

CHARTER COMMISSION

**Brainerd, Minnesota
July 14th, 2021
5:00 P.M.**

City Hall Council Chambers

_____ K. Bevans
_____ J. Czczok
_____ J. Burton
_____ K. Yeager
_____ M. O'Day
_____ C. Marohn
_____ A. Shipe
_____ J. Lambert

1. Call to Order

2. Roll Call

3. Approval/Amendment of Agenda

4. Approval of Minutes

- Meeting Held on June 9th, 2021

5. Old Business

- A. Discussion of the Term Mill Levy
- B. Discussion on Contributions to Outside Organizations
- C. Discussion of Chapter 7- The Park and Recreation Board

6. Adjourn

Any individual needing special accommodations, please call 828-2307.

Pursuant to due call and notice thereof, the meeting of the Brainerd Charter Commission was called to order at 5:00 P.M. by Charter Commission Chair Czczok.

Upon roll call, the following members were noted present: Commissioners Czczok, Burton, Yeager, O'Day, Shipe, and Council Liaison Bevans. Finance Director Hillman and City Administrator Bergman were also noted as present. Commissioners Marohn and Lambert were noted as absent.

Approval/Amendment of Agenda

MOVED AND SECONDED BY COMMISSIONERS BEVANS AND O'DAY, DULY CARRIED, TO APPROVE THE AGENDA.

Approval of the Minutes

MOVED AND SECONDED BY COMMISSIONERS BEVANS AND YEAGER, DULY CARRIED, TO APPROVE THE MINUTES OF THE MEETING HELD ON APRIL 14, 2021.

Discussion on Phase 3 Charter Review

Administrator Bergman updated the commission on the Council's first reading of Ordinance 1516. The second reading and ratification of the Ordinance will be considered at the June 21st City Council meeting. She also explained that Attorney Langel's \$10,000 service budgeted for the Charter has been fulfilled for 2021. With work on the Charter continuing, it may need to be added to the 2022 budget again. Any advice we receive going forward would apply to his retainer, but further work on revision would be charged per his fee. Finally, she explained the purpose of the meeting was to get input on how to proceed with phase 3 regarding the topics that were outlined in her memo as well as other topics the commission may have.

Commission Chair Czczok opened discussion of phase 3 with the Mill Levy section.

Commissioner O'Day discussed issue with language of the Mill Levy section. Pointing out that use of "an" arboretum program to reflect the language of the library and senior program sections would put less limitation on the City's ability to choose an arboretum or green space program in the future.

Commission discussion took place around the topic.

MOVED AND SECONDED BY COMMISSIONERS O'DAY AND YEAGER, DULY CARRIED, TO CHANGE LANGUAGE ON THE MILL LEVY TO "AN" ARBORETUM OR GREENSPACE PROGRAM.

Discussion then shifted to other topics. With the absence of Commissioner Marohn, the commission tabled discussion on sidewalks and streets.

Commissioner Burton suggested that it may be pertinent to have the commissions (Brainerd Public Utilities, Parks and Recreation, and Library) present at future devoted meetings to provide background, input, and feedback to respective sections.

Commission discussion took place. Future meetings will involve the commissions discussed.

Commissioner Yeager discussed sections that pertained to the Parks Board. As the Chair of the Parks Board, he felt comfortable to give comment on sections 113 and 114 stating that each needed to be examined, cleaned up, and given more thought to as it pertains to the future.

The commission will contact Administrator Bergman if they have other sections to consider during phase 3.

Next Steps

The next meeting of the Commission will be July 14th, 2021, at 5:00 p.m.

It was initially requested by Chairman Czeczok that staff find a different common day to hold the next meetings, but the request was later removed as to not set precedent on accommodation.

Adjourn

MOVED AND SECONDED BY COMMISSIONERS YEAGER AND O'DAY, DULY CARRIED, TO ADJOURN THE MEETING.

Commission Chair Czeczok adjourned the meeting 6:05 p.m.

Secretary

MEMO



TO: Charter Commission Members
FROM: Finance Director, Connie Hillman
DATE: July 9, 2021
RE: Discussion on the Term Mill Levy

Term Mill Levy

We have had several discussions regarding the language of a “mill.” The term mill has not been used for decades and the discussion at the Charter Commission was to replace it with a more current term. Upon further research, we found that there is a section in Statute that specifically references the conversion of the mill levy to dollars for Charter Cities and is what the County follows to calculate the City of Brainerd’s mill levy (see attached). This is then used to determine the amount of funds that should be appropriated. In addition to the contribution to outside organization, there are several other references to the mill in the Charter.

Staff would like to discuss whether to keep the mill language or setting the levies using the overall City Levy. For example, rather than saying the contributions that reference a mill have it be a percentage or the previous years over all levy. To determine what the percentage is, we could look at a 5-year average to get a base percentage.

Pay Year	Actual Value of 1 Mill	Total City Levy
2021	201,031	6,133,163
2020	183,758	6,072,439
2019	174,675	5,895,572
2018	169,587	5,561,860
2017	166,262	5,373,778
Average	179,063	5,807,362
		3.08%

The language could say, a contribution equal to 3% of the pervious years total City levy if it refers to 1 Mill or 1.5% of the previous years total City levy if it refers to ½ Mill. The chart below compares the amount of ½ Mill contributions paid versus the potential new method:

Charter Commission – Discussion on the Term Mill Levy

July 9, 2021

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Pay Year	Value of 1/2 Mill	Average Actual Amount Paid	1.5% of Previous Years Total City Levy		Difference
2021	100,516	Unknown	91,087	=6,072,439*1.5%	(9,429)
2020	91,879	91,424	88,434	=5,895,572*1.5%	(2,990)
2019	87,338	86,915	83,428	=5,561,860*1.5%	(3,487)
2018	84,794	85,040	80,607	=5,373,778*1.5%	(4,433)
2017	83,131	82,779	78,259	=5,217,260*1.5%	(4,520)
					(24,859)

It is not totally equitable. The City also contributes to the outside entities only what it actually collects. Changing the method would due 3 things:

1. The entities know exactly the amount they are going to receive
2. The City would be calculating the amount rather than the County
3. The City would know the amount when setting its preliminary levy since it would use the previous years total City levy

275.011 MILL RATE LEVY LIMITATIONS; CONVERSION FROM MILLS TO DOLLARS.

Subdivision 1. **Determination of levy limit.** The property tax levied for any purpose under a special law that is not codified in Minnesota Statutes or a city charter provision and that is subject to a mill rate limitation imposed by the special law or city charter provision, excluding levies subject to mill rate limitations that use adjusted assessed values determined by the commissioner of revenue under section 124.2131, must not exceed the following amount for the years specified:

(a) for taxes payable in 1988, the product of the applicable mill rate limitation imposed by special law or city charter provision multiplied by the total assessed valuation of all taxable property subject to the tax as adjusted by the provisions of Minnesota Statutes 1986, sections 272.64; 273.13, subdivision 7a; and 275.49;

(b) for taxes payable in 1989, the product of (1) the property tax levy limitation for the taxes payable year 1988 determined under clause (a) multiplied by (2) an index for market valuation changes equal to the assessment year 1988 total market valuation of all taxable property subject to the tax divided by the assessment year 1987 total market valuation of all taxable property subject to the tax; and

(c) for taxes payable in 1990 and subsequent years, the product of (1) the property tax levy limitation for the previous year determined pursuant to this subdivision multiplied by (2) an index for market valuation changes equal to the total market valuation of all taxable property subject to the tax for the current assessment year divided by the total market valuation of all taxable property subject to the tax for the previous assessment year.

For the purpose of determining the property tax levy limitation for the taxes payable year 2014 and subsequent years under this subdivision, "total market valuation" means the estimated market value of all taxable property subject to the tax as provided under section 273.032.

Subd. 2. **Construction of mill rate levy limit.** A mill rate levy limitation imposed by a special law or city charter provision that is presently in effect, excluding those mill rate levy limitations that use adjusted assessed values determined by the commissioner of revenue under section 124.2131, shall be construed to allow no more and no less property taxes than the amount determined under this section.

Subd. 3. **County capital improvement mill limits.** For purposes of determining the mill rate limits applicable to county capital improvement programs under section 373.40, the mill rate limit applicable to the county must be divided by 0.45 and multiplied by the county's assessed value for taxes payable in 1988. The resulting dollar amount must be used in determining the limitation under the procedures provided by this section.

History: 1988 c 719 art 5 s 36; 1989 c 277 art 4 s 21,22; 1989 c 329 art 13 s 8; 1997 c 31 art 3 s 8; 1998 c 254 art 1 s 78; 2013 c 143 art 14 s 32

MEMO



TO: Charter Commission Members

FROM: City Administrator, Jennifer Bergman
Finance Director, Connie Hillman

DATE: July 9, 2021

RE: Discussion on Contributions to Outside Organizations

The contributions/levies to outside organizations have been discussed several times throughout the last year at Charter Commission meetings. There are three sections that provide a levy to outside organizations:

- Chapter Three, Section 4: *“There shall be a levy of one-half mill on the assessed valuation of City taxable property over and above any Charter limitations and total levy limitations set forth in state statute, commencing for the levy year 1976 and continuing each levy year thereafter for a Community Action Program.”*
- Chapter Three, Section 7: *“There shall be a levy of one-half mill on the assessed valuation of City taxable property over and above any Charter limitations and total levy limitations set forth in state statute, for the 1982 levy collectible in 1983 and continuing each levy year thereafter for the establishment and maintenance of a program for the benefit of senior citizens or to subsidized non-profit senior citizens organization.”*
- Chapter Three, Section 8: *“There shall be a levy of ½ mill on the assessed valuation of taxable property in the City commencing at the earliest levy year after adoption of this amendment and continuing each levy year thereafter for the Northland Arboretum and Paul Bunyan Conservation Area. Before funding from the City is transmitted, an annual financial statement for the prior fiscal year shall be provided by the Northland Arboretum and Paul Bunyan Conservation Area to the City Council showing revenues and expenditures to ensure proper use of funds.”*

There are differences in each section:

- Section 4 and 8 identify a specific organization while Section 7 just says a program for the benefit of senior citizens.
- Section 8 specifically requires an annual financial statement for prior fiscal year while the other sections do not require this. This is required in the

agreements between the entity and the City; therefore, we are recommending removing this from the Charter.

- Section 4 and 7 identify a year in which the half mill shall commence while Section 8 does not.

At the June 9th meeting, the Commission made a motion to change the language in Chapter Three Section 8 to be to “an” arboretum or green space.

Recommendations

Attached is a red lined version with recommended changes to make this more consistent.

Agreements

The City Council entered into 10-year agreements with Brainerd Community Action (BCA), The Center and Northland Arboretum which all expire in 2022 (see attached.) The agreements are relatively similar; however, the City requires BCA to submit their IRS Form 990 annually and The Center and the Arb to submit their audit annually.

1. What should the Charter say regarding levies for outside organizations? Staff feels that the language in the Charter should be uniform. This is ultimately the recommendation of the Charter Commission to the City Council.
2. The City has agreements with each of the entities for their contributions. While the agreement is between the City and the entity, we still thought it was appropriate to have this discussion at the Charter Commission as to the intent of the contribution identified in the Charter. Staff believes that the agreements should all be consistent.

CHAPTER THREE

FINANCES

1. The fiscal year of the City shall be the calendar year.
2. Except as otherwise provided herein, all disbursements shall be made by check or electronic transfer. Checks shall be signed by the Mayor and countersigned by the City Administrator. All payments are to be reviewed and approved by the City Council
3. The City Council shall annually levy taxes to provide for the following specifically designated fund:
 - a. A PERMANENT IMPROVEMENT FUND, for paying such portion of the cost of improving streets and alleys as shall devolve upon the City, under the provisions of Subdivision (11) of this Section 46. For the support of this fund the City Council shall annually levy on taxable property of the City taxes to an amount not to exceed an amount producible from three (3) mills on the dollar of the then latest previous assessed valuation of such taxable property. The value of the mill levy shall be converted to a tax rate percentage by using a formula as established by the Minnesota Department of Revenue and calculated by the County Auditor. No part of this fund shall be used for any other purpose. In anticipation of the collection of such taxes for the then current year and succeeding years, the City Council may at the proper time, and from time to time, issue and dispose of certificates of indebtedness in an aggregate amount equal to eighty (80) per cent of such levy in the then current year and estimated amount for not more than ten succeeding years; provided, that the issuable aggregate of such certificates of indebtedness shall at no time exceed the sum of money then in the permanent improvement revolving fund under the provisions of Section 49 of the City Charter, as herewith amended, together with the additional amount of bonds that may or can be issued thereunder, added to the total of cash payments guaranteed by bonds of owners of real property abutting on such or similar street or alley improvements. These certificates shall be known as Re-paving Certificates of Indebtedness, and on every one shall be stated the particular purpose for which it is issued or describe the specific improvement on which it is based. Such certificates shall be consecutively numbered, with date of issue, date of maturity, bear interest, payable semi-annually, have proper interest coupons attached, be signed by the Mayor, countersigned by the City Administrator and be attested by the corporate seal; and, so far as practicable, shall be in denominations of not less than \$500.00. Whenever occasion arises for the issuance of such repaying certificates, it shall be the duty of the City Council to make requisite calculations, computations and estimates with respect to the quantity and various times of collection of taxes so levied and to be levied,

and thereupon, as the circumstances may require, to issue and sell one or more of such certificates. All such certificates shall be so issued as to mature serially, on proper dates, to the end that eighty (80) per cent of the estimated tax collection for this fund in each and every year will pay the certificates as they mature, and succeeding issues shall appear in regular order following previously issued certificates; and whenever there is an unused or unappropriated margin of such eighty (80) per cent of the estimated tax collection for this fund, over and above the aggregate amount of all such certificates theretofore issued, then and under such circumstances the earliest maturing certificates of the next succeeding issue shall be made to mature at such times and in such manner as to assure payment thereof out of, and at the time of collection of, such prior unused or unappropriated margin of such eighty (80) per cent of such estimated tax collection. If in any year the taxes collected for this fund shall not be sufficient to pay the certificates maturing in that year, the deficit shall be paid from the general fund. The earliest maturing certificates of the first issue hereunder shall mature on the first day of December in the year following the year of their issuance, and the other certificates in such issue, to mature later and serially, shall be distributed in succeeding serials and follow in such order of maturity that eighty (80) per cent of the estimated tax collections, year by year, will pay such certificates in each and every year thereafter. Neither the City Council nor any officer of the City shall in any year appropriate, expend or disburse any part of this fund, or do any other act therewith, at such time or in such manner as to render the available balance thereof insufficient to pay, when due, the certificates maturing in that particular year. The City Council shall, at the proper time, and from time to time, prepare for every issue and sale of such re-paving certificates of indebtedness by appropriate resolution setting forth in sufficient detail the date of issuance, number or quantity, specific denominations and various dates of maturity thereof, the rate of interest thereon, and the nature or character, location, extent and approximate total cost of the particular improvement on which the same are founded. The sale of such certificates of indebtedness shall be made, conducted and carried on in the manner provided for sales of bonds under the certain provisions of section 49 of the City Charter, as herewith amended; provided, further, that no certificate shall be sold for less than par and accrued interest.

4. That annual amount to be levied for general taxation in any year for all said funds, shall not exceed the amounts as established by state statute. There shall be a levy of one-half mill on the assessed valuation of City taxable property over and above any Charter limitations and total levy limitations set forth in state statute, ~~commencing for the levy year 1976 and continuing each levy year thereafter~~ for an entity to provide community action programs. -Community Action Program. The value of the levy shall be converted to a tax rate percentage by using a formula as established by the Minnesota Department of Revenue and calculated by the County Auditor.

5. Before any bonds be issued, the City Council shall, at a regular meeting or at a special meeting called for the particular purpose, adopt appropriate resolutions by an affirmative vote of three- fourths of all its members ordering the issue, and every such resolution shall set forth the amount of the issue and the specific object thereof, be written at length in the records of the Council proceedings and be published and take effect in accordance with the provisions of Section 34 of the City Charter.
6. On or before the first day of September in every year, the President of the City Council, the Chairman of the Finance Committee of the Council and the City Administrator shall submit to the City Council an estimate of the probable expenditures of the City government for the ensuing fiscal year, stating the amount required to meet the interest and maturing bonds of the outstanding indebtedness of the City, and specifically showing the various amounts necessary for each and every fund, including an estimate of the total income from all sources of revenue other than taxes upon property, and the probable requisite amount to be levied and raised by taxation to defray all such expenses and liabilities of the City.
7. There shall be a levy of one-half mill on the assessed valuation of City taxable property over and above any Charter limitations and total levy limitations set forth in state statute, ~~for the 1982 levy collectible in 1983 and continuing each levy year thereafter~~ for the establishment and maintenance of a program for the benefit of senior citizens or to subsidized non-profit senior citizens organization. The value of the mill levy shall be converted to a tax rate percentage by using a formula as established by the Minnesota Department of Revenue and calculated by the County Auditor.
8. There shall be a levy of ½ mill on the assessed valuation of taxable property in the City commencing at the earliest levy year after adoption of this amendment and continuing each levy year thereafter for the an arboretum or green space~~Northland Arboretum and Paul Bunyan Conservation Area. Before funding from the City is transmitted, an annual financial statement for the prior fiscal year shall be provided by the Northland Arboretum and Paul Bunyan Conservation Area to the City Council showing revenues and expenditures to ensure proper use of funds.~~ The value of the mill levy shall be converted to a tax rate percentage by using a formula as established by the Minnesota Department of Revenue and calculated by the County Auditor.

AGREEMENT

THIS AGREEMENT, made this 29 day of March, 2012, by and between the CITY OF BRAINERD, a municipal corporation, hereinafter referred to as the CITY, and the PAUL BUNYAN ARBORETUM, DBA NORTHLAND ARBORETUM, a non-profit corporation, hereinafter referred to as the ARBORETUM.

WHEREAS, by a Charter amendment, certain tax revenues in the amount of one-half of a mill shall be levied upon the taxable property of the CITY for the partial funding of a program for the ARBORETUM. The value of the mill levy is converted to a tax rate percentage by using a formula established by the Minnesota Department of Revenue and calculated by the County Auditor; and

WHEREAS, the ARBORETUM has been operating programs on behalf of the citizens of Brainerd and Crow Wing County, Minnesota for many years; and

WHEREAS, the Council of the CITY deems it advisable to utilize the funds from the said tax levy in support of the programs operated by the ARBORETUM.

NOW, THEREFORE, it is mutually agreed between the parties hereto as follows:

1. That the ARBORETUM will continue to provide a program for the citizens of the CITY and surrounding area. In furtherance thereof:
 - a. That the ARBORETUM Board of Directors will employ an Executive Director to develop and maintain programs operated by the ARBORETUM.
 - b. That the ARBORETUM shall, on or before December 31 of each year, submit their budget including potential activities and projects for the upcoming calendar year to the CITY.
 - c. That the ARBORETUM shall furnish to the CITY annually, a financial statement prepared by an independent third party and/or audit that includes all funding received from the CITY and expenditures from said funds for the preceding year as well as a summary report of its program activities for the prior year.

2. That in consideration of said services, the CITY shall make payments to the ARBORETUM from the said levy as set forth below, subject to receipt by the CITY of the proposed budget, annual financial statements and proposed program activities by the ARBORETUM for the upcoming

year. Payments shall be made monthly to the ARBORETUM and shall be calculated by the CITY based on the value of the mill levy using information received from the County Auditor's Office. In December of each year, the monthly payment calculation for the current year will be reviewed to determine if payments accurately reflected tax levy collections. Based on this review, the monthly payment for the upcoming year will be adjusted to take into consideration over or under payments made during the current year. In the alternative, if it is found that an overpayment has been made by the CITY, the ARBORETUM has the option to repay the overage in a lump sum payment to the CITY within 30 days after the overpayment notification. In the case of an underpayment by the CITY, the ARBORETUM may request the CITY to repay the underpayment in a lump sum to the ARBORETUM within 30 days after the underpayment notification.

3. This AGREEMENT shall continue from year to year. If either party desires to modify or amend this AGREEMENT, it shall give written notice of such intent to the other party not less than ninety (90) days prior to the date such modification or amendment shall take effect.
4. This AGREEMENT shall be reviewed from time to time on an as needed basis but in no event later than 10 years from the date of the AGREEMENT noted above.

IN WITNESS WHEREOF, the parties hereto have affixed their signatures.

CITY OF BRAINERD

BY *James E. Walker*
MAYOR

BY *Daniel [Signature]*
CITY ADMINISTRATOR

PAUL BUNYAN ARBORETUM DBA
NORTHLAND ARBORETUM

BY *Tom [Signature]*
PRESIDENT

BY *Chris Brasley*
EXECUTIVE DIRECTOR

AGREEMENT

THIS AGREEMENT, made this 10th day of May, 2012, by and between the CITY OF BRAINERD, a municipal corporation, hereinafter referred to as the CITY, and COMMUNITY ACTION COUNCIL OF CROW WING COUNTY, INC., DBA BRAINERD COMMUNITY ACTION, a non-profit corporation, hereinafter referred to as BRAINERD COMMUNITY ACTION.

WHEREAS, by a Charter amendment, certain tax revenues in the amount of one-half of a mill shall be levied upon the taxable property of the CITY for the partial funding of a program for BRAINERD COMMUNITY ACTION. The value of the mill levy is converted to a tax rate percentage by using a formula established by the Minnesota Department of Revenue and calculated by the County Auditor; and

WHEREAS, BRAINERD COMMUNITY ACTION has been operating said program on behalf of the citizens of Brainerd and the citizens of Crow Wing County for some past years; and

WHEREAS, the Council of the CITY deems it advisable to utilize the funds from the said tax levy in support of the programs operated by BRAINERD COMMUNITY ACTION.

NOW, THEREFORE, it is mutually agreed between the parties hereto as follows:

1. That BRAINERD COMMUNITY ACTION shall continue to provide a community action program for the citizens of the CITY and surrounding area similar to its past program. In furtherance thereof:
 - a. That with funding provided by the CITY, BRAINERD COMMUNITY ACTION Board of Directors, shall with budgeted funds, employ an Executive Director to develop and maintain programs operated by BRAINERD COMMUNITY ACTION.
 - b. That BRAINERD COMMUNITY ACTION shall, on or before December 31 of each year, submit their budget including potential activities and projects for the upcoming calendar year to the CITY.
 - c. That BRAINERD COMMUNITY ACTION shall furnish to the CITY annually IRS Form 990 or other appropriate document that includes all funding received from the CITY and expenditures from said funds for the preceding year as well as a summary report of its program activities for the prior year.
2. That in consideration of said services, the CITY shall make payments to BRAINERD COMMUNITY ACTION from the said levy as set forth below, subject to receipt by the CITY of the proposed budget, annual financial statements and proposed program activities by BRAINERD COMMUNITY ACTION for the upcoming year. Payments shall be made monthly to BRAINERD COMMUNITY ACTION and shall be calculated by the CITY based on the value of the mill levy using information received from the County Auditor's Office. In December of each year, the monthly payment

calculation for the current year will be reviewed to determine if payments accurately reflected tax levy collections. Based on this review, the monthly payment for the upcoming year will be adjusted to take into consideration over or under payments made during the current year. In the alternative, if it is found that an overpayment has been made by the CITY, BRAINERD COMMUNITY ACTION has the option to repay the overage in a lump sum payment to the CITY within 30 days after the overpayment notification. In the case of an underpayment by the CITY, BRAINERD COMMUNITY ACTION may request the CITY to repay the underpayment in a lump sum to BRAINERD COMMUNITY ACTION within 30 days after the underpayment notification.

3. CITY agrees to furnish BRAINERD COMMUNITY ACTION office space mutually agreeable to both parties hereto without cost to BRAINERD COMMUNITY ACTION. BRAINERD COMMUNITY ACTION will provide office and carpet cleaning and the related cleaning materials and supplies. CITY will provide paper products. As long as the BRAINERD COMMUNITY ACTION office continues to be located at 213 South 5th Street, Brainerd, MN, BRAINERD COMMUNITY ACTION will also provide office cleaning twice per week for the State of Minnesota Driver's License Office, as long as the State of Minnesota Driver's License Office continues to be located at 213 South 5th Street.
4. This AGREEMENT shall continue from year to year. If either party desires to modify or amend this AGREEMENT, it shall give written notice of such intent to the other party not less than ninety (90) days prior to the date such modification or amendment shall take effect.
5. This AGREEMENT shall be reviewed from time to time on an as needed basis but in no event later than 10 years from the date of the AGREEMENT noted above.

IN WITNESS WHEREOF, the parties hereto have affixed their signatures.

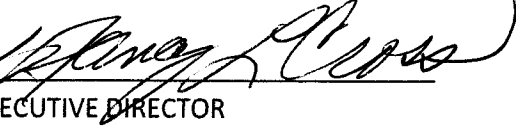
CITY OF BRAINERD

COMMUNITY ACTION COUNCIL OF
CROW WING COUNTY, INC., DBA
BRAINERD COMMUNITY ACTION

BY 
MAYOR

BY 
PRESIDENT

BY 
CITY ADMINISTRATOR

BY 
EXECUTIVE DIRECTOR

AGREEMENT

THIS AGREEMENT, made this 10 day of April, 2012, by and between the CITY OF BRAINERD, a municipal corporation, hereinafter referred to as the CITY, and LAKES AREA SENIOR ACTIVITY CENTER, a non-profit corporation, hereinafter referred to as the SENIOR CENTER.

WHEREAS, by a Charter amendment, certain tax revenues in the amount of one-half of a mill shall be levied upon the taxable property of the CITY for the partial funding of a program for Senior Citizens 55 and over. The value of the mill levy shall be converted to a tax rate percentage by using a formula established by the Minnesota Department of Revenue and calculated by the County Auditor;

WHEREAS, the SENIOR CENTER has been operating programs on behalf of the senior citizens 55 and over of the City of Brainerd and surrounding areas in Minnesota for many years; and

WHEREAS, the Council of the CITY deems it advisable to utilize the funds from the said tax levy in support of the programs operated by the SENIOR CENTER.

NOW, THEREFORE, it is mutually agreed between the parties hereto as follows:

1. That the SENIOR CENTER will continue to provide a program for the senior citizens of the CITY and surrounding area. In furtherance thereof:
 - a. That the SENIOR CENTER Board of Directors will employ an Executive Director to develop and maintain a program for seniors 55 and older.
 - b. That the SENIOR CENTER shall, on or before December 31 of each year, submit their budget including potential activities and projects for the upcoming calendar year to the CITY.
 - c. That the SENIOR CENTER shall furnish to the CITY annually, a financial statement prepared by an independent third party and/or audit that includes all funding received from the CITY and expenditures from said funds for the preceding year as well as a summary report of its program activities for the prior year.


2. That in consideration of said services, the CITY shall make payments to the SENIOR CENTER from the said levy as set forth below, subject to receipt by the CITY of the proposed budget, annual financial statements and proposed program activities by the SENIOR CENTER for the upcoming year. Payments shall be made monthly to the SENIOR CENTER and shall be calculated by the CITY based on the value of the mill levy using information received from the County Auditor's Office. In December of each year, the monthly payment calculation for the current year will be


reviewed to determine if payments accurately reflected tax levy collections. Based on this review, the monthly payment for the upcoming year will be adjusted to take into consideration over or under payments made during the current year. In the alternative, if it is found that an overpayment has been made by the CITY, the SENIOR CENTER has the option to repay the overage in a lump sum payment to the CITY within 30 days after the overpayment notification. In the case of an underpayment by the CITY, the SENIOR CENTER may request the CITY to repay the underpayment in a lump sum to the SENIOR CENTER within 30 days after the underpayment notification.

3. This AGREEMENT shall continue from year to year. If either party desires to modify or amend this AGREEMENT, it shall give written notice of such intent to the other party not less than ninety (90) days prior to the date such modification or amendment shall take effect.
4. This AGREEMENT shall be reviewed from time to time on an as needed basis but in no event later than 10 years from the date of the AGREEMENT noted above.

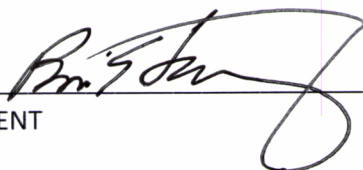
IN WITNESS WHEREOF, the parties hereto have affixed their signatures.

CITY OF BRAINERD

BY 
MAYOR

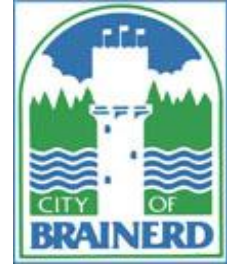
BY 
CITY ADMINISTRATOR

LAKES AREA SENIOR ACTIVITY CENTER

BY 
PRESIDENT

BY 
EXECUTIVE DIRECTOR

MEMO



TO: Charter Commission Members
FROM: City Administrator, Jennifer Bergman; Human Resources Director, Kris Schubert
DATE: July 9, 2021
RE: Discussion on Park Board Section of the Charter

Chapter 7 of the Charter outlines the roles and responsibilities of the Park and Recreation Board. The Charter specifically gives the Park Board the authority to employ and determine compensation for Park employees. Staff is recommending eliminating a portion of Section 3 (see attached).

The reason for this is that Park employees are City employees by state law. The language in the Charter could be problematic for the City of Brainerd as the current language blurs the lines of authority. To complicate things more, the majority of Park employees are in a collective bargaining unit (IUOE Local 49 or IBEW Local 31 - Administrative Support) and the City has established a pay grid which outlines compensation for all City employees.

CHAPTER SEVEN

THE PARK AND RECREATION BOARD

1. The Park and Recreation Board shall have control and supervision of all parks, parkways, and boulevards within the City, and also of such streets and other public grounds as the City Council shall by proper resolution designate. It shall also establish the recreation policy and conduct and supervise recreation areas, facilities, services and programs for all types of public recreation. It shall have the authority to conduct activities and pay for the necessary supervision incidental thereto, on the grounds and properties owned, leased or controlled by the City of Brainerd, or on other properties with the consent of the owners or authorities who control the property. And it is made the duty of said Board to cause to be enforced all laws of the State and Ordinances and Resolutions of the City Council for the improvement, care and protection of the parks and other public property under its charge.
2. The said board shall organize by selecting a President and Vice-President from its members and a Clerk, and the Clerk shall keep a full record of all proceedings of said board, and shall keep books showing all monies received and disbursed and the management of the business committed to said board.
3. ~~The said board shall establish the qualification for employment and shall have the authority to employ and determine the compensation of a trained and qualified Director of Parks and Recreation, and such other assistants, supervisors, playleaders, or other employees that may be necessary, in its judgment, for the efficient administration, conduct and development of the public recreation program, within the monies provided for such purposes by the City.~~ The said board shall have the power of coordination of services with other governmental programs, solicit and train volunteers, purchase supplies and equipment, develop and maintain facilities, procure or lease public or private properties, areas or facilities that may be required for programs, provided, however, that no property shall be procured by lease or otherwise for more than one year without the approval of the City Council. All expenditures shall be within the moneys appropriated by the City for such purposes, together with donations, gifts, bequests of any money, or any funds from earnings. All money received from donations, bequests or earnings shall be deposited in a special account managed by the board.
4. The board shall each year prior to September 1 prepare a budget for park and recreation purposes for the ensuing fiscal year; subject to the approval of the city Council.
5. The members of said board shall receive no compensation for their services except that the clerk shall be paid such salary for his/her services as the board shall recommend and the City Council determine.