Amount
	Labor & materials for asphalt pot hole patching repairs at Joliet Ave. No. 05/07/2013, 05/08/2013			
Thank you! for your business.			<b>Subtotal</b>	\$9,490.00
			<b>Sales Tax (0.0%)</b>	\$0.00
			<b>Total</b>	\$9,490.00
brochmanpaving@msn.com			<b>Payments/Credits</b>	\$0.00
651-439-5379			<b>Balance Due</b>	\$9,490.00
Fax 651-439-5379				

Brochman Blacktopping Co.  
 12770 Mckusick Rd.  
 Stillwater, Mn. 55082

# Invoice

Date 5/15/2013  
 Invoice # 2464

**Bill To**

City Of Grant  
 111 Wildwood Rd.  
 Po. Box. 577  
 Willernie, MN 55090

Terms Due on receipt Due Date 5/15/2013

Item	Description	Qty	Price	Amount
Man hours	57 x \$50.00=	1	2,850.00	2,850.00
Trucking	19 hrs. x \$30.00=	1	570.00	570.00
Skid loader	12 hrs. x \$25.00=	1	300.00	300.00
Roller	8 hrs. x \$25.00=	1	200.00	200.00
Tack	25 gals. x \$3.00=	1	75.00	75.00
	Labor & materials for asphalt pot hole patching of the following Streets: Grenelefe, Great Oak, 115th St. , Hillcrest, Imperial. 05/13/2013			
Thank you! for your business.		Subtotal		\$3,995.00
		Sales Tax (0.0%)		\$0.00
		Total		\$3,995.00
brochmanpaving@msn.com		Payments/Credits		\$0.00
651-439-5379 Fax 651-439-5379		Balance Due		\$3,995.00

Brochman Blacktopping Co.  
 12770 Mckusick Rd.  
 Stillwater, Mn. 55082

Date 5/21/2013  
 Invoice # 2486

**Bill To**  
 City Of Grant  
 111 Wildwood Rd.  
 Po. Box. 577  
 Willernie, MN 55090

Terms Due on receipt Due Date 5/21/2013

Item	Description	Qty	Price	Amount
Man hours	105 x \$50.00=	1	5,250.00	5,250.00
Trucking	27 hrs. x \$30.00=	1	810.00	810.00
Skid loader	18 hrs. x \$25.00=	1	450.00	450.00
Roller	12 hrs. x \$25.00=	1	300.00	300.00
Tack	60 gals. x \$3.00=	1	180.00	180.00

Labor & materials for asphalt patching of potholes at the following locations: Justin Ave. No., 96th St., Janero Ct., Jody Ave. No., 103rd. St. No., 101st. St. No., Juno Ave. No., 107th St. No. ( 05/16/2013, 05/20/2013 )

Thank you! for your business.

Subtotal	\$6,990.00
Sales Tax (0.0%)	\$0.00
<b>Total</b>	<b>\$6,990.00</b>
Payments/Credits	\$0.00
<b>Balance Due</b>	<b>\$6,990.00</b>

brochmanpaving@msn.com

651-439-5379  
 Fax 651-439-5379



ROAD & BRIDGE  
 11660 MYERON RD  
 STILLWATER MN 55082  
 651-430-4342

<i>Invoice</i>	
Invoice Number:	75547
Account Number:	27164
Invoice Date	5/16/13
Amount Remitted:	\$ _____
Federal Tax Id:41-6005919	
Page:	1

To: GRANT CITY  
 PO BOX 577  
 WILLERNIE MN 55090

NET 30

*Please detach and return upper portion with payment.*

BCI#	Date	Description	Units	Invoice Amount
Materials and Miscellaneous				
649911	3/25/13	Snow & Ice Control	177.20	\$6,625.83
649916	4/15/13	Snow & Ice Control	25.84	\$1,409.23
649917	4/19/13	Snow & Ice Control	6.13	\$480.36
649919	4/24/13	Snow & Ice Control	10.75	\$491.35
Total of Materials and Miscellaneous				\$9,006.77
I declare under the penalties of law that this account claim or demand, is just and correct and no part of it has been paid.			<b>Invoice Total</b>	\$9,006.77
Please make check payable to Washington County and mail to the address above.				
Totals include fringe and overhead rates.			<b>Sales Tax</b>	\$0.00
If applicable, sales tax is included.				
Invoice Number:	75547	Account Number:	27164	<b>Balance Due</b>
Invoice Date:	5/16/13	NET 30		
				\$9,006.77

# City of Grant

## Public Agenda Item Request

Name of Requester: Loren Sederstrom

Address: 9330 107th St N

Mailing Address: \_\_\_\_\_

Phone: (051) 683-4442

Requested Agenda Item: When will Planning Commission  
(Attached explanation page as necessary) be reappointed

- City of Grant must have lawful jurisdiction
- The application and reference documents must be received eight days prior to the City Council meeting. Agendas and meeting packets are distributed to Council Member's one week prior to the regular scheduled meeting
- All referenced documents need to be provided before the agenda is distributed
- Agenda Item/Presentation must be approved by a Council Member, Mayor or Administrator/Clerk
- All meeting procedures will be followed
- Presentations will be limited to five (5) minutes
- All materials presented at a public meeting will be public

Council Meeting Date Requested: 6/4/13

Signature of Applicant: Loren Sederstrom Date: 5/15/13

Required Signature of Council Member, Mayor or Administrator/Clerk: \_\_\_\_\_  
[Signature]

# City of Grant

## Public Agenda Item Request

Name of Requester: Bob ENGELHART

Address: 9280 JOLIET AVE W.

Mailing Address: \_\_\_\_\_

Phone: (651) 699-0472

Requested Agenda Item: Road Referendum Put Levy on Ballot

(Attached explanation page as necessary)

- City of Grant must have lawful jurisdiction
- The application and reference documents must be received eight days prior to the City Council meeting. Agendas and meeting packets are distributed to Council Member's one week prior to the regular scheduled meeting
- All referenced documents need to be provided before the agenda is distributed
- Agenda Item/Presentation must be approved by a Council Member, Mayor or Administrator/Clerk
- All meeting procedures will be followed
- Presentations will be limited to five (5) minutes
- All materials presented at a public meeting will be public

Council Meeting Date Requested: 6/24/13

Signature of Applicant: [Signature] Date: 5/15/13

Required Signature of Council Member/Mayor or Administrator/Clerk: [Signature]

# City of Grant

## Public Agenda Item Request

Name of Requester: Larry Lanzoux  
Address: 9711 Neswick Ave  
Mailing Address: \_\_\_\_\_  
Phone: ( ) 631-485-7574  
Requested Agenda Item: GRP-Tuxedo Parade

(Attached explanation page as necessary)

- City of Grant must have lawful jurisdiction
- The application and reference documents must be received eight days prior to the City Council meeting. Agendas and meeting packets are distributed to Council Member's one week prior to the regular scheduled meeting
- All referenced documents need to be provided before the agenda is distributed
- Agenda Item/Presentation must be approved by a Council Member, Mayor or Administrator/Clerk
- All meeting procedures will be followed
- Presentations will be limited to five (5) minutes
- All materials presented at a public meeting will be public

Council Meeting Date Requested: June 4 - 13

Signature of Applicant: [Signature] Date: 5-14-13

Required Signature of Council Member, Mayor or Administrator/Clerk:  
[Signature]



# City of Grant

## Public Agenda Item Request

Name of Requester:

John D. Smith

Address:

10944-67th Ln N.

Mailing Address:

Same as above

Phone: (

651 770 8258

Requested Agenda Item:

Public Agenda item Request Process

(Attached explanation page as necessary)

- City of Grant must have lawful jurisdiction
- The application and reference documents must be received eight days prior to the City Council meeting. Agendas and meeting packets are distributed to Council Member's one week prior to the regular scheduled meeting
- All referenced documents need to be provided before the agenda is distributed
- Agenda Item/Presentation must be approved by a Council Member, Mayor or Administrator/Clerk
- All meeting procedures will be followed
- Presentations will be limited to five (5) minutes
- All materials presented at a public meeting will be public

Council Meeting Date Requested:

June 4, 2013

Signature of Applicant:

J.D. Smith

Date:

May 15, 2013

Required Signature of Council Member, Mayor or Administrator/Clerk:

Jenna Robin



*Memorandum*

**To:** *Honorable Mayor and City Council, City of Grant  
Kim Points, Administrator/Clerk, City of Grant*

**From:** *Phil Olson, PE, City Engineer  
WSB & Associates, Inc.*

**Date:** *May 28, 2013*

**Re:** *Seal Coat/Roadway Maintenance Plan*

In May, Council discussed a revised seal coat/roadway maintenance plan that more closely accounts for the current condition of the city's roadways. The goal of the revisions is to increase the benefit to roadways in poor condition by creating a larger patching project instead of completing a seal coat. This patching project is planned to be in addition to the annual city wide patching. Roadways in adequate condition are still scheduled for seal coating.

The revised seal coat/roadway maintenance plan is an updated version of the Seal Coat plan developed in 2008. That plan has been utilized as a guideline for planning seal coat projects.

Below is the updated listing of the roadways scheduled for patching and seal coat through 2016. This information is also included on the attached Seal Coat/Roadway Maintenance Plan. Roadways scheduled beyond 2016 are shown as being scheduled for a seal coat but should be reviewed again prior to completing that work.

**Patching**

2013

- 79<sup>th</sup> Street
- Leeward Avenue
- Irish Avenue
- Knollwood Drive

2015

- Field Ridge Road
- Indigo Trail
- 88th Street / Jeffrey Avenue
- Kimbro Avenue

**Seal Coat**

2014

- Dellwood Road Lane
- Dellwood Road Court
- Joliet Avenue
- Justen Trail
- Isleton Avenue
- Isleton Court
- Jasmine Avenue

2016

- 62<sup>nd</sup> Street
- 102<sup>nd</sup> Street / 102<sup>nd</sup> Court
- 115<sup>th</sup> Street
- Hadley Avenue
- Hadley Court
- Hadley Circle
- Hidden Glade Avenue
- Jamaca Avenue: N of 64<sup>th</sup> Street

The new Seal Coat/Roadway maintenance plan allows the city to give residents an opportunity to utilize the patching money for a larger overlay or rehabilitation project. By notifying residents that their road is scheduled for patching in the near future, residents would have the ability to petition the city for a project with partial funding from this project.

An updated version of the roadway project memo is attached for Council discussion. This memo can be updated with cost information specific to each roadway.

The budget for seal coating in 2013 is \$60,000.

**Action:** Discussion. Council direction, or if the plan is acceptable, direct staff to send the roadway project memo to residents scheduled for patching in 2013.

If you have any questions, please contact me at 763-512-5245.



**Memorandum**

**To:** *Honorable Mayor and City Council, City of Grant  
Kim Points, Administrator/Clerk, City of Grant*

**From:** *Phil Olson, PE, City Engineer  
WSB & Associates, Inc.*

**Date:** *May 28, 2013*

**Re:** *Irish Avenue: Roadway and Drainage Repair*

Quotes and plans were requested for the repair of pavement and drainage on Irish Avenue, near the driveway of 11645 Irish Avenue. This area of Irish Avenue has been an ongoing maintenance issue and was identified during the road tour as a potential project area for 2013. Contractors were asked to provide a plan and cost based on some standard design parameters that were provided. The email requesting quotes and plans from contractors is attached.

Quotes and plans were requested from Brochman Blacktopping Co., Schifsky and Sons, Miller Excavating, and the Klein Brothers. Two submittals were received and the costs are listed below. The complete submittals, including plan sketches, are attached for Council review.

Brochman Blacktopping Co.....	\$26,270
Schifsky and Sons.....	\$28,800

No quotes were received from Miller Excavating and the Klein Brothers. Additionally, Carl Bolander and Sons Co. was contacted about this project but they did not feel they could provide a competitive quote based on the amount of paving.

Submittals from both contractors appear to meet the basic scope and intent of the project. Brochman Blacktopping Co. appeared to provide more information regarding the drainage issues and also had a lower bid.

**Action:** Discussion.

If you have any questions, please contact me at 763-512-5245.

**From:** Olson, Phil  
**To:** MICHAEL R. BROCHMAN; Rob Stangler; <briankline@comcast.net>; "pmillerexc@aol.com"  
**Cc:** "Steve Bohnen"  
**Subject:** Grant RFP/Rfq: Irish Avenue  
**Date:** Friday, May 17, 2013 3:28:00 PM  
**Attachments:** [Location Map.pdf](#)  
[Project Limits.pdf](#)

---

The City of Grant is requesting proposals/quotes for roadway replacement and the repair of drainage on Irish Avenue. Contractors are required to provide a plan and the total project cost for roadway replacement and repair of the drainage issue. The contractors plan should contain a description of the work to be completed and with a schedule for completing the work. Rough images of the project area and limits are attached.

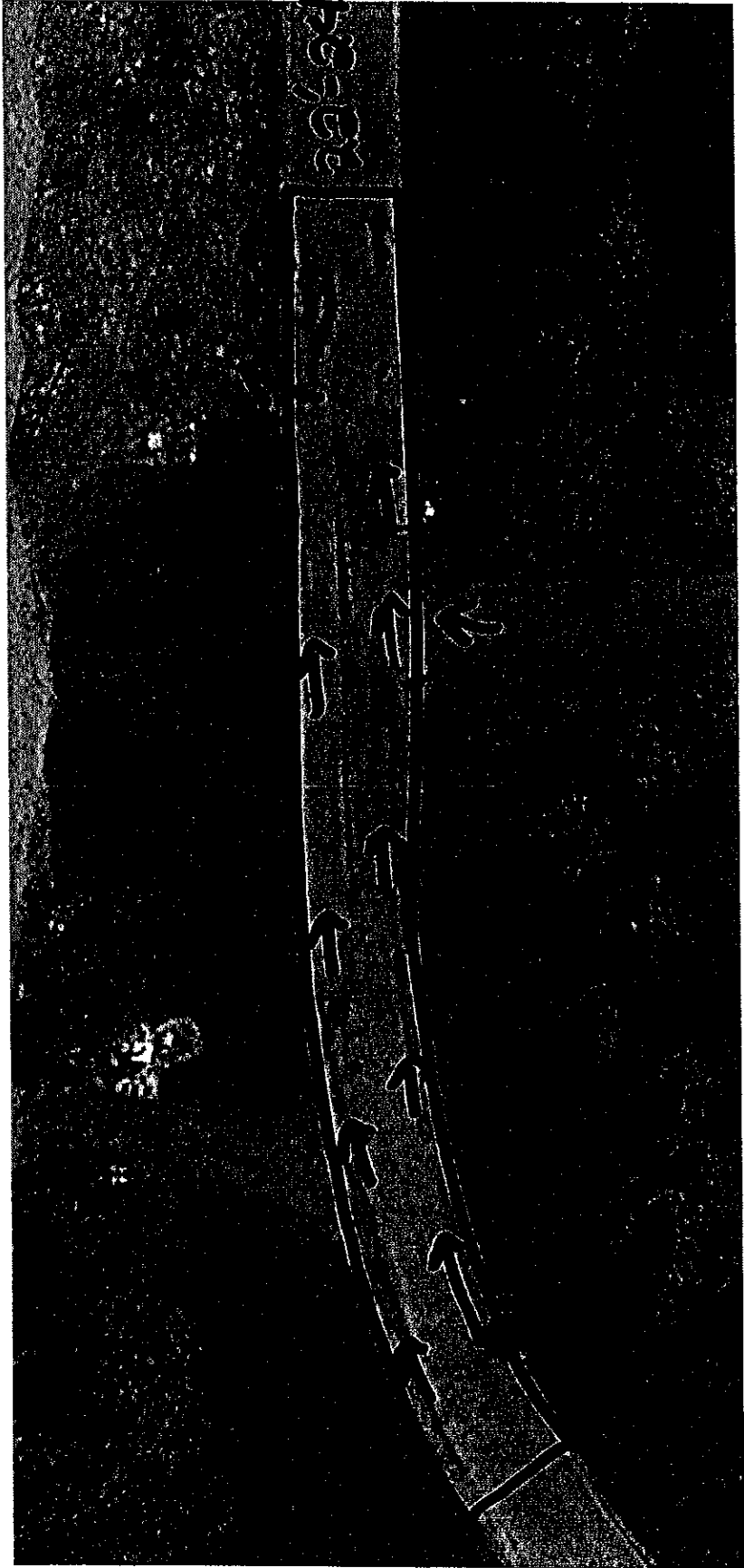
Proposals/quotes are requested by **noon on Friday, May 24<sup>th</sup>**. The City Council will review the proposals/quotes at the City Council meeting on June 4<sup>th</sup>.

The contractor's work plan should include the following items:

- Replacement of approximately 260 feet of roadway, matching existing pavement width (approximately 22 feet – 24 feet wide)
- Existing pavement can be removed and replaced or reclaimed and reused on site
- Removal of the existing bituminous curb
- Repair of drainage – Water is required to drain from the roadway
  - This may include ditches and/or culverts
  - Drainage should be directed off of the roadway and curb should not be reinstalled
  - Drainage should be directed to the ponding area on the east side of the project area
- The new roadway is require to contain the following:
  - 3½ inches of pavement: Mn/DOT 2360
  - 1½ inches wear course: SP 12.5 wear course (2, B) ( SPWEB240B)
  - 2 inches non wear course: SP 12.5 non wear course (2,B) (SPNWB230B)
- If needed, class 5/class 7 should meet the specifications of Mn/DOT 3138. No recycled concrete will be allowed.
- Roadway is required to match existing driveways.
- Restoration of all disturbed areas, including full establishment of seeding.
- All necessary erosion control and BMP's to comply with PCA and watershed requirements.
- Any traffic control needed to meet MUTCD requirements.
- Coordination with residents and city.

If requested, a meeting can be scheduled to review the project on site. Please contact me with any questions regarding this project. Thank you.







*Memorandum*

**To:** *Residents of ROAD*

**From:** *Phil Olson, WSB & Associates, Inc. (City Engineer)*

**Date:** *May 28, 2013*

**Re:** *Potential Roadway Project: ROAD*

---

The City of Grant would like to inform the residents on ROAD that their roadway has been identified for major patching improvements in the fall of 2013. These patching improvements are in addition to the normal city patching completed by the city on an annual basis.

If desired, residents can request that the City apply this funding toward a major roadway project. To initiate a major roadway project, the residents on ROAD must submit a petition to the City to request the improvements. The petition must contain the signatures of at least 35% of the property owners with driveways along ROAD. The City will then authorize a feasibility study which will more accurately define the project scope, project cost, and funding responsibilities. The results of the feasibility study will be shared with the property owners. The City Council will then consider moving forward with a project if at least 75% of the property owners are in favor of the project.

Per city policy, major roadway projects are funded by benefiting property owners. For ROAD, the benefiting property owners are those which have driveway access to the roadway. Preliminary cost estimates are based on a typical reclamation project and more detailed information is required to determine the exact project costs. At this time, it is estimated that the project would cost between \$XX and \$XX per property. By incorporating funding from the City's patching project, project costs are anticipated to be reduced by \$XX per property.

On past road improvement projects, the City has helped property owners with financing by offering assessments. This allows property owners to pay for improvements over a longer period of time, typically 5 or 10 years, instead of one large payment. If desired, the exact details of the assessment process and estimated interest rate will be determined in the feasibility study.

If residents are interested in applying the patching funds to a road project, a petition is required by August 15, 2013. After that date, the City will move forward with the scheduled patching project.

If you have any questions or concerns regarding this memo please contact me at 763-512-5245. I am also available to answer any questions regarding the petition process. Thank you.

Minneapolis ■ St. Cloud  
Equal Opportunity Employer



**CITY OF GRANT, MINNESOTA**  
**FINANCIAL STATEMENTS AND**  
**SUPPLEMENTARY INFORMATION**  
**YEAR ENDED DECEMBER 31, 2012**

**CITY OF GRANT, MINNESOTA  
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YEAR ENDED DECEMBER 31, 2012**

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## **INTRODUCTORY SECTION**

**CITY OF GRANT, MINNESOTA  
ELECTED AND APPOINTED OFFICIALS  
DECEMBER 31, 2012**

	<u>Term Expires:</u>
Mayor: Tom Carr	2012
Council Members	
Steve Bohnen	2014
Scott Fogelson	2014
Jeff Huber	2012
Dan Potter	2012
Clerk: Kim Points	
Treasurer: Sharon Schwarze	
Attorney: Eckber, Lammers, Briggs, Wolff & Vierling	

## **FINANCIAL SECTION**

## INDEPENDENT AUDITORS' REPORT

Honorable Mayor and  
Members of the City Council  
City of Grant, Minnesota

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Grant, Minnesota (the City), as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### ***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurances about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Opinions**

In our opinion, except for the effects of not maintaining detailed capital asset records as described in the paragraph titled "Other Information," the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the City, as of December 31, 2012, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

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

#### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated REPORT DATE, on our consideration of the City'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 to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

### **CliftonLarsonAllen LLP**

Minneapolis, Minnesota  
REPORT DATE

**CITY OF GRANT, MINNESOTA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2012**

As management of 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, 2012.

**Financial Highlights**

- o The City's governmental activities net assets increased by \$30,859 during the year to \$1,912,033 at year-end.
- o The fund balance of the General Fund increased by \$63,627 during the year to \$1,113,031 at year-end.

**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 required supplementary information in addition to the basic financial statements.

**Government-Wide Financial Statements**

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

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

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

Both of the government-wide financial statements consist of the City functions that are principally supported by taxes and, to a limited extent, intergovernmental revenue. Grant does not receive Local Government Aid or gas tax revenue. The governmental activities of the City include general government, public safety, and public works.

The government-wide financial statements can be found on pages 11-12 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 fall under the category of governmental funds.



**CITY OF GRANT, MINNESOTA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2012**

**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 financing 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 by the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains several individual 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 balances for the General Fund, Debt Service Fund and Jasmine Avenue Improvements Fund of 2008.

The City adopts an annual appropriated budget for its General Fund. A budgetary comparison schedule has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 13-16 of this report.

#### **Notes to 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 financial statements can be found on pages 17-30 of this report.

#### **Government-Wide Financial Analysis**

Beginning with the year ended December 31, 2004, the City's financial statements were presented in accordance with the requirements of Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis-for State and Local Governments*. Comparative information is included in these tables to highlight changes in financial position, shown in Exhibit 1.

The government-wide statements report the City's net assets and how they have changed. Net assets, the difference between the City's assets and liabilities, are one way to measure the City's financial position. Over time, increases or decreases in the City's net assets can be used as an indicator of the City's financial position.

The City's financial position is the product of many factors. For example, the determination of the City's investment in capital assets, net of related debt involves many assumptions and estimates, such as current and accumulated depreciation amounts. A conservative versus a liberal approach to depreciation estimates, as well as capitalization policies, will produce a very significant difference in the calculated amounts. For these reasons, it is important to view the net assets balance as a starting point to evaluate future years' results, rather than to focus on the current balance.

**CITY OF GRANT, MINNESOTA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2012**

**EXHIBIT 1: CITY OF GRANT'S NET POSITION- GOVERNMENTAL ACTIVITIES**

	Governmental Activities	
	2012	2011
Current and Other Assets	\$ 1,482,074	\$ 1,361,946
Capital Assets, Net	743,661	766,330
Total Assets	2,225,735	2,128,276
Noncurrent Liabilities Outstanding	80,134	92,486
Other Liabilities	233,568	154,616
Total Liabilities	313,702	247,102
Net Position:		
Net Investment in Capital Assets	651,175	650,319
Restricted	101,783	125,607
Unrestricted	1,159,075	1,105,248
Total Net Position	\$ 1,912,033	\$ 1,881,174

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$1,912,033 at the close of the most recent fiscal year. Grant's recorded assets are largely in cash and investments. This cash balance is generally used to finance the City's expenses during the year. The City receives the vast majority of its income through the property tax system in two lump sums in July and December. Because nearly one-half of the annual income is received in December, cash balances appear larger at year end.

The restricted net assets are for payment of the Debt Service used to finance the residents' portion of the cost to pave their gravel road. Capital Assets are shown net of depreciation, where applicable. Roads are recorded after January 1, 2004 when a capital improvement is made.

**CITY OF GRANT, MINNESOTA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2012**

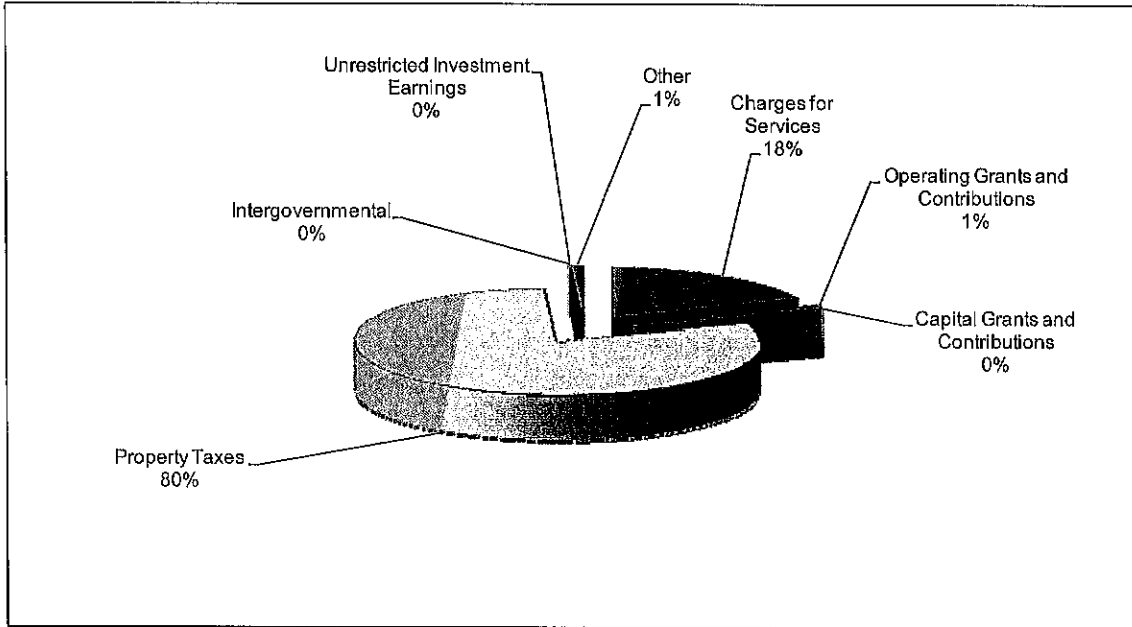
**Governmental Activities.** Governmental activities increased the City's net assets by \$30,859. Key elements of this increase are as follows:

	Governmental Activities			
	2012	2011	Annual Change	Percent Change
<b>REVENUES</b>				
Program Revenues:				
Charges for Services	\$ 217,342	\$ 203,600	\$ 13,742	7 %
Operating Grants and Contributions	7,962	7,962	-	-
Capital Grants and Contributions	4,703	6,643	(1,940)	(29)
General Revenues:				
Property Taxes	938,261	895,398	42,863	5
Intergovernmental	155	77	78	101
Unrestricted Investment Earnings	359	531	(172)	(32)
Other	10,456	35,551	(25,095)	(71)
Total Revenues	<u>1,179,238</u>	<u>1,149,762</u>	<u>29,476</u>	3
<b>EXPENSES</b>				
General Government	226,932	295,528	(68,596)	(23)
Public Safety	368,167	368,833	(666)	(0)
Public Works	548,277	424,466	123,811	29
Interest on Long-Term Debt	5,003	8,768	(3,765)	(43)
Total Expenses	<u>1,148,379</u>	<u>1,097,595</u>	<u>50,784</u>	5
<b>CHANGE IN NET POSITION</b>	30,859	52,167	(21,308)	(41)
Net Position - Beginning of Year	<u>1,881,174</u>	<u>1,829,007</u>	<u>52,167</u>	
<b>NET POSITION - END OF YEAR</b>	<u>\$ 1,912,033</u>	<u>\$ 1,881,174</u>	<u>\$ 30,859</u>	2 %

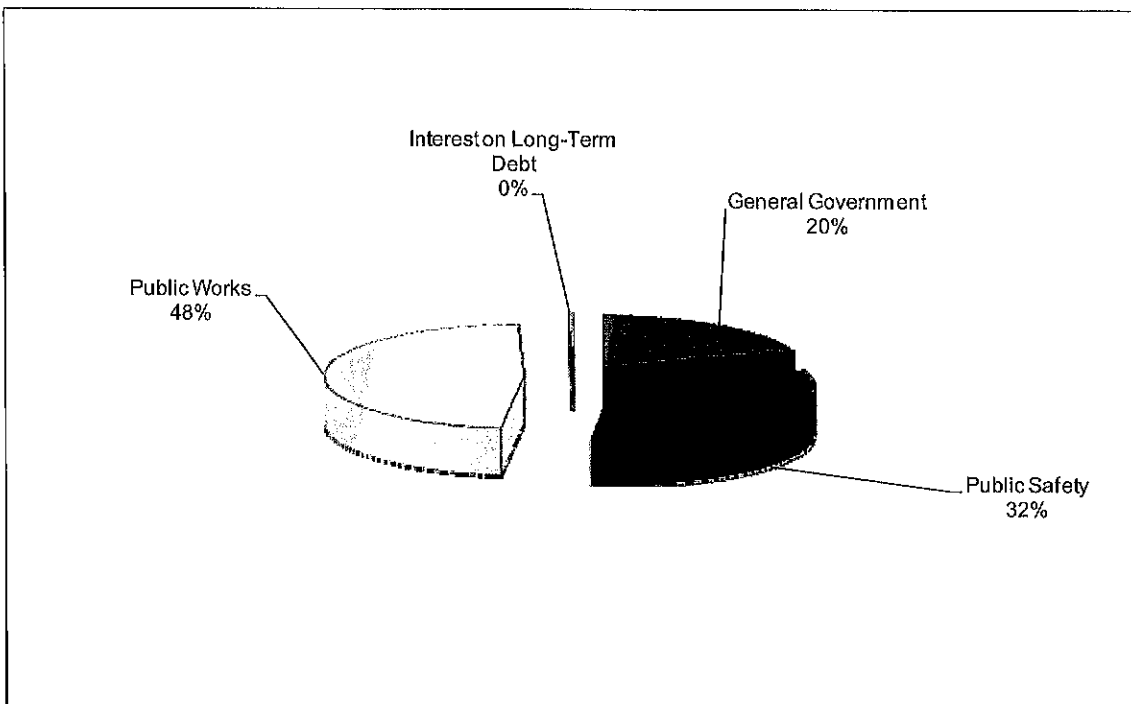
The City continues to stress reduction of overhead items reflected through reduced General Government spending. Emphasis on improved Public Works, primarily on the local road system, is reflected in the increased road spending. Snowfall continues to cause a fluctuation in spending. However, the City carries forward savings from low snow years to accommodate high snow years while keeping the property tax assessment level.

**CITY OF GRANT, MINNESOTA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2012**

The following is a graphical representation of the various sources of the City's governmental revenues of \$1,179,238:



The following is a graphical representation of the various sources of the City's governmental expenses of \$1,148,379:



**CITY OF GRANT, MINNESOTA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2012**

**Capital Asset and Debt Administration**

**Capital Assets.** The City's investment in capital assets for its governmental activities as of December 31, 2012, totals \$743,661 (net of accumulated depreciation). This investment in capital assets includes land, City Hall, office equipment and roads. The major change in capital assets was the addition of an emergency siren warning system in 2012.

Capital Assets at Year-End  
(Net of Accumulated Depreciation)

	Governmental Activities	
	2012	2011
Land	\$ 142,000	\$ 142,000
Buildings and Building Improvements	47,500	47,500
Streets and Infrastructure	556,797	556,797
Equipment and Furniture	284,130	265,579
Less: Accumulated Depreciation	(286,766)	(245,546)
Capital Assets, Net	\$ 743,661	\$ 766,330

Additional information on capital assets is presented in Note 4 of this report.

**Long-Term Debt.** At the end of the current fiscal year, the City had total bonded debt outstanding of \$92,486. All debt is backed by the full faith and credit of the City and special assessments on the resident's whose roads were improved.

Outstanding Debt at Year-End

	Governmental Activities	
	2012	2011
G.O. Improvement Bonds	\$ 92,486	\$ 116,011

Additional information on long-term debt is presented in Note 5 of this report.

**CITY OF GRANT, MINNESOTA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2012**

**Economic Factors and Next Year's Budgets and Rates**

- The City Council has prepared a balanced budget for the General Fund for 2013. The Finance Staff will continually monitor the budget and recommend any revisions that are deemed necessary to the City Council.
- City finance staff will continue monitoring the General Fund, delinquent taxes and investments in 2013 to ensure that the fund balances do not encounter any issues caused by the continued weak housing market and the general weakness in the economy.
- The City Council and financial staff will continue to be vigilant in regards to the fund balance levels and will continue to strive for conservative fiscal planning and policies that will protect the City's assets in the most economically responsible way to protect the long-term fiscal health of the City.

**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 City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Grant, P.O. Box 577 Willernie, Minnesota 55090-577.

## **BASIC FINANCIAL STATEMENTS**

**CITY OF GRANT, MINNESOTA  
STATEMENT OF NET POSITION  
DECEMBER 31, 2012**

	<b>Primary Government</b>	
	<b>Governmental Activities</b>	
	<u>2012</u>	<u>2011</u>
<b>ASSETS</b>		
Cash and Investments	\$ 1,355,140	\$ 1,214,116
Taxes Receivable	38,087	41,477
Special Assessments Receivable	75,516	92,577
Accounts Receivable - Net	13,331	13,776
Capital Assets:		
Non-Depreciable:		
Land	142,000	142,000
Depreciable:		
Blacktop, Sidewalks, and Streets	604,297	604,297
Furniture and Equipment	284,130	265,579
Total Capital Assets	<u>1,030,427</u>	<u>1,011,876</u>
Less: Accumulated Depreciation	<u>(286,766)</u>	<u>(245,546)</u>
Total Capital Assets, Net	<u>743,661</u>	<u>766,330</u>
Total Assets	<u>2,225,735</u>	<u>2,128,276</u>
<b>LIABILITIES</b>		
Accounts Payable	79,532	73,078
Salaries Payable	909	1,799
Escrow Accounts	127,629	42,821
Accrued Interest Payable	1,946	2,193
Unearned Revenue	11,200	11,200
Bonds Payable:		
Due Within One Year	12,352	23,525
Due in More than One Year	<u>80,134</u>	<u>92,486</u>
Total Liabilities	<u>313,702</u>	<u>247,102</u>
<b>NET POSITION</b>		
Net Investment in Capital Assets	651,175	650,319
Restricted for Debt Service	101,783	125,607
Unrestricted	<u>1,159,075</u>	<u>1,105,248</u>
Total Net Position	<u>\$ 1,912,033</u>	<u>\$ 1,881,174</u>

See accompanying Notes to Financial Statements.



**CITY OF GRANT, MINNESOTA  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2012**

Functions/Programs	Expenses	Program Revenues		Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
		Charges for Service	Operating Grants and Contributions		
<b>Primary Government</b>					
<b>Governmental Activities:</b>					
General Government	\$ 226,932	\$ 207,224	\$ 7,962	\$ -	\$ (11,746)
Public Safety	368,167	10,118	-	-	(358,049)
Public Works	548,277	-	-	4,703	(543,574)
Interest on long-term debt	5,003	-	-	-	(5,003)
<b>Total Governmental Activities</b>	<b>\$ 1,148,379</b>	<b>\$ 217,342</b>	<b>\$ 7,962</b>	<b>\$ 4,703</b>	<b>(918,372)</b>
<b>General Revenues:</b>					
Property Taxes					938,261
Grants and Contributions not Restricted for a Particular Purpose					155
Investment Earnings					359
Miscellaneous					10,456
Total General Revenues					<u>949,231</u>
<b>CHANGE IN NET POSITION</b>					<b>30,859</b>
Net Position - Beginning of Year					<u>1,881,174</u>
<b>NET POSITION - END OF YEAR</b>					<b><u>\$ 1,912,033</u></b>

See accompanying Notes to Financial Statements.

**CITY OF GRANT, MINNESOTA  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
DECEMBER 31, 2012**

<b>ASSETS</b>	<u>General</u>	<u>Debt Service Fund</u>	<u>Jasmine Avenue Improvements of 2008</u>	<u>Total Governmental Funds</u>
Cash and Investments	\$ 1,306,545	\$ 28,213	\$ 20,382	\$ 1,355,140
Taxes Receivable	38,087	-	-	38,087
Special Assessments Receivable	-	75,516	-	75,516
Accounts Receivable	13,331	-	-	13,331
<b>Total Assets</b>	<b><u>\$ 1,357,963</u></b>	<b><u>\$ 103,729</u></b>	<b><u>\$ 20,382</u></b>	<b><u>\$ 1,482,074</u></b>
 <b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$ 79,532	\$ -	\$ -	\$ 79,532
Salaries Payable	909	-	-	909
Deposits Payable	127,629	-	-	127,629
Deferred Revenue	36,862	75,296	-	112,158
<b>Total Liabilities</b>	<b><u>244,932</u></b>	<b><u>75,296</u></b>	<b><u>-</u></b>	<b><u>320,228</u></b>
 <b>FUND BALANCES</b>				
Restricted:				
Debt Service	-	28,433	-	28,433
Committed:				
Jasmine Avenue Improvements	-	-	20,382	20,382
Unassigned	1,113,031	-	-	1,113,031
<b>Total Fund Balances</b>	<b><u>1,113,031</u></b>	<b><u>28,433</u></b>	<b><u>20,382</u></b>	<b><u>1,161,846</u></b>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$ 1,357,963</u></b>	<b><u>\$ 103,729</u></b>	<b><u>\$ 20,382</u></b>	<b><u>\$ 1,482,074</u></b>

See accompanying Notes to Financial Statements.

**CITY OF GRANT, MINNESOTA  
GOVERNMENTAL FUNDS  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
GOVERNMENTAL ACTIVITIES  
DECEMBER 31, 2012**

**FUND BALANCES - TOTAL GOVERNMENTAL FUNDS** \$ 1,161,846

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

Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds. 743,661

Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the governmental funds. 100,958

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

General Obligation Bonds	(92,486)
Accrued Interest Payable	<u>(1,946)</u>

**NET POSITION OF GOVERNMENTAL ACTIVITIES** \$ 1,912,033

*See accompanying Notes to Financial Statements.*

**CITY OF GRANT, MINNESOTA  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
YEAR ENDED DECEMBER 31, 2012**

	General	Debt Service Fund	Jasmine Avenue Improvements of 2008	Total Governmental Funds
<b>REVENUES</b>				
Taxes	\$ 948,060	\$ -	\$ -	\$ 948,060
Special Assessments	-	21,765	-	21,765
Licenses and Permits	113,598	-	-	113,598
Intergovernmental	8,117	-	-	8,117
Charges for Services	23,295	-	-	23,295
Fines and Forfeits	10,118	-	-	10,118
Investment Earnings	359	-	-	359
Franchise Fees	70,331	-	-	70,331
Miscellaneous	10,456	-	-	10,456
Total Revenues	1,184,334	21,765	-	1,206,099
<b>EXPENDITURES</b>				
<b>CURRENT</b>				
General Government	201,842	-	-	201,842
Public Safety	370,020	-	-	370,020
Public Works	529,009	-	-	529,009
<b>CAPITAL OUTLAY</b>				
Public Safety	19,836	-	-	19,836
<b>DEBT SERVICE</b>				
Principal	-	23,525	-	23,525
Interest	-	5,250	-	5,250
Total Expenditures	1,120,707	28,775	-	1,149,482
<b>NET CHANGE IN FUND BALANCES</b>	63,627	(7,010)	-	56,617
Fund Balance - Beginning of Year	1,049,404	35,443	20,382	1,105,229
<b>FUND BALANCE - END OF YEAR</b>	<b>\$ 1,113,031</b>	<b>\$ 28,433</b>	<b>\$ 20,382</b>	<b>\$ 1,161,846</b>

See accompanying Notes to Financial Statements.

**CITY OF GRANT, MINNESOTA  
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE – GOVERNMENTAL FUNDS  
TO STATEMENT OF ACTIVITIES  
GOVERNMENTAL ACTIVITIES  
YEAR ENDED DECEMBER 31, 2012**

**NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS** \$ 56,617

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

Governmental funds report capital outlay 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.

Capital Asset Additions	18,551
Current Year Depreciation	(41,220)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.	(26,861)
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Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Principal Repayments	23,525
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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.

Change in Accrued Interest Payable	247
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<b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b>\$ 30,859</b>
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**CITY OF GRANT, MINNESOTA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2012**

**NOTE 1 SIGNIFICANT ACCOUNTING POLICIES**

The City of Grant, Minnesota was originally formed and operated pursuant to applicable Minnesota laws and statutes. On November 12, 1996, the City officially became the City of Grant. The City of Grant, Minnesota (the City) operates under the State of Minnesota Statutory Plan A form of government. The City Council, composed of an elected mayor and four elected trustees or council members, exercises legislative authority and determines all matters of policy.

**Financial Reporting Entity**

The accounting and reporting policies of the City relating to the accompanying financial statements conform to accounting principles generally accepted in the United States of America applicable to state and local governments. The City applies all relevant Governmental Accounting Standards Board (GASB) pronouncements; GASB is the accepted standard setting body for establishing governmental accounting and financial reporting principles. Following is a summary of the more significant accounting policies.

The City's basic financial statements include the accounts of all City operations. For financial reporting purposes, the accompanying financial statements present those of the City (primary government) and component organizations over which the City exercises significant influence. In evaluating how to define the government, for financial reporting purposes, management has considered all potential component units. Significant influence or accountability is based primarily on operational and financial relationships with the City. Component organizations are legally separate entities for which the primary government is financially accountable, or for which the exclusion of the component organization would render the financial statements of the City misleading.

Based on these criteria, there are no organizations considered to be component units of the City.

**Basic Financial Statements**

**Government-Wide Statements**

The government-wide financial statements, the statement of net position and the statement of activities (changes in net position) report information on all of the activities of the City as a whole. Governmental activities are normally supported by taxes and inter-governmental revenues. In general, the effect of interfund activity has been eliminated from the government-wide financial statements. In 2012 the City implemented Governmental Accounting Standards Board (GASB) Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. This changed terminology in the government-wide financial statements from net assets to net position and invested in capital assets, net of related debt to net investment in capital assets.

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

**CITY OF GRANT, MINNESOTA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2012**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Basic Financial Statements (Continued)**

**Fund Financial Statements**

Separate fund financial statements are provided for Governmental funds. Major individual governmental funds are reported in separate columns in the fund financial statements. A fund is classified as a major fund if it is the primary operating fund of the City (General Fund) or meets certain criteria related to its assets, liabilities, revenues, and expenditures/expenses.

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The City uses funds to report on its financial position and the results of its operations. The City segregates transactions related to certain government functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Government resources are allocated to and accounted for in individual funds based upon the purposes for which resources are to be spent and the means by which spending activities are controlled.

Governmental funds are those funds through which most governmental functions typically are financed. The City reports the following major governmental funds:

**General Fund** – The General Fund is the primary operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

**Jasmine Avenue Improvements of 2008 Fund** – The Jasmine Avenue Improvements of 2008 capital projects fund accounts for the activity relating to the Jasmine Avenue Improvements Construction project.

**Debt Service Fund** – The Debt Service fund accounts for debt service payments of principal, interest, and related costs to pay the debt obligations of the City.

**Measurement Focus and Basis of Accounting**

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide statements are reported using the economic resources (cost of service) measurement focus and the accrual basis of accounting. The economic measurement focus means all assets and liabilities (whether current or non-current) are included on the statement of net position and the operating statements present increases (revenues) and decreases (expenses) in net total position.

**CITY OF GRANT, MINNESOTA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2012**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Measurement Focus and Basis of Accounting (Continued)**

Governmental fund financial statements are reported using a current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when they are susceptible to accrual. Susceptible to accrual occurs when revenues become both measurable and available. Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The City considers all revenues to be available if they are collected within 60 days after the end of the current period. Major revenues that are susceptible to accrual include property taxes, special assessments, intergovernmental revenues, charges for services and investment income. Revenue sources not susceptible to accrual are recorded only when received because they are not measurable until collected. Expenditures are recorded when the related fund liability is incurred. However, debt service expenditures for principal and interest on general long-term debt, and expenditures related to compensated absences are recorded only when payment is made.

**Cash and Investments**

Cash and investments include cash on hand, demand deposits, and investments.

The City provides temporary advances to funds that have insufficient cash balances by means of an advance from another fund shown as interfund receivables in the advancing fund in the governmental fund statements, and an interfund payable in the fund with the deficit, until adequate resources are received.

Investments are stated at fair value based on quoted market prices.



**CITY OF GRANT, MINNESOTA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2012**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Property Taxes**

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 15 and December 15 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.

Within the 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 the following January are recognized as revenue for the current year. Taxes and credits not received at the year-end are classified as delinquent and due from County taxes receivable. The portion of delinquent taxes not collected by the City in January is fully offset by deferred revenue because it is not available to finance current expenditures. Deferred revenue in governmental activities is susceptible to full accrual on the government-wide statements.

**Special Assessments**

Special assessments are levied against benefited properties for the cost or a portion of the cost of special assessment improvement projects in accordance with Minnesota 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.

Within the fund financial statements, the 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 are collected by the County and remitted by December 31 (remitted to the City the following January) and are also recognized as revenue for the current year. All remaining delinquent, deferred and special deferred assessments receivable in governmental funds are completely offset by deferred revenues. Special assessment revenue in governmental activities is susceptible to full accrual on the government-wide statements.

**CITY OF GRANT, MINNESOTA  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 DECEMBER 31, 2012**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Special Assessments (Continued)**

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 and the first proceeds of that sale (after costs, penalties and expenses of sale) are remitted to the City in payment of delinquent special assessments. Generally, the City will collect the full amount of its special assessments not adjusted by City Council or court action. Pursuant to Minnesota 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.

**Capital Assets**

Capital assets, which include property, buildings and improvements, equipment, and infrastructure assets, are reported in the government-wide financial statements. All capital assets are capitalized at historical cost or estimated cost if actual cost is not available. Assets with an initial and individual cost of \$5,000 or more with an estimated useful life in excess of one year are capitalized. Donated capital assets are recorded at estimated fair market value at the date of donation.

Capital assets acquired or constructed by governmental funds are recorded as expenditures in these funds. These capital assets are not capitalized in individual governmental funds but rather are reported only in the government-wide financial statements. Depreciation of capital assets is recorded as an allocated expense in the Statement of Activities for government-wide financial statements.

Depreciation has been provided over the estimated useful lives of the assets using the straight-line method. Estimated useful lives of such assets are:

Assets	Years
Buildings and Structures	20 - 40
Infrastructure	25 - 40
Furniture, Fixtures and Equipment	10

The cost of normal maintenance and repairs that do not add or increase the value of the assets or materially extend the asset lives are expensed and not capitalized.

**CITY OF GRANT, MINNESOTA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2012**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Long-Term Obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bond issue costs, if material, are reported as prepaid items and amortized over the term of the related debt using the straight-line method.

In the governmental fund financial statements, bond premiums and discounts, as well as bond issue costs are recognized during the current period. The face amount of the debt issue is reported as an other financing source. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses. Issue costs are reported as debt service expenditures.

**Deferred Revenue**

Deferred revenues arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in governmental funds in the current period. Deferred revenues also arise when the City receives resources before it has a legal claim to them or when grant moneys are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue criteria are met, or when the City has a legal claim to the resources, the liability for deferred revenue is eliminated and revenue is recognized.

**Net Position**

Net position represents the difference between assets and liabilities in the government-wide financial statements and is classified into three components:

- a) Net investment in capital assets – This component consists of capital assets net of accumulated depreciation and reduced by the amount of outstanding balance of bonds or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- b) Restricted net position – Net position with constraints placed on the use either by 1) external groups such as creditors, grantors, or laws or regulations of other governments; or 2) law through constitutional provisions or enabling legislation are reflected in this component.
- c) Unrestricted net position – All other aspects of net position that do not meet the definition of "restricted" or "net investment in capital assets."

**CITY OF GRANT, MINNESOTA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2012**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Fund Balance**

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

Nonspendable – portions of fund balance related to prepaids, inventories, long-term receivables, and corpus on any permanent fund.

Restricted – funds are constrained from outside parties (statute, grantors, bond agreements, etc.).

Committed – constraints are established and modified by a resolution approved by the City Council.

Assigned – consists of internally imposed constraints approved by the City Council.

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

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, it is the City's policy to use restricted first, then unrestricted fund balance.

When an expenditure is incurred for purposes for which committed, assigned, and unassigned amounts are available, it is the City's policy to use committed first, then assigned, and finally unassigned amounts.

The City does not have a formal fund balance policy.

**NOTE 2 CASH AND INVESTMENTS**

**Deposits**

The City maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the statement of net assets and the balance sheet as "Cash and Investments." In accordance with Minnesota Statutes, the City maintains deposits at financial institutions which are authorized by the City Council.

Custodial Credit Risk – Custodial credit risk for deposits is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk and follows Minnesota Statutes for deposits. Minnesota Statutes require that all 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 corporate surety bonds.

**CITY OF GRANT, MINNESOTA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2012**

**NOTE 2 CASH AND INVESTMENTS (CONTINUED)**

**Deposits (Continued)**

Authorized collateral include: U.S. government treasury bills, notes, or bonds; issues of a U.S. government agency; general obligations of a state or local government rated "A" or better; revenue obligations of a state or local government rated "AA" or better; irrevocable standby letter of credit issued by a Federal Home Loan Bank; and time deposits insured by a federal agency. Minnesota Statutes require securities pledged as collateral be held in safekeeping in a restricted account at the Federal Reserve Bank or in an account at a trust department of a commercial bank or other financial institution not owned or controlled by the depository.

The carrying value and bank balance of the City's deposits in banks at December 31, 2012 were (\$3,373) and \$34,216, respectively, and were entirely covered by federal depository insurance or by surety bonds and collateral in accordance with Minnesota Statutes. The City also has \$171 in petty cash on hand.

**Investments**

The City may also invest idle funds as authorized by Minnesota Statutes as follows:

- Direct obligations or obligations guaranteed by the United States or its agencies.
- Shares of investment companies registered under the Federal Investment Company Act of 1940 and received the highest credit rating, are rated in one of the two highest rating categories by a statistical rating agency and all of the investments have a final maturity of thirteen months or less.
- General obligations rated "A" or better; revenue obligations rated "AA" or better.
- General obligations of the Minnesota Housing Finance Agency rated "A" or better.
- Bankers' acceptances of United States banks eligible for purchase by the Federal Reserve System.
- Commercial paper issued by United States banks corporations or their Canadian subsidiaries, of highest quality category by a least two nationally recognized rating agencies, and maturing in 270 days or less.
- Guaranteed investment contracts guaranteed by United States commercial banks or domestic branches of foreign banks or United States insurance companies if similar debt obligations of the issuer or the collateral pledged by the issuer is in the top two rating categories.
- Repurchase or reverse purchase agreements and securities lending agreements financial institutions qualified as a "depository" by the government entity, with banks that are members of the Federal Reserve System with capitalization exceeding \$10,000,000, a primary reporting dealer in U.S. government securities to the Federal Reserve Bank of New York, or certain Minnesota securities broker-dealers.

**CITY OF GRANT, MINNESOTA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2012**

**NOTE 2 CASH AND INVESTMENTS (CONTINUED)**

**Investments (Continued)**

At year-end, the City's investment balances were as follows:

<u>Type</u>	<u>Total</u>	<u>12 Months or Less</u>
Brokered Certificates of Deposit	\$ 800,000	\$ 800,000
Money Market Fund	558,342	558,342
Total	<u>\$ 1,358,342</u>	<u>\$ 1,358,342</u>

***Custodial Credit Risk***

For an investment, custodial credit risk is the risk that, in the event of failure of the counterparty, the City will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The City's investment policy doesn't specifically address custodial credit risk.

***Interest Rate Risk***

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The City's investment policy doesn't specifically address interest rate risk.

***Credit Risk***

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The City's investment policy doesn't specifically address credit risk.

***Concentration of Credit Risk***

Concentration of credit risk is the risk of loss that may be attributed to the magnitude of a government's investments in a single issuer. The City does not have an investment policy which addresses the concentration of credit risk.

**NOTE 3 RECEIVABLE**

Significant receivable balances not expected to be collected within one year of December 31, 2012 are as follows:

	<u>General</u>	<u>Debt Service</u>	<u>Total</u>
Delinquent Property Taxes Receivable	\$ 41,687	\$ -	\$ 41,687
Special Assessments Receivable: Deferred - Debt Services	-	57,459	57,459
	<u>\$ 41,687</u>	<u>\$ 57,459</u>	<u>\$ 99,146</u>

**CITY OF GRANT, MINNESOTA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2012**

**NOTE 3 RECEIVABLE (CONTINUED)**

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

	<u>Unavailable</u>	<u>Unearned</u>
Delinquent Property Taxes Receivable (General Fund)	\$ 25,663	\$ -
Deferred Special Assessments Receivable (Debt Service Fund)	75,295	-
Unearned Liquor Licenses	-	11,200
	<u>\$ 100,958</u>	<u>\$ 11,200</u>

**NOTE 4 CAPITAL ASSETS (UNAUDITED)**

Capital asset activity for the year ended December 31, 2012 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 142,000	\$ -	\$ -	\$ 142,000
Capital Assets, Being Depreciated:				
Buildings and Improvements	47,500	-	-	47,500
Infrastructure	556,797	-	-	556,797
Furniture, Fixtures and Equipment	265,579	18,551	-	284,130
Total Capital Assets, Being Depreciated	<u>869,876</u>	<u>18,551</u>	<u>-</u>	<u>888,427</u>
Less Accumulated Depreciation for:				
Buildings and Improvements	47,500	-	-	47,500
Infrastructure	74,932	13,920	-	88,852
Furniture and Fixtures and Equipment	123,114	27,300	-	150,414
Total Accumulated Depreciation	<u>245,546</u>	<u>41,220</u>	<u>-</u>	<u>286,766</u>
Total Capital Assets, Being Depreciated, Net	<u>624,330</u>	<u>(22,669)</u>	<u>-</u>	<u>601,661</u>
Governmental Activities Capital Assets, Net	<u>\$ 766,330</u>	<u>\$ (22,669)</u>	<u>\$ -</u>	<u>\$ 743,661</u>

Depreciation expense was charged to governmental functions as follows:

General Government	\$ 26,558
Public Safety	742
Public Works	13,920
Total Depreciation Expense, Governmental Activities	<u>\$ 41,220</u>

**CITY OF GRANT, MINNESOTA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2012**

**NOTE 5 LONG-TERM DEBT**

As of December 31, 2012, the governmental long-term bonded debt of the City consisted of the following:

	<u>Final Maturity Date</u>	<u>Interest Rate</u>	<u>Original Issue</u>	<u>Balance December 31, 2012</u>
Governmental Activities:				
General Obligation Bonds:				
G.O. Improvement Bonds - 2008	2/1/2019	5.05%	\$ 130,000	\$ 92,486

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

<u>Year Ended</u>	<u>G.O. Improvement Bonds</u>	
	<u>Principal</u>	<u>Interest</u>
2013	\$ 12,352	\$ 4,516
2014	12,984	3,884
2015	13,648	3,220
2016	14,346	2,523
2017	15,079	1,789
2018-2019	24,077	1,226
Total	<u>\$ 92,486</u>	<u>\$ 17,158</u>

Long-term debt activity for the year ended December 31, 2012 is as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
GO Improvement Bonds 2003	\$ 11,774	\$ -	\$ 11,774	\$ -	\$ -
GO Improvement Bonds 2008	104,237	-	11,751	92,486	12,352
Total	<u>\$ 116,011</u>	<u>\$ -</u>	<u>\$ 23,525</u>	<u>\$ 92,486</u>	<u>\$ 12,352</u>



**CITY OF GRANT, MINNESOTA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2012**

**NOTE 6 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.

The City has entered into a joint powers agreement with the League of Minnesota Cities Insurance Trust (LMCIT) to protect the City in the event of a loss. The LMCIT is a public entity risk pool currently operating as a common risk management and insurance program for Minnesota cities. The agreement for formation of the LMCIT provides that the pool will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of reserved amounts for each insured event. There have been no significant reductions in insurance coverage during 2012.

**NOTE 7 DEFINED BENEFIT PENSION PLANS – STATEWIDE**

**Plan Description**

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

GERF members belong to either the Coordinated Plan or the Basic Plan. Coordinated Plan members are covered by Social Security and Basic Plan members are not. All new members must participate in the Coordinated Plan.

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

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

**CITY OF GRANT, MINNESOTA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2012**

**NOTE 7 DEFINED BENEFIT PENSION PLANS - STATEWIDE (CONTINUED)**

**Plan Description (Continued)**

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

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

The PERA issues a publicly available financial report that includes financial statements and required supplementary information for GERS. That report may be obtained on the web at [mnpera.org](http://mnpera.org), by writing to PERA at 60 Empire Drive #200, St. Paul, Minnesota, 55103-2088 or by calling (651) 296-7460 or 1-800-652-9026.

**Funding Policy**

Minnesota Statutes Chapter 353 sets the rates for employer and employee contributions. These statutes are established and amended by the state legislature. The City makes annual contributions to the pension plans equal to the amount required by state statutes. GERS Basic Plan members and Coordinated Plan members were required to contribute 9.1% and 6.25%, respectively, of their annual covered salary in 2012. The City of Grant is required to contribute the following percentages of annual covered payroll: 11.78% for Basic Plan members and 7.25% for Coordinated Plan members. The City's contributions to the Public Employees Retirement Fund for the years ended December 31, 2012, 2011, and 2010 were \$3,386, \$3,262, and \$3,143, respectively. The City's contributions were equal to the contractually required contributions for each year as set by state statute.

**NOTE 8 CONTINGENCIES**

At December 31, 2012, the City was not aware of any existing or pending lawsuits, claims or other actions in which the City is a defendant, the outcome of which would materially affect the financial statements.

**NOTE 9 CELL TOWER**

The City receives revenue from an agreement for the lease of space at City Hall properties. The space is used for antennas and other equipment (of the lessees) necessary to provide communications. For accounting purposes, the leases are considered to be operating leases. Lease revenue for the year ended December 31, 2012 totaled \$22,217.

Amounts for future lease receipts are unavailable.

**REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF GRANT, MINNESOTA  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
YEAR ENDED DECEMBER 31, 2012**

	Original and Final Budget	Actual Amounts	Variance with Final Budget
<b>REVENUES</b>			
Taxes	\$ 938,680	\$ 948,060	\$ 9,380
Intergovernmental:			
PERA Aid	77	155	78
Recycling Grant	6,500	7,962	1,462
Licenses and Permits	78,300	113,598	35,298
Charges for Services			
Cable Salary Reimbursement	1,300	1,078	(222)
Tower Rental	21,750	22,217	467
Fines and Forfeits	13,000	10,118	(2,882)
Investment Earnings	1,000	359	(641)
Franchise Fees	66,000	70,331	4,331
Miscellaneous	1,100	10,456	9,356
Total Revenues	1,127,707	1,184,334	56,627
<b>EXPENDITURES</b>			
<b>GENERAL GOVERNMENT</b>			
Mayor and Council:			
Salaries	15,865	14,244	1,621
Finance	500	-	500
Elections	3,000	4,620	(1,620)
Total Mayor and Council	19,365	18,864	501
Finance:			
Clerk Salaries	46,370	45,928	442
Payroll Taxes and Benefits	11,158	7,030	4,128
Treasurer	4,000	4,000	-
Total Finance	61,528	56,958	4,570
Consultants:			
City Attorney	52,500	44,567	7,933
Audit and Accounting Fees	11,500	11,500	-
Engineering	22,000	9,511	12,489
Assessor	23,000	23,541	(541)
Total Consultants	109,000	89,119	19,881
Other Services and Charges	52,664	36,901	15,763
Total General Government	242,557	201,842	40,715
<b>PUBLIC SAFETY</b>			
Fire Protection:			
Contractual Services	204,390	204,750	(360)
Police Protection:			
Other Services and Charges	107,971	108,947	(976)
Animal Control	1,000	1,200	(200)
Building Inspections and Zoning	62,325	55,123	7,202
Capital Outlay	5,500	19,836	(14,336)
Total Public Safety	381,186	389,856	(8,670)

**CITY OF GRANT, MINNESOTA  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE (CONTINUED)  
YEAR ENDED DECEMBER 31, 2012**

	2012		Variance with Final Budget
	Original and Final Budget	Actual Amounts	
<b>EXPENDITURES (CONTINUED)</b>			
<b>PUBLIC WORKS</b>			
Streets:			
Engineering	5,000	1,993	3,007
Gravel and Road Maintenance	342,150	409,925	(67,775)
Snow and Ice Removal	100,000	52,392	47,608
Other Services and Charges	500	1,220	(720)
Total Streets	<u>447,650</u>	<u>465,530</u>	<u>(17,880)</u>
Pump House:			
Maintenance, Services and Charges	500	308	192
City Hall:			
Utilities	750	1,309	(559)
Maintenance, Services and Charges	4,600	5,246	(646)
Total City Hall	<u>5,350</u>	<u>6,555</u>	<u>(1,205)</u>
Recycling:			
Contractual Services	51,600	52,151	(551)
Miscellaneous	4,250	4,465	(215)
Total Public Works	<u>509,350</u>	<u>529,009</u>	<u>(19,659)</u>
Total Expenditures	<u>1,133,093</u>	<u>1,120,707</u>	<u>12,386</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(5,386)	63,627	69,013
<b>OTHER FINANCING SOURCES</b>			
Proceeds from Sale of Assets	-	-	-
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (5,386)</u>	63,627	<u>\$ 69,013</u>
Fund Balance - Beginning of Year		<u>1,049,404</u>	
<b>FUND BALANCE - END OF YEAR</b>		<u>\$ 1,113,031</u>	

**CITY OF GRANT, MINNESOTA  
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION  
YEAR ENDED DECEMBER 31, 2012**

The General Fund budget is legally adopted on a basis consistent with U.S. Generally Accepted Accounting Principles. The legal level of budgetary control is at the department level. The following is a listing of expenditures that exceeded budget appropriations.

	Final Budget	Actual	Actual in Excess of Budget
General Fund			
Mayor and Council:			
Elections	\$ 3,000	\$ 4,620	(1,620)
Consultants:			
Assessor	23,000	23,541	(541)
Public Safety:			
Fire Protection:	204,390	204,750	(360)
Police Protection	107,971	108,947	(976)
Animal Control	1,000	1,200	(200)
Capital Outlay	5,500	19,836	(14,336)
Streets:			
Gravel and Road Maintenance	342,150	409,925	(67,775)
Other Services and Charges	500	1,220	(720)
City Hall:			
Utilities	750	1,309	(559)
Maintenance, Services, and Charges	4,600	5,246	(646)
Recycling			
Contractual Services	51,600	52,151	(551)
Miscellaneous	4,250	4,465	(215)

## **OTHER REPORTS SECTION**

## REPORT ON MINNESOTA LEGAL COMPLIANCE

Honorable Mayor and  
Members of the City Council  
City of Grant, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the governmental funds and each major fund of the City of Grant, Minnesota, as of and for the year ended December 31, 2012, and the related notes to the financial statements.

The *Minnesota Legal Compliance Audit Guide for Political Subdivisions* covers seven main categories of compliance to be tested: contracting and bidding, deposits and investments, conflicts of interest, public indebtedness, claims and disbursements, miscellaneous provisions, and tax increment financing. Our study included all of the listed categories with the exception of tax increment financing which did not apply and as a result was not tested.

In connection with our audit, nothing came to our attention that caused us to believe that the Delano Water, Light and Power Commission failed to comply with the provisions of the *Minnesota Legal Compliance Audit Guide for Political Subdivisions*, except with regards to refraining from paying retroactive bonuses or pay increases, as a wage increase was approved mid-year and applied retroactively to January 1, 2012. 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 Grant's noncompliance with the above-referenced provisions.

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.

**CliftonLarsonAllen LLP**

Minneapolis, Minnesota  
REPORT DATE



**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**

Honorable Mayor and  
Members of the City Council  
City of Grant, Minnesota

In planning and performing our audit of the financial statements of City of Grant as of and for the year ended December 31, 2012, in accordance with auditing standards generally accepted in the United States of America, we considered the entity'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we do not express an opinion on the effectiveness of the entity's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to fraud or error may occur and not be detected by such controls. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses and others we consider to be significant deficiencies.

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.

**Material weaknesses**

We consider the following deficiencies in the entity's internal control to be material weaknesses.

- **Limited Segregation of Duties** - Due to the City's limited number of office personnel, segregation of the accounting functions that is necessary to ensure adequate internal accounting control may not be possible. This is not unusual in an operation the size of the City; however, the City Council should constantly be aware of this condition and realize that the concentration of duties and responsibilities in a limited number of individuals is not desirable from an accounting point of view.
- **Material Audit Adjustments** - The audit firm proposed, and the City posted to its general ledger accounts, journal entries to correct misstatements for cash, receivables, deferred revenue, fund balance, payroll, revenues, and expenditures. These entries relate to internal controls over the year-end close-out process. The absence of a complete control procedure or

process in this area is considered a material weakness because the potential exists that a material misstatement of the financial statements could occur and not be prevented or detected by the City's internal control processes.

- **Oversight of the Financial Reporting Process** - The City does not have an internal control policy in place over annual financial reporting under GAAP, therefore, the potential exists that a material misstatement of the annual financial statements could occur and not be prevented or detected by the City's internal controls. The City relies on the audit firm to prepare the annual financial statements and related footnote disclosures and we recommend that the City should continue to evaluate their internal staff, expertise, and assigned duties to determine if an internal control policy over the annual financial reporting is beneficial.

The following material weaknesses were identified and communicated in a prior period; remedial action has not yet been taken:

- Limited Segregation of Duties
- Material Audit Adjustments
- Oversight of the Financial Reporting Process

#### **Significant deficiencies**

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies in the entity's internal control to be significant deficiencies:

- **Capital Asset Tracking** – The City does not have a detailed listing of its capital assets and therefore we were unable to perform adequate audit procedures over the balances. We recommend that the City work to identify and compile all of the City's capital assets and related information.

None of the identified significant deficiencies are considered to be material weaknesses.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various entity personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

\* \* \*

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

The purpose of this communication is solely to describe the scope of our testing of internal control over financial reporting and the results of that testing. This communication is an integral part of an audit

Honorable Chairman and  
Members of the Board  
**City of Grant**  
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performed in accordance with *Government Auditing Standards* in considering the entity's internal control over financial reporting. Accordingly, this communication is not suitable for any other purpose.

**CliftonLarsonAllen LLP**

Minneapolis, Minnesota  
REPORT DATE

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**CITY OF GRANT  
RESOLUTION NO. 2013-15  
RESOLUTION ACCEPTING RESIGNATION AND DECLARING A VACANCY**

**WHEREAS**, the Grant City Council has received the written resignation of Scott Fogelson, effective on June 4, 2013.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF GRANT, MINNESOTA, AS FOLLOWS:**

1. The council accepts Scott Fogelson's resignation as described above.

The Council declares that a vacancy exists on Council effective on June 4, 2013.

Adopted by the City Council of the City of Grant on June 4, 2013.

Approved:

\_\_\_\_\_  
Mayor

Attested:

\_\_\_\_\_  
Administrator/Clerk

## City Council Report for May 2013

TO: Honorable Mayor & City Council Members

From: Jack Kramer Building & Code Enforcement Official

### Zoning Enforcement:

1. Mr. David Johnson & Mr. John Sanchelli 9945 Justen Trail N. Violation of the City of Grant Solid Waste Ordinance #56 Section 11 General Provisions Subd.1 & Subd.2 And Article 111 Zoning Districts Established; Permitted Uses: Dimensional Standards Section 32-243 R-1 District and Section 32-330 Environmental Nuisance (4) Toxic or Noxious Matter.

a. Mr. Johnson is the owner of a company named DCInc. Specialty Contracting. The business activity includes the demolition of commercial properties. Some of the materials are brought back to his site on Justen Trail where they are separated, disassembled, and scrap separated.

The items being scraped, stored and disassembled are construction debris, fluorescent tubes, outside storage of paint cans, discarded industrial electronics.

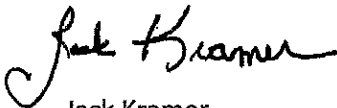
The activity is in the R-1 zoning district, which is strictly residential in nature.

The Washington County Public Health Officer is involved with the investigation and corrective orders have been issued. I also sent a letter dated May 17, 2013 indicating the violations and the procedures for abatement. I shall provide additional information to the council as it develops.

### Building Permit Activity:

1. (25) Building Permits were issued with a total valuation of \$639,023.00

Respectfully submitted,



Jack Kramer

Building & Code Enforcement Official

**Grant Master Form**

Permit	Permit Type	Name	Project Address	Date Issued	Valuation:	City Fee:	75% Plan CK Fe	Surcharge	Paid
2013-31	Deck	Copeland	8200 Jamaica Ave.	4/17/2013	\$ 5,520.00	\$ 125.25	\$ 93.93	\$ 81.41	\$ 2.76
2013-32	Fireplace	TLT Enterp	11019 Ironwood Ave. N	4/17/2013	N/A	\$ 80.00	\$ 60.00	-	\$ 5.00
2013-33	Fireplace Rep	Farseth	11691 Lansing Ave. N.	4/18/2013	\$ 3,500.00	\$ 97.25	\$ 72.93	-	\$ 1.75
2013-34	Greenhouse	Costa Farr	9411 Dellwood Rd. N.	4/24/2013	\$ 2,000.00	\$ 69.25	\$ 51.93	-	\$ 1.00
2013-35	HVAC Permit	Rydell	8460 Lofton Ave. N.	4/26/2013	N/A	\$ 80.00	\$ 60.00	-	\$ 5.00
2013-36	Re-Roof	Chang	7777 Lake Elmo Ave.	4/29/2013	\$ 3,500.00	\$ 97.25	\$ 72.93	-	\$ 1.75
2013-37	Pole Bldg. Add	Carmichael	9460 Keswick Ave. N.	4/29/2013	\$ 10,000.00	\$ 181.25	\$ 135.93	\$ 117.81	\$ 5.00
2013-38	Fireplace	Mertz	7277 Jamaica Ave	4/29/2013	N/A	\$ 80.00	\$ 60.00	-	\$ 5.00
2013-39	Porch	Erickson	9590 -83rd. St. N.	5/1/2013	\$ 22,000.00	\$ 349.25	\$ 261.83	\$ 227.01	\$ 11.00
2013-40	HVAC Permit	Duffy	8320 Dellwood Ave. N.	5/2/2013	N/A	\$ 80.00	\$ 60.00	-	\$ 5.00
2013-41	HVAC Permit	Rodlund	7655 Lake Elmo Ave.	5/2/2013	N/A	\$ 80.00	\$ 60.00	-	\$ 5.00
2013-42	HVAC Permit	Mattson	9869-Hidden Glade Trl	5/3/2013	N/A	\$ 80.00	\$ 60.00	-	\$ 5.00
2013-43	Plumbing Perr	Mueller	10705 Kimbro Ave.N.	5/6/2013	N/A	\$ 80.00	\$ 60.00	-	\$ 5.00
2013-44	Bath Remodel	Mueller	10705 Kimbro Ave.N.	5/6/2013	\$10,000.00	\$ 181.25	\$ 135.93	-	\$ 5.00
2013-45	HVAC Permit	Lenzen De	8015-80th. St. N.	5/6/2013	N/A	\$ 80.00	\$ 60.00	-	\$ 5.00
2013-46	Windows	Glasrud	7750 Lake Elmo Ave.N	5/6/2013	\$ 17,979.00	\$ 293.25	\$ 219.93	-	\$ 8.98
2013-47	House & Gara	Gonyea Hc	6505 Jamaica Ave N.	5/7/2013	\$ 481,755.00	\$ 3,313.95	\$ 2,485.46	\$ 2,154.06	\$ 240.87
2013-48	Plumbing Perr	Dunham	8050 Imperial Ave. N.	5/7/2013	N/A	\$ 80.00	\$ 60.00	-	\$ 5.00
2013-49	Re-Siding	Anderson	8575 Jewell Ave. N.	5/9/2013	\$ 18,500.00	\$ 307.25	\$ 230.43	-	\$ 9.25
2013-50	Porch & Deck	Borrelli	10940 -105th. St. N.	5/10/2013	\$15,262.00	\$ 265.25	\$ 198.93	\$ 172.41	\$ 7.63
2013-51	Plumbing Perr	Hansil	11725 Irish Ave. N.	5/13/2013	N/A	\$ 80.00	\$ 60.00	-	\$ 5.00
2013-52	HVAC Permit	Ryan	11725 Trish Ave. N.	5/14/2013	N/A	\$ 80.00	\$ 60.00	-	\$ 5.00
2013-53	Windows	Weed	11320 Grenelefe Ave.	5/14/2013	\$3,932.00	\$97.25	\$72.93	-	\$ 1.96
2013-54	Re-Roof	Nettekover	7815 Lake Elmo Ave.	5/15/2013	\$ 3,700.00	\$97.25	\$72.93	-	\$ 1.85
2013-55	Garage	Johnson	9945 Justen Trail N.	%/16/2013	\$ 41,375.00	\$ 564.45	\$ 423.33	-	\$ 20.68
Monthly total					\$ 639,023.00	\$ 6,919.40	\$ 5,189.35	\$ 2,752.70	\$ 374.48



## *Memorandum*

**To:** *Honorable Mayor and City Council, City of Grant  
Kim Points, Administrator/Clerk, City of Grant*

**From:** *Phil Olson, PE, City Engineer  
WSB & Associates, Inc.*

**Date:** *May 28, 2013*

**Re:** *June Staff Report: Engineering*

Items included in the staff report are intended to provide the Council with a status update on non-agenda engineering items. These items do not require any discussion or action at the City Council Meeting and are included for information only.

- I. **Siren Installation:** Estimates were received from Xcel to connect the two 3-phase sirens along County Road 12. Based on the high cost for installing transformers, alternate options were reviewed for the sirens. Currently, we are reviewing locations for a battery operated siren on Jamaca Avenue, south of County Road 12. A siren in this location will not require a permit from Washington County since the city has prescriptive rights to the right-of-way. At the time of this report, we are still in the process of working with Xcel to get an estimate for connecting power to a siren at this location.

If you have any questions, please contact me at 763-512-5245.





### GRANT SEAL COAT/MAINTENANCE PLAN

Street Name	Address Range	Length (FT)	Paved	Last SC	Seal Coat/Maintenance Length (Feet) by Year						Area							
					2013	2014	2015	2016	2017	2018		2019						
Grenelefe Ave	South of 117th St	3600	1990	2006							3600	\$13,977		NW Panhandle				
Hillcrest Court	North of 115th St	1300	2002	2009														
Hillcrest Drive	South of 115th St	1060	1998	2008														
Honeye Ave	115th St to 120th St	2600	1998	2009														
Indian Wells Tr	East of Grenelefe	880	2002				Dellwd											
88th St/Jeffrey Ave	East of Jamaca	2800	1985	2006				2800	\$10,871					Hwy 96 Corridor				
Dellwood Rd Ln	South of 96	2400	1997	2004			2400	\$9,318										
Dellwood Rd Ct	North of Hwy 96	700	1994	2004			700	\$2,718										
Ideal Ave	South of Hwy 96	4400	2007										Mahto					
Ivy Ave/Itaska Tr/Ct	East of Jamaca	6500	2000	2009														
Joliet Ave	South of Hwy 96	2400	1997	2004			2400	\$9,318										
Justen Trail	Jamaca to Hwy 96	2700	1986	2004			2700	\$10,483										
Kimbrow Ave	Hwy 96 to Co Rd 12	8200	1991	2006				8200	\$31,837									
Knollwood Drive	North of Hwy 96	2800	1991	2004	2,800	\$10,871												
Irish Ave	11330 to 11896	6500	1994	2001	6500	\$25,237								Mann Lake				
Irish Ave	11034 to 11049	1460	2003	2012														
Ironwood Ave	110th to Irish	1050	2003	2012														
Isleton Ave/Ct	East of Irish	4200	1996	2001			4200	\$16,307										
65th Street	East of Jasmine	860	1987	2008														
97th Street	West of Manning	300	1985	2010										Islands				
105th Street	West from Inwood	500	1990	2008														
Imperial Ave	South of 120th St	1800	1985	2010														
Ingberg Circle	West of Ingberg Ct	900	1998	2008														
Jamaca Ave	North of 64th St	150	2005					150	\$582									
Jamaca Ave	South of CR 12	700	1978	2008														
Jarvis Ave	North of 60th St	200	1991	2008														
Jewel Ave	North of 85th St	150	1984	2008														
Kimbrow Ave Ct	10700 to 10990	1500	1987	2008														
Maple St (85th St)	East of Mahtomedi	700	1986	2008														
Jasmine Avenue	60th St to 65th St	2450	2009				2450	\$9,512						Jasmine Avenue 110th Street				
110th Street	West of Julianne Ave	1140	2011						1140	\$4,426								
<b>Paved Road</b>	<b>Total Length (Feet)</b>	<b>170860</b>			<b>13400</b>		<b>14850</b>		<b>16000</b>		<b>14990</b>		<b>15000</b>		<b>17900</b>		<b>16250</b>	<b>Feet</b>
<b>Paved Road</b>	<b>Total Length (Miles)</b>	<b>32.36</b>			<b>2.54</b>		<b>2.81</b>		<b>3.03</b>		<b>2.84</b>		<b>2.84</b>		<b>3.39</b>		<b>3.08</b>	<b>Miles</b>
<b>2013 Cost / Mile</b>	<b>\$ 20,500</b>	<b>Estimated Cost By Year</b>				<b>\$52,027</b>		<b>\$57,656</b>		<b>\$62,121</b>		<b>\$58,200</b>		<b>\$58,239</b>		<b>\$69,498</b>		<b>\$63,092</b>
<b>Total 10 Year Cost</b>	<b>\$ 420,832</b>																	
<b>Average Cost / Year</b>	<b>\$ 60,119</b>																	