

INVER GROVE HEIGHTS CITY COUNCIL AGENDA  
MONDAY, May 11, 2015  
8150 BARBARA AVENUE  
7:00 P.M.

1. CALL TO ORDER
2. ROLL CALL
3. PRESENTATIONS
4. CONSENT AGENDA – All items on the Consent Agenda are considered routine and have been made available to the City Council at least two days prior to the meeting; the items will be enacted in one motion. There will be no separate discussion of these items unless a Council member or citizen so requests, in which event the item will be removed from this Agenda and considered in normal sequence.
  - A. Minutes – (i) April 6, 2015 Work Session Meeting  
(ii) April 27, 2015 Regular Meeting  
(iii) March 27, 2015 Strategic Planning Meeting  
(iv) March 28, 2015 Strategic Planning Meeting \_\_\_\_\_
  - B. Resolution Approving Disbursements for Period Ending May 5, 2015 \_\_\_\_\_
  - C. Approve the Hiring Engineer and Architect for Potential Golf Course Capital Improvements Project \_\_\_\_\_
  - D. **CLASSIC CONSTRUCTION;** Consider a Resolution approving re-descriptions of stormwater easements and drainage easements and approving development documents related to the plat of Lighthouse Holdings Addition. \_\_\_\_\_
  - E. Approve Proposal from EOR, Inc. for NWA Hydrologic and Hydraulic (H & H) Model Update \_\_\_\_\_
  - F. Approve Proposal for Professional Services for Feasibility Study for City Project No. 2015-03 – 65th Street between Trunk Highway 3 and Argenta Trail \_\_\_\_\_
  - G. Resolution Receiving Bids and Awarding Contract for the 2015 Pavement Management Program, City Project No. 2015-09A – Crackseal \_\_\_\_\_
  - H. Resolution Receiving Bids and Awarding Contract for the 2015 Pavement Management Program, City Project No. 2015-09B – Sealcoat \_\_\_\_\_
  - I. Resolution Approving Estimated Costs for the Project, the Joint Powers Agreement with Dakota County Transportation Department for Milling, Bituminous Overlay, and City Utility Repairs and Resolution Ordering City Project No. 2015-06 – 70th Street Mill and Overlay (TH 3 to Cahill Avenue) \_\_\_\_\_

J. Consider a Resolution Approving a Permanent Utility and Drainage Easement and Temporary Construction Easement on property identified as PID No. 20-00700-28-015 owned by Mr. and Mrs. Deuth Relating to City Project No. 2015-11 - NWA 70th Street Lift Station, Argenta District \_\_\_\_\_

K. Approve Collective Bargaining Agreement between The City of Inver Grove Heights and International Union of Operating Engineers (IUOE) for the years 2015 - 2016 \_\_\_\_\_

L. Schedule Special Meeting \_\_\_\_\_

M. Schedule Public Hearing \_\_\_\_\_

N. Personnel Actions \_\_\_\_\_

5. **PUBLIC COMMENT:** Public comment provides an opportunity for the public to address the Council on items that are not on the Agenda. Comments will be limited to three (3) minutes per person.

6. **PUBLIC HEARINGS:**

A. Consider Application for On-Sale/Sunday Intoxicating Liquor - OVERBOARD Bar & Grill \_\_\_\_\_

B. Assessment Hearing for 2015 Pavement Management Program, City Project No. 2015-09E - 47th Street Area Reconstruction \_\_\_\_\_

7. **REGULAR AGENDA:**

**FINANCE:**

A. Consider Accepting and Approving the Comprehensive Annual Financial Report for the Year Ended December 31, 2014, Management Letter and Other Required Report \_\_\_\_\_

**FIRE:**

B. Consider Authorizing the Inver Grove Heights Fire Department to Order a Fast Attack Fire Truck and Pre-Pay Full Price at the Time Ordered \_\_\_\_\_

**PUBLIC WORKS:**

C. Consider Resolution Levying Assessments for 2015 Improvement Program, City Project No. 2015-14 - 47th Street Area Water and Sanitary Sewer Improvements and Rehabilitation \_\_\_\_\_

D. Consider Resolution Awarding Contract for the 2015 Pavement Management Program, City Project No. 2015-09E - 47th Street Area Reconstruction and the 2015 Improvement Program, City Project No. 2015-14 - 47th Street Area Water and Sewer Improvements and Rehabilitation, and Approving a Joint Powers Agreement with South St. Paul \_\_\_\_\_

E. Resolution Approving Two Cost Share Contracts with Dakota County Soil and Water Conservation District for Community Conservation Partnership Funding Program and Acceptance of a Permanent Drainage, Utility and Storm Water Ponding Easement for City Project No. 2015-09E - 47th Street Area Reconstruction

---

F. Resolution Accepting Proposal from American Engineering Testing, Inc. (AET) for Construction Phase Geotechnical Services for City Project No. 2015-09E - 47th Street Area

---

G. Approve Agreement with Xcel Energy for Topsoil and Seeding on City Project No. 2015-09E - 47th Street Area Reconstruction

---

**COMMUNITY DEVELOPMENT:**

H. **MATTHEW GENS;** Consider the Second Reading of an Ordinance Amendment to Title 10 of the City Code (Zoning Ordinance) to amend the definition of Single Family Dwelling, and to add the use of Supervised Student Housing as an Interim Use in single family residential zoning districts.

---

**ADMINISTRATION:**

I. Consider the Second Reading of the Draft Massage Therapist and Massage Business Licensing Ordinance

---

J. Consider Approval of a City Clerk Job Description and Compensation, Revisions to the City Administrators Job Description and Authorization to Post the City Clerk Position

---

**. MAYOR & COUNCIL COMMENTS**

**9. ADJOURN**

This document is available upon 3 business day request in alternate formats such as Braille, large print, audio recording, etc. Please contact Amy Jannetto at 651.450.2510 or [ajannetto@invergroveheights.org](mailto:ajannetto@invergroveheights.org)

**INVER GROVE HEIGHTS CITY COUNCIL WORK SESSION  
MONDAY, APRIL 6, 2015 - 8150 BARBARA AVENUE**

**1. CALL TO ORDER/ROLL CALL:** The City Council of Inver Grove Heights met in work session on Monday, April 6, 2015, in the City Council Chambers. Mayor Tourville called the meeting to order at 6:00 p.m. Present were Council members Bartholomew, Hark, Mueller and Piekarski Krech; City Administrator Lynch, City Attorney Kuntz, Community Development Director Link, Public Works Director Thureen, Parks and Recreation Director Carlson, Chief Stanger, and Chief Thill

**2. PUBLIC WORKS MAINTENANCE FACILITY**

Mr. Thureen stated a space needs study for the Public Works Maintenance Facility was prepared by Oertel Architects. A committee comprised of the Public Works Director, Street Maintenance Superintendent, Lead Mechanic, Utilities Superintendent, and Parks Maintenance Superintendent was formed and worked with the architects to assess current and future needs and develop concept plans to address the identified needs.

Jeff Oertel, Oertel Architects, provided an overview his firm's experience in the design of maintenance facilities. He explained his team collected detailed data related to existing operations and equipment, spoke to staff, and toured the existing facility to conduct the space needs analysis. A concept plan was developed that would involve removing the existing fueling system to provide more cost effective options for expansion and remodeling of the facility going forward. He stated the current facility was packed with vehicles and a lot of extra handling and work was required by staff to use and access certain vehicles and equipment on a daily basis. He noted since the facility was originally constructed there had been a number of advancements in the field of public works, such as the use of brine, that have resulted in operational changes that have caused the facility to need to be organized differently over time. He stated the current space was very tight and the skewed configuration of the building was not conducive to an efficient layout. He reviewed the current layout of the entire public works site and the preferred concept plan. He reiterated the preferred plan contemplated relocation of the existing fueling system. He explained the plan included drive lanes with vehicle parking between the drive lanes and off to either side of the drive lanes. He stated this would allow staff to drive through the facility and exit and enter on opposite ends of the garage. This would eliminate a lot of the vehicle maneuvering that had to take place at the beginning and end of each shift. He stated if an addition was built staff would be able to work in the existing maintenance facility during construction of the vehicle storage and maintenance addition. He noted the proposed addition would help the City gain operational efficiencies. He discussed the importance of being able to regularly wash vehicles and equipment. The project proposed combination manual and automatic wash bays. The fueling island would be relocated to the southwest area of the site. The first phase of construction also contemplated an office addition that would include new locker rooms and restrooms, a new break room, and a new conference room. If the first phase of the plan was done without the office addition there was enough money and enough square footage involved that the City would be required to set aside funds to meet ADA standards. An elevator would need to be added or other accommodations would need to be incorporated into the design in order to make the facility accessible. The proposed office addition would allow the City to have all employee spaces located on the first floor and would eliminate accessibility concerns. The proposed concept plan would allow the City to be able to store all vehicles within the existing fleet in a designated parking spot without the need for parking in the driveways. Future vehicle storage needs were also contemplated in the second phase of the plan. He explained the facility currently used for salt storage was very valuable in that it was somewhat of a luxury to be able to store, load, and unload salt under a cover. He noted the salt building did have a number of drawbacks, including workshops that were not heated or ventilated properly. He reviewed the preliminary cost estimate. It was assumed that the building would be classified as heavy industrial. The specifications called for 30-year construction components such as pre-cast concrete wall panels and a steel roof structure. He stated the cost estimates were based on the expectation that the building would be a long-term facility. The subtotal for construction was estimated to be \$5.3 million and an additional \$500,000 was estimated for other expenses such as soil borings, surveys, and fees. A 10% contingency was also included. He stated the total estimate for the first phase of the project was \$6.2-6.3

million. The estimate for the office addition was \$1.1 million. He noted the estimates for upgrades to the remainder of the site included adding access to the salt storage building on the back end of the building to allow for more efficient unloading of trucks.

Mayor Tourville questioned when staff envisioned starting the project. He stated given the cost estimates it was unlikely that it would be a 2016 project.

Mr. Thureen stated the intent was to get feedback from the Council on the concept plan. The phased approach was proposed to address the highest priority needs in terms of operational efficiency. He explained for planning purposes staff included the item in the CIP for 2018.

Councilmember Mueller opined allowing room for vehicles to pull in and out of the garage with trailers attached would require a lot of extra space.

Mr. Oertel stated the most important vehicle that the space was designed for was a plow truck. The proposed space would allow for easy access and maneuvering of plow trucks.

Mr. Thureen stated parking was a major concern from a staff perspective because in the winter time trailers routinely had to be maneuvered in and out of the garage to access other vehicles and equipment. He noted the overall goal was to increase operational efficiency by having more productive work time versus staff having to take time every morning to maneuver vehicles and equipment.

Councilmember Mueller questioned if it would save money to have one accessible bathroom located on the first floor.

Mr. Oertel stated the City would need a men's and women's locker area and a separate break area located on the first floor to meet ADA standards.

Mayor Tourville stated the City would do whatever was required to comply with ADA regulations.

Councilmember Bartholomew stated he wanted to be certain that all vehicles would have access to the fuel station.

Mayor Tourville stated it would be helpful to visit the maintenance facility to review the concept plan onsite. He opined without more specific information related to financing it would be difficult to accept the report because the perception would be that the project would be ordered.

Mr. Thureen explained staff would prefer to bring the report back at a regular meeting for the Council to formally receive the report.

### **3. TOBACCO ORDINANCE**

#### **a. Tobacco Licensing**

Mr. Lynch stated the first part of the discussion related to the a request from Dakota County whereby the City would take over the administration of tobacco licensing effective January 1, 2016. He explained Inver Grove Heights was one of two large cities in the County that currently was not responsible for tobacco licensing.

Bridget McCauley Nason, LeVander, Gillen, & Miller, stated the City Code did not currently contain any provisions related to tobacco licensing or the sale of tobacco. Dakota County currently conducted compliance checks and licensed retailers of tobacco products in the City. In 2014 there were 33 licensees in the City and 58 compliance checks were conducted by Dakota County. Seven (7) compliance checks failures were reported in 2014. She reiterated the County had sent a letter indicating their preference would be to turn over the administration of tobacco licensing to the City. State statute provides that the County is required to license and regulate the sale of tobacco in all statutory cities unless an ordinance is adopted. If the City did not adopt an ordinance that would provide for the regulation of tobacco sales the County would continue to be required to serve that function.

Mayor Tourville stated his interpretation was that the County was telling the City to prepare to take over the regulation of tobacco sales beginning in 2016.

Mr. Lynch reiterated the County did not want to be the licensing authority for the City any longer.

Ms. Nason stated the County currently charged an annual license fee of \$320. She explained given the number of current licensees in the City the potential revenue generated would be approximately \$10,000. She noted the City would incur costs associated with licensing including the cost to perform mandatory compliance checks and conduct background investigations. The general provisions of the proposed ordinance would require all vendors or sellers of tobacco products or tobacco-related devices to obtain a license from the City. She stated many of the definitions included in the ordinance were taken directly from State statute. A mandatory instructional program requirement was also included that would require license holders to provide compliance training to their employees to try to prevent the sale of tobacco to minors. The draft ordinance would also require all licensees to obtain an age verification device within two (2) years of the issuance of the first license. The proposed ordinance would also prohibit sampling of tobacco products. She explained a majority of the prohibited sales were the same as what was included in statute. Minimum penalties were included in the ordinance to address compliance check failures and a number of provisions were included that related to the denial, suspension, or revocation of licenses.

Councilmember Piekarski Krech questioned if the City would be able to set its own license fee.

Ms. Nason replied in the affirmative.

Councilmember Hark questioned if sampling would be allowed outdoors.

Ms. Nason stated the prohibition against sampling would apply to indoor areas.

#### **b. Tobacco Sampling**

Ms. Botten explained Council previously directed staff to draft two types of ordinance language for consideration. The first would prohibit sampling and the second would allow sampling with certain guidelines and conditions. She stated the Minnesota Clean Indoor Air Act prohibited smoking in all indoor public spaces, but provided an exception for tobacco sampling in tobacco product shops. Over 50 Minnesota cities and counties have opted to adopt regulations that are more restrictive than State law to prohibit indoor smoking and sampling of tobacco in public places. In Dakota County the cities of Eagan, Hastings, Mendota Heights, Rosemount, South St. Paul, and West St. Paul all prohibited tobacco sampling. The proposed draft ordinance contained language that would prohibit all tobacco and nicotine sampling in retail establishments. Alternative language was prepared that would allow sampling with certain requirements. She reviewed the conditions under which sampling would be allowed in a retail establishment. She explained staff recommended inclusion of the language prohibiting sampling and smoking of tobacco in public places. She stated the proposed language would close the loophole in State law and would be the most direct option for enforcement of the ordinance.

Councilmember Bartholomew questioned if building code would provide an avenue for adjacent tenants to express concerns about sampling at a neighboring business.

Ms. Botten stated that would be a question for the building official.

Councilmember Hark questioned how much it would cost the City to perform the annual compliance checks.

Chief Stanger stated he estimated the costs based on what the department experienced for alcohol compliance checks. He explained it would cost the department approximately \$250 to perform the initial background investigation on an applicant for a license. The annual compliance checks would cost the department approximately \$3,000 per year.

Councilmember Mueller questioned if a renewal investigation would be required if the ownership of a licensed business did not change.

Chief Stanger replied in the affirmative.

The City Council requested that the Chief break down the costs involved for the Police Department to make a decision on what an appropriate license fee would be.

Councilmember Piekarski Krech questioned how a person could sample a product without using a sampling device.

Ms. Botten stated a person could either purchase the device from the store or bring their own device to sample products with. She noted the intent was to prohibit the sharing of devices for the purposes of sampling at the retail establishments. She stated other cities had incorporated similar language into their ordinance to address health and safety concerns.

Councilmember Hark clarified that at this point there was nothing that would prohibit sampling in the City.

Ms. Botten replied in the affirmative.

Councilmember Hark questioned if state statute regulated e-cigarettes in the same manner as tobacco products.

Ms. Botten explained current statutory provisions did not regulate e-cigarettes in the same manner as tobacco products. She noted e-cigarettes were prohibited in some public places, such as hospitals and schools, but were allowed in restaurants and other public places because they were not recognized as a tobacco-related device.

Mayor Tourville opined the regulation of e-cigarettes and sampling was two separate issues.

Mr. Lynch reviewed information that was provided to the City by other organizations interested in the discussion related to the regulation of tobacco products, e-cigarettes, and sampling.

**Motion by Mueller, second by Piekarski Krech, to receive all information and correspondence.**

**Ayes: 5**

**Nays: 0**

**Motion carried.**

Patrick Reilly, 8590 Atlantic Avenue, discussed the issue of sampling. He opined sampling was really a form of indoor smoking. He encouraged the City to be forward thinking and to prohibit sampling altogether.

Tyler Thompson, 5854 Blaine Avenue, stated the concept of sampling was an important aspect of his business model. He explained it allowed customers to determine what they wanted to purchase. He noted none of the products involved with sampling used a form of combustible tobacco. He stated sampling produced a vapor, not smoke. He opined that prohibiting sampling would be detrimental to his business.

Councilmember Mueller questioned if devices were repaired for customers in a back room of the store.

Mr. Thompson replied in the negative. He stated he had an area in the front of the store where repairs were made in front of the customer. He noted it would be hard to assess the functionality of a device if sampling was prohibited inside the store.

Councilmember Piekarski Krech questioned how long customers typically stayed in the store to sample.

Mr. Thompson stated the length of time varied based on the needs of each individual customer.

Mr. Kuntz questioned what percentage of customers were coming into the store for vaping products versus tobacco products.

Mr. Thompson stated he sold no tobacco products in his store. All of his products were vapor products.

Mr. Kuntz stated if the sampling of tobacco-related products was prohibited it would not apply to Mr. Thompson's store if he did not stock tobacco-related products.

Councilmember Bartholomew questioned how sampling was defined in the proposed ordinance. He questioned if there were limitations that would clearly define when sampling became lounging.

Ms. Nason stated the draft ordinance included language that would prohibit all forms of sampling in an indoor establishment.

Jay, owner of vape shop in Inver Grove Heights, stated he did not sell any tobacco products. He added the emission from an e-cigarette was almost entirely an odorless vapor. He noted he had over 1,000 transactions every month at his business. He questioned how his business negatively impacted the community and what the reason would be for banning sampling of products. He explained prohibiting sampling would result in the loss of business and would force him to close his shop.

Mr. O'Rourke stated he submitted a number of the documents the Council previously received by motion. He reviewed the history and evolution of the language adopted by the City of Minneapolis related to sampling products. He noted Minneapolis recently updated their ordinance to specifically allow the sampling of electronic cigarette devices. Hennepin County and Hopkins also passed similar ordinances to allow sampling. He explained if the proposed ordinance was adopted, the City would be the only community to prohibit sampling when there were established vape shops in the City. He reiterated the adoption of the ordinance would negatively impact the operations at existing businesses.

Mayor Tourville clarified that Mr. O'Rourke represented the Independent Vapor Retailers of MN.

Mr. O'Rourke replied in the affirmative. He explained a majority of the members of the organization only sold vaping and electronic cigarette products. He stated he advocated for issues related to vaping and sampling of electronic cigarette products.

Alicia Leisinger, Association for Non Smokers of Minnesota, stated her organization worked to reduce the use of tobacco. She presented information from the MN Department of Health related to the use of hookah and electronic delivery devices by youth. She discussed other cities that had opted to adopt similar ordinance language related to sampling. She stated communities are increasingly concerned about the prevalence of the use of e-cigarette devices by youth.

Nick Pickar, employee at L.W.'s Bierstube, stated there was a hookah lounge located in the same strip mall as the restaurant. He explained they had experienced issues with the patrons of the hookah lounge but did not have issues with the smoke shop itself.

Councilmember Mueller questioned if they had experienced any issues related to parking.

Mr. Pickar replied in the affirmative. He noted they shared a parking lot with three (3) other businesses.

Mohammed, 6426 Cahill Avenue, stated his business was located in the same strip mall as the Bierstube. He explained the primary source of the complaints about his hookah lounge had originated from the Bierstube. He stated if the City banned sampling it would put a lot of people out of business.

Mayor Tourville questioned if his hookah lounge sold e-cigarettes.

Mohammed replied in the negative. He stated his business sold and allowed sampling of tobacco products.

Councilmember Piekarski Krech stated she still had questions related to the legality of sampling and needed more information to clarify what other cities currently allowed. She opined she was not sure that regulation of the activity was within the city's purview.

Councilmember Bartholomew agreed that the information was contradictory and he still had a number of questions that needed to be addressed. He stated it would be difficult to enforce regulations related to sampling.

The City Council agreed that more discussion was needed regarding the issue of sampling and directed staff to bring back more information related to the sampling of electronic cigarettes.

#### **4. THERAPEUTIC MASSAGE ORDINANCE REVISIONS**

Bridget McCauley Nason, LeVander, Gillen, & Miller, provided an overview of the proposed ordinance revisions. She stated the purpose of the revisions was to ensure a strict licensing scheme that would prohibit the use of therapeutic massage businesses for illegal activities. She reviewed the statutory exemptions for licensure and the provisions for licensure in the City.

Councilmember Mueller questioned if home occupations would be allowed.

Ms. Nason stated the ordinance would allow for a licensed therapist to visit an off-site premises to offer massage services.

Mayor Tourville suggested that the first reading of the ordinance be put on the agenda for the next regular meeting. He also asked staff to send the draft ordinance to the Chamber of Commerce for review and comment.

## **5. EMERGENCY EVACUATION PLANS – PRESENTATION**

Lieutenant Josh Otis presented the emergency evacuation plan for the Council Chambers. He reviewed the plans for emergencies related to severe weather, fire or other emergency, or an active threat. He displayed the prescribed evacuation routes for each type of emergency.

Mayor Tourville questioned if the emergency evacuation routes were posted at City Hall.

Lieutenant Otis stated routes were posted in the main concourse and would also be posted in the Council Chambers. He noted the same training would be provided to all groups that routinely used the chambers.

## **6. DISCUSS 50<sup>th</sup> ANNIVERSARY**

Tracy Petersen, Recreation Superintendent, discussed potential ideas to celebrate the City's upcoming 50<sup>th</sup> anniversary. She stated the anniversary was a great opportunity to showcase and highlight the City's attributes. The first option was a one-day, large scale event, similar to a street fair. The second option was to host a series of smaller activities over the course of several months that would be incorporated with other community events. She explained marketing, timing, staff & Council involvement, local business involvement, and identification of a goal or objective should be discussed to provide direction to staff.

Councilmember Piekarski Krech questioned why the event would not be held in conjunction with Inver Grove Heights Days. She opined it made more sense to piggy back on an established, large-scale event.

Ms. Petersen stated she could speak with the committee to discuss the possibility of partnering with Inver Grove Heights Days. She explained the events would have to be coordinated for planning and marketing purposes to draw attention to the specific events meant to celebrate the 50<sup>th</sup> anniversary.

Mayor Tourville stated his initial thought was to host a celebration independent of Inver Grove Heights Days to keep the focus on the 50<sup>th</sup> anniversary.

Councilmember Mueller stated he would rather do something in conjunction with Inver Grove Heights Days.

Councilmember Hark suggested doing one compact event so it did not get lost amongst the activities for Inver Grove Heights Days and lose its significance.

Councilmember Piekarski Krech questioned what the significance was of the anniversary if it wasn't a community celebration.

Mayor Tourville stated 50 years as a City was a big deal for Inver Grove Heights and it was important to showcase what has happened in the City and how much things have changed. He suggested hosting events over the course of a weekend.

Councilmember Piekarski Krech stated the broader community would not get as involved in an event just for the 50<sup>th</sup> anniversary. She opined it needed to be tied into a larger community event to get more people to attend.

Mayor Tourville stated the actual anniversary date in December may not be as conducive to hosting an outdoor activity. He opined a number of issues would need to be worked out if the event was going to be hosted in conjunction with Inver Grove Heights Days.

Ms. Petersen stated staff could return to Council in June with some additional ideas on how to plan the events in conjunction with Holiday on Main Street.

Councilmember Bartholomew suggested holding a ceremony to commemorate the 50<sup>th</sup> anniversary prior to the fireworks at Inver Grove Heights Days and the City would sponsor the fireworks display.

Mayor Tourville suggested that staff come up with a few more potential ideas for further discussion.

Councilmember Hark suggested opening the Grove up for free use by community members if the event was hosted in December.

**7. REVIEW FINAL SPECIFICATIONS AND COSTS FOR FIRE TRUCK PURCHASE**

Chief Thill stated at the end of 2014 the Council authorized staff to begin the process of determining the cost to repair the engine for Fire Station #1. The truck committee researched the purchase and found that the total cost of the truck would be approximately \$620,000. Potential reductions in the total cost could be realized through a pre-payment plan and the resale of Engine 11. She stated the Central Equipment Fund currently had enough money available to cover the cost of the replacement truck. She explained the cost of the truck would increase by 3% if it was purchased after April 15<sup>th</sup>. She reviewed the specifications and features of the replacement truck.

Mr. Lynch explained when money was used from the Central Equipment Fund to purchase new vehicles the department was charged an allocation in its budget over the estimated life span of the equipment to replenish the Central Equipment Fund.

**8. ADJOURN:** The meeting was adjourned by a unanimous vote at 9:40 pm.

**INVER GROVE HEIGHTS CITY COUNCIL MEETING  
MONDAY, APRIL 27, 2015 - 8150 BARBARA AVENUE**

**CALL TO ORDER/ROLL CALL** The City Council of Inver Grove Heights met in regular session on Monday, April 27, 2015, in the City Council Chambers. Mayor Tourville called the meeting to order at 7:00 p.m. Present were Council members Bartholomew, Hark, Mueller and Piekarski Krech; City Administrator Lynch, City Attorney Kuntz, Community Development Director Link, Public Works Director Thureen, City Engineer Kaldunski, Finance Director Smith, and Chief Thill

**3. PRESENTATIONS:** None.

**4. CONSENT AGENDA:**

Mayor Tourville removed Item 4D from the Consent Agenda.

Councilmember Hark removed Item 4E from the Consent Agenda.

Councilmember Mueller removed Item 4H from the Consent Agenda.

**A.** Minutes of April 13, 2015 Regular City Council Meeting

**B. Resolution No. 15-69** Approving Disbursements for Period Ending April 21, 2015

**C. Resolution No. 15-70** Approving the Development Contract and related Agreements for the Plat of Blackstone Vista

**F.** Approve Request for Donation to Inver Grove Heights Days

**G.** Schedule Public Hearing

**I.** Personnel Actions

**Motion by Piekarski Krech, second by Bartholomew, to approve the Consent Agenda.**

**Ayes: 5**

**Nays: 0** Motion carried.

**D.** Approve Proposal from SEH, Inc. for Engineering Services for Revisions to the City's Two Water System Emergency Generators to Meet EPA Emissions Standards

Mayor Tourville stated he would abstain from the vote.

**Motion by Bartholomew, second by Mueller, to approve proposal from SEH, Inc. for engineering services for revisions to the City's two water system emergency generators to meet EPA emissions standards**

**Ayes: 5**

**Nays: 0** Motion carried.

**E.** Approve Proposal from EOR, Inc. for NWA Hydrologic and Hydraulic Model Update

Councilmember Hark questioned what hourly rate the consultant would charge the City.

Mr. Thureen explained the hourly rate varied based on the individual performing the work. He stated he requested a detailed breakdown of the rates from the consultant but did not receive the information in time to include with the agenda item.

Councilmember Hark stated the contract did not include attendance at meetings and questioned how much extra time that generally involved.

Mr. Thureen stated the proposal did not assume attendance at any meetings. It was not anticipated that the consultant would have to attend any commission or Council meetings. He noted attendance at any meetings would be at an additional cost to the City.

Councilmember Bartholomew stated he would prefer to table the item to review the detailed cost information.

**Motion by Bartholomew, second by Hark, to table consideration of the proposal from EOR, Inc. for the Northwest Area Hydrologic and Hydraulic Model update to May 11, 2015**

**Ayes: 5**

**Nays: 0      Motion carried.**

**H.** Approve the Collective Bargaining Agreement between the City of Inver Grove Heights and the American Federation of State, County, and Municipal Employees (AFSCME), Local 1065, Council 5, for the Years 2015-2016

Councilmember Mueller suggested that the language pertaining to a \$300 allowance for a part-time CSO should be removed from the contract. He stated the City no longer had a CSO and had no plans to fill the position at this time.

Mr. Lynch stated the contract listed a number of positions and their corresponding salary ranges and the position of CSO was still listed. He explained if the Council wanted to formally eliminate the position separate action would need to be taken at a subsequent meeting. He noted any changes to the contract language would also need to be approved by the bargaining unit. He stated because the part-time CSO position was currently vacant there was nobody eligible to receive the allowance outlined in the terms of the contract. He added the Police Chief may choose to revive the CSO program in the future.

Mayor Tourville stated it did not hurt anything to leave the position in the contract. He opined any decision to eliminate the position should be discussed with the Police Chief.

Councilmember Piekarski Krech questioned why the uniform allowance for the Fire Marshal was increased.

Mr. Lynch stated during negotiations the bargaining unit requested an increase to reflect that the cost of goods was increasing. He explained staff felt the request was reasonable.

Councilmember Piekarski Krech stated she had never seen the Fire Marshal in full uniform.

Chief Thill stated the Fire Marshal did have a full uniform in addition to his regular apparel worn on a daily basis while in the office or out in the field. She noted his uniform varied based on the weather, site conditions, and job duties for the day.

Councilmember Piekarski Krech opined it seemed like a rather large uniform allowance.

Mr. Lynch stated the uniform allowance for the Fire Marshal was proposed to increase \$40-\$60.

Councilmember Bartholomew stated he did not have an issue with leaving the CSO position in the contract. He opined he would hesitate to have to reopen the contract if the CSO position was budgeted for by the Police Chief in 2016 or subsequent years.

**Motion by Bartholomew, second by Hark, to approve the Collective Bargaining Agreement between the City of Inver Grove Heights and the American Federation of State, County, and Municipal Employees (AFSCME), Local 1065, Council 5, for the Years 2015-2016**

**Ayes: 4**

**Nays: 1 (Mueller)      Motion carried.**

**5. PUBLIC COMMENT:** None.

**6. PUBLIC HEARINGS:**

**A. CITY OF INVER GROVE HEIGHTS: Consider Application for On-Sale/Sunday Intoxicating Liquor License from El Azteca for Premises Located at 5816 Blaine Avenue**

Mr. Lynch stated the hearing was a continuation of the public hearing previously opened at the meeting on April 13th. He explained the Police Department was able to complete the background investigation and found no basis for denial of the request for a liquor license.

James Reyes spoke in favor of the applicant and encouraged Council to approve the liquor license.

**Motion by Piekarski Krech, second by Bartholomew, to close the public hearing.**

**Ayes: 5**

**Nays: 0          Motion carried.**

**Motion by Piekarski Krech, second by Bartholomew, to approve the on-sale/sunday intoxicating liquor license for El Azteca, LLC dba El Azteca Mexican Restaurant for premises located at 5816 Blaine Avenue**

**Ayes: 5**

**Nays: 0          Motion carried.**

## **7. REGULAR AGENDA:**

### **FINANCE:**

#### **A. CITY OF INVER GROVE HEIGHTS: Consider Financing of 2015 and 2016 Projects**

Steve Apfelbacher, Ehlers and Associates, discussed the authorization process for various projects being considered by the City. He reviewed the projects that had been identified to be financed in 2015 and 2016 including Argenta Trail, 70th Street, Northwest Area, the proposed Fire Station, and the Pavement Management Program. He noted the projects were included in the most recent CIP and identified in the cash flow projections to determine the impact of each project on the overall tax levy. He explained the budgeted numbers had changed and, in many cases, were higher than what had previously been included in the CIP. He noted the issuance of debt had to be authorized under a specific State statute.

Mr. Apfelbacher provided an overview of the authorization process to issue debt for the street-related projects (Argenta Trail, 70th Street, and Northwest Area) identified by staff. He stated the City would be required to develop a plan outlining the street reconstruction projects for the next five years and to hold a hearing to consider approval of the plan. He explained if the plan was approved it would be subject to a reverse referendum. He noted the entire approval process would take approximately four (4) months. If Council chose to proceed, staff would develop the plan and schedule the hearing for a regular meeting in July. The plan would require a unanimous vote of the Council in order to issue debt. He stated the major concern was that the Argenta Trail and 70th Street projects would likely begin in 2015 and the City would need money towards the end of the year in order to be able to pay the County. He recommended that the second phase of Argenta Trail be included in the five year plan.

Councilmember Hark questioned if all of the street-related projects identified would be included in the five year plan.

Mr. Apfelbacher replied in the affirmative. He noted the statutory authorization was the same for all street-related projects.

Councilmember Bartholomew clarified that staff would also contemplate incorporating other street projects into the five year plan with the exception of the Pavement Management Program itself.

Mr. Apfelbacher stated that was correct. He explained the approach in the past with respect to the Pavement Management Program was to consider those projects under the 429 statutory process because they were generally subject to special assessments. He noted once the five year plan was developed and approved it did not mean that the City was required to complete any of the projects identified. Subsequent Council approval would be required to move forward with any of the projects identified and to issue debt.

Mayor Tourville questioned if the proposed issuance of debt would jeopardize the City's current bond rating.

Mr. Apfelbacher stated the City would be pushing the envelope if all of the projects identified were carried out within the timeframes proposed. He noted that would be closely analyzed and monitored throughout the process and prior to any issuance of debt.

Councilmember Bartholomew stated the development of the five year plan would not affect the bond rating.

Mr. Apfelbacher clarified the issuance of debt could affect the bond rating, not the development of the five year plan.

Mr. Kuntz explained the larger policy decision for the Council was what projects would be identified in the notice for the proposed hearing in July. He stated the amount of debt being proposed for authorization had to be clearly identified in the notice of the hearing.

Councilmember Piekarski Krech stated her understanding was that the hearing notice would have to include an estimate for each project that was proposed to be considered at a later date. She questioned if each individual project would then require unanimous approval by the City Council prior to debt being issued.

Mr. Apfelbacher stated approval of the plan required the unanimous vote of the Council. He explained the Council had to provide direction in terms of which projects they would like included in the plan, bearing in mind that including more projects would increase the amount of debt proposed to be issued.

Mr. Kuntz noted any project not identified in the plan would not be eligible to be funded through the issuance of debt under the statutory authority referenced.

Mr. Lynch noted staff's recommendation was to include as many projects as possible to provide the City with flexibility and viable funding options for consideration going forward. He reiterated none of the projects included had to be financed through the issuance of debt, but it would be an option available to the City.

Mayor Tourville questioned if the amount currently proposed for the Argenta Trail project was for both the northern and southern segments.

Mr. Kuntz replied in the negative.

Mayor Tourville opined the Council needed to consider including both segments of the Argenta Trail project in the five-year plan because it was unlikely to qualify for the 429 process.

Councilmember Bartholomew stated including the projects in the plan would also give the Council the flexibility to see how the issuance of debt would affect the City's bond rating at the time the project was considered.

Mr. Kuntz summarized that the Council wanted to see a broad list of projects on the plan, including the northern segment of Argenta Trail.

Mr. Apfelbacher recommended that the project to extend sewer and water in the Northwest Area to service various subdivisions be included in the overall scope of the proposed debt issuance. The overall cost would be paid back to the City over time through user charges within the Northwest Area.

He reviewed the authorization process for the proposed Fire Station. He stated the City would have three ways to authorize the issuance of debt for the project. He noted the benefits of each type of authorization process were still being analyzed and would be discussed by Council at a later date. He explained the Council would still be required to develop a plan and hold a hearing, however only a simple majority vote of the Council would be required for authorization. Such an authorization would still be subject to a reverse referendum. The second type of authorization would be to call for a special election to consider the issuance of debt for the project. The third type of authorization would involve leased revenue bonds issued through the EDA.

Mr. Apfelbacher provided a general overview of the tax implications outlined in the report. He noted the overall impact was based on the valuations in place at the end of 2014.

Councilmember Piekarski Krech clarified the tax impact would increase if any other street-related projects were included in the overall plan.

Mr. Apfelbacher replied in the affirmative.

Mayor Tourville asked staff to clearly identify each project and the corresponding cost estimates in the plan along with the projected tax implications.

Mr. Apfelbacher stated staff would begin developing the plan and would return in June to ask Council to call for the public hearing.

**PUBLIC WORKS:**

**B. CITY OF INVER GROVE HEIGHTS: Consider Resolution Awarding Contract for the 2015 Capital Improvement Program, City Project No. 2015-10, NWA Trunk Utility Improvements, Argenta District (Alverno Avenue to Blackstone Vista Development) and City Project No. 2015-11, NWA 70th Street Lift Station, Argenta District**

Mr. Kaldunski stated six (6) bids were received and the low bid was submitted by SM Hentges and Sons in the amount of \$2,083,708.48. He noted the easements required for the project had been secured.

Councilmember Piekarski Krech stated timing was going to be a critical issue on the project and she was concerned that the would not contractor allocate enough resources to do the job that needed to get done. She opined she was not completely satisfied with the work the contractor had done on previous projects in the City.

Mr. Kaldunski stated the completion dates were clearly outlined in the contract.

Councilmember Bartholomew questioned if there were any penalties included in the contract if the contractor failed to meet the completion dates.

Mr. Kaldunski stated the contract included a clause for liquidated damages.

**Motion by Mueller, second by Bartholomew, to adopt Resolution No. 15-71 awarding the contract for the 2015 Capital Improvement Program, City Project No. 2015-10, Northwest Area Trunk Utility Improvements, Argenta District (Alverno Avenue to Blackstone Vista Development) and City Project No. 2015-11, NWA 70th Street Lift Station, Argenta District**

**Ayes: 5**

**Nays: 0          Motion carried.**

**C. CITY OF INVER GROVE HEIGHTS: Consider Resolution Receiving Feasibility Report, Scheduling a Public Hearing, and Authorizing Preparation of Plans and Specifications for the 2014 Improvement Program, City Project No. 2014-11, Argenta Trail South Project Area Street Improvements, including Amana Trail and 77th Street West**

Mr. Thureen reviewed the project area and the scope of work proposed. The estimated project cost was \$14,425,000. He noted the City's estimated share of the cost was \$6.6 million dollars. He requested that the Council remove the authorization to prepare plans and specifications as changes were made by the consultant and would be brought back at the next regular Council meeting as a separate item for approval. The proposed funding source was either street reconstruction bonds or another source as identified by the City Council. He explained ordering the project would be contingent upon the Council approving a financing plan for the project and a joint powers agreement with the County for the acquisition of property and construction of the project.

Councilmember Piekarski Krech questioned why the City's share of the project costs was still at 45%. She opined that the connection was more of a benefit to the City of Eagan than to Inver Grove Heights.

Mr. Thureen stated the County would review the policy for the northern segment of Argenta Trail if a future six-lane roadway was considered. The southern segment was still subject to the standard policy of a 55/45 cost share because a standard four-lane roadway was proposed.

Councilmember Mueller questioned if five (5) parcels would still need to be taken.

Mr. Thureen stated that was the worst case scenario. He noted the project needs were still being considered.

**Motion by Bartholomew, second by Mueller, to adopt Resolution No. 15-72 Receiving the Feasibility Report and Scheduling a Public Hearing for the 2014 Improvement Program, City Project No. 2014-11, Argenta Trail South Project Area Street Improvements, including Amana Trail**

and 77th Street West

**Ayes: 5**

**Nays: 0**      **Motion carried.**

**ADMINISTRATION:**

**D. CITY OF INVER GROVE HEIGHTS:** Consider First Reading of an Ordinance relating to Massage Therapist and Massage Business Licensing

Bridget McCauley Nason, LeVander, Gillen, & Miller, presented the draft of an ordinance relating to the licensing of massage therapists and therapeutic massage businesses. She stated the City's current ordinance dated back to 1974 and did not adequately address the scope of issues related to the practice of therapeutic massage. The proposed ordinance would repeal the existing chapter in the City Code and would replace it with a new ordinance that would bring the code up to date with respect to terminology and the provisions related to the licensing of massage therapists and businesses. She provided an overview of the terminology that was updated. The proposed ordinance required massage therapists to obtain a license from the City and to prove compliance with specific educational requirements. Therapeutic massage businesses would also be required to obtain a license from the City. She explained a number of exceptions were included in the proposed ordinance, including statutorily mandated exceptions or exemptions. She stated the proposed ordinance also clearly identified the grounds for license suspension, revocation, or denial. She noted a subsequent ordinance would be required to update the zoning code to make the terminology uniform throughout the code.

Councilmember Mueller questioned if the City had any current massage therapists operating out of their home.

Ms. Nason stated she would work with staff to determine if any current massage therapists operated out of their homes.

**Motion by Piekarski Krech, second by Hark, to adopt the First Reading of an Ordinance relating to Massage Therapist and Massage Business Licensing**

**Ayes: 5**

**Nays: 0**      **Motion carried.**

**COMMUNITY DEVELOPMENT:**

**E. MATTHEW GENS:** Consider an Ordinance Amendment to Title 10 of the City Code (Zoning Code) to Amend the Definition of Dwelling/Dwelling Unit, and to add the Use of Supervised Student Housing as an Interim Use in Single Family Residential Zoning Districts

Mr. Link explained New Aspiration International House was a non-profit organization that established a program that offered students from Mongolia the opportunity to further their education at Inver Hills Community College. The program allowed students to live with another family in a single-family home. Students were required to adhere to a strict set of guidelines including the prohibited use of vehicles. He stated the City's ordinance did not currently provide for such a use, and a change to current definitions was required. Staff recommended that the use be recognized as an interim use to give the City the opportunity to review the approval and go through a public process to issue a permit. Staff also recommended that the program be limited to eight (8) students. The Planning Commission did not recommend approval of the request. Inver Hills Community College supported approval of the request.

Matthew Genz, applicant, stated the organization had been incorporated since 2013. He provided an overview of the history of the organization and the establishment of the program. He stated he currently had six (6) students living in his home and he was looking to relocate closer to Inver Hills Community College.

Councilmember Piekarski Krech questioned why they chose to partner with Inver Hills.

Mr. Genz stated a primary reason was Inver Hills' strong relationship with the University of Minnesota and the wide-range of course offerings that provided more opportunities for the students to pursue various

degrees.

Councilmember Mueller questioned how the students would get to class if they were unable to drive.

Mr. Genz stated he and his family currently provided transportation to the students.

Mayor Tourville clarified the zoning change would allow anyone to establish a similar program in the City.

Mr. Link replied in the affirmative. He noted the ordinance was intentionally written very specifically to establish criteria for approval of a similar interim use.

Councilmember Piekarski Krech stated she wanted to ensure that each person would have enough space to live comfortably.

Councilmember Bartholomew suggested adding a requirement that the interim use permit would only be issued to a valid 501(c)(3) organization. He also suggested limiting the number of students allowed to six (6).

Mr. Kuntz stated the City would need to articulate why the entity selection would make a difference in terms of allowing the interim use. He noted the ordinance already limited the issuance of an interim use permit to an organization rather than to any individual.

Councilmember Hark questioned what the criteria were by which interim uses were evaluated.

Mr. Link stated the criteria were similar to that of a conditional use permit.

Councilmember Hark stated he liked the way ordinance was worded and felt that making it an interim use built in certain protections for the City to be able to monitor and regulate the situation more closely.

Councilmember Bartholomew opined limiting it to 501(c)(3) organizations was important because it narrowed the scope of what type of organization the interim use permit could be issued to and prevented a for-profit entity from attempting to establish the interim use.

The Council discussed the payment of property taxes by a non-profit organization.

Mr. Genz questioned how he could be assured that the Council would grant the interim use before he purchased a home.

Mr. Link stated the purchase of the home could be contingent upon the applicant obtaining the interim use permit.

Councilmember Bartholomew stated he would like to be able to have more control over the number of people allowed based on the square footage of the home and to make the interim use permit difficult to obtain.

Councilmember Piekarski Krech questioned if the organization would be exempt from property taxes.

Mr. Link stated staff would bring additional information to the second reading.

**Motion by Piekarski Krech, second by Hark, to adopt the first reading of an Ordinance amending Title 10 of the City Code (Zoning Code) to Amend the Definition of Dwelling/Dwelling Unit, and to add the Use of Supervised Student Housing as an Interim Use in Single Family Residential Zoning Districts**

**Ayes: 5**

**Nays: 0      Motion carried.**

**F. ELEANOR SCHMANDT:** Consider an Ordinance Amendment Rezoning Two Properties from R-1A, Single Family Residential to R-1C, Single Family Residential for properties located along 49th Street and Brent Avenue

Mr. Link reviewed the location of the property. He explained up to this point in time the subject properties had not been serviced by City utilities. As a result of the Leyde development, the City was in the process

of extending sewer and water to the area, including to the subject properties. The properties were currently zoned R-1A. In order for the lots to be buildable, they needed to be rezoned. Both Planning staff and the Planning Commission recommended approval of the request.

Dan Seliga, 4904 Boyd Avenue, spoke in favor of the proposed rezoning request.

**Motion by Piekarski Krech, second by Mueller, to adopt Ordinance No. 1292 rezoning two properties from R-1A, Single Family Residential to R-1C, Single Family Residential for properties located along 49th Street and Brent Avenue**

**Ayes: 5**

**Nays: 0      Motion carried.**

**G. CLASSIC CONSTRUCTION:** Consider the following resolutions for property located between 10967 and 11305 Clark Road:

- i) Resolution relating to a Preliminary and Final Plat for the plat of Lighthouse Holdings Addition
- ii) Resolution relating to a Conditional Use Permit for the service of semi-trucks, trucks and trailers, including equipment, parts and tires in the I-2 zoning district
- iii) Resolution relating to a Variance to allow entrance driveways and radius greater than allowed and to allow storage/parking up to the property lines to the outlots.

Mr. Link reviewed the location of the property. He stated the operation would consist of semi-truck and trailer repair, retail parts distribution, and a trailer dealership. He noted the business was a 24-hour operation. The proposal was for an 82,000 square foot facility with 80-100 employees. He provided an overview of the proposed site plan. He explained one variance related to the entrance off of Clark Road. The applicant requested an entrance that was wider than what was typically allowed. Staff supported the request because of the type of use proposed and felt the wider entrance would better accommodate the heavy truck traffic and wider turning radius of such vehicles. The second variance related to the setback from an internal lot line. He noted staff did not have any concerns related to the setback variance as it would not have an impact on adjacent properties. He explained the applicant requested a reduction to the proposed park dedication fees. The applicant requested that the pond area be excluded from park dedication requirements. After consultation with the City Attorney, it was determined that the ordinance did not allow for such a reduction and a separate ordinance amendment would be required. The ordinance did allow for a reduction based on wetlands and that credit was already factored into the calculation of park dedication fees. He stated both Planning staff and the Planning Commission recommended approval of the requests.

Dean, owner of North American Trailer, provided information on the growth of his business since 2008 to demonstrate the need for a new facility. He requested consideration of a reduction in park dedication fees. He stated the finished acreage of the site was approximately 16 acres and that was what he felt the park dedication fees should be based on. He noted there were several wetlands on the property.

Mr. Kuntz summarized the ordinance provisions which regulated the calculation of park dedication fees. He stated the applicant's request would require an ordinance revision.

Councilmember Piekarski Krech questioned what the requirements were for the landscaping plan.

Mr. Link explained the landscaping requirements were dictated by ordinance. He stated the amount of landscaping required was based on the frontage and linear footage of the property.

Councilmember Piekarski Krech stated it made more sense to require infiltration plantings to protect the wetlands. She opined it seemed that the amount of landscaping required for an industrial area was overkill.

Councilmember Mueller questioned who would be liable for the runoff into the ponds.

Mr. Kaldunski explained there were agreements in place outlining how the stormwater runoff would be handled.

Mr. Link stated staff could review the landscaping plan to determine if more plantings could be implemented near the wetlands.

The applicant stated he was being asked to pay park dedication fees for property that could never be used. He requested that the Council consider some sort of adjustment to the fees.

Councilmember Piekarski Krech questioned why a credit could not be given for the stormwater runoff collected on the property from other neighboring properties.

Mr. Link reminded the Council that the developer designed the site in a very specific manner and it was assumed that the lost acreage was factored into the purchase price of the property.

Mr. Kaldunski reviewed the stormwater plan for the site.

Councilmember Piekarski Krech questioned if the applicant's property was collecting drainage from other properties.

Mr. Kaldunski replied in the affirmative.

Mayor Tourville stated the City had to treat everyone fairly in terms of the calculation of park dedication fees.

Councilmember Piekarski Krech questioned what could be done to incentivize this development.

Mr. Link stated the City did not currently have a financial assistance program in place.

Councilmember Bartholomew questioned if the buildable area could be defined differently for the I-2 zoning district.

The Council directed staff to look for ways to provide some financial relief to the applicant to account for the buildable area used to calculate park dedication fees.

Mr. Kuntz suggested further discussion could be held with the applicant through the discussions related to the improvement agreement. He stated the improvement agreement had to be brought back for Council approval at a later date.

**Motion by Piekarski Krech, second by Mueller, to adopt Resolution No. 15-73 approving a Preliminary and Final Plat for the plat of Lighthouse Holdings Addition, Resolution No. 15-74 approving a Conditional Use Permit for the service of semi-tanks, trucks and trailers, including equipment, parts and tires in the I-2 zoning district, and Resolution No. 15-75 approving a Variance to allow entrance driveways and radius greater than allowed and to allow storage/parking up to the property lines to the outlots**

**Ayes: 5**

**Nays: 0      Motion carried.**

**8. MAYOR & COUNCIL COMMENTS:**

**9. ADJOURN:** Motion by Mueller, second by Hark, to adjourn. The meeting was adjourned by a unanimous vote at 10:10 pm

City of Inver Grove Heights  
Summary minutes of the City Council Meeting  
March 27, 2015

The Meeting was called to Order at 3:05

Present: Mayor Tourville, Council; Piekarski-Krech, Mueller, Hark, Bartholomew; City Administrator Joe Lynch; Public Works Director Scott Thureen; Police Chief Larry Stanger, Parks & Recreation Director Eric Carlson; Fire Chief Judy Thill; Finance Director Kristi Smith; Community Development Director Tom Link

The Council met on this date for the purpose of hearing from each Department Director on the most important issue facing that Department over the next 24 months. Lynch gave an overview of what had been done in the past and reviewed the 2014 process and items identified by Council as the top issues in the city.

Scott Thureen gave an overview of the Transportation system in the City. He reviewed the most recently discussed Pavement Management Plan and the budget shortfall facing that program. The three largest impacts to the Transportation system will be:

Continued funding and increased cost coverage of repair and replacement of existing street miles

New funding driven by need for new infrastructure – both local and regional- that will occur and be needed in the Northwest Area

New funding and system improvement needed to deal with changed to traffic volumes and patterns in the Southeastern portion of the city.

Chief Stanger gave an overview of the Police Department. The single largest issue facing the city with Police Services will be staffing. With an increase in size and street miles, as well as demographic changes and impacts brought from retail/commercial development the Police Department will need more Patrol officers, as well as additional staff such as a dedicated technology position to deal with the ever increasing demands from all of the recent changes with dashboard cameras, license plate readers and storage required for use in cases. The Chief indicated that the Police Department would be looking at a possible change in service delivery for 2016. The Department might go to a Team Policing approach for delivery. More discussion would come as the Council gets into the budget process.

Eric Carlson gave an update on the Park system planning process to consider replacement of existing parks infrastructure. He also reviewed the Northwest Area park system planning and financing. He overviewed the Golf Course Capital Improvement needs and the VMCC projects yet to be determined. Park system funding is the number one need of the Parks and Recreation Department for the foreseeable future.

Chief Thill talked about the planning around the possible new Fire Station including vehicles, equipment and a possible new delivery system, Duty Crew, for responding to

City of Inver Grove Heights  
Summary minutes of the City Council Meeting  
March 27, 2015

emergencies. The singular focus and greatest issue facing the Fire Department is the delivery of a new Fire Station.

Kristi Smith discussed briefly the challenge that lay ahead for the City to determine how it would finance a great number of projects, all with large expense to them, and keep the city fiscally stable while keeping the tax rate competitive. The Council will need to carefully consider the City's debt load compared to the operating expense and keep that ration to 20% or under.

Tom Link talked about four things that are all related for the Community Development Department:

Land Use – changes and re-considerations, especially in the NWA given the market and the flexibility the City desired

Zoning – related to the above, considerations need to be given to densities and requirements on SF versus MF units and encouraging a mix of the two types in order to be able to afford the utility extensions to provide service to these areas

Housing – the city will need to consider some language dealing with the allowance of ancillary/accessory uses in Single Family residences, as well as encouraging a greater diversity in housing styles and price points

Staffing- given the recent pressure of development it is clear that additions will have to be considered in order to address such things as response times and in order to turn permits around in a timely fashion

Mueller Moved, Seconded by Piekarski-Krech to adjourn the meeting. All in favor. The Strategic Planning Session of the City Council was adjourned at 6:00 p.m.

City of Inver Grove Heights  
Minutes of the Meeting of the City Council  
March 28, 2015

The meeting was called to order at 9:03 a.m  
Present: Mayor Tourville; City Council; Bartholomew, Hark, Mueller, Piekarski-Krech;  
City Administrator Lynch

The following is a Summary of the discussion that took place.

City Administrator Lynch reviewed the following with the Council asking the question, "What should we do about these items".

Does the Council want to complete the Mission and Values Statements with a Vision statement and what should the process be to complete it?

Does the City want/need to go through a process to enable the organization to focus in on our process, policies, services and outcomes – i.e. Malcolm Baldrige, Lean or Six Sigma?

Transportation –

New systems – Collector Road system in NorthWest Area and contribution toward new County Roads and projects – i.e. Argenta Trail, 80<sup>th</sup> Street Roundabout, 70<sup>th</sup> Street Roundabout, etc.

Existing infrastructure – Pavement Management system - \$8.7M needed annually and a \$4.5M shortfall between what is needed and what is funded.

Staffing & potential service changes

Police – additional 2 positions – Team Policing

Fire – additional staffing – Duty Crew

Administration – Organizational modification – loss of ACA and now change with Deputy Clerk

Park System

Funding replacement – what is staying and what would be replaced/repurposed

New – Northwest Area

*VMCC Operations*

Continued School District support –both use and financially- Debt and operating

Long term Capital – Roof, HVAC system refrigerant system, repurpose Zero Entry Pool

*Golf Course*

Ongoing operational concerns-ability to pay its own way  
Capital costs and funding for those

### Facilities

Fire Station

Public Works

Parks Buildings

VMCC

### Funding/Finance

Debt to operating %

Use of cash and funding from other sources for one time and ongoing expenses

Levy

### NorthWest Area

Land Use – review existing plan and revise according to market/demand/ability of Land to support

Zoning – revision in conjunction with Comprehensive Plan

Staffing – ability to meet demand for Land Use applications and building/project Inspection

Council Member Piekarski-Krech moved to adjourn at 12:00 p.m. Council Member Hark seconded. All voted in favor.

**CITY OF INVER GROVE HEIGHTS**

**REQUEST FOR COUNCIL ACTION**

Meeting Date: May 11, 2015  
 Item Type: Consent  
 Contact: Kristi Smith 651-450-2521  
 Prepared by: Bill Schroepfer, Accountant  
 Reviewed by: N/A

**Fiscal/FTE Impact:**  
 None  
 Amount included in current budget  
 Budget amendment requested  
 FTE included in current complement  
 New FTE requested – N/A  
 Other

**PURPOSE/ACTION REQUESTED**

Approve the attached resolution approving disbursements for the period of April 22, 2015 to May 5, 2015.

**SUMMARY**

Shown below is a listing of the disbursements for the various funds for the period ending May 5, 2015. The detail of these disbursements is attached to this memo.

General & Special Revenue	\$403,150.80
Debt Service & Capital Projects	76,288.37
Enterprise & Internal Service	206,707.18
Escrows	5,181.32
	<hr/>
Grand Total for All Funds	<u><u>\$691,327.67</u></u>

If you have any questions about any of the disbursements on the list, please call Kristi Smith, Finance Director at 651-450-2521.

Attached to this summary for your action is a resolution approving the disbursements for the period April 22, 2015 to May 5, 2015 and the listing of disbursements requested for approval.

**DAKOTA COUNTY, MINNESOTA**

**RESOLUTION NO. \_\_\_\_\_**

**RESOLUTION APPROVING DISBURSEMENTS FOR THE  
PERIOD ENDING May 5, 2015**

**WHEREAS**, a list of disbursements for the period ending May 5, 2015 was presented to the City Council for approval;

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF INVER GROVE HEIGHTS:** that payment of the list of disbursements of the following funds is approved:

General & Special Revenue	\$403,150.80
Debt Service & Capital Projects	76,288.37
Enterprise & Internal Service	206,707.18
Escrows	5,181.32
Grand Total for All Funds	<u><u>\$691,327.67</u></u>

Adopted by the City Council of Inver Grove Heights this 11th day of May, 2015.

Ayes:

Nays:

\_\_\_\_\_  
George Tourville, Mayor

ATTEST:

\_\_\_\_\_  
Joe Lynch, City Clerk



# Expense Approval Report

By Fund

Payment Dates 4/22/2015 - 5/5/2015

Vendor Name	Payable Number	Post Date	Description (Item)	Account Number	Amount
ABSOLUTE TRAILER SALES INC	98550	04/22/2015	Refund - Meter size change	101.207.2070300	80.16
ACE PAINT & HARDWARE	523629/5	04/22/2015	501126	101.44.6000.451.60012	10.72
ACE PAINT & HARDWARE	523681/5	04/22/2015	501126	101.44.6000.451.60012	1.64
ACE PAINT & HARDWARE	523842/5	04/22/2015	501126	101.44.6000.451.60011	7.99
ACE PAINT & HARDWARE	523842/5	04/22/2015	501126	101.44.6000.451.60012	9.99
ACE PAINT & HARDWARE	523851/5	04/22/2015	501126	101.44.6000.451.60012	5.28
ACE PAINT & HARDWARE	523918/5	04/22/2015	501126	101.42.4200.423.40040	7.99
ACE PAINT & HARDWARE	523918/5	04/22/2015	501126	101.42.4200.423.60011	39.98
ACE PAINT & HARDWARE	523764/5	04/22/2015	501126	101.44.6000.451.60040	2.49
AFSCME COUNCIL 5	INV0039845	04/17/2015	UNION DUES (AFSCME FAIR SH)	101.203.2031000	49.56
AFSCME COUNCIL 5	INV0039846	04/17/2015	UNION DUES (AFSCME FULL SH)	101.203.2031000	733.76
AFSCME COUNCIL 5	INV0039847	04/17/2015	UNION DUES (AFSCME FULL SH)	101.203.2031000	86.00
AFSCME COUNCIL 5	INV0040247	05/01/2015	UNION DUES (AFSCME FAIR SH)	101.203.2031000	66.00
AFSCME COUNCIL 5	INV0040248	05/01/2015	UNION DUES (AFSCME FULL SH)	101.203.2031000	733.76
AFSCME COUNCIL 5	INV0040249	05/01/2015	UNION DUES (AFSCME FULL SH)	101.203.2031000	86.00
ALL GOALS, INC.	11147	04/22/2015	03/31/15	101.44.6000.451.60066	2,610.00
AMERICAN INFRASTRUCTURE TECHNOLOGI	14048	04/22/2015	3/31/15	101.43.5200.443.60016	1,581.45
ASSOCIATED MECHANICAL CONTRACTORS	45147	04/29/2015	S26577	101.42.4200.423.40040	600.00
ASSOCIATED MECHANICAL CONTRACTORS	45148	04/29/2015	S26577	101.42.4200.423.40040	400.85
BARNA, GUZY, & STEFFEN LTD	50003-005	04/29/2015	143997	101.41.1100.413.30430	403.00
BARR ENGINEERING COMPANY	23190328.15-1	04/29/2015	2015 PROJECT REVIEWS & STUDI	101.43.5100.442.30300	3,860.50
BECKER ARENA PRODUCTS, INC.	00102428	04/22/2015	INV000	101.44.6000.451.40047	94.00
BECKER ARENA PRODUCTS, INC.	00102523	04/22/2015	INV000	101.44.6000.451.40047	213.56
BLACKTOP PROS, LLC	15-11	04/29/2015	4/17/15	101.43.5200.443.40046	15,000.00
BUREAU OF CRIMINAL APPREHENSION	00000231992	04/22/2015	00000012981	101.42.4000.421.40044	390.00
CA DEPT OF CHILD SUPPORT SERVICES	INV0040250	05/01/2015	MIGUEL GUADALAJARA FEIN/TA	101.203.2032100	279.69
CARGILL, INC.	2902206431	04/22/2015	3/12/15	101.43.5200.443.60016	1,450.19
CENTURY LINK	03/22/15 651 457 41874	04/22/2015	651 457 4184	101.44.6000.451.50020	58.94
CENTURY LINK	03/22/15 651 457 5524	04/22/2015	651 457 5524	101.44.6000.451.50020	66.89
CITY OF SAINT PAUL	IN00005872	04/22/2015	2997	101.42.4000.421.50080	1,275.00
CITY OF SAINT PAUL	IN00005891	04/22/2015	77	101.42.4000.421.40042	331.27
CITY OF ST LOUIS PARK	25325	04/22/2015	130115 - BORGWARDT SEMINAR	101.44.6000.451.50080	86.00
CITY OF ST LOUIS PARK	25326	04/22/2015	133953 - HAWKINS SEMINAR 3/1	101.44.6000.451.50080	86.00
CITY OF WEST ST. PAUL	2015-0068	04/22/2015	Gun Range Rental	101.42.4000.421.60018	1,750.00
COLLINS ELECTRICAL CONST.	1530649.01	04/29/2015	4/13/15	101.43.5200.443.40046	328.50
CULLIGAN	03/31/15	04/22/2015	157-98511918-7	101.44.6000.451.40040	960.00
CULLIGAN	3/31/15 157-98459100-6	04/22/2015	157-98459100-6	101.42.4200.423.60065	7.00
CULLIGAN	3/31/15 157-98473242-8	04/22/2015	157-98473242-8	101.42.4200.423.60065	35.05
DAKOTA COUNTY TECH COLLEGE	00125672	04/22/2015	00092312 J Robertson - Pursuit Re	101.42.4000.421.50080	225.00
DAKOTA CTY FINANCIAL SVCS	00015327	04/29/2015	3/16/15	101.42.4000.421.70501	1,376.47
DAKOTA CTY FINANCIAL SVCS	00015327	04/29/2015	3/16/15	101.42.4200.423.30700	1,399.80
DAKOTA CTY FINANCIAL SVCS	00015327	04/29/2015	3/16/15	101.43.5200.443.30700	46.66
DAKOTA CTY FINANCIAL SVCS	00015757	04/22/2015	2015 1ST HALF STS WORK CRE	101.44.6000.451.70501	13,276.50
EFTPS	INV0039904	04/17/2015	FEDERAL WITHHOLDING	101.203.2030200	602.71
EFTPS	INV0039906	04/17/2015	MEDICARE WITHHOLDING	101.203.2030500	121.50
EFTPS	INV0039907	04/17/2015	SOCIAL SECURITY WITHHOLDING	101.203.2030400	519.52
EFTPS	INV0040202	04/24/2015	FEDERAL WITHHOLDING	101.203.2030200	1,747.04
EFTPS	INV0040204	04/24/2015	MEDICARE WITHHOLDING	101.203.2030500	282.56
EFTPS	INV0040205	05/01/2015	FEDERAL WITHHOLDING	101.203.2030200	18.45
EFTPS	INV0040207	05/01/2015	MEDICARE WITHHOLDING	101.203.2030500	104.64
EFTPS	INV0040269	05/01/2015	FEDERAL WITHHOLDING	101.203.2030200	39,690.08
EFTPS	INV0040271	05/01/2015	MEDICARE WITHHOLDING	101.203.2030500	10,627.04
EFTPS	INV0040272	05/01/2015	SOCIAL SECURITY WITHHOLDING	101.203.2030400	31,663.34
ESS BROTHERS & SONS INC	UU1172	04/22/2015	3/26/15	101.43.5200.443.60016	421.00
EXECUTIVE CONTRACTORS, INC.	41915A	04/29/2015	4/19/15	101.43.5200.443.40046	13,125.00
FIRST IMPRESSION GROUP, THE	61980	04/29/2015	4363	101.43.5100.442.50030	28.05
FIRST IMPRESSION GROUP, THE	61980	04/29/2015	4363	101.44.6000.451.50030	14.03
FIRST IMPRESSION GROUP, THE	62244-P	04/29/2015	62244	101.41.1100.413.50035	2,475.00
FIRSTSCRIBE	2465651	04/29/2015	4/1/15	101.43.5100.442.40044	250.00
GENESIS EMPLOYEE BENEFITS ACH ONL	INV0040252	05/01/2015	HSA ELECTION-FAMILY	101.203.2032500	2,605.42
GENESIS EMPLOYEE BENEFITS ACH ONL	INV0040253	05/01/2015	HSA ELECTION-SINGLE	101.203.2032500	2,872.51
GENESIS EMPLOYEE BENEFITS, INC	IN513556	04/22/2015	Invoice	101.41.1100.413.30550	5.21
GENESIS EMPLOYEE BENEFITS, INC	IN513556	04/22/2015	Invoice	101.41.2000.415.30550	20.58

GENESIS EMPLOYEE BENEFITS, INC	IN513556	04/22/2015	Invoice	101.42.4000.421.30550	78.15
GENESIS EMPLOYEE BENEFITS, INC	IN513556	04/22/2015	Invoice	101.43.5000.441.30550	5.21
GENESIS EMPLOYEE BENEFITS, INC	IN513556	04/22/2015	Invoice	101.43.5100.442.30550	20.84
GENESIS EMPLOYEE BENEFITS, INC	IN513556	04/22/2015	Invoice	101.43.5200.443.30550	5.21
GENESIS EMPLOYEE BENEFITS, INC	IN513556	04/22/2015	Invoice	101.44.6000.451.30550	17.40
GENESIS EMPLOYEE BENEFITS, INC	IN513556	04/22/2015	Invoice	101.45.3000.419.30550	4.69
GENESIS EMPLOYEE BENEFITS, INC	IN513556	04/22/2015	Invoice	101.45.3300.419.30550	10.42
GENESIS EMPLOYEE BENEFITS, INC	IN525813	04/22/2015	Invoice	101.41.1100.413.30550	34.46
GENESIS EMPLOYEE BENEFITS, INC	IN525813	04/22/2015	Invoice	101.41.2000.415.30550	96.45
GENESIS EMPLOYEE BENEFITS, INC	IN525813	04/22/2015	Invoice	101.42.4000.421.30550	270.44
GENESIS EMPLOYEE BENEFITS, INC	IN525813	04/22/2015	Invoice	101.42.4200.423.30550	14.00
GENESIS EMPLOYEE BENEFITS, INC	IN525813	04/22/2015	Invoice	101.43.5000.441.30550	13.44
GENESIS EMPLOYEE BENEFITS, INC	IN525813	04/22/2015	Invoice	101.43.5100.442.30550	44.62
GENESIS EMPLOYEE BENEFITS, INC	IN525813	04/22/2015	Invoice	101.43.5200.443.30550	35.51
GENESIS EMPLOYEE BENEFITS, INC	IN525813	04/22/2015	Invoice	101.44.6000.451.30550	53.98
GENESIS EMPLOYEE BENEFITS, INC	IN525813	04/22/2015	Invoice	101.45.3000.419.30550	18.30
GENESIS EMPLOYEE BENEFITS, INC	IN525813	04/22/2015	Invoice	101.45.3200.419.30550	15.46
GENESIS EMPLOYEE BENEFITS, INC	IN525813	04/22/2015	Invoice	101.45.3300.419.30550	18.50
GOPHER BEARING	6435292	04/22/2015	0782358	101.43.5200.443.60016	163.07
GRAINGER	9700451652	04/22/2015	806460150	101.44.6000.451.60016	102.20
GRAINGER	9714448884	04/22/2015	806460150	101.44.6000.451.40040	24.52
GRAINGER	9715570132	04/22/2015	806460150	101.44.6000.451.40040	21.46
GRAINGER	9715570157	04/22/2015	806460150	101.44.6000.451.40040	112.13
GRAINGER	9716185401	04/22/2015	806460150	101.44.6000.451.40040	(21.46)
GRAINGER	9716730024	04/22/2015	806460150	101.44.6000.451.60040	11.62
GRAINGER	9717190756	04/22/2015	806460150	101.44.6000.451.40040	24.52
GRAINGER	9712193045	04/22/2015	806460150	101.43.5200.443.60040	344.60
HOME DEPOT CREDIT SERVICES	4/13/15 6035 3225 0255 48	04/29/2015	6035 3225 0255 4813	101.42.4200.423.40040	102.79
HOME DEPOT CREDIT SERVICES	4/13/15 6035 3225 0255 48	04/29/2015	6035 3225 0255 4813	101.42.4200.423.60065	23.35
IAFC MEMBERSHIP	2015 MEMBERSHIP 91529	04/29/2015	2015 MEMBERSHIP	101.42.4200.423.50070	259.00
ICMA RETIREMENT TRUST - 457	INV0040199	04/24/2015	ICMA-AGE 50+	101.203.2031400	150.00
ICMA RETIREMENT TRUST - 457	INV0040254	05/01/2015	ICMA-AGE <49 %	101.203.2031400	3,655.67
ICMA RETIREMENT TRUST - 457	INV0040255	05/01/2015	ICMA-AGE <49	101.203.2031400	4,557.30
ICMA RETIREMENT TRUST - 457	INV0040256	05/01/2015	ICMA-AGE 50+ %	101.203.2031400	1,261.36
ICMA RETIREMENT TRUST - 457	INV0040257	05/01/2015	ICMA-AGE 50+	101.203.2031400	4,629.36
ICMA RETIREMENT TRUST - 457	INV0040258	05/01/2015	ICMA (EMPLOYER SHARE ADMIN	101.203.2031400	73.67
ICMA RETIREMENT TRUST - 457	INV0040267	05/01/2015	ROTH IRA (AGE 49 & UNDER)	101.203.2032400	799.24
IGH FIRE RELIEF ASSN	041315	04/22/2015	2014 CONTRIBUTIONS	101.42.4200.423.20510	25,000.00
IGH FIRE RELIEF ASSN	041315	04/22/2015	2015 CONTRIBUTIONS	101.42.4200.423.20510	25,000.00
IMAGE TREND INC	33193	04/22/2015	11362	101.42.4200.423.30700	3,110.00
ING DIRECT	INV0039903	04/17/2015	MSRS-HCSP	101.203.2032200	1,636.87
IUOE	INV0040259	05/01/2015	UNION DUES IUOE	101.203.2031000	1,158.01
JEFF HOHEISEL PROFESSIONAL TREE C	124763	04/22/2015	REFUND CITY LICENSE	101.45.0000.3219500	50.00
JOBSEQ	1543761	04/29/2015	315741	101.41.1100.413.50025	344.58
JRK SEED & TURF SUPPLY	14555/4	04/22/2015	1382	101.44.6000.451.60016	1,826.40
JRK SEED & TURF SUPPLY	14582/4	04/22/2015	1382	101.44.6000.451.60016	131.60
KEEPRS, INC	266959-04	04/22/2015	INVERGOOO1	101.42.4000.421.60045	6.20
KEEPRS, INC	273836	04/22/2015	invergrpda	101.42.4000.421.60045	131.99
KEEPRS, INC	273843	04/22/2015	02B0009294	101.42.4000.421.60045	145.60
KENISON, TERRI	MARCH 2015	04/22/2015	MARCH 2015	101.42.4200.423.30700	850.00
L.T.G. POWER EQUIPMENT	187855	04/29/2015	5656	101.44.6000.451.60040	65.90
LELS	INV0040260	05/01/2015	UNION DUES (LELS)	101.203.2031000	1,300.00
LELS SERGEANTS	INV0040268	05/01/2015	UNION DUES (LELS SGT)	101.203.2031000	235.00
LOCAL GOVERNMENT INFORMATION SY\$	39995	04/29/2015	106325	101.42.4000.421.70501	1,735.00
LOCAL GOVERNMENT INFORMATION SY\$	40005	04/22/2015	111541	101.42.4200.423.30700	118.00
M & J SERVICES, LLC	1193	04/22/2015	3/31/15	101.43.5200.443.40046	363.00
M & J SERVICES, LLC	1194	04/22/2015	3/31/15	101.43.5200.443.40046	515.00
M & J SERVICES, LLC	1198	04/22/2015	4/7/15	101.43.5200.443.40046	2,720.00
M & J SERVICES, LLC	1199	04/22/2015	4/7/15	101.43.5200.443.40046	960.00
M & J SERVICES, LLC	1200	04/22/2015	4/7/15	101.43.5200.443.40046	1,040.00
M & J SERVICES, LLC	1201	04/22/2015	4/7/15	101.43.5200.443.40046	1,145.00
MADISON NATIONAL LIFE INSURANCE CO	MAY 2015	04/29/2015	GROUP #012439	101.203.2031700	2,508.04
MENARDS - WEST ST. PAUL	80427	04/22/2015	30170270	101.44.6000.451.60065	25.14
MENARDS - WEST ST. PAUL	80427	04/22/2015	30170270	101.44.6000.451.60066	51.55
MENARDS - WEST ST. PAUL	80479	04/22/2015	30170270	101.44.6000.451.60066	44.98
MENDOTA HEIGHTS FIRE RELIEF	04-09-15	04/22/2015	SAFETY HOPPER	101.42.4200.423.30700	150.00
MIKE'S SHOE REPAIR, INC.	4072015	04/22/2015	4/7/15	101.42.4200.423.30700	30.00
MINNEAPOLIS OXYGEN CO.	171122742	04/22/2015	113504	101.42.4200.423.40042	54.56
MINNEAPOLIS OXYGEN CO.	171122743	04/22/2015	171122743	101.42.4200.423.40042	54.56
MINNESOTA DEPARTMENT OF HUMAN S\$	INV0040251	05/01/2015	JUSTIN PARRANTO FEIN/TAXPA	101.203.2032100	300.41
MISSISSIPPI PUB	24	04/22/2015	4/9/15	101.41.1100.413.50075	664.18
MN DEPT OF REVENUE	INV0039905	04/17/2015	STATE WITHHOLDING	101.203.2030300	237.25
MN DEPT OF REVENUE	INV0040203	04/24/2015	STATE WITHHOLDING	101.203.2030300	585.18

MN DEPT OF REVENUE	INV0040206	05/01/2015	STATE WITHHOLDING	101.203.2030300	12.87
MN DEPT OF REVENUE	INV0040270	05/01/2015	STATE WITHHOLDING	101.203.2030300	16,135.50
MN GLOVE & SAFETY, INC.	287579	04/22/2015	04/13/15	101.43.5200.443.60045	43.79
MSANI	4/6/15	04/22/2015	2015 SPRING CAN-AM CONFERE	101.42.4000.421.50080	150.00
NATURE CALLS, INC.	21308	04/22/2015	03/31/15	101.44.6000.451.40065	162.00
NELCOM CORP	29032	04/22/2015	04/10/15	101.42.4000.421.40042	1,864.20
NELCOM CORP	29033	04/22/2015	04/10/15	101.42.4000.421.40042	168.75
NELCOM CORP	29035	04/22/2015	04/10/15	101.42.4000.421.40042	1,419.45
NEWMAN SIGNS INC	TI-0284460	04/29/2015	INV001	101.43.5200.443.60016	907.80
OXYGEN SERVICE COMPANY, INC	03299015	04/22/2015	04394	101.42.4000.421.60065	24.80
PERA	INV0040200	04/24/2015	PERA POLICE & FIRE PLAN	101.203.2030600	195.34
PERA	INV0040201	04/24/2015	EMPLOYER SHARE (POLICE & F	101.203.2030600	293.01
PERA	INV0040261	05/01/2015	PERA COORDINATED PLAN	101.203.2030600	30,971.06
PERA	INV0040262	05/01/2015	EMPLOYER SHARE (EXTRA PER	101.203.2030600	2,382.39
PERA	INV0040263	05/01/2015	PERA DEFINED PLAN	101.203.2030600	69.23
PERA	INV0040264	05/01/2015	EMPLOYER SHARE (PERA DEFII	101.203.2030600	69.23
PERA	INV0040265	05/01/2015	PERA POLICE & FIRE PLAN	101.203.2030600	12,441.88
PERA	INV0040266	05/01/2015	EMPLOYER SHARE (POLICE & F	101.203.2030600	18,662.81
PETTY CASH	4/29/15	04/29/2015	PETTY CASH REQUEST	101.41.1000.413.50075	12.97
PETTY CASH	4/29/15	04/29/2015	PETTY CASH REQUEST	101.41.2000.415.50065	17.94
PETTY CASH	4/29/15	04/29/2015	PETTY CASH REQUEST	101.41.2000.415.50065	17.94
PETTY CASH	4/29/15	04/29/2015	PETTY CASH REQUEST	101.41.2000.415.50065	23.92
PETTY CASH	4/29/15	04/29/2015	PETTY CASH REQUEST	101.43.5100.442.60010	6.99
PETTY CASH	4/29/15	04/29/2015	PETTY CASH REQUEST	101.43.5100.442.60010	7.49
PETTY CASH	4/29/15	04/29/2015	PETTY CASH REQUEST	101.44.6000.451.50080	5.00
PIONEER ATHLETICS	INV547988	04/22/2015	CI5498	101.44.6000.451.60016	819.00
PIONEER ATHLETICS	INV549889	04/22/2015	CI5498	101.44.6000.451.60016	2,396.25
ROBERT THOMAS HOMES	4/15/15	04/29/2015	OVERCHARGED-WATER METER	101.207.2070300	5.70
SHEFCHIK, JANET	4/13/15	04/22/2015	REIMBURSE-MILEAGE/BINDERS	101.41.1100.413.50065	43.35
SHEFCHIK, JANET	4/13/15	04/22/2015	REIMBURSE-MILEAGE/BINDERS	101.41.1100.413.60070	74.85
SHORT ELLIOTT HENDRICKSON, INC.	295988	04/29/2015	4340	101.43.5100.442.30300	220.91
SPECIALIZED ENVIRONMENTAL TECH INC	17090	04/22/2015	ACTT #10984 03/01/15 - 03/31/15	101.44.6000.451.60016	560.00
SPORTSIGN	36993	04/22/2015	17181-10	101.44.6000.451.60065	50.00
SPRINT	842483314-161	04/22/2015	Invoice	101.41.1000.413.50020	69.98
SPRINT	842483314-161	04/22/2015	Invoice	101.41.1100.413.50020	69.98
SPRINT	842483314-161	04/22/2015	Invoice	101.41.2000.415.50020	34.99
SPRINT	842483314-161	04/22/2015	Invoice	101.42.4000.421.50020	34.99
SPRINT	842483314-161	04/22/2015	Invoice	101.42.4200.423.50020	34.99
SPRINT	842483314-161	04/22/2015	Invoice	101.43.5000.441.50020	34.99
SPRINT	842483314-161	04/22/2015	Invoice	101.44.6000.451.50020	34.99
SPRINT	842483314-161	04/22/2015	Invoice	101.45.3000.419.50020	34.99
ST PAUL STAMP WORKS INC	330203	04/22/2015	INVER003	101.42.4200.423.60045	25.30
ST PAUL STAMP WORKS INC	330802	04/22/2015	INVER003	101.42.4200.423.60045	1,141.34
ST. ONGE, NEAL	4/18/15	04/29/2015	REIMBURSE-FOOD	101.42.4200.423.50075	82.49
STRAIGHT RIVER MEDIA	1299	04/20/2015	MAY-JUNE	101.41.1100.413.50032	900.00
T MOBILE	INV0040229	04/29/2015	494910368	101.43.5100.442.50020	49.99
THOMSON REUTER - WEST	831538908	04/22/2015	1000197212	101.42.4000.421.30700	155.35
TOTAL CONSTRUCTION & EQUIP.	63718	04/22/2015	CIT001	101.44.6000.451.40047	96.05
TOTAL CONSTRUCTION & EQUIP.	63720	04/22/2015	CIT001	101.44.6000.451.40047	146.72
TRANS UNION LLC	03552348	04/29/2015	0924V0009007	101.41.1100.413.30500	26.50
TWIN CITIES OCCUPATIONAL HEALTH PC	304I2387	04/29/2015	4/3/15	101.41.1100.413.30500	95.00
TWIN CITY SAW	A21390	04/22/2015	03/27/15	101.44.6000.451.60040	96.10
TWIN SOURCE SUPPLY	00444264	04/22/2015	04/09/15	101.43.5200.443.40065	85.36
TYLER TECHNOLOGIES, INC	025-121682	04/29/2015	41443	101.41.2000.415.40044	438.00
UNIFIRST CORPORATION	0900248247	04/22/2015	04/14/15	101.43.5200.443.60045	30.89
UNIFIRST CORPORATION	0900248247	04/22/2015	1051948	101.44.6000.451.60045	21.71
UNIFIRST CORPORATION	090 0247260	04/22/2015	4/7/15	101.43.5200.443.60045	30.31
UNIFIRST CORPORATION	090 0247260	04/22/2015	4/7/15	101.44.6000.451.60045	21.71
UNIFORMS UNLIMITED	244100	04/22/2015	114866	101.42.4000.421.60045	119.98
UNIFORMS UNLIMITED	243142	04/22/2015	114866	101.42.4000.421.60045	118.67
UNIFORMS UNLIMITED	244101	04/11/2015	114866	101.42.4000.421.60045	82.99
<b>Fund: 101 - GENERAL FUND</b>					<b>343,003.66</b>
ENDORSE COMMUNICATIONS LLC	471	04/22/2015	471	201.44.1600.465.50025	2,793.75
ENDORSE COMMUNICATIONS LLC	472	04/22/2015	472	201.44.1600.465.50025	275.00
TOWN SQUARE TELEVISION	2015-141	04/20/2015	2015-141	201.44.1600.465.50025	2,280.00
<b>Fund: 201 - C.V.B. FUND</b>					<b>5,348.75</b>
BUDGET SIGN AND GRAPHICS	60156	04/22/2015	04/09/15	204.44.6100.452.60009	36.00
CITY OF ST LOUIS PARK	25327	04/22/2015	130117 - PETERSEN SEMINAR 3/	204.44.6100.452.50080	86.00
GENESIS EMPLOYEE BENEFITS, INC	IN513556	04/22/2015	Invoice	204.44.6100.452.30550	2.24
GENESIS EMPLOYEE BENEFITS, INC	IN525813	04/22/2015	Invoice	204.44.6100.452.30550	13.78
GOPHER SPORT	8940560	04/22/2015	404658	204.44.6100.452.60009	123.15

IGH SENIOR CLUB	4/6/2015	04/22/2015	LUNCH & MARCH MEMBERSHIP	204.227.2271000	1,180.00
IGH/SSP COMMUNITY EDUCATION	04/06/15	04/22/2015	SR TRIP, UCARE DISC, & SCOOF	204.227.2271000	1,453.00
MN VOLLEYBALL HEADQUARTERS INC	1559	04/22/2015	YOUTH MINI CLINICS	204.44.6100.452.30700	1,332.00
PETERSEN, TRACY	4/7/15	04/22/2015	REIMBURSE-PARKING	204.44.6100.452.50065	24.00
TAHO SPORTSWEAR	15TF0571	04/22/2015	04/06/15	204.44.6100.452.60045	157.32

**Fund: 204 - RECREATION FUND**

**4,407.49**

ACE PAINT & HARDWARE	523792/5	04/22/2015	501126	205.44.6200.453.60016	13.47
BECKER ARENA PRODUCTS, INC.	00102456	03/30/2015	INV000	205.44.6200.453.40040	(98.00)
BY THE YARD INC.	47992	04/22/2015	CC A133015	205.44.6200.453.60040	1,723.05
CAP FLOORING & PAINTING, LLC.	39125	04/22/2015	402060	205.44.6200.453.80200	10,196.35
CINDY MEJIA	04/17/15	04/22/2015	PAYROLL 4/17/15 ACH RETURN	205.44.6200.453.10300	137.14
COMMON SENSE BUILDING SERVICES, IN	35783	04/29/2015	APRIL 2015	205.44.6200.453.40040	6,767.85
CRAIG DAHLSTROM	04/09/15	04/22/2015	REFUND - FITNESS CLASS LOW	205.44.0000.3493501	5.00
CRAWFORD DOOR SALES COMPANY	18200	04/22/2015	4840	205.44.6200.453.40040	575.00
CULLIGAN-METRO	101X27648701	04/22/2015	101-10130177-4	205.44.6200.453.40040	990.91
ENTERTAINMENT DESIGN GROUP, LLC	607	04/22/2015	PARKS & REC OFFICE REMODEL	205.44.6200.453.40040	1,035.00
ENTERTAINMENT DESIGN GROUP, LLC	607	04/22/2015	PARKS & REC OFFICE REMODEL	205.44.6200.453.40040	2,863.00
ENTERTAINMENT DESIGN GROUP, LLC	609	04/22/2015	PARK & REC REMODEL	205.44.6200.453.40040	799.00
EZ FITNESS SOLUTIONS, LLC	15-0001	04/22/2015	04/11/15	205.44.6200.453.40042	666.88
GENESIS EMPLOYEE BENEFITS, INC	IN513556	04/22/2015	Invoice	205.44.6200.453.30550	22.04
GENESIS EMPLOYEE BENEFITS, INC	IN513556	04/22/2015	Invoice	205.44.6200.453.30550	5.21
GENESIS EMPLOYEE BENEFITS, INC	IN525813	04/22/2015	Invoice	205.44.6200.453.30550	3.50
GENESIS EMPLOYEE BENEFITS, INC	IN525813	04/22/2015	Invoice	205.44.6200.453.30550	11.00
GENESIS EMPLOYEE BENEFITS, INC	IN525813	04/22/2015	Invoice	205.44.6200.453.30550	34.14
GENESIS EMPLOYEE BENEFITS, INC	IN525813	04/22/2015	Invoice	205.44.6200.453.30550	12.50
GENESIS EMPLOYEE BENEFITS, INC	IN525813	04/22/2015	Invoice	205.44.6200.453.30550	12.50
GOODIN COMPANY	01363276-00	04/22/2015	1001619	205.44.6200.453.40040	358.24
GRAINGER	9704810507B	04/29/2015	806460150	205.44.6200.453.40040	60.70
GRAINGER	9714827459	04/22/2015	806460150	205.44.6200.453.60011	304.85
GRAINGER	9714827459	04/22/2015	806460150	205.44.6200.453.60011	304.85
GRAINGER	9715570140	04/22/2015	806460150	205.44.6200.453.40040	77.76
GRAINGER	9710712630	04/22/2015	806460150	205.44.6200.453.60016	54.00
GRAINGER	9712193052	04/22/2015	806460150	205.44.6200.453.60040	106.76
HAWKINS, INC.	3712170	04/22/2015	108815	205.44.6200.453.60024	877.26
HAWKINS, INC.	3712171	04/22/2015	108815	205.44.6200.453.60024	1,070.19
HILLYARD INC	601557341	04/22/2015	274069	205.44.6200.453.40042	151.73
HILLYARD INC	601557341	04/22/2015	274069	205.44.6200.453.40042	151.72
HILLYARD INC	601560728	04/22/2015	274069	205.44.6200.453.60011	169.29
HILLYARD INC	601560728	04/22/2015	274069	205.44.6200.453.60011	169.29
HUEBSCH SERVICES	3439233	04/22/2015	92965	205.44.6200.453.40040	204.79
HUEBSCH SERVICES	3439233	04/22/2015	92965	205.44.6200.453.40040	64.67
JODY HENCIAER	04/09/15	04/22/2015	REFUND - FITNESS CLASS LOW	205.44.0000.3493501	5.00
KELLY SOLBERG	04/09/15	04/22/2015	REFUND - FITNESS CLASS LOW	205.44.0000.3493501	5.00
MARY CADY	040915	04/22/2015	REFUND - CLASS LOW ENROLLM	205.44.0000.3493501	5.00
MARY WALLACE	04/09/15	04/22/2015	REFUND - FITNESS CLASS LOW	205.44.0000.3493501	5.00
MENARDS - WEST ST. PAUL	80111	04/22/2015	30170270	205.44.6200.453.60016	76.60
MENARDS - WEST ST. PAUL	CM0000911	04/22/2015	30170270	205.44.6200.453.60016	(23.88)
MINNESOTA COMMUNITY EDUCATION AS	00004241	04/22/2015	4/1/15	205.44.6200.453.50025	75.00
NAC MECHANICAL & ELECTRICAL SERVI	113111	04/22/2015	8712-1	205.44.6200.453.40040	3,628.00
O'CONNOR, TERI	3/23/15	04/22/2015	REIMBURSE-POSGUYS	205.44.6200.453.60065	19.99
PETTY CASH - ATM	04/10/15	04/22/2015	1ST QTR 2015 BANK FEE REIMB	205.44.6200.453.70440	79.00
PIONEER PRESS	0315414398	04/22/2015	414398	205.44.6200.453.50025	850.00
R & R SPECIALTIES OF WI, INC.	005715-IN	04/22/2015	IGHVET	205.44.6200.453.40042	73.50
RICE SOUND & SERVICE INC	04-2634	04/22/2015	03/31/15	205.44.6200.453.40042	55.00
ROACH, RICK	3/30/15	04/22/2015	3/30/15	205.44.6200.453.50065	59.81
SCHOENFELDER RENOVATIONS, INC.	S2719	04/22/2015	P10752	205.44.6200.453.80200	4,980.75
SIGN RESULTS LLC	04/08/15	04/22/2015	SIGN RENTAL - AGING FAIR/TOY	205.44.6200.453.40050	175.00
TAHO SPORTSWEAR	15TF0296	04/22/2015	03/24/15	205.44.6200.453.60045	107.75
TAHO SPORTSWEAR	15TF0296	04/22/2015	03/24/15	205.44.6200.453.60045	116.25
TDS MEDIA DIRECT, INC.	63593	04/22/2015	APRIL 2015	205.44.6200.453.50025	220.00
TOTAL CONSTRUCTION & EQUIP.	63719	04/22/2015	CIT001	205.44.6200.453.40040	288.10
TOTAL CONSTRUCTION & EQUIP.	63719	04/22/2015	CIT001	205.44.6200.453.40040	336.11
TROJE'S TRASH & RECYCLING	5633	04/22/2015	438610	205.44.6200.453.40065	165.00
TROJE'S TRASH & RECYCLING	5633	04/22/2015	438610	205.44.6200.453.40065	165.00
VANCO SERVICES LLC	00006656693	04/22/2015	MARCH 2015	205.44.6200.453.70600	90.00
VINCE CAREY	04/17/15	04/22/2015	PAYROLL 04/17/15 ACH RETURN	205.44.6200.453.10300	300.98
VINCE CAREY	04/17/15	04/22/2015	PAYROLL 04/17/15 ACH RETURN	205.44.6200.453.10300	122.93
W W GOETSCH ASSOC INC	94159	04/22/2015	GROVE LEISURE POOL 3/2/15	205.44.6200.453.40040	867.00
ZEE MEDICAL SERVICE	54110090	04/22/2015	002914	205.44.6200.453.60065	379.86
ZEE MEDICAL SERVICE	54110090	04/22/2015	002914	205.44.6200.453.60065	379.87
ZEE MEDICAL SERVICE	54110090	04/22/2015	002914	205.44.6200.453.60065	379.87

<b>Fund: 205 - COMMUNITY CENTER</b>					<b>43,889.13</b>
GENESIS EMPLOYEE BENEFITS, INC	IN513556	04/22/2015	Invoice	290.45.3000.419.30550	0.52
GENESIS EMPLOYEE BENEFITS, INC	IN525813	04/22/2015	Invoice	290.45.3000.419.30550	1.25
INTEGRA REALTY RESOURCES	124-2015-0050	04/22/2015	MCPHILLIPS (6940 & 6950 DIXIE	290.45.3000.419.30700	6,500.00
<b>Fund: 290 - EDA</b>					<b>6,501.77</b>
WELLS FARGO BANK	1161289	04/29/2015	INVE1208AGOI	352.57.9000.570.90300	500.00
<b>Fund: 352 - G.O. IMPROVEMENT 2008A</b>					<b>500.00</b>
BRAUN INTERTEC CORPORATION	B025278	04/22/2015	I09213	425.72.5900.725.30700	2,704.50
<b>Fund: 425 - 2005 IMPROVEMENT FUND</b>					<b>2,704.50</b>
ASCE	4/13/15	04/22/2015	C-990 CONSTRUCTION FULL SE	440.74.5900.740.30700	403.47
BARR ENGINEERING COMPANY	23190328.14-32	04/22/2015	02/21/15 - 03/20/15	440.74.5900.740.30700	360.00
FINANCE & COMMERCE, INC.	742111797	04/29/2015	10062309	440.74.5900.740.50025	217.98
FINANCE & COMMERCE, INC.	742111798	04/29/2015	10062309	440.74.5900.740.50025	217.98
SHORT ELLIOTT HENDRICKSON, INC.	295949	04/29/2015	4340	440.74.5900.740.30700	47,492.44
<b>Fund: 440 - PAVEMENT MANAGEMENT PROJ</b>					<b>48,691.87</b>
BARR ENGINEERING COMPANY	23190328.14-32	04/22/2015	02/21/15 - 03/20/15	441.74.5900.741.30700	2,754.33
<b>Fund: 441 - STORM WATER MANAGEMENT</b>					<b>2,754.33</b>
ASCE	4/13/15	04/22/2015	C-990 CONSTRUCTION FULL SE	446.74.5900.746.30700	403.48
BOLTON & MENK, INC.	0176752	04/29/2015	T21.109315	446.74.5900.746.30300	6,009.67
EVERGREEN LAND SERVICES	00-11273	04/29/2015	4/7/15	446.74.5900.746.30700	469.60
EVERGREEN LAND SERVICES	00-11274	04/29/2015	10062309	446.74.5900.746.30700	450.00
<b>Fund: 446 - NW AREA</b>					<b>7,332.75</b>
BARR ENGINEERING COMPANY	4/8/15	04/22/2015	2/21/15-3/20/15	451.75.5900.751.30700	8,196.50
DAKOTA COUNTY CDA	4/3/15	04/29/2015	4/3/15	451.75.5900.751.30700	3,619.14
JOEL CARLSON	4/15/15	04/29/2015	MAY 2015	451.75.5900.751.30700	1,000.00
<b>Fund: 451 - HOST COMMUNITY FUND</b>					<b>12,815.64</b>
JR'S APPLIANCE DISPOSAL	85994	04/22/2015	04/09/15	454.43.5500.446.40025	234.90
SPS COMPANIES, INC.	S3060175.002	04/29/2015	3/27/15	454.43.5500.446.40025	1,254.38
<b>Fund: 454 - LANDFILL ABATEMENT</b>					<b>1,489.28</b>
ABSOLUTE TRAILER SALES INC	98550	04/22/2015	Refund - Meter size change	501.50.0000.3814000	1,125.00
ACE PAINT & HARDWARE	523862/5	04/22/2015	501126	501.50.7100.512.60016	7.97
ACE PAINT & HARDWARE	523729/5	04/22/2015	501126	501.50.7100.512.60016	22.98
ACE PAINT & HARDWARE	523795/5	04/22/2015	501126	501.50.7100.512.60016	16.98
AUTOMATIC SYSTEMS CO.	29152	04/22/2015	INVEO01	501.50.7100.512.40042	501.05
BADGER STATE INSPECTION, LLC	1000345	04/22/2015	ms03xc303	501.50.7100.512.40043	3,248.00
CITY OF BLOOMINGTON	03/1/15 - 03/31/15	04/22/2015	P/A TOTAL COLIFORM	501.50.7100.512.30700	420.00
CONTRACTORS & SURVEYORS SUPPLY	8868	04/22/2015	04/07/15	501.50.7100.512.60016	375.00
FIRST IMPRESSION GROUP, THE	61980	04/29/2015	4363	501.50.7100.512.50030	42.92
GENESIS EMPLOYEE BENEFITS, INC	IN513556	04/22/2015	Invoice	501.50.7100.512.30550	15.12
GENESIS EMPLOYEE BENEFITS, INC	IN525813	04/22/2015	Invoice	501.50.7100.512.30550	33.72
GOODIN COMPANY	02095310-00	04/29/2015	1001619	501.50.7100.512.60016	119.10
GOPHER STATE ONE-CALL	131266	04/29/2015	MN00435	501.50.7100.512.30700	191.40
GOPHER STATE ONE-CALL	133420	04/22/2015	MN00435	501.50.7100.512.30700	295.90
IDEAL SERVICE, INC.	7104	04/22/2015	3/18/15	501.50.7100.512.40040	536.25
METROPOLITAN COUNCIL ENVIRON SRV	0001043424	04/29/2015	W030	501.50.7100.512.40040	375.00
MN PIPE & EQUIPMENT	0331166	04/29/2015	2195	501.50.7100.512.30700	242.19
NORTHWESTERN POWER EQUIPMENT C	15015DJ	04/22/2015	03/27/15	501.50.7100.512.40042	460.20
O'REILLY AUTO PARTS	1767-139183	04/22/2015	1578028	501.50.7100.512.60016	27.30
PLANT & FLANGED EQUIPMENT COMPAN	0064753-IN	04/22/2015	INV5000	501.50.7100.512.40042	480.00
ROBERT THOMAS HOMES	4/15/15	04/29/2015	OVERCHARGED-WATER METER	501.50.0000.3814000	80.00
SHAPCO PRINTING	316719	04/29/2015	0585	501.50.7100.512.50030	325.00
SPRINT	842483314-161	04/22/2015	Invoice	501.50.7100.512.50020	69.98
TKDA	002015000999	04/22/2015	0015781.000	501.50.7100.512.30700	1,478.34
TOTAL CONSTRUCTION & EQUIP.	63717	04/22/2015	CIT001	501.50.7100.512.40042	195.30
TYLER TECHNOLOGIES, INC	025-120403	04/29/2015	41443	501.50.7100.512.70440	355.62
VALLEY-RICH CO, INC	1/16/15 1	04/22/2015	R150052 01/31	501.50.7100.512.40046	4,457.00
VALLEY-RICH CO, INC	01/17/15 1	04/22/2015	R150052 01-31	501.50.7100.512.40046	2,743.94
VALLEY-RICH CO, INC	21486	04/29/2015	IGH	501.50.7100.512.40046	2,674.43
<b>Fund: 501 - WATER UTILITY FUND</b>					<b>20,915.69</b>
AUTOMATIC SYSTEMS CO.	28232	04/22/2015	INVE01 - 200015	502.51.7200.514.40042	313.55
GENESIS EMPLOYEE BENEFITS, INC	IN513556	04/22/2015	Invoice	502.51.7200.514.30550	10.85
GENESIS EMPLOYEE BENEFITS, INC	IN525813	04/22/2015	Invoice	502.51.7200.514.30550	16.62
SAVATREE	3601601	04/29/2015	1158646	502.51.7200.514.40043	3,840.00

TYLER TECHNOLOGIES, INC	025-120403	04/29/2015	41443	502.51.7200.514.70440	355.63
W. W. GOETSCH ASSOCIATES, INC.	94099	04/22/2015	3/19	502.51.7200.514.40042	1,614.21
ZIEGLER INC	SW050234272	04/22/2015	3/31/15	502.51.7200.514.40042	810.43
<b>Fund: 502 - SEWER UTILITY FUND</b>					<b>6,961.29</b>
ACE PAINT & HARDWARE	523853/5	04/22/2015	501126	503.52.8600.527.60012	8.99
ACE PAINT & HARDWARE	523874/5	04/22/2015	501126	503.52.8600.527.60012	9.84
ACE PAINT & HARDWARE	523777/5	04/22/2015	501126	503.52.8500.526.40040	46.87
ALL ELEMENTS INC.	3011	04/22/2015	4/14/15	503.52.8600.527.80400	20,800.66
ARAMARK REFRESHMENT SERVICES	1175273	04/22/2015	48128	503.52.8300.524.76100	262.97
ARAMARK UNIFORM SERVICES	629-8208735	04/22/2015	792502342	503.52.8600.527.60045	95.89
CLEVELAND GOLF/SRIXON	4437485 B	04/22/2015	4437485	503.52.8200.523.76300	539.92
COLLEGE CITY BEVERAGE	620167	04/22/2015	3592	503.52.8300.524.76150	488.80
DRAFT TECHNOLOGIES	04131510	04/22/2015	04/13/15	503.52.8300.524.40042	50.00
GARY'S PEST CONTROL	49559	04/22/2015	4/14/15	503.52.8500.526.40040	69.63
GENESIS EMPLOYEE BENEFITS, INC	IN513556	04/22/2015	Invoice	503.52.8000.521.30550	10.42
GENESIS EMPLOYEE BENEFITS, INC	IN513556	04/22/2015	Invoice	503.52.8600.527.30550	5.21
GENESIS EMPLOYEE BENEFITS, INC	IN525813	04/22/2015	Invoice	503.52.8000.521.30550	11.00
GENESIS EMPLOYEE BENEFITS, INC	IN525813	04/22/2015	Invoice	503.52.8500.526.30550	11.96
GENESIS EMPLOYEE BENEFITS, INC	IN525813	04/22/2015	Invoice	503.52.8600.527.30550	25.50
GERLACH OUTDOOR POWER EQUIP	83437	04/22/2015	109606	503.52.8100.522.40042	175.66
GRANDMA'S BAKERY	557254	04/22/2015	24400	503.52.8300.524.76050	27.07
GRANDMA'S BAKERY	557558	04/22/2015	24400	503.52.8300.524.76050	33.14
GRANDMA'S BAKERY	557835	04/22/2015	24400	503.52.8300.524.76050	20.70
GRANDMA'S BAKERY	558147	04/22/2015	24400	503.52.8300.524.76050	22.50
JJ TAYLOR DIST. COMPANY OF MN	2350770	04/22/2015	00834	503.52.8300.524.76150	355.00
MENARDS - WEST ST. PAUL	80562	04/22/2015	30170265	503.52.8600.527.60012	31.58
NAPA OF INVER GROVE HEIGHTS	4166150	04/22/2015	400007006	503.52.8600.527.60012	33.18
NAVIKA USA INC.	00049086	04/22/2015	3/18/15	503.52.8200.523.76400	320.78
NIKE USA, INC.	14727367	03/30/2015	79282	503.52.8200.523.76200	(59.36)
NIKE USA, INC.	970201097	04/22/2015	79282	503.52.8200.523.76200	630.51
NIKE USA, INC.	970275138	04/22/2015	79282	503.52.8200.523.76200	59.36
NIKE USA, INC.	970436082	04/22/2015	79282	503.52.8200.523.76300	43.88
NIKE USA, INC.	970547131	04/22/2015	79282	503.52.8200.523.76250	195.73
SUMMIT FACILITY & KITCHEN SERVICE	97985	04/22/2015	97985	503.52.8300.524.40042	339.44
TDS MEDIA DIRECT, INC.	63684	04/22/2015	04/27/15	503.52.8500.526.50025	208.00
TDS METROCOM	04/13/15 651 457 3667	04/22/2015	651 457 3667	503.52.8500.526.50020	253.31
TITLEIST	900308368	04/22/2015	US00008363	503.52.8200.523.76200	175.17
TITLEIST	900446397	04/22/2015	US00008363	503.52.8200.523.76200	102.82
US FOODSERVICE	5609970	04/22/2015	03805983	503.52.8300.524.76050	1,007.37
WILSON SPORTING GOODS	4517674333	04/22/2015	187981	503.52.8200.523.76250	584.66
WILSON SPORTING GOODS	4517690253	04/22/2015	187981	503.52.8100.522.60060	2,167.20
WILSON SPORTING GOODS	4517690254	04/22/2015	187981	503.52.8000.521.60065	25.02
WILSON SPORTING GOODS	4517715172	04/22/2015	187981	503.52.8000.521.60065	25.02
WIRTZ BEVERAGE MN BEER INC	1090386179	04/22/2015	75606	503.52.8300.524.76150	158.40
WITTEK	325075	04/22/2015	123575	503.52.8100.522.60015	517.70
<b>Fund: 503 - INVER WOOD GOLF COURSE</b>					<b>29,891.50</b>
EHLERS AND ASSOCIATES, INC.	67288	04/29/2015	4/10/15	511.50.7100.512.30150	478.13
<b>Fund: 511 - NWA - WATER</b>					<b>478.13</b>
EHLERS AND ASSOCIATES, INC.	67288	04/29/2015	4/10/15	512.51.7200.514.30150	478.12
<b>Fund: 512 - NWA - SEWER</b>					<b>478.12</b>
GENESIS EMPLOYEE BENEFITS, INC	IN513556	04/22/2015	Invoice	602.00.2100.415.30550	0.26
GENESIS EMPLOYEE BENEFITS, INC	IN525813	04/22/2015	Invoice	602.00.2100.415.30550	2.07
KENNEDY & GRAVEN	125305	04/29/2015	NV125-00045	602.00.2100.415.30420	426.67
<b>Fund: 602 - RISK MANAGEMENT</b>					<b>429.00</b>
ACE PAINT & HARDWARE	523857/5	04/29/2015	501126	603.00.5300.444.60012	3.16
ACE PAINT & HARDWARE	523870/5	04/29/2015	501126	603.00.5300.444.60012	14.48
ADVANCED GRAPHIX, INC.	192010	04/29/2015	4/15/15	603.00.5300.444.80700	20.00
BOYER TRUCKS - MINNEAPOLIS	949751	04/22/2015	C20390	603.00.5300.444.40041	69.22
CENTENNIAL GLASS	100005317	04/29/2015	4/19/15	603.00.5300.444.40041	240.59
COMMON SENSE BUILDING SERVICES, IN	35783	04/29/2015	APRIL 2015	603.00.5300.444.40040	273.76
EHLERS AND ASSOCIATES, INC.	67287	04/29/2015	4/10/15	603.00.5300.444.70600	4,160.00
ELROY'S ELECTRIC SERVICE	4279	04/29/2015	4/14/15	603.00.5300.444.40041	155.44
EMC	45435	04/29/2015	INVERG	603.00.5300.444.40041	1,000.00
EMERGENCY AUTOMOTIVE TECHNOLOG	AW033115-8	04/22/2015	3/31/15	603.00.5300.444.40041	308.10
FACTORY MOTOR PARTS COMPANY	1-4650986	04/08/2015	10799	603.00.5300.444.40041	(30.00)
FACTORY MOTOR PARTS COMPANY	112-023473	04/22/2015	10799	603.00.5300.444.60012	32.48
FACTORY MOTOR PARTS COMPANY	1-4676236	04/29/2015	10799	603.00.5300.444.40041	597.16
FACTORY MOTOR PARTS COMPANY	1-4677773	04/29/2015	10799	603.00.5300.444.40041	30.00

FACTORY MOTOR PARTS COMPANY	1-4677773	04/29/2015	10799	603.140.1450050	207.84
FERRELLGAS	1087068962	04/22/2015	7754787	603.00.5300.444.40040	53.17
FLEETPRIDE	67649662	04/22/2015	501278	603.00.5300.444.40041	2,252.82
FLEETPRIDE	676503661	04/22/2015	501278	603.00.5300.444.40041	(1,920.00)
FLEETPRIDE	67682737	04/22/2015	501278	603.00.5300.444.40041	171.98
GENESIS EMPLOYEE BENEFITS, INC	IN513556	04/22/2015	Invoice	603.00.5300.444.30550	5.21
GENESIS EMPLOYEE BENEFITS, INC	IN525813	04/22/2015	Invoice	603.00.5300.444.30550	9.24
GRAINGER	9709557103	04/22/2015	806460150	603.00.5300.444.40041	49.68
GRAINGER	9710758435	04/22/2015	806460150	603.00.5300.444.40041	(49.68)
HANCO CORPORATION	764737	04/22/2015	332660	603.00.5300.444.40041	383.76
HEALTH EAST	022097	03/30/2015	01799 - 2015 Ford	603.00.5300.444.80700	9,592.29
HEPPNER'S AUTO BODY	7944	04/22/2015	4/1/15	603.00.5300.444.40041	1,437.20
HEPPNER'S AUTO BODY	7959	04/22/2015	4/6/15	603.00.5300.444.40041	361.40
L.T.G. POWER EQUIPMENT	187988	04/22/2015	5656	603.00.5300.444.40041	64.86
L.T.G. POWER EQUIPMENT	187855	04/29/2015	5656	603.00.5300.444.40041	259.57
LEAGUE OF MN CITIES	215718	04/22/2015	4/6/15	603.00.5300.444.50080	80.00
MACQUEEN EQUIPMENT INC	S-15211	04/22/2015	04/10/15	603.00.5300.444.40041	325.50
MACQUEEN EQUIPMENT INC	2152424	04/29/2015	4/14/15	603.00.5300.444.40041	78.45
MACQUEEN EQUIPMENT INC	2152351	04/22/2015	04/08/15	603.00.5300.444.40041	54.91
MANSFIELD OIL COMPANY	398429	04/22/2015	23866-01-398429	603.140.1450060	5,661.82
MANSFIELD OIL COMPANY	398433	04/22/2015	23866-02-398433	603.140.1450060	11,729.25
MAUER CHEVROLET	5028033	04/22/2015	04/13/15	603.00.5300.444.40041	200.00
MENARDS - WEST ST. PAUL	71934	04/22/2015	30170270	603.00.5300.444.60040	92.76
METRO JANITORIAL SUPPLY INC	11013390	04/22/2015	03/25/15	603.00.5300.444.60012	2,110.77
METROMATS	13604	04/22/2015	3/5/15	603.00.5300.444.40065	38.50
MINNESOTA EQUIPMENT	P70283	04/22/2015	INVER001	603.00.5300.444.40041	179.76
MN GLOVE & SAFETY, INC.	287452	04/22/2015	04/07/15	603.00.5300.444.60045	19.80
MTI DISTRIBUTING CO	1005304-00	04/29/2015	91180	603.00.5300.444.40041	55.38
MTI DISTRIBUTING CO	1003581-00	04/22/2015	PARKS	603.00.5300.444.40041	131.46
NORTHERN POWER PRODUCTS	252570	04/22/2015	32755	603.00.5300.444.40041	8.49
NORTHERN POWER PRODUCTS	252634	04/22/2015	32755	603.00.5300.444.40041	588.34
NUSS TRUCK AND EQUIPMENT	8448	04/22/2015	19063	603.00.5300.444.80400	60,216.38
O'REILLY AUTO PARTS	1767-138318	04/22/2015	1578028	603.00.5300.444.40041	3.95
O'REILLY AUTO PARTS	1767-138318	04/22/2015	1578028	603.140.1450050	6.83
O'REILLY AUTO PARTS	1767-138344	04/22/2015	1578028	603.140.1450050	11.46
O'REILLY AUTO PARTS	1767-140407	04/22/2015	1578028	603.00.5300.444.40041	493.63
O'REILLY AUTO PARTS	1767-140422	04/22/2015	1578028	603.00.5300.444.40041	22.99
O'REILLY AUTO PARTS	1767-140435	04/22/2015	1578028	603.00.5300.444.40041	(142.00)
O'REILLY AUTO PARTS	1767-140545	04/22/2015	1578028	603.140.1450050	15.32
O'REILLY AUTO PARTS	1767-140552	04/22/2015	1578028	603.00.5300.444.60012	36.99
O'REILLY AUTO PARTS	1767-140587	04/22/2015	1578028	603.00.5300.444.40041	(22.99)
O'REILLY AUTO PARTS	1767-140641	04/29/2015	1578028	603.00.5300.444.40041	22.70
O'REILLY AUTO PARTS	1767-138487	04/22/2015	1578028	603.00.5300.444.40041	113.41
O'REILLY AUTO PARTS	1767-138505	04/22/2015	1578028	603.00.5300.444.60012	12.99
O'REILLY AUTO PARTS	1767-138511	04/22/2015	1578028	603.00.5300.444.60012	8.40
O'REILLY AUTO PARTS	1767-138519	04/22/2015	1578028	603.00.5300.444.40041	23.88
O'REILLY AUTO PARTS	1767-138519	04/22/2015	1578028	603.140.1450050	15.75
O'REILLY AUTO PARTS	1767-139296	04/22/2015	1578028	603.00.5300.444.60012	9.04
O'REILLY AUTO PARTS	1767-139433	04/22/2015	1578028	603.140.1450050	6.41
O'REILLY AUTO PARTS	1767-139447	04/22/2015	1578028	603.140.1450050	57.35
O'REILLY AUTO PARTS	1767-139480	04/22/2015	1578028	603.140.1450050	27.44
O'REILLY AUTO PARTS	1767-139594	04/22/2015	1578028	603.00.5300.444.40041	48.34
O'REILLY AUTO PARTS	1767-139596	04/09/2015	1578028	603.00.5300.444.40041	45.29
O'REILLY AUTO PARTS	1767-139597	04/22/2015	1578028	603.00.5300.444.40041	56.69
O'REILLY AUTO PARTS	1767-139622	04/22/2015	1578028	603.00.5300.444.40041	34.37
O'REILLY AUTO PARTS	1767-139629	04/22/2015	1578028	603.00.5300.444.40041	14.99
O'REILLY AUTO PARTS	1767-139635	04/22/2015	1578028	603.00.5300.444.40041	57.05
O'REILLY AUTO PARTS	1767-139651	04/22/2015	1578028	603.00.5300.444.40041	(34.37)
O'REILLY AUTO PARTS	1767-139675	04/22/2015	1578028	603.00.5300.444.60012	16.99
POMP'S TIRE SERVICE, INC.	980015810	04/22/2015	4502557	603.140.1450050	755.00
POMP'S TIRE SERVICE, INC.	980016222	04/22/2015	4502557	603.140.1450050	251.64
PRECISE MRM	IN200-1004505	04/29/2015	000208	603.00.5300.444.40042	120.00
PRECISE MRM	IN200-1004761	04/29/2015	000208	603.00.5300.444.40042	120.00
PRECISE MRM	CM200-0000342	04/29/2015	000208	603.00.5300.444.40042	(129.23)
PRECISE MRM	IN200-1003917	04/29/2015	000208	603.00.5300.444.40042	120.00
PRECISE MRM	IN200-1003918	04/29/2015	000208	603.00.5300.444.40042	120.00
RDO EQUIPMENT COMPANY	P30036	04/22/2015	2556007	603.00.5300.444.40041	138.10
RDO EQUIPMENT COMPANY	P30344	04/22/2015	2556007	603.00.5300.444.40041	166.77
RED POWER DIESEL SERVICE, INC.	12126	04/22/2015	04/15/15	603.00.5300.444.40041	2,201.92
SNAP-ON INDUSTRIAL	ARV / 25389606	04/22/2015	200100474	603.00.5300.444.60040	9.38
SWEEPER SERVICES	15060	04/22/2015	3/31/15	603.00.5300.444.40041	98.30
TRUCK UTILITIES, INC.	0282778	04/22/2015	000154	603.00.5300.444.40041	317.16
TRUCK UTILITIES, INC.	0282385	04/22/2015	000154	603.00.5300.444.80700	(805.00)

TRUCK UTILITIES, INC.	0282388	04/22/2015	000154	603.00.5300.444.80700	806.00
TSS AUTOMOTIVE EQUIPMENT SERVICE	703200	04/22/2015	4/6/15	603.00.5300.444.40040	1,366.87
TWIN SOURCE SUPPLY	00444178	04/22/2015	3/30/15	603.00.5300.444.60012	263.00
UNIFIRST CORPORATION	0900248247	04/22/2015	1051948	603.00.5300.444.40065	112.05
UNIFIRST CORPORATION	0900248247	04/22/2015	1051948	603.00.5300.444.60045	28.53
UNIFIRST CORPORATION	090 0247260	04/22/2015	4/7/15	603.00.5300.444.40065	114.10
UNIFIRST CORPORATION	090 0247260	04/22/2015	4/7/15	603.00.5300.444.60045	28.53
ZARNOTH BRUSH WORKS	0154120-IN	04/22/2015	INV1669	603.00.5300.444.40041	15.95
ZARNOTH BRUSH WORKS	0154120-IN	04/22/2015	INV1669	603.140.1450050	1,118.00
ZARNOTH BRUSH WORKS	0154255-IN	04/22/2015	INV1669	603.00.5300.444.40041	399.35

**Fund: 603 - CENTRAL EQUIPMENT**

**110,024.62**

COORDINATED BUSINESS SYSTEMS	ARIN096565	04/29/2015	4502512	604.00.2200.416.60005	170.00
COORDINATED BUSINESS SYSTEMS	ARIN097114	04/29/2015	4502512	604.00.2200.416.60005	95.00
COORDINATED BUSINESS SYSTEMS	ARIN097274	04/29/2015	4502512	604.00.2200.416.60005	122.50
COORDINATED BUSINESS SYSTEMS	CNIN176169	04/29/2015	4502512	604.00.2200.416.40050	1,659.00

**Fund: 604 - CENTRAL STORES**

**2,046.50**

ACE PAINT & HARDWARE	523852/5	04/29/2015	501126	605.00.7500.460.60016	27.74
ACE PAINT & HARDWARE	523741/5	04/22/2015	501126	605.00.7500.460.60016	4.60
BARR ENGINEERING COMPANY	23190328.14-32	04/22/2015	02/21/15 - 03/20/15	605.00.7500.460.30700	2,754.32
COMMON SENSE BUILDING SERVICES, INC	35783	04/29/2015	APRIL 2015	605.00.7500.460.40040	3,478.41
GENESIS EMPLOYEE BENEFITS, INC	IN525813	04/22/2015	Invoice	605.00.7500.460.30550	3.50
HUEBSCH SERVICES	3439229	04/22/2015	100075	605.00.7500.460.40065	107.49
MAS COMMUNICATIONS	150300063	04/22/2015	1010	605.00.7500.460.40040	48.20
MID CENTRAL DOOR COMPANY	0028331-IN	04/29/2015	CIT580	605.00.7500.460.40040	484.00
MINNESOTA ELEVATOR, INC	618766	04/22/2015	5395	605.00.7500.460.40040	239.40
OERTEL ARCHITECTS	1	04/22/2015	PUBLIC WORKS STUDY	605.00.7500.460.30700	6,060.00
P&D MECHANICAL CONTRACTING CO.	10758	04/29/2015	15-141	605.00.7500.460.40040	300.00
USA MOBILITY WIRELESS INC	Y0317493D	04/29/2015	0317493-5	605.00.7500.460.40065	4.64

**Fund: 605 - CITY FACILITIES**

**13,512.30**

CDW GOVERNMENT INC	TT35295	04/29/2015	2394832	606.00.1400.413.60042	730.19
DELL MARKETING	XJ9X9NR65	04/22/2015	19368783	606.00.1400.413.80600	235.65
DELL MARKETING	XJNFRDM22	04/22/2015	19368783	606.00.1400.413.80610	771.25
ENTERTAINMENT DESIGN GROUP, LLC	607	04/22/2015	PARKS & REC OFFICE REMODEL	606.00.1400.413.60065	240.00
GENESIS EMPLOYEE BENEFITS, INC	IN513556	04/22/2015	Invoice	606.00.1400.413.30550	5.21
GENESIS EMPLOYEE BENEFITS, INC	IN525813	04/22/2015	Invoice	606.00.1400.413.30550	16.06
IDEAL SYSTEM SOLUTIONS, INC.	47672	04/29/2015	ISSQ15870	606.00.1400.413.30700	6,963.00
INTEGRA TELECOM	120365026	04/29/2015	002129	606.00.1400.413.50020	75.00
MN GIS/LIS CONSORTIUM	200000714	04/22/2015	O'DONNELL - SPRING WORKSH	606.00.1400.413.50080	192.00
MN GIS/LIS CONSORTIUM	200000715	04/22/2015	BONTRAGER - SPRING WORKSH	606.00.1400.413.50080	192.00
NDC4	42015-A	04/29/2015	WEB STREAMING EXPENSES 20	606.00.1400.413.30700	7,062.00
TDS METROCOM	4/13/15 651 451 1944	04/29/2015	651 451 1944	606.00.1400.413.50020	247.23
WORKS COMPUTING, INC.	23472	04/22/2015	INVER	606.00.1400.413.30700	330.00
WORKS COMPUTING, INC.	23507	04/22/2015	INVER	606.00.1400.413.30700	4,102.94
WORKS COMPUTING, INC.	23533	04/22/2015	INVER	606.00.1400.413.30700	807.50

**Fund: 606 - TECHNOLOGY FUND**

**21,970.03**

BARR ENGINEERING COMPANY	23190328.14-32	04/22/2015	02/21/15 - 03/20/15	702.229.2302801	95.00
BARR ENGINEERING COMPANY	23190328.14-32	04/22/2015	02/21/15 - 03/20/15	702.229.2302801	2,360.85
DAKOTA CTY ATTORNEY	13-3259	04/29/2015	VEHICLE FORFEITURE	702.229.2291000	72.25
EMMONS & OLIVIER RESOURCES	00095-0046-3	04/29/2015	00095-0046	702.229.2282002	392.85
EMMONS & OLIVIER RESOURCES	00095-0046-3	04/29/2015	00095-0046	702.229.2298301	896.85
NEWMAN SIGNS INC	TI-0283162	04/22/2015	INV002	702.229.2282002	853.32
NEWMAN SIGNS INC	TI-0283162	04/22/2015	INV002	702.229.2282902	474.07
STATE TREASURER'S OFFICE	13-3259	04/29/2015	VEHICLE FORFEITURE	702.229.2291000	36.13

**Fund: 702 - ESCROW FUND**

**5,181.32**

**Grand Total**

**691,327.67**

**CITY OF INVER GROVE HEIGHTS**

**REQUEST FOR COUNCIL ACTION**

**Consider Approval of Hiring Engineer and Architect for Potential Golf Course Capital Improvements Projects**

Meeting Date: May 11, 2015  
 Item Type: Consent Agenda  
 Contact: Eric Carlson – 651.450.2587  
 Prepared by: Eric Carlson  
 Reviewed by: Matt Moynihan  
 Joel Metz

<b>Fiscal/FTE Impact:</b>	
<input type="checkbox"/>	None
<input checked="" type="checkbox"/>	Amount included in current budget
<input type="checkbox"/>	Budget amendment requested
<input type="checkbox"/>	FTE included in current complement
<input type="checkbox"/>	New FTE requested – N/A
<input type="checkbox"/>	Other

**PURPOSE/ACTION REQUESTED**

Approve hiring Herfort Norby Golf Course Architects LLC (Norby Golf). In an amount of \$16,500 to provide a Preliminary Renovation Plan for the driving range and bunkers renovations on the 9-hole Executive and 18-hole Championship Course(s).

Approve hiring Erik Christensen Design Group LTD (EC Design) in an amount of \$6,000 to provide a preliminary irrigation plan for the 235-acre golf course property.

Establish an overall project budget of \$26,000.

**SUMMARY**

Inver Wood Golf Course opened to the public in 1992 making the property and the improvements to the course in excess of 24 years old. Over the history of the course, Inver Wood has provided many opportunities for the community to enjoy the game of golf, take a lesson, participate in a league, raise money for the BEST Foundation, and has provided for over 1,300,000 rounds of golf.

In 2014 the Park Commission and City Council reviewed the management structure and operations of Inver Wood Golf Course. At the conclusion of the process the Commission and Council adopted the following recommendations:

- Continue to operate Inver Wood with existing city staff
- Introduce new ideas to increase revenue at the course
- Generate positive operating revenue of 11% over operating expenses and use excess revenue to fund small capital needs of Inver Wood
- Develop a capital improvement financing plan for large capital projects of the golf course that are needed to keep Inver Wood as a viable golf asset

The Park and Recreation Commission reviewed this item at their Wednesday, April 8<sup>th</sup> meeting and is recommending approval. The City Council discussed this at their Monday, May 4<sup>th</sup> Work Study Session and wanted the item placed on the Council Agenda for consideration.

## **Irrigation**

Inver Wood's irrigation system is past the end of its useful life. The existing irrigation technology at Inver Wood is no longer supported in the industry and much of the underground infrastructure is causing increased maintenance costs due to brittle pipe and defective valves. Inver Wood experiences in excess of 40 - 50 irrigation issues annually.

New technology in irrigation systems will not only bring Inver Wood's system up to date, but will also lower maintenance costs. New "best practices" in golf course irrigation would be utilized to provide for less water to be used which in turn acts as a natural resource conservation measure.

Staff has researched irrigation systems and found that many of the courses that have replaced their systems have used EC Design because of the experience and expertise in designing cost effective and efficient irrigation systems for golf courses in the Twin Cities metro area and across the upper Midwest. EC Design will:

- Review existing documentation
- Compile computer generated data base maps
- New pump station analysis
- Hydraulic piping calculations
- Irrigation product application & analysis
- Develop budgetary cost

EC Design's proposal will give the City a preliminary design and cost estimate so a financing plan can be developed for Council consideration as a part of the 2016 budget process. It is estimated that the irrigation project will be an investment of \$1,500,000 - \$2,000,000.

## **Bunkers**

Inver Wood has 66 bunkers all of which have outlived their 10-15 year useful life. Issues with the current bunkers include:

- Bunker creep (bunkers have grown in size)
- Location (some bunkers not needed while some slow down play)
- Sand contamination (dirt and rocks entering the bunker)
- Drainage (during heavy rain events, bunkers get washed out and have to be repaired)
- Increased maintenance costs (based on the above issues)

Norby Golf will review all the bunkers and develop a plan to:

- Remove bunkers that are not needed reducing overall maintenance costs and speeding up play
- Resizing bunkers to reduce maintenance costs and provide for an improved player's experience
- Incorporate irrigation improvements along with EC Design while improving drainage issues

Norby Golf's proposal will give the City a preliminary design and cost estimate so a financing plan can be developed for Council consideration as a part of the 2016 budget process. It is estimated that the bunkers project will be an investment of \$500,000 - \$600,000.

## **Driving Range**

With the technological advancement in golf equipment, many golfers using the Inver Wood driving range are capable of driving a golf ball outside of the current boundary nets. The main issues at the driving range include:

- The existing grass tee is large enough to support practice, however, the increase in golf technology has reduced the useable size of the grass tee area due to safety reasons
- With golfers using a smaller grass tee area, golf course maintenance staff cannot keep the turf in acceptable condition for golfers to practice from
- Golf course management is forced to use the artificial mat line for practice which is not what customers want, which has decreased the revenue generated at the driving range

Norby Golf will review the driving range and develop a plan to:

- Review options to increase the natural grass tee area
- Analyze safety netting that surrounds the driving range

An improved driving range will increase customer satisfaction and provide for safer conditions for golfers, motorists, pedestrians, and adjacent property owners. Inver Wood's driving range generates approximately \$100,000 annually. With an improved/enlarged driving range natural grass tee area, the revenue generated by the range should increase by an estimated \$25,000 - \$50,000 annually helping to generate additional revenue to pay for operations and capital investments at Inver Wood.

Norby Golf's proposal will give the City a preliminary design and cost estimate so a financing plan can be developed for Council consideration as a part of the 2016 budget process. It is estimated that the driving range project will be an investment of \$200,000 - \$300,000.

**Erik Christensen Design LTD**

	<b>Year</b>	<b>Course</b>	<b>Public Private</b>	<b># Holes</b>	<b>Project Cost</b>	<b>Project Description</b>
1	2014	Braemar	Public	9	\$325,000	Irrigation renovation
2	2013	Keller	Public	18	\$1,300,000	New irrigation system
3	2013	Cleary Lake	Public	9	\$650,000	Irrigation renovation/pumps station/well
4	2008	Green Haven	Public	18	\$935,000	Irrigation renovation/well/pump
5	2014	Olympic Hills	Private	8	\$1,800,000	New irrigation system
6	2014	Minneapolis Golf Club	Private	18	\$1,600,000	Irrigation renovation/pump/controller
7	2014	Tartan Park	Private	27	\$2,000,000	Irrigation renovation/pump
8	2012	Interlachen	Private	18	\$1,375,000	Irrigation renovation/pump/controller

**Herfort Norby Golf Course Architects, LLC**

	<b>Year</b>	<b>Course</b>	<b>Public Private</b>	<b># Holes</b>	<b>Project Cost</b>	<b>Project Description</b>
1	2014	Bakker Crossing	Public	13	\$300,000	Bunker renovation and drainage
2	2014	Bemidji Town & Country	Public	18	\$330,000	Bemidji, MN-Renovate bunkers & green irrigation
3	2014	Elmwood Golf Course	Public	9	\$1.7million	City of Sioux Falls - Complete renovation
4	2014	Coal Creek Golf Course	Public	18	\$5.0million	City of Louisville, CO – complete renovation
5	2012	Pebble Creek Golf Course	Public	7	\$80,000	City of Becker, MN – bunker renovation
6	2013	Bunker Hills Golf Course	Public	Practice	\$200,000	City of Coon Rapids, MN– Driving range plus 4 holes
7	2014	Moccasin Creek CC	Private	14	\$200,000	Aberdeen, SD – tee renovation
8	2013	Brookings Country Club	Private	18	\$200,000	Brookings, SD – bunker & tee renovation

**CITY OF INVER GROVE HEIGHTS**

**REQUEST FOR COUNCIL ACTION**

**CLASSIC CONSTRUCTION - Case No. 15-09SCV**

Meeting Date: May 11, 2015  
 Item Type: Consent Agenda  
 Contact: Allan Hunting 651.450.2554  
 Prepared by: Allan Hunting, City Planner  
 Reviewed by: Planning

**Fiscal/FTE Impact:**

- None
- Amount included in current budget
- Budget amendment requested
- FTE included in current complement
- Other

**PURPOSE/ACTION REQUESTED**

Consider a **Resolution** approving re-descriptions of stormwater easements and drainage easements and approving development documents related to the plat of Lighthouse Holdings Addition.

- Requires 3/5th's vote

**SUMMARY**

The City Council approved the Final Plat and Conditional Use Permit on April 27, 2015. The related development agreements were still being reviewed by the applicant and the City and were not ready when the project was reviewed by Council.

At that meeting, the applicant requested some adjustments to the park dedication fee requirements. The City and the developer have come to an agreement regarding fee adjustments to address the park dedication issue. The City Attorney has prepared a separate memo (attached) which describes the fee adjustments.

A number of stormwater and drainage easements required new descriptions for the lots within the plat. The City Attorney has worked with the applicant's attorney to address these new descriptions. The City Attorney has prepared a separate memo (attached) describing this process.

**RECOMMENDATION:** Staff recommends approval of the attached documents as presented.

**Attachments:**

1. Memo to Mayor and Councilmembers re Documents Associated with Plat of Lighthouse Holdings Addition;
2. Resolution Approving Documents Relating to Plat of Lighthouse Holdings Addition;
3. Memo to Mayor and Councilmembers re Financial Adjustments by City relating to Plat of Lighthouse Holdings Addition;
4. Mutual Termination of Easement Agreement;
5. First Amendment to Permanent Drainage and Utility Easement;
6. First Amendment to Flowage Easement;
7. Amended and Restated Storm Water Facilities Maintenance Agreement;
8. Improvement Agreement for Plat of Lighthouse Holdings Addition;
9. Retaining Wall Maintenance Agreement for Plat of Lighthouse Holdings Addition; and
10. Flowage Easement for Plat of Lighthouse Holdings Addition.

---

---

**LEVANDER,  
GILLEN &  
MILLER, P.A.**

---

ATTORNEYS AT LAW

TIMOTHY J. KUNTZ  
DANIEL J. BEESON  
\*KENNETH J. ROHLF  
◊STEPHEN H. FOCHLER  
◊JAY P. KARLOVICH  
ANGELA M. LUTZ AMANN  
\*KORINE L. LAND  
◻\*DONALD L. HOEFT  
DARCY M. ERICKSON  
DAVID S. KENDALL  
BRIDGET McCAULEY NASON  
TONA T. DOVE  
BRADLEY R. HUTTER  
•  
HAROLD LEVANDER  
1910-1992  
•  
ARTHUR GILLEN  
1919-2005  
•  
• ROGER C. MILLER  
1924-2009

## MEMO

\*ALSO ADMITTED IN WISCONSIN  
◊ALSO ADMITTED IN NORTH DAKOTA  
◊ALSO ADMITTED IN MASSACHUSETTS  
◻ALSO ADMITTED IN OKLAHOMA

---

---

**TO: Inver Grove Heights Mayor and Councilmembers**  
**FROM: Timothy J. Kuntz, City Attorney**  
**DATE: May 6, 2015**  
**RE: Lighthouse Holdings, LLC – Re-description of Stormwater Easements and  
Drainage Easements associated with the Plat of Lighthouse Holdings  
Addition; May 11, 2015 Council Meeting**

---

---

**Section 1. Background.** On or about March 26, 2015, Lighthouse Holdings, LLC bought Outlot A, Gainey 2<sup>nd</sup> Addition from Watrud Properties, LLC. The property is going to be owned by Lighthouse Holdings, LLC and operated by North American Trailer. North American Trailer will relocate its existing business on Concord Boulevard to the new site to be platted as Lighthouse Holdings Addition.

At the April 27, 2015 Council meeting, the Council approved the preliminary and final plat for the plat of Lighthouse Holdings Addition.

Preparatory to closing, the new owner, Lighthouse Holdings, LLC, has asked that the existing storm water easements and drainage easements which encumber the property be re-described to conform to the new descriptions for the buildable lot and outlots on the plat of Lighthouse Holdings Addition. The property is encumbered by a number of easements that benefit private adjoining landowners as well as the City. Maintenance of the stormwater ponds rests with the adjoining landowners pursuant to a recorded Stormwater Maintenance Agreement that allocates financial responsibility for maintenance among the private landowners. The City is not financially responsible for storm water maintenance.

**Section 2. Purpose of Re-Described Documents.** Lighthouse Holdings, LLC has prepared the following agreements which re-describe the existing storm water easements and drainage easements:

1. Mutual Termination of Easement Agreement;
2. First Amendment to Permanent Drainage and Utility Easement;
3. First Amendment to Flowage Easement; and
4. Amended and Restated Storm Water Facilities Maintenance Agreement.

The above-listed documents do not impose on the City any additional obligations and the documents do not eliminate any rights that the City currently has under the existing recorded agreements.

The Engineering Department has reviewed and approved the legal descriptions contained within the above-listed documents.

The City has also prepared three additional documents to deal with the new lot. Those documents are:

1. Improvement Agreement for Plat of Lighthouse Holdings Addition;
2. Retaining Wall Maintenance Agreement for Lot 1, Block 1, Lighthouse Holdings Addition; and
3. Flowage Easement on Lot 1, Block 1, Lighthouse Holdings Addition.

**Section 3. Council Action.** The Council is asked to approve the following documents by the attached resolution:

1. Mutual Termination of Easement Agreement;
2. First Amendment to Permanent Drainage and Utility Easement;
3. First Amendment to Flowage Easement;
4. Amended and Restated Storm Water Facilities Maintenance Agreement;
5. Improvement Agreement for Plat of Lighthouse Holdings Addition;
6. Retaining Wall Maintenance Agreement for Lot 1, Block 1, Lighthouse Holdings Addition; and
7. Flowage Easement on Lot 1, Block 1, Lighthouse Holdings Addition.

This matter will be considered by the Council at the May 11, 2015 Council meeting.

Attachments

RESOLUTION NO. \_\_\_\_\_

**CITY OF INVER GROVE HEIGHTS  
DAKOTA COUNTY, MINNESOTA**

**RESOLUTION APPROVING RE-DESCRIPTIONS OF STORMWATER EASEMENTS  
AND DRAINAGE EASEMENTS AND APPROVING DEVELOPMENT DOCUMENTS  
RELATED TO PLAT OF LIGHTHOUSE HOLDINGS ADDITION**

**WHEREAS**, on or about March 26, 2015, Lighthouse Holdings, LLC bought Outlot A, Gainey 2<sup>nd</sup> Addition from Watrud Properties, LLC (the Property).

**WHEREAS**, the Property is going to be owned by Lighthouse Holdings, LLC and operated by North American Trailer.

**WHEREAS**, preparatory to closing, the new owner, Lighthouse Holdings, LLC, has asked that the storm water easements and drainage easements which encumber the Property be re-described to conform to the new descriptions for the buildable lot and outlots on the plat of Lighthouse Holdings Addition.

**WHEREAS**, the Property is encumbered by a number of easements that benefit private adjoining landowners as well as the City. Maintenance of the stormwater ponds rests with the adjoining landowners pursuant to a recorded Stormwater Maintenance Agreement that allocates financial responsibility for maintenance among the private landowners. The City is not financially responsible for maintenance.

**WHEREAS**, Lighthouse Holdings, LLC has requested that the City execute the following documents which re-describe the existing storm water easements and drainage easements:

- a. Mutual Termination of Easement Agreement;
- b. First Amendment to Permanent Drainage and Utility Easement;
- c. First Amendment to Flowage Easement; and
- d. Amended and Restated Storm Water Facilities Maintenance Agreement.

**WHEREAS**, the above-listed documents re-describe the easements. The documents do not impose on the City any additional obligations and the documents do not eliminate any rights that the City currently has.

**WHEREAS**, the City has also prepared the following three additional documents to address the development on Lot 1, Block 1, Lighthouse Holdings Addition:

1. Improvement Agreement for Plat of Lighthouse Holdings Addition;
2. Retaining Wall Maintenance Agreement for Lot 1, Block 1, Lighthouse Holdings Addition; and
3. Flowage Easement on Lot 1, Block 1, Lighthouse Holdings Addition.

**NOW THEREFORE, BE IT RESOLVED**, by the City Council of the City of Inver Grove Heights, Minnesota, as follows:

- 1.) The City hereby approves the following documents:
  - a. Mutual Termination of Easement Agreement;
  - b. First Amendment to Permanent Drainage and Utility Easement;
  - c. First Amendment to Flowage Easement;
  - d. Amended and Restated Storm Water Facilities Maintenance Agreement;
  - e. Improvement Agreement for Plat of Lighthouse Holdings Addition;
  - f. Retaining Wall Maintenance Agreement for Lot 1, Block 1, Lighthouse Holdings Addition; and
  - g. Flowage Easement on Lot 1, Block 1, Lighthouse Holdings Addition.
- 2.) The Mayor and City Administrator / Clerk are authorized to execute the above-listed documents on behalf of the City.

Adopted by the City Council of the City of Inver Grove Heights this 11<sup>th</sup> day of May, 2015.

---

George Tourville, Mayor

ATTEST:

---

Joe Lynch, City Administrator / Clerk

---

**LEVANDER,  
GILLEN &  
MILLER, P.A.**

---

ATTORNEYS AT LAW

TIMOTHY J. KUNTZ  
DANIEL J. BEESON  
\*KENNETH J. ROHLF  
◊STEPHEN H. FOCHLER  
◊JAY P. KARLOVICH  
ANGELA M. LUTZ AMANN  
\*KORINE L. LAND  
◻\*DONALD L. HOEFT  
DARCY M. ERICKSON  
DAVID S. KENDALL  
BRIDGET McCAULEY NASON  
TONA T. DOVE  
BRADLEY R. HUTTER  
•  
HAROLD LEVANDER  
1910-1992  
•  
ARTHUR GILLEN  
1919-2005  
•  
• ROGER C. MILLER  
1924-2009

## MEMO

\*ALSO ADMITTED IN WISCONSIN  
◊ALSO ADMITTED IN NORTH DAKOTA  
◊ALSO ADMITTED IN MASSACHUSETTS  
◻ALSO ADMITTED IN OKLAHOMA

---

**TO: Inver Grove Heights Mayor and Councilmembers**  
**FROM: Timothy J. Kuntz, City Attorney**  
**DATE: May 6, 2015**  
**RE: Financial Adjustments related to Plat of Lighthouse Holdings Addition; May 11, 2015 Council Meeting**

---

**Section 1. Background.** The development agreements relating to the Plat of Lighthouse Holdings Addition are on the Council agenda for May 11, 2015.

At the April 27, 2015 Council meeting the developer asked for adjustments relating to the park contribution fee. The developer was told that adjustments and computation of the fee would require an ordinance amendment and were not available at this time unless such ordinance amendment passed. The Council directed that staff explore with the developer alternate means to address some of the governmental impositions.

That exercise has led to the following:

1. The park contribution fees of \$143,750 have not changed.
2. The Improvement Agreement limits engineering inspection fees to \$7,000 instead of \$17,000. This is a reduction of \$10,000.
3. The tree replacement obligation is limited to 72 trees instead of 110 trees resulting in a value savings of \$11,000.
4. The planning review escrow was reduced by \$5,000.
5. The total adjustments amount to \$26,000.

This information was shared with the developer. The developer has indicated a willingness to proceed on this basis.

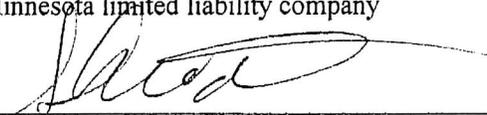
DRAFTED BY AND  
UPON RECORDING RETURN TO:  
GRAY, PLANT, MOOTY, MOOTY  
& BENNETT, P.A. (WTA)  
500 IDS CENTER  
80 SOUTH EIGHTH STREET  
MINNEAPOLIS, MN 55402

**MUTUAL TERMINATION OF EASEMENT AGREEMENT**

**Date: \_\_\_\_\_, 2015**

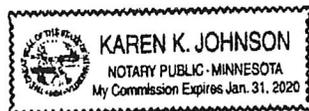
FOR VALUABLE CONSIDERATION, the undersigned, constituting the original parties, or the successors in interest to the original parties, to the documents hereby terminated, do hereby mutually terminate that certain Easement Agreement dated January 14, 2002, filed for record on January 22, 2002, in the office of the Dakota County Recorder as Document No. 1853035, as amended by that certain Amended Easement Agreement dated March 15, 2005, and filed for record on April 4, 2005, in the office of the Dakota County Recorder as Document No. 2309659, and as further amended by that certain Agreement Relating to Construction of Storm Water Facilities dated March 15, 2005, and filed for record on April 4, 2005, in the office of the Dakota County Recorder as Document No. 2309658.

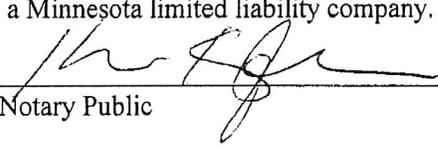
**SRW PPOPERTIES, LLC**  
a Minnesota limited liability company

By:   
Steven Watrud, Chief Manager

STATE OF MINNESOTA     )  
  ) ss  
COUNTY OF Dakota )

The foregoing instrument was acknowledged before me this 26 day of March, 2015, by Steven Watrud, Chief Manager of SRW Properties, LLC, a Minnesota limited liability company.



  
Notary Public

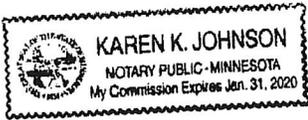
**LIGHTHOUSE HOLDINGS, LLC**  
a Minnesota limited liability company

By: DEAN A DALLY  
Dean A. Dally, Chief Manager

STATE OF MINNESOTA     )  
  ) ss  
COUNTY OF DAKOTA     )

The foregoing instrument was acknowledged before me this 24 day of March, 2015, by Dean A. Dally, the Chief Manager of Lighthouse Holdings, LLC, a Minnesota limited liability company, on behalf of the limited liability company.

[Signature]  
Notary Public



**CONSENT TO TERMINATION**

**CITY OF INVER GROVE HEIGHTS**  
a Minnesota municipal corporation

By: \_\_\_\_\_  
George Tourville, Mayor

By: \_\_\_\_\_  
Melissa Kennedy, Deputy City Clerk

STATE OF MINNESOTA     )  
  ) ss  
COUNTY OF DAKOTA     )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2015, by George Tourville, the Mayor, and Melissa Kennedy, the Deputy City Clerk of the City of Inver Grove Heights, a Minnesota municipal corporation.

\_\_\_\_\_  
Notary Public

GP:3912055 v1

**CONSENT TO TERMINATION**

**CITY OF INVER GROVE HEIGHTS**  
a Minnesota municipal corporation

By: \_\_\_\_\_  
George Tourville, Mayor

By: \_\_\_\_\_  
Melissa Kennedy, Deputy City Clerk

STATE OF MINNESOTA     )  
                                  ) ss  
COUNTY OF DAKOTA     )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2015, by George Tourville, the Mayor, and Melissa Kennedy, the Deputy City Clerk of the City of Inver Grove Heights, a Minnesota municipal corporation.

\_\_\_\_\_  
Notary Public

GP:3912055 v1

**FIRST AMENDMENT**  
**TO PERMANENT DRAINAGE AND UTILITY EASEMENT**

THIS FIRST AMENDMENT TO PERMANENT DRAINAGE AND UTILITY EASEMENT (the "First Amendment") is made this \_\_\_\_ day of \_\_\_\_\_, 2015, by and between the City of Inver Grove Heights, a Minnesota municipal corporation ("City") and Lighthouse Holdings, LLC, a Minnesota limited liability company ("Landowner").

**RECITALS:**

A. Pursuant to that certain Permanent Drainage and Utility Easement by and between City and Watrud Properties, LLC, dated July 28, 2014, and recorded in the Dakota County Recorder's Office on October 23, 2014 as Document No. 3035430, an easement was granted to the City for utility and drainage purposes (the "Permanent Easement");

B. Landowner, as successor in interest to Watrud Properties, LLC owns the real property situate within Dakota County, Minnesota as described on the attached Exhibit A (hereinafter "Landowner's Property");

C. Landowner and City would like to amend the description of the Permanent Easement Area (as defined in the Permanent Easement) as hereafter provided.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Incorporation. Except as expressly provided in this Amendment, all provisions of the Permanent Easement remain in full force and effect and are hereby ratified and confirmed and shall remain unchanged.

2. Legal Description of Permanent Easement Area. Exhibit B of the Permanent Easement shall be deleted in its entirety and replaced by the Exhibit B attached hereto.

3. Permitted Grading and Paving. City acknowledges that Landowner intends to grade and pave over the Permanent Easement Area, and City hereby approves such activities provided that Landowner shall be responsible to repair any damage done to any City improvements in the Permanent Easement Area. If the City has to repair, replace, reconstruct, inspect or maintain the utility pipes in the

Permanent Easement Area and by doing so has to disrupt or remove the pavement placed by the Landowner, then in such case the Landowner, not the City, has the responsibility, at its expense, to restore and replace the pavement.

4. Ratification. Except as amended hereby, the Permanent Easement is hereby ratified and remains in full force and effect.

5. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Minnesota.

6. Counterpart Signatures. This Agreement may be signed in counterpart, and the compilation of all executed pages will constitute a single, fully executed, original.

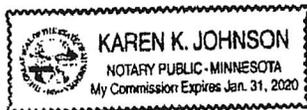
IN WITNESS WHEREOF, the parties have executed this Agreement the day and year first above written.

**LIGHTHOUSE HOLDINGS, LLC**  
a Minnesota limited liability company

By: DEAN A DALLY  
Dean A. Dally, Chief Manager

STATE OF MINNESOTA     )  
  ) ss  
COUNTY OF DAKOTA     )

The foregoing instrument was acknowledged before me this 26 day of March, 2015, by Dean A. Dally, the Chief Manager of Lighthouse Holdings, LLC, a Minnesota limited liability company, on behalf of the limited liability company.



[Signature]  
Notary Public

**CITY OF INVER GROVE HEIGHTS,**  
a Minnesota municipal corporation

By: \_\_\_\_\_  
George Tourville, Mayor

By: \_\_\_\_\_  
Melissa Kennedy, Deputy City Clerk

STATE OF MINNESOTA     )  
  ) ss  
COUNTY OF DAKOTA     )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2015, by George Tourville, the Mayor, and Melissa Kennedy, the Deputy City Clerk of the City of Inver Grove Heights, a Minnesota municipal corporation.

\_\_\_\_\_  
Notary Public

THIS INSTRUMENT DRAFTED BY:  
Gray, Plant, Mooty, Mooty & Bennett, P.A.  
500 IDS Center  
80 South Eighth Street  
Minneapolis, MN 55402  
WTA/jla

**CITY OF INVER GROVE HEIGHTS,**  
a Minnesota municipal corporation

By: \_\_\_\_\_  
George Tourville, Mayor

By: \_\_\_\_\_  
Melissa Kennedy, Deputy City Clerk

STATE OF MINNESOTA     )  
  ) ss  
COUNTY OF DAKOTA     )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2015, by George Tourville, the Mayor, and Melissa Kennedy, the Deputy City Clerk of the City of Inver Grove Heights, a Minnesota municipal corporation.

\_\_\_\_\_  
Notary Public

THIS INSTRUMENT DRAFTED BY:  
Gray, Plant, Mooty, Mooty & Bennett, P.A.  
500 IDS Center  
80 South Eighth Street  
Minneapolis, MN 55402  
WTA/jla

**EXHIBIT A**

**Legal description**

Lot 1, Block 1, Lighthouse Holdings Addition, Dakota County, Minnesota

**EXHIBIT B**

**Legal Description of Permanent Easement Area**

A 20 foot permanent nonexclusive easement for drainage and utility purposes over, under, through and upon Lot 1, Block 1, LIGHTHOUSE HOLDINGS ADDITION, according to the recorded plat thereof, Dakota County, Minnesota, the centerline of said easement is described as follows:

Commencing at the northeast corner of said Lot 1, Block 1; thence on an assumed bearing of South 00 degrees 12 minutes 38 seconds East, along the east line of said Lot 1, Block 1, a distance of 688.71 feet to the point of beginning of the centerline to be described; thence South 89 degrees 47 minutes 22 seconds West a distance of 8.76 feet; thence South 15 degrees 24 minutes 56 seconds West a distance of 141.35 feet to the north line of Outlot A, said LIGHTHOUSE HOLDINGS ADDITION, and there said centerline terminates.

The sidelines of said easement are prolonged or shortened to terminate on the east line of said Lot 1, Block 1, and the north line of said Outlot A.

**FIRST AMENDMENT**  
**TO FLOWAGE EASEMENT**

THIS FIRST AMENDMENT TO FLOWAGE EASEMENT (the "First Amendment") is made this \_\_\_\_ day of \_\_\_\_\_, 2015, by and between the City of Inver Grove Heights, a Minnesota municipal corporation ("City") and Lighthouse Holdings, LLC, a Minnesota limited liability company ("Landowner").

**RECITALS:**

A. Pursuant to that certain Flowage Easement by and between City and Watrud Properties, LLC, dated July 28, 2014, and recorded in the Dakota County Recorder's Office on October 23, 2014 as Document No. 3035429, an easement was granted to the City to drain, flow and store storm water and surface water (the "Flowage Easement");

B. Landowner, as successor in interest to Watrud Properties, LLC owns the real property situate within Dakota County, Minnesota as described on the attached Exhibit A (hereinafter "Landowner's Property");

C. Landowner and City would like to amend the description of the Flowage Easement Area (as defined in the Flowage Easement) as hereafter provided.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Incorporation. Except as expressly provided in this Amendment, all provisions of the Flowage Easement remain in full force and effect and are hereby ratified and confirmed and shall remain unchanged.

2. Legal Description of Flowage Easement Area. Exhibit B of the Flowage Easement shall be deleted in its entirety and replaced by the Exhibit B attached hereto.

3. Ratification. Except as amended hereby, the Flowage Easement is hereby ratified and remains in full force and effect.

4. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Minnesota.

5. Counterpart Signatures. This Agreement may be signed in counterpart, and the compilation of all executed pages will constitute a single, fully executed, original.

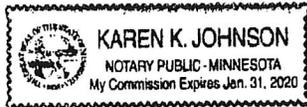
IN WITNESS WHEREOF, the parties have executed this Agreement the day and year first above written.

**LIGHTHOUSE HOLDINGS, LLC**  
a Minnesota limited liability company

By: Dean A. Dally  
Dean A. Dally, Chief Manager

STATE OF MINNESOTA    )  
  ) ss  
COUNTY OF DAKOTA    )

The foregoing instrument was acknowledged before me this 30 day of March, 2015, by Dean A. Dally, the Chief Manager of Lighthouse Holdings, LLC, a Minnesota limited liability company, on behalf of the limited liability company.



Karen K. Johnson  
Notary Public

**CITY OF INVER GROVE HEIGHTS,**  
a Minnesota municipal corporation

By: \_\_\_\_\_  
George Tourville, Mayor

By: \_\_\_\_\_  
Melissa Kennedy, Deputy City Clerk

STATE OF MINNESOTA     )  
  ) ss  
COUNTY OF DAKOTA     )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2015, by George Tourville, the Mayor, and Melissa Kennedy, the Deputy City Clerk of the City of Inver Grove Heights, a Minnesota municipal corporation.

\_\_\_\_\_  
Notary Public

**THIS INSTRUMENT DRAFTED BY:**  
Gray, Plant, Mooty, Mooty & Bennett, P.A.  
500 IDS Center  
80 South Eighth Street  
Minneapolis, MN 55402  
WTA/jla

**CITY OF INVER GROVE HEIGHTS,**  
a Minnesota municipal corporation

By: \_\_\_\_\_  
George Tourville, Mayor

By: \_\_\_\_\_  
Melissa Kennedy, Deputy City Clerk

STATE OF MINNESOTA     )  
                                  ) ss  
COUNTY OF DAKOTA     )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2015, by George Tourville, the Mayor, and Melissa Kennedy, the Deputy City Clerk of the City of Inver Grove Heights, a Minnesota municipal corporation.

\_\_\_\_\_  
Notary Public

**THIS INSTRUMENT DRAFTED BY:**  
Gray, Plant, Mooty, Mooty & Bennett, P.A.  
500 IDS Center  
80 South Eighth Street  
Minneapolis, MN 55402  
WTA/jla

**EXHIBIT A**

---

**Legal description**

Lot 1, Block 1, and Outlots A, B, C, D, and E, Lighthouse Holdings Addition, Dakota County,  
Minnesota

**EXHIBIT B**

---

**Legal Description of Flowage Easement Area**

Outlots A, B, C, D, and E, Lighthouse Holdings Addition, Dakota County, Minnesota

**Amended and Restated  
Storm Water Facilities Maintenance Agreement  
(Gainey Addition, Gainey Second Addition, and Lighthouse Holdings Addition)**

THIS AMENDED AND RESTATED STORM WATER FACILITIES MAINTENANCE AGREEMENT (“Agreement”) is made, entered into and effective the \_\_\_ day of \_\_\_\_\_, 2015, by and among the City of Inver Grove Heights, a Minnesota municipal corporation (hereafter referred to as “City”), Gainey Realty and Investment Corporation, a Michigan corporation (hereafter referred to as “Gainey”), SRW Properties, LLC, a Minnesota limited liability company (hereinafter referred to as “SRW”), Rodger O. Espeseth and Sherryl Espeseth, husband and wife (hereinafter referred to collectively as “Espeseth”), Watrud Properties, LLC, a Minnesota limited liability company (hereinafter referred to as “Watrud”), and Lighthouse Holdings, LLC, a Minnesota limited liability company (hereinafter referred to as “Lighthouse Holdings”).

This Agreement hereby replaces, in its entirety, that certain Storm Water Facilities Agreement - Relating to the Gainey Addition and Gainey Second Addition, dated March 17, 2005, and recorded April 4, 2005, as Document No. 2309655, in the Office of the County Recorder of Dakota County, Minnesota, and filed April 4, 2005, as Document No. 562327, in the Office of the County Registrar of Titles of Dakota County, Minnesota, as amended by that certain Modification Agreement dated March 28, 2006, and recorded April 26, 2006, as Document No. 2423670, in the Office of the County Recorder of Dakota County, Minnesota (hereafter referred to as the “Original SWFMA”).

Subject to the terms and conditions hereafter stated and based on the representations, warranties, covenants, agreements and recitals of the parties herein contained, the parties do hereby agree as follows:

ARTICLE 1  
DEFINITIONS

1.1 Terms: The following terms, unless elsewhere specifically defined herein, shall have the following meanings as set forth below.

1.3 Gainey. "Gainey" means Gainey Realty and Investment Corporation, a Michigan corporation, and its successors and assigns.

1.4 Gainey Property. "Gainey Property" means Lot 1, Block 1, Gainey Addition, except the northerly 7.31 acres thereof.

1.5 SRW. "SRW" means SRW Properties, LLC, a Minnesota limited liability company, and its successors and assigns (formerly known as Steenberg-Watrud Construction Company, Inc.).

1.6 SRW Property. "SRW Property" means Lot 1, Block 1, Gainey Second Addition.

1.7 Watrud. "Watrud" means Watrud Properties, LLC, a Minnesota limited liability company, and its successors and assigns.

1.8 Watrud Property. "Watrud Property" means the northerly 7.31 acres of Lot 1, Block 1, Gainey Addition.

1.9 Lighthouse Holdings. "Lighthouse Holdings" means Lighthouse Holdings, LLC, a Minnesota limited liability company, and its successors and assigns.

1.10 Lighthouse Holdings Property. "Lighthouse Holdings Property" means Lot 1, Block 1, and Outlots A, B, C, D, and E, Lighthouse Holdings Addition (formerly Outlot A, Gainey Second Addition).

1.11 Lighthouse Project Property. "Lighthouse Project Property" means Lot 1, Block 1, Lighthouse Holdings Addition.

1.12 Lighthouse Holdings Outlots. "Lighthouse Holdings Outlots" means Outlots A, B, C, D, and E, Lighthouse Holdings Addition, as they exist today and any replatting of such outlots in the future.

1.13 Espeseth. "Espeseth" means collectively, Rodger O. Espeseth and Sheryl Espeseth, husband and wife, and their heirs, successors and assigns.

1.14 Espeseth Property. "Espeseth Property" means Lot 1, Block 1, Espeseth Addition (formerly Outlot C, Gainey Addition).

1.15 Storm Water Facilities. "Storm Water Facilities" means each and all of the following, individually and collectively:

a.) Any existing or future storm water pipes, conduits, ditches, catch basins, ponds and storm water collection apparatuses lying within the Gainey Property, the SRW Property, the Watrud Property, and the Lighthouse Holdings Outlots, or in any future lots or outlots in any future replats of any of the forgoing lots or outlots, each such lots and outlots being referred to herein as a "Lot," and collectively as the "Lots."

1.16 Responsible Owner. "Responsible Owner" means, jointly and severally, each and

all of the following:

a.) The fee title owners, from time to time, of the Gainey Property, the SRW Property, the Watrud Property, and the Lighthouse Holdings Project Property; provided that neither this language nor any other language contained in this agreement shall require a Responsible Owner to be responsible for any more of the maintenance and tax expenses of the Storm Water Facilities located on the Lighthouse Holdings Outlots than the percentages shown in section 4.2.

1.17 Subject Land. "Subject Land" means the Lots as defined in paragraph 1.15.

ARTICLE 2  
RECITALS

Recital No. 1. Gainey is the owner of the Gainey Property which, pursuant to existing easements, drains storm water onto the Lighthouse Holdings Outlots, and is responsible to share in the costs of construction, maintenance, and taxes for the storm water facilities for such storm water as hereinafter provided.

Recital No. 2. SRW is the owner of the SRW Property which, pursuant to existing easements, drains storm water onto the Lighthouse Holdings Outlots, and is responsible to share in the costs of construction, maintenance, and taxes for the storm water facilities for such storm water as hereinafter provided.

Recital No. 3. Watrud is the owner of the Watrud Property, which, pursuant to existing easements, drains storm water onto the Lighthouse Holdings Outlots, and is responsible to share in the costs of construction, maintenance, and taxes for the storm water facilities for such storm water as hereinafter provided.

Recital No. 4. Lighthouse Holdings is the owner of the Lighthouse Project Property, which drains storm water onto the Lighthouse Holdings Outlots, and is responsible to share in the costs of construction, maintenance, and taxes for the storm water facilities for such storm water as hereinafter provided

Recital No. 5. Lighthouse Holdings is the owner of the Lighthouse Holdings Outlots, onto which the storm water described in Recitals No. 1, 2, 3, and 4, above, drains.

Recital No. 6. The City requires this Agreement as a condition to the development of the Lighthouse Holdings Project Property.

Recital No. 7. Espeseth is the owner of the Espeseth Property, which, as the result of the development of the Espeseth Property, no longer utilizes the Storm Water Facilities.

ARTICLE 3  
REPLACEMENT OF PRIOR AGREEMENTS

It is hereby agreed that anything to the contrary notwithstanding contained in the Original SWFMA, the obligations of the parties hereto relative to the maintenance of storm

water facilities located on the Lighthouse Holdings Outlots shall be governed and controlled by this Agreement.

ARTICLE 4  
ESPESETH PROPERTY STORM WATER DRAINAGE

4.1 Espeseth shall be solely responsible for the construction, maintenance, and taxes relating to any and all storm water facilities serving the Espeseth Property, and, as a result, is hereby released from any obligations imposed on Espeseth by the Original SWFMA.

4.2 Espeseth shall have no responsibility for the construction, maintenance, or taxes of any of the Storm Water Facilities, and is hereby released from any such responsibility.

ARTICLE 5  
RESPONSIBILITY FOR MAINTENANCE

5.1 Construction of Storm Water Facilities.

a.) The Storm Water Facilities located on the SRW Property and the Lighthouse Holdings Outlots and serving the SRW Property have been constructed and installed at the sole expense of SRW's predecessor in interest.

b.) The Storm Water Facilities located on and serving the Gainey Property have been constructed and installed at the sole expense of Gainey.

c.) The Storm Water Facilities located on and serving the Watrud Property have been constructed and installed at the sole expense of Watrud.

d.) The Storm Water Facilities located on the Lighthouse Holdings Outlots and serving the Gainey Property and the Watrud Property have been constructed and installed at the sole expense of Gainey.

e.) Any additional Storm Water Facilities needed for the development of the Lighthouse Holdings Project Property shall be constructed and installed at the sole expense of Lighthouse Holdings.

5.2 Maintenance/Taxes of Storm Water Facilities. The Responsible Owners are obligated at their expense to perpetually maintain the Storm Water Facilities as follows:

a.) Each of the Responsible Owners shall at their sole expense maintain that portion of the Storm Water Facilities serving their respective properties that is not located on the Lighthouse Holdings Outlots.

b.) Lighthouse Holdings shall at its sole expense maintain that portion of the Storm Water Facilities serving the Lighthouse Holdings Project Property that is not also serving the property of one or more of the other Responsible Owners.

c.) The maintenance of the Storm Water Facilities located on the Lighthouse Holdings Outlots and serving the property of two or more Responsible Owners shall be the responsibility of Lighthouse Holdings; however, the expense of such maintenance shall be allocated among the Responsible Owners as follows:

I)	Watrud	12.6%
II)	SRW	11.1%
III)	Gainey	17.0%
IV)	Lighthouse Holdings	59.3%

d.) In addition to the maintenance expense, Watrud, Gainey and Lighthouse Holdings (but not SRW) shall be responsible for the real estate taxes attributable to the land value of the Lighthouse Holdings Outlots in the following percentages:

I)	Watrud	12.6%
II)	Gainey	28.1%
III)	Lighthouse Holdings	59.3%

5.3 Standard of Maintenance. The standard of maintenance shall comply with the minimum standards contained in Section 430 of the Inver Grove Heights City Code and, in addition, the standard of care shall be reasonable and conform to the same standards that the City's Director of Public Works utilizes for storm water systems that the City maintains, as those standards are from time to time amended.

5.4 Notice of Non Compliance; Cure Period. If the City's Director of Public Works ("DPW") determines, in the DPW's sole discretion, that the Responsible Owners have not complied with the maintenance standards, the DPW shall provide written notice to the Responsible Owners of such failure to comply with the standards of maintenance. This notice shall specify that the Responsible Owners will have thirty (30) days to comply with the maintenance standards, unless thirty (30) days is not practicable for the Responsible Owners to cure the default, in which case the Responsible Owners shall be given a reasonable time, as determined by the DPW, to cure the default provided the Responsible Owners have commenced a suitable cure within the initial thirty (30) days after notice. Notwithstanding the requirement contained in this Section relating to written notice and opportunity of the Responsible Owners to comply with the standard of maintenance, in the event of an emergency as determined by the DPW, the City may perform the work to be performed by the Responsible Owners without giving any notice to the Responsible Owners and without giving the Responsible Owners thirty (30) days to comply with the standards of Maintenance. If the City performs emergency service work, the Responsible Owners shall be obligated to repay the City the costs incurred to perform the emergency service work, and the City shall follow those procedures set forth in Sections 5.5 and 5.6 with respect to the billing, collection and/or tax certification of such costs.

5.5 Payment of Costs Incurred by City. . If the Responsible Owners fail to comply with the maintenance standards within the time periods required by Section 5.4, or in the case of an emergency situation as determined by the DPW, the City may perform those tasks necessary for compliance and the City shall have the right of access to the Subject Land to perform such work. The City shall charge all costs incurred by the City to perform the tasks necessary for compliance

to the Responsible Owners. The amount of costs charged by the City to the Responsible Owners shall be the usual and customary amounts charged by the City given the task, work, or improvement performed by the City to ensure compliance with the maintenance standards. The City shall allocate cost between the Responsible Owners in accordance with the allocation provided for in Section 5.2. The Responsible Owners shall make payment directly to the City within twenty (20) days after invoicing ("Due Date") by the City. Bills not paid by the Due Date shall incur the standard penalty and interest established by the City for utility billings within the City.

5.6 Certification of Costs Payable with Taxes. If payment is not made, the City may certify to Dakota County the amounts due as payable with the real estate taxes for the property owned by the Responsible Owner who has failed to pay in the next calendar year; such certifications may be made under Minnesota Statutes, Chapter 444 in a manner similar to certifications for unpaid utility bills. The charges shall be allocated in accordance with Section 5.2. Responsible Owners waive any and all procedural and substantive objections to the imposition of such usual and customary charges. The Responsible Owners hereby further waive any and all procedural and substantive objections to requirements and any claims that the charges or special assessments exceed the benefit to the property. The Responsible Owners waive any appeal rights otherwise available pursuant to Minnesota Statutes § 429.081. The Responsible Owners acknowledge that the benefit from the performance of maintenance tasks by the City to ensure compliance with the maintenance standards equals or exceeds the amounts of the charges and assessments for the maintenance costs that are being imposed hereunder upon the Subject Property.

5.7 Obligation For Maintenance Notwithstanding Public Easement. The Responsible Owners agree that their obligations relating to maintenance of the Storm Water Facilities exist notwithstanding the fact that a portion of the Storm Water Facilities may be located in areas owned by the City or in public easements. City hereby grants to the Responsible Owners a temporary right and license to enter the public easements and the public road rights-of-way for the purpose of performing the maintenance obligations relating to the Storm Water Facilities for the duration of the performance of the maintenance. The Responsible Owners hereby grant the City a temporary right and license to enter the Storm Water Facilities areas in the Gainey Property, the SRW Property, the Watrud Property, and the Lighthouse Holdings Outlots for the purpose of performing maintenance of the Storm Water Facilities as defined in Section 1.15 for the duration of the maintenance.

## ARTICLE 6 DEFAULTS; REMEDIES

6.1 Failure to Pay Maintenance Costs. Each Responsible Owner shall be liable for payment of its respective share of the costs of maintenance and taxes described in Section 5.2 hereof ("Maintenance Costs") within thirty (30) days of receipt of notice from Lighthouse Holdings (and its successors and assigns, or their authorized representatives) of the amount due and an itemization of the work completed. In the event any Responsible Owner fails to pay its respective share of such costs within such thirty 30-day period, Lighthouse Holdings shall have a lien on the delinquent Responsible Owner's Lot for the amount of that Responsible Owner's unpaid Maintenance Costs and other costs and expenses provided for in this Agreement.

Recording of this Agreement constitutes record notice and perfection of any lien under this Article 6, and no further recordation of any notice of or claim for the lien is required.

A lien for unpaid Maintenance Costs and other costs and expenses provided for in this Agreement may be foreclosed against a delinquent Responsible Owner's Lot (i) by action, or (ii) by advertisement, in a like manner as a mortgage containing a power of sale. Lighthouse Holdings shall have the power to bid in at the foreclosure sale and to acquire, hold, lease, mortgage and convey any Lot so acquired. The Responsible Owner and any other person claiming an interest in any Lot, by the acceptance or assertion of any interest in a Lot, grants to Lighthouse Holdings its successors and assigns, a power of sale and full authority to accomplish the foreclosure. Lighthouse Holdings and its successors and assigns shall also have the right to pursue any other remedy at law or in equity against a Responsible Owner who fails to pay Maintenance Costs applicable to such Responsible Owner's Lot.

6.2 Nonmonetary Defaults. Without limiting the foregoing, if any party (a "Defaulting Party") fails to fulfill its obligations pursuant to this Agreement (other than obligations to pay Maintenance Costs as described in Section 6.1 hereof), then the party adversely affected by such failure (a "Benefitted Party") may, after providing the Defaulting Party with Requisite Notice, as hereinafter defined, resort to legal action to enforce the terms of this Agreement, which shall include any remedy available at law or in equity, and any judgment thereon shall constitute a lien on the title to the Lot owned by the Defaulting Party. Such lien may be foreclosed (i) by action, or (ii) by advertisement, in a like manner as a mortgage containing a power of sale. The Benefitted Party shall have the power to bid in at the foreclosure sale and to acquire, hold, lease, mortgage and convey any lot so acquired. The Defaulting Party grants to the Benefitted Party, its successors and assigns, a power of sale and full authority to accomplish the foreclosure. The Defaulting Party and its successors and assigns shall also have the right to pursue any other remedy at law or in equity against a Defaulting Party who fails to fulfill its obligations pursuant to this Agreement (other than an obligation to pay Maintenance Costs) applicable to such Defaulting Party's Lot.

As used herein "Requisite Notice" shall mean not less than ten (10) days' written notice and opportunity to cure, or such longer period as is reasonably necessary if the default or other failure is not reasonably susceptible to cure within said ten (10) days, provided that action has been commenced to cure the default and is being diligently pursued by the Defaulting Party within the said ten (10) day period.

6.3 Attorneys' Fees and Interest. Any party which prevails in a lawsuit to enforce this agreement shall be entitled to reasonable attorneys' fees to be paid by the Responsible Party or the Defaulting Party, as the case may be, which fees, together with any judgment rendered in connection with such lawsuit and together with interest at the rate of eight percent (8%) per year, or the highest rate permitted by law, whichever is lower, shall constitute a lien on the title to the Lot owned by the Defaulting Party.

ARTICLE 7  
INTERFERENCE

Notwithstanding any other provision of this Agreement to the contrary, Lighthouse Holdings, and its successors and assigns, may, from time to time, as often and for so long as reasonably necessary therefore, interfere with or close on a temporary basis, all or any part of any of the easement areas if such interference is done reasonably in connection with the construction, repair, maintenance or replacement of any of the improvements upon any of the easement areas. Additionally, during any period when any building improvement on Lighthouse Holdings Project Property is undergoing construction, reconstruction, maintenance or repair, the owner of the Lighthouse Holdings Project Property shall be entitled to interfere on a temporary basis with the easements in question so long as reasonable alternative means of storm water drainage is provided. The owner of the Lighthouse Holdings Project Property shall make every reasonable effort to minimize the interference with the rights granted herein so as not to materially affect the rights of other owners. The owner of the Lighthouse Holdings Project Property reserves the right to make such use of the easement areas as will not materially interfere with the rights granted in this Agreement.

ARTICLE 8  
MISCELLANEOUS

8.1 Binding Agreement. The parties mutually recognize and agree that all terms and conditions of this recordable Agreement shall run with the Subject Land, and shall be binding upon the parties and the successors and assigns of the parties.

8.2 Amendment and Waiver. The parties hereto may by mutual written agreement amend this Agreement in any respect. Any party hereto may extend the time for the performance of any of the obligations of another, waive any inaccuracies in representations by another contained in this Agreement or in any other document delivered pursuant hereto which inaccuracies would otherwise constitute a breach of this Agreement, waive compliance by another with any of the covenants contained in this Agreement, waive performance of any obligations by the other or waive the fulfillment of any condition that is precedent to the performance by the party so waiving of any of its obligations under this Agreement. Any agreement on the part of any party for any such amendment, extension or waiver must be in writing. No waiver of any of the provisions of the Agreement shall be deemed, or shall constitute, a waiver of any other provisions, whether or not similar, nor shall any waiver constitute a continuing waiver.

8.3 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Minnesota.

8.4 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original but all of which shall constitute one and the same instrument.

IN WITNESS WEHREOF, the parties have executed this agreement on the day and year first stated above.

**CITY OF INVER GROVE HEIGHTS**

By: \_\_\_\_\_  
George Tourville, Mayor

**ATTEST**

\_\_\_\_\_  
Melissa Kennedy, Deputy Clerk

**RESPONSIBLE OWNERS**

**Gainey Realty and Investment Corporation**

By: \_\_\_\_\_  
Harvey N. Gainey, President

**SRW Properties, LLC**

By: \_\_\_\_\_  
Steven R. Watrud, Chief Manager

**Watrud Properties, LLC**

By: \_\_\_\_\_  
Steven R. Watrud, Chief Manager

IN WITNESS WEHREOF, the parties have executed this agreement on the day and year first stated above.

**CITY OF INVER GROVE HEIGHTS**

By: \_\_\_\_\_  
George Tourville, Mayor

**ATTEST**

\_\_\_\_\_  
Melissa Kennedy, Deputy Clerk

**RESPONSIBLE OWNERS**

**Gainey Realty and Investment Corporation**

By: \_\_\_\_\_  
Harvey N. Gainey, President

**SRW Properties, LLC**

By: \_\_\_\_\_  
Steven R. Watrud, Chief Manager

**Watrud Properties, LLC**

By: \_\_\_\_\_  
Steven R. Watrud, Chief Manager

**Rodger O. and Sherryl Espeseth**

\_\_\_\_\_  
Sherryl Espeseth

\_\_\_\_\_  
Rodger O. Espeseth

**Lighthouse Holdings, LLC**

By: \_\_\_\_\_  
Dean A. Dally, Chief Manager

\_\_\_\_\_  
STATE OF MINNESOTA    )  
  )ss.  
COUNTY OF DAKOTA    )

On this \_\_\_\_ day of \_\_\_\_\_, 2015, before me a Notary Public within and for said County, personally appeared **George Tourville and Melissa Kennedy**, to me personally known, who being duly sworn, each did say that they are respectively the Mayor and Deputy Clerk of the City of Inver Grove Heights, the municipality named in the forgoing instrument, and that the seal affixed to said instrument was signed and sealed in behalf of said municipality by authority of its City Council and said Mayor and Deputy Clerk acknowledged said instrument to be the free act and deed of said municipality.

\_\_\_\_\_  
NOTARY PUBLIC

STATE OF MICHIGAN    )  
  )ss.  
COUNTY OF KENT        )

On this \_\_\_\_ day of \_\_\_\_\_, 2015, before me a Notary Public within and for said County, personally appeared **Harvey N. Gainey**, to me personally known, who being duly sworn, did say that he is the President of Gainey Realty and Investment Company, a Michigan Corporation, the company named in the forgoing instrument, signed in behalf of said Corporation by authority of its board of directors and said Harvey N. Gainey acknowledged said instrument to be the free act and deed of the Corporation.

\_\_\_\_\_  
NOTARY PUBLIC

**Rodger O. and Sherryl Espeseth**

\_\_\_\_\_  
Sherryl Espeseth

\_\_\_\_\_  
Rodger O. Espeseth

**Lighthouse Holdings, LLC**

By: \_\_\_\_\_  
Dean A. Dally, Chief Manager

\_\_\_\_\_  
STATE OF MINNESOTA    )  
  )ss.  
COUNTY OF DAKOTA    )

On this \_\_\_\_ day of \_\_\_\_\_, 2015, before me a Notary Public within and for said County, personally appeared **George Tourville and Melissa Kennedy**, to me personally known, who being duly sworn, each did say that they are respectively the Mayor and Deputy Clerk of the City of Inver Grove Heights, the municipality named in the forgoing instrument, and that the seal affixed to said instrument was signed and sealed in behalf of said municipality by authority of its City Council and said Mayor and Deputy Clerk acknowledged said instrument to be the free act and deed of said municipality.

\_\_\_\_\_  
NOTARY PUBLIC

STATE OF MICHIGAN    )  
  )ss.  
COUNTY OF KENT        )

On this \_\_\_\_ day of \_\_\_\_\_, 2015, before me a Notary Public within and for said County, personally appeared **Harvey N. Gainey**, to me personally known, who being duly sworn, did say that he is the President of Gainey Realty and Investment Company, a Michigan Corporation, the company named in the forgoing instrument, signed in behalf of said Corporation by authority of its board of directors and said Harvey N. Gainey acknowledged said instrument to be the free act and deed of the Corporation.

\_\_\_\_\_  
NOTARY PUBLIC

IN WITNESS WHEREOF, the parties have executed this agreement on the day and year first stated above.

**CITY OF INVER GROVE HEIGHTS**

By: \_\_\_\_\_  
George Tourville, Mayor

**ATTEST**

\_\_\_\_\_  
Melissa Kennedy, Deputy Clerk

**RESPONSIBLE OWNERS**

**Gainey Realty and Investment Corporation**

By: Harvey N. Gainey  
Harvey N. Gainey, President

**SRW Properties, LLC**

By: \_\_\_\_\_  
Steven R. Watrud, Chief Manager

**Watrud Properties, LLC**

By: \_\_\_\_\_  
Steven R. Watrud, Chief Manager





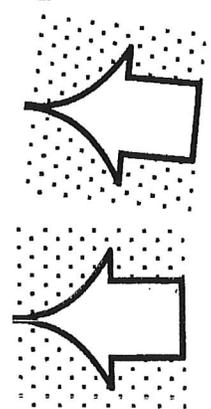
IN WITNESS WEHREOF, the parties have executed this agreement on the day and year first stated above.

**CITY OF INVER GROVE HEIGHTS**

By: \_\_\_\_\_  
George Tourville, Mayor

ATTEST

\_\_\_\_\_  
Melissa Kennedy, Deputy Clerk



**RESPONSIBLE OWNERS**

**Gainey Realty and Investment Corporation**

By: \_\_\_\_\_  
Harvey N. Gainey, President

**SRW Properties, LLC**

By: \_\_\_\_\_  
Steven R. Watrud, Chief Manager

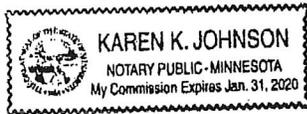
**Watrud Properties, LLC**

By: \_\_\_\_\_  
Steven R. Watrud, Chief Manager



STATE OF MINNESOTA )  
 )ss.  
COUNTY OF DAKOTA )

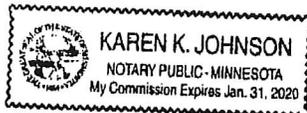
On this 26 day of March, 2015, before me a Notary Public within and for said County, personally appeared **Steven R. Watrud**, to me personally known, who being duly sworn, did say that he is the Chief Manager of SRW Properties, LLC, a Minnesota Limited Liability Company, the company named in the forgoing instrument, signed in behalf of said corporation by authority of its board of governors and said Steven R. Watrud acknowledged said instrument to be the free act and deed of said company.

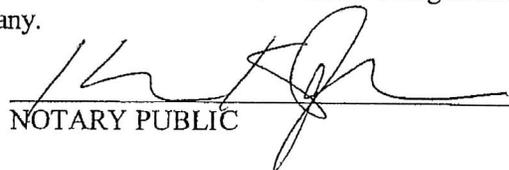


  
NOTARY PUBLIC

STATE OF MINNESOTA )  
 )ss.  
COUNTY OF DAKOTA )

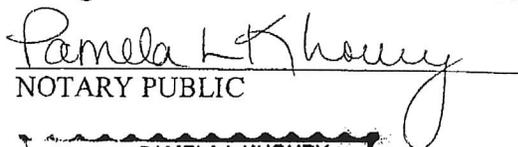
On this 26 day of March, 2015, before me a Notary Public within and for said County, personally appeared **Steven R. Watrud**, to me personally known, who being duly sworn, did say that he is the Chief Manager of Watrud Properties, LLC, a Minnesota Limited Liability Company, the company named in the forgoing instrument, signed in behalf of said corporation by authority of its board of governors and said Steven R. Watrud acknowledged said instrument to be the free act and deed of said company.

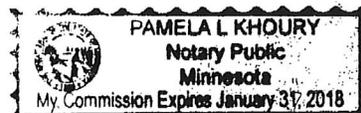


  
NOTARY PUBLIC

STATE OF MINNESOTA )  
 )ss.  
COUNTY OF DAKOTA )

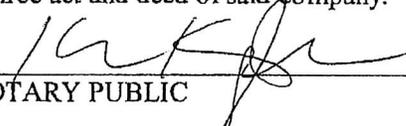
On this 2 day of March, 2015, before me a Notary Public within and for said County, personally appeared **Rodger O. Espeseth and Sherryl Espeseth**, husband and wife, to me personally known, who being duly sworn, acknowledged said instrument to be their free act and deed.

  
NOTARY PUBLIC



STATE OF MINNESOTA )  
 )ss.  
COUNTY OF DAKOTA )

On this 20 day of March, 2015, before me a Notary Public within and for said County, personally appeared **Dean A. Dally**, to me personally known, who being duly sworn, did say that he is the Chief Manager of Lighthouse Holdings, LLC, named in the forgoing instrument, signed in behalf of said Company by authority of its board of governors and said Dean A. Dally acknowledged said instrument to be the free act and deed of said company.

  
NOTARY PUBLIC



**This Instrument Was Drafted By:**  
Vance B. Grannis, Jr. (Atty. Id.36821)  
Grannis & Hauge, P.A.  
1260 Yankee Doodle Road  
Suite 200  
Eagan, MN 55122-2201  
Telephone: (651) 456-9000

GP:3912042 v3

**IMPROVEMENT AGREEMENT  
FOR THE PLAT OF LIGHTHOUSE HOLDINGS  
ADDITION, DAKOTA COUNTY, MINNESOTA**

**CITY OF INVER GROVE HEIGHTS  
IMPROVEMENT AGREEMENT  
FOR THE PLAT OF LIGHTHOUSE HOLDINGS ADDITION,  
DAKOTA COUNTY, MINNESOTA**

**THIS IMPROVEMENT AGREEMENT** (Agreement) is made and entered into on the 11<sup>th</sup> day of May, 2015 by and between the City of Inver Grove Heights, a municipality of the State of Minnesota, (hereinafter called the City ), and Developer identified herein.

**RECITALS:**

**WHEREAS**, the Developer has applied to the City for approval of the Development Plans;

**WHEREAS**, under authority granted to it, including Minnesota Statutes Chapters 412, 429, and 462, the Council has agreed to approve the Development Plans on the following conditions:

1. That the Developer enter into this Improvement Agreement, which contract defines the work which the Developer undertakes to complete; and
2. The Developer shall provide a cash deposit or letter of credit in the amount and with conditions satisfactory to the City, providing for the actual construction and installation of such improvements within the period specified by the City.

**WHEREAS**, the Developer has filed four (4) complete sets of the Development Plans with the City;

**WHEREAS**, the Development Plans have been prepared by a registered professional engineer and have been submitted to and approved by the Director of PWD.

**NOW, THEREFORE**, subject to the terms and conditions of this Improvement Agreement and in reliance upon the representations, warranties and covenants of the parties herein contained, the City and Developer agree as follows:

**ARTICLE 1**  
**DEFINITIONS**

**1.1 Terms.** The following terms, unless elsewhere defined specifically in the Improvement Agreement, shall have the following meanings as set forth below.

**1.2 City.** "City" means the City of Inver Grove Heights, a Minnesota municipal corporation.

**1.3 Owner.** "Owner" means Lighthouse Holdings, LLC, a Minnesota limited liability company, and its successors and assigns.

**1.4 Developer.** "Developer" means Lighthouse Holdings, LLC, a Minnesota limited liability company, and its successors and assigns.

**1.5 Subject Property.** "Subject Property" means the real property located in the City

of Inver Grove Heights, Dakota County, Minnesota, described on Exhibit A.

**1.6 Development Plans.** "Development Plans" means all the plans, drawings, specifications and surveys identified on the attached Exhibit B, and hereby incorporated by reference and made a part of this Improvement Agreement.

**1.7 Improvement Agreement.** "Improvement Agreement" means this instant contract by and between the City and Developer.

**1.8 Council.** "Council" means the Council of the City of Inver Grove Heights.

**1.9 PWD.** "PWD" means the Public Works Department of the City of Inver Grove Heights.

**1.10 Director of PWD.** "Director of PWD" means the Director of the Public Works Department of the City of Inver Grove Heights and his delegates.

**1.11 County.** "County" means Dakota County, Minnesota.

**1.12 Other Regulatory Agencies.** "Other Regulatory Agencies" means and includes, individually and collectively, the following:

- a.) Minnesota Department of Transportation
- b.) Dakota County
- c.) Dakota County Highway Department
- d.) Water Management Organization
- e.) Metropolitan Council
- f.) any other regulatory or governmental agency or entity affected by, or having jurisdiction over the Developer Improvements.

**1.13 Utility Companies.** "Utility Companies" means and includes, jointly and severally, the following:

- a.) utility companies, including electric, gas and cable;
- b.) pipeline companies.

**1.14 Prior Easement Holders.** "Prior Easement Holders" means and includes, jointly and severally, all holders of any easements or other property interests in the Subject Property.

**1.15 Developer Improvements.** "Developer Improvements" means and includes, individually and collectively, all the improvements identified in Article 3 and on the attached Exhibit B.

**1.16 Developer Public Improvements.** "Developer Public Improvements" means and

includes, individually and collectively, all the improvements identified and checked on the attached Exhibit C that are further labeled "public". Developer Public Improvements are improvements to be constructed by the Developer within public right-of-way or public easements and which are to be approved and later accepted by the City. Developer Public Improvements are part of Developer Improvements.

**1.17 Developer Default.** "Developer Default" means and includes, individually and collectively, any of the following or any combination thereof:

- a.) failure by the Developer to timely pay the City any money required to be paid under the Improvement Agreement;
- b.) failure by the Developer to timely construct the Developer Improvements according to the Development Plans and the City standards and specifications;
- c.) failure by the Developer to observe or perform any covenant, condition, obligation or agreement on its part to be observed or performed under this Improvement Agreement;
- d.) breach of the Developer Warranties.

**1.18 Force Majeure.** "Force Majeure" means acts of God, including, but not limited to floods, ice storms, blizzards, tornadoes, landslides, lightning and earthquakes (but not including reasonably anticipated weather conditions for the geographic area), riots, insurrections, war or civil disorder affecting the performance of work, blockades, power or other utility failures, and fires or explosions.

**1.19 Developer Warranties.** "Developer Warranties" means that the Developer hereby warrants and represents the following:

- A. **Authority.** Developer has the right, power, legal capacity and authority to enter into and perform its obligations under this Improvement Agreement, and no approvals or consents of any persons are necessary in connection with the authority of Developer to enter into and perform its obligations under this Improvement Agreement.
- B. **No Default.** Developer is not in default under any lease, contract or agreement to which it is a party or by which it is bound which would affect performance under this Improvement Agreement. Developer is not a party to or bound by any mortgage, lien, lease, agreement, instrument, order, judgment or decree which would prohibit the execution or performance of this Improvement Agreement by Developer or prohibit any of the transactions provided for in this Improvement Agreement.
- C. **Present Compliance With Laws.** Developer has complied with and to the best of its knowledge is not in violation of applicable federal, state or local statutes, laws, and regulations including, without limitation, permits and licenses and any applicable zoning, environmental or other law, ordinance or regulation affecting the Subject Property and the Development Plans and the Developer Improvements; and Developer is not aware of any pending or threatened claim of any such violation.

- D. Continuing Compliance With Laws.** Developer will comply with all applicable federal, state and local statutes, laws and regulations including, without limitation, permits and licenses and any applicable zoning, environmental or other law, ordinance or regulation affecting the Development Plans and the Developer Improvements.
- E. No Litigation.** There is no suit, action, arbitration or legal, administrative or other proceeding or governmental investigation pending, or to the best knowledge of Developer threatened against or affecting Developer or the Subject Property or the Development Plans or the Developer Improvements. Developer is not in default with respect to any order, writ, injunction or decree of any federal, state, local or foreign court, department, agency or instrumentality.
- F. Full Disclosure.** None of the representations and warranties made by Developer or made in any exhibit hereto or memorandum or writing furnished or to be furnished by Developer or on its behalf contains or will contain any untrue statement of material fact or omit any material fact the omission of which would be misleading.
- G. Warranty On Proper Work and Materials.** The Developer warrants all Developer Improvements and erosion control required to be performed by it under this Improvement Agreement against defective material and faulty workmanship for a period of two (2) years after its completion and acceptance by the City. With respect to matters covered by the warranty, the Developer, at its own expense, shall be solely responsible for performing repair work required by the City within thirty (30) days of notification or if not reasonably curable within thirty (30) days, such additional reasonable period of time to effect the cure.

All trees, grass, and sod shall be warranted to be alive, of good quality, and disease free for one year after planting. Any replacements shall be similarly warranted for one year from the time of planting.

The warranty period for street, water main, sanitary sewer, drainage and erosion control improvements shall be for two (2) years after completion and acceptance by the City; the warranty for the street, drainage and erosion control improvements shall also include the obligation of the Developer to repair and correct any damage to or deficiency with respect to such improvements.

- H. Obtaining Permits.** The Developer shall obtain in a timely manner and pay for all required permits, licenses and approvals, and shall meet, in a timely manner, all requirements of all applicable, local, state and federal laws and regulations which must be obtained or met before the Developer Improvements may be lawfully constructed.
- I. Fee Title.** Owner owns fee title to the Subject Property.

**1.20 City Warranties.** "City Warranties" means that the City hereby warrants and represents as follows:

- A. Organization.** City is a municipal corporation duly incorporated and validly

existing in good standing the laws of the State of Minnesota.

- B. **Authority.** City has the right, power, legal capacity and authority to enter into and perform its obligations under this Improvement Agreement.

**1.21 Formal Notice.** Formal Notice means notices given by one party to the other if in writing and if and when delivered or tendered either in person or by depositing it in the United States mail in a sealed envelope, by certified mail, return receipt requested, with postage and postal charges prepaid, addressed as follows:

**If to City:** City of Inver Grove Heights  
Attention: City Administrator  
8150 Barbara Avenue  
Inver Grove Heights, MN 55077

**If to Owner:** Lighthouse Holdings, LLC  
Attention: Dean A. Dally, Chief Manager  
10011 Xylite Street NE  
Minneapolis, MN 55449

or to such other address as the party addressed shall have previously designated by notice given in accordance with this Section. Notices shall be deemed to have been duly given on the date of service if served personally on the party to whom notice is to be given, or on the third day after mailing if mailed as provided above, provided, that a notice not given as above shall, if it is in writing, be deemed given if and when actually received by a party.

## **ARTICLE 2** **APPROVAL OF DEVELOPMENT PLANS**

**2.1. Approval of Development Plans.** The Development Plans are hereby approved by the City.

**2.2 Recording of Improvement Agreement.** The Developer shall record the Improvement Agreement with the County Recorder.

## **ARTICLE 3** **DEVELOPER IMPROVEMENTS**

**3.1 Developer Improvements.** The Developer shall install, at its own cost, the Developer Improvements in accordance with the Development Plans. The Developer Improvements shall be completed by the dates shown on Exhibit C, except as completion dates are extended by subsequent written action of the Director of PWD. Failure of the City to promptly take action to enforce this Improvement Agreement after expiration of time by which the Developer Improvements are to be completed shall not waive or release any rights of the City; the City may take action at any time thereafter, and the terms of this Improvement Agreement shall be deemed to be automatically extended until such time as the Developer Improvements are completed to the City's reasonable satisfaction.

**3.2 Ground Material.** The Developer shall insure that adequate and suitable ground material shall exist in the areas of utility improvements to be made by Developer and shall

guarantee the removal, replacement or repair of substandard or unstable material. The cost of said removal, replacement or repair is the responsibility of the Developer.

**3.3 Drainage Plan and Easements.** The Developer shall construct drainage facilities adequate to serve the Subject Property in accordance with the Development Plans. The Developer agrees to grant to the City all necessary easements for the preservation of the drainage system, for drainage basins and for utility service. All such easements required by the City shall be on the Subject Property and in writing, in recordable form; such easements shall be delivered to the City contemporaneously with execution of this Improvement Agreement.

**3.4 Erosion Control.** The Developer shall be responsible for all damage caused as the result of any grading and excavation within the Subject Property including, but not limited to, restoration of existing control structures and clean-up of public right-of-way until improvements are completed. The City reserves the right to perform any necessary erosion control or restoration as required, if requirements are not complied with after Formal Notice by the City as stated in Article 12. The Developer shall be financially responsible for payment for this extra work.

#### **ARTICLE 4** **OTHER PERMITS**

**4.1 Permits.** The Developer shall obtain all necessary approvals, permits and licenses from the City, the Other Regulatory Agencies, the Utility Companies, and the Prior Easement Holders. Major design requirements of any such entities shall be determined prior to completion and incorporated into the Development Plans. All costs incurred to obtain said approvals, permits and licenses, and also all fines or penalties levied by any agency due to the failure of the Developer to obtain or comply with conditions of such approvals, permits and licenses, shall be paid by the Developer. The Developer shall defend and hold the City harmless from any action initiated by the Other Regulatory Agencies, the Utility Companies and the Prior Easement Holders resulting from such failures of the Developer.

#### **ARTICLE 5** **OTHER DEVELOPMENT REQUIREMENTS**

**5.1 Miscellaneous Requirements.** Any additional requirements for approval of the Development Plans as specified by the Council are incorporated herein, as set forth in Exhibit D.

#### **ARTICLE 6** **DEVELOPER PUBLIC IMPROVEMENTS**

**6.1 Approval of Contractors and Engineer.** Any contractor or engineer preparing plans and specifications selected by the Developer to design, construct or install any Developer Public Improvements must be approved in writing by the Director of PWD.

**6.2 Construction.** The construction, installation, materials and equipment related to Developer Public Improvements shall be in accord with the Development Plans. The Developer shall cause the contractors to furnish the PWD a written schedule of proposed operations, subcontractors and material suppliers, at least five (5) days prior to commencement of construction work. The Developer shall notify the City in writing, coordinate and hold a pre-construction conference with all affected parties at least three (3) days prior to starting construction of any Developer Public Improvements.

**6.3 Inspection.** The PWD or its designated representative shall periodically inspect the work installed by the Developer, its contractors, subcontractors or agents. The Developer shall notify the PWD two (2) working days prior to the commencement of the laying of utility lines, subgrade preparation or any other improvement work which shall be subsequently buried or covered to allow the City an opportunity to inspect such improvement work. Upon receipt of said notice, the City shall have a reasonable time, not to be less than three (3) working days, to inspect the improvements. Failure to notify the City to allow it to inspect said work shall result in the City's right pursuant to Article 13 to withhold the release of any portion of the escrow amount resulting from work being performed without the opportunity for adequate City inspection.

**6.4 Faithful Performance of Construction Contracts.** The Developer shall fully and faithfully comply with all terms of any and all contracts entered into by the Developer for the installation and construction of all of the Developer Public Improvements; and the Developer shall obtain lien waivers. Within thirty (30) days after Formal Notice, the Developer agrees to repair or replace, as directed by the City and at the Developer's sole cost and expense, any work or materials relating to Developer Public Improvements that within the warranty periods of Section 1.19(G) become defective or damaged in the opinion of the City.

**6.5 City Acceptance.** The Developer shall give Formal Notice to the City within thirty (30) days once Developer Public Improvements have been completed in accord with this Development Contract and the ordinances, City standards and specifications and the Development Plans. The City shall then inspect the Developer Public Improvements and notify the Developer of any Developer Public Improvements that do not so conform. Upon compliance with this Development Contract and City ordinances, standards and specifications, and the Development Plans, the Developer Public Improvements shall become the property of the City upon Formal Notice of acceptance by the City. After acceptance, the Developer Public Improvements become the property of the City, and the Developer shall have no responsibility with respect to maintenance of the Developer Public Improvements except as provided in paragraph 8 of Exhibit E of this Improvement Agreement and except as provided in Section 1.19(G) of this Improvement Agreement and except as provided in the Amended and Restated Storm Water Facilities Maintenance Agreement and except as provided in the Retaining Wall Maintenance Agreement relating to the Subject Property. If the Developer Public Improvements do not conform, Formal Notice shall be given to the Developer of the need for repair or replacement or, in its discretion, the City may proceed under Article 12.

**6.6 Engineering Submittals Required.** The record plan "as built" drawings of the Developer Improvements shall be provided by the Owner in accordance with City standards no later than 90 days after completion and acceptance of the Improvements by the City, unless otherwise approved in writing by the Director of Public Works. If the record plans are not provided to the City within the 90 days, the City may have this work done and pay for it with the developer's sureties. In addition, final quantity tabulations shall be required, which must include the following items:

1. As built storm water facilities, including the underground facilities.
2. As built grading plan containing spot elevations taken throughout the Subject Property to verify the Subject Property is graded in accordance with the approved grading plan with extra shots to verify swale elevations and locations. In pond areas, enough shots must be taken on the pond bottom, side slopes and grade

breaks to verify the volume of each pond. The as-built must also verify emergency overflow elevations and locations. This as-built plan shall be certified as to general conformance with the City approved grading plan by a Registered Engineer or Registered Land Surveyor and submitted in an electronic format.

3. Final as-built information shall be submitted in an electronic format compatible with the City's Geographic Information System (GIS). All information must be on the Dakota County coordinates system. Compatible formats are emailed AUTOCAD .DWG or .DXF. As-built drawings shall also be scanned, stored and emailed as images in .TIFF or .PDF. All as-built drawings must be the approved plans modified to reflect as-built conditions Note: All corrected lines, grades and elevations shall have a line drawn through the original text and the new information placed nearby; the original information or text shall not be erased.

## **ARTICLE 7** **RESPONSIBILITY FOR COSTS**

**7.1 Developer Improvement Costs.** The Developer shall pay for the Developer Improvements; that is, all costs of persons doing work or furnishing skills, tools, machinery or materials, or insurance premiums or equipment or supplies and all just claims for the same; and the City shall be under no obligation to pay the contractor or any subcontractor any sum whatsoever on account thereof, whether or not the City shall have approved the contract or subcontract.

**7.2 City Miscellaneous Expenses.** The Developer shall reimburse the City for all reasonable engineering, administrative, legal and other expenses incurred or to be incurred by the City in connection with this Improvement Agreement, and Development Plan approval and acceptance and authorization of improvements. Bills not paid within thirty (30) days shall accrue interest at the rate of eight percent per year.

**7.3 Enforcement Costs.** The Developer shall pay the City for costs incurred in the enforcement of this Improvement Agreement, including engineering and reasonable attorneys' fees.

**7.4 Time of Payment.** The Developer shall pay all bills from the City within thirty (30) days after billing. Bills not paid within thirty (30) days shall bear interest at the rate of 8% per year.

## **ARTICLE 8** **DEVELOPER WARRANTIES**

**8.1 Statement of Developer Warranties.** The Developer hereby makes and states the Developer Warranties.

## **ARTICLE 9** **CITY WARRANTIES**

**9.1 Statement of City Warranties.** The City hereby makes and states the City Warranties.

## **ARTICLE 10** **INDEMNIFICATION OF CITY**

**10.1 Indemnification of City.** Provided the City is not in Default under the Improvement Agreement with respect to the particular matter causing the claim, loss or damage, Developer shall indemnify, defend and hold the City, its Council, agents, employees, attorneys and representatives harmless against and in respect of any and all claims, demands, actions, suits, proceedings, losses, costs, expenses, obligations, liabilities, damages, recoveries, and deficiencies, including interest, penalties and attorneys' fees, that the City incurs or suffers, which arise out of, result from or relate to:

- a.) breach by the Developer of the Developer Warranties;
- b.) failure of the Developer to timely construct the Developer Improvements according to the Development Plans and the City ordinances, standards and specifications;
- c.) failure by the Developer to observe or perform any covenant, condition, obligation or agreement on its part to be observed or performed under this Improvement Agreement;
- d.) failure by the Developer to pay contractors, subcontractors, laborers, or materialmen;
- e.) failure by the Developer to pay for materials;
- f.) approval by the City of the Development Plans;
- g.) failure to obtain the necessary permits and authorizations to construct the Developer Improvements;
- h.) construction of the Developer Improvements;
- i.) delays in construction of the Developer Improvements;

**ARTICLE 11**  
**CITY REMEDIES UPON DEVELOPER DEFAULT**

**11.1 City Remedies.** If a Developer Default occurs, that is not caused by Force Majeure, the City shall give the Developer Formal Notice of the Developer Default and the Developer shall have thirty (30) days to cure the Developer Default. If the Developer, after Formal Notice to it by the City, does not cure the Developer Default within thirty (30) days, then the City may avail itself of any remedy afforded by law and any of the following remedies:

- a.) the City may specifically enforce this Improvement Agreement;
- b.) the City may suspend any work, improvement or obligation to be performed by the City;
- c.) the City may collect on the cash deposit pursuant to Article 12 hereof;
- d.) the City may, at its sole option, perform the work or improvements

to be performed by the Developer, in which case the Developer shall within thirty (30) days after written billing by the City reimburse the City for any costs and expenses incurred by the City. In the alternative, the City may in whole or in part, specially assess any of the costs and expenses incurred by the City; and the Developer hereby waives any and all procedural and substantive objections to the installation and construction of the work and improvements and the special assessment resulting therefrom, including, but not limited to, notice and hearing requirement and any claim that the special assessments exceed benefit to the Subject Property.

**11.2 No Additional Waiver Implied By One Waiver.** In the event any agreement contained in this Improvement Agreement is breached by the Developer and thereafter waived in writing by the City, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other concurrent, previous or subsequent breach hereunder. All waivers by the City must be in writing.

**11.3 No Remedy Exclusive.** No remedy herein conferred upon or reserved to the City shall be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under the Improvement Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the City to exercise any remedy reserved to it, it shall not be necessary to give notice, other than the Formal Notice.

**11.4 Emergency.** Notwithstanding the requirement contained in Section 11.1 hereof relating to Formal Notice to the Developer in case of a Developer Default and notwithstanding the requirement contained in Section 11.1 hereof relating to giving the Developer a thirty (30) day period to cure the Developer Default, in the event of an emergency as determined by the Director of PWD, resulting from the Developer Default, the City may perform the work or improvement to be performed by the Developer without giving any notice or Formal Notice to the Developer and without giving the Developer the thirty (30) day period to cure the Developer Default. In such case, the Developer shall within thirty (30) days after written billing by the City reimburse the City for any and all costs incurred by the City. In the alternative, the City may, in whole or in part, specially assess the costs and expenses incurred by the City; and the Developer hereby waives any and all procedural and substantive objections to the installation and construction of the work and improvements and the special assessments resulting therefrom, including, but not limited to, notice and hearing requirements and any claim that the special assessments exceed benefit to the Subject Property. The Developer hereby waives any appeal rights otherwise available pursuant to Minn. Stat. § 429.081.

## **ARTICLE 12** **ESCROW DEPOSIT**

**12.1 Escrow Requirement.** Prior to the Developer beginning construction of the Developer Improvements, the Developer shall deposit with the City a cash deposit or letter of credit or other security acceptable to the City for the amounts stated in Exhibit E.

All cost estimates shall be acceptable to the Director of PWD. The total escrow amount

was calculated as shown on the attached Exhibit E. The bank and form of the irrevocable letter of credit or cash deposit shall be subject to approval by the City Finance Director and City Attorney and shall continue to be in full force and effect until released by the City. The irrevocable letter of credit shall be for a term ending December 31, 2018. In the alternative, the letter of credit may be for a one year term provided it is automatically renewable for successive one year periods from the present or any future expiration dates with a final expiration date of December 31, 2018, and further provided that the irrevocable letter of credit states that at least sixty (60) days prior to the expiration date the bank will notify the City if the bank elects not to renew for an additional period. The irrevocable letter of credit shall secure compliance by the Developer with the terms of this Improvement Agreement. The City may draw down on the irrevocable letter of credit or cash deposit, without any further notice than that provided in Section 11.1 relating to a Developer Default, for any of the following reasons:

- a.) a Developer Default; or
- b.) upon the City receiving notice that the irrevocable letter of credit will be allowed to lapse without renewal or replacement before December 31, 2018.

The City shall use the cash deposit proceeds to reimburse the City for its costs and to cause the Developer Improvements listed on Exhibit E to be constructed to the extent practicable; if the Director of PWD determines that such Developer Improvements listed on Exhibit D have been constructed and after retaining 10% of the proceeds for later distribution pursuant to Section 12.2, the remaining proceeds shall be distributed to the Developer.

With City approval, the cash deposit or letter of credit may be reduced pursuant to Section 12.2 from time to time as financial obligations are paid.

## **12.2 Escrow Release and Escrow Increase; Developer Improvements.**

Periodically, upon the Developer's written request and upon completion by the Developer and acceptance by the City of any specific Developer Improvements, ninety percent (90%) of that portion of the cash deposit covering those specific completed improvements only shall be released. The final ten percent (10%) of that portion of the cash deposit, for those specific completed improvements shall be held until acceptance by the City and expiration of the warranty period under Section 1.19(G) hereof; in the alternative, the Developer may post a bond satisfactory to the City with respect to the final ten percent (10%).

If it is determined by the City that the Development Plans were not strictly adhered to, or that work was done without City inspection, the City may require, as a condition of acceptance, that the Developer post a irrevocable letter of credit, or cash deposit equal to 125% of the estimated amount necessary to correct the deficiency or to protect against deficiencies arising therefrom. The additional irrevocable letter of credit, or cash deposit, shall remain in force for such time as the City deems necessary, not to exceed five (5) years. In the event that work, which is concealed, was done without permitting City inspection, then the City may, in the alternative, require the concealed condition to be exposed for inspection purposes.

## **ARTICLE 13** **MISCELLANEOUS**

**13.1 City's Duties.** The terms of this Improvement Agreement shall not be considered an affirmative duty upon the City to complete any Developer Improvements.

**13.2 No Third Party Recourse.** Third parties shall have no recourse against the City under this Improvement Agreement.

**13.3 Recording.** The Improvement Agreement shall be recorded with the County Recorder and the Developer shall provide and execute any and all documents necessary to implement the recording.

**13.4 Binding Agreement.** The parties mutually recognize and agree that all terms and conditions of this recordable Improvement Agreement shall run with the Subject Property, and shall be binding upon the successors and assigns of the Developer and Owner. This Improvement Agreement shall also run with and be binding upon any after acquired interest of the Developer and Owner in the Subject Property.

**13.5 Contract Assignment.** The Developer may not assign this Improvement Agreement without the written permission of the Council. The Developer's obligations hereunder shall continue in full force and effect, even if the Developer sells the Subject Property.

**13.6 Amendment and Waiver.** The parties hereto may by mutual written agreement amend this Improvement Agreement in any respect. Any party hereto may extend the time for the performance of any of the obligations of another, waive any inaccuracies in representations by another contained in this Improvement Agreement or in any document delivered pursuant hereto which inaccuracies would otherwise constitute a breach of this Improvement Agreement, waive compliance by another with any of the covenants contained in this Improvement Agreement, waive performance of any obligations by the other or waive the fulfillment of any condition that is precedent to the performance by the party so waiving of any of its obligations under this Improvement Agreement. Any agreement on the part of any party for any such amendment, extension or waiver must be in writing. No waiver of any of the provisions of this Improvement Agreement shall be deemed, or shall constitute, a waiver of any other provisions, whether or not similar, nor shall any waiver constitute a continuing waiver.

**13.7 Governing Law.** This Improvement Agreement shall be governed by and construed in accordance with the laws of the State of Minnesota.

**13.8 Counterparts.** This Improvement Agreement may be executed in any number of counterparts, each of which shall be deemed an original but all of which shall constitute one and the same instrument.

**13.9 Headings.** The subject headings of the paragraphs and subparagraphs of this Improvement Agreement are included for purposes of convenience only, and shall not affect the construction of interpretation of any of its provisions.

**13.10 Inconsistency.** If the Development Plans are inconsistent with the words of this Improvement Agreement or if the obligation imposed hereunder upon the Developer are inconsistent, then that provision or term which imposes a greater and more demanding obligation on the Developer shall prevail.

**13.11 Access.** The Developer hereby grants to the City, its agents, employees, officers,

and contractors a license to enter the Subject Property to perform all work and inspections deemed appropriate by the City during the installation of Developer Improvements.

**13.12 Consent.** The Owner hereby consents to the recording of this Improvement Agreement. The Owner agrees that the Subject Property is subject to the terms and conditions of this Improvement Agreement.

**[the remainder of this page has been intentionally left blank]**

IN WITNESS WHEREOF, the parties have executed this Improvement Agreement.

**CITY OF INVER GROVE HEIGHTS**

By: \_\_\_\_\_  
George Tourville  
Its: Mayor

ATTEST:

\_\_\_\_\_  
Joe Lynch, City Administrator / Clerk

STATE OF MINNESOTA    )  
  )        ss.  
COUNTY OF DAKOTA     )

On this 11<sup>th</sup> day of May, 2015, before me a Notary Public within and for said County, personally appeared George Tourville and Joe Lynch to me personally known, who being each by me duly sworn, each did say that they are respectively the Mayor and City Administrator / Clerk of the City of Inver Grove Heights, the municipality named in the foregoing instrument, and that the seal affixed to said instrument was signed and sealed on behalf of said municipality by authority of its City Council and said Mayor and City Administrator / Clerk acknowledged said instrument to be the free act and deed of said municipality.

\_\_\_\_\_  
Notary Public

**OWNER AND DEVELOPER:  
LIGHTHOUSE HOLDINGS, LLC**

---

Dean A. Dally  
Its Chief Manager

STATE OF MINNESOTA    )  
  )     ss.  
COUNTY OF DAKOTA    )

On this \_\_\_\_\_ day of May, 2015, before me a Notary Public within and for said County, personally appeared Dean A. Dally to me personally known, who being by me duly sworn, did say that he is a Chief Manager of Lighthouse Holdings, LLC, a limited liability company, the entity named in the foregoing instrument, and that said instrument was signed on behalf of said limited liability company by authority of the Board of Governors and said Dean A. Dally acknowledged said instrument to be the free act and deed of the limited liability company.

---

Notary Public

**THIS INSTRUMENT DRAFTED BY:**

Timothy J. Kuntz  
LeVander, Gillen, & Miller, P.A.  
633 South Concord Street  
Suite 400  
South St. Paul, MN 55075  
(651) 451-1831

**AFTER RECORDING PLEASE  
RETURN TO:**

Timothy J. Kuntz  
LeVander, Gillen & Miller, P.A.  
633 South Concord Street  
Suite 400  
South St. Paul, MN 55075  
(651) 451-1831

**EXHIBIT A**  
**LEGAL DESCRIPTION OF SUBJECT PROPERTY**

Real Property located in the City of Inver Grove Heights, Dakota County, Minnesota, described as follows:

Lot 1, Block 1, Lighthouse Holdings Addition and Outlots A, B, C, D and E,  
Lighthouse Holdings Addition, according to the recorded plat thereof, Dakota  
County, Minnesota.

**EXHIBIT B**  
**LIST OF IMPROVEMENT PLANS**

<b><u>PLAN</u></b>	<b><u>DATE OF PLAN PREPARATION</u></b>	<b><u>PREPARED BY</u></b>
Preliminary Plat		E.G. Rud & Sons, Inc.
Site Plan (A1.1)	3-19-15	Rose Architectural Group, Inc.
Grading & Drainage Plan (C1.1)	3-20-15	Plowe Engineering, Inc.
ESC Plan (C1.2)	3-20-15	Plowe Engineering, Inc.
Utility Plan – Storm Sewer (C2.1)	3-20-15	Plowe Engineering, Inc.
Utility Plan – Sanitary Sewer & Watermain (C2.2)	3-20-15	Plowe Engineering, Inc.
Curbing & Paving Plan (C3)	3-20-15	Plowe Engineering, Inc.
Landscape Plan (L1.1 and L1.2)	3-19-15	Rosa Architectural Group, Inc.
Building Elevations (A3.1)	3-19-15	Rosa Architectural Group, Inc.

\*The above-listed Development Plans were revised on \_\_\_\_\_, 2015.

The above-listed Development Plans were approved by the City Engineer on May \_\_\_\_, 2015.

The Development Plans also include compliance by Developer and Owner with the conditions set forth in the following:

1. Memorandum from City Engineer Tom Kaldunski to City Planner Allan Hunting dated March 20, 2015.
2. E-mail correspondence from City Engineer Tom Kaldunski to Dean Dally dated October 22, 2014.
3. The storm water comments by Barr Engineering dated \_\_\_\_\_, 2015.

The “Engineering Memos”. The Engineering Memos are on file with the City.

The Development Plans also include modifications of the above referenced Development Plans as approved from time to time by the City Engineer.

**EXHIBIT C**  
**DEVELOPER IMPROVEMENTS**

The items checked with an "X" below are Developer Improvements.  
The items checked with "Public" below are those Developer Improvements that are Developer Public Improvements.

<b><u>CHECKED</u></b>	<b><u>COMPLETION DATE</u></b>	<b><u>IMPROVEMENT</u></b>
X	before issuance of a building permit	erosion control measures have been installed
X	before issuance of a building permit	site grading and Storm Water Facilities are operational to a level approved by the City Engineer
X	12-31-16 or before issuance of certificate of occupancy, whichever occurs first	grading, drainage and erosion control have been completed
X	12-31-16 or before issuance of certificate of occupancy, whichever occurs first	sanitary sewer and water service lines have been extended to the building pad
X	12-31-16 or before issuance of certificate of occupancy, whichever occurs first	Storm Water Facilities and storm water improvements have been completed
X	12-31-16 or before issuance of certificate of occupancy, whichever occurs first	parking lot
X	12-31-16 or before issuance of certificate of occupancy, whichever occurs first	retaining walls
X	12-31-16 or before issuance of certificate of occupancy, whichever occurs first	landscaping ** (including tree replacement requirements)

\*\*Note: Landscaping must be completed prior to issuance of certificate of occupancy, provided, however, if the request for the certificate of occupancy is made in the months of October through April and if all other requirements for the certificate of occupancy, except landscaping, have been met, then the City shall issue the certificate of occupancy and the Developer is then required to complete the landscaping no later than the following June 15<sup>th</sup>.

**EXHIBIT D**  
**MISCELLANEOUS REQUIREMENTS AND CONDITIONS**  
**IMPOSED BY THE CITY**

- 1.) **CONDITIONS TO BE SATISFIED BEFORE DEVELOPER BEGINS CONSTRUCTION ACTIVITY FOR DEVELOPER IMPROVEMENTS.** Before the Developer begins construction of the Developer Improvements, all of the following conditions must be satisfied:
- a.) Developer must provide to the City of Inver Grove Heights the letter of credit escrow for Developer Improvements stated on Exhibit E of the Improvement Agreement.
  - b.) Developer must provide to the City of Inver Grove Heights the cash deposit for engineering inspection fees stated on Exhibit E of the Improvement Agreement.
  - c.) Except as provided in paragraph 16 of this Exhibit E, Developer must fully pay the City of Inver Grove Heights for all planning and legal fees that have been incurred up to the date of this Improvement Agreement; and Developer must further escrow with the City an amount determined by the City of Inver Grove Heights for future planning and engineering review fees and for legal fees, except for such fees as may already otherwise be taken into account in the calculations or engineering inspection escrow made a part of Exhibit E.
  - d.) Developer and Owner must execute a Mutual Termination of Easement Agreement for the Subject Property. The form of the agreement is subject to the approval of the City Attorney and the Director of PWD.
  - e.) Developer and Owner must execute a First Amendment to Permanent Drainage and Utility Easement for the Subject Property. The form of the agreement is subject to the approval of the City Attorney and the Director of PWD.
  - f.) Developer and Owner must execute a First Amendment to Flowage Easement for the Subject Property. The form of the agreement is subject to the approval of the City Attorney and the Director of PWD.
  - g.) Developer and Owner must execute an Amended and Restated Storm Water Facilities Maintenance Agreement for the Subject Property. The form of the agreement is subject to the approval of the City Attorney and the Director of PWD.
  - h.) Developer and Owner must execute this Improvement Agreement.
  - i.) Developer and Owner must enter into a Retaining Wall Maintenance Agreement for the Subject Property. The form of the agreement is subject to the approval of the City Attorney and the Director of PWD.
  - j.) Developer and Owner must execute a Flowage Easement for the Subject Property. The form of the agreement is subject to the approval of the City Attorney and the Director of PWD.

k.) All of the following documents have been recorded and evidence of recording has been provided to the City:

- Mutual Termination of Easement Agreement Maintenance Agreement
- First Amendment to Permanent Drainage and Utility Easement
- First Amendment to Flowage Easement (amending Flowage Easement for Outlot A, Gainey Second Addition)
- Amended and Restated Storm Water Facilities Maintenance Agreement
- Improvement Agreement
- Retaining Wall Maintenance Agreement
- Flowage Easement (over Lot 1, Block 1, Lighthouse Holdings Addition)

l.) Developer and Owner must provide title evidence in the form of a title insurance policy or recorded Warranty Deed that shows that the Owner owns the property within the Plat of Lighthouse Holdings Addition.

m.) Developer or contractor performing construction services on behalf of the Developer shall provide a Certificate of Insurance naming the City as an additional insured.

2.) **CONDITIONS TO BE SATISFIED BEFORE THE ISSUANCE OF A BUILDING PERMIT FOR THE DEVELOPER IMPROVEMENTS.** Before the issuance of a building permit for the Developer Improvements, the following conditions must be satisfied by Developer and Owner:

- a.) All of the conditions of paragraph 1 of this Exhibit D have been met.
- b.) Erosion control measures have been installed.
- c.) Site grading and Storm Water Facilities are operational to a level approved by the City Engineer.
- d.) An industrial storm water permit has been applied for by Developer from the MPCA.
- e.) The storm water comments by Barr Engineering dated \_\_\_\_\_, 2015 have been addressed by Developer to the reasonable satisfaction of the City Engineer.
- f.) Developer shall provide the City Engineer with an Operations and Maintenance Plan for the Storm Water Facilities identified in paragraph 8 of this Exhibit D.

3.) **CONDITIONS TO BE SATISFIED BY DECEMBER 31, 2016 OR BEFORE THE ISSUANCE OF A CERTIFICATE OF OCCUPANCY FOR THE DEVELOPER IMPROVEMENTS.** By December 31, 2016 or before the issuance of a Certificate of Occupancy for the Developer Improvements, whichever occurs first, the following conditions must be satisfied by Developer and Owner:

- a.) All of the conditions of paragraphs 1 and 2 of this Exhibit D have been met.
- b.) General site grading, drainage and erosion control have been completed.

- c.) All of the Developer Improvements have been completed per the approved Development Plans.
- d.) Sanitary sewer and water service lines have been extended to the building pad.
- e.) All Storm Water Facilities and storm water improvements have been completed.
- f.) The retaining walls have been installed.
- g.) The parking lot has been completed.
- h.) The landscaping and tree replacement have been completed (see note in Exhibit C above).

4.) **CLEAN UP OF CONSTRUCTION DEBRIS ON STREETS AND ADJOINING PROPERTY.** The escrow amount stated on Exhibit E shall include an appropriate amount as determined by the Director of Public Works to assure that the Developer removes any construction debris from streets adjoining the Subject Property and from private properties that adjoin the Subject Property. During the construction within the Subject Property the Developer is responsible for removing any construction debris (including paper wrappings, construction material and other waste products resulting from construction) that may be blown from the construction site into adjoining private properties or into City streets or that may fall from delivery trucks onto adjoining private properties or City streets.

5.) **PARK DEDICATION.** Since the property being platted as Lighthouse Holdings Addition was previously platted as an outlot, no park dedication was paid during the previous platting approval. Park dedication is collected when an outlot is replatted. The Subject Property is an existing outlot that is being replatted. Accordingly, park dedication fees are owed at the time of platting. Park dedication is calculated at \$5,000 per acre. The City's subdivision code allows delineated wetland areas to be subtracted from the overall lot area. The lot area is 34.41 acres. The delineated wetland area is 5.66 acres. The net area is 28.75 acres x \$5,000 = \$143,750. Prior to City execution of the plat, Developer shall pay the City a park contribution fee of \$143,750.

6.) **CRUSHING OF MATERIAL ON SITE.** Developer desires to crush excavated material on site during construction of the Developer Improvements. The City agrees to allow Developer to crush material on site if the material remains on the site.

7.) **ENCROACHMENT OF TREES.** Pursuant to the Development Plans there are several trees and plantings located on the east side of the Plat of Lighthouse Holdings Addition adjacent to Clark Road that are located within the City's drainage and utility easement and within the area where the City's water main is located. The City has approved the landscaping plan which is part of the Development Plans and approves the location of the trees and plantings as shown on the landscape plan. It is the responsibility of the Developer to verify with the utility companies whether any of the existing utilities will be impacted by the location of the trees and plantings as shown on the landscape plan.

- 8.) **STORM WATER FACILITIES.**
  - A. Operations & Maintenance Plan.

Developer shall construct the following storm water facility improvements on the Subject Property as shown on the approved Development Plans (hereafter referred to as the Storm Water Facilities):

- underground storm water detention system on Lot 1, Block 1, Lighthouse Holdings Addition
- extension of stormwater pipe to Outlot A
- construction of new storm water pipe from Outlot A to Outlot B
- construction of overflow pipe from Outlot B to Outlot C to Outlot E
- construction of the NURP pond on Outlot E & filling in of basins or ponds on Outlots A and E and Lot 1, Block 1
- construction of manhole over existing pipe located in the northeast corner of the Subject Property adjacent to Clark Road
- construction of catch basin manhole over existing 30 inch pipe located along the north boundary line of Lot 1, Block 1, Lighthouse Holdings Addition

Owner must comply with Section IV of the NWA Stormwater Manual which outlines the requirements for the operations and maintenance of Long Term Best Management Practices (BMP's) for stormwater facilities. The Owner must prepare an Operations & Maintenance Plan to show how the Owner plans to operate and maintain Long Term Best Management Practices for the Stormwater Facilities being constructed on the Subject Property. The Owner must submit an Operations & Maintenance Plan to the City prior to the issuance of a building permit for the Subject Property. The final Operations & Maintenance Plan must be approved by the City. The Owner and its successors and assigns thereof shall be responsible for following the Operations & Maintenance Plan as approved by the City. The final Operations & Maintenance Plan shall be on file with the City's Director of Public Works.

The final Operations & Maintenance Plan shall contain the following information:

- a. Detailed inspection requirements;
- b. Inspection and maintenance schedules;
- c. Contact information for the Owner;
- d. As built plans of the Storm Water Facilities;
- e. A letter of compliance from the designer after construction of the Storm Water Facilities is completed;
- f. The requirement for an annual report to the City to demonstrate that post construction maintenance is being accomplished per the Operations & Maintenance Plan;
- g. The GPS coordinates for the Storm Water Facilities shall be provided to the City after construction is completed. Storm Water Facilities smaller than 200 square feet can be located with one GPS coordinate. Storm Water Facilities larger than 200 square feet shall have outlet coordinates and the corners of the Storm Water Facilities located by GPS. The GPS

readings shall be provided to the City before the Storm Water Facilities are covered;

- h. A form and level of pretreatment approved by the City are required in the treatment train before any infiltration system; and
- i. A program for monitoring and testing water quality.

The Standard of Maintenance means that the Owner must comply with the Operations & Maintenance Plan and must comply with the standards that are required by the City Engineer; the Standard of Maintenance must conform to the same standards that the City utilizes for storm water systems that the City maintains, as those standards are from time to time amended.

Owner must comply with the Standard of Maintenance.

In January of each year, the Owner shall submit to the City an annual report that identifies all of the tests, inspections, corrective measures and other activities conducted by the Owner under the Operations & Maintenance Plan for the preceding year. The annual report shall identify water quality monitoring and testing results. The annual report shall also identify any conditions of non-compliance with the Standard of Maintenance during the preceding year and the annual report shall address how the conditions of non-compliance were cured. The annual report shall also include the information shown on the form attached hereto as **Exhibit F**. If Owner was not required to perform tests during the previous year, then the annual report for that particular year shall be limited to the inspections and corrective measures, if any, that were taken during the year without reference to the tests.

**B. Notice of Non-Compliance.**

If the City's DPW determines, at his reasonable discretion, that the Owner has not complied with the Standard of Maintenance, the DPW shall provide written notice to the Owner of such failure to comply with the Standard of Maintenance. This notice shall specify that the Owner will have thirty (30) days to comply with the Standard of Maintenance, unless thirty (30) days is not practicable for the Owner to cure the default, in which case the Owner shall be given a reasonable time, as reasonably determined by the DPW, to cure the default provided the Owner has commenced a suitable cure within the initial thirty (30) days. Notwithstanding the requirement contained in this paragraph relating to written notice and opportunity of the Owner to comply with the Standard of Maintenance, in the event of an emergency as reasonably determined by the DPW, the City may perform the work to be performed by the Owner without giving any notice to the Owner. If the City performs emergency service work, the Owner and the City shall follow those procedures set forth in paragraphs C and D below with respect to the billing, collection and/or tax certification of such costs.

**C. Payment of Costs Incurred by City.**

If the Owner fails to comply with the Standard of Maintenance within thirty (30) days after delivery of the written notice, or in the case of an emergency situation as reasonably determined by the DPW, the City may perform those tasks necessary for compliance and the City shall have the right of access to the areas where the Storm Water Facilities are located to perform such work. The City shall charge all costs incurred by the City to perform the tasks necessary for compliance to the Owner.

The amount of costs charged by the City to the Owner shall be the usual and customary amounts charged by the City given the task, work, or improvement performed by the City to ensure compliance with the Standard of Maintenance. The Owner shall make payment directly to the City within thirty (30) days after invoicing (“Due Date”) by the City. Bills not paid by the Due Date shall incur the standard penalty and interest established by the City for utility billings within the City.

D. Certification of Costs Payable With Taxes; Special Assessments.

If payment is not made under paragraph C above by the Owner, the City may certify to Dakota County against Lot 1, Block 1, Lighthouse Holdings Addition the amounts due as payable in the next calendar year; such certifications may be made under Minnesota Statutes, Chapter 444 in a manner similar to certifications for unpaid utility bills. The Owner waives any and all procedural and substantive objections to the imposition of such usual and customary charges on Lot 1, Block 1, Lighthouse Holdings Addition.

Further, as an alternate means of collection, if the written billing is not paid by the Owner, the City, without notice and without hearing, may specially assess Lot 1, Block 1, Lighthouse Holdings Addition for the costs and expenses incurred by the City. The Owner hereby waives any and all procedural and substantive objections to special assessments for the maintenance costs including, but not limited to, notice and hearing requirements and any claims that the charges or special assessments exceed the benefit to Lot 1, Block 1, Lighthouse Holdings Addition. The Owner waives any appeal rights otherwise available pursuant to Minnesota Statutes § 429.081. The Owner acknowledges that the benefit from the performance of maintenance tasks by the City to ensure compliance with the Standard of Maintenance equals or exceeds the amount of the charges and assessments for the maintenance costs that are being imposed hereunder upon Lot 1, Block 1, Lighthouse Holdings Addition.

9.) **SUBJECT PROPERTY TO COMPRISE ONE TAX IDENTIFICATION NUMBER.** Before the issuance of a building permit for the Subject Property, the Developer and Owner shall provide evidence to the City that Lot 1, Block 1, Lighthouse Holdings Addition and Outlots A, B, C, D and E, Lighthouse Holdings Addition have been issued one (1) combined tax parcel identification number by Dakota County.

10.) **ACCESS PERMITS TO CLARK ROAD.** Access permits to Clark Road must be issued by Dakota County as part of plat review by Dakota County.

11.) **FILLING OF PONDS ON LOT 1, BLOCK 1 AND OUTLOT A AND BASIN ON OUTLOT E.** As part of the Developer Improvements, Developer is filling the existing pond located on Lot 1, Block 1, Lighthouse Holdings Addition and partially filling the existing pond located on Outlot A, Lighthouse Holdings Addition. Developer is also filling in the existing basin on Outlot E, Lighthouse Holdings, Addition. Developer is responsible to meet all requirements established by the City Engineer relating to the filling of the ponds and basin.

12.) **ALIGNMENT OF DRIVEWAYS RELATING TO TRUCK TURNING MOVEMENTS.** The properties along Clark Road are intended to be higher intensity industrial which would include trucking type operations. The vehicles associated with these types of uses may need larger openings to accommodate the turning radius of the vehicles. The City granted Owner a variance to allow for wider curb openings with greater curb radius and zero setbacks for

the parking/storage area adjacent to the outlots. The City has requested that the driveway to the Subject Property be aligned with the existing driveways across Clark Road to avoid conflicts with truck turning movements. Developer shall provide the City with a truck turning movement study to ensure that the driving lanes can accommodate the anticipated semi truck trailers.

13.) **PROTECTED AREA SIGNS FOR OUTLOTS.** Developer shall provide 4" x 4" treated wood posts for protected area signage around Outlots A, B, C, D and E, Lighthouse Holdings Addition. The signs should be placed five feet inside each Outlot, at every angle point and with an approximate spacing of 200 feet. The City will provide the signs to the Developer and the Developer will be responsible to pay the City for the signs.

14.) **RETAINING WALL REQUIREMENTS.** Prior to the City issuing a building permit for the Subject Property, all retaining wall permits must be issued by the City. Prior to the City granting a certificate of occupancy for the Subject Property, the retaining wall permit must be complete, wall certification must be received and accepted by the Chief Building Official, grading associated with the retaining wall must be accepted by the City Engineer and the retaining wall record drawing must be received and accepted by the City.

15.) **TREE REPLACEMENT LIMITATION.** As part of the City's tree replacement requirements, the City initially determined that the Developer was required to plant 110 over story trees on the Subject Property. The Development Plans (landscape plan) showed Developer installing 72 over story trees on the Subject Property. The City has determined that the difference of 38 trees do not have to be planted on the Subject Property. The Developer is only required to plant the 72 trees as shown on the landscape plan.

16.) **RETURN OF PLANNING ESCROW.** With respect to the planning escrow that has been deposited with the City, the City agrees to return to Developer \$5,000 from the initially deposited planning escrow.

17.) **ENGINEERING ESCROW LIMITATION.** City agrees that the engineering inspection escrow shall be limited to \$7,000. The Developer shall not be required to reimburse the City for engineering inspection costs above \$7,000

**EXHIBIT E**  
**ESCROW CALCULATION**

**DEVELOPER IMPROVEMENTS**

1.)	Grading, Drainage and Erosion Control	\$
2.)	Extension of Sanitary Sewer and Water Service Lines	\$
3.)	Storm Water Facilities	\$
4.)	Parking Lot	\$
5.)	Retaining Walls	
6.)	Landscaping	\$
7.)	Construction debris clean-up	\$
8.)	Certified As-Builts	\$
	SUBTOTAL:	\$
	<b><u>MULTIPLIED BY:</u></b>	x 1.25
	<b>EQUALS:</b>	\$
	<b>ESCROW AMOUNT:</b>	\$

**EXHIBIT E**  
**ESCROW CALCULATION**

(Continued)

In addition to the Escrow Amount for Developer Improvements set forth above, the Developer shall deposit \$7,000 in cash with the City (hereafter "Engineering Escrow Amount"). The Developer is not required to deposit any additional funds to the City for the Engineering Escrow.

This Engineering Escrow Amount shall be used to pay the City for engineering inspection fees at the City's standard rates charged for such tasks.

Subject to the following paragraph, upon satisfactory completion of the Developer Improvements, the City shall return to the Developer any remaining portion of the Engineering Escrow Amount not otherwise charged the Developer for engineering inspection performed by the City.

Twenty five percent (25%) of this Engineering Escrow Amount shall be retained by the City (hereafter referred to as Escrow Retainage) and this Escrow Retainage shall be available to the City to pay for deficiencies and problems related to the Developer Improvements on the Subject Property in the event such problems and deficiencies arise after the City has accepted the Developer Improvements. The City may use the Escrow Retainage to correct any such deficiencies or problems or to protect against further deficiencies or problems.

The City shall return to the Developer any remaining Escrow Retainage when all the following events have occurred:

- a.) The expiration of the warranty period under Section 1.19(G) of this Improvement Agreement.

**EXHIBIT F**  
**ANNUAL INSPECTION FORM FOR STORM WATER FACILITIES**

CITY OF INVER GROVE HEIGHTS NPDES INSPECTION PROGRAM						
STRUCTURE ID:		INSPECTION DATE/TIME:			INSPECTOR(S):	
LOCATION:				POND ID:		
<b>EASEMENT</b>						
ACCESSIBLE	Y	N				
STRUCTURES IN ESMT.	Y	N DESCRIPTION				
TREES IN ESMT.	Y	N LARGEST DIAMETER (INCHES)				
<b>STRUCTURE</b>	FES	PIPE	CB	SPCD	OTHER	
ATTRIBUTES	TRASH GUARD		WEIR	SURGE BASIN	OTHER	NONE
CONDITION*	ACCEPTABLE		MINOR MAINTENANCE	MAJOR MAINTENANCE	INACCESSIBLE	
END SECTION EROSION	Y	N				
FLOW CONDITION	FLOW PRESENT		NO FLOW	SUBMERGED		
COMMENTS						
<b>VEGETATION/DEBRIS</b>	WEEDS, ETC.		BRUSH, TREES, ETC.	GARBAGE/DEBRIS	NONE	
RESTRICTING FLOW	Y	N				
COMMENTS						
<b>SEDIMENT</b>						
CONDITION**	NONE		MINOR MAINTENANCE	MAJOR MAINTENANCE		
COMMENTS						
<b>RIP RAP</b>	PRESENT:		Y	N		
CONDITION**	OK		MINOR MAINTENANCE	MAJOR MAINTENANCE		
COMMENTS						
<b>ILLICIT DISCHARGE</b>	DATE OF LAST RAINFALL EVENT:					
ODOR	Y	N		COMMENTS:		
COLOR	Y	N		COMMENTS:		
FLOATABLES IN DISCHARGES	Y	N		COMMENTS:		
STAINS/DEPOSITS IN STRUCT.	Y	N		COMMENTS:		
<b>MAINTENANCE PERFORMED:</b>						
SIGNED:				DATE:		

\* Minor Maintenance: i.e. regrout joint, repair trash guard; Major Maintenance: structure separating(ed) from pipe  
 \*\* Minor Maintenance: repair can be done by City crews, Major Maintenance: heavy equip. is needed

**RETAINING WALL MAINTENANCE AGREEMENT**  
**FOR LOT 1, BLOCK 1, LIGHTHOUSE HOLDINGS ADDITION**  
**INVER GROVE HEIGHTS, MINNESOTA**

**THIS RETAINING WALL MAINTENANCE AGREEMENT FOR LOT 1, BLOCK 1, LIGHTHOUSE HOLDINGS ADDITION** (hereafter referred to as “Agreement”) is made, entered into and effective this 11<sup>th</sup> day of May, 2015, by and between the City of Inver Grove Heights, a Minnesota municipal corporation (hereafter referred to as “City”) and Lighthouse Holdings, LLC, a Minnesota limited liability company, (hereafter referred to as Lot Owner and Responsible Owner). Subject to the terms and conditions hereafter stated and based on the representations, warranties, covenants, agreements and recitals of the parties herein contained, the parties do hereby agree as follows:

**ARTICLE 1**  
**DEFINITIONS**

**1.1 Terms.** The following terms, unless elsewhere specifically defined herein, shall have the following meanings as set forth below.

**1.2 City.** “City” means the City of Inver Grove Heights, a Minnesota municipal corporation.

**1.3 Lot Owner.** “Lot Owner” means Lighthouse Holdings, LLC, a Minnesota limited liability company, and its successors and assigns.

**1.4 Retaining Wall Facilities.** “Retaining Wall Facilities” means each and all of the following, individually and collectively, to the extent located within the Lot:

The retaining wall structure, retaining wall foundation, retaining wall anchors, retaining wall fencing, and retaining wall drainage collection appurtenances, retaining wall drainage piping, and retaining wall drainage discharge appurtenances located on the north boundary line of the Lot.

**1.5 Retaining Wall Construction Plan.** “Retaining Wall Construction Plan” means the \_\_\_\_\_ Plan prepared by Plowe Engineering, Inc. dated March 20, 2015, and approved by the City’s Director of Public Works on May \_\_\_\_\_, 2015. The Retaining Wall Construction Plan is on file with the City.

**1.6 Lot.** “Lot” means that certain real property located in the City of Inver Grove Heights, Dakota County, Minnesota legally described on the attached **Exhibit A**.

**1.7 Responsible Owner.** “Responsible Owner” means the fee title owner(s) of the Lot during the period of time that it or they own fee title to the Lot.

**1.8 Maintenance Standards.** “Maintenance Standards” means the Standards of Maintenance as defined in Article 3, Section 3.3 of this Agreement.

**1.9 DPW.** “DPW” means the City’s Director of Public Works.

**ARTICLE 2**  
**RECITALS**

**Recital No. 1.** Lot Owner owns the Lot.

**Recital No. 2.** Lot Owner will construct the Retaining Wall Facilities on the Lot pursuant to the Retaining Wall Construction Plan.

**Recital No. 3.** The City is willing to allow the Responsible Owner to begin the Developer Improvements identified in the Improvement Agreement for the Lot if Lot Owner executes this Retaining Wall Maintenance Agreement.

**Recital No. 4.** By this Agreement the parties seek to:

- a.) impose upon the Responsible Owner the responsibility of maintaining the Retaining Wall Facilities consistent with the Maintenance Standards, notwithstanding the fact that the Retaining Wall Facilities may exist within easements dedicated or granted to the City and the public; and
- b.) provide a mechanism where the City may charge-back to the Responsible Owner any maintenance work that the City performs with respect to the Retaining Wall Facilities in the event the Responsible Owner fails to perform its obligations to maintain the Retaining Wall Facilities consistent with the Maintenance Standards.

**Recital No. 5.** Lot Owner is currently the only Responsible Owner.

**ARTICLE 3**  
**RESPONSIBILITY FOR MAINTENANCE**

**3.1 Construction of Retaining Wall Facilities.** Lot Owner agrees that by a date reasonably set by the City’s Director of Public Works the Retaining Wall Facilities shall be constructed and installed in accordance with the Retaining Wall Construction Plan at the sole expense of Lot Owner.

**3.2 Maintenance of Retaining Wall Facilities.** The Responsible Owner is obligated at its expense to perpetually maintain the Retaining Wall Facilities in accordance with the Standard of Maintenance set forth in Section 3.3 hereof. The Responsible Owner shall not

modify, alter, remove, or eliminate the Retaining Wall Facilities for as long as the Retaining Wall Facilities exist. All entities that fall within the definition of Responsible Owner have the joint and several obligations of the defined Responsible Owner. The responsibility of the Responsible Owner for maintaining the Retaining Wall Facilities on the Lot exists even though the event or omission which caused the need for maintenance of the Retaining Wall Facilities may arise on property outside of the Lot.

**3.3 Standard of Maintenance.** The Standard of Maintenance for the Retaining Wall Facilities shall comply with the minimum standards of the Minnesota State Building Code and any applicable provisions of the Inver Grove Heights City Code (as amended from time to time, by amendment of general applicability). In addition, the Standard of Maintenance shall keep the Retaining Wall Facilities in reasonable conformance with the original professional engineering retaining wall designs reflected in the Retaining Wall Construction Plan and in industry standards (as amended from time to time), and the Standard of Maintenance shall include the same standards that the City's Director of Public Works utilizes for similar retaining wall systems that the City maintains, as those standards are from time to time amended. The Responsible Owner shall also insure that the Retaining Wall Facilities always remain safe, structurally sound and otherwise in compliance with the professional engineering retaining wall designs as reflected in the Retaining Wall Construction Plan and in industry standards (as amended from time to time). The Retaining Wall Construction Plan is on file with the City.

**3.4 Notice of Non-Compliance with Section 3.1; Cure Period.** If the City's Director of Public Works ("DPW") determines, at his reasonable discretion, that the Responsible Owner has not complied with Section 3.1 hereof, the DPW shall provide written notice to the Responsible Owner of such failure to comply with Section 3.1. This notice shall specify that the Responsible Owner will have thirty (30) days to comply with Section 3.1, unless thirty (30) days is not practicable for the Responsible Owner to cure the default, in which case the Responsible Owner shall be given a reasonable time, as determined by the DPW, to cure the default provided the Responsible Owner has commenced construction of the Retaining Wall Facilities within the initial thirty (30) days. Notwithstanding the requirement contained in this Section relating to written notice and opportunity of the Responsible Owner to comply with Section 3.1, in the event of an emergency as determined by the DWP, the City may perform the work to be performed by the Responsible Owner without giving any notice to the Responsible Owner and without giving the Responsible Owner thirty (30) days to comply with Section 3.1. If the City performs emergency construction work, the Responsible Owner shall be obligated to repay the City the costs incurred to perform the emergency construction work, and the City shall follow those procedures set forth in Sections 3.5 and 3.6 with respect to the billing, collection and/or tax certification of such costs.

**3.5 Payment of Costs Incurred by City.** If the Responsible Owner fails to comply with Section 3.1 within thirty (30) days after delivery of the written notice, or in the case of an emergency situation as determined by the DPW, the City may perform those tasks necessary for compliance with Section 3.1 and the City shall have the right of access to the areas where the Retaining Wall Facilities are to be located to perform such construction work. The City shall charge all costs incurred by the City to perform the tasks necessary for compliance with Section 3.1 to the Responsible Owner.

The amount of costs charged by the City to the Responsible Owner shall be the usual and customary amounts charged by the City given the task, work, construction or improvement performed by the City to ensure compliance with Section 3.1. The Responsible Owner shall make payment directly to the City within twenty (20) days after invoicing (“Due Date”) by the City. Bills not paid by the Due Date shall incur the standard penalty and interest established by the City for utility billings within the City.

**3.6 Certification of Costs Payable With Taxes; Special Assessments.** If payment is not made under Section 3.5 by the Responsible Owner with respect to the Lot, the City may certify to Dakota County the amounts due as payable with the real estate taxes for the Lot in the next calendar year; such certifications may be made under Minnesota Statutes, Chapter 444 in a manner similar to certifications for unpaid utility bills. The Responsible Owner waives any and all procedural and substantive objections to the imposition of such usual and customary charges on the Lot.

Further, as an alternate means of collection, if the written billing is not paid by the Responsible Owner, the City, without notice and without hearing, may specially assess the Lot for the costs and expenses incurred by the City. The Responsible Owner hereby waives any and all procedural and substantive objections to special assessments for such costs including, but not limited to, notice and hearing requirements and any claims that the charges or special assessments exceed the benefit to the Lot. The Responsible Owner waives any appeal rights otherwise available pursuant to Minnesota Statute § 429.081. The Responsible Owner acknowledges that the benefit from the performance of the tasks by the City to ensure compliance with Section 3.1 equals or exceeds the amount of the charges and assessments for compliance with Section 3.1 that are being imposed hereunder upon the Lot.

**3.7 Notice of Non-Compliance with Section 3.2; Cure Period.** If the City’s Director of Public Works (“DPW”) determines, at his reasonable discretion, that the Responsible Owner has not complied with the Standard of Maintenance, the DPW shall provide written notice to the Responsible Owner of such failure to comply with the Standard of Maintenance. This notice shall specify that the Responsible Owner will have thirty (30) days to comply with the Standard of Maintenance, unless thirty (30) days is not practicable for the Responsible Owner to cure the default, in which case the Responsible Owner shall be given a reasonable time, as determined by the DPW, to cure the default provided the Responsible Owner has commenced a suitable cure within the initial thirty (30) days. Notwithstanding the requirement contained in this Section relating to written notice and opportunity of the Responsible Owner to comply with the Standard of Maintenance, in the event of an emergency as determined by the DPW, the City may perform the work to be performed by the Responsible Owner without giving any notice to the Responsible Owner and without giving the Responsible Owner thirty (30) days to comply with the Standard of Maintenance. If the City performs emergency service work, the Responsible Owner shall be obligated to repay the City the costs incurred to perform the emergency service work, and the City shall follow those procedures set forth in Sections 3.8 and 3.9 with respect to the billing, collection and/or tax certification of such costs.

**3.8 Payment of Costs Incurred by City.** If the Responsible Owner fails to comply with the Standard of Maintenance within thirty (30) days after delivery of the written notice, or in the case of an emergency situation as determined by the DPW, the City may perform those tasks necessary for compliance and the City shall have the right of access to the areas where the

Retaining Wall Facilities are located to perform such work. The City shall charge all costs incurred by the City to perform the tasks necessary for compliance to the Responsible Owner.

The amount of costs charged by the City to the Responsible Owner shall be the usual and customary amounts charged by the City given the task, work, or improvement performed by the City to ensure compliance with the Standard of Maintenance. The Responsible Owner shall make payment directly to the City within twenty (20) days after invoicing (“Due Date”) by the City. Bills not paid by the Due Date shall incur the standard penalty and interest established by the City for utility billings within the City.

**3.9 Certification of Costs Payable With Taxes; Special Assessments.** If payment is not made under Section 3.8 by the Responsible Owner with respect to the Lot, the City may certify to Dakota County the amounts due as payable with the real estate taxes for the Lot in the next calendar year; such certifications may be made under Minnesota Statutes, Chapter 444 in a manner similar to certifications for unpaid utility bills. The Responsible Owner waives any and all procedural and substantive objections to the imposition of such usual and customary charges on the Lot.

Further, as an alternate means of collection, if the written billing is not paid by the Responsible Owner, the City, without notice and without hearing, may specially assess the Lot for the costs and expenses incurred by the City. The Responsible Owner hereby waives any and all procedural and substantive objections to special assessments for the maintenance costs including, but not limited to, notice and hearing requirements and any claims that the charges or special assessments exceed the benefit to the Lot. The Responsible Owner waives any appeal rights otherwise available pursuant to Minnesota Statute § 429.081. The Responsible Owner acknowledges that the benefit from the performance of maintenance tasks by the City to ensure compliance with the Standard of Maintenance equals or exceeds the amount of the charges and assessments for the maintenance costs that are being imposed hereunder upon the Lot.

**3.10 Obligation For Maintenance Notwithstanding Public Easement.** The Responsible Owner agrees that its obligations relating to maintenance of the Retaining Wall Facilities exist notwithstanding the fact that the Retaining Wall Facilities may be located in whole or in part within public easements.

The City hereby grants to the Responsible Owner a temporary right and license to enter public easements and public road rights-of-way for the purpose of performing the maintenance obligations relating to the Retaining Wall Facilities for the duration of the performance of the maintenance. The Responsible Owner hereby grants to the City a temporary right and license to access and enter the Lot for the purpose of performing maintenance of the Retaining Wall Facilities for the duration of the performance of the maintenance.

**3.11 Indemnification of City.** Responsible Owner shall indemnify, defend and hold the City, its council, agents, employees, attorneys and representatives harmless against and in respect of any and all claims, demands, actions, suits, proceedings, losses, costs, expenses, obligations, liabilities, damages, recoveries, and deficiencies, including interest, penalties and attorneys' fees, that the City incurs or suffers, which arise out of, result from or relate to:

- a.) failure by the Responsible Owner to observe or perform any covenant, conditions,

obligation or agreement on their part to be observed or performed under this Agreement;

- b.) failure by the Responsible Owner to pay contractors, subcontractors, laborers, or materialmen;
- c.) failure by the Responsible Owner to pay for any materials that may be used by the Responsible Owner to maintain the Retaining Wall Facilities;
- d.) construction of the Retaining Wall Facilities.

**3.12 No Remedy Exclusive.** No remedy herein conferred upon or reserved to the City shall be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under the Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the City to exercise any remedy reserved to it, it shall not be necessary to give notice, other than the notice, if any, required by this Agreement.

#### **ARTICLE 4** **CITY'S COVENANTS**

**4.1 Compliance with Improvement Agreement.** The City agrees that if Responsible Owner executes this Retaining Wall Maintenance Agreement and complies with the other conditions contained in the Improvement Agreement between the parties of even date herewith, then the City will allow the Responsible Owner to begin the Developer Improvements identified in the Improvement Agreement for the Lot.

#### **ARTICLE 5** **MISCELLANEOUS**

**5.1 Binding Agreement.** The parties mutually recognize and agree that all terms and conditions of this recordable Agreement shall run with Lot and shall be binding upon the parties and the successors and assigns of the parties. This Agreement shall also be binding on and apply to any title, right and interest of the Lot Owner in Lot acquired by the Lot Owner after the execution date of this Agreement or after the recording date of this Agreement.

Upon request by a Responsible Owner, the City will prepare for the Responsible Owner, at standard City charges, a special assessment search indicating the extent to which, if any, there is a levied or pending special assessment under Section 3.6 and/or Section 3.9 hereof.

**5.2 Amendment and Waiver.** The parties hereto may by mutual written agreement amend this Agreement in any respect. Any party hereto may extend the time for the performance of any of the obligations of another, waive any inaccuracies in representations by another contained in this Agreement or in any document delivered pursuant hereto which inaccuracies would otherwise constitute a breach of this Agreement, waive compliance by another with any of the covenants

contained in this Agreement, waive performance of any obligations by the other or waive the fulfillment of any condition that is precedent to the performance by the party so waiving of any of its obligations under this Agreement. Any agreement on the part of any party for any such amendment, extension or waiver must be in writing. No waiver of any of the provisions of this Agreement shall be deemed, or shall constitute, a waiver of any other provisions, whether or not similar, nor shall any waiver constitute a continuing waiver.

**5.3 Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of Minnesota.

**5.4 Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be deemed an original but all of which shall constitute one and the same instrument.

**5.5 Consent.** Lot Owner consents to the recording of this Agreement.

**5.6 Notice.** Notice shall mean notices given by one party to the other if in writing and if and when delivered or tendered either in person or by depositing it in the United States mail in a sealed envelope, by certified mail, return receipt requested, with postage and postal charges prepaid, addressed as follows:

**If to City:** City of Inver Grove Heights  
Attention: City Administrator  
8150 Barbara Avenue  
Inver Grove Heights, MN 55077

**If to Lot Owner:** Lighthouse Holdings, LLC  
Attention: Dean A. Dally  
10011 Xylite Street NE  
Minneapolis, MN 55449

or to such other address as the party addressed shall have previously designated by notice given in accordance with this Section. Notices shall be deemed to have been duly given on the date of service if served personally on the party to whom notice is to be given, or on the third day after mailing if mailed as provided above, provided, that a notice not given as above shall, if it is in writing, be deemed given if and when actually received by a party.

**[the remainder of this page has been intentionally left blank]**

**IN WITNESS WHEREOF** Lot Owner and the City have entered into this Agreement on the day and year first stated above.

**CITY OF INVER GROVE HEIGHTS**

By: \_\_\_\_\_  
George Tourville  
Its: Mayor

ATTEST:

\_\_\_\_\_  
Joe Lynch, City Administrator / Clerk

STATE OF MINNESOTA    )  
  )        ss.  
COUNTY OF DAKOTA     )

On this 11<sup>th</sup> day of May, 2015, before me a Notary Public within and for said County, personally appeared George Tourville and Joe Lynch to me personally known, who being each by me duly sworn, each did say that they are respectively the Mayor and City Administrator / Clerk of the City of Inver Grove Heights, the municipality named in the foregoing instrument, and that the seal affixed to said instrument was signed and sealed on behalf of said municipality by authority of its City Council and said Deputy City Clerk acknowledged said instrument to be the free act and deed of said municipality.

\_\_\_\_\_  
Notary Public

**LOT OWNER  
LIGHTHOUSE HOLDINGS, LLC**

\_\_\_\_\_  
Dean A. Dally  
Its Chief Manager

STATE OF MINNESOTA    )  
  )        ss.  
COUNTY OF \_\_\_\_\_)

On this \_\_\_\_\_ day of May, 2015, before me a Notary Public within and for said County, personally appeared Dean A. Dally, to me personally known, who being by me duly sworn, did say that he is the Chief Manager of Lighthouse Holdings, LLC, a Minnesota limited liability company, and that the foregoing instrument was executed on behalf of Lighthouse Holdings, LLC by authority of the Boards of Governors of Lighthouse Holdings, LLC.

\_\_\_\_\_  
Notary Public

**THIS INSTRUMENT DRAFTED BY:**

Timothy J. Kuntz  
LeVander, Gillen, & Miller, P.A.  
633 South Concord Street  
Suite 400  
South St. Paul, MN 55075  
(651) 451-1831

**AFTER RECORDING PLEASE  
RETURN TO:**

Timothy J. Kuntz  
LeVander, Gillen & Miller, P.A.  
633 South Concord Street  
Suite 400  
South St. Paul, MN 55075  
(651) 451-1831

**EXHIBIT A**  
**LEGAL DESCRIPTION OF LOT**

Real Property located in the City of Inver Grove Heights, Dakota County, Minnesota, described as follows:

Lot 1, Block 1, Lighthouse Holdings Addition, according to the recorded plat thereof on file and of record with the Office of the County Recorder, Dakota County, Minnesota.

## **FLOWAGE EASEMENT**

This **FLOWAGE EASEMENT** (Flowage Easement) is granted and conveyed this 11<sup>th</sup> day of May, 2015, by and between the City of Inver Grove Heights, a Minnesota municipal corporation (City) and Lighthouse Holdings, LLC, a Minnesota limited liability company, (hereafter referred to as Landowner).

The Landowner owns the real property situated within Dakota County, Minnesota as described on the attached **Exhibit A** (hereinafter "Landowner's Property").

1. **Grant of Flowage Easement.** The Landowner in consideration of the sum of One Dollar and other good and valuable consideration to it in hand paid by the City, the receipt and sufficiency of which is hereby acknowledged, does hereby grant and convey unto the City, its successors and assigns, the following:

A permanent non-exclusive easement to drain, flow and deposit storm water and surface water from Outlot B, Lighthouse Holdings Addition into, over, across, through and upon Lot 1, Block 1, Lighthouse Holdings Addition to Outlot C, Lighthouse Holdings Addition (hereinafter "**Flowage Easement**") which Flowage Easement is legally described and depicted on **Exhibit B** (hereinafter the "**Flowage Easement Area**") attached hereto and incorporated herein by reference; and for all such purposes ancillary, incident or related thereto.

The Flowage Easement rights granted herein are forever and shall include, but not be limited to the right to discharge storm water and surface water from Clark Road and from the Clark Road storm water system from Outlot B, Lighthouse Holdings Addition into, over, across, through and upon the Flowage Easement Area on Lot 1, Block 1, Lighthouse Holdings Addition to Outlot C, Lighthouse Holdings Addition.

### **EXEMPT FROM STATE DEED TAX**

The rights of the City also include the right of the City, its contractors, agents and servants:

- a.) to enter upon the Flowage Easement Area at all reasonable times for the purposes of inspection, grading and sloping relating to the purposes of this Flowage Easement; and
- b.) to excavate and refill ditches or trenches; and
- c.) to remove from the Flowage Easement Area trees, brush, herbage, aggregate, undergrowth and other obstructions interfering with the Flowage Easement.

The City shall not be responsible for any costs, expenses, damages, demands, obligations, penalties, attorneys' fees and losses resulting from any claims, actions, suits, or proceedings based upon a release or threat of release of any hazardous substances, petroleum, pollutants, and contaminants which may have existed on, or which relate to, the Flowage Easement Area or the Landowner's Property prior to the date hereof.

Nothing contained herein shall be deemed a waiver by the City of any governmental immunity defenses, statutory or otherwise. Further, any and all claims brought by Landowner, its successors or assigns, shall be subject to any governmental immunity defenses of the City and the maximum liability limits provided by Minnesota Statute, Chapter 466.

The Landowner, for itself and its successors and assigns, does hereby warrant to and covenant with the City, its successors and assigns, that it is well seized in fee of the Landowner's Property described on Exhibit A and the Flowage Easement Area described and depicted on Exhibit B and that it has good right to grant and convey the Flowage Easement herein to the City.

**[the remainder of this page has been intentionally left blank]**

**IN TESTIMONY WHEREOF**, the Landowner and the City have caused this Easement to be executed as of the day and year first above written.

**CITY OF INVER GROVE HEIGHTS**

\_\_\_\_\_  
George Tourville, Mayor

ATTEST:

\_\_\_\_\_  
Joe Lynch, City Administrator / Clerk

STATE OF MINNESOTA    )  
  )        ss.  
COUNTY OF DAKOTA    )

On this 11<sup>th</sup> day of May, 2015, before me a Notary Public within and for said County, personally appeared George Tourville and Joe Lynch, to me personally known, who being each by me duly sworn, each did say that they are respectively the Mayor and City Administrator / Clerk of the City of Inver Grove Heights, the municipality named in the foregoing instrument, and that the seal affixed to said instrument was signed and sealed on behalf of said municipality by authority of its City Council and said Mayor and City Administrator / Clerk acknowledged said instrument to be the free act and deed of said municipality.

\_\_\_\_\_  
Notary Public

**LANDOWNER:  
LIGHTHOUSE HOLDINGS, LLC**

\_\_\_\_\_  
Dean A. Dally  
Its Chief Manager

STATE OF MINNESOTA    )  
  )     ss.  
COUNTY OF DAKOTA    )

On this \_\_\_\_\_ day of May, 2015, before me a Notary Public within and for said County, personally appeared Dean A. Dally to me personally known, who being by me duly sworn, did say that he is a Chief Manager of Lighthouse Holdings, LLC, a limited liability company, the entity named in the foregoing instrument, and that said instrument was signed on behalf of said limited liability company by authority of the Board of Governors and said Dean A. Dally acknowledged said instrument to be the free act and deed of the limited liability company.

\_\_\_\_\_  
Notary Public

**THIS INSTRUMENT DRAFTED BY:**

Timothy J. Kuntz  
LeVander, Gillen, & Miller, P.A.  
633 South Concord Street  
Suite 400  
South St. Paul, MN 55075  
(651) 451-1831

**AFTER RECORDING PLEASE  
RETURN TO:**

Timothy J. Kuntz  
LeVander, Gillen & Miller, P.A.  
633 South Concord Street  
Suite 400  
South St. Paul, MN 55075  
(651) 451-1831

**EXHIBIT A**  
**LEGAL DESCRIPTION OF LANDOWNER'S PROPERTY**

Real Property located in the City of Inver Grove Heights, Dakota County, Minnesota, described as follows:

Lot 1, Block 1, Lighthouse Holdings Addition, according to the recorded plat thereof, Dakota County, Minnesota.

**EXHIBIT B**  
**LEGAL DESCRIPTION AND DEPICTION OF FLOWAGE EASEMENT AREA**

Real property located in the City of Inver Grove Heights, Dakota County, Minnesota, described as follows:

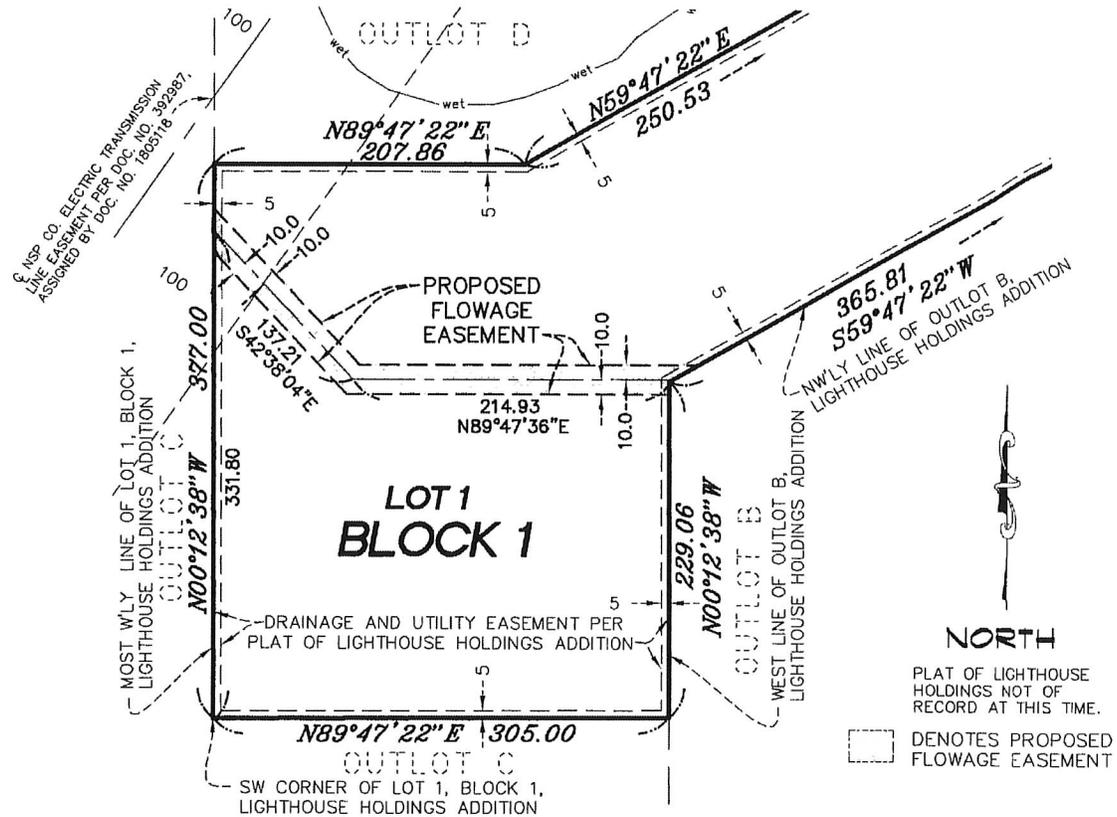
A 20 foot wide permanent non-exclusive easement for flowage purposes over, under, through and upon Lot 1, Block 1, LIGHTHOUSE HOLDINGS ADDITION, according to the recorded plat thereof, Dakota County, Minnesota, the centerline of said easement is described as follows:

Commencing at the southwest corner of said Lot 1, Block 1; thence on an assumed bearing of North 00 degrees 12 minutes 38 seconds West, along the most westerly line of said Lot 1, Block 1, a distance of 331.80 feet to the point of beginning of the centerline to be described; thence South 42 degrees 38 minutes 04 seconds East a distance of 137.21 feet; thence North 89 degrees 47 minutes 36 seconds East a distance of 214.93 feet to the northwesterly line of Outlot B, said LIGHTHOUSE HOLDINGS ADDITION, and there said centerline terminates.

The sidelines of said easement are prolonged or shortened to terminate on said most westerly line of Lot 1, Block 1, and the west and northwesterly lines of said Outlot B.

# SKETCH AND DESCRIPTION

~for~ LIGHTHOUSE HOLDINGS, LLC



## PROPOSED FLOWAGE EASEMENT DESCRIPTION FOR LOT 1, BLOCK 1, LIGHTHOUSE HOLDINGS ADDITION

A 20 foot wide permanent nonexclusive easement for flowage purposes over, under, through and upon Lot 1, Block 1, LIGHTHOUSE HOLDINGS ADDITION, according to the recorded plat thereof, Dakota County, Minnesota, the centerline of said easement is described as follows:

Commencing at the southwest corner of said Lot 1, Block 1; thence on an assumed bearing of North 00 degrees 12 minutes 38 seconds West, along the most westerly line of said Lot 1, Block 1, a distance of 331.80 feet to the point of beginning of the centerline to be described; thence South 42 degrees 38 minutes 04 seconds East a distance of 137.21 feet; thence North 89 degrees 47 minutes 36 seconds East a distance of 214.93 feet to the northerly line of Outlot B, said LIGHTHOUSE HOLDINGS ADDITION, and there said centerline terminates.

The sidelines of said easement are prolonged or shortened to terminate on said most westerly line of Lot 1, Block 1, and the west and northwesterly lines of said Outlot B.

Location: City of Inver Grove Heights

Scale 1"=100'

Denotes Iron Monument

Bearing Datum: County

Job No. 14430AB

Drwg By JEN

I hereby certify that this plan, survey or report was prepared by me or under my direct supervision and that I am a duly Licensed Land Surveyor under the laws of the State of Minnesota.

**E. G. RUD & SONS, INC.**

By:   
Minnesota License No. 41578

Dated this 9th day of April 2015.

**E. G. RUD & SONS, INC.**  
PROFESSIONAL LAND SURVEYORS  
6776 LAKE DRIVE NE, SUITE 110  
LINO LAKES, MINNESOTA 55014  
TEL. (651) 361-8200  
FAX (651) 361-8701  
www.egrud.com

L1-B1

CITY OF INVER GROVE HEIGHTS

REQUEST FOR COUNCIL ACTION

**Approve Proposal from EOR, Inc. for NWA Hydrologic and Hydraulic (H & H) Model Update**

Meeting Date: May 11, 2015  
 Item Type: Consent  
 Contact: Scott D. Thureen, 651.450.2571  
 Prepared by: Scott D. Thureen, Public Works Director  
 Reviewed by: *SDT*

**Fiscal/FTE Impact:**

- None
- Amount included in current budget
- Budget amendment requested
- FTE included in current complement
- New FTE requested – N/A
- Other:

**PURPOSE/ACTION REQUESTED**

Approve proposal from EOR, Inc. for NWA H & H Model update.

**SUMMARY**

The existing H & H model for the NWA was developed using the design precipitation standards in place at the time. A major update to those standards, known as Atlas 14, resulted in increased rainfall amounts for larger, less frequent rainfall events.

The entire H & H model for the NWA will need to be updated. This proposal covers only that portion of the NWA that affects the design of realigned Argenta Trail (see map included in the attached proposal).

The proposed cost of \$16,000 will be funded from the Storm Water Utility (\$12,000) and City Project No. 2014-11 (\$4,000).

I recommend approval of the proposal.

SDT/kf  
 Attachment: Proposal

**Date** | May 5, 2015

**To** | Scott Thureen

**Contact info** | IGH

**cc** |

**Contact info** |

**cc** |

**Contact info** |

**From** | Brett H. Emmons

**Contact info** | EOR

**Regarding** | Argenta Trail Realignment Preliminary Design H&H Modeling

**Scope of Services**

1. Update model with new contours, storage, recently collected existing infrastructure and overflows. Model 10-day snowmelt (7.2” runoff) event. Add modeling scenarios for and newly available Atlas 14 24-hr rain events (100-yr and back-to-back 100-yr), to include projected land use. Includes subwatersheds connected to the Argenta Trail alignment from just south of TH 55, through the proposed Blackstone development corridor, and to I-694.

**Deliverables:** Updated Model available to run proposed scenarios  
 Table of updated hydrology data: HWLs, Volumes, Overflows, etc.

**Level of Effort:** \$10,010

**Task 1 Breakdown:**

Task	Hydrology/Hydraulic Model Update	Hour	Cost
01-A	Revise subwatershed delineation & hydrology input Parameters	28	\$2,809.00
01-B	Revise basin bottom/overflow elevations, storage volume curves	24	\$2,260.00
01-C	Review/Revise culvert routing & coordinate field review	25	\$2,527.00
01-D	Model scenario running and HWL comparison & documentation	23	\$2,413.00
Task 1 Total:		100	\$10,010.00

2. Mapping Update to reflect new topography and recently collected existing conditions features. Several instances of new information on culvert road crossings that affect the basin HWLs and flows have appeared thus far and will be included. Show the newly revised Regional Basin locations and data on the City’s NW Area Map.

**Deliverables:** Updated Regional Basins Map and GIS data layers

**Level of Effort:** \$1,967

**Task 2 Breakdown:**

Task	Revise Existing Conditions Regional Basin Map	Hour	Cost
02-A	Update map attribute tables for NOF/LFE, Basin HWL/Volumes	19	\$1,967.00
Task 2 Total:		19	\$1,967.00

3. Modeling of preliminary design options (up to 3) to quantify impacts and mitigation options. Update regional model based on the preferred road option to reflect the post road project conditions, which can subsequently be used for future evaluation and guidance on infrastructure planning and development proposals.

**Deliverables:** Design input for Regional Basins and model scenario for preferred changes.  
Design Memorandum quantifying the Regional Basin changes needed.

**Level of Effort:** \$4,000

**Task 3 Breakdown:**

Task	Preliminary Design Modeling (3)	Hour	Cost
03-A	Design Scenario model modifications	15	\$1,583.00
03-B	Proposed scenario simulations & results exporting	4	\$360.00
03-C	Results comparison & reporting	4	\$360.00
03-D	Memorandum of recommendations and client communication	12	\$1720.00
	Task 3 Total:	35	\$4,023.00

**Key Understandings**

1. This work would be done in conjunction with the Kimley-Horn work on Argenta Trail planning and design.
2. Meetings with City commissions or officials are not included. If requested meetings, would be billed additionally on an hourly basis under this scope.

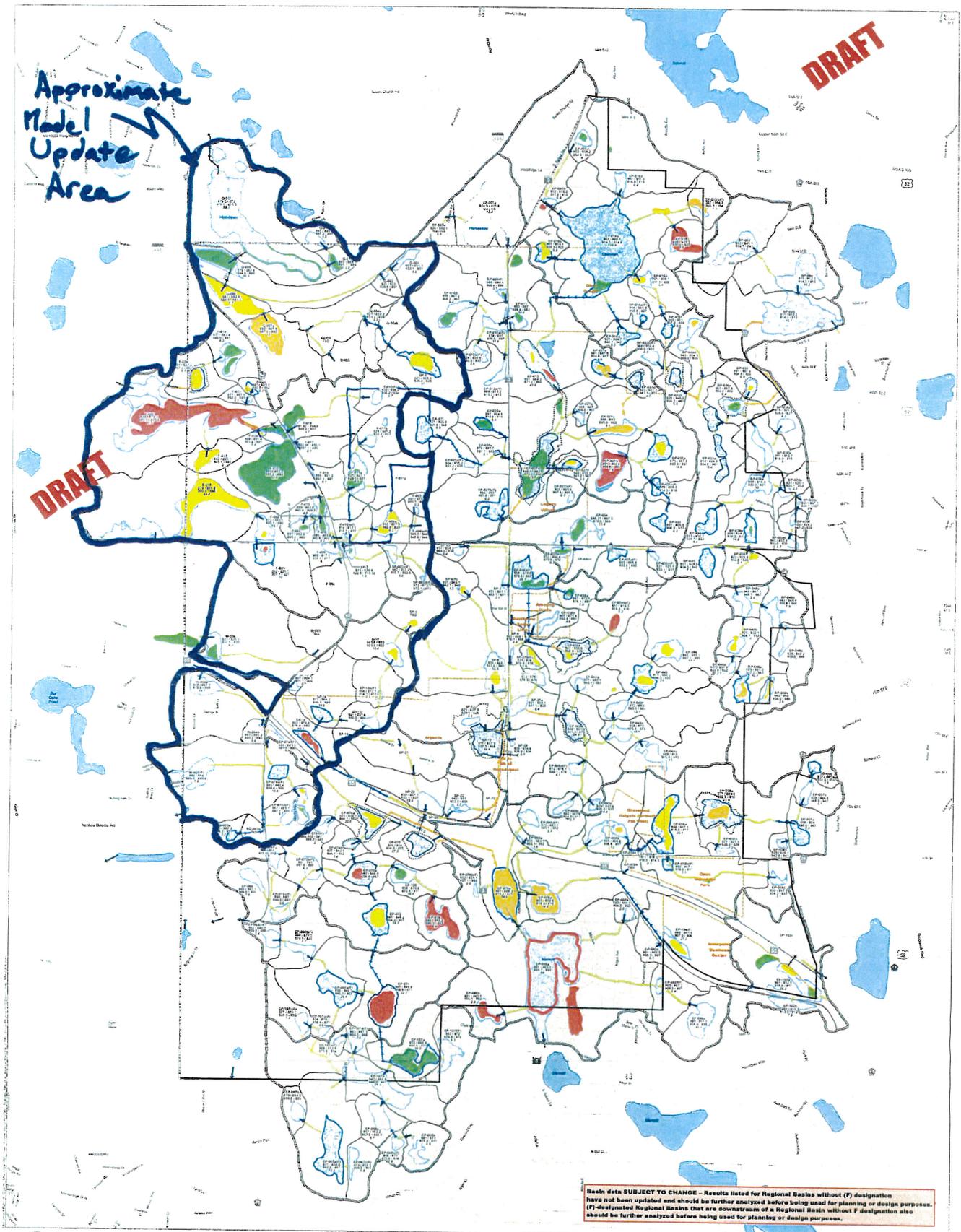
**Estimated Fee and Schedule**

It is estimated that the services included above will be \$16,000. The schedule will be coordinated with the Argenta Trail road design and responsive to the needs of the project team.

**DRAFT**

Approximate Model Update Area

**DRAFT**



Basin data SUBJECT TO CHANGE. Results listed for Regional Basins without (F) designation have not been updated and should be further analyzed before being used for planning or design purposes. (F)-designated Regional Basins that are downstream of a Regional Basin without F designation also should be further analyzed before being used for planning or design purposes.



- Legend**
- Northwest Area of Inver Grove Heights
  - Parcel
  - Municipality
  - Watershed
  - Catchment Area
  - Existing Water Bodies
  - Catchment Flow Direction
  - Franchise Limit (Category 3 Basins)
  - Development Area

- Overflow**
- Overtand Flow (low)
  - Overtand Flow (high)
  - Existing Culvert
  - Undocumented Existing Culvert
  - Future Pipe Outlet
  - Potential Pipe and/or Lift Station

- Proposed Basin by Overflow Category**
- Category 1
  - Category 2
  - Category 3
- Basin Classification Name**
- Basin with Flexible Management
  - Normal Water Elevation / High Water Elevation (NWL / HWL)
  - Low Floor Elevation / Natural Overflow (LFE / NOF)
  - Maximum Storage Volume (Ac-F)

- Wetland Management Classification**
- 1 - Maintain 100yr HWL
  - 2 - Maintain 100yr HWL < 5'
  - 3 - No Requirements
  - 4 - No Requirements

- Interstate Trunk Highway
- U.S. Trunk Highway
- Minnesota Trunk Highway
- County State-aid Highway
- County Road
- Municipal Street or Ramp

June 26, 2014

**DRAFT**

**Inver Grove Heights, MN  
NWA Regional Basin Map**

June 26, 2014



City of Inver Grove Heights  
 Planning & Public Works Department  
 Minnesota Department of Transportation  
 Hennepin Department of Public Utilities  
 #MNSA Inver Grove Heights Meeting 2014

**CITY OF INVER GROVE HEIGHTS**

**REQUEST FOR COUNCIL ACTION**

**Approve Proposal for Professional Services for Feasibility Study for City Project No. 2015-03 – 65th Street between Trunk Highway 3 and Argenta Trail**

Meeting Date: May 11, 2015  
 Item Type: Consent  
 Contact: Scott D. Thureen, 651.450.2571  
 Prepared by: Scott D. Thureen, Public Works Director  
 Reviewed by: *SDT*

<b>Fiscal/FTE Impact:</b>	
<input type="checkbox"/>	None
<input type="checkbox"/>	Amount included in current budget
<input type="checkbox"/>	Budget amendment requested
<input type="checkbox"/>	FTE included in current complement
<input type="checkbox"/>	New FTE requested – N/A
<input checked="" type="checkbox"/>	Other: Capital Improvement Revolving Fund (408)

**PURPOSE/ACTION REQUESTED**

Approve proposal for professional services for feasibility study for City Project No. 2015-03 – 65th Street between Trunk Highway 3 and Argenta Trail.

**SUMMARY**

The preliminary plat for Blackstone Ridge assumes that 65th Street will be constructed between Argenta Trail and the north boundary of that development. It also assumes that it will be a City project.

In addition, the trunk water main loop for the Argenta District as assumed to follow the 65th Street alignment from the north boundary of Blackstone Ridge, east to Trunk Highway 3. The plan and profile of the future street should be established to insure the trunk water main would not need to be relocated in the future if it is constructed prior to the street.

We requested, and received, a proposal from WSB & Associates, Inc. to prepare a feasibility study for the project (WSB prepared the 2012 NWA Collector Street System Study).

I recommend that the City Council approve the proposal in the amount of \$8,500. Funding for the study would come from the Capital Improvement Revolving Fund (408). The fund would be reimbursed once a project advances.

SDT/kf  
 Attachment: Proposal  
 Map of study area



April 21, 2015

Mr. Scott Thureen  
Public Works Director  
City of Inver Grove Heights  
8150 Barbara Avenue  
Inver Grove Heights, MN 55077

**Re: Request for Authorization to  
Provide Professional Services for  
Feasibility Study – 65<sup>th</sup> Street Improvements  
Between Trunk Highway 3 and Argenta Trail**

Dear Mr. Thureen:

This letter is a scope of work for the feasibility study of the 65<sup>th</sup> Street improvements between Trunk Highway 3 (Robert Trail South) and Argenta Trail (CSAH 63) in the northwest area of the City of Inver Grove Heights.

WSB will work with City staff to further evaluate the feasibility of the infrastructure needs of the Northwest Expansion Area from a transportation perspective. A Community Collector street system will be evaluated for the roadway segment mentioned above beginning with the outcomes established in the “Northwest Area Collector Street Plan” final report and incorporating recent changes in land use, land development, and transportation needs identified by the City.

The feasibility study will include the following:

- Executive Summary, Background Information, Existing Conditions, Proposed Conditions, Conclusions and Recommendations
- Location Map, Typical Section, and Roadway Profile Exhibits
- Financing and Other Funding Source Opportunities
- Project Cost and Schedule

This proposal represents our complete understanding of the work needed to complete the feasibility study as requested. The total cost for the described work above is **\$8,500**.

We appreciate the opportunity to share this proposal with you, and look forward to working with the City of Inver Grove Heights on this project. If you are in agreement with the scope of services and proposed fee, please sign in the appropriate space below and return one copy to us.

Mr. Scott Thureen  
April 21, 2015  
Page 2

Please contact me at 612-214-7053 or [breifsteck@wsbeng.com](mailto:breifsteck@wsbeng.com) if you have any questions regarding this proposal. Thank you.

Sincerely,

*WSB & Associates, Inc.*



Brad A. Reifsteck, PE  
Sr. Project Manager

**ACCEPTED BY:**

**City of Inver Grove Heights**

**I hereby authorize WSB & Associates, Inc. to complete the Feasibility Study identified above for an hourly not to exceed cost of \$8,500.**

Name \_\_\_\_\_  
Title \_\_\_\_\_  
Signature \_\_\_\_\_  
Date \_\_\_\_\_



**City Project No. 2015-03  
65th Street between T.H. 3 and Argenta Trail**

**STUDY AREA**



CITY OF INVER GROVE HEIGHTS

REQUEST FOR COUNCIL ACTION

**Resolution Receiving Bids and Awarding Contract for the 2015 Pavement Management Program, City Project No. 2015-09A – Crackseal**

Meeting Date: May 11, 2015  
 Item Type: Consent  
 Contact: Thomas J. Kaldunski, 651-450-2572  
 Prepared by: Thomas J. Kaldunski, City Engineer  
 Reviewed by: Scott D. Thureen, Public Works Director

Fiscal/FTE Impact:	
<input type="checkbox"/>	None
<input type="checkbox"/>	Amount included in current budget
<input type="checkbox"/>	Budget amendment requested
<input type="checkbox"/>	FTE included in current complement
<input type="checkbox"/>	New FTE requested – N/A
<input checked="" type="checkbox"/>	Other: Pavement Management Fund 440, Park Maintenance Fund 444

*SDA*

**PURPOSE/ACTION REQUESTED**

Resolution receiving bids and awarding contract for the 2015 Pavement Management Program, City Project No. 2015-09A – Crackseal.

**SUMMARY**

City Project No. 2015-09A was advertised with bids received and publicly read aloud at 10:00 a.m. on April 28, 2015. Three contractors submitted bids. The crackseal area map is attached. The map shows the base bid areas (1, 2, 3, and 4) and bid alternate areas (A, B, and C). The following table summarizes the base bid and bid alternates:

BIDDER	5% Bid Bond	BASE BID	BID ALTERNATE A	BID ALTERNATE B	BID ALTERNATE C	TOTAL BID
Fahrner	Yes	\$65,365.99	\$68,732.25	\$41,510.45	\$18,625.25	\$194,233.94
Paragon Co.	Yes	\$104,961.00	\$41,825.00	\$30,525.00	\$20,045.00	\$197,356.00
Astech Corp.	Yes	\$91,529.50	\$37,287.50	\$26,413.00	\$49,254.50	\$204,484.50

Bid Alternate C is for cracksealing of trails and a parks and recreation parking lot and the work has been recommended by Eric Carlson, Parks and Recreation Director. The 2015 PMP budget has \$400,000 available for sealcoating and cracksealing. The target budget for cracksealing is \$130,000 therefore award of the Base Bid and Bid Alternate A for street cracksealing is proposed.

The low combined Base Bid (Areas 1, 2, 3, and 4) and Bid Alternates A and C is \$152,723.49. The low combined Base Bid and Bid Alternates A and C was submitted by Fahrner Asphalt.

The funding sources and amounts are as follows:

Pavement Management Fund 440	\$134,098.24
Park Maintenance Fund 444	\$18,625.25
<b>Total</b>	<b>\$152,723.49</b>

Public Works/Engineering recommends adopting the resolution receiving bids and awarding the contract for City Project No. 2015-09A – Crackseal to Fahrner Asphalt, in the amount of \$152,723.49, for the Base Bid plus Bid Alternates A and C. Bid Alternate B may be considered for the 2016 crackseal project. The 2015 cracksealing and sealcoating project will be awarded within the 2015 PMP budget total amount.

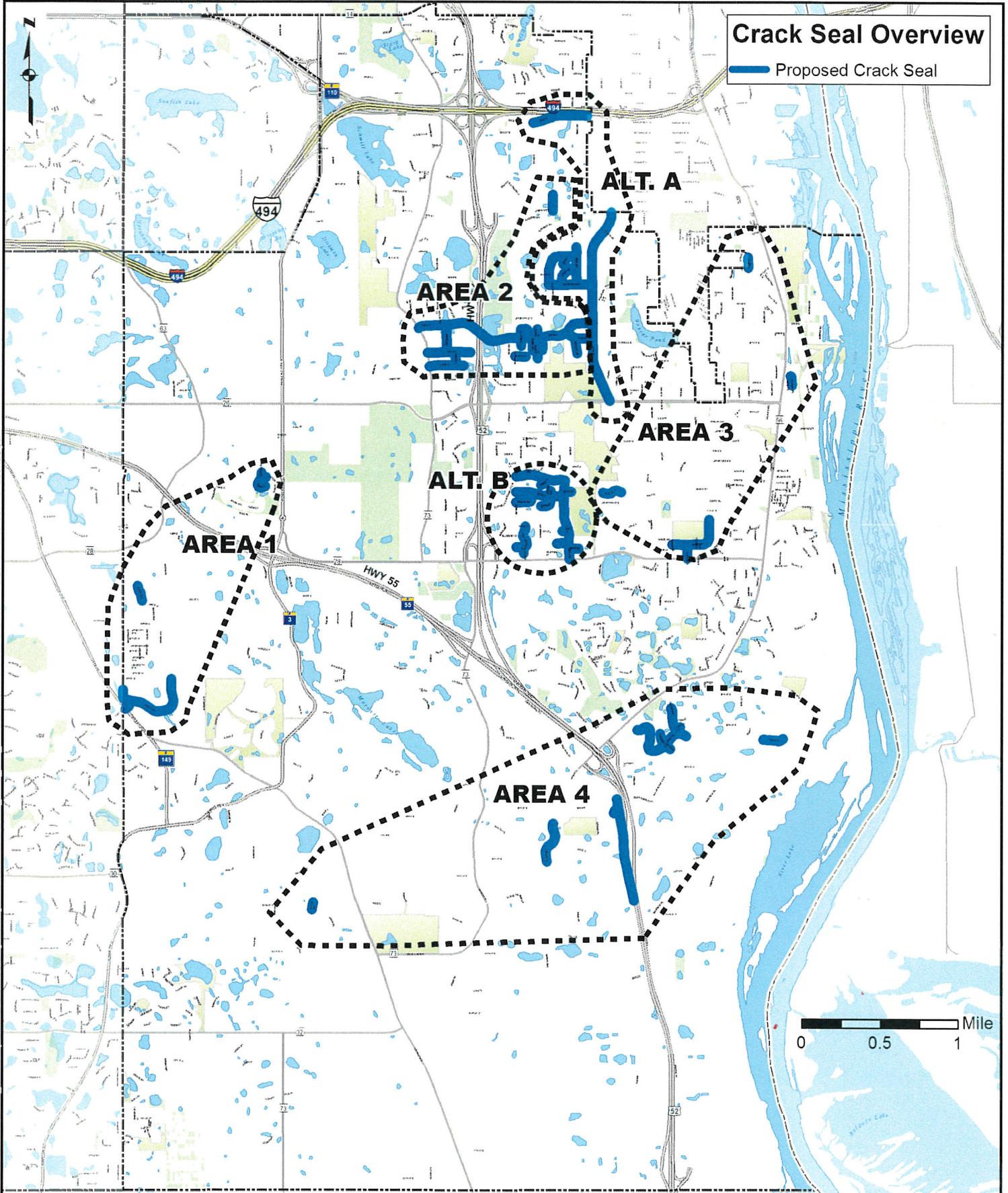
TJK/js

- Attachments: Area Map  
 Minutes of Bid Opening  
 Bid Tabulation  
 Resolution



# City of Inver Grove Heights

## Project No. 2015-09A - Crack Seal



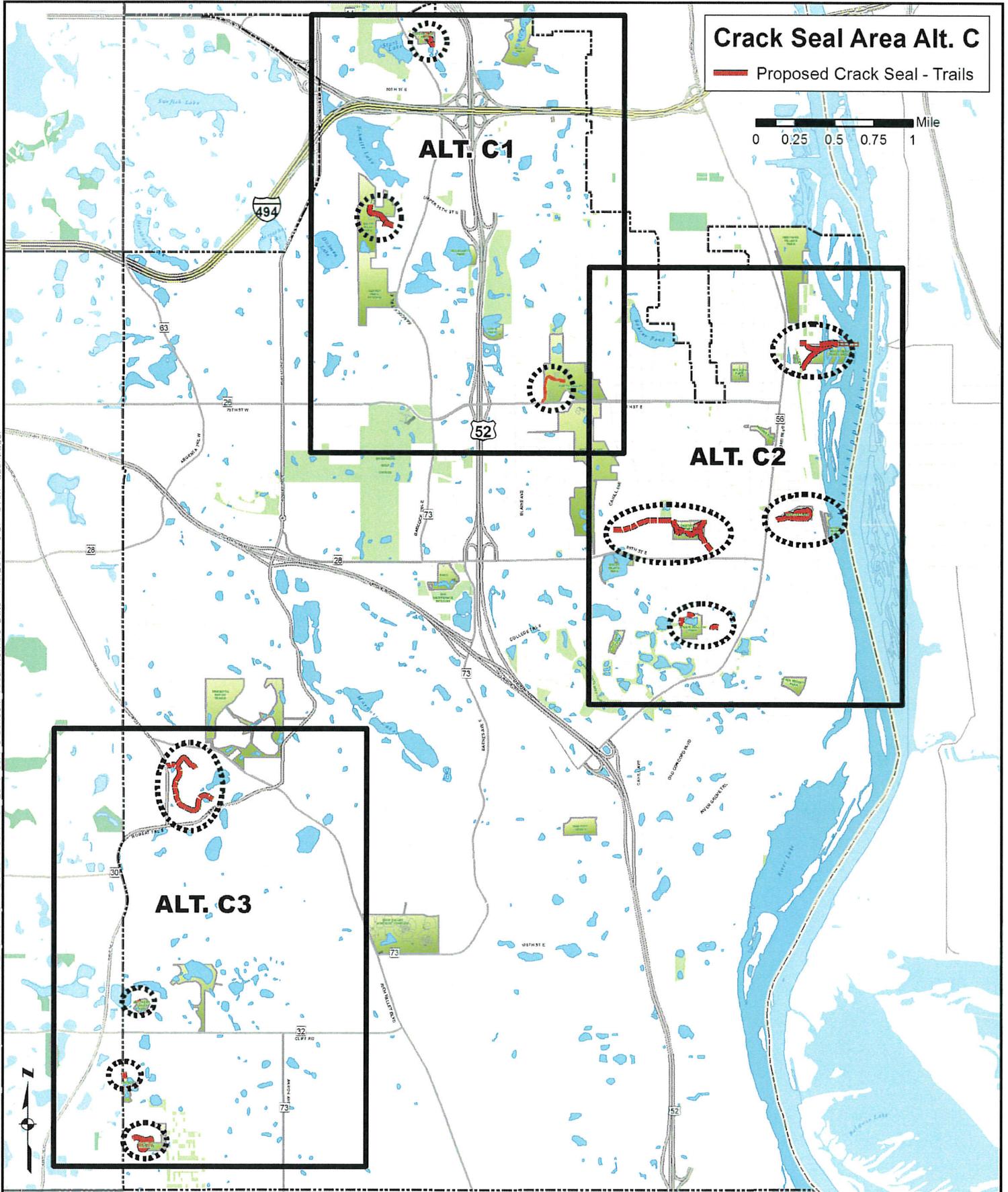
THIS DRAWING IS NEITHER A LEGALLY RECORDED MAP NOR A SURVEY AND IS NOT INTENDED TO BE USED AS ONE. THIS DRAWING IS A COMPILATION OF RECORDS, INFORMATION AND DATA LOCATED IN VARIOUS CITY, COUNTY AND STATE OFFICES AND OTHER SOURCES AND IS TO BE USED FOR REFERENCE PURPOSES ONLY. THE CITY OF INVER GROVE HEIGHTS IS NOT RESPONSIBLE FOR ANY INACCURACIES HEREIN CONTAINED.

Map produced by the City of Inver Grove Heights. Copyright © City of Inver Grove Heights 2015



# City of Inver Grove Heights

## Project No. 2015-09A - Crack Seal



Document Path: Z:\GIS - Data\Projects\PublicWorks\Engineering\MapDocs\2015-09A - Crack Seal - AreaAltC.mxd Date: 4/10/2015 9:07:16 AM - abntranger

THIS DRAWING IS NEITHER A LEGALLY RECORDED MAP NOR A SURVEY AND IS NOT INTENDED TO BE USED AS ONE. THIS DRAWING IS A COMPILATION OF RECORDS, INFORMATION AND DATA LOCATED IN VARIOUS CITY, COUNTY AND STATE OFFICES AND OTHER SOURCES AND IS TO BE USED FOR REFERENCE PURPOSES ONLY. THE CITY OF INVER GROVE HEIGHTS IS NOT RESPONSIBLE FOR ANY INACCURACIES HEREIN CONTAINED.  
 Map produced by the City of Inver Grove Heights, Copyright© City of Inver Grove Heights 2015

**CITY OF INVER GROVE HEIGHTS  
8150 Barbara Avenue  
Inver Grove Heights, MN 55077**

**Minutes of Bid Opening on Tuesday, April 28, 2015 at 10:00 a.m.**

**CITY PROJECT NO. 2015-09A  
CRACKSEAL PROGRAM**

Pursuant to an advertisement for bids for City Project No. 2015-09A - Crackseal Program, an administrative meeting was held on April 28, 2015 for the purpose of bid opening. Bids were opened and read aloud.

Attending the meeting were:

Thomas J. Kaldunski, City Engineer  
Kathleen J. Fischer, Public Works Support Specialist  
John D. Schmeling, Senior Engineering Technician  
Gary Wheaton, Paragon Co.

Bids were opened and read aloud as follows:

<b>BIDDER</b>	<b>5% Bid Bond</b>	<b>BASE BID</b>	<b>ALTERNATES</b>	<b>TOTAL BASE BID PLUS ALTERNATES</b>
Fahrner	Yes	\$65,365.99	\$128,867.95	\$194,233.94
Paragon Co.	Yes	\$104,961.00	\$92,395.00	\$197,356.00
Astech Corp.	Yes	\$91,529.50	\$112,955.00	\$204,484.50

Submitted by:

  
Kathleen J. Fischer, Public Works Support Specialist

CITY PROJECT NO. 2015-09A - BID TABULATION

Item No.	Schedule A (Area 1)	Unit	Est. Qty	Engineer's Estimate		Fahrner		Paragon		Astech	
				Unit Price	Bid Price	Unit Price	Bid Price	Unit Price	Bid Price	Unit Price	Bid Price
1	F & I Crack Sealant (Street)	STA	51.4	\$ 275.00	\$ 14,135.00	\$ 115.79	\$ 5,951.61	\$ 240.00	\$ 12,336.00	\$ 205.00	\$ 10,537.00
2	Street Sweeping	HR	10.0	\$ 200.00	\$ 2,000.00	\$ 130.00	\$ 1,300.00	\$ 115.00	\$ 1,150.00	\$ 110.00	\$ 1,100.00
3	Traffic Control	LS	1.0	\$ 500.00	\$ 500.00	\$ 3,200.00	\$ 3,200.00	\$ 500.00	\$ 500.00	\$ 1,400.00	\$ 1,400.00
Schedule A (Area 1) Total:				\$ 16,635.00	\$ 16,635.00	\$ 10,451.61	\$ 10,451.61	\$ 13,986.00	\$ 13,986.00	\$ 13,037.00	\$ 13,037.00

Item No.	Schedule B (Area 2)	Unit	Est. Qty	Engineer's Estimate		Fahrner		Paragon		Astech	
				Unit Price	Bid Price	Unit Price	Bid Price	Unit Price	Bid Price	Unit Price	Bid Price
1	F & I Crack Sealant (Street)	STA	153.3	\$ 275.00	\$ 42,157.50	\$ 115.79	\$ 17,750.61	\$ 240.00	\$ 36,792.00	\$ 205.00	\$ 31,426.50
2	Misc. Crackseal as Directed by Engineer	LF	2500.0	\$ 1.00	\$ 2,500.00	\$ 0.80	\$ 2,000.00	\$ 1.00	\$ 2,500.00	\$ 0.67	\$ 1,675.00
3	Street Sweeping	HR	30.0	\$ 200.00	\$ 6,000.00	\$ 130.00	\$ 3,900.00	\$ 115.00	\$ 3,450.00	\$ 110.00	\$ 3,300.00
4	Traffic Control	LS	1.0	\$ 1,500.00	\$ 1,500.00	\$ 3,840.00	\$ 3,840.00	\$ 1,500.00	\$ 1,500.00	\$ 1,800.00	\$ 1,800.00
Schedule B (Area 2) Total:				\$ 52,157.50	\$ 52,157.50	\$ 27,490.61	\$ 27,490.61	\$ 44,242.00	\$ 44,242.00	\$ 38,201.50	\$ 38,201.50

Item No.	Schedule C (Area 3)	Unit	Est. Qty	Engineer's Estimate		Fahrner		Paragon		Astech	
				Unit Price	Bid Price	Unit Price	Bid Price	Unit Price	Bid Price	Unit Price	Bid Price
1	F & I Crack Sealant (Street)	STA	45.9	\$ 275.00	\$ 12,622.50	\$ 115.79	\$ 5,314.76	\$ 240.00	\$ 11,016.00	\$ 205.00	\$ 9,409.50
2	Street Sweeping	HR	10.0	\$ 200.00	\$ 2,000.00	\$ 130.00	\$ 1,300.00	\$ 115.00	\$ 1,150.00	\$ 110.00	\$ 1,100.00
3	Traffic Control	LS	1.0	\$ 500.00	\$ 750.00	\$ 2,240.00	\$ 2,240.00	\$ 1,500.00	\$ 1,500.00	\$ 1,400.00	\$ 1,400.00
Schedule C (Area 3) Total:				\$ 15,372.50	\$ 15,372.50	\$ 8,854.76	\$ 8,854.76	\$ 13,666.00	\$ 13,666.00	\$ 11,909.50	\$ 11,909.50

Item No.	Schedule D (Area 4)	Unit	Est. Qty	Engineer's Estimate		Fahrner		Paragon		Astech	
				Unit Price	Bid Price	Unit Price	Bid Price	Unit Price	Bid Price	Unit Price	Bid Price
1	F & I Crack Sealant (Street)	STA	113.3	\$ 275.00	\$ 31,157.50	\$ 115.79	\$ 13,119.01	\$ 240.00	\$ 27,192.00	\$ 205.00	\$ 23,226.50
2	Misc. Crackseal as Directed by Engineer	LF	1500.0	\$ 1.00	\$ 1,500.00	\$ 0.80	\$ 1,200.00	\$ 1.00	\$ 1,500.00	\$ 0.67	\$ 1,005.00
3	Street Sweeping	HR	25.0	\$ 200.00	\$ 5,000.00	\$ 130.00	\$ 3,250.00	\$ 115.00	\$ 2,875.00	\$ 110.00	\$ 2,750.00
4	Traffic Control	LS	1.0	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,500.00	\$ 1,500.00	\$ 1,400.00	\$ 1,400.00
Schedule D (Area 4) Total:				\$ 38,657.50	\$ 38,657.50	\$ 18,569.01	\$ 18,569.01	\$ 33,067.00	\$ 33,067.00	\$ 28,381.50	\$ 28,381.50

Base Bid (Schedules A-D) Total: \$ 122,822.50 \$ 65,365.99 \$ 104,961.00 \$ 91,529.50

CITY PROJECT NO. 2015-09A - BID TABULATION

Item No.	Alternate A	Unit	Est. Qty	Engineer's Estimate			Fahrner			Paragon			Astech		
				Unit Price	Bid Price	Unit Price	Unit Price	Bid Price	Unit Price	Bid Price	Unit Price	Bid Price	Unit Price	Bid Price	
1	F & I Crack Sealant (Street)	STA	137.5	\$ 275.00	\$ 37,812.50	\$ 443.58	\$ 60,992.25	\$ 250.00	\$ 34,375.00	\$ 205.00	\$ 28,187.50				
2	Street Sweeping	HR	30.0	\$ 200.00	\$ 6,000.00	\$ 130.00	\$ 3,900.00	\$ 115.00	\$ 3,450.00	\$ 110.00	\$ 3,300.00				
3	Traffic Control	LS	1.0	\$ 1,500.00	\$ 1,500.00	\$ 3,840.00	\$ 3,840.00	\$ 4,000.00	\$ 4,000.00	\$ 5,800.00	\$ 5,800.00				
Alternate A Total:					\$ 45,312.50		\$ 68,732.25		\$ 41,825.00		\$ 37,287.50				

Item No.	Alternate B	Unit	Est. Qty	Engineer's Estimate			Fahrner			Paragon			Astech		
				Unit Price	Bid Price	Unit Price	Unit Price	Bid Price	Unit Price	Bid Price	Unit Price	Bid Price	Unit Price	Bid Price	
1	F & I Crack Sealant (Street)	STA	108.6	\$ 400.00	\$ 43,440.00	\$ 331.68	\$ 36,020.45	\$ 250.00	\$ 27,150.00	\$ 205.00	\$ 22,263.00				
2	Street Sweeping	HR	25.0	\$ 200.00	\$ 5,000.00	\$ 130.00	\$ 3,250.00	\$ 115.00	\$ 2,875.00	\$ 110.00	\$ 2,750.00				
3	Traffic Control	LS	1.0	\$ 1,000.00	\$ 1,000.00	\$ 2,240.00	\$ 2,240.00	\$ 500.00	\$ 500.00	\$ 1,400.00	\$ 1,400.00				
Alternate B Total:					\$ 49,440.00		\$ 41,510.45		\$ 30,525.00		\$ 26,413.00				

Item No.	Alternate C (North Valley Park Parking Lot)	Unit	Est. Qty	Engineer's Estimate			Fahrner			Paragon			Astech		
				Unit Price	Bid Price	Unit Price	Unit Price	Bid Price	Unit Price	Bid Price	Unit Price	Bid Price	Unit Price	Bid Price	
1	F & I Crack Sealant (Trail)	STA	194.9	\$ 100.00	\$ 19,490.00	\$ 33.48	\$ 6,525.25	\$ 50.00	\$ 9,745.00	\$ 205.00	\$ 39,954.50				
2	F & I Crack Sealant (Parking Lot)	LF	10000.0	\$ 1.00	\$ 10,000.00	\$ 0.90	\$ 9,000.00	\$ 0.75	\$ 7,500.00	\$ 0.67	\$ 6,700.00				
3	Street Sweeping	HR	20.0	\$ 200.00	\$ 4,000.00	\$ 130.00	\$ 2,600.00	\$ 115.00	\$ 2,300.00	\$ 110.00	\$ 2,200.00				
4	Traffic Control	LS	1.0	\$ 1,000.00	\$ 1,000.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 400.00	\$ 400.00				
Alternate C Total:					\$ 34,490.00		\$ 18,625.25		\$ 20,045.00		\$ 49,254.50				

Subtotal (Alternates A-C): \$ 129,242.50

\$ 112,955.00

Total Base Bid + Alternates A-C: \$ 252,065.00

\$ 204,484.50

Bid Alt. C Item 1 read at \$7495.00

**CITY OF INVER GROVE HEIGHTS  
DAKOTA COUNTY, MINNESOTA**

**RESOLUTION RECEIVING BIDS AND AWARDING CONTRACT FOR THE 2015 PAVEMENT MANAGEMENT PROGRAM, CITY PROJECT NO. 2015-09A – CRACKSEAL TO FAHRNER ASPHALT, IN THE AMOUNT OF \$152,723.49 (BASE BID AND BID ALTERNATES A AND C)**

**RESOLUTION NO. \_\_\_\_\_**

**WHEREAS**, pursuant to an advertisement for bids for the 2015 Pavement Management Program, City Project 2015-09A, Crackseal, bids were received, opened, read aloud, and tabulated according to law. The following bids were received complying with the advertisement:

BIDDER	5% Bid Bond	BASE BID	BID ALTERNATE A	BID ALTERNATE B	BID ALTERNATE C	TOTAL BID
Fahrner	Yes	\$65,365.99	\$68,732.25	\$41,510.45	\$18,625.25	\$194,233.94
Paragon Co.	Yes	\$104,961.00	\$41,825.00	\$30,525.00	\$20,045.00	\$197,356.00
Astech Corp.	Yes	\$91,529.50	\$37,287.50	\$26,413.00	\$49,254.50	\$204,484.50

BIDDER	5% Bid Bond	BASE BID	BID ALTERNATE A	BID ALTERNATE C	TOTAL BASE BID AND BID ALTERNATES A AND C
Fahrner	Yes	\$65,365.99	\$68,732.25	\$18,625.25	\$152,723.49
Paragon Co.	Yes	\$104,961.00	\$41,825.00	\$20,045.00	\$166,831.00
Astech Corp.	Yes	\$91,529.50	\$37,287.50	\$49,254.50	\$178,071.50

**WHEREAS**, a budget of \$160,000 is available for the project from various funds; and

**WHEREAS**, bids were reviewed to determine the combination of Base Bid and Bid Alternates that would provide the largest project for the budgeted amount; and

**WHEREAS**, Fahrner Asphalt is the lowest responsible bidder including the Base Bid and Bid Alternates A and C; with a total amount of \$152,723.49.

**NOW, THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF INVER GROVE HEIGHTS, MINNESOTA:**

1. The Mayor and Clerk are hereby authorized and directed to enter into a contract with Fahrner Asphalt, in the name of the City of Inver Grove Heights, for City Project 2015-09A, 2015 Cracksealing Program according to plans and specifications therefore approved by the Council and on file at the Office of the City Clerk.
2. The City Clerk is hereby authorized and directed to return, forthwith, to all bidders, the deposits made with their bids except for the deposit of the successful bidder and the next lowest bidder shall be retained until the contract has been signed.
3. Project funding for the Base Bid and Bid Alternate A, in the amount of \$134,098.24, shall be provided by Fund 440 - Pavement Management Capital Project Fund. Project funding for the Bid Alternate C, in the amount of \$18,625.25, shall be provided by Fund 444 – Park Maintenance Fund.

Adopted by the City Council of Inver Grove Heights this 11th day of May 2015.

AYES:

NAYS:

\_\_\_\_\_  
George Tourville, Mayor

ATTEST:

\_\_\_\_\_  
Joe Lynch, City Clerk

CITY OF INVER GROVE HEIGHTS

REQUEST FOR COUNCIL ACTION

**Resolution Receiving Bids, Awarding Contract, and Approving Change Order No. 1 for the 2015 Pavement Management Program, City Project No. 2015-09B – Sealcoat**

Meeting Date: May 11, 2015  
 Item Type: Consent  
 Contact: Thomas J. Kaldunski, 651-450-2572  
 Prepared by: Thomas J. Kaldunski, City Engineer  
 Reviewed by: Scott D. Thureen, Public Works Director

SAF

**Fiscal/FTE Impact:**

- None
- Amount included in current budget
- Budget amendment requested
- FTE included in current complement
- New FTE requested – N/A
- Other: Pavement Management Fund 440, Park Maintenance Fund 444

**PURPOSE/ACTION REQUESTED**

Resolution receiving bids, awarding contract, and approving Change Order No. 1 for the 2015 Pavement Management Program, City Project No. 2015-09B – Sealcoat.

**SUMMARY**

City Project No. 2015-09B was advertised with bids received and publicly read aloud at 10:30 a.m. on April 28, 2015. Two contractors submitted bids. The sealcoat area map is attached. The map shows the base bid areas (1, 2, 3, and 4) and bid alternate areas (A, B, C, D, and E). The following table summarizes the base bid and bid alternates:

BIDDER	5% Bid Bond	BASE BID	BID ALTERNATE A	BID ALTERNATE B	BID ALTERNATE C	BID ALTERNATE D	BID ALTERNATE E	TOTAL BID
Pearson Bros., Inc.	Yes	\$211,602.50	\$14,267.50	\$127,475.25	\$25,917.00	\$65,330.50	\$24,605.00	\$469,197.75
Allied Blacktop, Inc.	Yes	\$221,430.76	\$16,129.82	\$131,626.82	\$27,804.23	\$67,553.52	\$23,117.00	\$487,662.15

Bid Alternate E is for sealcoating and fogsealing two parks and recreation parking lots and the work has been recommended by Eric Carlson, Parks and Recreation Director. The 2015 PMP budget has \$400,000 available for sealcoating and cracksealing. The crackseal project streets are being awarded, in the amount of \$134,098.24 of PMP funds, which leaves \$265,901.76 for sealcoating. The City would like to award the Base Bid and Alternates A, C, and E to Pearson Bros., Inc. and approve Change Order No. 1 to use the entire PMP budget remaining for street sealcoating.

The low combined Base Bid (Areas 1, 2, 3, and 4) and Bid Alternates A, C, and E to be awarded is \$276,392.00 which was submitted by Pearson Brothers, Inc.. Change Order No. 1, in the amount of \$14,114.76, allows additional street sealcoating to take place on 102<sup>nd</sup> Street West adjacent to Bid Alternate C and allows full utilization of the PMP budget for sealcoating.

The funding sources for the project are as follows:

Pavement Management Fund 440	\$265,901.76
Park Maintenance Fund 444	\$24,605.00
<b>Total</b>	<b>\$290,506.76</b>

Public Works/Engineering recommends adopting the resolution receiving bids, awarding contract to Pearson Bros., Inc., in the amount of \$276,392.00, for the Base Bid plus Bid Alternates A, C, and E, and approving Change Order No. 1, in the amount of \$14,114.76 (For a revised contract amount of \$290,506.76), for City Project No. 2015-09B – Sealcoat. Area B and D may be considered for the 2016 sealcoat project.

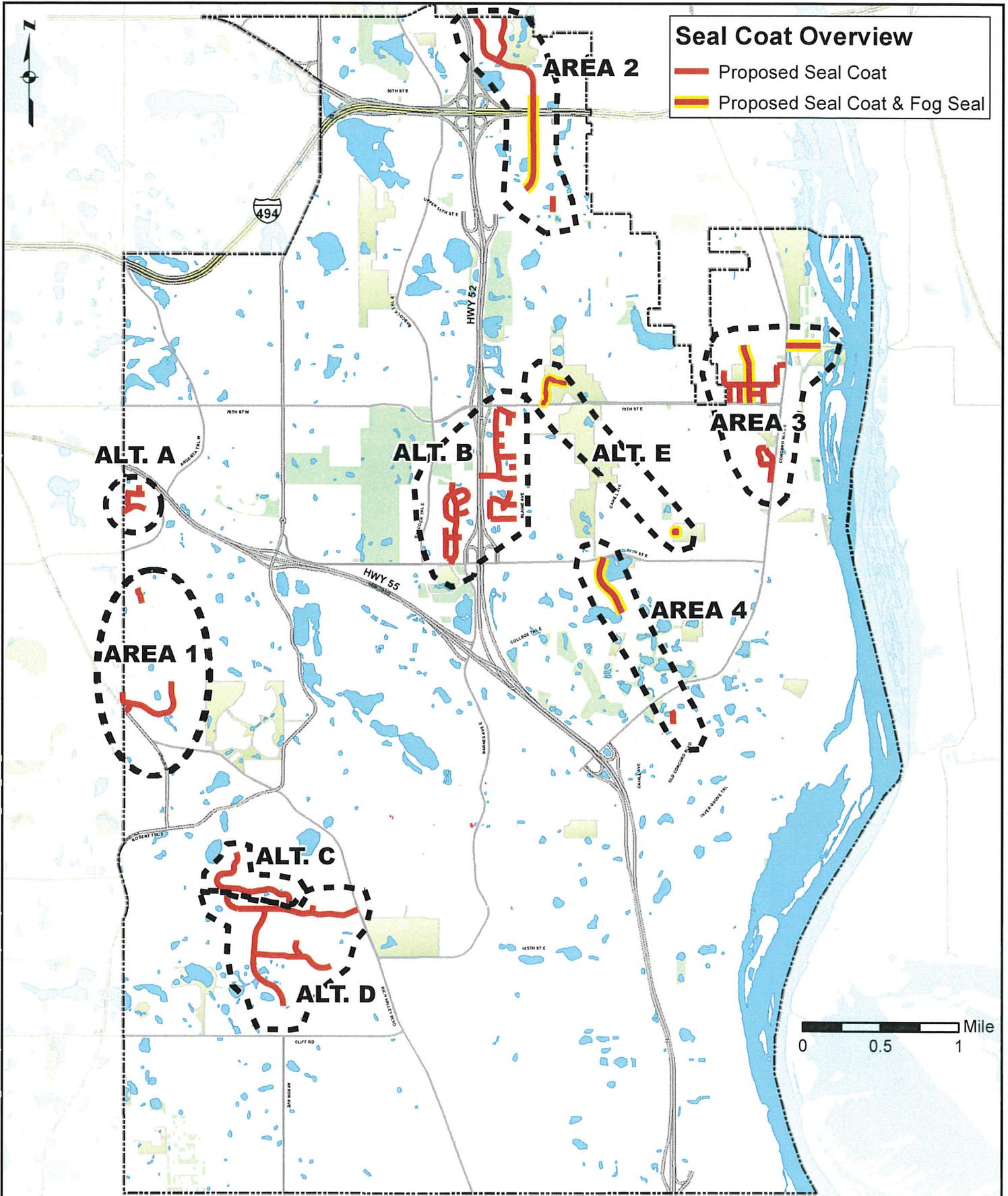
TJK/js

- Attachments:
- Area Map
  - Minutes of Bid Opening
  - Bid Tabulation
  - Resolution
  - Change Order No. 1



# City of Inver Grove Heights

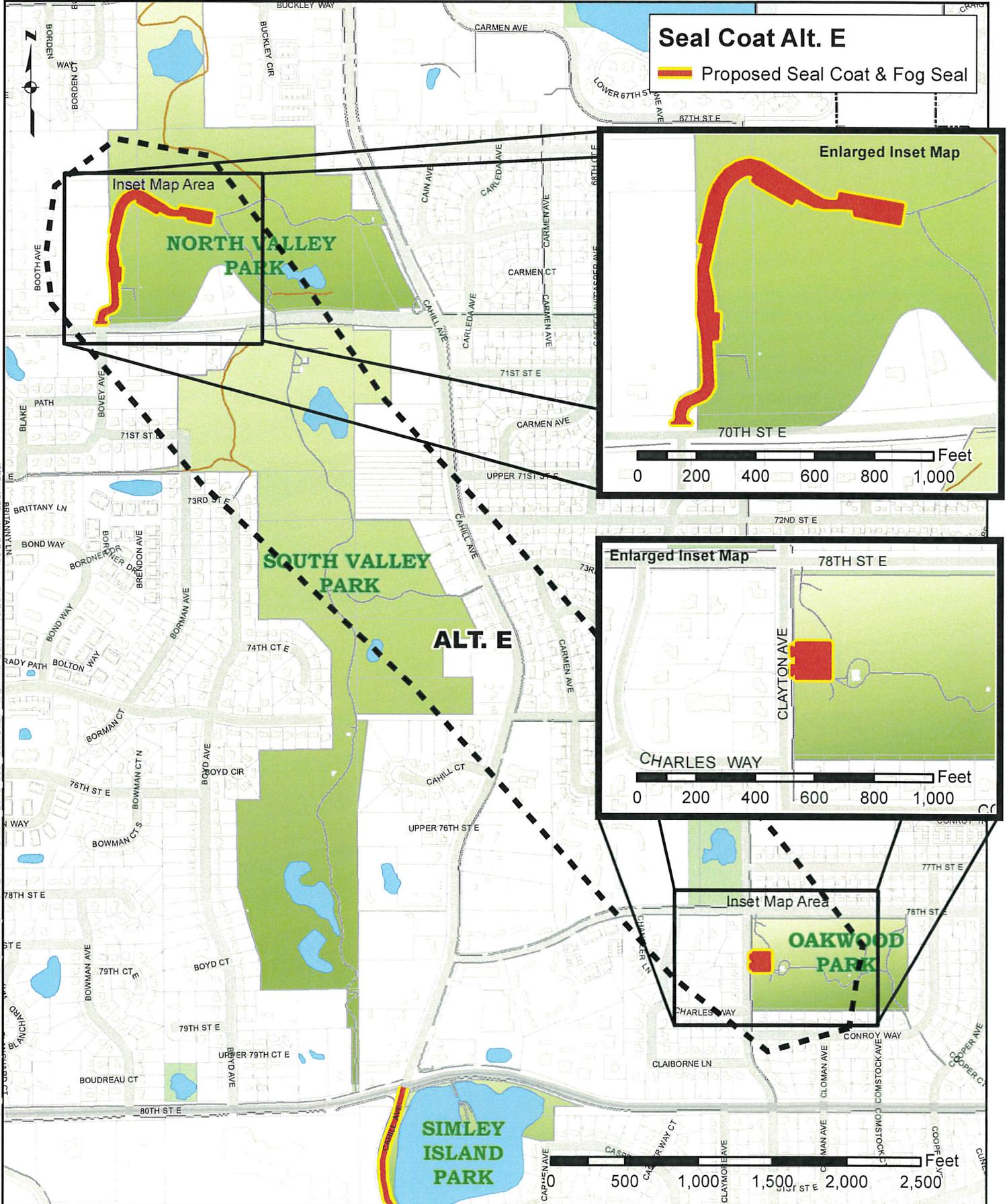
## Project No. 2015-09B - Seal Coat



THIS DRAWING IS NEITHER A LEGALLY RECORDED MAP NOR A SURVEY AND IS NOT INTENDED TO BE USED AS ONE. THIS DRAWING IS A COMPILATION OF RECORDS, INFORMATION AND DATA LOCATED IN VARIOUS CITY, COUNTY AND STATE OFFICES AND OTHER SOURCES AND IS TO BE USED FOR REFERENCE PURPOSES ONLY. THE CITY OF INVER GROVE HEIGHTS IS NOT RESPONSIBLE FOR ANY INACCURACIES HEREIN CONTAINED.  
Map produced by the City of Inver Grove Heights, Copyright © City of Inver Grove Heights 2015



# City of Inver Grove Heights Project No. 2015-09B - Seal Coat



THIS DRAWING IS NEITHER A LEGALLY RECORDED MAP NOR A SURVEY AND IS NOT INTENDED TO BE USED AS ONE. THIS DRAWING IS A COMPILATION OF RECORDS, INFORMATION AND DATA LOCATED IN VARIOUS CITY, COUNTY AND STATE OFFICES AND OTHER SOURCES AND IS TO BE USED FOR REFERENCE PURPOSES ONLY. THE CITY OF INVER GROVE HEIGHTS IS NOT RESPONSIBLE FOR ANY INACCURACIES HEREIN CONTAINED.  
 Map produced by the City of Inver Grove Heights, Copyright © City of Inver Grove Heights 2015

**CITY OF INVER GROVE HEIGHTS  
8150 Barbara Avenue  
Inver Grove Heights, MN 55077**

**Minutes of Bid Opening on Tuesday, April 28, 2015 at 10:30 a.m.**

**CITY PROJECT NO. 2015-09B  
SEALCOAT PROGRAM**

Pursuant to an advertisement for bids for City Project No. 2015-09B - Sealcoat Program, an administrative meeting was held on April 28, 2015 for the purpose of bid opening. Bids were opened and read aloud.

Attending the meeting were:

Thomas J. Kaldunski, City Engineer  
Kathleen J. Fischer, Public Works Support Specialist  
John D. Schmeling, Senior Engineering Technician

Bids were opened and read aloud as follows:

<b>BIDDER</b>	<b>5% Bid Bond</b>	<b>BASE BID</b>	<b>ALTERNATES</b>	<b>TOTAL BASE BID PLUS ALTERNATES</b>
Pearson	Yes	\$211,602.50	\$257,595.25	\$469,197.75
Allied Blacktop	Yes	\$221,430.76	\$266,231.39	\$487,662.15

Submitted by:



---

Kathleen J. Fischer, Public Works Support Specialist

CITY PROJECT NO. 2015-09B - BID TABULATION

Item No.	Base Bid Schedule A (Area 1)	Unit	Est. Qty	Engineer's Estimate		Pearson		Allied	
				Unit Price	Bid Price	Unit Price	Bid Price	Unit Price	Bid Price
1	Street Sweeping	Hours	8	\$ 200.00	\$ 1,600.00	\$ 100.00	\$ 800.00	\$ 250.00	\$ 2,000.00
2	Seal Coating (FA-2 Class A)	SY	13,252	\$ 0.95	\$ 12,589.40	\$ 0.75	\$ 9,939.00	\$ 1.02	\$ 13,517.04
3	Bituminous Material for Seal Coat (CRS-2P)	GAL	4,506	\$ 2.90	\$ 13,067.40	\$ 3.00	\$ 13,518.00	\$ 1.75	\$ 7,885.50
4	Seal Coat Test Strip	EA	1	\$ 500.00	\$ 500.00	\$ 100.00	\$ 100.00	\$ 1,000.00	\$ 1,000.00
5	Pavement Message (Right/Thru Turn Arrow) Latex	EA	1	\$ 150.00	\$ 150.00	\$ 200.00	\$ 200.00	\$ 100.00	\$ 100.00
6	Pavement Message (Left Turn Arrow) Latex	EA	1	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 80.00	\$ 80.00
7	Pavement Message (Right Turn Arrow) Latex	EA	2	\$ 100.00	\$ 200.00	\$ 100.00	\$ 200.00	\$ 80.00	\$ 160.00
8	Linear Markings 4" Width Latex Double Yellow	LF	1300	\$ 2.00	\$ 2,600.00	\$ 0.90	\$ 1,170.00	\$ 0.88	\$ 1,144.00
9	Linear Markings 4" Width Latex Solid White	LF	2,600	\$ 0.90	\$ 2,340.00	\$ 0.45	\$ 1,170.00	\$ 0.44	\$ 1,144.00
10	Linear Markings 24" Width Latex Solid White	LF	27	\$ 5.00	\$ 135.00	\$ 4.00	\$ 108.00	\$ 4.00	\$ 108.00
11	Traffic Control	LS	1	\$ 500.00	\$ 500.00	\$ 700.00	\$ 700.00	\$ 2,800.00	\$ 2,800.00
<b>Schedule A Subtotal:</b>				<b>\$</b>	<b>\$ 33,781.80</b>	<b>\$</b>	<b>\$ 28,005.00</b>	<b>\$</b>	<b>\$ 29,938.54</b>

Item No.	Base Bid Schedule B (Area 2)	Unit	Est. Qty	Engineer's Estimate		Pearson		Allied	
				Unit Price	Bid Price	Unit Price	Bid Price	Unit Price	Bid Price
1	Street Sweeping	Hours	20	\$ 200.00	\$ 4,000.00	\$ 100.00	\$ 2,000.00	\$ 250.00	\$ 5,000.00
2	Bituminous Material for Fog Seal (CRS-2P)	GAL	1,600	\$ 3.00	\$ 4,800.00	\$ 4.50	\$ 7,200.00	\$ 3.00	\$ 4,800.00
3	Seal Coating (FA-2 Class A)	SY	34,557	\$ 0.95	\$ 32,829.15	\$ 0.75	\$ 25,917.75	\$ 1.02	\$ 35,248.14
4	Bituminous Material for Seal Coat (CRS-2P)	GAL	10,792	\$ 2.90	\$ 31,296.80	\$ 3.00	\$ 32,376.00	\$ 1.75	\$ 18,886.00
5	Seal Coat Test Strip	EA	1	\$ 500.00	\$ 500.00	\$ 100.00	\$ 100.00	\$ 1,000.00	\$ 1,000.00
6	Linear Markings 4" Width Latex Solid White	LF	6,500	\$ 1.25	\$ 8,125.00	\$ 0.45	\$ 2,925.00	\$ 0.44	\$ 2,860.00
7	Linear Markings 4" Width Latex Double Yellow	LF	3,500	\$ 2.00	\$ 7,000.00	\$ 0.90	\$ 3,150.00	\$ 0.88	\$ 3,080.00
8	Linear Markings 12" Width Latex Solid White	LF	80	\$ 4.00	\$ 320.00	\$ 4.00	\$ 320.00	\$ 3.50	\$ 280.00
9	Traffic Control	LS	1	\$ 1,500.00	\$ 1,500.00	\$ 700.00	\$ 700.00	\$ 6,800.00	\$ 6,800.00
<b>Schedule B Subtotal:</b>				<b>\$</b>	<b>\$ 90,370.95</b>	<b>\$</b>	<b>\$ 74,688.75</b>	<b>\$</b>	<b>\$ 77,954.14</b>

Item No.	Base Bid Schedule C (Area 3)	Unit	Est. Qty	Engineer's Estimate		Pearson		Allied	
				Unit Price	Bid Price	Unit Price	Bid Price	Unit Price	Bid Price
1	Street Sweeping	Hours	20	\$ 200.00	\$ 4,000.00	\$ 100.00	\$ 2,000.00	\$ 250.00	\$ 5,000.00
2	Bituminous Material for Fog Seal (CRS-2P)	GAL	1,350	\$ 3.00	\$ 4,050.00	\$ 4.50	\$ 6,075.00	\$ 3.00	\$ 4,050.00
3	Seal Coating (FA-2 Class A)	SY	37,741	\$ 0.95	\$ 35,853.95	\$ 0.75	\$ 28,305.75	\$ 1.02	\$ 38,495.82
4	Bituminous Material for Seal Coat (CRS-2P)	GAL	11,324	\$ 2.90	\$ 32,839.60	\$ 3.00	\$ 33,972.00	\$ 1.75	\$ 19,817.00
5	Seal Coat Test Strip	EA	1	\$ 500.00	\$ 500.00	\$ 100.00	\$ 100.00	\$ 1,000.00	\$ 1,000.00
6	Pavement Message (RR Crossing) Latex	EA	1	\$ 400.00	\$ 400.00	\$ 300.00	\$ 300.00	\$ 300.00	\$ 300.00
7	Linear Markings 4" Width Latex Double Yellow	LF	350	\$ 2.00	\$ 700.00	\$ 0.90	\$ 315.00	\$ 0.88	\$ 308.00
8	Linear Markings 12" Width Latex Solid White	LF	85	\$ 4.00	\$ 340.00	\$ 3.50	\$ 297.50	\$ 3.50	\$ 297.50
9	Linear Markings 24" Width Latex Solid White	LF	35	\$ 6.00	\$ 210.00	\$ 4.00	\$ 140.00	\$ 4.00	\$ 140.00
10	Traffic Control	LS	1	\$ 1,500.00	\$ 1,500.00	\$ 700.00	\$ 700.00	\$ 7,600.00	\$ 7,600.00
<b>Schedule C Subtotal:</b>				<b>\$</b>	<b>\$ 80,393.55</b>	<b>\$</b>	<b>\$ 72,205.25</b>	<b>\$</b>	<b>\$ 77,008.32</b>

Item No.	Base Bid Schedule D (Area 4)	Unit	Est. Qty	Engineer's Estimate		Pearson		Allied	
				Unit Price	Bid Price	Unit Price	Bid Price	Unit Price	Bid Price
1	Street Sweeping	Hours	8	\$ 200.00	\$ 1,600.00	\$ 100.00	\$ 800.00	\$ 250.00	\$ 2,000.00
2	Bituminous Material for Fog Seal (CRS-2P)	GAL	1,400	\$ 3.00	\$ 4,200.00	\$ 4.50	\$ 6,300.00	\$ 3.00	\$ 4,200.00
3	Seal Coating (FA-2 Class A)	SY	12,838	\$ 0.95	\$ 12,196.10	\$ 0.75	\$ 9,628.50	\$ 1.02	\$ 13,094.76
4	Bituminous Material for Seal Coat (CRS-2P)	GAL	4,592	\$ 2.90	\$ 13,316.80	\$ 3.00	\$ 13,776.00	\$ 1.75	\$ 8,036.00
5	Seal Coat Test Strip	EA	1	\$ 500.00	\$ 500.00	\$ 100.00	\$ 100.00	\$ 1,000.00	\$ 1,000.00
6	Linear Markings 4" Width Latex Double Yellow	LF	2,100	\$ 2.00	\$ 4,200.00	\$ 0.88	\$ 1,848.00	\$ 0.88	\$ 1,848.00
7	Linear Markings 4" Width Latex Broken White	LF	4,200	\$ 1.50	\$ 6,300.00	\$ 0.44	\$ 1,848.00	\$ 0.44	\$ 1,848.00
8	Linear Markings 12" Width Latex Solid White	LF	200	\$ 4.00	\$ 800.00	\$ 3.50	\$ 700.00	\$ 3.50	\$ 700.00
9	Linear Markings 24" Width Latex Solid White	LF	32	\$ 5.00	\$ 160.00	\$ 4.00	\$ 128.00	\$ 4.00	\$ 128.00
10	Crosswalk Marking Paint White Latex	SF	250	\$ 4.00	\$ 1,000.00	\$ 3.50	\$ 875.00	\$ 3.50	\$ 875.00
11	Traffic Control	LS	1	\$ 500.00	\$ 500.00	\$ 700.00	\$ 700.00	\$ 2,800.00	\$ 2,800.00
<b>Schedule D Subtotal:</b>				<b>\$</b>	<b>\$ 44,772.90</b>	<b>\$</b>	<b>\$ 36,703.50</b>	<b>\$</b>	<b>\$ 36,529.76</b>

<b>Base Bid Total:</b>	<b>\$</b>	<b>\$ 249,319.20</b>	<b>\$</b>	<b>\$ 211,602.50</b>	<b>\$</b>	<b>\$ 221,430.76</b>
------------------------	-----------	----------------------	-----------	----------------------	-----------	----------------------

CITY PROJECT NO. 2015-09B - BID TABULATION

Item No.	Bid Alternate A	Unit	Est. Qty	Engineer's Estimate		Pearson		Allied	
				Unit Price	Bid Price	Unit Price	Bid Price	Unit Price	Bid Price
1	Street Sweeping	Hours	5	\$ 200.00	\$ 1,000.00	\$ 100.00	\$ 500.00	\$ 250.00	\$ 1,250.00
2	Seal Coating (FA-2 Class A)	SY	7,666	\$ 0.95	\$ 7,282.70	\$ 0.75	\$ 5,749.50	\$ 1.02	\$ 7,819.32
3	Bituminous Material for Seal Coat (CRS-2P)	GAL	2,606	\$ 2.90	\$ 7,557.40	\$ 3.00	\$ 7,818.00	\$ 1.75	\$ 4,560.50
4	Seal Coat Test Strip	EA	1	\$ 500.00	\$ 500.00	\$ 100.00	\$ 100.00	\$ 1,000.00	\$ 1,000.00
5	Traffic Control	LS	1	\$ 500.00	\$ 500.00	\$ 100.00	\$ 100.00	\$ 1,500.00	\$ 1,500.00
<b>Bid Alternate A Total:</b>				<b>\$ 16,840.10</b>		<b>\$ 14,267.50</b>		<b>\$ 16,129.82</b>	

Item No.	Bid Alternate B	Unit	Est. Qty	Engineer's Estimate		Pearson		Allied	
				Unit Price	Bid Price	Unit Price	Bid Price	Unit Price	Bid Price
1	Street Sweeping	Hours	40	\$ 200.00	\$ 8,000.00	\$ 100.00	\$ 4,000.00	\$ 250.00	\$ 10,000.00
2	Seal Coating (FA-2 Class A)	SY	68,191	\$ 0.95	\$ 64,781.45	\$ 0.75	\$ 51,143.25	\$ 1.02	\$ 69,554.82
3	Bituminous Material for Seal Coat (CRS-2P)	GAL	23,184	\$ 2.90	\$ 67,233.60	\$ 3.00	\$ 69,552.00	\$ 1.75	\$ 40,572.00
4	Seal Coat Test Strip	EA	1	\$ 500.00	\$ 500.00	\$ 100.00	\$ 100.00	\$ 1,000.00	\$ 1,000.00
5	Linear Markings 12" Width Latex Solid White	LF	90	\$ 4.00	\$ 360.00	\$ 22.00	\$ 1,980.00	\$ 20.00	\$ 1,800.00
6	Traffic Control	LS	1	\$ 3,000.00	\$ 3,000.00	\$ 700.00	\$ 700.00	\$ 8,700.00	\$ 8,700.00
<b>Bid Alternate B Total:</b>				<b>\$ 143,875.05</b>		<b>\$ 127,475.25</b>		<b>\$ 131,626.82</b>	

Item No.	Bid Alternate C	Unit	Est. Qty	Engineer's Estimate		Pearson		Allied	
				Unit Price	Bid Price	Unit Price	Bid Price	Unit Price	Bid Price
1	Street Sweeping	Hours	10	\$ 200.00	\$ 2,000.00	\$ 100.00	\$ 1,000.00	\$ 250.00	\$ 2,500.00
2	Seal Coating (FA-2 Class A)	SY	13,624	\$ 0.95	\$ 12,942.80	\$ 0.75	\$ 10,218.00	\$ 1.02	\$ 13,896.48
3	Bituminous Material for Seal Coat (CRS-2P)	GAL	4,633	\$ 2.90	\$ 13,435.70	\$ 3.00	\$ 13,899.00	\$ 1.75	\$ 8,107.75
4	Seal Coat Test Strip	EA	1	\$ 500.00	\$ 500.00	\$ 100.00	\$ 100.00	\$ 1,000.00	\$ 1,000.00
5	Traffic Control	LS	1	\$ 500.00	\$ 500.00	\$ 700.00	\$ 700.00	\$ 2,300.00	\$ 2,300.00
<b>Bid Alternate C Total:</b>				<b>\$ 29,378.50</b>		<b>\$ 25,917.00</b>		<b>\$ 27,804.23</b>	

Item No.	Bid Alternate D	Unit	Est. Qty	Engineer's Estimate		Pearson		Allied	
				Unit Price	Bid Price	Unit Price	Bid Price	Unit Price	Bid Price
1	Street Sweeping	Hours	20	\$ 200.00	\$ 4,000.00	\$ 100.00	\$ 2,000.00	\$ 250.00	\$ 5,000.00
2	Seal Coating (FA-2 Class A)	SY	35,326	\$ 0.95	\$ 33,559.70	\$ 0.75	\$ 26,494.50	\$ 1.02	\$ 36,032.52
3	Bituminous Material for Seal Coat (CRS-2P)	GAL	12,012	\$ 2.90	\$ 34,834.80	\$ 3.00	\$ 36,036.00	\$ 1.75	\$ 21,021.00
4	Seal Coat Test Strip	EA	1	\$ 500.00	\$ 500.00	\$ 100.00	\$ 100.00	\$ 1,000.00	\$ 1,000.00
5	Traffic Control	LS	1	\$ 1,500.00	\$ 1,500.00	\$ 700.00	\$ 700.00	\$ 4,500.00	\$ 4,500.00
<b>Bid Alternate D Total:</b>				<b>\$ 74,394.50</b>		<b>\$ 65,330.50</b>		<b>\$ 67,553.52</b>	

Item No.	Bid Alternate E (North Valley and Oakwood Park Parking Lots)	Unit	Est. Qty	Engineer's Estimate		Pearson		Allied	
				Unit Price	Bid Price	Unit Price	Bid Price	Unit Price	Bid Price
1	Street Sweeping	Hours	8	\$ 200.00	\$ 1,600.00	\$ 100.00	\$ 800.00	\$ 250.00	\$ 2,000.00
2	Bituminous Material for Fog Seal (CSS-1h)	GAL	1000	\$ 3.00	\$ 3,000.00	\$ 4.00	\$ 4,000.00	\$ 3.00	\$ 3,000.00
3	Seal Coating (FA-2 Class A)	SY	9,500	\$ 0.95	\$ 9,025.00	\$ 0.75	\$ 7,125.00	\$ 1.02	\$ 9,690.00
4	Bituminous Material for Seal Coat (CRS-2P)	GAL	3,300	\$ 2.90	\$ 9,570.00	\$ 3.00	\$ 9,900.00	\$ 1.75	\$ 5,775.00
5	Pavement Message (Handicap Parking) Latex	EA	8	\$ 60.00	\$ 480.00	\$ 100.00	\$ 800.00	\$ 84.00	\$ 672.00
6	Linear Markings 4" Width Latex Solid White	LF	3,000	\$ 1.25	\$ 3,750.00	\$ 0.66	\$ 1,980.00	\$ 0.66	\$ 1,980.00
<b>Bid Alternate E Total:</b>				<b>\$ 27,425.00</b>		<b>\$ 24,605.00</b>		<b>\$ 23,117.00</b>	

**Subtotal (Alternates A-E):** \$ 291,913.15      \$ 257,595.25      \$ 266,231.39

**Total Base Bid with Alternates A through E:** \$ 541,232.35      \$ 469,197.75      \$ 487,662.15

Bid Alt. C read at \$10,000.

**CITY OF INVER GROVE HEIGHTS  
DAKOTA COUNTY, MINNESOTA**

**RESOLUTION RECEIVING BIDS AND AWARDING CONTRACT FOR THE 2014 PAVEMENT MANAGEMENT PROGRAM, CITY PROJECT NO. 2015-09B – SEALCOAT TO PEARSON BROS., INC., IN THE AMOUNT OF \$290,506.76 (BASE BID AND BID ALTERNATES A, C, AND E, AND CHANGE ORDER NO. 1)**

**RESOLUTION NO. \_\_\_\_\_**

**WHEREAS**, pursuant to an advertisement for bids for the 2015 Pavement Management Program, City Project 2015-09B, Sealcoat, bids were received, opened, read aloud, and tabulated according to law. The following bids were received complying with the advertisement:

BIDDER	5% Bid Bond	BASE BID	BID ALTERNATE A	BID ALTERNATE B	BID ALTERNATE C	BID ALTERNATE D	BID ALTERNATE E	TOTAL BID
Pearson Bros., Inc.	Yes	\$211,602.50	\$14,267.50	\$127,475.25	\$25,917.00	\$65,330.50	\$24,605.00	\$469,197.75
Allied Blacktop, Inc.	Yes	\$221,430.76	\$16,129.82	\$131,626.82	\$27,804.23	\$67,553.52	\$23,117.00	\$487,662.15

BIDDER	5% Bid Bond	BASE BID	BID ALTERNATE A	BID ALTERNATE C	BID ALTERNATE E	TOTAL BID	CHANGE ORDER NO. 1	TOTAL
Pearson Bros., Inc.	Yes	\$211,602.50	\$14,267.50	\$25,917.00	\$24,605.00	\$276,392.00	\$14,114.76	\$290,506.76
Allied Blacktop, Inc.	Yes	\$221,430.76	\$16,129.82	\$27,804.23	\$23,117.00	\$288,481.81		

**WHEREAS**, a budget of \$300,000 is available for the project from various funds; and

**WHEREAS**, bids were reviewed to determine the combination of Base Bid and Bid Alternates that would provide the largest project for the budgeted amount; and

**WHEREAS**, Change Order No. 1 allows the maximum use of the 2015 PMP budget for street sealcoating; and

**WHEREAS**, Pearson Bros., Inc., is the lowest responsible bidder for the Base Bid plus Alternates A, C, and E.

**NOW, THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF INVER GROVE HEIGHTS, MINNESOTA:**

1. The Mayor and Clerk are hereby authorized and directed to enter into a contract with Pearson Bros., Inc., in the name of the City of Inver Grove Heights, for City Project 2015-09B, 2015 Sealcoating Program according to plans and specifications therefore approved by the Council and on file at the Office of the City Clerk.
2. The City Clerk is hereby authorized and directed to return, forthwith, to all bidders, the deposits made with their bids except for the deposit of the successful bidder and the next lowest bidder shall be retained until the contract has been signed.
3. The project is hereby awarded for the Base Bid plus Bid Alternates A, C, and E in the amount of \$276,392.00.
4. The Council hereby approves Change Order No. 1, in the amount of \$14,114.76, for a revised contract amount of \$290,506.76, to utilize the full budget for street sealcoating.

5. Project funding for the Base Bid plus Bid Alternates A and C, in the amount of \$251,787.00, and for Change Order No. 1, in the amount of \$14,114.76, shall be provided by Fund 440 - Pavement Management Capital Project Fund. Project funding for Bid Alternate E, in the amount of \$24,605.00, shall be provided by Fund 444 – Park Maintenance Fund.

Adopted by the City Council of Inver Grove Heights this 11th day of May 2015.

AYES:

NAYS:

---

George Tourville, Mayor

ATTEST:

---

Joe Lynch, City Clerk

**CHANGE ORDER NO. 1**

**2015 PAVEMENT MANAGEMENT PROGRAM  
CITY PROJECT NO. 2015-09B  
SEALCOAT**

Owner: City of Inver Grove Heights 8150 Barbara Avenue Inver Grove Heights, MN 55077	Date of Issuance: May 11, 2015
Contractor: Pearson Brothers 11079 Lamont Avenue N.E. Hanover, MN 55341	Engineer: City Engineer

**PURPOSE OF CHANGE ORDER**  
 The available budget for street sealcoating is \$265,901.76. The contract cost for street sealcoating awarded in the base bid plus bid alternates A and C is \$251,787.00. To fully utilize the available budget for streets, additional sealcoating will be installed adjacent to the area of bid alternate C on 102<sup>nd</sup> Street. This work will be done by overrunning quantities on bid alternate C.

Total change order amount = \$265,901.76 - \$251,787.00 = **\$14,114.76 addition**

CHANGE IN CONTRACT PRICE	CHANGE IN CONTRACT TIME
Original Contract Price: \$276,392.00	Original Contract Time:
Previous Change Orders \$0.00	Net Change from Previous Change Orders
Contract Price Prior to this Change Order \$276,392.00	Contract Time Prior to this Change Order
Net Increase of this Change Order \$14,114.76	Net Increase (Decrease) of Change Order
Contract Price with all Approved Change Orders \$290,506.76	Contract Time with Approved Change
Recommended By:  John Schmeling, Engineering Technician	Approved By: _____ Pearson Brothers

Approved By:

  
 \_\_\_\_\_  
 Thomas J. Kaldunski, City Engineer

Approved By:

\_\_\_\_\_  
 George Tourville, Mayor

Date of Council Action:

\_\_\_\_\_  
 May 11, 2015

CITY OF INVER GROVE HEIGHTS

REQUEST FOR COUNCIL ACTION

**Resolution Approving Estimated Costs for the Project, the Joint Powers Agreement with Dakota County Transportation Department for Milling, Bituminous Overlay, and City Utility Repairs and Resolution Ordering City Project No. 2015-06 – 70th Street Mill and Overlay (TH 3 to Cahill Avenue)**

Meeting Date: May 11, 2015  
 Item Type: Consent  
 Contact: Thomas J. Kaldunski, 651.450.2572 *SWD*  
 Prepared by: Steve W. Dodge, Assistant City Engineer  
 Reviewed by: Scott D. Thureen, Public Works Director *SWD*

Fiscal/FTE Impact:	
<input type="checkbox"/>	None
<input type="checkbox"/>	Amount included in current budget
<input type="checkbox"/>	Budget amendment requested
<input type="checkbox"/>	FTE included in current complement
<input type="checkbox"/>	New FTE requested – N/A
<input checked="" type="checkbox"/>	Other: Pavement Management Fund, Sewer Fund, Water Fund, Dakota County Funds

**PURPOSE/ACTION REQUESTED**

Resolution approving estimated costs for the project, the Joint Powers Agreement with Dakota County Transportation Department for milling, bituminous overlay, and City utility repairs and resolution ordering City Project No. 2015-06 – 70th Street Mill and Overlay (TH 3 to Cahill Avenue).

**SUMMARY**

Dakota County’s 5-year Capital Improvement Plan includes a 2015 project to perform a mill and overlay project on 70<sup>th</sup> Street (CP 26-53) from T.H. 3 to Cahill Avenue. The mill and overlay project is funded by Dakota County. The City has inspected the proposed project and has requested that City utilities (storm, water, sanitary sewer, and water system) be adjusted/modified. The City is responsible for 80 percent of storm water system adjustments or repairs in accordance with the 2013 Joint Powers Agreement for storm sewer systems. The City is responsible for the cost of the sanitary sewer and water system utility adjustments or repairs.

A Joint Powers Agreement is attached covering the utility adjustments or repairs for sanitary sewer and water systems. Under the Joint Powers Agreement for utility repairs, the City is responsible to provide plans and cover the cost of utility repairs on this Dakota County mill and overlay project.

City staff inspected the utilities and prepared plans and specifications for the project. Dakota County received bids for the utility repairs. The bid cost for the utility repairs is \$40,846.27. The City will fund these improvements through the Pavement Management Fund, Utility Operating Funds, and Dakota County Funds.

Public Works recommends adoption of the resolution approving estimated costs for the project, the Joint Powers Agreement with Dakota County Transportation Department for Milling, Bituminous Overlay, and City Utility Repairs and the Resolution Ordering City Project No. 2015-06 – 70th Street Mill and Overlay (TH 3 to Cahill Avenue).

Attachment: Resolution  
 Joint Powers Agreement

**CITY OF INVER GROVE HEIGHTS  
DAKOTA COUNTY**

**RESOLUTION APPROVING ESTIMATED COSTS FOR THE PROJECT, THE JOINT POWERS AGREEMENT WITH DAKOTA COUNTY TRANSPORTATION DEPARTMENT FOR MILLING, BITUMINOUS OVERLAY, AND CITY UTILITY REPAIRS, AND RESOLUTION ORDERING CITY PROJECT NO. 2015-06 – 70<sup>TH</sup> STREET MILL AND OVERLAY (TH 3 TO CAHILL AVENUE)**

**RESOLUTION NO. \_\_\_\_\_**

**WHEREAS**, the Dakota County 5-year Capital Improvement Program includes a mill and overlay at 70<sup>th</sup> Street East from T.H. 3 to Cahill Avenue; and

**WHEREAS**, the City is responsible for cost associated with storm sewer, sanitary sewer, water utilities, and curb and gutter repairs; and

**WHEREAS**, the City approved a Maintenance Agreement for Storm Sewer Systems between Dakota County and the City of Inver Grove Heights on October 14, 2013; and

**WHEREAS**, the City has inspected utilities, provided plans and specifications, and estimated costs for the project; and

**WHEREAS**, the City deems this project necessary; and

**WHEREAS**, Dakota County Transportation Department and the City of Inver Grove Heights wants to enter into a Joint Powers Agreement for Milling, Bituminous Overlay, and City Utility Repairs.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF INVER GROVE HEIGHTS, MINNESOTA THAT:**

1. City Project No. 2015-06 – 70<sup>th</sup> Street Mill and Overlay (TH 3 to Cahill Avenue) is hereby ordered.
2. Staff is authorized to enter into an agreement with the Dakota County Transportation Department for Milling, Bituminous Overlay, and City Utility Repairs.
3. Funding for the utility adjustments and repairs shall be through the Pavement Management Fund and Utility Operating Funds for sewer and water.

Adopted by the City Council of Inver Grove Heights, Minnesota this 11<sup>th</sup> day of May 2015.

AYES:

NAYS:

\_\_\_\_\_  
George Tourville, Mayor

ATTEST:

\_\_\_\_\_  
Joe Lynch, City Clerk

**JOINT POWERS AGREEMENT FOR**  
**MILLING, BITUMINOUS OVERLAY, AND CITY UTILITY REPAIRS**

**BETWEEN**

**THE COUNTY OF DAKOTA**

**AND**

**THE CITY OF INVER GROVE HEIGHTS**

**COUNTY PROJECT 26-53**

**CITY PROJECT 2015-06**

*SYNOPSIS: Dakota County Transportation Department and the City of Inver Grove Heights agree to include the necessary repairs to City sanitary sewer and water systems in the resurfacing of County State Aid Highway 26 (70<sup>th</sup> Street) from Trunk Highway 3 to Cahill Avenue, County Project 26-53, in Inver Grove Heights, Dakota County.*

THIS AGREEMENT, made and entered into by and between the County of Dakota, referred to in this Agreement as "the County"; and the City of Inver Grove Heights, referred to in this Agreement as "the City".

WHEREAS, under Minnesota Statutes Section 162.17, subdivision 1 and 471.59, subdivision 1, two governmental units may enter into an Agreement to cooperatively exercise any power common to the contracting parties, and one of the participating governmental units may exercise one of its powers on behalf of the other governmental units; and

WHEREAS, the County desires to resurface County State Aid Highway 26 (70<sup>th</sup> Street) from Trunk Highway 3 to Cahill Avenue in Inver Grove Heights, County Project 26-53 (the "Project"); and

WHEREAS, it is considered mutually desirable to repair and adjust the City sanitary sewer and water systems affected by the resurfacing of CSAH 26 in County Project 26-53; and

WHEREAS, the County and the City have included this Project in their Capital Improvement Program and Pavement Management Program, respectively, and will jointly participate in the costs of said resurfacing, and sanitary sewer and water system repairs.

NOW, THEREFORE, it is agreed that the County and the City will share responsibilities and costs associated with County highway resurfacing, sanitary sewer system repairs, water system repairs, and related activities as described in the following sections:

1. County highway resurfacing. The County shall be solely responsible for the costs of the milling and bituminous overlay resurfacing of CSAH 26 from Trunk Highway 3 to Cahill Avenue.
2. Sanitary Sewer & Water System – City Utility Repairs. The City shall be responsible for all costs associated with the utility repairs to sanitary sewer and water systems in the Project. The City shall be responsible for inspecting and approving the utility repairs. Further, the City shall be responsible for the maintenance of all such facilities after the completion of the Project.
3. Plans and Specifications. The County shall prepare the complete milling and paving plans and specifications and contract documents for County Project 26-53 consistent with State Aid

design standards and the Dakota County Transportation Plan. The City shall be responsible for inventorying and identifying necessary sanitary sewer system and water system repairs and preparing plans and technical specifications to be incorporated into the County's plans and specifications. The repair plans shall be in accordance with City standards unless the City and County mutually agree on the alternative repair specifications. The County Board will award the contract for construction to the lowest responsible bidder in accordance with state law.

4. Payment. The County will administer the contract and act as the paying agent for all payments to the Contractor. Payments to the Contractor will be made as the project work progresses and when certified by the County Engineer. The County will bill the City for the City share of project costs. Upon presentation of an itemized claim by one agency to the other, the receiving agency shall reimburse the invoicing agency for its share of the costs incurred under this agreement within 35 days from the presentation of the claim. If any portion of an itemized claim is questioned by the receiving agency, the remainder of the claim shall be promptly paid, and accompanied by a written explanation of the amounts in question. Payment of any amounts in dispute will be made following good faith negotiation and documentation of actual costs incurred in carrying out the work. By submitting a written request from the Authorized Representative, the City agrees to pay their share of project costs in accordance with this Agreement.

5. Amendments. Any amendments to this Agreement will be effective only after approval by both governing bodies and execution of a written amendment document by duly authorized officials of each agency.

6. Effective Dates. This Agreement will be effective upon execution by duly authorized officials of each governing body and shall continue in effect until all work to be carried out in accordance with this Agreement has been completed. In no event will this Agreement continue in effect after December 31, 2016, unless the parties mutually agree to an extension of the project term.

7. Change Orders and Supplemental Agreements. Any change orders or supplemental agreements that affect the Project cost participation must be approved by appointed representatives of both Parties prior to execution of work. For the purposes of this section, the City's appointed representative is Steve Dodge, Assistant City Engineer, and the County's

appointed representative is Ross Beckwith, Construction Engineer, or their successors. Both Parties shall endeavor to provide timely approval of change orders and supplemental agreements so as not to delay construction operations.

8. Final completion. Final completion of a construction project must be approved by both the County and the City.

9. Pavement Maintenance. Upon acceptance of a project by the County and City, the County shall be responsible for all pavement maintenance within County right of way unless necessitated by a failure of a City utility system or installation of new facilities.

10. Subsequent Excavation. After completion of a project, and after expiration of the warranty period regarding repair, if excavation within the highway right of way is necessary to repair or install water, sewer, or other city utilities, the City shall apply for a permit from the County and shall be responsible to restore the excavated area and road surface to its original condition at the time of disturbance. If the City fails to have the highway properly restored, the County Engineer may have the work done and the City shall pay for the work within 30 days following receipt of a written claim by the County.

11. Rules and Regulations. The County and the City shall abide by Minnesota Department of Transportation standard specifications, rules and contract administration procedures.

12. Indemnification. The County agrees to defend, indemnify, and hold harmless the City against any and all claims, liability, loss, damage, or expense arising under the provisions of this Agreement and caused by or resulting from negligent acts or omissions of the County and/or those of County employees or agents. The City agrees to defend, indemnify, and hold harmless the County against any and all claims, liability, loss, damage, or expense arising under the provisions of this Agreement for which the City is responsible, including future operation and maintenance of facilities owned by the City and caused by or resulting from negligent acts or omissions of the City and/or those of City employees or agents. All Parties to this agreement recognize that liability for any claims arising under this agreement are subject to the provisions of the Minnesota Municipal Tort Claims Law; Minnesota Statutes, Chapter 466. In the event of any claims or actions filed

against either party, nothing in this agreement shall be construed to allow a claimant to obtain separate judgments or separate liability caps from the individual Parties.

13. Acts of Employees. Any and all persons engaged in the work to be performed by the County shall not be considered employees of the City for any purpose, including Worker's Compensation, or any and all claims that may or might arise out of said employment context on behalf of said employees while so engaged. Any and all claims made by any third party as a consequence of any act or omission on the part of said County employees while so engaged on any of the work contemplated herein shall not be the obligation or responsibility of the City. The opposite situation shall also apply: the County shall not be responsible under the Worker's Compensation Act for any employees of the City and any and all claims made by any third party as a consequence of any act or omission on the part of said City employees while so engaged on any of the work contemplated herein shall not be the obligation or responsibility of the County.

14. Audits. Pursuant to Minnesota Statutes Sec 16 C. 05, Subd. 5, any books, records, documents, and accounting procedures and practices of the County and the City relevant to this Agreement are subject to examination by the County or the City and either the Legislative Auditor or the State Auditor as appropriate. The County and the City agree to maintain these records for a period of six years from the date of performance of all services covered under this Agreement.

15. Integration and Continuing Effect. The entire and integrated agreement of the Parties contained in this Agreement shall supersede all prior negotiations, representations or agreements between the City and the County regarding the Project; whether written or oral. All agreements for future maintenance or cost responsibilities shall survive and continue in full force and effect after completion of the Project provided for in this Agreement.

**[SIGNATURE PAGE TO FOLLOW]**

IN WITNESS THEREOF, the parties have caused this Agreement to be executed by their duly authorized representative.

**CITY OF INVER GROVE HEIGHTS**

RECOMMENDED FOR APPROVAL:

\_\_\_\_\_  
Public Works Director

By \_\_\_\_\_  
Mayor

(SEAL)

By \_\_\_\_\_  
Deputy City Clerk

Date \_\_\_\_\_



**COUNTY OF DAKOTA**

RECOMMENDED FOR APPROVAL:

\_\_\_\_\_  
County Engineer

By: \_\_\_\_\_  
Physical Development Director

Date: \_\_\_\_\_

APPROVED AS TO FORM:

\_\_\_\_\_  
Assistant County Attorney      Date  
KS-2015-\_\_\_\_\_

COUNTY BOARD RESOLUTION

No. 15-174 Date: April 7, 2015

CITY OF INVER GROVE HEIGHTS

REQUEST FOR COUNCIL ACTION

**Consider a Resolution Approving a Permanent Utility and Drainage Easement and Temporary Construction Easement on property identified as PID No. 20-00700-28-015 owned by Mr. and Mrs. Deuth Relating to City Project No. 2015-11 – NWA 70th Street Lift Station, Argenta District**

Meeting Date: May 11, 2015  
 Item Type: Consent  
 Contact: Thomas J. Kaldunski, 651.450.2572  
 Prepared by: Thomas J. Kaldunski, City Engineer  
 Reviewed by:

TJK

**Fiscal/FTE Impact:**

- None
- Amount included in current budget
- Budget amendment requested
- FTE included in current complement
- New FTE requested – N/A
- Other: Northwest Area Connection Charges, Utility Funds

**PURPOSE/ACTION REQUESTED**

Consider a resolution approving a Permanent Utility and Drainage Easement and Temporary Construction Easement on property identified as PID No. 20-00700-28-015 owned by George and Jacqueline Deuth relating to City Project No. 2015-11 – NWA 70th Street Lift Station, Argenta District.

**SUMMARY**

A permanent easement agreement is needed for utility and drainage purposes for future watermain looping and an eventual emergency connection with the City of Eagan’s water system on the south side of 70th Street. This easement will allow the City to stub out a 12” main so that 70th Street will not need to be torn up at a later date for this future connection.

A temporary easement agreement on the Deuth property is needed for grading, sloping, construction, utility and drainage purposes so the connection the work can be accomplished.

Mr. and Mrs. Deuth have signed the agreements and they are providing the easement at no cost because they understand the benefit of looping the watermains if their land is developed.

I recommend the Council adopt the resolution approving the permanent utility and drainage easement and temporary construction easement on property identified as PID No. 20-00700-28-015 owned by Mr. and Mrs. Deuth relating to City Project No. 2015-11 – NWA 70th Street Lift Station, Argenta District.

TJK/kf

Attachments: Permanent Utility and Drainage Easement and Temporary Construction Easement Agreement  
 Concept Plan

**CITY OF INVER GROVE HEIGHTS  
DAKOTA COUNTY**

**RESOLUTION APPROVING A PERMANENT UTILITY AND DRAINAGE EASEMENT AND  
TEMPORARY CONSTRUCTION EASEMENT ON PROPERTY IDENTIFIED AS 20-00700-28-  
015 RELATING TO CITY PROJECT NO. 2015-11 – NWA 70TH STREET LIFT STATION,  
ARGENTA DISTRICT**

**RESOLUTION NO. \_\_\_\_\_**

**WHEREAS**, in conjunction with City Project No. 2015-11 – NWA 70th Street Lift Station, Argenta District, the City needs to obtain a permanent utility and drainage easement and temporary easement on property identified as PID No. 20-00700-28-015 owned by Mr. and Mrs. Deuth; and

**WHEREAS**, the permanent utility and drainage easement is necessary for the purposes of future watermain looping and an eventual emergency connection with the City of Eagan's water system to avoid impact to the nearby intersection at 70th Street and Blackstone Vista access; and

**WHEREAS**, the temporary construction easement is necessary so that the future water connection to the City of Eagan can be made at a future date; and

**WHEREAS**, the owners of property identified as 20-00700-28-015 (Mr. and Mrs. Deuth) are agreeable to the above-mentioned easements.

**NOW, THEREFORE, BE IT RESOLVED THAT THE CITY COUNCIL OF THE CITY OF INVER GROVE HEIGHTS, MINNESOTA:**

1. The City Council approves the attached Permanent Utility and Drainage Easement on property identified as 20-00700-28-015 relating City Project No. 2015-11 – NWA 70th Street Lift Station, Argenta District.
2. The City Council approves the attached Temporary Construction Easement on property identified as 20-00700-28-015 relating City Project No. 2015-11 – NWA 70th Street Lift Station, Argenta District.

Adopted by the City Council of the City of Inver Grove Heights this 11th day of May 2015

AYES:  
NAYES:

\_\_\_\_\_  
George Tourville, Mayor

ATTEST:

\_\_\_\_\_  
Joe Lynch, City Clerk

**PERMANENT UTILITY AND DRAINAGE EASEMENT**

**AND**

**TEMPORARY CONSTRUCTION EASEMENT**

**THIS PERMANENT UTILITY AND DRAINAGE EASEMENT AND TEMPORARY CONSTRUCTION EASEMENT** (Easement) is made, granted and conveyed this 6<sup>th</sup> day of May, 2015, between George T. Deuth and Jacqueline S. Deuth, husband and wife (hereinafter individually and collectively referred to as "Landowner") and the City of Inver Grove Heights, a municipal corporation organized under the laws of the State of Minnesota (hereinafter referred to as the "City").

The Landowner owns the real property situated within Dakota County, Minnesota as described on the attached **Exhibit A (hereinafter "Landowner's Property")**.

The Landowner in consideration of the sum of One Dollar and other good and valuable consideration to it in hand paid by the City, the receipt and sufficiency of which is hereby acknowledged, does hereby grant and convey unto the City, its successors and assigns, the following:

- 1.) **A permanent easement for utility and drainage purposes and all such purposes ancillary, incident or related thereto** (hereinafter "**Permanent Easement**") under, over, across, through and upon that real property identified and legally described on **Exhibit B and depicted on Exhibit B-1**, (hereinafter the "**Permanent Easement Area**") attached hereto and incorporated herein by reference; and
- 2.) **A temporary easement for grading, sloping, construction, utility and drainage purposes and all such purposes ancillary, incident or related thereto** (hereinafter "**Temporary Easement**") under, over, across, through and upon that real property legally described and depicted on **Exhibit B and depicted on Exhibit B-1** (hereinafter the "**Temporary Easement Area**") attached hereto and incorporated herein by reference. The Temporary Easement shall expire on December 31, 2015.

**The Permanent Easement rights granted herein are forever and shall include, but not be limited to, the construction, maintenance, repair and replacement of any sanitary sewer, water mains, storm water facilities, drainage facilities and any utilities, underground pipes, culverts, conduits, other utilities and mains, and all facilities and improvements ancillary, incident or related thereto, under, over, across, through and upon the Permanent Easement Area.**

**The Temporary Easement rights granted herein shall include, but not be limited to, the construction, maintenance, repair and replacement of any sanitary sewer, water mains, storm water facilities, drainage facilities and any utilities, underground pipes, culverts, conduits, other utilities and mains, and all facilities and improvements ancillary, incident or related thereto, under, over, across, through and upon the Temporary Easement Area.**

**The Temporary Easement rights granted herein shall further include, but are not limited to, the right of ingress and egress over the Temporary Easement Area to access the Temporary Easement for the purposes of construction, maintenance, repair and replacement of any sanitary sewer, water mains, storm water facilities, drainage facilities any utilities, underground pipes, conduits, culverts, other utilities, mains and all facilities and improvements ancillary, incident or related thereto.**

#### **EXEMPT FROM STATE DEED TAX**

The rights of the City also include the right of the City, its contractors, agents and servants:

- a.) to enter upon the Permanent Easement Area at all reasonable times for the purposes of construction, reconstruction, inspection, repair, replacement, grading, sloping, and restoration relating to the purposes of this Easement; and
- b.) to maintain the Permanent Easement Area, any City improvements and any underground pipes, conduits, or mains, together with the right to excavate and refill ditches or trenches for the location of such pipes, conduits or mains; and
- c.) to remove from the Permanent Easement Area trees, brush, herbage, aggregate, undergrowth and other obstructions interfering with the location, construction and maintenance of the pipes, conduits, or mains and to deposit earthen material in and upon the Permanent Easement Area; and
- d.) to remove or otherwise dispose of all earth or other material excavated from the Permanent Easement Area as the City may deem appropriate; and
- e.) to enter upon the Temporary Easement Area during the term of its existence for the purposes of construction, reconstruction, inspection, repair, grading, sloping, and restoration relating to the purposes of this Easement; and

f.) to maintain the Temporary Easement Area, any City improvements and any underground pipes, conduits, or mains, during the term of its existence, together with the right to excavate and refill ditches or trenches for the location of such pipes, conduits or mains; and

g.) to remove from the Temporary Easement Area during the term of its existence trees, brush, herbage, aggregate, undergrowth and other obstructions interfering with the location, construction and maintenance of the pipes, conduits, or mains and to deposit earthen material in and upon the Temporary Easement Area; and

h.) to remove or otherwise dispose of all earth or other material excavated from the Temporary Easement Area during the term of its existence as the City may deem appropriate.

The City shall not be responsible for any costs, expenses, damages, demands, obligations, penalties, attorneys' fees and losses resulting from any claims, actions, suits, or proceedings based upon a release or threat of release of any hazardous substances, petroleum, pollutants, and contaminants which may have existed on, or which relate to, the Permanent or Temporary Easement Areas or the Landowner's Property prior to the date hereof.

Nothing contained herein shall be deemed a waiver by the City of any governmental immunity defenses, statutory or otherwise. Further, any and all claims brought by Landowner, themselves or their successors or assigns, shall be subject to any governmental immunity defenses of the City and the maximum liability limits provided by Minnesota Statute, Chapter 466.

The Landowner, for themselves and their successors and assigns, do hereby warrant to and covenant with the City, its successors and assigns, that they are well seized in fee of the Landowner's Property described on Exhibit A and the Temporary Easement Area described and depicted on Exhibit B and that they have good right to grant and convey the Temporary Easement herein to the City.

**[Remainder of page intentionally left blank]**

**IN TESTIMONY WHEREOF**, the Landowner and the City have caused this Easement to be executed as of the day and year first above written.

**CITY OF INVER GROVE HEIGHTS**

\_\_\_\_\_  
George Tourville, Mayor

ATTEST:

\_\_\_\_\_  
Joe Lynch, City Administrator / Clerk

STATE OF MINNESOTA    )  
  )    ss.  
COUNTY OF DAKOTA    )

On this \_\_\_\_ day of May, 2015, before me a Notary Public within and for said County, personally appeared George Tourville and Joe Lynch, to me personally known, who being each by me duly sworn, each did say that they are respectively the Mayor and City Administrator / Clerk of the City of Inver Grove Heights, the municipality named in the foregoing instrument, and that the seal affixed to said instrument was signed and sealed on behalf of said municipality by authority of its City Council and said Mayor and City Administrator / Clerk acknowledged said instrument to be the free act and deed of said municipality.

\_\_\_\_\_  
Notary Public



**EXHIBIT A**  
**LEGAL DESCRIPTION OF LANDOWNER'S PROPERTY**

Real Property located in the City of Inver Grove Heights, Dakota County, Minnesota, described as follows:

The North 710.44 feet of the East 329.78 feet of the following described parcel:

That part of the West Half of the Northwest Quarter of Section Seven (7), Township Twenty-seven (27) North, Range Twenty-two (22) West, lying Northerly of State Trunk Highway No. 55, described as follows:

Beginning at the Northwest corner of said Section Seven (7), as marked by a Judicial Land Mark; thence East, along the North line of said Section, a distance of 719.56 feet to a point which is distant 664.125 feet (40 1/4 rods) West of the Northeast corner of said West Half of the Northwest Quarter, and said point being marked by a Judicial Land Mark; thence South, parallel with the East line of said West Half of the Northwest Quarter, a distance of 2145.9 feet to a point on the Northerly Right of Way Line of State Trunk Highway No. 55, said point being marked by a Judicial Land Mark; thence Northwesterly along said Right of Way line to its intersection with the West line of Section Seven (7), said point of intersection being marked by a Judicial Land Mark; thence North, along said West Section line, a distance of 1840.9 feet to the point of beginning.

A.P.N. 20-00700-28-015.

Torrens Property

**EXHIBIT B**

**LEGAL DESCRIPTION OF EASEMENT AREAS**

**A permanent easement for utility and drainage purposes and all such purposes ancillary, incident or related thereto**, over, under, across, through and upon that part of the following described parcel:

The east 10.00 feet of the south 30.00 feet of the north 100.00 feet, as measured at right angles, of the Landowner's Property as described in Exhibit A;

Dakota County, Minnesota.

Together with a:

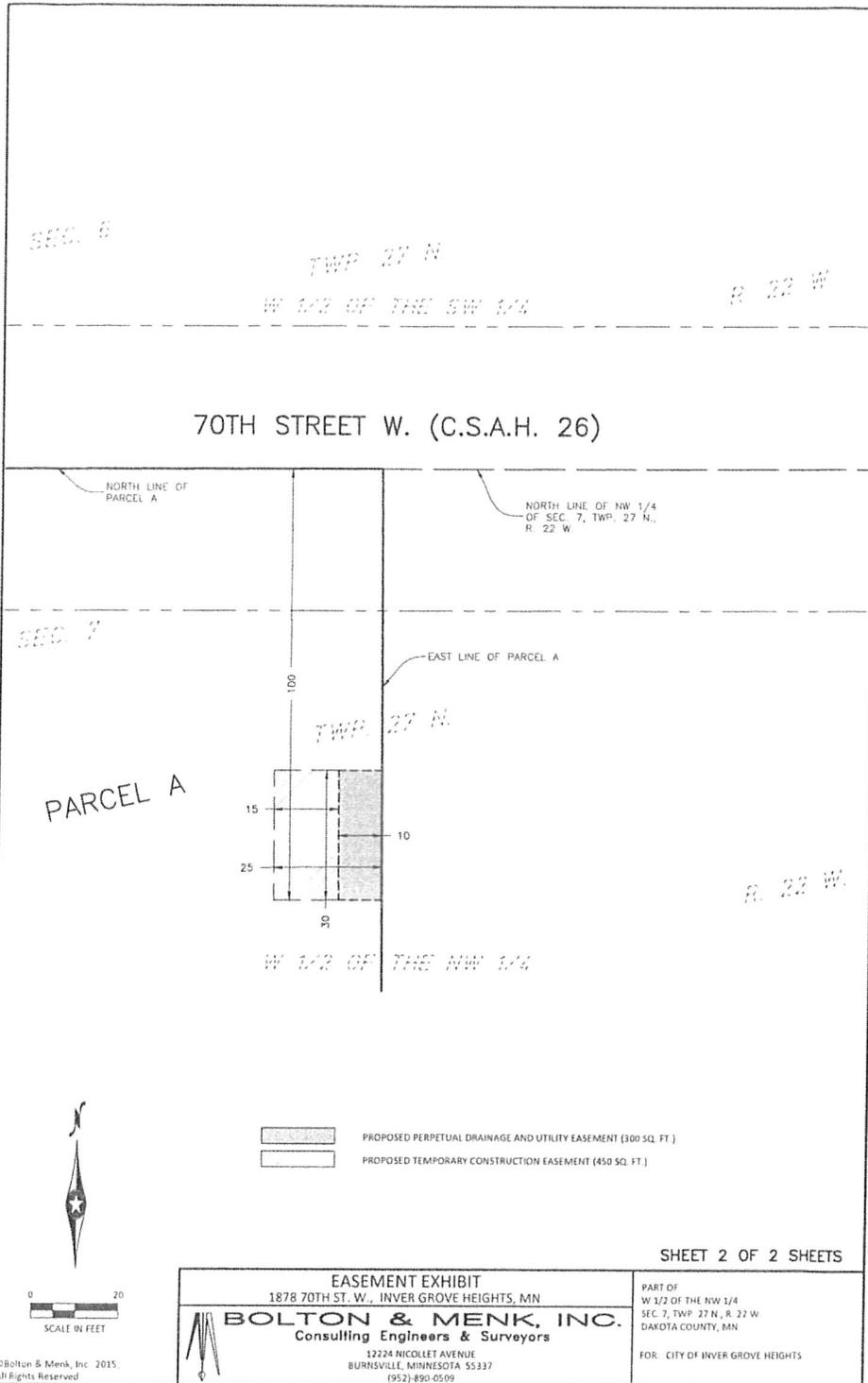
**A temporary easement for grading, sloping and construction purposes, and all such purposes ancillary, incident or related thereto** over, under, across, through and upon that part of the following described parcel:

The west 15.00 feet of the east 25.00 feet of the south 30.00 feet of the north 100.00 feet, as measured at right angles, of the Landowner's Property as described in Exhibit A;

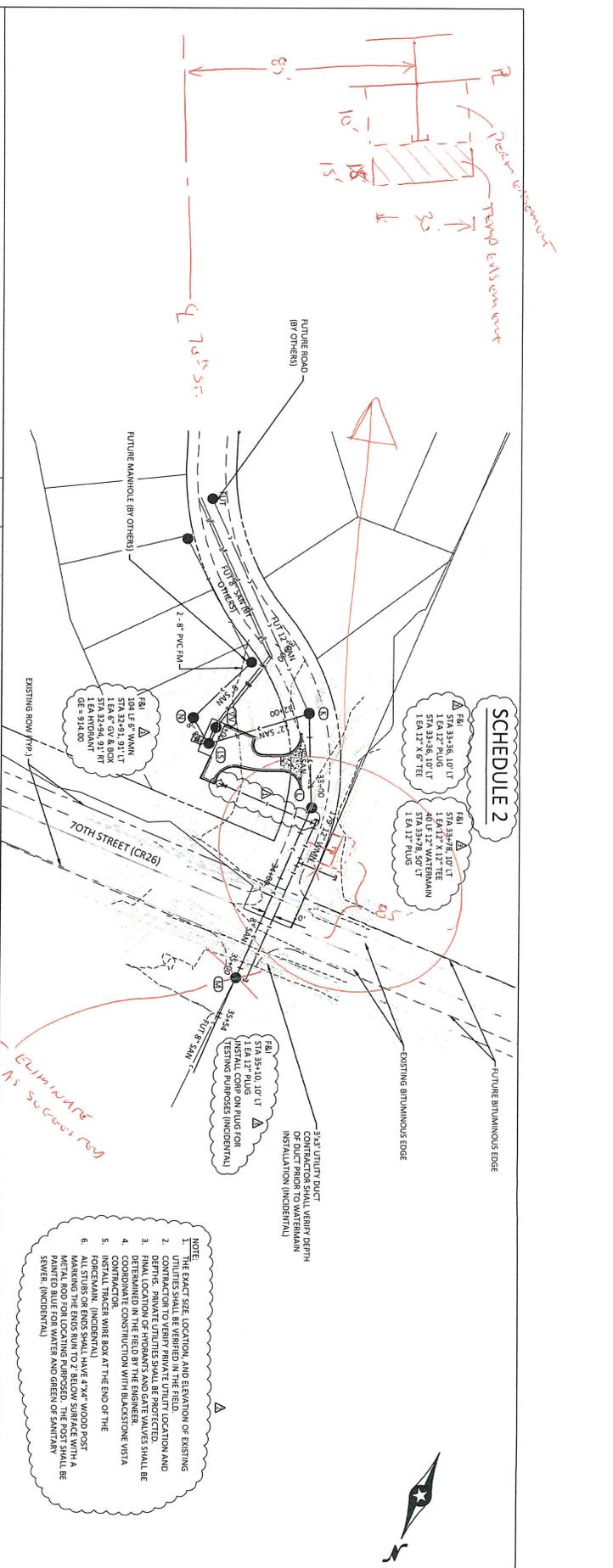
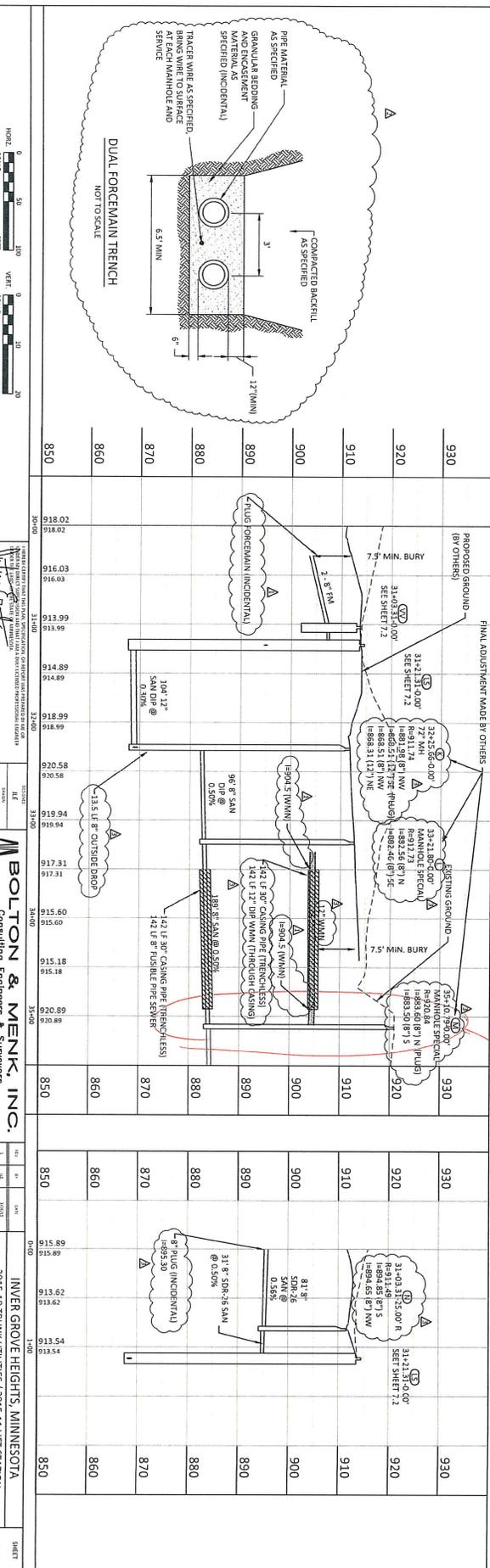
Dakota County, Minnesota.

Said Temporary Easement shall expire on December 31, 2015.

**EXHIBIT B-1**  
**DEPICTION OF EASEMENT AREA**



H:\INVERGROVE\108658\CAD\CADD\108658.dwg 05/01/2015 10:39a.m.



- NOTE:**
1. THE EXACT SIZE, LOCATION, AND ELEVATION OF EXISTING UTILITIES SHALL BE DETERMINED BY THE CONTRACTOR TO VERIFY PRIVATE UTILITY LOCATION AND DEPTHS. PRIVATE UTILITIES SHALL BE PROTECTED.
  2. FINAL LOCATION OF HOBGANS AND GATE VALVES SHALL BE DETERMINED BY THE CONTRACTOR.
  3. COORDINATE CONSTRUCTION WITH BACKSTONE W/FA CONTRACTOR.
  4. INSTALL TRUNKER WIRE BOX AT THE END OF THE TRUNKER.
  5. ALL STUDS OR ENDS SHALL HAVE 4"x4" WOOD POST MARKING THE ENDS RUN TO 2' BELOW SURFACE WITH A METAL ROD FOR LOCATING PURPOSES. THE POST SHALL BE 1/2" DIA. AND GREEN OR SANITARY (INCIDENTAL).

**CITY OF INVER GROVE HEIGHTS**

**REQUEST FOR COUNCIL ACTION**

CONSIDER APPROVAL OF THE COLLECTIVE BARGAINING AGREEMENT BETWEEN THE CITY OF INVER GROVE HEIGHTS AND THE INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL NO. 70, FOR THE YEARS 2015 AND 2016

Meeting Date: May 11, 2015  
Item Type: Consent  
Contact: Janet Shefchik  
Prepared by: Janet Shefchik  
Reviewed by: Joe Lynch

**Fiscal/FTE Impact:**

- None
- Amount included in current budget
- Budget amendment requested
- FTE included in current complement
- New FTE requested – N/A
- Other

**PURPOSE/ACTION REQUESTED** Consider approval of the proposed two-year 2015 and 2016 labor agreement between the City of Inver Grove Heights and the International Union of Operating Engineers (IUOE), effective January 1, 2015 through December 31, 2016.

**SUMMARY** The City of Inver Grove Heights maintains a labor agreement with IUOE, Local 70, which represents a group of City maintenance and mechanic employees (i.e. Operating Engineers). When reviewing conditions of employment and economic feasibility, the City compares wages and benefits to those of similar communities, as well as considers internal equity.

The City was able to reach an agreement with IUOE, Local 70, on the terms and conditions of this contract through negotiations, and agreed to an across the board increase of 3% in 2015 and 3% in 2016. Additionally, the parties agreed to evenly share (50/50) any increase in 2016 health premiums for single plus one or family coverage in the HRA/HSA plans.

There were additional provisions proposed by both parties where we did not reach agreement; however, this agreement represents an equitable conclusion of bargaining to meet the needs of both parties. The IUOE group voted to ratify the proposed agreement on Thursday, April 30, 2015.

The funds to cover a portion of this increase are included in the 2015 General Fund budget, which included an anticipated 2% cost of living increase. Staff recommends that the remaining amounts come from the General Fund fund balance (approximately \$9,000), plus a combination from all other funds (approximately \$4,700). The 2016 increases will be calculated into the 2016 budget.

**CITY OF INVER GROVE HEIGHTS**

**REQUEST FOR COUNCIL ACTION**

---

Meeting Date: May 11, 2015  
Item Type: Administration  
Contact:  
Prepared by: Joe Lynch, City Administrator  
Reviewed by:

**Fiscal/FTE Impact:**

- None
- Amount included in current budget
- Budget amendment requested
- FTE included in current complement
- New FTE requested – N/A
- Other

**PURPOSE/ACTION REQUESTED**

Council is asked to approve setting Monday, May 18, 2015 at 6:00 p.m. as the date and time for interviewing prospective Commissioner applicants. .

**SUMMARY**

Although this meeting was on the annual calendar established by the City Council at the beginning of the year, it is recommended that you set the date and time for this meeting for public knowledge purposes. Council annually interviews and makes decisions on appointments to fill vacancies on our various Commissions and Committees. We typically have members who wish to be reappointed and Council has not included them on these interviews. The Council has then made their decisions on that same evening using a method devised by City Attorney Kuntz, who will go through that with you on the evening of the interviews.

**CITY OF INVER GROVE HEIGHTS**

**REQUEST FOR COUNCIL ACTION**

---

**Schedule Public Hearing**

Meeting Date: May 11, 2015  
Item Type: Consent  
Contact: Joe Lynch, City Administrator  
Prepared by: Amy Jannetto, H.R. Coordinator  
Reviewed by: n/a

**Fiscal/FTE Impact:**

- |                                     |                                    |
|-------------------------------------|------------------------------------|
| <input checked="" type="checkbox"/> | None                               |
| <input type="checkbox"/>            | Amount included in current budget  |
| <input type="checkbox"/>            | Budget amendment requested         |
| <input type="checkbox"/>            | FTE included in current complement |
| <input type="checkbox"/>            | New FTE requested – N/A            |
| <input type="checkbox"/>            | Other                              |

**PURPOSE/ACTION REQUESTED**

Schedule Public Hearing on June 8, 2015 at 7:00 p.m. to consider the application of AMC for an On-Sale/Sunday Intoxicating Liquor License for the premises located at 5567 Bishop Ave.

**SUMMARY**

AMC Theatres Showplace Inver Grove 16 submitted an application for On-Sale/Sunday Intoxicating Liquor License for the premises located at 5567 Bishop Ave. The Police Department is conducting the requisite background investigation on the applicants and the findings will be presented at the public hearing.

**AGENDA ITEM \_\_\_\_\_**

**CITY OF INVER GROVE HEIGHTS**

**REQUEST FOR COUNCIL ACTION**

---

**PERSONNEL ACTIONS**

Meeting Date: May 11, 2015  
Item Type: Consent  
Contact: Joe Lynch, City Administrator  
Prepared by: Amy Jannetto, H.R. Coordinator  
Reviewed by: n/a

**Fiscal/FTE Impact:**

- |                                     |                                    |
|-------------------------------------|------------------------------------|
| <input checked="" type="checkbox"/> | None                               |
| <input type="checkbox"/>            | Amount included in current budget  |
| <input type="checkbox"/>            | Budget amendment requested         |
| <input type="checkbox"/>            | FTE included in current complement |
| <input type="checkbox"/>            | New FTE requested – N/A            |
| <input type="checkbox"/>            | Other                              |

**PURPOSE/ACTION REQUESTED** Staff requests that the Council approve the personnel actions listed below:

Please confirm the seasonal/temporary employment of Engineering – Hailey Dye, Administration – Michelle Calvert, Recreation – Andrew Hermann, Katie Haus.

Please confirm the separation of employment of: David Neameyer, Combination Inspector.

Please confirm the retirement of: Margie Schultz, Sr. Office Support, Police.

.

**CITY OF INVER GROVE HEIGHTS**

**REQUEST FOR COUNCIL ACTION**

---

**Consider Application for On-Sale/Sunday Intoxicating Liquor License**

Meeting Date: April 13, 2015  
Item Type: Public Hearing  
Contact: Joe Lynch, City Administrator  
Prepared by: Amy Jannetto, H.R. Coordinator  
Reviewed by: n/a

**Fiscal/FTE Impact:**

- |                                     |                                    |
|-------------------------------------|------------------------------------|
| <input checked="" type="checkbox"/> | None                               |
| <input type="checkbox"/>            | Amount included in current budget  |
| <input type="checkbox"/>            | Budget amendment requested         |
| <input type="checkbox"/>            | FTE included in current complement |
| <input type="checkbox"/>            | New FTE requested – N/A            |
| <input type="checkbox"/>            | Other                              |

**PURPOSE/ACTION REQUESTED**

Consideration of the application of OVERBOARD Bar & Grill for an On-Sale/Sunday Intoxicating Liquor License for the premises 4455 64<sup>th</sup> St East. The Police Department conducted the requisite background investigation on the applicant and found no basis for denial of the request.

**CITY OF INVER GROVE HEIGHTS**

**REQUEST FOR COUNCIL ACTION**

**Assessment Hearing for 2015 Pavement Management Program, City Project No. 2015-09E – 47<sup>th</sup> Street Area Reconstruction**

Meeting Date: May 11, 2015  
 Item Type: Assessment Hearing  
 Contact: Thomas J. Kaldunski, 651.450.2572 *TJK*  
 Prepared by: Steve W. Dodge, Asst. City Engineer *SWD*  
 Reviewed by: Scott Thureen, Public Works Director

**Fiscal/FTE Impact:**

<input type="checkbox"/>	None
<input type="checkbox"/>	Amount included in current budget
<input type="checkbox"/>	Budget amendment requested
<input type="checkbox"/>	FTE included in current complement
<input type="checkbox"/>	New FTE requested – N/A
<input checked="" type="checkbox"/>	Other: Pavement Management Funds, Special Assessments, Water Fund, Sewer Fund, DCSWCD Grants, Agreements

**PURPOSE/ACTION REQUESTED**

Assessment hearing to consider a resolution adopting the final assessment roll for the 2015 Pavement Management Program, City Project No. 2015-09E – 47<sup>th</sup> Street Area Reconstruction.

The streets to be improved are as follows:

The reconstruction portion includes: 47th Street East from South St. Paul to its terminus, Bower Path from 47th Street East to 46th Street East, Bower Court from Bower Path to its terminus, Boyd Avenue from Bower Path to 300 feet south of 47th Street East, 49th Street East from Brent Avenue to South St. Paul, Brent Avenue from 47th Street East to 49th Street East, and Bryce Avenue from 47th Street East to 49th Street East.

The mill and overlay portion includes: 46<sup>th</sup> Court East from Bower Path to its terminus.

**SUMMARY**

This project was ordered by the City Council on August 11, 2014, as part of the City's Pavement Management Program (PMP). Bids were received on April 2, 2015 and are scheduled to be awarded after the final assessment hearing, but within 90 days of the bid opening. The project is scheduled for the summer of 2015 with final payment in spring of 2016. A benefit analysis report was prepared by the appraiser (Metzen Appraisals).

The project includes street reconstruction, mill and overlay, watermain improvements and rehabilitation, sanitary sewer improvements and rehabilitation, storm sewer improvements, storm water quality improvements, restoration, and appurtenances.

An informational meeting was held with affected property owners on April 29, 2015, in the Council Chambers, with fifteen (15) residents attending. The consultant, SEH, Inc., and staff presented the project, costs, and assessment process details and then entertained questions. General questions and comments related to the project were typical with the following original items particular to this group:

- Concern was expressed about high per-policy assessment amounts. *(The assessments are capped by the appraiser's special benefit recommendations.)*
- Concern was raised about funding utility extensions to allow for private development of lots on 49<sup>th</sup> St. *(The lot owner is paying for the utility extensions per the assessment waiver agreement.)*

- Concern was expressed over the changing curb type. *(Surmountable curb is placed by developments for flexibility in driveway placement for new lots. The City standard is to place B618 curb to facilitate drainage, maintain traffic and parking on street, and protect boulevards from snow plow damage. The height of the curb lip at the driveways is only 1-1/2 inch, much less than the 4 inch they currently have.)*
- One resident asked if concrete wings would be added to paver driveways. *(Pavers generally go back as they were.)*
- There were questions as to how the decorative driveways would be handled. *(A decorative driveway allowance was bid with the contract for known special conditions).*
- Concern was voiced over how far we would be disturbing behind the curb, for driveways and boulevard. One resident was concerned that the new concrete wouldn't match the existing. *(Residents were advised to transplant plants they want to save that are in the boulevard. Typically disturb 6-12 feet behind the curb except where sewer and water services are being replaced. Private utility work may disturb the entire boulevard and easements in preparation for the project.)*
- Questions were asked about how the Driveway Restoration Program works. *(Handouts were made available.)*
- One resident asked if they could sod their own yard rather than the seeding proposed by the project. *(Staff requested they provide a request in writing to place sod at their expense.)*
- Questions arose concerning how irrigation systems and invisible fences would be handled. *(The Irrigation Allowance and Boulevard Landscaping Allowance were explained. Residents were advised to remove these systems from the boulevard if they wished to keep them operational during the course of the project. The City would pay invoices received for this work.)*
- There were questions about mailbox disturbance and where they would be receiving mail. *(It was explained that a temporary bank of mailboxes would be set up and coordinated with the Postmaster.)*
- Multiple residents expressed concern over driveway access. *(Construction occurs from 7:00 a.m. to 7:00 p.m. with limited driveway access when work is being done on their street). Access would be unhindered at night, except for when concrete driveway and curbs are curing. Access during the day would generally be available.)*
- Some residents inquired on the process of paying off the assessments.
- One resident inquired about the possibility of email updates on construction progress. *(The City sets up a project website location where weekly updates are provided.)*
- One resident expressed concern over the possible changing of street grades. *(It was explained that the grades were generally not changing.)*
- Comments on the proposed bioretention basin at 47<sup>th</sup> and Boyd were that it would be a possible line-of-sight issue, what the basin would look like, that the Boy Scout Troop could be somehow involved, and that maintenance might be a concern due to the elderly congregation. *(It was explained that the basin and the City-obtained easement would be depressed, so that it would not be a line-of-sight issue. The church has asked to perform minor maintenance, but the City will perform if the church does not.)*
- Concern was expressed over the "dips" in the intersection of 49<sup>th</sup> and Bryce. *(It was explained that storm sewer was being added and the intersection would be graded in a more typical fashion.)*

- Multiple comments were made about potholes and the general poor condition of the existing streets. No one expressed any doubts as to the necessity of the project.
- Residents asked about project phasing and schedule. *(The contractor is anticipating working in the Bower Path area, west of Boyd Avenue and north of 47th Street first, than completing the area east of Boyd Avenue and south of 47th Street. Substantial completion is September 10 and final completion is October 17, 2015.)*

The Residential Driveway Restoration Program will be implemented on the project subsequent to levying the assessments, during construction. With respect to those driveway agreements that occur after the assessments are paid, staff will bring a resolution to the Council at a later date.

Bethesda Church has supplied the attached letter requesting a lower assessment valuation than the \$55,000 final assessment amount which is the special benefit recommended by the appraiser. In addition, attached is an assessment objection letter from the owner of 2796 46th Street who is receiving a drainage assessment of \$3,000 and no street assessment. They are requesting the drainage assessment for their lot and their neighbors be removed from the project.

The estimated final project cost is \$3,138,638.06 and the proposed final assessments are \$778,461.36. The proposed final assessments are 24 percent of the total project cost. The proposed final assessments are at or below the proposed special benefit caps as recommended by the appraiser. The contingency fund will cover prepayment of \$9,000 of the Bethesda Church proposed final assessment after it is levied.

Project Funding

Pavement Management Fund	\$2,264,305.87
Special Assessments	\$778,461.36
SSP JPA	\$21,728.08
DCSWCD Grants	<u>\$74,142.75</u>
<b>Total</b>	<b>\$3,138,638.06</b>

\*The Bethesda Church Easement Agreement and DCSWCD Cost Share Grants are separate items on the regular agenda.

I recommend approval of the resolution adopting the final assessment roll for the 2015 Pavement Management Program, City Project No. 2015-09E – 47<sup>th</sup> Street Area Reconstruction.

SWD/js

Attachments: Resolution  
Area Map  
Final Assessment Roll  
Objection letters (2)

**CITY OF INVER GROVE HEIGHTS  
DAKOTA COUNTY, MINNESOTA**

**RESOLUTION ADOPTING FINAL ASSESSMENT ROLL FOR 2015 PAVEMENT MANAGEMENT PROGRAM  
CITY PROJECT NO. 2015-09E – 47<sup>TH</sup> STREET AREA RECONSTRUCTION**

**RESOLUTION NO. \_\_\_\_\_**

**WHEREAS**, pursuant to proper notice duly given as required by law, the Council has met, heard and passed upon all objections to the proposed assessment for the improvements on City Project No. 2015-09E – 47<sup>th</sup> Street Area Reconstruction. The streets to be improved are as follows:

The reconstruction portion includes: 47th Street East from South St. Paul to its terminus, Bower Path from 47th Street East to 46th Street East, Bower Court from Bower Path to its terminus, Boyd Avenue from Bower Path to 300 feet south of 47th Street East, 49th Street East from Brent Avenue to South St. Paul, Brent Avenue from 47th Street East to 49th Street East, and Bryce Avenue from 47th Street East to 49th Street East.

The mill and overlay portion includes: 46<sup>th</sup> Court East from Bower Path to its terminus.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF INVER GROVE HEIGHTS, MINNESOTA THAT:**

1. Such proposed assessment, a copy of which is attached hereto and made a part hereof, is hereby accepted and shall constitute the special assessment against the lands herein, and each tract of land therein included is hereby found to be benefited by the proposed assessment levied against it.
2. Such assessment shall be payable in equal installments extending over a period of ten (10) years. The first of the installments shall be payable on or before the first Monday in January 2016, and shall bear interest at the rate of 4.1 percent per annum from the date of adoption of this assessment resolution (or at such later date determined by the City Council).
3. The owner of any property, so assessed, may at any time prior to certification of the assessment to the County Auditor, pay the whole of the assessment on such property with interest accrued to the date of payment, to the City Treasurer, except that no interest shall be charged if the entire assessment is paid within thirty days from the adoption of this resolution; and the owner may, at any time thereafter, pay to the County Treasurer the entire amount of the assessment remaining unpaid, with interest accrued to December 31 of the year in which such payment is made. Such payment must be made before November 15, or interest will be charged through December 31 of the next succeeding year (or such later date determined by the Council).
4. The Clerk, shall, forthwith, transmit a certified duplicate of this assessment to the County Auditor to be extended on the property tax lists of the County, and such assessments shall be collected and paid over the same manner as other municipal taxes

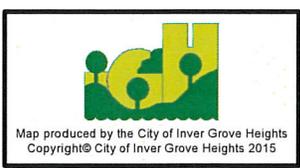
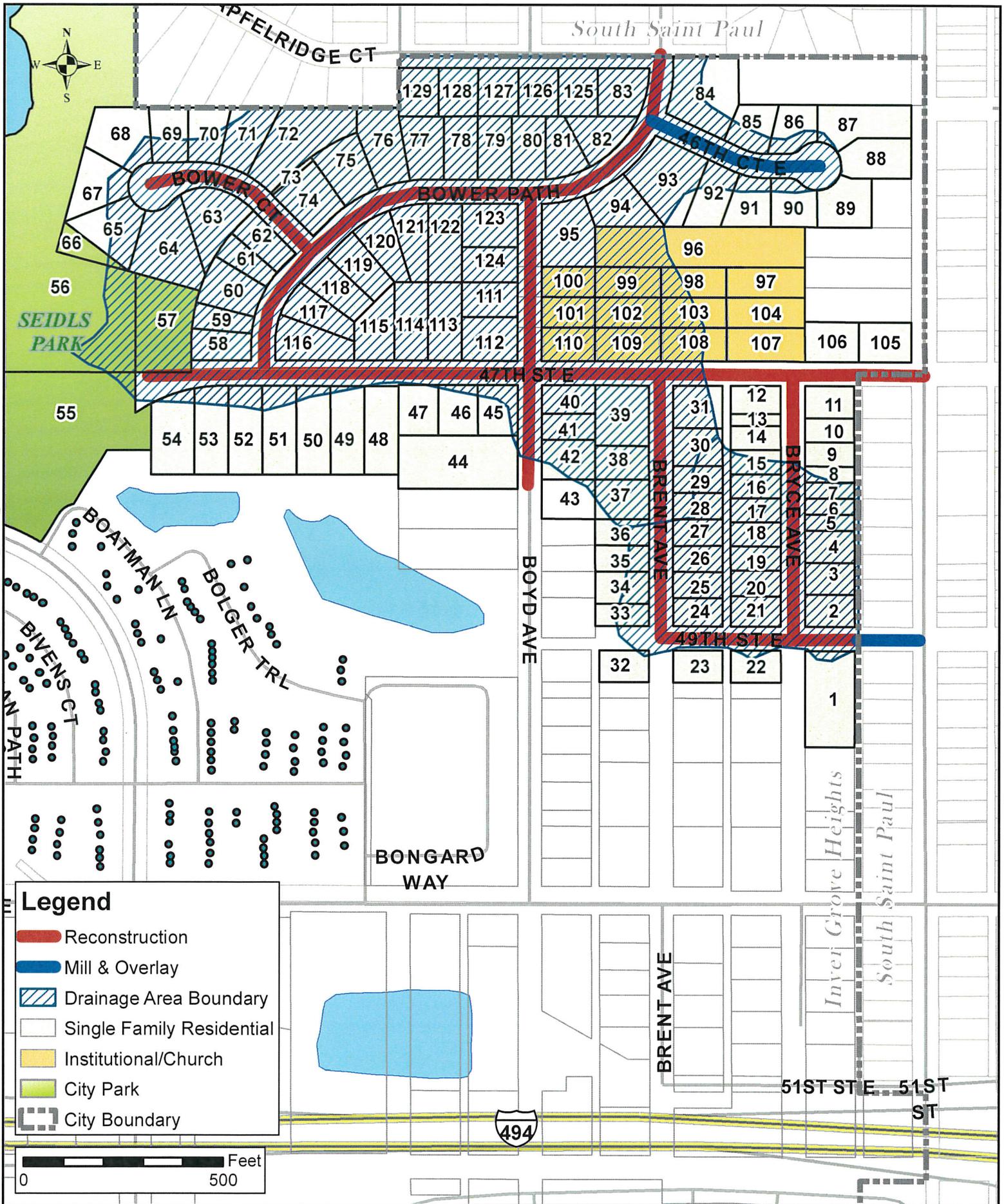
Adopted by the City Council of Inver Grove Heights, Minnesota this 11th day of May 2015.

AYES:  
NAYS:

\_\_\_\_\_  
George Tourville, Mayor

ATTEST:

\_\_\_\_\_  
Joe Lynch, City Clerk



**City Project No. 2015-09E 47th Street  
Area Reconstruction and 2015-14 Water and  
Sanitary Sewer Improvements and Rehabilitation**  
City of Inver Grove Heights, MN

THIS DRAWING IS NEITHER A LEGALLY RECORDED MAP NOR A SURVEY AND IS NOT INTENDED TO BE USED AS ONE. THIS DRAWING IS A COMPILATION OF RECORDS, INFORMATION AND DATA LOCATED IN VARIOUS CITY, COUNTY AND STATE OFFICES AND OTHER SOURCES AND IS TO BE USED FOR REFERENCE PURPOSES ONLY. THE CITY OF INVER GROVE HEIGHTS IS NOT RESPONSIBLE FOR ANY INACCURACIES HEREIN CONTAINED. Revised Map 4/6/2015.

**City Project No. 2015-09E - 47th Street Area Reconstruction Final Assessment Roll  
(Sorted by Address)**

MAP ID	PID	FULL NAME	HOUSE NO.	STREET	FINAL ASSESSMENT
93	204160001100	KATHLEEN E TSTE BEALKA	2900	46TH CT E	\$6,000.00
85	204160001020	WADE R & KATHY J SCHOWALTER	2925	46TH CT E	\$6,000.00
91	204160001080	SEAN R & ANN M GIBSON	2930	46TH CT E	\$6,000.00
90	204160001070	VERNON & SANDRA LEVINE	2940	46TH CT E	\$6,000.00
86	204160001030	JOANNE ANDRIE	2945	46TH CT E	\$6,000.00
89	204160001060	JAMES W TST MAY	2960	46TH CT E	\$6,000.00
87	204160001040	WILLIAM J & ANN C FOX	2965	46TH CT E	\$6,000.00
88	204160001050	SERGIO R & YVETTE M ANDRADE	2985	46TH CT E	\$6,000.00
129	206710001010	GREGORY S KRONICK	2760	46TH ST E	\$3,000.00
128	206710001020	DAVID J & NANCY E OSLAND	2778	46TH ST E	\$3,000.00
127	206710001030	MICHAEL K & BRENDA L VERWAY	2796	46TH ST E	\$3,000.00
126	206710001040	ROBERTA C RETTING	2828	46TH ST E	\$3,000.00
125	206710001050	BRENDA J BIJAN	2836	46TH ST E	\$3,000.00
92	204160001090	PATRICIA JEAN ELLSWORTH	2910	46TH ST E	\$6,000.00
54	205673001010	CRAIG L & PATRICIA C GILL	2642	47TH ST E	\$6,000.00
53	205673001020	JAMES M & SUSANNA A PEARSON	2660	47TH ST E	\$6,000.00
52	205673001030	DAWN M WILSON	2676	47TH ST E	\$6,000.00
51	205673001040	DIANE MARGARET KING	2694	47TH ST E	\$6,000.00
50	205673001050	JEFFREY A & DEBORA A NASS	2710	47TH ST E	\$6,000.00
49	205673001060	TODD & MICHELLE ROHRER	2728	47TH ST E	\$6,000.00
115	206710004140	TIMOTHY J & SUZANNE FRONK	2741	47TH ST E	\$6,000.00
48	205673001070	KEITH T & TAMARA GOSSEN	2744	47TH ST E	\$6,000.00
114	206710004130	ANTOINETTE & GARY L BRUTGER	2759	47TH ST E	\$6,000.00
47	202920001010	THERESA A HARRISON	2760	47TH ST E	\$6,000.00
113	206710004120	JEREMY ELTON	2773	47TH ST E	\$6,000.00
46	202920001020	NICHOLAS P MCCARTHY	2780	47TH ST E	\$6,000.00
45	202920001030	CHARLES N & BARBARA KLECKNER	2790	47TH ST E	\$6,000.00
112	206710004110	TIMOTHY & NICOLE GRUNWALD	2793	47TH ST E	\$6,000.00
40	203870000304	ROBERT J & BRENDA K SHANLEY	2830	47TH ST E	\$6,000.00
100	204440003060	BETHESDA EV LUTH CH	2855	47TH ST E	\$9,166.66
101	204440003050	BETHESDA EV LUTH CH	2855	47TH ST E	\$9,166.68
107	204440002030	BETHESDA EV LUTH CH	2855	47TH ST E	\$9,166.66
108	204440002040	BETHESDA EV LUTH CH	2855	47TH ST E	\$9,166.66
109	204440003030	BETHESDA EV LUTH CH	2855	47TH ST E	\$9,166.68
110	204440003040	BETHESDA EV LUTH CH	2855	47TH ST E	\$9,166.66
106	201370001050	JON BECHT	2955	47TH ST E	\$6,000.00
105	201370001040	GEORGE & BEATRICE F POTTER	2989	47TH ST E	\$6,000.00
55	204402700010	CITY OF INVER GROVE HTS		47TH ST E	\$39,862.64
56	200281081011	CITY OF INVER GROVE HTS		47TH ST E	\$6,792.94
57	200281081013	CITY OF INVER GROVE HTS		47TH ST E	\$55,335.76
66	206715001072	CITY OF INVER GROVE HTS		47TH ST E	\$184.76
24	205035002170	LISA J GARRITY	2891	49TH ST E	\$6,000.00
22	205035003020	WALLACE C & PAMELA A LEVESSEUR	2896	49TH ST E	\$6,000.00
1	205035004300	CCR PROPERTIES LLC	2954	49TH ST E	\$6,000.00
2	205035001170	BEATRICE J MATTSON	2955	49TH ST E	\$6,000.00
23	205035003300	ELEANOR TSTE SCHMANDT		49TH ST E	\$6,000.00
32	205360000020	ELEANOR TSTE SCHMANDT		49TH ST E	\$6,000.00
67	206715001060	PATRICK N LUNDY	2621	BOWER CT E	\$6,000.00
68	206715001050	DOROTHY C STRUB	2625	BOWER CT E	\$6,000.00
65	206715001071	ERIC J & LANESA C SWARTZENBERG	2626	BOWER CT E	\$6,000.00
69	206715001040	PAUL R & KATHERINE A FORTNEY	2645	BOWER CT E	\$6,000.00
64	206715001080	J ARON & SHELLEY A ALLEN	2646	BOWER CT E	\$6,000.00
70	206715001030	JOSEPH W RASCHER	2655	BOWER CT E	\$6,000.00
63	206715001090	DAVID M & MARY L CHARLES	2670	BOWER CT E	\$6,000.00

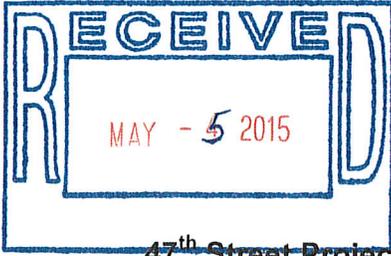
**City Project No. 2015-09E - 47th Street Area Reconstruction Final Assessment Roll  
(Sorted by Address)**

MAP ID	PID	FULL NAME	HOUSE NO.	STREET	FINAL ASSESSMENT
71	206715001020	TED M & JULIANNE E CHILDS	2675	BOWER CT E	\$6,000.00
72	206715001010	DOUGLAS S WOLLEAT	2685	BOWER CT E	\$6,000.00
84	204160001010	THOMAS E & LORI A TS LENCOWSKI	4604	BOWER PATH	\$6,000.00
83	206710001060	KIRA ZACHARIASEN	4605	BOWER PATH	\$6,000.00
82	206710001070	LINDA J WEIMER	4609	BOWER PATH	\$6,000.00
94	206710003020	DAVID H & ANN SIEGEL	4612	BOWER PATH	\$6,000.00
81	206710001080	JOHN HOWARD & KORYN FRANSON	4615	BOWER PATH	\$6,000.00
80	206710001090	KENNETH C JR ALBRECHT	4619	BOWER PATH	\$6,000.00
79	206710001100	JAMES & SUSAN ZSCHOKKE	4625	BOWER PATH	\$6,000.00
123	206710004080	RUTH M & DANIEL P GOHL	4626	BOWER PATH	\$6,000.00
78	206710001110	GREGORY D & PAMELA FLETCHER	4629	BOWER PATH	\$6,000.00
122	206710004070	LORI L STEGINK	4630	BOWER PATH	\$6,000.00
77	206710001120	DONALD J & LINDA DUBOIS	4635	BOWER PATH	\$6,000.00
121	206710004060	JACQUELINE A HUEBSCH	4636	BOWER PATH	\$6,000.00
76	206710001130	DOUGLAS JAMES FUCHS	4639	BOWER PATH	\$6,000.00
75	206710001151	SCOTT & JEANETTE MURPHY	4645	BOWER PATH	\$6,000.00
120	206710004050	DAWN M STILLMUNKES	4648	BOWER PATH	\$6,000.00
74	206710001172	PATRICIA M PAVLIK	4655	BOWER PATH	\$6,000.00
119	206710004040	MAXIMILLIAM & SUSAN SPORER	4658	BOWER PATH	\$6,000.00
118	206710004030	JAMES E & CAROL J SMITH	4666	BOWER PATH	\$6,000.00
62	206710005010	RICHARD & THERESA ZEIEN	4675	BOWER PATH	\$6,000.00
117	206710004020	LOUIS A & SHERRYL A SELIGA	4676	BOWER PATH	\$6,000.00
60	206710005030	JOHN C & ALICJA C GRANIAS	4679	BOWER PATH	\$6,000.00
59	206710005040	KIMBLE E & CHERYL J ODEGARD	4685	BOWER PATH	\$6,000.00
116	206710004010	MARK J & JANET MCCOY	4688	BOWER PATH	\$6,000.00
95	206710003010	RICHARD D & KATHLEEN YOUNGBLOM	4660	BOYD AVE E	\$6,000.00
124	206710004090	GREGORY S & JOAN M JOSWIAK	4673	BOYD AVE E	\$6,000.00
111	206710004100	FEDERAL NATIONAL MORTGAGE ASSOCIATION	4681	BOYD AVE E	\$6,000.00
44	202920001040	DANIEL & LINDA HOFFMANN	4765	BOYD AVE E	\$6,000.00
41	203870000290	JOHN J & CINDY D VANKEMPEN	4780	BOYD AVE E	\$6,000.00
42	203870000270	DAVID S & SANDRA J BOHRER	4796	BOYD AVE E	\$6,000.00
43	203870000250	BRIAN T LEMAY & DAWN M VARING	4814	BOYD AVE E	\$285.26
31	205035002302	GWEN A TSTE PARTIN	4708	BRENT AVE E	\$6,000.00
30	205035002280	RICHARD R & ROBIN L WARNER	4750	BRENT AVE E	\$6,000.00
39	203870000041	ROSEMARY HISLOP	4763	BRENT AVE E	\$6,000.00
29	205035002250	KEITH HOFFMAN	4770	BRENT AVE E	\$6,000.00
38	203870000061	LEONARD G & JEANNE TSCHIDA	4775	BRENT AVE E	\$6,000.00
37	203870000091	BENNETT S & JENNIFER HOFFMANN	4801	BRENT AVE E	\$6,000.00
28	205035002240	ROBERT J & JANEL L GARRICK	4810	BRENT AVE E	\$6,000.00
36	203870000100	ROBBIE P SEATON	4827	BRENT AVE E	\$6,000.00
27	205035002220	GARY L & PATTY A VEIKLEY	4830	BRENT AVE E	\$6,000.00
35	203870000120	JEAN ANN SCHMITZ	4849	BRENT AVE E	\$6,000.00
26	205035002210	JEREMIAH BALLARD	4850	BRENT AVE E	\$6,000.00
34	203870000140	CHRISTOPHER & KATH DALHED	4867	BRENT AVE E	\$6,000.00
25	205035002191	KEVIN L & CAROL LEONARD	4870	BRENT AVE E	\$6,000.00
33	203870000150	MARLYS JEAN STAPLES	4895	BRENT AVE E	\$6,000.00
11	205035001300	STEVEN J & TERI J SPRINGER	4700	BRYCE AVE E	\$6,000.00
12	205035002020	CYNTHIA RADANT	4709	BRYCE AVE E	\$6,000.00
13	205035002030	ARTHUR & KARLEEN KOCH	4719	BRYCE AVE E	\$6,000.00
10	205035001280	KATHRYN M HINES	4720	BRYCE AVE E	\$6,000.00
9	205035001270	DONNA HERBISON	4726	BRYCE AVE E	\$6,000.00
14	205035002040	JOSEPH N & SHERI L GERZINA	4731	BRYCE AVE E	\$6,000.00
15	205035002060	DIANE L & STEVEN N ANDERSON	4747	BRYCE AVE E	\$6,000.00
8	205035001250	ALBINA M THOMAS	4750	BRYCE AVE E	\$6,000.00

**City Project No. 2015-09E - 47th Street Area Reconstruction Final Assessment Roll  
(Sorted by Address)**

MAP ID	PID	FULL NAME	HOUSE NO.	STREET	FINAL ASSESSMENT
16	205035002070	NATHAN HACKER	4751	BRYCE AVE E	\$6,000.00
6	205035001230	TESORO HOMES INC	4858	BRYCE AVE E	\$6,000.00
17	205035002090	RYAN PARTNERS LLC	4867	BRYCE AVE E	\$6,000.00
18	205035002100	JOHN R & DEBRA SHORT	4871	BRYCE AVE E	\$6,000.00
4	205035001211	DIANE M WINECKE	4872	BRYCE AVE E	\$6,000.00
19	205035002120	CATHERINE J ERIKSEN	4873	BRYCE AVE E	\$6,000.00
20	205035002140	LARRY M & DEBORAH L GROPPOLI	4875	BRYCE AVE E	\$6,000.00
21	205035002150	JOYCE TUFTE	4877	BRYCE AVE E	\$6,000.00
3	205035001190	ALAN R & SUZANNE DONNELLY	4878	BRYCE AVE E	\$6,000.00

**TOTAL            \$778,461.36**



**47<sup>th</sup> Street Project Assessment Request**

May 5, 2015

Inver Grove Heights Independent Appraisers Benefit Analysis states the Bethesda Lutheran Church property consists of 5.35 acres with a parking lot in excess of one acre. "The project will provide improved streets including access as well as improved drainage conditions alleviating frequent ponding concerns to the parking lot." The streets currently have curb and gutter, while the street condition can be improved simply by filling the numerous pot holes that arrived this season. Access is actually being reduced from four entrances to three, and frequent ponding should be addressed by the construction of two stormwater retention ponds. We understand the project will also take advantage to now upgrade the sewer and storm pipe systems.

It was determined a value added benefit for single family homes to be in the range of 2% to 4% of Fair Market Value, which for our property is \$1,835,200. Their opinion was to use 3% for this project resulting in \$55,056, and rounded to \$55,000.

Bethesda Church has six of thirteen parcels of land with street frontage. The vast majority of roof drains to green space, and all the parking drains towards Boyd Avenue, where the two retention ponds are being located, and thus will have less impact than a typical single family house per acre of storm runoff. Therefore, we would like to see a reduction to the 3% of Fair Market Value.

The church is zoned as Institutional, but has less impact to adjacent streets than a school or hospital due to weekly usage, and even less then some other community churches due to congregation size. Church membership in general has been on a decline, and the \$55,000 assessment is equivalent to 25.1% of our current budget. Even spread out over the ten year payment, it will still create a hardship for this congregation. Therefore, we would like to see a reduction to the 3% of Fair Market Value.

We respectfully request a value added benefit at 2% to 2-1/2% be considered for an assessment value of \$36,704 to \$45,880 for the Bethesda Lutheran Church property.

David Hohle  
Task Force Chairperson

Pastor Terry Nordheim  
Bethesda Lutheran Church

# MIKE & BRENDA VERWAY

February 23, 2015

Inver Grove Heights City Council  
8150 Barbara Avenue  
Inver Grove Heights, MN 55077

Mayor Tourville and Council Members:

We are writing to oppose the participation and assessment of the five parcels on 46<sup>th</sup> Street East in 2018-09E project for the following reasons:  
? 2015

1. In 2009 the city of Inver Grove Heights partnered with the city of South St. Paul to reconstruct our street. The assessment for the reconstruction began with the 2010 tax season. Should we be included in the assessment for this project, we will be under a double assessment, creating a burdensome financial situation.
2. We are already burdened with an increase in our 2015 property taxes. A second assessment will make the burden greater.
3. There is a serious question as to the value this project provides for the residents of 46<sup>th</sup> Street East. There will be no actual construction taking place in front of our homes or on our properties. At the most recent information meeting (2/9/15), we were informed that our assessment would decrease from approximately \$4500 to approximately \$3100. This reduction came from the recommendation of an outside evaluator at the request of city engineers. While we appreciate an attempt to lower our costs, our opinion is this project (as needed as it is for the neighborhood it serves) has nothing to do with the residents of 46<sup>th</sup> Street East.

Consistency in arguing that water drains from our properties and, therefore, we have responsibility for another neighborhood would mean that the dozens of vehicles in another neighbor who use 46<sup>th</sup> Street East as a bypass share in the cost of the construction of 46<sup>th</sup> Street East.

This needed project can be completed without assessing the five residents of 46<sup>th</sup> Street East. As assistant city engineer Steve Dodge said last week, the project should be fair. There is something that does not feel fair to us by holding us financially responsible for a share in the project.

It is reasonable to request of the city council that the five residences of 46<sup>th</sup> Street East be removed from the additional tax burden of this project. The project can be completed without us.

Sincerely,

*Mike VerWay*  
*Brenda L VerWay*

Mike VerWay  
Brenda VerWay



**CITY OF INVER GROVE HEIGHTS**

**REQUEST FOR COUNCIL ACTION**

**Accept and Approve the Comprehensive Annual Financial Report for the Year Ended December 31, 2014, Management Letter and Other Required Report**

Meeting Date: May 11, 2015  
Item Type: Regular Agenda  
Contact: Kristi Smith 651-450-2521  
Prepared by: Kristi Smith, Finance Director  
Reviewed by: N/A

**Fiscal/FTE Impact:**

- None
- Amount included in current budget
- Budget amendment requested
- FTE included in current complement
- New FTE requested – N/A
- Other

**PURPOSE/ACTION REQUESTED**

To accept and approve the Comprehensive Annual Financial Report (CAFR), Management Letter and Other Required Report for the year ended December 31, 2014.

**SUMMARY**

Each year the City contracts with an independent Certified Public Accounting firm to audit the City's Comprehensive Annual Financial Report. Abdo, Eick & Meyers, LLP (AEM) performed the audit for the 2014 CAFR. This is AEM's second year auditing the City. They have issued an unqualified (clean) opinion on the City's financial statements. This is the highest form of assurance a Certified Public Accounting Firm can issue. In addition to the CAFR, Management Letter and Other Required Report are enclosed with this memo. Printed copies will be provided to Council Members and a public copy will be available at City Hall.

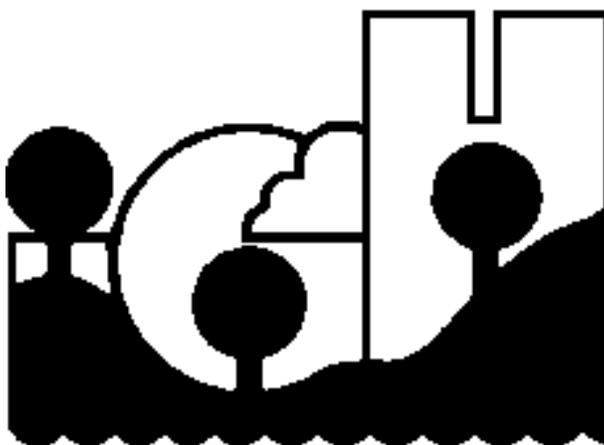
In reviewing the CAFR, I suggest reading the Letter of Transmittal which begins on page 5 in the Introductory Section of the report, Management's Discussion and Analysis (MD&A which begins on page 23 in the Financial Section of the report, and the Notes to the Financial Statements which begin on page 55 in the Financial Section in the report.

The auditors did note a material weakness in conducting the audit. The material weakness is reported in the Management Letter on page 2. The finding, 2014-001, Material audit adjustments, indicates that a material adjustment was needed to correct the year-end account for unbilled 2013 storm water charges which were inadvertently adjusted out of receivables. If our auditors had not found this mistake the 2014 storm water revenues would have been lower than anticipated and the 2015 storm water revenues would have been higher than anticipated by the amount of the 2013 storm water receivable that was inadvertently reversed. This may have required a prior period adjustment in the 2015 CAFR, however, the City would have been in the same cash position once staff has completed all storm water billings. No year-end procedure changes are necessary provided the storm water billings are caught up by year-end.

Matt Vos and Steve McDonald from Abdo, Eick & Meyers, LLP were present at the May 4, 2015 work session to review the reports and answer questions.

We will be submitting the CAFR to the Government Finance Officers Association for the Certificate of Achievement for Excellence in Financial Reporting. This will be the 29<sup>th</sup> year that we have participated in this program. We will also put the CAFR on the City's website.

A special thanks to the Finance Department staff and all departments for their assistance in preparing for the audit and completion of the CAFR.



**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT  
FOR THE YEAR ENDED  
DECEMBER 31, 2014**

**CITY OF INVER GROVE HEIGHTS,  
MINNESOTA**

THIS PAGE IS LEFT BLANK  
INTENTIONALLY

CITY OF INVER GROVE HEIGHTS  
INVER GROVE HEIGHTS, MINNESOTA

COMPREHENSIVE  
ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED  
DECEMBER 31, 2014

REPORT PREPARED BY:  
FINANCE DEPARTMENT

THIS PAGE IS LEFT BLANK  
INTENTIONALLY

CITY OF INVER GROVE HEIGHTS, MINNESOTA  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 TABLE OF CONTENTS  
 FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Page No.</u>
<b>INTRODUCTORY SECTION</b>	
Letter of Transmittal	5
GFOA Certificate of Achievement	13
Organizational Chart	14
Elected and Appointed Officials	15
 <b>FINANCIAL SECTION</b>	
Independent Auditor's Report	19
Management's Discussion and Analysis	23
 <b>Basic Financial Statements</b>	
Government-wide Financial Statements	
Statement of Net Position	35
Statement of Activities	36
Fund Financial Statements	
Governmental Funds	
Balance Sheet	40
Reconciliation of the Balance Sheet to the Statement of Net Position	43
Statement of Revenues, Expenditures and Changes in Fund Balances	44
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities	46
General Fund	
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	47
Proprietary Funds	
Statement of Net Position	48
Statement of Revenues, Expenses and Changes in Net Position	51
Statement of Cash Flows	52
Fiduciary Funds	
Statement of Fiduciary Net Position	54
Notes to the Financial Statements	55
 <b>Required Supplementary Information</b>	
Schedule of Funding Progress for the Fire Relief Association Pension Plan	88
Schedule of Funding Progress for the Other Postemployment Benefit Plan	88
 <b>Combining and Individual Fund Financial Statements and Schedules</b>	
Nonmajor Governmental Funds	
Combining Balance Sheet	92
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	93
Nonmajor Special Revenue Funds	
Subcombining Balance Sheet	96
Subcombining Statement of Revenues, Expenditures and Changes in Fund Balances	97
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	
Convention and Visitors Bureau Special Revenue Fund	98
Recreation Special Revenue Fund	99
Economic Development Authority Special Revenue Fund	100
Community Center Special Revenue Fund	101
Nonmajor Debt Service Funds	
Subcombining Balance Sheet	104
Subcombining Statement of Revenues, Expenditures and Changes in Fund Balances	105
Nonmajor Capital Projects Funds	
Subcombining Balance Sheet	108
Subcombining Statement of Revenues, Expenditures and Changes in Fund Balances	110

CITY OF INVER GROVE HEIGHTS, MINNESOTA  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 TABLE OF CONTENTS - CONTINUED  
 FOR THE YEAR ENDED DECEMBER 31, 2014

Page No.

**Combining and Individual Fund Financial Statements and Schedules - Continued**

General Fund	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	112
Internal Service Funds	
Combining Statement of Net Position	118
Combining Statement of Revenues, Expenses and Changes in Net Position	120
Combining Statement of Cash Flows	122
Agency Funds	
Combining Statement of Fiduciary Net Position	124
Combining Statement of Changes in Assets and Liabilities	125

**STATISTICAL SECTION (UNAUDITED)**

Financial Trends	
Summary Financial Report - Revenues and Expenditures for General Operations – Governmental funds	131
Net Position by Component	132
Changes in Net Position	134
Fund Balances of Governmental Funds	138
Changes in Fund Balances of Governmental Funds	140
Revenue Capacity	
General Governmental Tax Revenues by Source	142
Assessed Value and Estimated Actual Value of Taxable Property	143
Property Tax Rates - Direct and Overlapping Governments	144
Principal Property Taxpayers	145
Property Tax Levies and Collections	146
Debt Capacity	
Ratios of Outstanding Debt by Type	147
Ratios of General Bonded Debt Outstanding	148
Computation of Direct and Overlapping Governmental Activities Debt	149
Legal Debt Margin Information	150
Pledged Revenue Coverage	152
Demographic and Economic Information	
Demographic and Economic Statistics	153
Principal Employers	154
Operating Information	
Full-Time Equivalent Employees by Function	155
Operating Indicators by Function	156
Capital Asset Statistics by Function	157

**INTRODUCTORY SECTION**

CITY OF INVER GROVE HEIGHTS  
INVER GROVE HEIGHTS, MINNESOTA

FOR THE YEAR ENDED  
DECEMBER 31, 2014

THIS PAGE IS LEFT BLANK  
INTENTIONALLY



# City of Inver Grove Heights

[www.ci.inver-grove-heights.mn.us](http://www.ci.inver-grove-heights.mn.us)

April 27, 2015

To the City Council and Citizens of the City of Inver Grove Heights:

Minnesota statutes require all cities to issue an annual report on its financial position and activity prepared in accordance with accounting principles generally accepted in the United States of America (GAAP), and audited in accordance with audit standards generally accepted in the United States of America by a firm of licensed certified public accountants or the Office of the State Auditor. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the City of Inver Grove Heights for the fiscal year ended December 31, 2014.

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

The City of Inver Grove Heights' financial statements have been audited by Abdo, Eick & Meyers, LLP a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City of Inver Grove Heights for the fiscal year ended December 31, 2014, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City of Inver Grove Heights' financial statements for the fiscal year ended December 31, 2014, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Inver Grove Heights' MD&A can be found immediately following the report of the independent auditors.

## **Profile of the Government**

The City of Inver Grove Heights, incorporated in 1965, is a suburban community located about 12 miles south of the City of St. Paul, Minnesota in the eastern part of the state. This area is considered to be a major population and economic growth area in the state, and among one of the highly ranked economic growth areas in the country. The City of Inver Grove Heights currently occupies a land area of approximately 30 square miles and serves a population of 34,627. The City of Inver Grove Heights is empowered to levy a property tax on both real and personal properties located within its boundaries. While it is empowered by state statute to extend its corporate limits by annexation, Inver Grove Heights is still developing within its corporate limits and is bordered on all sides by other incorporated communities.

The City of Inver Grove Heights became a statutory city in 1974. The City operates under a statutory form of government consisting of a four-member city council and the mayor who is a voting member. Council members serve four-year staggered terms, with two council members elected every four years and the Mayor serves a two year term. Among its primary duties, the city council makes laws, sets policies, adopts budgets and oversees a wide ranging agenda for the community. The city administrator is appointed by the city council. The city administrator heads the administrative branch of city government and directs all city operations, projects and programs.

The City of Inver Grove Heights provides a full range of services, including police and fire protection, the construction and maintenance of highways, streets and other infrastructure; water and sewer services and recreational activities and cultural events.

The annual budget serves as a foundation for the City of Inver Grove Heights' financial planning and control. All departments of the City of Inver Grove Heights submit requests for appropriation for the following year to the city administrator, who uses this information to develop a proposed budget. This is presented to the city council for their review. The city council is required to adopt a proposed budget and tax levy by September 30. The council is required to hold public hearings on the proposed budget and to adopt a final budget by no later than December 29.

## **Factors Affecting Financial Condition**

The information in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of Inver Grove Heights operates.

**Local Economy.** The City of Inver Grove Heights has experienced growth in population and development. State Highway 52, which traverses north and south through the City, has had a major impact on development within the City. The freeway allows City residents and businesses a rapid and direct access directly north into downtown St. Paul and to Interstate Highway 94 which connects St. Paul with Minneapolis. This roadway has enhanced transportation throughout the metropolitan area for City residents and increased opportunity for further industrial, commercial and residential development. Interstate Highway 494 traverses east and west through the City and connects with Interstate Highway 694 to form a freeway loop around the entire Twin Cities Metropolitan area.

Inver Grove Heights has several large industries which account for a significant portion of the City's commercial tax capacity. Some of the industries are highly automated and consequently are major taxpayers but not major employers.

**Relevant Financial Policies.** The City implemented GASB #67 *The Financial Reporting for Pension Plans-an Amendment to GASB Statement No. 25*; GASB #69 *Government Combinations and Disposals of Government Operations*, and GASB #70 *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, in 2014. Implementation did not have any financial effect on the City.

The primary financial goal of the City's investment policy is to ensure the safety of principal invested by the City. Cash temporarily idle during the year is invested in instruments authorized under *Minnesota Statute No. 118A*. Instruments authorized include certificates of deposit, commercial paper, and obligations of U.S. Treasury and government agencies. In order to achieve diversification the policy provides that, with the exception of U.S. Treasury securities, no more than 50% of the City's total investment portfolio will be invested with a single institution or in a single security type. A report summarizing investment activity and demonstrating compliance with this policy is prepared on a quarterly basis for City Council review. Cash balances from all City funds are pooled into an investment fund and investment income is distributed on a pro-rata basis at the end of each quarter.

Capital financing for major municipal improvements is provided through improvement bonds, general obligation bonds, tax increment bonds, or revenue bonds. Depending upon the project, special assessments may be levied upon properties to share in the cost of the improvement project. The special assessments are collected over a period of time and are used to help satisfy the improvement bond debt. Internal financing of improvement projects is usually minimal and only for short periods of time.

The City has adopted a comprehensive set of internal control procedures. The City's accounting system was developed and is continually evaluated to assure the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable but not absolute assurance in the areas of: safeguarding assets against loss from unauthorized use or disposition, reliability of financial records, and convenience of access for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the evaluation of cost and benefits requires estimates and judgments by management, and the cost of a control should not exceed the benefits likely to be derived. All internal controls are evaluated against the above criteria. It is our belief that the City's internal accounting controls adequately safeguard the City's assets and also provide reasonable assurance of properly recording financial transactions.

## **Major Initiatives.**

### **Community Development**

In 2014, the City experienced another strong year of construction and major development activity. Inver Grove Heights had \$81.8 million of new construction in 2014, the highest valuation since 2006. Residential construction in 2014 consisted of 118 dwelling units, including 52 single family residences and a 66 unit senior apartment. There were also more than 1,000 building permits for \$13.2 million of residential remodeling. The City experienced \$19.2 million in commercial and industrial development which was all related to one permit for a Flint Hills Resources Administrative Building. Institutional construction also increased significantly from previous years with \$6.8 million of major improvements to the Dakota County Library and the school districts buildings.

This last year, the City processed 71 planning and zoning applications. Three residential plats were approved, totaling 315 lots. The 115 acre Blackstone development will consist of 260 single family and townhome units. To serve this development, the City commenced major extensions of the sanitary sewer and municipal water trunk utilities and initiated a study of the realigned Argenta Trail Corridor, a future major roadway arterial.

The Inver Grove Heights Economic Development Authority (EDA) had a busy year. The “Open To Business” Program, which provides technical and financial assistance to small businesses, was approved for a second year and saw a threefold increase in its use. Two additional properties were acquired in the Concord Neighborhood and an industrial market assessment was conducted on a redevelopment site in the same neighborhood. The EDA also conducted a retail market assessment of the Arbor Pointe retail neighborhood and is considering further actions to improve the viability of the commercial neighborhood. The EDA, through the City, obtained a Minnesota Department of Employment and Economic Development grant of \$640,000 and made application for a Dakota County Community Development Agency grant of \$250,000. The grants will be used to acquire additional properties in the Concord Neighborhood for redevelopment purposes.

### **Police Department**

The Police Department continues to deploy a community based policing philosophy striving for greater community involvement in all areas of public safety. We have continued to reach out to our community to improve communications with citizens, neighborhoods, and businesses. Officers participate in child safety fairs, children’s safety camps, youth police academy, Town Hall meetings, Crime Free Multi-Housing, Neighborhood Watch Groups and many other events culminating in Minnesota Night to Unite in August, Inver Grove Heights Days in September, and a nine-week Citizen’s Academy that starts in late September with the graduation in early November.

Programs that we continue to offer include Alcohol Compliance Checks, Domestic Abuse Response Team (DART), Business Check Program, Bicycle Patrol, Intensive Supervision Program (ISP), Critical Incident Stress Management (CISM) team, check diversion program and driving diversion program. We also continue to receive hundreds of volunteer hours each year from our Police Reserves, Police Chaplains and Explorer programs.

The Police Department is also involved in many partnership initiatives within Dakota County. Some of these initiatives are Domestic Preparedness including the Special Operations Team (SOT), Incident Management Team (IMT), Drug Task Force, MAAG (SWAT), as well as Traffic Safety Group projects. Another partnership the police department is involved in is the School Resource Officer (SRO) position with Independent School District No. 199 that will continue through the 2014-2016 school years.

### **Fire Department**

The Company Fire Inspection Program, which started at the end of 2012 for multi-family housing facilities, completed its second full year. Five firefighter company inspectors participated. The majority of the year saw more follow-up than initial inspections; however, total facility inspections were down. The reason for the reduced number was that the inspectors were placed on a special duty for a period of time that took their focus away from fire code issues – key box inspections. Company inspectors checked all 443 boxes for current keys, tampering and provided maintenance.

The number of emergency calls climbed back up to 1,249, the second highest (2010 had 1,256 calls) call volume in the past 10 years. Of those total calls, 43% were for Emergency Medical Services (EMS). The rest involved a combination of many other classifications such as: fires, vehicle crashes, alarms (fire/carbon monoxide), etc. The IGH Firefighters continued to step up to the increase in calls. Recruitment and retention issues have not yet hit IGH as hard as it has some of our neighboring communities. One neighboring department saw 23% of its department leave in 2014, and hired fewer back than they lost. In comparison, IGH only lost 6% and was able to fill back in with the same number that was lost. However, because of the increasing time commitment required of being a paid-on-call firefighter, it is only a matter of a few years before the recruitment and retention issues will hit our city. As a result, discussion in 2014 resulted in planned discussions for 2015 that will be focused on exploring different response models.

The Fire Department started on a new quest to explore a space needs analysis for a potential new fire station. Although a third fire station in the city has been discussed for more than a decade, there has been little formal action. The new station, if approved to move forward, will help reduce response times to the southern part of the city. By reducing response times to that area, the Fire Department will be able to improve its quality of care and could also provide a benefit for both residences and businesses by helping them achieve reductions in insurance rates.

The Fire Explorer program for youth between the ages of 14 and 20 continues to be successful with an annual roster of 14-18 members. This program also serves as an excellent feeder program for the Fire Department, providing one of five recruits in each of the past three years. Advisors for the program include previous Explorers and active Firefighters who have children in the program.

The Fire Department continues to be very involved in community activities and public education. IGH Beyond the Yellow Ribbon Program, state-wide Veteran's Day celebration, various career fairs, Fire Prevention Week Open House, teaching at safety camps, staffing Inver Grove Heights Days displays and presentations, and attending Night to Unite and safety fairs are some of the bigger events.

## **Public Works**

Public Works continues to oversee the street reconstruction program, a milling and overlay program and a crack seal and seal coating program. These programs will ensure a well-maintained roadway infrastructure. The 2014 urban street reconstruction project rebuilt 1.75 miles of street. The crack seal and seal coat projects covered 9.3 and 7.2 miles of street, respectively.

A joint project with Dakota County installed turn lanes on Cliff Road at its intersections with Alison Way and Albavar Path. A large failing retaining wall adjacent to Blaine Avenue at 80<sup>th</sup> Street was replaced. A backyard drainage issue for a number of single family homes abutting Arbor Pointe Park was addressed with a drainage project. A right turn lane was constructed on 117<sup>th</sup> Street at its intersection with Rich Valley Boulevard. A storm water pond project was also completed. This project added a treatment basin to the storm sewer system that discharges to Bohrer Pond, a DNR protected water.

## **Parks and Recreation**

The City of Inver Grove Heights and Dakota County have completed a \$1.4 million dollar trailhead project at Swing Bridge Park in Inver Grove Heights. The improvements include a 40-stall parking lot, restroom building and 40-50 person picnic shelter that overlooks the Mississippi River. The trailhead facility is owned and operated by Dakota County Parks and the picnic shelter is owned and operated by the City.

Emerald Ash Borer was officially discovered in Dakota County (Eagan) and the City continues to implement its 10-year EAB Management Plan by beginning to remove ash trees found in the public right-of-way.

Updating the Park and Recreation System Plan continued in 2014 and will be a part of the 2015 endeavors as the Park and Recreation Commission works to help the City determine what the future of the park system will look like and how funding for the system should be structured. The Commission invited residents to meet at each park in the system on a Saturday in October of 2014 and received valuable feedback from residents about how important the Park and Recreation system is to the quality of life in Inver Grove Heights.

The Park Commission spent a considerable amount of time reviewing the operations of Inver Wood Golf Course to determine the best management structure. The Council accepted the Commission's recommendation to keep the management of the Golf Course "in-house" and set financial performance expectations to break even or better on operations (not including depreciation).

There were many positive recreation programs provided to the community in 2014. North Valley Park Co-Hosted the PDGA Amateur and Junior World Disc Golf Championships. The VMCC/Grove updated fitness equipment, painted the east rink, replaced the rubberized flooring and installed a low-e ceiling. The VMCC/Grove achieved 89% cost recovery and had over 195,000 member check-ins during the year.

## **Administration**

2014 saw a major change in the structure of that portion of the organization. The long serving Assistant City Administrator left the City and the position title was eliminated. The City replaced that position with a Human Resources Manager. That position was filled at the end of the year.

A General Election was held and we, once again, had one of the highest voter turnout rates in the State of Minnesota. The incumbent Mayor and one City Council Member were re-elected. One incumbent City Council Member chose not to seek re-election and so a new Council Member was elected.

The City went through a discernment process to establish a common set of values and set a Mission Statement driven by those values. The three values chosen are: Ethics, Excellence and Engagement. The Mission Statement of the City now reads as follows:

*"The Mission of the City of Inver Grove Heights is to provide services and facilities that enhance the quality of life in our vibrant community"*

**For the Future.** The City's Comprehensive Plan sets forth goals, policies, and plans for the City's future growth and development over the next twenty years. A major focus of the Comprehensive Plan is the continued expansion of infrastructure and subsequent development in the northwest part of the City, an area of approximately five square miles. Construction of the first segment of sanitary sewer and water occurred in 2009. The City is considering another major extension of utilities to serve the Blackstone Development and encourage further development. The City is also deciding on an alignment of Argenta Trail, a future regional arterial roadway. The roadway will eventually extend between two new interchanges at Interstate 494 and State Highway 55.

The City is also concentrating on redevelopment and economic development activities. It recently completed a two year planning study of the Concord Boulevard Neighborhood, an area adjacent to the Mississippi River. The plan recognizes the considerable public investments in the neighborhood in the last decade, refines the neighborhood land use plan, identifies specific redevelopment sites, analyzes the sites and their financial capabilities, and establishes design guidelines. The City also reviewed its planning efforts with the development community to assure its feasibility. Inver Grove Heights is now acquiring properties and undertaking environmental investigations of select sites and recently completed an industrial market analysis.

In addition to the Concord Neighborhood, the City continues to work on the acquisition and environmental investigation of a property, currently owned by the Minnesota Department of Transportation, for future office development. City staff also continues to work with Progress Plus, a public-private non-profit foundation, on various economic development activities, especially marketing, business inquiries, databases, and research.

The Fire Department is beginning the initial planning stage for a third fire station. A station location study was completed, showing the need for a third station to cover the southern parts of the City. The expected completion date for the third station is September 2016.

In 2015, it is anticipated that three trunk utility projects will start construction in the Northwest Area. These projects will include two segments of trunk watermain and trunk sanitary sewer, and a sanitary sewer lift station. The Pavement Management Program will involve work on 18.29 miles of streets. The program will include reconstruction, mill and overlay, crack seal and seal coat projects. There will be a small water and sewer improvement and rehabilitation project that will be completed in conjunction with the street reconstruction project.

The Park Commission will work on developing a Master Plan for South Valley Park with plans to implement improvements in 2016. With \$2,000,000 in proceeds from the 2014 Legislature, the City will continue to purchase property along Doffing Avenue and make selected park improvements in Heritage Village Park. The City is also working with the baseball and softball associations on adding permanent dugout covers to the Rich Valley Athletic Complex.

Responding to customer requests, the City has asked our local legislators to sponsor legislation that will allow Inver Wood to serve strong beer and alcohol allowing for increased revenue. Inver Wood will also introduce new opportunities in FootGolf, Season Passes, and a Players Card, all of which are designed to increase usage and revenue at the Golf Course. Planning to replace the aging irrigation system, improve the driving range, and refurbish all 66 bunkers on the course will take place in 2015 so that a financing plan can be developed.

The VMCC/Grove plans to replace the sound systems in both rinks in 2015. In addition, as the Splash Pool equipment begins to show its age, we will be gathering feedback from members and guests on the best use of the space moving forward. Working with Apex Engineering and Xcel Energy, the City is exploring potential energy reduction projects which may include the installation of solar panels.

The Park Commission plans to continue work on updating and developing the Future of Our Parks – Parks & Recreation System Plan for review and adoption by the City Council sometime in 2015.

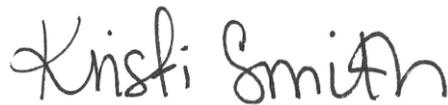
### **Awards and Acknowledgements**

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Inver Grove Heights for its comprehensive annual financial report (CAFR) for the fiscal year ended December 31, 2013. This was the twenty-eighth consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the government has published an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

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

The preparation of this report would not have been possible without the dedicated services of the Finance Department staff. We would like to express our appreciation to all members of the department who assisted and contributed to the preparation of this report. Credit must also be given to the Mayor and City Council for their unfailing support for maintaining the highest standards of professionalism in the management of the City of Inver Grove Heights' finances.

Respectfully submitted,



---

Kristi Smith  
Finance Director



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of Inver Grove Heights  
Minnesota**

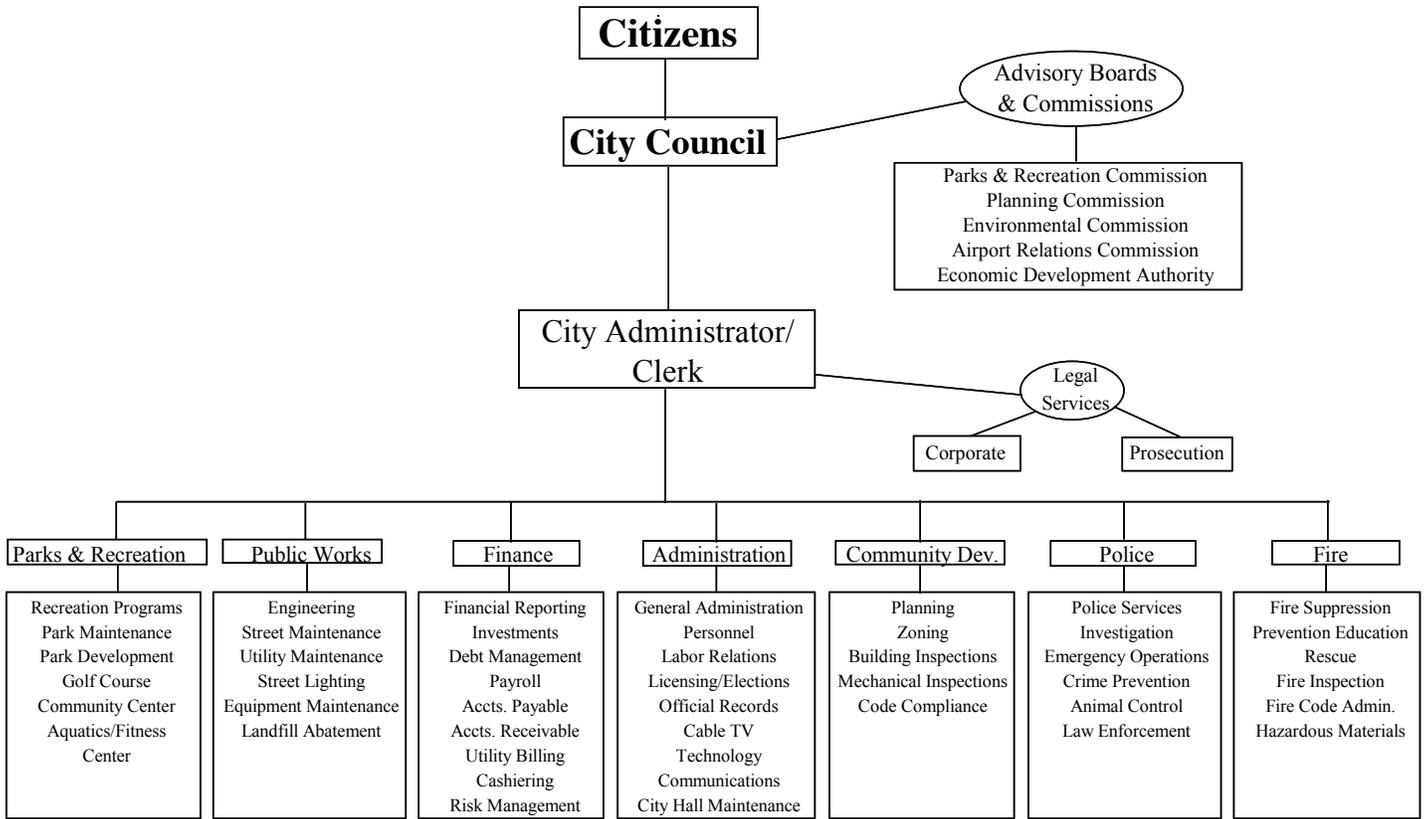
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2013**

Executive Director/CEO

CITY OF INVER GROVE HEIGHTS, MINNESOTA

ORGANIZATION CHART



CITY OF INVER GROVE HEIGHTS, MINNESOTA  
ELECTED AND APPOINTED OFFICIALS  
FOR THE YEAR ENDED DECEMBER 31, 2014

**ELECTED**

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
George Tourville	Mayor	12/31/14
Tom Bartholomew	Council Member	12/31/16
Rosemary Piekarski Krech	Council Member	12/31/14
Jim Mueller	Council Member	12/31/16
Dennis Madden	Council Member	12/31/14

**APPOINTED**

<u>Name</u>	<u>Title</u>
Joe Lynch	City Administrator
Kristi Smith	Director of Finance
Larry Stanger	Chief of Police
Judy Smith-Thill	Fire Chief
Scott Thureen	Director of Public Works
Thomas Link	Director of Community Development
Eric Carlson	Director of Parks and Recreation

THIS PAGE IS LEFT BLANK  
INTENTIONALLY

**FINANCIAL SECTION**

CITY OF INVER GROVE HEIGHTS  
INVER GROVE HEIGHTS, MINNESOTA

FOR THE YEAR ENDED  
DECEMBER 31, 2014

THIS PAGE IS LEFT BLANK  
INTENTIONALLY



## INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council  
City of Inver Grove Heights, 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 Inver Grove Heights, Minnesota (the City), as of and for the year ended December 31, 2014, 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 the financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 auditor's 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 City'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, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of December 31, 2014, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

THIS PAGE IS LEFT BLANK  
INTENTIONALLY

## Other Matters

### *Required Supplementary Information*

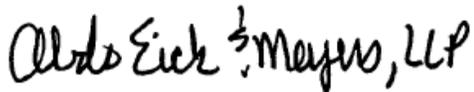
Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis starting on page 23 and the Schedule of Funding Progress on page 88 be presented to supplement the basic financial statements. Such information, although not a part of the basic 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 Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, statistical section, and combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.



ABDO, EICK & MEYERS, LLP  
Minneapolis, Minnesota  
April 27, 2015

THIS PAGE IS LEFT BLANK  
INTENTIONALLY

## Management's Discussion and Analysis

As management of the City of Inver Grove Heights, Minnesota, (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, 2014. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 5-12 of this report.

### Financial Highlights

- The assets and deferred outflows of the City exceeded its liabilities at the close of the most recent fiscal year by \$191,454,655 (net position). Of this amount, \$57,900,024 (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's net position for governmental activities increased \$7,981,950 and business-type activities decreased \$46,474, resulting in a total increase of \$7,935,476. The overall increase was primarily a result of receiving \$7,764,392 in capital grants and contributions.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$24,894,937, an increase of \$2,772,471 in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the General fund was \$9,111,824, or 50.1 percent of next year's budgeted expenses.
- The City's total debt decreased \$6,948,693, (14.5 percent) during the current fiscal year. The decrease was due to the repayment of tax increment financing bonds, water revenue bonds, and sewer bonds which were paid with refunding bonds and other scheduled debt payments.

### Overview of the Financial Statements

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

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of combining and individual fund financial statements and schedules that further explains and supports the information in the financial statements. In addition to these required elements, we have included a section with combining and individual fund financial statements and schedules that provide details about nonmajor governmental funds, which are added together and presented in single columns in 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 position* presents information on all of the City's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

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

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenue (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, public works, culture and recreation, community development, and interest on long-term debt. The business-type activities of the City include water and sewer utilities and the golf course.

The government-wide financial statements start on page 35 of this report.

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

**Governmental funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term 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 25 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, Improvement Bonds, Closed Bond, Tax Increment Financing Bonds, Local Improvement Construction, Pavement Management and the Host Community, which are all considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements or schedules* elsewhere in this report.

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

The basic governmental fund financial statements start on page 40 of this report.

**Proprietary funds.** The City of Inver Grove Heights maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water, sanitary sewer and golf operations. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for compensated absences, risk management, central equipment maintenance, office supplies and equipment, city facilities, and technology. Because these services predominantly benefit governmental rather than business-type activities, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for all the water, sewer, and golf course funds, which are considered to be major funds of the City. Conversely, all internal service funds are combined into a single aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

The basic proprietary fund financial statements start on page 48 of this report.

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

The basic fiduciary fund financial statements can be found on page 54 of this report.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements start on page 55 of this report.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's progress in funding its obligation to provide other postemployment benefits to its employees. Required supplementary information can be found on page 88 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds are presented following the notes to the financial statements. Combining and individual fund statements and schedules start on page 92 of this report.

## Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows exceeded liabilities by \$191,454,655 at the close of the most recent fiscal year.

By far, the largest portion of the City's net position (66.3 percent) reflects its investment in capital assets (e.g., land, buildings, machinery and equipment) less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

### City of Inver Grove Heights' Summary of Net Position

	Governmental Activities			Business-type Activities		
	2014	2013	Increase (Decrease)	2014	2013	Increase (Decrease)
<b>Assets</b>						
Current and other assets	\$ 49,845,032	\$ 45,768,819	\$ 4,076,213	\$ 21,686,347	\$ 25,151,743	\$ (3,465,396)
Capital assets, net of depreciation	109,488,634	108,811,578	677,056	55,317,605	56,241,105	(923,500)
<b>Total assets</b>	<b>159,333,666</b>	<b>154,580,397</b>	<b>4,753,269</b>	<b>77,003,952</b>	<b>81,392,848</b>	<b>(4,388,896)</b>
<b>Deferred outflows</b>						
Deferred charge on refunding	101,033	-	101,033	270,080	-	270,080
<b>Liabilities</b>						
Noncurrent liabilities outstanding	25,261,655	28,391,131	(3,129,476)	17,503,314	21,344,373	(3,841,059)
Other liabilities	1,842,951	1,841,123	1,828	646,156	877,439	(231,283)
<b>Total liabilities</b>	<b>27,104,606</b>	<b>30,232,254</b>	<b>(3,127,648)</b>	<b>18,149,470</b>	<b>22,221,812</b>	<b>(4,072,342)</b>
<b>Net position</b>						
Net investment in capital assets	88,745,756	85,313,175	3,432,581	38,248,637	38,002,856	245,781
Restricted	6,560,238	5,419,184	1,141,054	-	-	-
Unrestricted	37,024,099	33,615,784	3,408,315	20,875,925	21,168,180	(292,255)
<b>Total net position</b>	<b>\$ 132,330,093</b>	<b>\$ 124,348,143</b>	<b>\$ 7,981,950</b>	<b>\$ 59,124,562</b>	<b>\$ 59,171,036</b>	<b>\$ (46,474)</b>

An additional portion of the City's net position (3.4 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (\$57,900,024) may be used to meet the City's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net position, both for the City as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

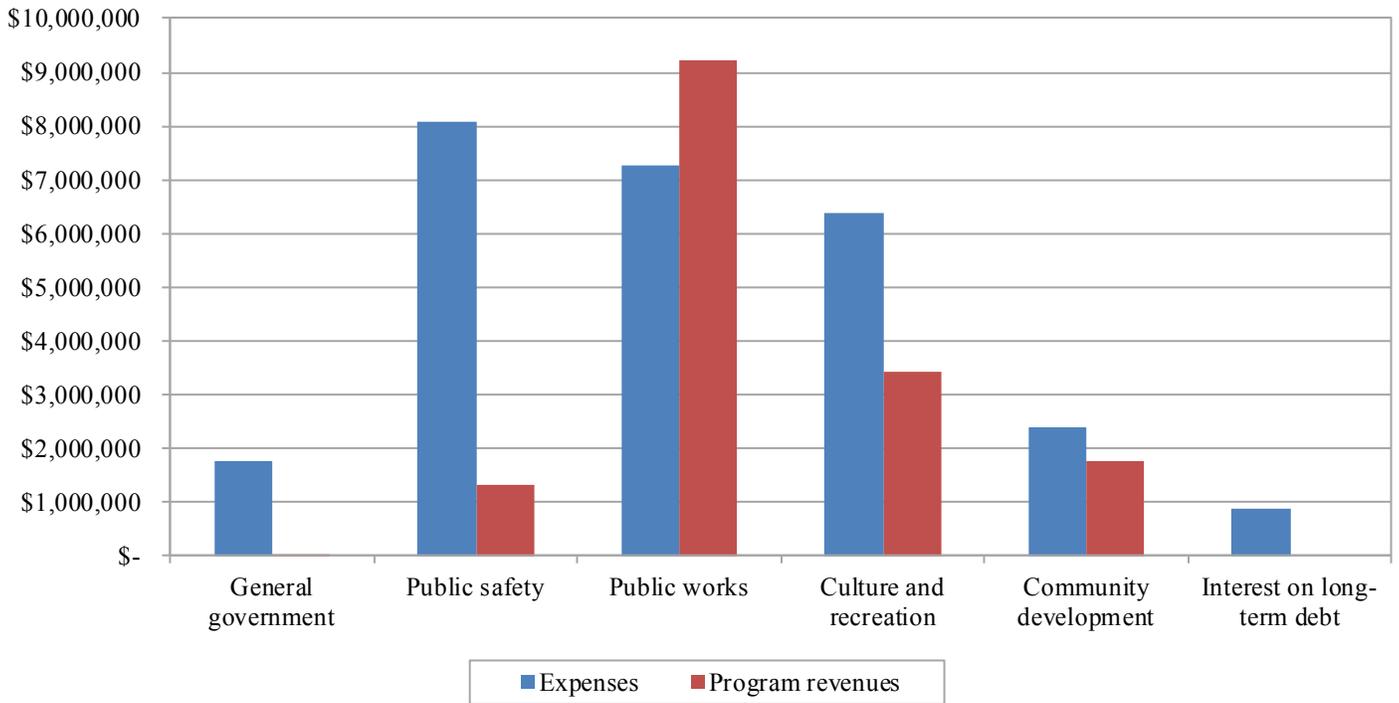
**Governmental activities.** Governmental activities increased the City's net position by \$7,981,950. Significant changes from the prior year are noted below:

### City of Inver Grove Heights' Changes in Net Position

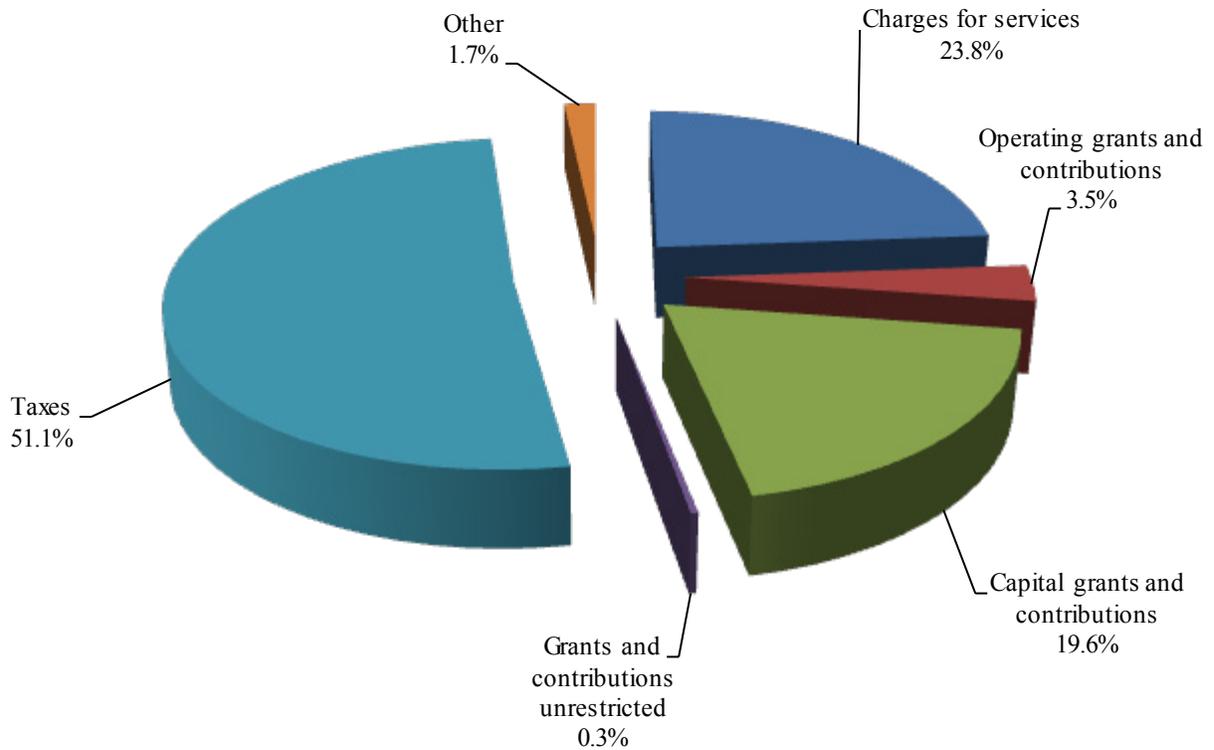
	Governmental Activities			Business-type Activities		
	2014	2013	Increase (Decrease)	2014	2013	Increase (Decrease)
Revenues						
Program revenues						
Charges for services	\$ 8,007,248	\$ 7,551,998	\$ 455,250	\$ 7,285,643	\$ 7,473,114	\$ (187,471)
Operating grants and contributions	1,170,083	952,499	217,584	1,418	1,961	(543)
Capital grants and contributions	6,587,288	2,971,574	3,615,714	1,177,104	1,188,808	(11,704)
General revenues						
Taxes						
Property taxes	15,070,818	14,607,605	463,213	-	-	-
Tax increment	1,931,061	1,861,618	69,443	-	-	-
Other taxes	196,319	178,593	17,726	-	-	-
Grants and contributions not restricted to specific programs	95,004	162,694	(67,690)	-	-	-
Unrestricted investment earnings	575,796	(210,750)	786,546	284,415	44,938	239,477
Gain on sale of capital assets	12,855	17,780	(4,925)	-	-	-
<b>Total revenues</b>	<b>33,646,472</b>	<b>28,093,611</b>	<b>5,552,861</b>	<b>8,748,580</b>	<b>8,708,821</b>	<b>39,759</b>
Expenses						
General government	1,764,065	1,789,711	(25,646)	-	-	-
Public safety	8,069,896	7,806,417	263,479	-	-	-
Public works	7,284,147	6,225,122	1,059,025	-	-	-
Culture and recreation	6,382,850	6,417,200	(34,350)	-	-	-
Community development	2,403,058	1,784,117	618,941	-	-	-
Interest on long-term debt	873,009	1,026,367	(153,358)	-	-	-
Water	-	-	-	2,722,584	2,550,172	172,412
Sewer	-	-	-	3,422,724	3,342,170	80,554
Golf course	-	-	-	1,537,243	1,653,246	(116,003)
<b>Total expenses</b>	<b>26,777,025</b>	<b>25,048,934</b>	<b>1,728,091</b>	<b>7,682,551</b>	<b>7,545,588</b>	<b>136,963</b>
Change in net position before transfers	6,869,447	3,044,677	3,824,770	1,066,029	1,163,233	(97,204)
Transfers (net)	1,112,503	(4,263,985)	5,376,488	(1,112,503)	4,263,985	(5,376,488)
Change in net position	7,981,950	(1,219,308)	9,201,258	(46,474)	5,427,218	(5,473,692)
Net position, January 1	124,348,143	125,567,451	(1,219,308)	59,171,036	53,743,818	5,427,218
Net position, December 31	<u>\$ 132,330,093</u>	<u>\$ 124,348,143</u>	<u>\$ 7,981,950</u>	<u>\$ 59,124,562</u>	<u>\$ 59,171,036</u>	<u>\$ (46,474)</u>

The following graph depicts various governmental activities and shows the revenues and expenses directly related to those activities.

### Expenses and Program Revenues - Governmental Activities



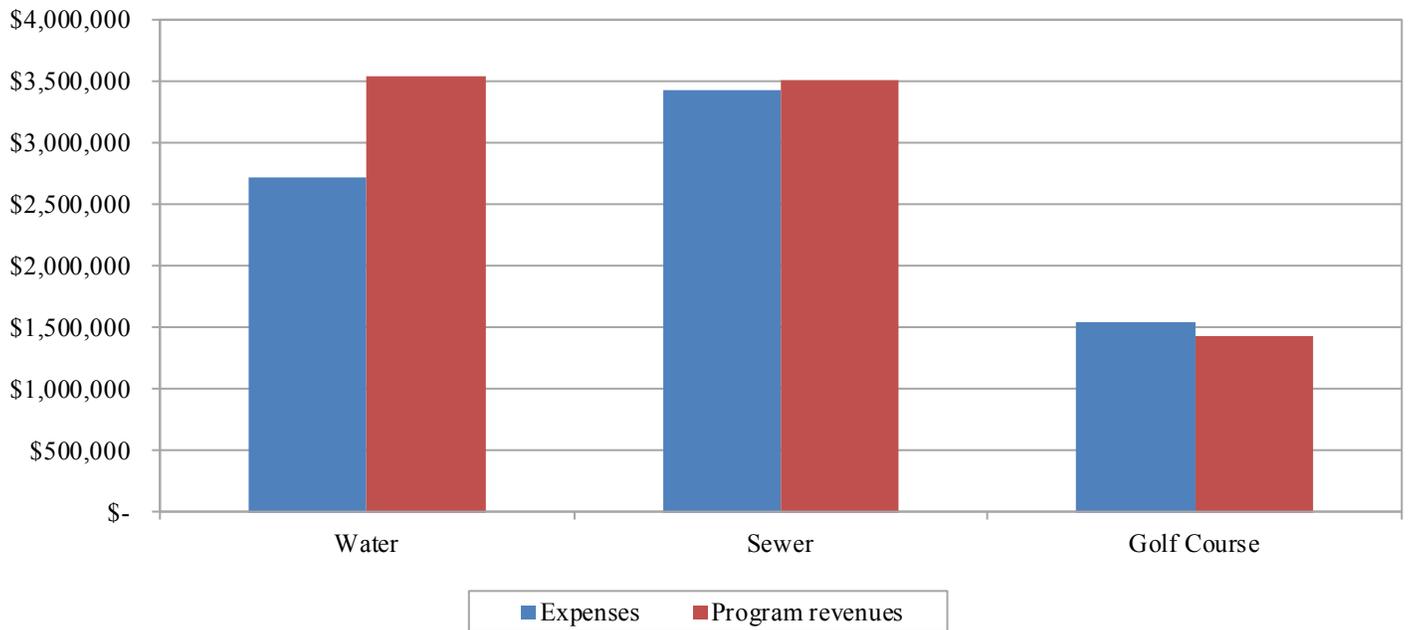
### Revenues by Source - Governmental Activities



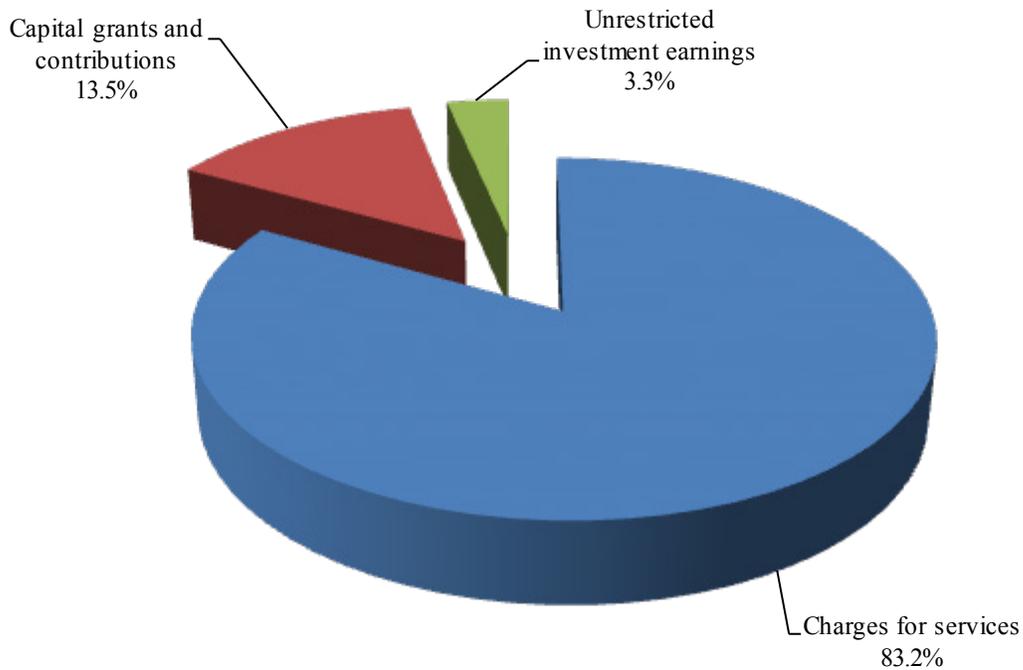
**Business-type activities.** The net position of business-type activities decreased by \$46,474. This decrease was primarily the result of a combination of factors: 1) loss before contributions and transfers of \$187,972, 2) net transfers to governmental activities of \$1,112,503, and 3) capital grants and contributions of \$1,177,104.

Below are the graphs showing the business-type activities revenue and expense comparisons.

### Expenses and Program Revenues - Business-type Activities



### Revenues by Source - Business-type Activities



## Financial Analysis of the City's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

As of the end of the current fiscal year, the City's governmental funds had combined ending fund balances of \$24,894,937, an increase of \$2,772,471 in comparison with the prior year. Approximately 25.6 percent of this total amount, \$6,384,610, constitutes *unassigned fund balance*, which is available for spending at the City's discretion. The remainder of fund balance is not available for new spending because it is either 1) nonspendable (\$78,742), 2) restricted (\$4,159,256), 3) committed (\$1,023,281), or 4) assigned (\$13,249,048). For further classification refer to Note 3E starting on page 75 of this report.

Activity in the City's major funds is discussed below:

Major Fund	Fund Balances		Increase (Decrease)
	December 31, 2014	2013	
<b>General</b>	\$ 9,191,116	\$ 8,110,213	\$ 1,080,903
The General fund is the chief operating fund of the City. As a measure of the General fund's liquidity, it may be useful to compare total fund balance to the following year's budget. The fund balance is 50.1 percent of next year's budgeted expenses. The General fund continues to receive an annual transfer from the Host Community fund.			
<b>Improvement Bonds</b>	\$ 3,312,408	\$ 2,157,949	\$ 1,154,459
The Improvement Bonds fund has a total fund balance of \$3,312,408, all of which is restricted for the payment of debt service. The net increase in fund balance of \$1,154,459 was the result of bond proceeds from issuing refunding bonds.			
<b>Closed Bond</b>	\$ 2,548,905	\$ 2,823,548	\$ (274,643)
The Closed Bond fund has a total fund balance of \$2,548,905, of which all is assigned for debt service. The net decrease in fund balance of \$274,643 was anticipated to spend down available reserves.			
<b>Tax Increment Financing Bonds</b>	\$ 3	\$ -	\$ 3
The Tax Increment Financing Bond fund has a total fund balance of \$3, of which all is restricted for debt service. The activity in the fund related to debt payment on TIF Bonds which are funded by transfers in from the tax increment fund.			
<b>Local Improvement Construction</b>	\$ (2,058,299)	\$ (2,807,065)	\$ 748,766
The Local Improvement Construction fund was established to account for the governmental portion of improvement projects. The increase was primarily a result of transfers in.			
<b>Pavement Management</b>	\$ 1,523,454	\$ 2,064,844	\$ (541,390)
The Pavement Management fund was established to account for the governmental portion of capital projects. The entire ending fund balance is assigned for capital improvements.			
<b>Host Community</b>	\$ 3,717,746	\$ 2,979,261	\$ 738,485
Charges for services for 2014 totaled \$2,502,528. These were offset with transfers out of \$1,696,810 million to other funds for various needs of the funds including operations and capital projects.			

**Proprietary funds.** The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. At the end of the year, unrestricted net position of the enterprise funds amounted to \$20,875,925. Other factors concerning the finances of these funds have already been addressed in the discussion of the City's business-type activities.

## General Fund Budgetary Highlights

The City's General fund budget was amended during the year. The original budget called for a decrease in fund balance of \$30,300 and the final budget anticipated use of \$244,800 of fund balance due to carryover requests from the 2013 budget. Revenues were more than budget by \$1,033,295 and expenditures were \$297,810 less than budgeted amounts.

## Capital asset and Debt Administration

**Capital assets.** The City's investment in capital assets for its governmental and business-type activities as of December 31, 2014, amounts to \$164,806,239 (net of accumulated depreciation). This investment in capital assets includes land (tangible and intangible), buildings, improvements, machinery and equipment, park facilities, roads and bridges.

Major capital asset events during the current fiscal year included the following:

- Purchases of \$360,417 in machinery and equipment. This included \$114,449 for utility department cargo van with "Pathfinder System", \$84,418 for three police utility vehicles, and \$77,726 for various computer software and hardware that included parts and fuel inventory software, a map plotter, two host servers, mobile device management software, and main routing switch. Other equipment included a pickup, a parks department mower/sweeper, and set up equipment for two police squads put into service in 2014 but originally purchased in 2013.
- Buildings and systems, infrastructure, and improvements other than buildings were purchased, acquired, and completed during the year. Included were \$53,433 for low e-ceiling in community center's East Rink, and \$5,200 golf course driving range reconstruction, donated infrastructure included \$1,761,266 for Argenta Hills and Arbor Crest additions of streets, sidewalks, right of ways, permanent easements, storm sewer, sanitary sewer and water main. Projects included \$449,561 for Concord Blvd water and sewer improvements (phase 3), \$367,838 for Bohrer Pond NW pretreatment basin, \$5,601,215 for 2012 urban street construction, \$2,868,538 for South Grove urban construction, \$16,869 in Forest Haven lift station modifications, \$29,094 for final completion of golf cart path, and \$7,846 for Bechtel Avenue backyard drainage improvements.
- The City has construction commitments relating to Street and Building construction projects. The remaining commitment at year-end for these four projects total \$254,317. In addition, constructions in progress at year-end for both governmental and business-type activities total \$22,592,404.

### City of Inver Grove Heights' Capital Assets (net of depreciation)

	Governmental Activities			Business-type Activities		
	2014	2013	Increase (Decrease)	2014	2013	Increase (Decrease)
Land	\$ 29,177,074	\$ 28,885,008	\$ 292,066	\$ 2,735,155	\$ 2,746,155	\$ (11,000)
Construction in progress	19,924,449	25,399,149	(5,474,700)	2,667,955	2,940,153	(272,198)
Infrastructure	47,053,427	39,361,120	7,692,307	-	-	-
Buildings and systems	5,468,244	6,492,770	(1,024,526)	48,354,990	48,776,110	(421,120)
Improvements other than buildings	4,694,074	5,067,833	(373,759)	1,368,481	1,483,449	(114,968)
Machinery and equipment	3,171,366	3,605,698	(434,332)	191,024	295,238	(104,214)
<b>Total</b>	<b>\$ 109,488,634</b>	<b>\$ 108,811,578</b>	<b>\$ 677,056</b>	<b>\$ 55,317,605</b>	<b>\$ 56,241,105</b>	<b>\$ (923,500)</b>

Additional information on the City's capital assets can be found in Note 3B starting on page 68 of this report.

**Long-term debt.** At the end of the current fiscal year, the City had total bonded debt outstanding of \$40,450,150. All of the City's bonds are backed by the full faith and credit of the City.

The City maintains an "AA" rating from Standard and Poor's for general obligation debt.

State statutes limit the amount of G.O. debt a Minnesota city may issue to 3 percent of total estimated market value. The current debt limitation for the City is \$83,945,251. Only the \$9,780,150 in G.O. bonds is counted within the statutory limitation. The other debt of the City is either wholly or partially financed by revenues other than a general tax levy.

### City of Inver Grove Heights' Outstanding Debt

	Governmental Activities			Business-type Activities		
	2014	2013	Increase (Decrease)	2014	2013	Increase (Decrease)
G.O. bonds	\$ 9,780,150	\$ 10,115,069	\$ (334,919)	\$ -	\$ -	\$ -
G.O. special assessments bonds	9,675,000	10,445,000	(770,000)	-	-	-
G.O. tax increment bonds	3,950,000	6,105,000	(2,155,000)	-	-	-
G.O. revenue bonds	-	-	-	17,045,000	20,905,000	(3,860,000)
Bond premium	163,761	68,334	95,427	237,225	135,004	102,221
Capital lease payable	-	-	-	56,823	83,245	(26,422)
Compensated absences payable	1,601,799	1,593,208	8,591	152,865	212,817	(59,952)
Other postemployment benefits payable	90,945	64,520	26,425	11,401	8,307	3,094
<b>Total</b>	<b><u>\$ 25,261,655</u></b>	<b><u>\$ 28,391,131</u></b>	<b><u>\$ (3,129,476)</u></b>	<b><u>\$ 17,503,314</u></b>	<b><u>\$ 21,344,373</u></b>	<b><u>\$ (3,841,059)</u></b>

Additional information on the City's long-term debt can be found in Note 3D starting on page 70 of this report.

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

- The City's net tax capacity increased by 6.4 percent for taxes payable 2015 as compared to a decrease of 2.8 percent for taxes payable 2014. Residential property increased 9.8 percent, commercial property remained stable, and industrial property increased 1.2 percent. Without new construction the increase in tax capacity would have been 5.27 percent. The City's net levy increased \$1,413,344 for taxes payable 2015; however, due to the increase in tax capacity the tax capacity rate increased 3.88 percent.
- \$500,000 of funding for the Pavement Management Program was reinstated in the 2015 budget after having been removed from the 2014 and 2013 budgets.
- Water and sewer fees were increased 2.0 percent and 3.5 percent respectively for 2014, based on our long-range financial plan.
- Storm water utility fees were implemented on July 1, 2012 and have not been increased since implementation.

#### 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 information should be directed to the Finance Director, 8150 Barbara Avenue, Inver Grove Heights, MN 55077-3412.

THIS PAGE IS LEFT BLANK  
INTENTIONALLY

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

CITY OF INVER GROVE HEIGHTS  
INVER GROVE HEIGHTS, MINNESOTA

FOR THE YEAR ENDED  
DECEMBER 31, 2014

THIS PAGE IS LEFT BLANK  
INTENTIONALLY

CITY OF INVER GROVE HEIGHTS, MINNESOTA  
STATEMENT OF NET POSITION  
DECEMBER 31, 2014

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and temporary investments	\$ 38,465,933	\$ 19,666,351	\$ 58,132,284
Receivables			
Accrued interest	153,520	78,629	232,149
Taxes	1,414,663	-	1,414,663
Accounts	399,024	1,176,685	1,575,709
Special assessments	6,833,979	220,584	7,054,563
Due from other governments	1,710,943	12,654	1,723,597
Internal balances	(526,055)	526,055	-
Inventories	64,064	3,616	67,680
Prepaid items	190,461	1,773	192,234
Land held for resale	1,138,500	-	1,138,500
Capital assets			
Land and construction in progress	49,101,523	5,403,110	54,504,633
Depreciable assets (net of accumulated depreciation)	60,387,111	49,914,495	110,301,606
<b>TOTAL ASSETS</b>	<b>159,333,666</b>	<b>77,003,952</b>	<b>236,337,618</b>
<b>DEFERRED OUTFLOWS</b>			
Deferred charge on refunding	101,033	270,080	371,113
<b>LIABILITIES</b>			
Accounts and contracts payable	940,871	88,026	1,028,897
Accrued salaries payable	365,031	27,151	392,182
Due to other governments	121,498	79,530	201,028
Accrued interest payable	300,503	218,511	519,014
Deposits payable	29,102	38,685	67,787
Unearned revenue	85,946	194,253	280,199
Noncurrent liabilities			
Due within one year	4,952,863	1,428,385	6,381,248
Due in more than one year	20,308,792	16,074,929	36,383,721
<b>TOTAL LIABILITIES</b>	<b>27,104,606</b>	<b>18,149,470</b>	<b>45,254,076</b>
<b>NET POSITION</b>			
Net investment in capital assets	88,745,756	38,248,637	126,994,393
Restricted for			
Debt service	6,000,117	-	6,000,117
Equipment acquisition	538,121	-	538,121
Public safety	22,000	-	22,000
Unrestricted	37,024,099	20,875,925	57,900,024
<b>TOTAL NET POSITION</b>	<b>\$ 132,330,093</b>	<b>\$ 59,124,562</b>	<b>\$ 191,454,655</b>

The notes to the financial statements are an integral part of this statement.

CITY OF INVER GROVE HEIGHTS, MINNESOTA  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2014

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities				
General government	\$ 1,764,065	\$ 13,086	\$ -	\$ -
Public safety	8,069,896	625,566	695,524	-
Public works	7,284,147	3,257,758	435,851	5,528,034
Culture and recreation	6,382,850	2,966,749	38,708	419,254
Community development	2,403,058	1,144,089	-	640,000
Interest on long-term debt	873,009	-	-	-
Total governmental activities	<u>26,777,025</u>	<u>8,007,248</u>	<u>1,170,083</u>	<u>6,587,288</u>
Business-type activities				
Water	2,722,584	2,818,851	1,418	710,620
Sewer	3,422,724	3,052,651	-	456,484
Golf course	1,537,243	1,414,141	-	10,000
Total business-type activities	<u>7,682,551</u>	<u>7,285,643</u>	<u>1,418</u>	<u>1,177,104</u>
Total	<u>\$ 34,459,576</u>	<u>\$ 15,292,891</u>	<u>\$ 1,171,501</u>	<u>\$ 7,764,392</u>

General revenues

Taxes

Property taxes, levied for general purposes

Property taxes, levied for debt service

Tax increments

Lodging taxes

Franchise taxes

Grants and contributions not restricted to specific programs

Unrestricted investment earnings

Gain on sale of capital assets

Transfers - capital assets

Transfers - internal activities

Total general revenues and transfers

Change in net position

Net position, January 1

Net position, December 31

The notes to the financial statements are an integral part of this statement.

Net (Expenses) Revenues and Changes in Net Position

<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
\$ (1,750,979)	\$ -	\$ (1,750,979)
(6,748,806)	-	(6,748,806)
1,937,496	-	1,937,496
(2,958,139)	-	(2,958,139)
(618,969)	-	(618,969)
(873,009)	-	(873,009)
<u>(11,012,406)</u>	<u>-</u>	<u>(11,012,406)</u>
-	808,305	808,305
-	86,411	86,411
<u>-</u>	<u>(113,102)</u>	<u>(113,102)</u>
-	781,614	781,614
<u>(11,012,406)</u>	<u>781,614</u>	<u>(10,230,792)</u>
13,618,151	-	13,618,151
1,452,667	-	1,452,667
1,931,061	-	1,931,061
98,691	-	98,691
97,628	-	97,628
95,004	-	95,004
575,796	284,415	860,211
12,855	-	12,855
76,897	(76,897)	-
<u>1,035,606</u>	<u>(1,035,606)</u>	<u>-</u>
<u>18,994,356</u>	<u>(828,088)</u>	<u>18,166,268</u>
7,981,950	(46,474)	7,935,476
<u>124,348,143</u>	<u>59,171,036</u>	<u>183,519,179</u>
<u>\$ 132,330,093</u>	<u>\$ 59,124,562</u>	<u>\$ 191,454,655</u>

THIS PAGE IS LEFT BLANK  
INTENTIONALLY

**FUND FINANCIAL STATEMENTS**

CITY OF INVER GROVE HEIGHTS  
INVER GROVE HEIGHTS, MINNESOTA

FOR THE YEAR ENDED  
DECEMBER 31, 2014

CITY OF INVER GROVE HEIGHTS, MINNESOTA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2014

	General	Improvement Bonds	Tax Increment Financing Bonds	Closed Bond
<b>ASSETS</b>				
Cash and temporary investments	\$ 8,501,615	\$ 3,198,642	\$ -	\$ 2,168,517
Receivables				
Accrued interest	21,236	7,392	3	18,838
Taxes	1,256,608	87,118	-	13,187
Accounts	37,313	-	-	-
Special assessments	2,827	2,691,370	-	975,231
Due from other governments	17,762	-	-	-
Due from other funds	-	-	-	351,451
Prepaid items	57,292	-	-	-
Land held for resale	-	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
TOTAL ASSETS	<u>\$ 9,894,653</u>	<u>\$ 5,984,522</u>	<u>\$ 3</u>	<u>\$ 3,527,224</u>
<b>LIABILITIES</b>				
Accounts and contracts payable	\$ 119,374	\$ -	\$ -	\$ -
Accrued salaries payable	294,482	-	-	-
Due to other governments	17,395	-	-	-
Due to other funds	-	-	-	-
Deposits payable	-	-	-	-
Unearned revenue	13,541	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
TOTAL LIABILITIES	<u>444,792</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenues - delinquent taxes	256,269	10,385	-	3,088
Unavailable revenues - special assessments	2,476	2,661,729	-	975,231
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>258,745</u>	<u>2,672,114</u>	<u>-</u>	<u>978,319</u>
<b>FUND BALANCES</b>				
Nonspendable	57,292	-	-	-
Restricted	22,000	3,312,408	3	-
Committed	-	-	-	-
Assigned	-	-	-	2,548,905
Unassigned	9,111,824	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
TOTAL FUND BALANCES	<u>9,191,116</u>	<u>3,312,408</u>	<u>3</u>	<u>2,548,905</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 9,894,653</u>	<u>\$ 5,984,522</u>	<u>\$ 3</u>	<u>\$ 3,527,224</u>

The notes to the financial statements are an integral part of this statement.

Local Improvement Construction	Pavement Management	Host Community	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 1,087,696	\$ 65,609	\$ 7,321,272	\$ 22,343,351
2,153	3,928	12,860	27,507	93,917
-	-	-	57,750	1,414,663
-	46	142,519	219,005	398,883
1,342,460	1,452,532	-	369,559	6,833,979
517,338	535,265	-	640,578	1,710,943
-	-	3,527,413	-	3,878,864
-	-	1,000	20,450	78,742
-	-	-	1,138,500	1,138,500
<u>\$ 1,861,951</u>	<u>\$ 3,079,467</u>	<u>\$ 3,749,401</u>	<u>\$ 9,794,621</u>	<u>\$ 37,891,842</u>
\$ 442,456	\$ 128,001	\$ -	\$ 195,161	\$ 884,992
-	-	655	50,902	346,039
73,224	-	1,000	27,974	119,593
2,064,332	-	-	2,383,829	4,448,161
-	-	-	29,102	29,102
-	-	30,000	42,405	85,946
<u>2,580,012</u>	<u>128,001</u>	<u>31,655</u>	<u>2,729,373</u>	<u>5,913,833</u>
-	-	-	36,199	305,941
1,340,238	1,428,012	-	369,445	6,777,131
<u>1,340,238</u>	<u>1,428,012</u>	<u>-</u>	<u>405,644</u>	<u>7,083,072</u>
-	-	1,000	20,450	78,742
-	-	-	824,845	4,159,256
-	-	-	1,023,281	1,023,281
-	1,523,454	3,716,746	5,459,943	13,249,048
(2,058,299)	-	-	(668,915)	6,384,610
<u>(2,058,299)</u>	<u>1,523,454</u>	<u>3,717,746</u>	<u>6,659,604</u>	<u>24,894,937</u>
<u>\$ 1,861,951</u>	<u>\$ 3,079,467</u>	<u>\$ 3,749,401</u>	<u>\$ 9,794,621</u>	<u>\$ 37,891,842</u>

THIS PAGE IS LEFT BLANK  
INTENTIONALLY

CITY OF INVER GROVE HEIGHTS, MINNESOTA  
RECONCILIATION OF THE BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2014

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

Total fund balances - governmental funds	\$ 24,894,937
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.	
Cost of capital assets	171,310,532
Less: accumulated depreciation	(65,423,130)
Internal service funds are used by the City to charge the cost of compensated absences, liability, property, and workers compensation insurance, vehicles and equipment, centralized purchase of consumable office supplies, maintaining facilities, and maintenance of computer systems. These balances are reported with governmental activities on the statement of net position.	
	18,324,008
Noncurrent liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Noncurrent liabilities at year-end consist of	
Bonds payable	(23,405,150)
Plus premium on bonds issued	(163,761)
Deferred charge on refunding	101,033
Other postemployment benefits payable	(90,945)
Some receivables are not available soon enough to pay for the current period's expenditures, and therefore are unavailable in the funds.	
Delinquent taxes	305,941
Special assessments	6,777,131
Governmental funds do not report a liability for accrued interest until due and payable.	(300,503)
Total net position - governmental activities	\$ 132,330,093

The notes to the financial statements are an integral part of this statement.

CITY OF INVER GROVE HEIGHTS, MINNESOTA  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2014

	General	Improvement Bonds	Tax Increment Financing Bonds	Closed Bond
<b>REVENUES</b>				
Taxes	\$ 13,708,133	\$ 1,104,549	\$ -	\$ 129,148
Licenses and permits	1,241,654	-	-	-
Intergovernmental	653,290	1,453	-	167
Charges for services	735,860	-	247,500	-
Fines and forfeitures	135,382	-	-	-
Special assessments	13,099	1,356,275	-	33,769
Investment earnings	90,341	16,665	9	42,739
Miscellaneous	17,236	-	-	1,065
<b>TOTAL REVENUES</b>	<b>16,594,995</b>	<b>2,478,942</b>	<b>247,509</b>	<b>206,888</b>
<b>EXPENDITURES</b>				
Current				
General government	1,638,718	-	-	2,375
Public safety	7,959,499	-	-	-
Public works	3,667,554	-	-	8,824
Culture and recreation	1,677,862	-	-	-
Community development	1,130,157	-	-	-
Capital outlay				
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Community development	-	-	-	-
Debt service				
Principal	-	1,675,000	4,390,000	-
Interest and other charges	-	683,616	183,518	-
Bond issuance costs	-	39,487	44,268	-
<b>TOTAL EXPENDITURES</b>	<b>16,073,790</b>	<b>2,398,103</b>	<b>4,617,786</b>	<b>11,199</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>521,205</b>	<b>80,839</b>	<b>(4,370,277)</b>	<b>195,689</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,106,467	345,925	2,090,096	-
Transfers out	(547,069)	-	-	(470,332)
Premium on bonds issued	-	73,728	45,184	-
Refunding bonds issued	-	2,415,000	2,235,000	-
Payment to refunded bond escrow agent	-	(1,761,033)	-	-
Insurance recovery	300	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>559,698</b>	<b>1,073,620</b>	<b>4,370,280</b>	<b>(470,332)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>1,080,903</b>	<b>1,154,459</b>	<b>3</b>	<b>(274,643)</b>
<b>FUND BALANCES, JANUARY 1</b>	<b>8,110,213</b>	<b>2,157,949</b>	<b>-</b>	<b>2,823,548</b>
<b>FUND BALANCES, DECEMBER 31</b>	<b>\$ 9,191,116</b>	<b>\$ 3,312,408</b>	<b>\$ 3</b>	<b>\$ 2,548,905</b>

The notes to the financial statements are an integral part of this statement.

Local Improvement Construction	Pavement Management	Host Community	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ 2,248,722	\$ 17,190,552
-	-	-	-	1,241,654
699,750	2,120,657	6,988	642,283	4,124,588
-	-	2,502,528	2,903,800	6,389,688
-	-	-	-	135,382
338,094	449,365	-	105,018	2,295,620
2,608	34,346	41,696	131,533	359,937
15,716	15,127	4,843	180,844	234,831
<u>1,056,168</u>	<u>2,619,495</u>	<u>2,556,055</u>	<u>6,212,200</u>	<u>31,972,252</u>
-	-	-	-	1,641,093
-	-	-	-	7,959,499
-	573,645	110,760	105,511	4,466,294
-	-	-	3,496,753	5,174,615
-	-	-	369,789	1,499,946
56,541	-	-	70,576	127,117
838,393	2,998,624	-	2,066	3,839,083
407,296	-	10,000	195,548	612,844
-	-	-	918,702	918,702
-	-	-	184,919	6,249,919
-	-	-	21,756	888,890
-	-	-	-	83,755
<u>1,302,230</u>	<u>3,572,269</u>	<u>120,760</u>	<u>5,365,620</u>	<u>33,461,757</u>
<u>(246,062)</u>	<u>(952,774)</u>	<u>2,435,295</u>	<u>846,580</u>	<u>(1,489,505)</u>
1,047,599	1,145,445	-	1,435,964	7,171,496
(52,771)	(734,061)	(1,696,810)	(2,416,656)	(5,917,699)
-	-	-	-	118,912
-	-	-	-	4,650,000
-	-	-	-	(1,761,033)
-	-	-	-	300
<u>994,828</u>	<u>411,384</u>	<u>(1,696,810)</u>	<u>(980,692)</u>	<u>4,261,976</u>
748,766	(541,390)	738,485	(134,112)	2,772,471
<u>(2,807,065)</u>	<u>2,064,844</u>	<u>2,979,261</u>	<u>6,793,716</u>	<u>22,122,466</u>
<u>\$ (2,058,299)</u>	<u>\$ 1,523,454</u>	<u>\$ 3,717,746</u>	<u>\$ 6,659,604</u>	<u>\$ 24,894,937</u>

CITY OF INVER GROVE HEIGHTS, MINNESOTA  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2014

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

Total net change in fund balances - governmental funds	\$ 2,772,471
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over the estimated useful lives as depreciation expense.	
Capital outlays	4,018,048
Depreciation expense	(3,424,664)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.	
Capital assets transferred from enterprise funds	76,897
Capital assets contributed from developers	1,165,266
Capital assets contributed to other governments	(670,774)
Governmental funds report a gain (loss) on sale of capital assets to the extent of cash exchanged, whereas the disposition of the assets book value is included in the total gain (loss) in the statement of activities.	
Disposals	(39,182)
Depreciation on disposal of capital assets	37,726
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are amortized in the statement of activities.	
Principal repayments	7,909,919
Bonds issued	(4,650,000)
Premium on bonds issued	(118,912)
Current year amortization of bond premium	23,485
Deferred charge on refunding	101,033
Interest on long-term debt in the statement of activities differs from the amount reported in the governmental fund because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.	
	76,151
Internal service funds are used by the City to charge the cost of compensated absences, liability, property, and workers compensation insurance, vehicles and equipment, centralized purchase of consumable office supplies, maintaining facilities, and maintenance of computer systems. These balances are reported with governmental activities in the statement of activities.	
	519,082
Certain revenues are recognized as soon as it is earned. Under the modified accrual basis of accounting, certain revenues cannot be recognized until they are available to liquidate liabilities of the current period.	
Special assessments	204,183
Property taxes	7,646
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.	
Other postemployment benefits	(26,425)
Change in net position - governmental activities	\$ 7,981,950

The notes to the financial statements are an integral part of this statement.

CITY OF INVER GROVE HEIGHTS, MINNESOTA  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 13,621,400	\$ 13,621,400	\$ 13,708,133	\$ 86,733
Licenses and permits	713,900	713,900	1,241,654	527,754
Intergovernmental	476,300	476,300	653,290	176,990
Charges for services	489,600	489,600	735,860	246,260
Fines and forfeitures	120,000	120,000	135,382	15,382
Special assessments	6,000	6,000	13,099	7,099
Interest on investment earnings	60,000	60,000	90,341	30,341
Miscellaneous	74,500	74,500	17,236	(57,264)
TOTAL REVENUES	<u>15,561,700</u>	<u>15,561,700</u>	<u>16,594,995</u>	<u>1,033,295</u>
EXPENDITURES				
Current				
General government	1,710,600	1,710,600	1,638,718	71,882
Public safety	8,012,500	8,124,500	7,959,499	165,001
Public works	3,578,700	3,639,100	3,667,554	(28,454)
Culture and recreation	1,766,700	1,726,600	1,677,862	48,738
Community development	1,143,700	1,170,800	1,130,157	40,643
TOTAL EXPENDITURES	<u>16,212,200</u>	<u>16,371,600</u>	<u>16,073,790</u>	<u>297,810</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(650,500)</u>	<u>(809,900)</u>	<u>521,205</u>	<u>1,331,105</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,106,300	1,106,300	1,106,467	167
Transfers out	(486,100)	(541,200)	(547,069)	(5,869)
Insurance recovery	-	-	300	300
TOTAL OTHER FINANCING SOURCES (USES)	<u>620,200</u>	<u>565,100</u>	<u>559,698</u>	<u>(5,402)</u>
NET CHANGE IN FUND BALANCES	(30,300)	(244,800)	1,080,903	1,325,703
FUND BALANCES, JANUARY 1	<u>8,110,213</u>	<u>8,110,213</u>	<u>8,110,213</u>	<u>-</u>
FUND BALANCES, DECEMBER 31	<u>\$ 8,079,913</u>	<u>\$ 7,865,413</u>	<u>\$ 9,191,116</u>	<u>\$ 1,325,703</u>

The notes to the financial statements are an integral part of this statement.

CITY OF INVER GROVE HEIGHTS, MINNESOTA  
STATEMENT OF NET POSITION - CONTINUED ON THE FOLLOWING PAGE  
PROPRIETARY FUNDS  
DECEMBER 31, 2014

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water	Sewer	Golf course	Total	
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash and temporary investments	\$ 12,092,839	\$ 7,451,881	\$ 121,631	\$ 19,666,351	\$ 16,122,582
Receivables					
Accrued interest	47,240	30,728	661	78,629	59,603
Accounts	644,345	531,838	502	1,176,685	141
Special assessments	92,245	128,339	-	220,584	-
Due from other governments	4,057	775	7,822	12,654	-
Due from other funds	578,105	-	-	578,105	43,242
Inventories	-	-	3,616	3,616	64,064
Prepaid items	-	-	1,773	1,773	111,719
<b>TOTAL CURRENT ASSETS</b>	<b>13,458,831</b>	<b>8,143,561</b>	<b>136,005</b>	<b>21,738,397</b>	<b>16,401,351</b>
<b>NONCURRENT ASSETS</b>					
Capital assets					
Land	461,598	411,202	1,862,355	2,735,155	209,122
Construction in progress	2,592,199	75,756	-	2,667,955	-
Buildings and systems	43,149,918	31,083,627	848,425	75,081,970	3,330,716
Improvements other than buildings	98,108	-	4,547,114	4,645,222	240,717
Machinery and equipment	125,281	26,519	958,828	1,110,628	9,376,718
Less accumulated depreciation	(16,038,105)	(10,399,578)	(4,485,642)	(30,923,325)	(9,556,041)
<b>Total capital assets (net of accumulated depreciation)</b>	<b>30,388,999</b>	<b>21,197,526</b>	<b>3,731,080</b>	<b>55,317,605</b>	<b>3,601,232</b>
<b>TOTAL ASSETS</b>	<b>43,847,830</b>	<b>29,341,087</b>	<b>3,867,085</b>	<b>77,056,002</b>	<b>20,002,583</b>
<b>DEFERRED OUTFLOWS</b>					
Deferred charge on refunding	-	270,080	-	270,080	-

The notes to the financial statements are an integral part of this statement.

CITY OF INVER GROVE HEIGHTS, MINNESOTA  
STATEMENT OF NET POSITION - CONTINUED  
PROPRIETARY FUNDS  
DECEMBER 31, 2014

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water	Sewer	Golf course	Total	
<b>LIABILITIES</b>					
<b>CURRENT LIABILITIES</b>					
Accounts and contracts payable	\$ 73,113	\$ 7,554	\$ 7,359	\$ 88,026	\$ 55,879
Accrued salaries payable	10,636	6,373	10,142	27,151	18,992
Due to other governments	34,645	44,561	324	79,530	1,905
Due to other funds	-	-	52,050	52,050	-
Accrued interest payable	40,791	177,720	-	218,511	-
Deposits payable	-	-	38,685	38,685	-
Unearned revenue	77,068	117,185	-	194,253	-
Compensated absences payable - current portion	54,501	29,053	37,128	120,682	1,264,582
Capital lease payable - current portion	-	-	27,703	27,703	-
Bonds payable - current portion	805,000	475,000	-	1,280,000	-
<b>TOTAL CURRENT LIABILITIES</b>	<b>1,095,754</b>	<b>857,446</b>	<b>173,391</b>	<b>2,126,591</b>	<b>1,341,358</b>
<b>NONCURRENT LIABILITIES</b>					
Compensated absences payable	14,534	7,747	9,902	32,183	337,217
Capital lease payable	-	-	29,120	29,120	-
Bonds payable	4,178,804	11,823,421	-	16,002,225	-
Other postemployment benefits payable	3,579	2,320	5,502	11,401	-
<b>TOTAL NONCURRENT LIABILITIES</b>	<b>4,196,917</b>	<b>11,833,488</b>	<b>44,524</b>	<b>16,074,929</b>	<b>337,217</b>
<b>TOTAL LIABILITIES</b>	<b>5,292,671</b>	<b>12,690,934</b>	<b>217,915</b>	<b>18,201,520</b>	<b>1,678,575</b>
<b>NET POSITION</b>					
Net investment in capital assets	25,405,195	9,169,185	3,674,257	38,248,637	3,601,232
Unrestricted	13,149,964	7,751,048	(25,087)	20,875,925	14,722,776
<b>TOTAL NET POSITION</b>	<b>\$ 38,555,159</b>	<b>\$ 16,920,233</b>	<b>\$ 3,649,170</b>	<b>\$ 59,124,562</b>	<b>\$ 18,324,008</b>

The notes to the financial statements are an integral part of this statement.

THIS PAGE IS LEFT BLANK  
INTENTIONALLY

CITY OF INVER GROVE HEIGHTS, MINNESOTA  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2014

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water	Sewer	Golf course	Total	
<b>OPERATING REVENUES</b>					
Charges for services					
Water sales	\$ 2,733,739	\$ -	\$ -	\$ 2,733,739	\$ -
Sewer charges	-	3,013,824	-	3,013,824	-
Late fees	69,168	38,827	-	107,995	-
Water meter sales	15,944	-	-	15,944	-
Green fees	-	-	805,002	805,002	-
Golf cart rentals	-	-	301,207	301,207	-
Practice center	-	-	115,584	115,584	-
Golf shop	-	-	50,689	50,689	-
Food and beverage	-	-	123,964	123,964	-
Other	-	-	17,695	17,695	4,232,134
<b>TOTAL OPERATING REVENUES</b>	<b>2,818,851</b>	<b>3,052,651</b>	<b>1,414,141</b>	<b>7,285,643</b>	<b>4,232,134</b>
<b>OPERATING EXPENSES</b>					
Personnel services	440,920	290,241	780,057	1,511,218	821,534
Other current expenses	1,330,242	2,009,178	487,359	3,826,779	2,123,473
Depreciation	857,434	612,853	266,738	1,737,025	846,679
<b>TOTAL OPERATING EXPENSES</b>	<b>2,628,596</b>	<b>2,912,272</b>	<b>1,534,154</b>	<b>7,075,022</b>	<b>3,791,686</b>
<b>OPERATING INCOME (LOSS)</b>	<b>190,255</b>	<b>140,379</b>	<b>(120,013)</b>	<b>210,621</b>	<b>440,448</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Investment earnings	176,111	108,304	-	284,415	215,859
Miscellaneous revenues	1,418	-	-	1,418	68,111
Gain on sale of capital assets	-	-	-	-	12,855
Interest and amortization expense	(93,988)	(428,450)	(3,089)	(525,527)	-
Bond issuance costs	-	(82,002)	-	(82,002)	-
Capital asset transfer	-	(76,897)	-	(76,897)	-
<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>	<b>83,541</b>	<b>(479,045)</b>	<b>(3,089)</b>	<b>(398,593)</b>	<b>296,825</b>
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS</b>	<b>273,796</b>	<b>(338,666)</b>	<b>(123,102)</b>	<b>(187,972)</b>	<b>737,273</b>
CAPITAL CONTRIBUTIONS	710,620	456,484	10,000	1,177,104	-
TRANSFERS IN	145,569	48,252	100,000	293,821	-
TRANSFERS OUT	(989,628)	(339,799)	-	(1,329,427)	(218,191)
<b>CHANGE IN NET POSITION</b>	<b>140,357</b>	<b>(173,729)</b>	<b>(13,102)</b>	<b>(46,474)</b>	<b>519,082</b>
<b>NET POSITION, JANUARY 1</b>	<b>38,414,802</b>	<b>17,093,962</b>	<b>3,662,272</b>	<b>59,171,036</b>	<b>17,804,926</b>
<b>NET POSITION, DECEMBER 31</b>	<b>\$ 38,555,159</b>	<b>\$ 16,920,233</b>	<b>\$ 3,649,170</b>	<b>\$ 59,124,562</b>	<b>\$ 18,324,008</b>

The notes to the financial statements are an integral part of this statement.

CITY OF INVER GROVE HEIGHTS, MINNESOTA  
STATEMENT OF CASH FLOWS - CONTINUED ON THE FOLLOWING PAGES  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2014

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal
	Water	Sewer	Golf course	Total	Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from customers and users	\$ 2,854,393	\$ 3,071,528	\$ 1,411,938	\$ 7,337,859	\$ 4,231,993
Other operating receipts	1,418	-	-	1,418	68,111
Payments to suppliers	(1,404,786)	(2,149,690)	(480,696)	(4,035,172)	(2,126,937)
Payments to employees	(442,963)	(291,087)	(835,021)	(1,569,071)	(810,206)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>1,008,062</u>	<u>630,751</u>	<u>96,221</u>	<u>1,735,034</u>	<u>1,362,961</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Receipts on interfund balances	134,764	-	-	134,764	21,621
Payments on interfund balances	-	-	(26,025)	(26,025)	-
Transfers from other funds	145,569	48,252	100,000	293,821	-
Transfers to other funds	(989,628)	(339,799)	-	(1,329,427)	(218,191)
<b>NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES</b>	<u>(709,295)</u>	<u>(291,547)</u>	<u>73,975</u>	<u>(926,867)</u>	<u>(196,570)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Connection fees received	363,975	189,161	10,000	563,136	-
Special assessments received	27,135	43,254	-	70,389	-
Acquisition of capital assets	(254,260)	(16,868)	(34,294)	(305,422)	(360,418)
Proceeds from sale of capital assets	-	-	-	-	12,855
Proceeds of refunding bonds issued	-	5,051,419	-	5,051,419	-
Payment to escrow agent for refunded bonds	-	(5,050,080)	-	(5,050,080)	-
Capital lease payments	-	-	(26,422)	(26,422)	-
Interest paid on debt	(169,423)	(434,060)	(3,089)	(606,572)	-
Principal paid on bonds	(3,630,000)	(465,000)	-	(4,095,000)	-
<b>NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<u>(3,662,573)</u>	<u>(682,174)</u>	<u>(53,805)</u>	<u>(4,398,552)</u>	<u>(347,563)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Investment earnings	169,552	103,925	(661)	272,816	208,795
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(3,194,254)	(239,045)	115,730	(3,317,569)	1,027,623
<b>CASH AND CASH EQUIVALENTS, JANUARY 1</b>	<u>15,287,093</u>	<u>7,690,926</u>	<u>5,901</u>	<u>22,983,920</u>	<u>15,094,959</u>
<b>CASH AND CASH EQUIVALENTS, DECEMBER 31</b>	<u>\$ 12,092,839</u>	<u>\$ 7,451,881</u>	<u>\$ 121,631</u>	<u>\$ 19,666,351</u>	<u>\$ 16,122,582</u>

The note to the financial statements are an integral part of this statement.

CITY OF INVER GROVE HEIGHTS, MINNESOTA  
STATEMENT OF CASH FLOWS - CONTINUED  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2014

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water	Sewer	Golf course	Total	
<b>RECONCILIATION OF OPERATING INCOME (LOSS)</b>					
<b>TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>					
Operating income (loss)	\$ 190,255	\$ 140,379	\$ (120,013)	\$ 210,621	\$ 440,448
Adjustments to reconcile operating income (loss) to net cash provided by operating activities					
Depreciation	857,434	612,853	266,738	1,737,025	846,679
Loss on disposal of capital assets	-	-	11,000	11,000	-
Other income related to operations	1,418	-	-	1,418	68,111
(Increase) decrease in assets					
Accounts receivable	20,759	(12,037)	3,210	11,932	(141)
Due from other governments	(4,057)	-	(7,822)	(11,879)	-
Inventories	-	-	(414)	(414)	1,690
Prepaid items	-	-	(1,373)	(1,373)	32
Increase (decrease) in liabilities					
Accounts and contracts payable	35,997	2,483	3,333	41,813	(5,681)
Accrued salaries payable	149	(370)	(774)	(995)	2,737
Due to other governments	(110,541)	(142,995)	(5,883)	(259,419)	495
Deposits payable	-	-	2,409	2,409	-
Unearned revenue	18,840	30,914	-	49,754	-
Compensated absences payable	(3,171)	(1,138)	(55,643)	(59,952)	8,591
Other postemployment benefits payable	979	662	1,453	3,094	-
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b><u>\$ 1,008,062</u></b>	<b><u>\$ 630,751</u></b>	<b><u>\$ 96,221</u></b>	<b><u>\$ 1,735,034</u></b>	<b><u>\$ 1,362,961</u></b>
<b>SCHEDULE OF NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Capital assets contributed from (to) other funds	\$ -	\$ (76,897)	\$ -	\$ (76,897)	\$ -
Capital contributions	339,720	256,280	-	596,000	-
Amortization of bond premium	16,200	-	-	16,200	-
Net disposal of capital assets	-	-	11,000	11,000	-

The note to the financial statements are an integral part of this statement.

CITY OF INVER GROVE HEIGHTS, MINNESOTA  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
DECEMBER 31, 2014

	Agency
<b>ASSETS</b>	
Cash and temporary investments	\$ 4,041,640
Due from other governments	48,728
<b>TOTAL ASSETS</b>	<b>\$ 4,090,368</b>
<b>LIABILITIES</b>	
Accounts payable	\$ 7,780
Due to other governments	48,837
Deposits payable	4,033,751
<b>TOTAL LIABILITIES</b>	<b>\$ 4,090,368</b>

The notes to the financial statements are an integral part of this statement.

CITY OF INVER GROVE HEIGHTS, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2014

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting entity**

The City was incorporated in 1965 and operates under the State of Minnesota Statutory Plan A form of government. The governing body consists of a five member City Council elected by voters of the City. The City Council exercises legislative authority and determines all matters of policy. The City Council appoints personnel responsible for the proper administration of all affairs relating to the City.

The City has considered all potential units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete. The City includes all funds, organizations, institutions, agencies, departments, and offices that are not legally separate from such. Component units are legally separate organizations for which the elected officials of the City are financially accountable and are included within the basic financial statements of the City because of their operational or financial relationships with the City. The Governmental Accounting Standards Board (GASB) has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body, and (1) the ability of the primary government to impose its will on that organization or (2) the potential for the organization to provide specific benefits to, or impose specific financial burdens on the primary government. Included in the City's reporting entity, based upon the application of these criteria, is the following blended component unit.

***Blended component unit***

The Inver Grove Heights Economic Development Authority (EDA) is a legal entity separate from the City. Although legally separate, the EDA is reported as if it were part of the primary government because the Board of Commissioners is made up of the Mayor and the four City Council members and the City has operational responsibility over the EDA. It is this criterion that results in the EDA being reported as a blended component unit and reported as a special revenue fund. Separate financial statements are not prepared for the EDA.

**B. Government-wide and fund financial statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

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

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

CITY OF INVER GROVE HEIGHTS, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2014

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**C. Measurement focus, basis of accounting and financial statement presentation**

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

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

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

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available.

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include property taxes, grants, entitlement and donations. On an accrual basis, revenue from property taxes is recognized in the year for which the tax is levied. Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Grants and entitlements received before eligibility requirements are met are also recorded as unearned revenue.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

CITY OF INVER GROVE HEIGHTS, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2014

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

The City reports the following major governmental funds:

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

The *Improvement Bonds fund* is a debt service fund that accounts for resources accumulated and payments for principal and interest on long term general obligation special assessment debt.

The *Tax Increment Financing Bonds fund* is a debt service fund that accounts for resources accumulated and payments for principal and interest on long term general obligation tax increment debt.

The *Closed Bond, Local Improvement Construction, Pavement Management, and Host Community funds* are capital project funds that account for improvement revenues and expenditures from replacement funds set aside for capital improvements.

The City reports the following major proprietary funds:

The *Water fund* and the *Sewer fund* account for activities related to the operation of a water distribution system and a sanitary sewer distribution system, respectively.

The *Golf Course fund* accounts for resources and payments related to the operation and maintenance of a municipal golf course.

Additionally, the City reports the following fund types:

*Internal service funds* account for compensated absences, risk management, central equipment, central stores, city facilities and technology services provided to other departments or agencies of the City. Internal service funds operate in a manner similar to enterprise funds; however, they provide services primarily to other departments within the City.

*Fiduciary funds* account for assets held by the government in a trustee capacity or as an agent on behalf of others.

The *agency fund* is custodial in nature and does not present results of operations or have a measurement focus. Agency funds are accounted for using the modified accrual basis of accounting. Since, by definition, these assets are being held for the benefit of a third party (other local governments, private parties, etc.) and cannot be used to address activities or obligations of the City, this fund is not incorporated into the government-wide statements. The City accounts for the following agency activities: escrow activity and grant pass through activity. The escrow agency fund accounts for various deposits, collections and remittances of expenses on behalf of developers and homeowners. The grant pass through agency fund accounts for transportation safety grant collections and remittances.

As a general rule the effect of interfund activity has been eliminated from government-wide financial statements. Exceptions to this general rule are payments in-lieu of taxes or other charges between the City's water and sewer function and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

CITY OF INVER GROVE HEIGHTS, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2014

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**D. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance**

*Deposits and investments*

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments. The proprietary funds' portion in the government-wide cash and temporary investments pool is considered to be cash and cash equivalents for purposes of the Statement of Cash Flows.

Cash balances from all funds are pooled and invested, to the extent available, in certificates of deposit and other authorized investments. Earnings from such investments are allocated on the basis of applicable participation by each of the funds.

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

1. Direct obligations or obligations guaranteed by the United States or its agencies.
2. Shares of investment companies registered under the Federal Investment Company Act of 1940 and received the highest credit rating, rated in one of the two highest rating categories by a statistical rating agency, and have a final maturity of thirteen months or less.
3. General obligations of a state or local government with taxing powers rated "A" or better; revenue obligations rated "AA" or better.
4. General obligations of the Minnesota Housing Finance Agency rated "A" or better.
5. Obligation of a school district with an original maturity not exceeding 13 months and (i) rated in the highest category by a national bond rating service or (ii) enrolled in the credit enhancement program pursuant to statute section 126C.55.
6. Bankers' acceptances of United States banks eligible for purchase by the Federal Reserve System.
7. Commercial paper issued by United States banks corporations or their Canadian subsidiaries, of highest quality category by at least two nationally recognized rating agencies, and maturing in 270 days or less.
8. Repurchase or reverse repurchase agreements and securities lending agreements with 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.
9. Guaranteed Investment Contracts (GIC's) issued or guaranteed by a United States commercial bank, a domestic branch of a foreign bank, a United States insurance company, or its Canadian subsidiary, whose similar debt obligations were rated in one of the top two rating categories by a nationally recognized rating agency.

Investments for the City are reported at fair value and are based on quoted market prices at year-end.

CITY OF INVER GROVE HEIGHTS, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2014

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

***Property taxes***

Property taxes are submitted to the County Auditor by December 28 of each year, to be levied on January 1 on property values assessed as of the same date. The tax levy notice is mailed in March with the first half payment due on May 15 and the second half payment due on October 15.

Unpaid taxes at December 31 become liens on the respective property and are classified in the fund financial statements as delinquent taxes receivable.

Delinquent taxes receivable include the past six years' uncollected taxes. Delinquent taxes have been offset by a deferred inflow of resources for taxes not received within 60 days after year end in the governmental fund financial statements.

***Accounts receivable***

Accounts receivable include amounts billed for services provided before year end. Unbilled utility enterprise fund receivables are also included for services provided in 2014. The City annually certifies delinquent water, sewer, and storm water accounts to the County for collection in the following year. Therefore, there has been no allowance for doubtful accounts established.

All trade (utility) and property tax receivables are shown at gross amount, since both taxes and trade (utility) receivables are assessable to the property taxes and are collectible upon the sale of the assessed property.

***Special assessments***

Special assessments represent the financing for public improvements paid for by benefiting property owners. These assessments are recorded as receivables upon certification to the County. Special assessments are recognized as revenue when they are received in cash or within 60 days after year end. All governmental special assessments receivable are offset by a deferred inflow of resources in the fund financial statements. At December 31, 2014, the total delinquent special assessment receivable balance is \$43,682.

***Interfund receivables and payables***

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

***Inventories and prepaid items***

All inventories are valued at cost using the first in/first out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

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

***Land held for resale***

Land was acquired by the City for subsequent resale for redevelopment purposes. Land held for resale is an asset recorded at the lower of cost or realizable value in the fund that acquired it.

CITY OF INVER GROVE HEIGHTS, MINNESOTA  
 NOTES TO THE FINANCIAL STATEMENTS  
 DECEMBER 31, 2014

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

***Capital assets***

A capital asset is defined as a financial resource that is tangible or intangible in nature, complete in and of itself, and is not a component of another. Capital assets, which include property, easements, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value on the date of acquisition. Infrastructure assets acquired prior to the fiscal year ended December 31, 1979 are not reported.

Intangible assets prior to 2010 were capitalized and bundled with the infrastructure/land purchases and have been determined to have an indefinite life and therefore have not been broken out from the assets.

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

Property, plant and equipment of the City is depreciated using the straight line method over the following estimated useful lives:

Assets	Useful Live in Years
Buildings and structures	20 to 50
Equipment and machinery	3 to 20
Distribution and collection systems	50
Streets and infrastructure	25

***Compensated absences***

It is the City's policy to permit employees to accumulate earned but unused vacation, sick leave and personal leave benefits. There is an estimated liability for unpaid accumulated sick leave that will be taken as severance upon retirement. All vacation and estimated retirement severance are accrued when incurred in government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

***Other postemployment benefits***

Under Minnesota statute 471.61, subdivision 2b, public employers must allow retirees and their dependents to continue coverage indefinitely in an employer-sponsored health care plan, under the following conditions: 1) Retirees must be receiving (or eligible to receive) an annuity from a Minnesota public pension plan, 2) Coverage must continue in a group plan until age 65, and retirees must pay no more than the group premium, and 3) Retirees are able to add dependent coverage during open enrollment period or qualifying life event prior to retirement. All premiums are funded on a pay-as-you-go basis. The liability was determined, in accordance with GASB Statement No. 45, at January 1, 2012. The General fund is typically used to liquidate governmental other postemployment benefits payable.

In 2008, the City of Inver Grove Heights implemented the requirement of a new accounting pronouncement, GASB Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions. An actuarial valuation was calculated to determine the City's annual required contribution (ARC) liability. At that time the City deemed the ARC liability to be immaterial; however, based on the 2012 actuarial valuation, liabilities for other postemployment benefits have been recorded in the financial statements. The liability is typically liquidated through the General fund, Water fund, Sewer fund, and Golf Course fund.

CITY OF INVER GROVE HEIGHTS, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2014

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

***Long-term obligations***

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. The recognition of bond premiums and discounts are amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as an expense in the period incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

***Deferred outflows/inflows of resources***

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The city only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the statement of net position of the government-wide and proprietary fund financial statements. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of net position and fund financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has only one type of item, which arises only under a modified accrual basis of accounting that qualifies as needing to be reported in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

***Net position***

Net position represents the difference between assets and liabilities. Net position is displayed in three components:

- a. Net investment in capital assets - Consists of capital assets, net of accumulated depreciation reduced by any outstanding debt attributable to acquire capital assets.
- a. Restricted net position - Consists of net position balances restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, laws or regulations of other governments.
- b. Unrestricted net position - All other net position balances that do not meet the definition of “restricted” or “net investment in capital assets”.

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

CITY OF INVER GROVE HEIGHTS, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2014

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

***Fund balance***

In the fund financial statements, fund balance is divided into five classifications based primarily on the extent to which the City is bound to observe constraints imposed upon the use of resources reported in the governmental funds. These classifications are defined as follows:

*Nonspendable* - Amounts that cannot be spent because they are not in spendable form, such as prepaid items.

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

*Committed* - Amounts constrained for specific purposes that are internally imposed by formal action (resolution) of the City Council, which is the City's highest level of decision-making authority. Committed amounts cannot be used for any other purpose unless the City Council modifies or rescinds the commitment by resolution.

*Assigned* - These are amounts that are constrained by the City's intent to be used for specific purposes but are neither restricted nor committed. Pursuant to the Fund Balance Policy approved by City Council, the City Administrator has been delegated the authority to assign and remove assignments of fund balance amounts for specific purposes.

*Unassigned* - These are residual amounts in the General fund not reported in any other classification. The General fund is the only fund that can report a positive unassigned fund balance. Other funds would report a negative unassigned fund balance should the total of nonspendable, restricted and committed fund balances exceed the total net resources of that fund.

The City considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available. Additionally, the City would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

The City has formally adopted a fund balance policy for the General fund. The City will strive to maintain a minimum General fund unassigned fund balance of 40 to 45 percent of next year's budgeted expenditures.

CITY OF INVER GROVE HEIGHTS, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2014

**Note 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. Budgetary information**

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America (generally accepted accounting principles), as applied to governmental units by the Government Accounting Standards Board (GASB). An annual appropriated budget is adopted for the General fund as well as for the Convention and Visitors Bureau, Recreation, Community Center, and Economic Development Authority special revenue funds.

Budgeted amounts are reported as originally adopted, as well as amended by the City Council. Individual amendments were not material in relation to the original appropriations which were adjusted. Budgeted expenditure appropriations lapse at year-end. Any unencumbered appropriations that need to be carried forward to the next year must be reappropriated by the City Council from the fund balance.

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General fund. Encumbrances outstanding at year-end expire and outstanding purchase orders are cancelled and not reported in the financial statements.

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

1. The City Administrator submits to the City Council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. The General fund budget is legally enacted through passage of a resolution on a departmental basis and can be expended by each department based upon detailed budget estimates for that department. The Convention and Visitors Bureau, Recreation, Community Center and Economic Development Authority special revenue fund budgets are legally enacted through passage of resolutions for each fund as a whole.
4. The City Administrator is authorized to transfer appropriations within a fund's budget. Additional fund appropriations and deletions are or may be authorized by the City Council.
5. Formal budgetary integration is employed as a management control device during the year for the General fund.
6. Legal debt obligation indentures determine the appropriation level and debt service tax levies for the Debt Service funds. Supplementary budgets are adopted for the Proprietary Funds to determine and calculate user charges. These debt service and budget amounts represent general obligation bond indenture provisions and net income for operation and capital maintenance and are not reflected in the financial statements.
7. A capital improvement program is reviewed annually by the City Council for the Capital Project Funds. However, appropriations for major projects are not adopted until the actual bid award of the improvement. The appropriations are not reflected in the financial statements.
8. Expenditures may not legally exceed budgeted appropriations at the total fund level. Monitoring of budgets is maintained at the expenditure category level (i.e., personnel services; other current; capital outlay) within each activity.
9. The City Council may authorize transfers of budgeted amounts between City funds.

CITY OF INVER GROVE HEIGHTS, MINNESOTA  
 NOTES TO THE FINANCIAL STATEMENTS  
 DECEMBER 31, 2014

**Note 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY - CONTINUED**

**B. Excess of expenditures over appropriations**

For the year ended December 31, 2014, expenditures exceeded appropriations in the following special revenue funds:

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Excess of Expenditures Over Appropriations</u>
Nonmajor			
Economic Development Authority	\$ 60,900	\$ 1,025,518	\$ 964,618

The excess of expenditures over appropriations for these funds were funded by both actual transfers in and actual revenues in excess of budget.

**C. Deficit fund equity**

The following funds had fund equity deficits at December 31, 2014:

<u>Fund</u>	<u>Amount</u>
Major	
Local Improvement Construction	\$ 2,058,299
Nonmajor governmental	
Permanent Improvement Revolving	330,979
Tax Increment Financing	337,936

Capital projects fund deficits are expected to be eliminated with future fund revenues or transfers from other funds.

CITY OF INVER GROVE HEIGHTS, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2014

**Note 3: DETAILED NOTES ON ALL FUNDS**

**A. Deposits and investments**

*Deposits*

Custodial credit risk for deposits and investments is the risk that in the event of a bank failure, the City's deposits and investments may not be returned or the City will not be able to recover collateral securities in the possession of an outside party. In accordance with Minnesota statutes and as authorized by the City Council, the City maintains deposits at those depository banks, all of which are members of the Federal Reserve System.

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

Authorized collateral in lieu of a corporate surety bond includes:

- United States government Treasury bills, Treasury notes, Treasury bonds;
- Issues of United States government agencies and instrumentalities as quoted by a recognized industry quotation service available to the government entity;
- General obligation securities of any state or local government with taxing powers which is rated "A" or better by a national bond rating service, or revenue obligation securities of any state or local government with taxing powers which is rated "AA" or better by a national bond rating service;
- General obligation securities of a local government with taxing powers may be pledged as collateral against funds deposited by that same local government entity;
- Irrevocable standby letters of credit issued by Federal Home Loan Banks to a municipality accompanied by written evidence that the bank's public debt is rated "AA" or better by Moody's Investors Service, Inc., or Standard & Poor's Corporation; and
- Time deposits that are fully insured by any federal agency.

Minnesota statutes require that all collateral shall be placed in safekeeping in a restricted account at a Federal Reserve Bank, or in an account at a trust department of a commercial bank or other financial institution that is not owned or controlled by the financial institution furnishing the collateral. The selection should be approved by the government entity.

At year end, the City's carrying amount of deposits was negative \$55,370 and the bank balance was \$232,437. The entire bank balance was covered by federal depository insurance.

CITY OF INVER GROVE HEIGHTS, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2014

**Note 3: DETAILED NOTES ON ALL FUNDS - CONTINUED**

***Investments***

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

Types of Investments	Credit Quality/ Rating (1)	Segmented Time Distribution (2)	Fair Value and Carrying Amount
Non Pooled investments			
Brokered certificates of deposit	N/A	less than 6 months	\$ 855,119
Brokered certificates of deposit	N/A	6 months to 1 year	491,148
Brokered certificates of deposit	N/A	1 to 3 years	2,205,620
Brokered certificates of deposit	N/A	more than 3 years	968,818
Municipal bonds	A+	1 to 3 years	995,420
Municipal bonds	AA	6 months to 1 year	503,495
Municipal bonds	AA	1 to 3 years	1,759,666
Municipal bonds	AA	more than 3 years	3,496,531
Municipal bonds	AA+	6 months to 1 year	702,555
Municipal bonds	AA+	1 to 3 years	3,260,102
Municipal bonds	AA+	more than 3 years	1,095,930
Municipal bonds	AAA	6 months to 1 year	506,475
Municipal bonds	AAA	1 to 3 years	1,655,709
Municipal bonds	AAA	more than 3 years	990,450
Municipal bonds	N/A	less than 6 months	450,590
Municipal bonds	N/A	6 months to 1 year	201,926
Municipal bonds	N/A	1 to 3 years	246,825
U.S. government agency securities	AAA	1 to 3 years	7,455,687
U.S. government agency securities	AAA	more than 3 years	20,969,525
Pooled investments			
Broker money market	N/A	less than 6 months	1,324,160
Repurchase agreement	N/A	less than 6 months	12,093,543
Total investments			<u>\$ 62,229,294</u>

(1) Ratings are provided by Moody's Investors Services where applicable to indicate associated credit risk.

(2) Interest rate risk is disclosed using the segmented time distribution method.

N/A Indicates not applicable or available.

CITY OF INVER GROVE HEIGHTS, MINNESOTA  
 NOTES TO THE FINANCIAL STATEMENTS  
 DECEMBER 31, 2014

**Note 3: DETAILED NOTES ON ALL FUNDS - CONTINUED**

The investments of the City are subject to the following risks:

- *Interest Rate Risk* is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with the City's investment policy, the City will not directly invest more than five percent (5 percent) of the total portfolio in securities maturing more than five (5) years from the date of purchase, unless matched to a specific cash flow. The City was not exposed to interest rate risks due to the fact that their investments are not exposed to highly sensitive changes in interest rates.
- *Credit Risk*. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Ratings are provided by various credit rating agencies and where applicable, indicate associated credit risk. Minnesota statutes and the City's investment policy limit the City's investments to the list on page 58 of the notes. In accordance with its investment policy, the City will minimize credit risk by limiting investments to the safest types of securities, pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisers with which the City will do business, and diversifying the investment portfolio so that the impact of potential losses from any one type of security or from any one individual issuer will be minimized.
- *Concentration of Credit Risk*. Concentration of credit risk is defined as positions of five percent (5 percent) or more in the securities of a single issuer. The City's investment policy does not allow for an investment in any issuer or security type (except U.S. Treasury Bonds) that is in excess of fifty percent (50 percent) of the City's total investments. As of December 31, 2014, the following issuers exceeded 5 percent of the City's total investments: FHLMC (13.9 percent), FNMA (20.2 percent), and FFCB (10.1 percent).
- *Custodial Credit Risk- Deposits*. In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. Minnesota statutes and the City's investment policy states that in order to provide a level of security for all funds, the collateralization level will be 110 percent of market value. As of December 31, 2014, all of the City's bank balance was covered by federal depository insurance or by perfected collateral held by the City's agent in the City's name.
- *Custodial Credit Risk - Investments*. For an investment, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. As of December 31, 2014, all securities were held by the City or its agent in the City's name. The City does not have an investment policy for custodial credit risk.

The City's investments held by a broker-dealer were insured by SIPC or other supplemental insurance as of December 31, 2014. However, each investment brokerage firm may have a limit to their supplemental insurance coverage and because of the size of the City's portfolio in relation to the brokerage firm's excess SIPC coverage limits; the portion of the supplemental policy applicable to the City's portfolio is unknown. The City accepts the risk due to the controls in place at the broker-dealer.

A reconciliation of cash and temporary investments as shown on the statement of net position for the City follows:

Carrying amount of deposits	\$ (55,370)
Investments	<u>62,229,294</u>
Total	<u><u>\$ 62,173,924</u></u>
As reported on the financial statements	
Statement of net position	
Cash and temporary investments	\$ 58,132,284
Fiduciary statement of net position	
Cash and temporary investments	<u>4,041,640</u>
Total	<u><u>\$ 62,173,924</u></u>

CITY OF INVER GROVE HEIGHTS, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2014

**Note 3: DETAILED NOTES ON ALL FUNDS - CONTINUED**

**B. Capital assets**

Capital asset activity for the year ended December 31, 2014 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental activities</b>				
Capital assets not being depreciated				
Land	\$ 28,885,008	\$ 292,066	\$ -	\$ 29,177,074
Construction in progress	25,399,149	3,964,616	(9,439,316)	19,924,449
Total capital assets not being depreciated	<u>54,284,157</u>	<u>4,256,682</u>	<u>(9,439,316)</u>	<u>49,101,523</u>
Capital assets, being depreciated				
Infrastructure	84,218,649	9,718,638	-	93,937,287
Buildings and systems	22,576,863	53,434	(14,662)	22,615,635
Improvements other than buildings	8,526,222	-	-	8,526,222
Machinery and equipment	10,456,666	360,417	(529,945)	10,287,138
Total capital assets being depreciated	<u>125,778,400</u>	<u>10,132,489</u>	<u>(544,607)</u>	<u>135,366,282</u>
Less accumulated depreciation for				
Infrastructure	(44,857,529)	(2,026,331)	-	(46,883,860)
Buildings and systems	(16,084,093)	(1,077,960)	14,662	(17,147,391)
Improvements other than buildings	(3,458,389)	(373,759)	-	(3,832,148)
Machinery and equipment	(6,850,968)	(793,293)	528,489	(7,115,772)
Total accumulated depreciation	<u>(71,250,979)</u>	<u>(4,271,343)</u>	<u>543,151</u>	<u>(74,979,171)</u>
Total capital assets being depreciated, net	<u>54,527,421</u>	<u>5,861,146</u>	<u>(1,456)</u>	<u>60,387,111</u>
Governmental activities capital assets, net	<u>\$ 108,811,578</u>	<u>\$ 10,117,828</u>	<u>\$ (9,440,772)</u>	<u>\$ 109,488,634</u>

Depreciation expense was charged to functions of the governmental activities as follows:

General government	\$ 151,971
Public safety	197,843
Public works	2,484,936
Culture and recreation	1,436,593
Total depreciation expense - governmental activities	<u>\$ 4,271,343</u>

CITY OF INVER GROVE HEIGHTS, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2014

**Note 3: DETAILED NOTES ON ALL FUNDS - CONTINUED**

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Business-type activities</b>				
Capital assets not being depreciated				
Land	\$ 2,746,155	\$ -	\$ (11,000)	\$ 2,735,155
Construction in progress	<u>2,940,153</u>	<u>254,260</u>	<u>(526,458)</u>	<u>2,667,955</u>
Total capital assets not being depreciated	<u>5,686,308</u>	<u>254,260</u>	<u>(537,458)</u>	<u>5,403,110</u>
Capital assets being depreciated				
Buildings and systems	74,014,341	1,067,629	-	75,081,970
Improvements other than buildings	4,616,128	29,094	-	4,645,222
Machinery and equipment	<u>1,220,442</u>	<u>-</u>	<u>(109,814)</u>	<u>1,110,628</u>
Total capital assets being depreciated	<u>79,850,911</u>	<u>1,096,723</u>	<u>(109,814)</u>	<u>80,837,820</u>
Less accumulated depreciation for				
Buildings and systems	(25,238,231)	(1,488,749)	-	(26,726,980)
Improvements other than buildings	(3,132,679)	(144,062)	-	(3,276,741)
Machinery and equipment	<u>(925,204)</u>	<u>(104,214)</u>	<u>109,814</u>	<u>(919,604)</u>
Total accumulated depreciation	<u>(29,296,114)</u>	<u>(1,737,025)</u>	<u>109,814</u>	<u>(30,923,325)</u>
Total capital assets being depreciated, net	<u>50,554,797</u>	<u>(640,302)</u>	<u>-</u>	<u>49,914,495</u>
Business-type activities capital assets, net	<u>\$ 56,241,105</u>	<u>\$ (386,042)</u>	<u>\$ (537,458)</u>	<u>\$ 55,317,605</u>

Depreciation expense was charged to programs of the business-type activities as follows:

Water	\$ 857,434
Sewer	612,853
Golf course	<u>266,738</u>
Total depreciation expense - business-type activities	<u>\$ 1,737,025</u>

CITY OF INVER GROVE HEIGHTS, MINNESOTA  
 NOTES TO THE FINANCIAL STATEMENTS  
 DECEMBER 31, 2014

**Note 3: DETAILED NOTES ON ALL FUNDS - CONTINUED**

**C. Construction commitments**

The City has the following construction commitments at December 31, 2014 as follows:

<u>Project</u>	<u>Spent to date</u>	<u>Remaining Commitment</u>
Street Construction Projects	\$ 2,381,938	\$ 203,481
Blaine Avenue Project	370,213	50,136
Building Construction Project	12,139,279	700

**D. Long-term debt**

Capital leases

The City is the lessee of golf carts under capital leases expiring in 2016. The assets and liabilities under capital leases are recorded at the lower of the present value of the minimum lease payments or the fair market value of the asset. The assets are depreciated over the lower of their related lease terms or the estimated productive lives. Depreciation of assets under capital leases is included in depreciation expense. The assets acquired through capital leases are as follows:

<u>Asset</u>	<u>Business-type Activities</u>
Machinery and equipment	\$ 157,875
Less: Accumulated depreciation	<u>(118,406)</u>
Total	<u>\$ 39,469</u>

The future minimum lease obligation and the net present value of these minimum lease payments are as follows:

<u>Year Ending December 31,</u>	<u>Business-type Activities</u>
2015	\$ 29,511
2016	<u>29,583</u>
Total minimum lease payments	59,094
Less: amount representing interest	<u>(2,271)</u>
Present value of minimum lease payments	<u>\$ 56,823</u>

CITY OF INVER GROVE HEIGHTS, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2014

**Note 3: DETAILED NOTES ON ALL FUNDS - CONTINUED**

General obligation (G.O.) bonds

The City issues G.O. and revenue bonds to provide funds for the acquisition and construction of major capital facilities and equipment. Debt service is covered by tax increments, special assessments, property tax levies and revenues. In addition, bonds have been issued to refund G.O., G.O. tax increment, G.O. special assessment, and G.O. revenue bonds.

Description	Authorized and Issued	Interest Rate	Issue Date	Maturity Date	Balance at Year End
G.O. Armory Bonds of 1996	\$ 656,500	6.73 %	03/01/96	12/31/16	\$ 110,150
G.O. Capital Bonds, Series 2009A	9,900,000	2.0-4.375	06/03/09	02/01/34	9,375,000
G.O. Utility Revenue Refunding Bonds, Series 2012A	395,000	2.0-2.15	04/24/12	02/01/17	<u>295,000</u>
Total G.O. bonds					<u><u>\$ 9,780,150</u></u>

Annual debt service requirements to maturity for G.O. bonds are as follows:

Year Ending December 31,	Governmental Activities		
	Principal	Interest	Total
2015	\$ 353,281	\$ 380,988	\$ 734,269
2016	371,869	369,174	741,043
2017	330,000	356,644	686,644
2018	260,000	348,269	608,269
2019	290,000	339,294	629,294
2020-2024	1,955,000	1,501,256	3,456,256
2025-2029	2,715,000	1,121,594	3,836,594
2030-2034	<u>3,505,000</u>	<u>391,672</u>	<u>3,896,672</u>
Total	<u><u>\$ 9,780,150</u></u>	<u><u>\$ 4,808,891</u></u>	<u><u>\$ 14,589,041</u></u>

G.O. improvement (special assessment) bonds

The following bonds were issued to finance various improvements and will be repaid primarily from special assessments levied on the properties benefiting from the improvements. Some issues, however, are partially financed by ad valorem tax levies. All special assessment debt is backed by the full faith and credit of the City. Each year the combined assessment and tax levy equals 105 percent of the amount required for debt service. The excess of 5 percent is to cover any delinquencies in tax or assessment payments.

Description	Authorized and Issued	Interest Rate	Issue Date	Maturity Date	Balance at Year End
G.O. Improvement Bonds, Series 2007B	\$ 2,650,000	4.00 %	11/20/07	02/01/19	\$ 1,070,000
G.O. Improvement Bonds, Series 2008A	4,855,000	3.50 - 4.50	12/30/08	02/01/20	985,000
G.O. Improvement Bonds, Series 2010B	4,885,000	2.00 -3.125	10/06/10	02/01/27	4,165,000
G.O. Refunding Bonds, Series 2010C	905,000	2.00 - 2.35	10/06/10	02/01/18	270,000
G.O. Improvement Refunding Bonds, Series 2011A	1,075,000	2.00 - 2.25	08/18/11	02/01/18	770,000
G.O. Improvement Refunding Bonds, Series 2014B	2,415,000	2.00	12/30/14	02/01/20	<u>2,415,000</u>
Total G.O. special assessment bonds					<u><u>\$ 9,675,000</u></u>

CITY OF INVER GROVE HEIGHTS, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2014

**Note 3: DETAILED NOTES ON ALL FUNDS - CONTINUED**

Annual debt service requirements to maturity for G.O. special assessment bonds are as follows:

Year Ending December 31,	Governmental Activities		
	Principal	Interest	Total
2015	\$ 2,205,000	\$ 204,463	\$ 2,409,463
2016	1,325,000	168,604	1,493,604
2017	1,295,000	139,205	1,434,205
2018	1,265,000	112,869	1,377,869
2019	1,000,000	88,669	1,088,669
2020-2024	1,820,000	229,206	2,049,206
2025-2027	765,000	36,484	801,484
Total	<u>\$ 9,675,000</u>	<u>\$ 979,500</u>	<u>\$ 10,654,500</u>

G.O. tax increment bonds

The following bonds were issued for redevelopment projects. The additional tax increments resulting from increased tax capacity of the redeveloped properties will be used to retire the related debt.

Description	Authorized and Issued	Interest Rate	Issue Date	Maturity Date	Balance at Year End
G.O. Tax Increment Refunding Bonds, Series 2011A	\$ 3,430,000	2.00 - 2.25 %	08/08/11	02/01/19	\$ 2,725,000
G.O. Tax Increment Refunding Bonds, Series 2014A	2,235,000	2.00	07/01/14	12/15/16	<u>1,225,000</u>
Total G.O. tax increment bonds					<u>\$ 3,950,000</u>

Annual debt service requirements to maturity for G.O. tax increment bonds are as follows:

Year Ending December 31,	Governmental Activities		
	Principal	Interest	Total
2015	\$ 1,130,000	\$ 69,100	\$ 1,199,100
2016	1,155,000	46,250	1,201,250
2017	550,000	29,200	579,200
2018	555,000	18,150	573,150
2019	560,000	6,300	566,300
Total	<u>\$ 3,950,000</u>	<u>\$ 169,000</u>	<u>\$ 4,119,000</u>

CITY OF INVER GROVE HEIGHTS, MINNESOTA  
 NOTES TO THE FINANCIAL STATEMENTS  
 DECEMBER 31, 2014

**Note 3: DETAILED NOTES ON ALL FUNDS - CONTINUED**

G.O. revenue bonds

The following bonds were issued to finance capital improvements in the enterprise funds. They will be repaid from future revenues pledged from the Water and Sewer enterprise funds and are backed by the taxing power of the City. Annual revenues from charges for services, principal and interest payments, and percentage of revenue required to cover principal and interest payments are as follows:

	Water	Sewer
Net operating revenues	\$ 2,818,851	\$ 3,052,651
Principal and interest	914,423	899,060
Percentage of revenues	32.44 %	29.45 %

Description	Authorized and Issued	Interest Rate	Issue Date	Maturity Date	Balance at Year End
G.O. Sewer Revenue Bonds, Series 2007C	\$ 6,220,000	3.70 - 4.05 %	11/20/07	02/01/29	\$ 520,000
G.O. Sewer Revenue Bonds, Series 2010A	6,865,000	2.00 - 4.00	10/06/10	02/01/36	6,645,000
G.O. Utility Revenue Refunding Bonds, Series 2012A	6,315,000	2.00 - 2.15	04/24/12	02/01/22	4,865,000
G.O. Sewer Revenue Refunding Bonds, Series 2014B	5,015,000	2.00 - 3.00	12/30/14	02/01/20	5,015,000
Total G.O. revenue bonds					<u>\$17,045,000</u>

The annual debt service requirements to maturity for G.O. revenue bonds are as follows:

Year Ending December 31,	Business-type Activities		
	Principal	Interest	Total
2015	\$ 1,280,000	\$ 390,808	\$ 1,670,808
2016	1,350,000	408,715	1,758,715
2017	1,400,000	378,963	1,778,963
2018	1,415,000	350,225	1,765,225
2019	955,000	325,338	1,280,338
2020-2024	4,325,000	1,306,400	5,631,400
2025-2029	3,660,000	811,844	4,471,844
2030-2034	1,825,000	354,662	2,179,662
2035-2036	835,000	33,700	868,700
Total	<u>\$ 17,045,000</u>	<u>\$ 4,360,655</u>	<u>\$ 21,405,655</u>

CITY OF INVER GROVE HEIGHTS, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2014

**Note 3: DETAILED NOTES ON ALL FUNDS - CONTINUED**

Changes in long-term liabilities

Long-term liability activity for the year ended December 31, 2014 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
<b>Governmental activities</b>					
Bonds payable					
G.O. bonds	\$ 10,115,069	\$ -	\$ (334,919)	\$ 9,780,150	\$ 353,281
G.O. special assessment bonds	10,445,000	2,415,000	(3,185,000)	9,675,000	2,205,000
G.O. tax increment bonds	6,105,000	2,235,000	(4,390,000)	3,950,000	1,130,000
Bond premium	68,334	118,912	(23,485)	163,761	-
Total bonds payable	26,733,403	4,768,912	(7,933,404)	23,568,911	3,688,281
Compensated absences payable	1,593,208	139,085	(130,494)	1,601,799	1,264,582
Other postemployment benefits payable	64,520	66,491	(40,066)	90,945	-
Governmental activity long-term liabilities	<u>\$ 28,391,131</u>	<u>\$ 4,974,488</u>	<u>\$ (8,103,964)</u>	<u>\$ 25,261,655</u>	<u>\$ 4,952,863</u>
<b>Business-type activities</b>					
Bonds payable					
G.O. revenue bonds	\$ 20,905,000	\$ 5,015,000	\$ (8,875,000)	\$ 17,045,000	\$ 1,280,000
Bond premium	135,004	118,421	(16,200)	237,225	-
Total bonds payable	21,040,004	5,133,421	(8,891,200)	17,282,225	1,280,000
Capital lease payable	83,245	-	(26,422)	56,823	27,703
Compensated absences payable	212,817	26,873	(86,825)	152,865	120,682
Other postemployment benefits payable	8,307	8,252	(5,158)	11,401	-
Business-type activity long-term liabilities	<u>\$ 21,344,373</u>	<u>\$ 5,168,546</u>	<u>\$ (9,009,605)</u>	<u>\$ 17,503,314</u>	<u>\$ 1,428,385</u>

Current and advanced refunding

On July 1, 2014 the City issued \$2,235,000 of 2014A G.O. Tax Increment Refunding Bonds. The bonds bear an average coupon rate of 2 percent and were used to call \$545,000 of the outstanding principal of the 2005A G.O. Tax Increment Bonds and \$1,645,000 of the outstanding principal of the 2005B G.O. Tax Increment Bonds in 2014. As a result of the refunding issue, the City will save \$267,038 in debt service payments and achieve an economic gain (the present value of the difference between the old and the new debt service) of \$239,609.

On December 30, 2014 the City issued \$7,430,000 of 2014B G.O. Refunding Bonds. The bonds bear an average coupon rate of 2.5 percent and were used to call \$4,780,000 of the outstanding principal of the 2007C G.O. Sewer Revenue Bonds on February 1, 2016, \$635,000 of the outstanding principal of the 2007B G.O. Improvement Bonds on February 1, 2015, and \$1,660,000 of the outstanding principal of the 2008A G.O. Improvement Bonds on February 1, 2016. As a result of the refunding issue, the City will save \$573,233 in debt service payments and achieve an economic gain (the present value of the difference between the old and the new debt service) of \$520,386.

CITY OF INVER GROVE HEIGHTS, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2014

**Note 3: DETAILED NOTES ON ALL FUNDS - CONTINUED**

**E. Components of fund balance**

Fund equity balances are classified below to reflect the limitations and restrictions of the respective funds.

	General	Improvement Bonds	Closed Bond	Increment Financing Bonds	Local Improvement Construction
Nonspendable					
Prepaid items	\$ 57,292	\$ -	\$ -	\$ -	\$ -
Restricted for					
Debt service	-	3,312,408	-	3	-
Equipment acquisition	-	-	-	-	-
Public safety	22,000	-	-	-	-
Total Restricted	22,000	3,312,408	-	3	-
Committed to					
Convention and Visitors Bureau	-	-	-	-	-
Recreation	-	-	-	-	-
Community development Community Center	-	-	-	-	-
Total Committed	-	-	-	-	-
Assigned to					
Debt service	-	-	2,548,905	-	-
Capital improvements	-	-	-	-	-
Total Assigned	-	-	2,548,905	-	-
Unassigned	9,111,824	-	-	-	(2,058,299)
Total	\$ 9,191,116	\$ 3,312,408	\$ 2,548,905	\$ 3	\$ (2,058,299)

CITY OF INVER GROVE HEIGHTS, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2014

**Note 3: DETAILED NOTES ON ALL FUNDS - CONTINUED**

	Pavement Management	Host Community	Other Governmental	Total
Nonspendable				
Prepaid items	\$ -	\$ 1,000	\$ 20,450	\$ 78,742
Restricted for				
Debt service	-	-	286,724	3,599,135
Equipment acquisition	-	-	538,121	538,121
Public safety	-	-	-	22,000
Total Restricted	-	-	824,845	4,159,256
Committed to				
Convention and Visitors Bureau	-	-	109,204	109,204
Recreation	-	-	460,846	460,846
Community development	-	-	305,824	305,824
Community Center	-	-	147,407	147,407
Total Committed	-	-	1,023,281	1,023,281
Assigned to				
Debt service	-	-	-	2,548,905
Capital improvements	1,523,454	3,716,746	5,459,943	10,700,143
Total Assigned	1,523,454	3,716,746	5,459,943	13,249,048
Unassigned	-	-	(668,915)	6,384,610
Total	<u>\$ 1,523,454</u>	<u>\$ 3,717,746</u>	<u>\$ 6,659,604</u>	<u>\$ 24,894,937</u>

**F. Interfund receivables, payables and transfers**

The composition of interfund balances at December 31, 2014 is as follows:

Receivable Fund	Payable Fund	Purpose	Amount
Host Community	Golf Course	To eliminate cash deficit	\$ 8,808
Internal Service	Golf Course	To eliminate cash deficit	43,242
Host Community	Economic Development Authority	To loan funds for land purchase	1,468,382
Water	Tax Increment Financing	To eliminate cash deficit	578,105
Host Community	Tax Increment Financing	To eliminate cash deficit	6,249
Closed Bond	Permanent Improvement Revolving	To eliminate cash deficit	331,093
Closed Bond	Local Improvement Construction	To eliminate cash deficit	20,358
Host Community	Local Improvement Construction	To eliminate cash deficit	2,043,974
Total			<u>\$ 4,500,211</u>

CITY OF INVER GROVE HEIGHTS, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2014

**Note 3: DETAILED NOTES ON ALL FUNDS - CONTINUED**

The composition of interfund transfers for the year ended December 31, 2014 is as follows:

Fund	Transfer in				
	General	Improvement Bonds	Tax Increment Financing Bonds	Local Improvement Construction	Pavement Management
Transfer out					
General	\$ -	\$ -	\$ -	\$ 12,094	\$ -
Closed Bond	-	345,925	-	29,569	94,285
Local Improvement Construction	-	-	-	-	-
Pavement Management	-	-	-	592,167	-
Host Community	430,000	-	-	3,860	500,000
Nonmajor Governmental	2,467	-	2,090,096	76,818	33,459
Water	236,000	-	-	324,969	421,059
Sewer	236,000	-	-	7,157	96,642
Internal Service Funds	202,000	-	-	965	-
<b>Total</b>	<b>\$ 1,106,467</b>	<b>\$ 345,925</b>	<b>\$ 2,090,096</b>	<b>\$ 1,047,599</b>	<b>\$ 1,145,445</b>

Fund	Transfer in - Continued				
	Nonmajor Governmental	Water	Sewer	Golf Course	Total
Transfer out					
General	\$ 534,975	\$ -	\$ -	\$ -	\$ 547,069
Closed Bond	553	-	-	-	470,332
Local Improvement Construction	844	17,918	34,009	-	52,771
Pavement Management	-	127,651	14,243	-	734,061
Host Community	662,950	-	-	100,000	1,696,810
Nonmajor Governmental	213,816	-	-	-	2,416,656
Water	7,600	-	-	-	989,628
Sewer	-	-	-	-	339,799
Internal Service Funds	15,226	-	-	-	218,191
<b>Total</b>	<b>\$ 1,435,964</b>	<b>\$ 145,569</b>	<b>\$ 48,252</b>	<b>\$ 100,000</b>	<b>\$ 7,465,317</b>

CITY OF INVER GROVE HEIGHTS, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2014

**Note 3: DETAILED NOTES ON ALL FUNDS - CONTINUED**

The City annually budgets transfers for specific purposes and includes transfers to cover funds annual operations, transfers for debt service payments, transfers made as part of capital improvement plans and other transfers made for various reasons. The City made the following one-time non-budgeted transfers for the year ended December 31, 2014:

- Transfers from the General fund to the Local Improvement Construction fund and nonmajor governmental funds were adopted as part of the General fund by resolution. Transfers are for construction projects.
- Transfers from the Closed Bond fund to the Local Improvement Construction fund and nonmajor governmental funds were adopted by resolution. Transfers are for construction projects.
- Transfers from the nonmajor Tax Increment Financing fund to other nonmajor governmental funds were adopted by resolution. Transfers are between related Capital Project and Debt Service funds for debt payments.
- Transfers from the Local Improvement Construction fund to the nonmajor governmental funds and Sewer fund were adopted by resolution. Transfers are to help fund construction projects and to allocate resources relating to the Northwest Area development to the Water and Sewer funds.
- Transfers from the Pavement Management fund to the Local Improvement Construction fund were adopted by resolution. Transfers are to help fund construction projects.
- Transfers from the Host Community fund to the General fund, Local Improvement Construction fund, Pavement Management fund, nonmajor governmental funds and the Golf Course were to help support construction projects.
- Transfers from the nonmajor governmental funds to the Tax Increment Financing Bonds, Local Improvement Construction, Pavement Management, and other nonmajor governmental funds were created to help support construction projects and debt service.
- Transfers from the Water and Sewer funds to the Local Improvement Construction and Pavement Management funds were adopted by resolution for construction projects.

CITY OF INVER GROVE HEIGHTS, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2014

**Note 4: PENSION PLANS**

**A. Defined benefit pension plans - statewide**

**1. Plan description**

All full-time and certain part-time employees of the City are covered by defined benefit plans administered by the Public Employees Retirement Association of Minnesota (PERA). PERA administers the General Employees Retirement Fund (GERF) and the Public Employees Police and Fire fund (PEPFF), which are cost-sharing, multiple-employer retirement plans. These plans are established and administered in accordance with Minnesota statutes, chapters 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. All police officers and fire-fighters who qualify for membership by statute are covered by the PEPFF.

PERA provides retirement benefits as well as disability benefits to members, and benefits to survivors upon death of eligible members. Benefits are established by Minnesota statute, and vest after five 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 the 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 percent of average salary for each of the first 10 years of service and 2.7 percent for each remaining year. The annuity accrual rate for a Coordinated Plan member is 1.2 percent of average salary for each of the first 10 years and 1.7 percent for each remaining year. Under Method 2, the annuity accrual rate is 2.7 percent of average salary for Basic Plan members and 1.7 percent for Coordinated Plan for each year of service. For PEPFF members, the annuity accrual rate is 3.0 percent for each year of service. For GERF and PEPFF 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 55 for PEPFF members and 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 age 66 for Coordinated members hired on or after July 1, 1989. A reduced retirement annuity is also available to eligible members seeking early retirement.

There are different types of annuities available to members upon retirement. A single-life annuity is a lifetime 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 retirement age. Refunds of contributions are available 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.

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

CITY OF INVER GROVE HEIGHTS, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2014

**Note 4: PENSION PLANS - CONTINUED**

**2. 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 Minnesota statutes. GERP Basic Plan members and Coordinated Plan members were required to contribute 9.10 percent and 6.25 percent, respectively, of their annual covered salary in 2014. PEPFF members were required to contribute 10.20 percent of their annual covered salary in 2014. In 2014, the City was required to contribute the following percentages of annual covered payroll: 11.78 percent for Basic Plan GERP members, 7.25 percent for Coordinated Plan GERP members, and 15.30 percent for PEPFF members. The City's contributions to the GERP for the years ending December 31, 2014, 2013, and 2012 were \$459,894, \$455,647, and \$465,247, respectively. The City's contributions to the PEPFF for the years ending December 31, 2014, 2013, and 2012 were \$456,641, \$417,235, and \$405,294, respectively. The City's contributions were equal to the contractually required contributions for each year as set by Minnesota statute. Contribution rates will increase on January 1, 2015 in the Coordinated Plan (6.50 percent for members and 7.50 percent for employers) and the Police and Fire fund (10.80 percent for members and 16.20 percent for employers).

**B. Defined contribution plan - statewide**

Elected officials of the City of Inver Grove Heights are covered by the Public Employees Defined Contribution Plan (PEDCP), a multiple-employer deferred compensation plan administered by the Public Employees Retirement Association of Minnesota (PERA). The PEDCP is a tax qualified plan under section 401(a) of the Internal Revenue Code and all contributions by or on behalf of employees are tax deferred until time of withdrawal.

Plan benefits depend solely on amounts contributed to the plan plus investment earnings, less administrative expenses. Minnesota statutes, chapter 353D.03, specify the employee and employer contribution rates for those qualified personnel who elect to participate. An eligible elected official who decides to participate contributes 5 percent of salary which is matched by the elected official's employer. Employer and employee contributions are combined and used to purchase shares in one or more of the seven accounts of the Minnesota Supplemental Investment fund. For administering the plan, PERA receives 2 percent of employer contributions and twenty-five hundredths of one percent of the assets in each member's account annually.

The City's contributions to the PEDCP for the years ended December 31, 2014, 2013, and 2012 were \$1,500, \$1,500, and \$1,150, respectively. The City's contributions were equal to the contractually required contributions for each year as set by Minnesota statutes.

**Note 5: DEFINED BENEFIT PENSION PLANS - FIRE RELIEF ASSOCIATION**

**A. Plan description**

The Inver Grove Heights Firefighter's Relief Association is the administrator of a single employer defined benefit pension plan established to provide benefits for members of the Inver Grove Heights Fire Department.

The Relief Association provides retirement and disability benefits to members with a service related disability, and benefits to survivors upon the death of eligible members. All benefit provisions and the obligation to make contributions is established and may be amended by the Relief Association's Board of Trustees within the guidelines of the State of Minnesota statutes.

The Relief Association issues a publicly available financial report that includes financial statements and required supplementary information for the Relief Association. That report may be obtained by writing to Inver Grove Heights Firefighter's Relief Association, 8150 Barbara Avenue, Inver Grove Heights, MN 55077.

CITY OF INVER GROVE HEIGHTS, MINNESOTA  
 NOTES TO THE FINANCIAL STATEMENTS  
 DECEMBER 31, 2014

**Note 5: DEFINED BENEFIT PENSION PLANS - FIRE RELIEF ASSOCIATION - CONTINUED**

**B. Funding policy**

Minnesota statutes, chapter 69.772 specifies minimum support rates required on an annual basis. The minimum support rates from the municipality and from State aid are determined as the amount required to meet the normal cost plus amortizing any existing prior service costs over a ten-year period. Actuarial valuations are not required for the Relief Association as the Relief Association follows Minnesota statutes for the valuation calculation. The City makes an annual contribution in addition to State aid received for pension cost. State aid received is recorded as revenue and the payment of this state aid as well as any city contribution to the Relief Association is recorded as an expenditure in the City's financial statements. The Association is comprised of volunteers; therefore, there are no payroll expenditures (i.e., there are no covered payroll percentage calculations). The City's annual pension cost for the current year and related information is as follows:

Annual pension cost	\$	183,645
Contributions made		
State aid		183,645
Actuarial valuation date		08/01/12
Actuarial cost method		Entry age normal
Amortization method		Level dollar closed
Remaining amortization period		
Normal cost		20 years
Prior service cost		10 years
Asset valuation method		Market
Actuarial assumptions		
Investment rate of return		9%
Projected salary increases		N/A
Inflation rate		N/A
Cost of living adjustments		None

Year Ending	Three Year Trend Information		
	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/14	\$ 183,645	100.0 %	\$ -
12/31/13	208,267	100.0	-
12/31/12	153,587	100.0	-

CITY OF INVER GROVE HEIGHTS, MINNESOTA  
 NOTES TO THE FINANCIAL STATEMENTS  
 DECEMBER 31, 2014

**Note 6: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS**

**A. Plan description**

The City provides a single-employer defined benefit health care plan to eligible retirees and their spouses. The plan offers medical coverage. Medical coverage is administered by HealthPartners, Inc. It is the City's policy to periodically review its medical coverage, and to obtain requests for proposals in order to provide the most favorable benefits and premiums for City employees and retirees.

**B. Funding policy**

Retirees receiving benefits contribute 100 percent of their premium costs. Retirees and their spouses contribute to the health care plan at the same rate as City employees. This results in the retirees receiving an implicit rate subsidy. Contribution requirements are established by the City, based on the contract terms with HealthPartners, Inc. The required contributions are based on projected pay-as-you-go financing requirements. For fiscal year 2014, the City contributed \$45,224 to the plan. As of January 1, 2012, there were eight retirees and three spouses receiving health benefits from the City's health plan.

**C. Annual other postemployment benefit (OPEB) Cost and net OPEB obligation**

The City's annual OPEB cost (expense) is calculated based on the annual required contribution (ARC) of the City, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years using a 4.5 percent discount rate. The following table shows the components of the City's annual OPEB cost of the year, the amount actually contributed to the plan and changes in the City's net OPEB obligation to the plan.

Annual required contribution	\$ 75,876
Interest on net OPEB obligation	3,277
Adjustment to annual required contribution	<u>(4,410)</u>
 Annual OPEB cost (expense)	 74,743
Contributions made	<u>(45,224)</u>
 Increase in net OPEB obligation	 29,519
Net OPEB obligation - January 1, 2014	<u>72,827</u>
 Net OPEB obligation - December 31, 2014	 <u>\$ 102,346</u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for the following three years:

Year Ending	Three Year Trend Information			
	Annual OPEB Cost	Employer Contribution	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/14	\$ 74,743	45,224	60.5 %	\$ 102,346
12/31/13	75,313	39,924	53.0	72,827
12/31/12	75,876	38,438	50.7	37,438

CITY OF INVER GROVE HEIGHTS, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2014

**Note 6: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS - CONTINUED**

**D. Funded status and funding progress**

As of January 1, 2012, the most recent actuarial valuation date, the actuarial accrued liability for benefits was \$655,379, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$8,098,632, and the ratio of the unfunded actuarial accrued liability (UAAL) to the covered payroll was 8.1 percent.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the health care cost trend. Amounts determined regarding the funded status of the plan and the ARC of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Schedule of Funding Progress for the Postemployment Benefit Plan, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

**E. Actuarial methods and assumptions**

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities, consistent with the long-term perspective of the calculations.

At the January 1, 2012 actuarial valuation date, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.5 percent discount rate, which is based on the investment yield expected to finance benefits depending on whether the plan is funded in a separate trust (about 8.0 percent to 9.0 percent, long-term, similar to a pension plan) or unfunded (3.0 percent, shorter term, based on City's general assets). Both rates included a 2.5 percent inflation assumption. The post retirement benefit increase is the same as the insurance rate increase as the liability is only implicit rate. The City currently does not plan to prefund for this benefit. At the actuarial valuation date, the annual health care cost trend rate was calculated to be 8 percent initially, reduced incrementally to an ultimate rate of 5 percent after six years. The UAAL is being amortized on a level percentage of projected payroll on a closed basis. The remaining amortization period was 30 years.

**Note 7: JOINT POWERS AGREEMENTS**

**A. Metropolitan Council Environmental Services**

During 1971, the Metropolitan Waste Control Commission (MWCC) was organized to provide for consolidation of the sanitary sewer collection, treatment and disposal in the seven county metropolitan area surrounding Minneapolis and St. Paul. Previously, these operations were maintained by the city governments on an individual or collective basis. When the MWCC was formed, existing interceptor sewer lines and treatment facilities were transferred from the cities to the MWCC in exchange for future credits. These future credits were remitted to the City over a 30 year period. The MWCC merged with the Metropolitan Council during 1994 to form Metropolitan Council Environmental Services (MCES).

The MCES used to bill the City annually based upon estimated volume and budgeted costs. These billings were later adjusted when actual volume and actual costs were determined. The adjustment to actual was generally determined in the succeeding calendar year and payable by the City in the second succeeding calendar year. The City followed the accounting policy of recognizing these charges as an expense of the sewer utility operation in the year for which they were billed (for estimated billings) and in the year the adjustments were determined (for adjustments from estimated to actual billings). Beginning July 1, 1998, the MCES started billing on the basis of actual metered flows treated by MCES six months (two quarters) prior. 1998 and 1999 were transition years with billings based on actual flows as well as credits or additional charges for 1996 and 1997 reflected on the 1998 and 1999 billings, respectively. Beginning in 2000, these credits and/or charges no longer appear on the billings.

CITY OF INVER GROVE HEIGHTS, MINNESOTA  
 NOTES TO THE FINANCIAL STATEMENTS  
 DECEMBER 31, 2014

**Note 7: JOINT POWERS AGREEMENTS - CONTINUED**

**B. Joint powers debt commitment**

On August 25, 2005 the City of Inver Grove Heights entered into a joint powers agreement with the Cities of Apple Valley, Burnsville, Eagan, Farmington, Hastings, Lakeville, Mendota Heights, Rosemount, South St. Paul, West St. Paul, Minnesota, and Dakota County, Minnesota, to establish the Dakota Communications Center (DCC), a Minnesota nonprofit corporation. The purpose of the DCC is to engage the operation and maintenance of a countywide public safety answering point and communications center for law enforcement, fire, emergency medical services, and other public safety services for the mutual benefit of residents residing in the abovementioned cities and county (members). Pursuant to the joint powers agreement, members are required to provide DCC their pro rata share of cost of operations and maintenance, and capital projects.

On May 1, 2007 the DCC issued Public Safety Revenue Bonds, Series 2007 in the amount of \$7,315,000 to provide financing for the acquisition of equipment and reimbursement for conversion costs. The bonds are special obligations of the DCC, payable from revenues to be received from members. Pursuant to the joint powers agreement, members will levy taxes for the payment of their pro rata share of the principal and interest payments due on the bonds. The bonds mature February 1, 2014, and bear interest rates ranging from 4.5 percent - 5.0 percent. The debt will be re-paid with member assessments over a seven year amortization. All members reserve the right to prepay, in whole or in part on any date, its allocated share of principal and interest on the bonds.

Payments from the City of Inver Grove Heights are provided from General fund appropriations. In 2014, the City contributed \$76,875. This was the final member payment made to the DCC.

Pursuant to Section 9.5 of the joint powers agreement, member payments are submitted monthly and held in escrow by U.S. Bank National Association (trustee) until the funds are remitted to the bond holders according to the established bond principal and interest due dates. The interest earnings from the escrow will reduce future member obligations on the debt. Information regarding the Dakota Communications Center can be obtained at the website [www.mn-dcc.org](http://www.mn-dcc.org) or by contacting Diane Lind at the City of Lakeville, 20195 Holyoke Avenue, Lakeville, Minnesota 55044. Telephone (651)322-1900 or email address [dlind@mn-dcc.org](mailto:dlind@mn-dcc.org).

**Note 8: OPERATING LEASES**

The City leases the Community Center to Independent School District 199 under an operating lease. The lease commenced December 1, 1995 and terminates on November 30, 2015. The annual rent is \$100,000 payable in two equal installments due July 15 and December 15 until July 15, 2014 and December 15, 2014, subject to termination clauses in the lease agreement.

The City also leases the Aquatic and Fitness Center to Independent School District 199 under an operating lease. The lease commenced July 1, 2001 and terminates on June 30, 2021. The annual rent is payable in two installments due July 15 and January 15. The 2014 revenue was \$247,500.

The net book value of the assets noted above being leased are as follows:

Asset	
Buildings	\$ 17,470,280
Less: Accumulated depreciation	<u>(12,626,312)</u>
Total	<u><u>\$ 4,843,968</u></u>

CITY OF INVER GROVE HEIGHTS, MINNESOTA  
 NOTES TO THE FINANCIAL STATEMENTS  
 DECEMBER 31, 2014

**Note 8: OPERATING LEASES - CONTINUED**

Future minimum lease payments are as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2015	\$ 248,500
2016	249,500
2017	307,500
2018	350,000
2019	350,000
2020-2021	<u>525,000</u>
 Total	 <u><u>\$ 2,030,500</u></u>

**Note 9: OTHER INFORMATION**

**A. Risk management**

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Workers compensation coverage is provided through a pooled self-insurance program through the League of Minnesota Cities Insurance Trust (LMCIT). The City pays an annual premium to LMCIT. The City is subject to supplemental assessments if deemed necessary by the LMCIT. The LMCIT reinsures through Workers Compensation Reinsurance Association (WCRA) as required by law. For workers compensation, the City is not subject to a deductible.

Property and casualty insurance is provided through a pooled self-insurance program through LMCIT. The City pays an annual premium to the LMCIT. The City is subject to supplemental assessments if deemed necessary by the LMCIT. The LMCIT reinsures through commercial companies for claims in excess of various amounts. The City retains risk for the deductible portion of the insurance policies and for any exclusions from the insurance policies. These amounts are considered immaterial to the financial statements.

The City continues to carry commercial insurance for all other risks of loss, including disability and employee health insurance.

There were no significant reductions in insurance from the previous year or settlements in excess of insurance coverage for any of the past three fiscal years.

The risk management activities of the City are accounted for by the Risk Management fund, an internal service fund, which charges its costs to user departments. The fund is designed to build up a reserve which will provide the City the opportunity to assume a greater share of its insurance risks and thereby reducing the cost to purchase insurance.

CITY OF INVER GROVE HEIGHTS, MINNESOTA  
 NOTES TO THE FINANCIAL STATEMENTS  
 DECEMBER 31, 2014

**Note 9: OTHER INFORMATION - CONTINUED**

**B. Contingencies**

*Tax increment financing districts*

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

The City has entered into "pay as you go" Tax Increment Financing notes within its TIF districts. These notes are payable only to the extent of the increment received. As a result they are a commitment within the district but they have not met the criteria to be reported as a liability on the statement of net position.

**C. Conduit debt obligations**

From time to time, the City has issued industrial revenue bonds to provide financial assistance to private sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payment received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the City, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of December 31, 2014, there were two series of Housing Revenue Bonds outstanding as follows:

Series	Amount Issued	Balance Outstanding 12/31/2014
2005 Senior Housing Revenue Refunding Bonds	\$32,290,000	\$25,635,000
2006 Nursing Home Revenue Refunding Bonds	23,265,000	20,495,000
Total	\$55,555,000	\$46,130,000

**REQUIRED SUPPLEMENTARY INFORMATION**

CITY OF INVER GROVE HEIGHTS  
INVER GROVE HEIGHTS, MINNESOTA

FOR THE YEAR ENDED  
DECEMBER 31, 2014

CITY OF INVER GROVE HEIGHTS, MINNESOTA  
 REQUIRED SUPPLEMENTARY INFORMATION  
 DECEMBER 31, 2014

**Schedule of funding progress for the fire relief association pension plan**

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Assets in Excess of (Unfunded) Accrued Liability	Funded Rate	Pension Benefit Per Year of Service
12/31/14	\$ 4,602,172	\$ 3,315,979	\$ 1,286,193	138.79 %	\$ 5,900
12/31/13	4,237,009	3,091,187	1,145,822	137.07	5,800
12/31/12	3,750,206	3,158,201	592,005	118.75	5,800

**Schedule of funding progress for the postemployment benefit plan**

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability (UAAL)	Funded Rate	Covered Payroll	UAAL as a Percentage of Covered Payroll
01/01/12	\$ -	\$ 655,379	\$ 655,379	- %	\$ 8,098,632	8.1 %

Note: This schedule was implemented in 2012, and therefore only contains one year of data.

**COMBINING AND INDIVIDUAL FUND  
FINANCIAL STATEMENTS AND SCHEDULES**

CITY OF INVER GROVE HEIGHTS  
INVER GROVE HEIGHTS, MINNESOTA

FOR THE YEAR ENDED  
DECEMBER 31, 2014

THIS PAGE IS LEFT BLANK  
INTENTIONALLY

**NONMAJOR GOVERNMENTAL FUNDS**

CITY OF INVER GROVE HEIGHTS, MINNESOTA  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
DECEMBER 31, 2014

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
<b>ASSETS</b>				
Cash and temporary investments	\$ 876,958	\$ 270,562	\$ 6,173,752	\$ 7,321,272
Receivables				
Accrued interest	2,377	910	24,220	27,507
Taxes	5,966	20,310	31,474	57,750
Accounts	36,123	-	182,882	219,005
Special assessments	-	-	369,559	369,559
Due from other governments	640,578	-	-	640,578
Prepaid items	20,450	-	-	20,450
Land held for resale	1,138,500	-	-	1,138,500
	<b>\$ 2,720,952</b>	<b>\$ 291,782</b>	<b>\$ 6,781,887</b>	<b>\$ 9,794,621</b>
<b>LIABILITIES</b>				
Accounts and contracts payable	\$ 72,644	\$ -	\$ 122,517	\$ 195,161
Accrued salaries payable	50,902	-	-	50,902
Due to other governments	13,786	-	14,188	27,974
Due to other funds	1,468,382	-	915,447	2,383,829
Deposits payable	29,102	-	-	29,102
Unearned revenue	42,405	-	-	42,405
	<b>1,677,221</b>	<b>-</b>	<b>1,052,152</b>	<b>2,729,373</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenues - delinquent taxes	-	5,058	31,141	36,199
Unavailable revenues - special assessments	-	-	369,445	369,445
	<b>-</b>	<b>5,058</b>	<b>400,586</b>	<b>405,644</b>
<b>FUND BALANCES</b>				
Nonspendable	20,450	-	-	20,450
Restricted	-	286,724	538,121	824,845
Committed	1,023,281	-	-	1,023,281
Assigned	-	-	5,459,943	5,459,943
Unassigned	-	-	(668,915)	(668,915)
	<b>1,043,731</b>	<b>286,724</b>	<b>5,329,149</b>	<b>6,659,604</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 2,720,952</b>	<b>\$ 291,782</b>	<b>\$ 6,781,887</b>	<b>\$ 9,794,621</b>

CITY OF INVER GROVE HEIGHTS, MINNESOTA  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED DECEMBER 31, 2014

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
REVENUES				
Taxes	\$ 98,691	\$ 218,970	\$ 1,931,061	\$ 2,248,722
Intergovernmental	642,200	83	-	642,283
Charges for services	2,496,472	-	407,328	2,903,800
Special assessments	-	-	105,018	105,018
Investment earnings	12,369	3,030	116,134	131,533
Miscellaneous	180,844	-	-	180,844
<b>TOTAL REVENUES</b>	<b>3,430,576</b>	<b>222,083</b>	<b>2,559,541</b>	<b>6,212,200</b>
EXPENDITURES				
Current				
Public works	-	-	105,511	105,511
Culture and recreation	3,369,682	-	127,071	3,496,753
Community development	106,816	-	262,973	369,789
Capital outlay				
Public safety	-	-	70,576	70,576
Public works	-	-	2,066	2,066
Culture and recreation	188,816	-	6,732	195,548
Community development	918,702	-	-	918,702
Debt service				
Principal	-	184,919	-	184,919
Interest and other charges	-	21,756	-	21,756
<b>TOTAL EXPENDITURES</b>	<b>4,584,016</b>	<b>206,675</b>	<b>574,929</b>	<b>5,365,620</b>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,153,440)	15,408	1,984,612	846,580
OTHER FINANCING SOURCES (USES)				
Transfers in	1,142,894	-	293,070	1,435,964
Transfers out	(2,467)	-	(2,414,189)	(2,416,656)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>1,140,427</b>	<b>-</b>	<b>(2,121,119)</b>	<b>(980,692)</b>
NET CHANGE IN FUND BALANCES	(13,013)	15,408	(136,507)	(134,112)
FUND BALANCES, JANUARY 1	1,056,744	271,316	5,465,656	6,793,716
FUND BALANCES, DECEMBER 31	<u>\$ 1,043,731</u>	<u>\$ 286,724</u>	<u>\$ 5,329,149</u>	<u>\$ 6,659,604</u>

THIS PAGE IS LEFT BLANK  
INTENTIONALLY

## NONMAJOR SPECIAL REVENUE FUNDS

Special Revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

**Convention and Visitors Bureau** was created by a resolution of the City Council to account for the local lodging tax revenues collected per Ordinance No. 1015 which was adopted by the City Council on October 8, 2001, under the authority of Minnesota statutes, section 469.190.

**Recreation** accounts for recreation activities of the City.

**Economic Development Authority** accounts for the activities of the Economic Development Authority.

**Community Center** accounts for the activities at the Veterans Memorial and the Grove Community Center. Charges for services within the fund are committed to Community Center activity.

CITY OF INVER GROVE HEIGHTS, MINNESOTA  
NONMAJOR SPECIAL REVENUE FUNDS  
SUBCOMBINING BALANCE SHEET  
DECEMBER 31, 2014

	Convention and Visitors Bureau	Recreation	EDA	Community Center	Total
<b>ASSETS</b>					
Cash and temporary investments	\$ 105,114	\$ 510,788	\$ -	\$ 261,056	\$ 876,958
Receivables					
Accrued interest	426	1,937	14	-	2,377
Taxes	5,966	-	-	-	5,966
Accounts	-	2,187	-	33,936	36,123
Due from other governments	-	578	640,000	-	640,578
Prepaid items	4,855	590	13,165	1,840	20,450
Land held for resale	-	-	1,138,500	-	1,138,500
	<u>-</u>	<u>-</u>	<u>1,138,500</u>	<u>-</u>	<u>1,138,500</u>
<b>TOTAL ASSETS</b>	<u>\$ 116,361</u>	<u>\$ 516,080</u>	<u>\$ 1,791,679</u>	<u>\$ 296,832</u>	<u>\$ 2,720,952</u>
<b>LIABILITIES</b>					
Accounts and contracts payable	\$ 2,302	\$ 1,640	\$ 3,882	\$ 64,820	\$ 72,644
Accrued salaries payable	-	9,567	426	40,909	50,902
Due to other governments	-	36	-	13,750	13,786
Due to other funds	-	-	1,468,382	-	1,468,382
Deposits payable	-	27,322	-	1,780	29,102
Unearned revenue	-	16,079	-	26,326	42,405
	<u>-</u>	<u>16,079</u>	<u>-</u>	<u>26,326</u>	<u>42,405</u>
<b>TOTAL LIABILITIES</b>	<u>2,302</u>	<u>54,644</u>	<u>1,472,690</u>	<u>147,585</u>	<u>1,677,221</u>
<b>FUND BALANCES</b>					
Nonspendable	4,855	590	13,165	1,840	20,450
Committed	109,204	460,846	305,824	147,407	1,023,281
	<u>114,059</u>	<u>461,436</u>	<u>318,989</u>	<u>149,247</u>	<u>1,043,731</u>
<b>TOTAL FUND BALANCES</b>	<u>114,059</u>	<u>461,436</u>	<u>318,989</u>	<u>149,247</u>	<u>1,043,731</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 116,361</u>	<u>\$ 516,080</u>	<u>\$ 1,791,679</u>	<u>\$ 296,832</u>	<u>\$ 2,720,952</u>

CITY OF INVER GROVE HEIGHTS, MINNESOTA  
NONMAJOR SPECIAL REVENUE FUNDS  
SUBCOMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED DECEMBER 31, 2014

	Convention and Visitors Bureau	Recreation	EDA	Community Center	Total
<b>REVENUES</b>					
Lodging taxes	\$ 98,691	\$ -	\$ -	\$ -	\$ 98,691
Intergovernmental	-	2,200	640,000	-	642,200
Charges for services	-	232,436	-	2,264,036	2,496,472
Investment earnings	1,187	7,196	3,561	425	12,369
Miscellaneous	4,312	12,765	7	163,760	180,844
<b>TOTAL REVENUES</b>	<b>104,190</b>	<b>254,597</b>	<b>643,568</b>	<b>2,428,221</b>	<b>3,430,576</b>
<b>EXPENDITURES</b>					
<b>Current</b>					
Culture and recreation	72,857	579,851	-	2,716,974	3,369,682
Community development	-	-	106,816	-	106,816
<b>Capital outlay</b>					
Culture and recreation	-	-	-	188,816	188,816
Community development	-	-	918,702	-	918,702
<b>TOTAL EXPENDITURES</b>	<b>72,857</b>	<b>579,851</b>	<b>1,025,518</b>	<b>2,905,790</b>	<b>4,584,016</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>31,333</b>	<b>(325,254)</b>	<b>(381,950)</b>	<b>(477,569)</b>	<b>(1,153,440)</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	328,100	337,151	477,643	1,142,894
Transfers out	(2,467)	-	-	-	(2,467)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(2,467)</b>	<b>328,100</b>	<b>337,151</b>	<b>477,643</b>	<b>1,140,427</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>28,866</b>	<b>2,846</b>	<b>(44,799)</b>	<b>74</b>	<b>(13,013)</b>
<b>FUND BALANCES, JANUARY 1</b>	<b>85,193</b>	<b>458,590</b>	<b>363,788</b>	<b>149,173</b>	<b>1,056,744</b>
<b>FUND BALANCES, DECEMBER 31</b>	<b>\$ 114,059</b>	<b>\$ 461,436</b>	<b>\$ 318,989</b>	<b>\$ 149,247</b>	<b>\$ 1,043,731</b>

CITY OF INVER GROVE HEIGHTS, MINNESOTA  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL  
CONVENTION AND VISITORS BUREAU SPECIAL REVENUE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2014

	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Lodging taxes	\$ 87,000	\$ 87,000	\$ 98,691	\$ 11,691
Investment earnings	-	-	1,187	1,187
Miscellaneous	9,500	9,500	4,312	(5,188)
TOTAL REVENUES	96,500	96,500	104,190	7,690
EXPENDITURES				
Current				
Culture and recreation	94,325	94,325	72,857	21,468
EXCESS OF REVENUES OVER EXPENDITURES	2,175	2,175	31,333	29,158
OTHER FINANCING USES				
Transfers out	(2,175)	(2,175)	(2,467)	(292)
NET CHANGE IN FUND BALANCES	-	-	28,866	28,866
FUND BALANCES, JANUARY 1	85,193	85,193	85,193	-
FUND BALANCES, DECEMBER 31	<u>\$ 85,193</u>	<u>\$ 85,193</u>	<u>\$ 114,059</u>	<u>\$ 28,866</u>

CITY OF INVER GROVE HEIGHTS, MINNESOTA  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL  
RECREATION SPECIAL REVENUE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2014

	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 2,200	\$ 2,200
Charges for services	241,700	241,700	232,436	(9,264)
Investment earnings	3,500	3,500	7,196	3,696
Miscellaneous	5,000	5,000	12,765	7,765
	<u>250,200</u>	<u>250,200</u>	<u>254,597</u>	<u>4,397</u>
TOTAL REVENUES				
EXPENDITURES				
Current				
Culture and recreation	609,300	609,300	579,851	29,449
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(359,100)	(359,100)	(325,254)	33,846
OTHER FINANCING SOURCES				
Transfers in	328,100	328,100	328,100	-
NET CHANGE IN FUND BALANCES	(31,000)	(31,000)	2,846	33,846
FUND BALANCES, JANUARY 1	458,590	458,590	458,590	-
FUND BALANCES, DECEMBER 31	<u>\$ 427,590</u>	<u>\$ 427,590</u>	<u>\$ 461,436</u>	<u>\$ 33,846</u>

CITY OF INVER GROVE HEIGHTS, MINNESOTA  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL  
ECONOMIC DEVELOPMENT AUTHORITY SPECIAL REVENUE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2014

	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 640,000	\$ 640,000
Investment earnings	3,500	3,500	3,561	61
Miscellaneous	-	-	7	7
	<u>3,500</u>	<u>3,500</u>	<u>643,568</u>	<u>640,068</u>
TOTAL REVENUES				
EXPENDITURES				
Current				
Community development	60,900	60,900	106,816	(45,916)
Capital outlay				
Community development	-	-	918,702	(918,702)
	<u>60,900</u>	<u>60,900</u>	<u>1,025,518</u>	<u>(964,618)</u>
TOTAL EXPENDITURES				
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(57,400)	(57,400)	(381,950)	(324,550)
OTHER FINANCING SOURCES				
Transfers in	500	500	337,151	336,651
NET CHANGE IN FUND BALANCES	(56,900)	(56,900)	(44,799)	12,101
FUND BALANCES, JANUARY 1	<u>363,788</u>	<u>363,788</u>	<u>363,788</u>	<u>-</u>
FUND BALANCES, DECEMBER 31	<u>\$ 306,888</u>	<u>\$ 306,888</u>	<u>\$ 318,989</u>	<u>\$ 12,101</u>

CITY OF INVER GROVE HEIGHTS, MINNESOTA  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL  
COMMUNITY CENTER SPECIAL REVENUE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2014

	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Charges for services	\$ 2,054,000	\$ 2,054,000	\$ 2,264,036	\$ 210,036
Investment earnings	-	-	425	425
Miscellaneous	130,200	130,200	163,760	33,560
TOTAL REVENUES	<u>2,184,200</u>	<u>2,184,200</u>	<u>2,428,221</u>	<u>244,021</u>
EXPENDITURES				
Current				
Culture and recreation	2,599,700	2,599,700	2,716,974	(117,274)
Capital outlay				
Culture and recreation	384,000	464,000	188,816	275,184
TOTAL EXPENDITURES	<u>2,983,700</u>	<u>3,063,700</u>	<u>2,905,790</u>	<u>157,910</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(799,500)	(879,500)	(477,569)	401,931
OTHER FINANCING SOURCES				
Transfers in	799,500	879,500	477,643	(401,857)
NET CHANGE IN FUND BALANCES	-	-	74	74
FUND BALANCES, JANUARY 1	149,173	149,173	149,173	-
FUND BALANCES, DECEMBER 31	<u>\$ 149,173</u>	<u>\$ 149,173</u>	<u>\$ 149,247</u>	<u>\$ 74</u>

THIS PAGE IS LEFT BLANK  
INTENTIONALLY

## NONMAJOR DEBT SERVICE FUNDS

Debt Service funds are used to account for the accumulation of resources for, and payment of, principal and interest and related costs on general long-term debt.

**MSABC Bonds** accounts for the City's share of these bonds which were used to finance construction of the armory which are repaid primarily from general property taxes.

**Storm Water Bonds** accounts for storm water projects which are repaid primarily from watershed management district general property taxes and user fees.

CITY OF INVER GROVE HEIGHTS, MINNESOTA  
NONMAJOR DEBT SERVICE FUNDS  
SUBCOMBINING BALANCE SHEET  
DECEMBER 31, 2014

	MSABC Bonds	Storm Water Bonds	Total
<b>ASSETS</b>			
Cash and temporary investments	\$ 36,625	\$ 233,937	\$ 270,562
Receivables			
Accrued interest	231	679	910
Taxes	5,220	15,090	20,310
<b>TOTAL ASSETS</b>	<b>\$ 42,076</b>	<b>\$ 249,706</b>	<b>\$ 291,782</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenues - delinquent taxes	\$ 761	\$ 4,297	\$ 5,058
<b>FUND BALANCES</b>			
Restricted	41,315	245,409	286,724
<b>TOTAL DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 42,076</b>	<b>\$ 249,706</b>	<b>\$ 291,782</b>

CITY OF INVER GROVE HEIGHTS, MINNESOTA  
NONMAJOR DEBT SERVICE FUNDS  
SUBCOMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED DECEMBER 31, 2014

	MSABC Bonds	Storm Water Bonds	Total
REVENUES			
Taxes	\$ 63,592	\$ 155,378	\$ 218,970
Intergovernmental	83	-	83
Investment earnings	791	2,239	3,030
TOTAL REVENUES	<u>64,466</u>	<u>157,617</u>	<u>222,083</u>
EXPENDITURES			
Debt service			
Principal	49,919	135,000	184,919
Interest and other charges	10,781	10,975	21,756
TOTAL EXPENDITURES	<u>60,700</u>	<u>145,975</u>	<u>206,675</u>
NET CHANGE IN FUND BALANCES	3,766	11,642	15,408
FUND BALANCES, JANUARY 1	<u>37,549</u>	<u>233,767</u>	<u>271,316</u>
FUND BALANCES, DECEMBER 31	<u>\$ 41,315</u>	<u>\$ 245,409</u>	<u>\$ 286,724</u>

THIS PAGE IS LEFT BLANK  
INTENTIONALLY

## **NONMAJOR CAPITAL PROJECTS FUNDS**

Capital Project funds account for financial resources to be used for acquisition or construction of major capital facilities (other than those financed by Proprietary funds).

**Capital Facilities** accounts for financial resources assigned for future City capital facilities.

**Equipment Acquisition** accounts for major equipment purchases.

**Parks Acquisition and Development** accounts for park dedication fees, related revenues and park and/or trail improvements.

**State Aid Construction** accounts for the use of municipal state aid allotments to finance projects not assessed such as street lights and sidewalks.

**Capital Improvement Revolving** accounts for preliminary construction costs incurred for projects not ordered.

**Storm Water Management** accounts for storm water projects.

**Tree Preservation** accounts for financial resources assigned for tree preservation.

**Parks Capital Replacement** accounts for financial resources assigned for maintenance and replacement of parks facilities.

**ADA** accounts for financial resources assigned for building repairs and maintenance.

**Community Projects** accounts for financial resources assigned for future community projects.

**Permanent Improvement Revolving** accounts for improvement revenues and expenditures from replacement funds set aside for capital improvements.

**Tax Increment Financing** accounts for the use of tax increment in the City's tax increment districts.

CITY OF INVER GROVE HEIGHTS, MINNESOTA  
NONMAJOR CAPITAL PROJECTS FUNDS  
SUBCOMBINING BALANCE SHEET  
DECEMBER 31, 2014

	Capital Facilities	Equipment Acquisition	Parks Acquisition and Development	State Aid Construction	Capital Improvement Revolving
<b>ASSETS</b>					
Cash and temporary investments	\$ 1,299,403	\$ 536,177	\$ 1,429,578	\$ 695,969	\$ 405,465
Receivables					
Taxes	-	-	-	-	-
Accrued interest	5,413	1,944	5,148	2,663	1,486
Accounts	-	-	-	-	-
Special assessments	-	-	68,280	-	-
<b>TOTAL ASSETS</b>	<b><u>\$ 1,304,816</u></b>	<b><u>\$ 538,121</u></b>	<b><u>\$ 1,503,006</u></b>	<b><u>\$ 698,632</u></b>	<b><u>\$ 406,951</u></b>
<b>LIABILITIES</b>					
Accounts and contracts payable	\$ -	\$ -	\$ 608	\$ -	\$ -
Due to other governments	-	-	-	-	-
Due to other funds	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>608</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenues - taxes	-	-	-	-	-
Unavailable revenues - special assessments	-	-	68,280	-	-
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>68,280</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>FUND BALANCES</b>					
Restricted	-	538,121	-	-	-
Assigned	1,304,816	-	1,434,118	698,632	406,951
Unassigned	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<b><u>1,304,816</u></b>	<b><u>538,121</u></b>	<b><u>1,434,118</u></b>	<b><u>698,632</u></b>	<b><u>406,951</u></b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b><u>\$ 1,304,816</u></b>	<b><u>\$ 538,121</u></b>	<b><u>\$ 1,503,006</u></b>	<b><u>\$ 698,632</u></b>	<b><u>\$ 406,951</u></b>

Storm Water Management	Tree Preservation	Parks Capital Replacement	ADA	Community Projects	Permanent Improvement Revolving	Tax Increment Financing	Total
\$ 153,302	\$ 18,124	\$ 897,074	\$ 62,535	\$ 303,280	\$ -	\$ 372,845	\$ 6,173,752
-	-	-	-	-	-	31,474	31,474
2,223	-	2,650	116	1,245	-	1,332	24,220
182,882	-	-	-	-	-	-	182,882
4,455	-	-	-	-	296,824	-	369,559
<u>\$ 342,862</u>	<u>\$ 18,124</u>	<u>\$ 899,724</u>	<u>\$ 62,651</u>	<u>\$ 304,525</u>	<u>\$ 296,824</u>	<u>\$ 405,651</u>	<u>\$ 6,781,887</u>
\$ -	\$ -	\$ -	\$ -	\$ 5,823	\$ -	\$ 116,086	\$ 122,517
2,182	-	-	-	-	-	12,006	14,188
-	-	-	-	-	331,093	584,354	915,447
2,182	-	-	-	5,823	331,093	712,446	1,052,152
-	-	-	-	-	-	31,141	31,141
4,455	-	-	-	-	296,710	-	369,445
4,455	-	-	-	-	296,710	31,141	400,586
-	-	-	-	-	-	-	538,121
336,225	18,124	899,724	62,651	298,702	-	-	5,459,943
-	-	-	-	-	(330,979)	(337,936)	(668,915)
336,225	18,124	899,724	62,651	298,702	(330,979)	(337,936)	5,329,149
<u>\$ 342,862</u>	<u>\$ 18,124</u>	<u>\$ 899,724</u>	<u>\$ 62,651</u>	<u>\$ 304,525</u>	<u>\$ 296,824</u>	<u>\$ 405,651</u>	<u>\$ 6,781,887</u>

CITY OF INVER GROVE HEIGHTS, MINNESOTA  
NONMAJOR CAPITAL PROJECTS FUNDS  
SUBCOMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED DECEMBER 31, 2014

	Capital Facilities	Equipment Acquisition	Parks Acquisition and Development	State Aid Construction	Capital Improvement Revolving
<b>REVENUES</b>					
Tax increments	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	78,448	-	-
Special assessments	-	-	-	-	-
Investment earnings	20,634	7,961	18,573	12,821	5,684
<b>TOTAL REVENUES</b>	<b>20,634</b>	<b>7,961</b>	<b>97,021</b>	<b>12,821</b>	<b>5,684</b>
<b>EXPENDITURES</b>					
Current					
Public works	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Community development	-	-	-	-	-
Capital outlay					
Public safety	-	70,576	-	-	-
Public works	-	-	-	-	-
Culture and recreation	-	-	6,732	-	-
<b>TOTAL EXPENDITURES</b>	<b>-</b>	<b>70,576</b>	<b>6,732</b>	<b>-</b>	<b>-</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>20,634</b>	<b>(62,615)</b>	<b>90,289</b>	<b>12,821</b>	<b>5,684</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	3,526	7,500	-	-	-
Transfers out	(183,816)	-	(14,071)	(39,125)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(180,290)</b>	<b>7,500</b>	<b>(14,071)</b>	<b>(39,125)</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(159,656)</b>	<b>(55,115)</b>	<b>76,218</b>	<b>(26,304)</b>	<b>5,684</b>
<b>FUND BALANCES, JANUARY 1</b>	<b>1,464,472</b>	<b>593,236</b>	<b>1,357,900</b>	<b>724,936</b>	<b>401,267</b>
<b>FUND BALANCES, DECEMBER 31</b>	<b>\$ 1,304,816</b>	<b>\$ 538,121</b>	<b>\$ 1,434,118</b>	<b>\$ 698,632</b>	<b>\$ 406,951</b>

Storm Water Management	Tree Preservation	Parks Capital Replacement	ADA	Community Projects	Permanent Improvement Revolving	Tax Increment Financing	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,931,061	\$ 1,931,061
328,880	-	-	-	-	-	-	407,328
1,504	-	-	-	-	103,514	-	105,018
8,158	282	9,738	85	8,505	5,277	18,416	116,134
<u>338,542</u>	<u>282</u>	<u>9,738</u>	<u>85</u>	<u>8,505</u>	<u>108,791</u>	<u>1,949,477</u>	<u>2,559,541</u>
75,277	-	-	-	30,234	-	-	105,511
-	-	127,071	-	-	-	-	127,071
-	-	-	-	-	-	262,973	262,973
-	-	-	-	-	-	-	70,576
-	-	-	2,066	-	-	-	2,066
-	-	-	-	-	-	-	6,732
<u>75,277</u>	<u>-</u>	<u>127,071</u>	<u>2,066</u>	<u>30,234</u>	<u>-</u>	<u>262,973</u>	<u>574,929</u>
<u>263,265</u>	<u>282</u>	<u>(117,333)</u>	<u>(1,981)</u>	<u>(21,729)</u>	<u>108,791</u>	<u>1,686,504</u>	<u>1,984,612</u>
-	-	240,100	41,100	844	-	-	293,070
<u>(41,033)</u>	<u>-</u>	<u>(16,048)</u>	<u>-</u>	<u>(30,000)</u>	<u>-</u>	<u>(2,090,096)</u>	<u>(2,414,189)</u>
<u>(41,033)</u>	<u>-</u>	<u>224,052</u>	<u>41,100</u>	<u>(29,156)</u>	<u>-</u>	<u>(2,090,096)</u>	<u>(2,121,119)</u>
222,232	282	106,719	39,119	(50,885)	108,791	(403,592)	(136,507)
<u>113,993</u>	<u>17,842</u>	<u>793,005</u>	<u>23,532</u>	<u>349,587</u>	<u>(439,770)</u>	<u>65,656</u>	<u>5,465,656</u>
<u>\$ 336,225</u>	<u>\$ 18,124</u>	<u>\$ 899,724</u>	<u>\$ 62,651</u>	<u>\$ 298,702</u>	<u>\$ (330,979)</u>	<u>\$ (337,936)</u>	<u>\$ 5,329,149</u>

CITY OF INVER GROVE HEIGHTS, MINNESOTA  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL - CONTINUED ON THE FOLLOWING PAGES  
FOR THE YEAR ENDED DECEMBER 31, 2014  
(With comparative actual amounts for the year ended December 31, 2013)

	2014			Variance with Final Budget	2013
	Budget Amounts		Actual		Actual
	Original	Final	Amounts		Amounts
REVENUES					
Taxes					
Property taxes	\$ 13,528,400	\$ 13,528,400	\$ 13,610,505	\$ 82,105	\$ 13,212,090
Cable franchise fees	93,000	93,000	97,628	4,628	93,063
Total	<u>13,621,400</u>	<u>13,621,400</u>	<u>13,708,133</u>	<u>86,733</u>	<u>13,305,153</u>
Licenses and permits					
Business	708,100	708,100	1,239,617	531,517	940,568
Nonbusiness	5,800	5,800	2,037	(3,763)	8,570
Total	<u>713,900</u>	<u>713,900</u>	<u>1,241,654</u>	<u>527,754</u>	<u>949,138</u>
Intergovernmental					
Federal					
Other	-	-	29,025	29,025	21,902
State					
Property tax credits	-	-	1,200	1,200	141
Police and fire aid	405,900	405,900	547,140	141,240	506,765
PERA aid	20,200	20,200	20,190	(10)	20,190
Other	-	-	4,137	4,137	34,781
County	50,200	50,200	51,598	1,398	62,223
Total	<u>476,300</u>	<u>476,300</u>	<u>653,290</u>	<u>176,990</u>	<u>646,002</u>
Charges for services					
General government	2,200	2,200	5,895	3,695	5,124
Public safety	90,700	90,700	83,293	(7,407)	87,764
Public works	193,700	193,700	388,434	194,734	311,481
Rentals	190,000	190,000	217,837	27,837	206,582
Community development	13,000	13,000	40,401	27,401	19,291
Total	<u>489,600</u>	<u>489,600</u>	<u>735,860</u>	<u>246,260</u>	<u>630,242</u>
Fines and forfeitures	120,000	120,000	135,382	15,382	148,113
Special assessments	6,000	6,000	13,099	7,099	4,610
Investment earnings	60,000	60,000	90,341	30,341	10,723
Miscellaneous					
Donations	-	-	338	338	24,838
Other	74,500	74,500	16,898	(57,602)	17,265
Total	<u>74,500</u>	<u>74,500</u>	<u>17,236</u>	<u>(57,264)</u>	<u>42,103</u>
TOTAL REVENUES	<u>15,561,700</u>	<u>15,561,700</u>	<u>16,594,995</u>	<u>1,033,295</u>	<u>15,736,084</u>

CITY OF INVER GROVE HEIGHTS, MINNESOTA  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL - CONTINUED  
FOR THE YEAR ENDED DECEMBER 31, 2014  
(With comparative actual amounts for the year ended December 31, 2013)

	2014			Variance with Final Budget	2013
	Budget Amounts		Actual		Actual
	Original	Final	Amounts		Amounts
<b>EXPENDITURES</b>					
Current					
General government					
Mayor and Council					
Personnel services	\$ 41,800	\$ 41,800	\$ 41,430	\$ 370	\$ 41,648
Supplies	300	300	314	(14)	693
Other services and charges	109,100	109,100	103,464	5,636	104,122
Total	<u>151,200</u>	<u>151,200</u>	<u>145,208</u>	<u>5,992</u>	<u>146,463</u>
City administration					
Personnel services	516,600	516,600	459,951	56,649	499,217
Supplies	45,300	45,300	45,023	277	43,131
Other services and charges	89,200	89,200	109,924	(20,724)	120,451
Total	<u>651,100</u>	<u>651,100</u>	<u>614,898</u>	<u>36,202</u>	<u>662,799</u>
Elections					
Personnel services	48,900	48,900	40,095	8,805	439
Supplies	2,800	2,800	410	2,390	-
Other services and charges	8,300	8,300	5,848	2,452	3,599
Total	<u>60,000</u>	<u>60,000</u>	<u>46,353</u>	<u>13,647</u>	<u>4,038</u>
Financial administration					
Personnel services	616,100	616,100	619,239	(3,139)	606,481
Supplies	111,500	111,500	106,139	5,361	67,612
Other services and charges	120,700	120,700	106,881	13,819	133,759
Total	<u>848,300</u>	<u>848,300</u>	<u>832,259</u>	<u>16,041</u>	<u>807,852</u>
Total general government	<u>1,710,600</u>	<u>1,710,600</u>	<u>1,638,718</u>	<u>71,882</u>	<u>1,621,152</u>
Public safety					
Police					
Personnel services	4,365,000	4,365,000	4,213,357	151,643	4,120,426
Supplies	297,200	349,000	326,332	22,668	258,908
Other services and charges	1,453,900	1,456,100	1,430,599	25,501	1,364,419
Total	<u>6,116,100</u>	<u>6,170,100</u>	<u>5,970,288</u>	<u>199,812</u>	<u>5,743,753</u>
Fire					
Personnel services	1,076,600	1,106,600	1,103,952	2,648	1,108,501
Supplies	153,200	181,200	182,719	(1,519)	154,220
Other services and charges	666,600	666,600	702,540	(35,940)	740,050
Total	<u>1,896,400</u>	<u>1,954,400</u>	<u>1,989,211</u>	<u>(34,811)</u>	<u>2,002,771</u>
Total public safety	<u>8,012,500</u>	<u>8,124,500</u>	<u>7,959,499</u>	<u>165,001</u>	<u>7,746,524</u>

CITY OF INVER GROVE HEIGHTS, MINNESOTA  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL - CONTINUED  
FOR THE YEAR ENDED DECEMBER 31, 2014  
(With comparative actual amounts for the year ended December 31, 2013)

	2014			Variance with Final Budget	2013
	Budget Amounts		Actual		Actual
	Original	Final	Amounts		Amounts
EXPENDITURES - CONTINUED					
Current - continued					
Public works					
Streets and highways					
Personnel services	\$ 174,300	\$ 174,300	\$ 178,093	\$ (3,793)	\$ 173,000
Supplies	24,100	24,100	23,616	484	20,094
Other services and charges	38,000	38,000	14,638	23,362	58,117
Total	<u>236,400</u>	<u>236,400</u>	<u>216,347</u>	<u>20,053</u>	<u>251,211</u>
Engineering					
Personnel services	737,400	737,400	739,236	(1,836)	726,319
Supplies	50,100	50,100	47,888	2,212	50,361
Other services and charges	121,500	137,500	129,704	7,796	109,265
Total	<u>909,000</u>	<u>925,000</u>	<u>916,828</u>	<u>8,172</u>	<u>885,945</u>
Street maintenance					
Personnel services	792,600	792,600	807,019	(14,419)	736,616
Supplies	312,400	356,800	471,600	(114,800)	338,672
Other services and charges	1,328,300	1,328,300	1,255,760	72,540	1,206,419
Total	<u>2,433,300</u>	<u>2,477,700</u>	<u>2,534,379</u>	<u>(56,679)</u>	<u>2,281,707</u>
Total public works	<u>3,578,700</u>	<u>3,639,100</u>	<u>3,667,554</u>	<u>(28,454)</u>	<u>3,418,863</u>
Culture and recreation					
Parks and recreation					
Personnel services	943,500	903,400	854,243	49,157	822,803
Supplies	160,500	160,500	135,287	25,213	164,745
Other services and charges	662,700	662,700	688,332	(25,632)	580,277
Total culture and recreation	<u>1,766,700</u>	<u>1,726,600</u>	<u>1,677,862</u>	<u>48,738</u>	<u>1,567,825</u>
Community development					
Community development					
Personnel services	299,000	299,000	293,759	5,241	291,808
Supplies	15,100	15,100	14,926	174	15,936
Other services and charges	33,700	33,700	26,219	7,481	25,544
Total	<u>347,800</u>	<u>347,800</u>	<u>334,904</u>	<u>12,896</u>	<u>333,288</u>
Planning					
Personnel services	271,100	271,100	237,733	33,367	247,449
Supplies	18,100	18,100	18,137	(37)	18,545
Other services and charges	44,100	71,200	43,484	27,716	55,162
Total	<u>333,300</u>	<u>360,400</u>	<u>299,354</u>	<u>61,046</u>	<u>321,156</u>

CITY OF INVER GROVE HEIGHTS, MINNESOTA  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL - CONTINUED  
FOR THE YEAR ENDED DECEMBER 31, 2014  
(With comparative actual amounts for the year ended December 31, 2013)

	2014			Variance with Final Budget	2013
	Budget Amounts		Actual		Actual
	Original	Final	Amounts		Amounts
EXPENDITURES - CONTINUED					
Current - continued					
Community development - continued					
Inspections					
Personnel services	\$ 357,700	\$ 357,700	\$ 400,607	\$ (42,907)	\$ 420,810
Supplies	30,200	30,200	26,239	3,961	31,168
Other services and charges	74,700	74,700	69,053	5,647	92,833
Total	<u>462,600</u>	<u>462,600</u>	<u>495,899</u>	<u>(33,299)</u>	<u>544,811</u>
Total community development	<u>1,143,700</u>	<u>1,170,800</u>	<u>1,130,157</u>	<u>40,643</u>	<u>1,199,255</u>
Total current	16,212,200	16,371,600	16,073,790	297,810	15,553,619
Capital outlay					
Public safety	-	-	-	-	10,940
TOTAL EXPENDITURES	<u>16,212,200</u>	<u>16,371,600</u>	<u>16,073,790</u>	<u>297,810</u>	<u>15,564,559</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(650,500)</u>	<u>(809,900)</u>	<u>521,205</u>	<u>1,331,105</u>	<u>171,525</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	1,106,300	1,106,300	1,106,467	167	1,287,928
Transfers out	(486,100)	(541,200)	(547,069)	(5,869)	(652,032)
Insurance recovery	-	-	300	300	15,676
TOTAL OTHER FINANCING SOURCES (USES)	<u>620,200</u>	<u>565,100</u>	<u>559,698</u>	<u>(5,402)</u>	<u>651,572</u>
NET CHANGE IN FUND BALANCES	(30,300)	(244,800)	1,080,903	1,325,703	823,097
FUND BALANCES, JANUARY 1	<u>8,110,213</u>	<u>8,110,213</u>	<u>8,110,213</u>	-	<u>7,287,116</u>
FUND BALANCES, DECEMBER 31	<u>\$ 8,079,913</u>	<u>\$ 7,865,413</u>	<u>\$ 9,191,116</u>	<u>\$ 1,325,703</u>	<u>\$ 8,110,213</u>

THIS PAGE IS LEFT BLANK  
INTENTIONALLY

## INTERNAL SERVICE FUNDS

Internal Service funds are used to account for the financing of goods or services provided by one department to other departments of the City, on a cost reimbursement basis. Revenues are recognized in the accounting period in which they are earned and become objectively measurable; expenses are recognized in the period incurred, if objectively measurable.

**Compensated Absences** was established to account for payment of unused vacation, sick, personal leave, and severance and allocation of such costs to respective departments.

**Risk Management** was established to account for all City insurance programs related to the ongoing operations with the exception of employee benefit coverage.

**Central Equipment** was established to account for the cost of operating a maintenance facility and providing vehicles and equipment used by City departments and funds. The exception is the Golf Course fund which maintains its own equipment and vehicles.

**Central Stores** was established to account for the centralized purchase of consumable office supplies used by departments of the City.

**City Facilities** was established to account for the cost of maintaining City Hall. User departments are charged a rental fee based upon square footage.

**Technology** was established to account for the maintenance of all computer systems of the City.

CITY OF INVER GROVE HEIGHTS, MINNESOTA  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF NET POSITION  
DECEMBER 31, 2014

	<u>Compensated Absences</u>	<u>Risk Management</u>	<u>Central Equipment</u>	<u>Central Stores</u>
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash and temporary investments	\$ 1,499,136	\$ 721,284	\$ 12,529,344	\$ 485,734
Receivables				
Accrued interest	5,503	2,687	46,333	1,779
Accounts	-	-	-	-
Due from other funds	-	-	43,242	-
Inventories	-	-	64,064	-
Prepaid items	-	109,225	-	-
	<u>1,504,639</u>	<u>833,196</u>	<u>12,682,983</u>	<u>487,513</u>
<b>TOTAL CURRENT ASSETS</b>				
<b>NONCURRENT ASSETS</b>				
Capital assets				
Land	-	-	209,122	-
Buildings and systems	-	-	1,708,857	-
Improvements other than buildings	-	-	240,717	-
Machinery and equipment	-	-	8,662,290	6,997
Less accumulated depreciation	-	-	(7,472,025)	(6,997)
	<u>-</u>	<u>-</u>	<u>(7,472,025)</u>	<u>(6,997)</u>
Total capital assets (net of accumulated depreciation)	<u>-</u>	<u>-</u>	<u>3,348,961</u>	<u>-</u>
	<u>1,504,639</u>	<u>833,196</u>	<u>16,031,944</u>	<u>487,513</u>
<b>TOTAL ASSETS</b>				
<b>LIABILITIES</b>				
<b>CURRENT LIABILITIES</b>				
Accounts and contracts payable	-	3,082	36,016	4,119
Accrued salaries payable	-	426	9,204	-
Due to other governments	-	-	418	-
Compensated absences payable - current	1,187,876	1,187	42,983	-
	<u>1,187,876</u>	<u>1,187</u>	<u>42,983</u>	<u>-</u>
	<u>1,187,876</u>	<u>4,695</u>	<u>88,621</u>	<u>4,119</u>
<b>TOTAL CURRENT LIABILITIES</b>				
<b>NONCURRENT LIABILITIES</b>				
Compensated absences payable	316,763	316	11,461	-
	<u>316,763</u>	<u>316</u>	<u>11,461</u>	<u>-</u>
	<u>1,504,639</u>	<u>5,011</u>	<u>100,082</u>	<u>4,119</u>
<b>TOTAL LIABILITIES</b>				
<b>NET POSITION</b>				
Investment in capital assets	-	-	3,348,961	-
Unrestricted	-	828,185	12,582,901	483,394
	<u>-</u>	<u>828,185</u>	<u>12,582,901</u>	<u>483,394</u>
	<u>\$ -</u>	<u>\$ 828,185</u>	<u>\$ 15,931,862</u>	<u>\$ 483,394</u>
<b>TOTAL NET POSITION</b>				

<u>City Facilities</u>	<u>Technology</u>	<u>Total</u>
\$ 195,070	\$ 692,014	\$ 16,122,582
775	2,526	59,603
-	141	141
-	-	43,242
-	-	64,064
-	2,494	111,719
<u>195,845</u>	<u>697,175</u>	<u>16,401,351</u>
-	-	209,122
1,621,859	-	3,330,716
-	-	240,717
285,900	421,531	9,376,718
<u>(1,779,261)</u>	<u>(297,758)</u>	<u>(9,556,041)</u>
<u>128,498</u>	<u>123,773</u>	<u>3,601,232</u>
<u>324,343</u>	<u>820,948</u>	<u>20,002,583</u>
9,146	3,516	55,879
1,707	7,655	18,992
64	1,423	1,905
<u>13,808</u>	<u>18,728</u>	<u>1,264,582</u>
24,725	31,322	1,341,358
<u>3,682</u>	<u>4,995</u>	<u>337,217</u>
<u>28,407</u>	<u>36,317</u>	<u>1,678,575</u>
128,498	123,773	3,601,232
<u>167,438</u>	<u>660,858</u>	<u>14,722,776</u>
<u>\$ 295,936</u>	<u>\$ 784,631</u>	<u>\$ 18,324,008</u>

CITY OF INVER GROVE HEIGHTS, MINNESOTA  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
FOR THE YEAR ENDED DECEMBER 31, 2014

	Compensated Absences	Risk Management	Central Equipment	Central Stores
OPERATING REVENUES				
Charges for services	\$ 74,134	\$ 713,900	\$ 2,280,400	\$ 82,500
OPERATING EXPENSES				
Personnel services	81,927	52,665	321,700	-
Other current expenses	-	750,880	718,067	85,069
Depreciation	-	-	690,578	-
TOTAL OPERATING EXPENSES	81,927	803,545	1,730,345	85,069
OPERATING INCOME (LOSS)	(7,793)	(89,645)	550,055	(2,569)
NONOPERATING REVENUES				
Investment earnings	19,378	10,700	167,037	7,358
Miscellaneous	-	62,633	2,815	-
Gain on sale of capital assets	-	-	12,855	-
TOTAL NONOPERATING REVENUES	19,378	73,333	182,707	7,358
INCOME (LOSS) BEFORE TRANSFERS	11,585	(16,312)	732,762	4,789
TRANSFERS OUT	-	-	(202,000)	-
CHANGE IN NET POSITION	11,585	(16,312)	530,762	4,789
NET POSITION, JANUARY 1	(11,585)	844,497	15,401,100	478,605
NET POSITION, DECEMBER 31	\$ -	\$ 828,185	\$ 15,931,862	\$ 483,394

<u>City Facilities</u>	<u>Technology</u>	<u>Total</u>
<u>\$ 319,800</u>	<u>\$ 761,400</u>	<u>\$ 4,232,134</u>
72,670	292,572	821,534
321,838	247,619	2,123,473
<u>92,277</u>	<u>63,824</u>	<u>846,679</u>
<u>486,785</u>	<u>604,015</u>	<u>3,791,686</u>
<u>(166,985)</u>	<u>157,385</u>	<u>440,448</u>
4,286	7,100	215,859
-	2,663	68,111
<u>-</u>	<u>-</u>	<u>12,855</u>
<u>4,286</u>	<u>9,763</u>	<u>296,825</u>
(162,699)	167,148	737,273
<u>(16,191)</u>	<u>-</u>	<u>(218,191)</u>
(178,890)	167,148	519,082
<u>474,826</u>	<u>617,483</u>	<u>17,804,926</u>
<u>\$ 295,936</u>	<u>\$ 784,631</u>	<u>\$ 18,324,008</u>

CITY OF INVER GROVE HEIGHTS, MINNESOTA  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2014

	Compensated Absences	Risk Management	Central Equipment	Central Stores
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers and users	\$ 74,134	\$ 713,900	\$ 2,280,400	\$ 82,500
Other operating receipts	-	62,633	2,815	-
Payments to suppliers	-	(745,473)	(716,185)	(86,366)
Payments to employees	(76,583)	(52,168)	(319,443)	-
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>(2,449)</b>	<b>(21,108)</b>	<b>1,247,587</b>	<b>(3,866)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Receipts on interfund balances	-	-	21,621	-
Transfers to other funds	-	-	(202,000)	-
<b>NET CASH USED BY NONCAPITAL FINANCING ACTIVITIES</b>	<b>-</b>	<b>-</b>	<b>(180,379)</b>	<b>-</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition of capital assets	-	-	(295,411)	-
Proceeds from sale of capital assets	-	-	12,855	-
<b>NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<b>-</b>	<b>-</b>	<b>(282,556)</b>	<b>-</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Investment earnings	18,542	10,636	161,392	7,399
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>16,093</b>	<b>(10,472)</b>	<b>946,044</b>	<b>3,533</b>
<b>CASH AND CASH EQUIVALENTS, JANUARY 1</b>	<b>1,483,043</b>	<b>731,756</b>	<b>11,583,300</b>	<b>482,201</b>
<b>CASH AND CASH EQUIVALENTS, DECEMBER 31</b>	<b>\$ 1,499,136</b>	<b>\$ 721,284</b>	<b>\$ 12,529,344</b>	<b>\$ 485,734</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>				
Operating income (loss)	\$ (7,793)	\$ (89,645)	\$ 550,055	\$ (2,569)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities				
Depreciation	-	-	690,578	-
Other income related to operations	-	62,633	2,815	-
(Increase) decrease in assets				
Accounts receivable	-	-	-	-
Prepaid items	-	2,526	-	-
Inventories	-	-	1,690	-
Increase (decrease) in liabilities				
Accounts and contracts payable	-	2,881	1,163	(1,297)
Accrued salaries payable	-	68	1,335	-
Due to other governments	-	-	(971)	-
Compensated absences payable	5,344	429	922	-
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>\$ (2,449)</b>	<b>\$ (21,108)</b>	<b>\$ 1,247,587</b>	<b>\$ (3,866)</b>

City		
Facilities	Technology	Totals
\$ 319,800	\$ 761,259	\$ 4,231,993
-	2,663	68,111
(327,841)	(251,072)	(2,126,937)
<u>(72,216)</u>	<u>(289,796)</u>	<u>(810,206)</u>
<u>(80,257)</u>	<u>223,054</u>	<u>1,362,961</u>
-	-	21,621
<u>(16,191)</u>	<u>-</u>	<u>(218,191)</u>
<u>(16,191)</u>	<u>-</u>	<u>(196,570)</u>
-	(65,007)	(360,418)
<u>-</u>	<u>-</u>	<u>12,855</u>
<u>-</u>	<u>(65,007)</u>	<u>(347,563)</u>
<u>4,576</u>	<u>6,250</u>	<u>208,795</u>
(91,872)	164,297	1,027,623
<u>286,942</u>	<u>527,717</u>	<u>15,094,959</u>
<u>\$ 195,070</u>	<u>\$ 692,014</u>	<u>\$ 16,122,582</u>
\$ (166,985)	\$ 157,385	\$ 440,448
92,277	63,824	846,679
-	2,663	68,111
-	(141)	(141)
-	(2,494)	32
-	-	1,690
(6,046)	(2,382)	(5,681)
243	1,091	2,737
43	1,423	495
<u>211</u>	<u>1,685</u>	<u>8,591</u>
<u>\$ (80,257)</u>	<u>\$ 223,054</u>	<u>\$ 1,362,961</u>

CITY OF INVER GROVE HEIGHTS, MINNESOTA  
 AGENCY FUNDS  
 COMBINING STATEMENT OF FIDUCIARY NET POSITION  
 DECEMBER 31, 2014

	Escrow	Grant Pass Through	Total
<b>ASSETS</b>			
Cash and temporary investments	\$ 4,041,640	\$ -	\$ 4,041,640
Due from other governments	-	48,728	48,728
	<b>\$ 4,041,640</b>	<b>\$ 48,728</b>	<b>\$ 4,090,368</b>
<b>LIABILITIES</b>			
Accounts payable	\$ 7,780	\$ -	\$ 7,780
Due to other governments	109	48,728	48,837
Deposits payable	4,033,751	-	4,033,751
	<b>\$ 4,041,640</b>	<b>\$ 48,728</b>	<b>\$ 4,090,368</b>

CITY OF INVER GROVE HEIGHTS, MINNESOTA  
 AGENCY FUNDS  
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 FOR THE YEAR ENDED DECEMBER 31, 2014

	12/31/2013	Additions	Deletions	12/31/2014
<b>ESCROW</b>				
<b>ASSETS</b>				
Cash and temporary investments	\$ 4,241,306	\$ 577,817	\$ (777,483)	\$ 4,041,640
Accounts receivable	36	-	(36)	-
	\$ 4,241,342	\$ 577,817	\$ (777,519)	\$ 4,041,640
<b>LIABILITIES</b>				
Accounts payable	\$ 29,609	\$ 7,780	\$ (29,609)	\$ 7,780
Due to other governments	-	109	-	109
Deposits payable	4,211,733	569,892	(747,874)	4,033,751
	\$ 4,241,342	\$ 577,781	\$ (777,483)	\$ 4,041,640
<b>GRANT PASS THROUGH</b>				
<b>ASSETS</b>				
Due from other governments	\$ -	\$ 48,728	\$ -	\$ 48,728
<b>LIABILITIES</b>				
Due to other governments	\$ -	\$ 48,728	\$ -	\$ 48,728
<b>TOTAL - ALL FUNDS</b>				
<b>ASSETS</b>				
Cash and temporary investments	\$ 4,241,306	\$ 577,817	\$ (777,483)	\$ 4,041,640
Accounts receivable	36	-	(36)	-
Due from other governments	-	48,728	-	48,728
	\$ 4,241,342	\$ 626,545	\$ (777,519)	\$ 4,090,368
<b>LIABILITIES</b>				
Accounts payable	\$ 29,609	\$ 7,780	\$ (29,609)	\$ 7,780
Due to other governments	-	48,837	-	48,837
Deposits payable	4,211,733	569,892	(747,874)	4,033,751
	\$ 4,241,342	\$ 626,509	\$ (777,483)	\$ 4,090,368

THIS PAGE IS LEFT BLANK  
INTENTIONALLY

**STATISTICAL SECTION (UNAUDITED)**

CITY OF INVER GROVE HEIGHTS  
INVER GROVE HEIGHTS, MINNESOTA

FOR THE YEAR ENDED  
DECEMBER 31, 2014

THIS PAGE IS LEFT BLANK  
INTENTIONALLY

## STATISTICAL SECTION (UNAUDITED)

This part of the City's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

<b>Contents</b>	<b><u>Pages</u></b>
Financial Trends	131-141
These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	
Revenue Capacity	142-146
These schedules contain information to help the reader assess the City's most significant local revenue source, property taxes.	
Debt Capacity	147-152
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	
Demographic and Economic Information	153-154
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	
Operating Information	155-157
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	

Sources: Unless otherwise noted, the information in these schedules is derived from the annual financial reports for the relevant year.

THIS PAGE IS LEFT BLANK  
INTENTIONALLY

CITY OF INVER GROVE HEIGHTS, MINNESOTA  
SUMMARY FINANCIAL REPORT  
GOVERNMENTAL FUNDS  
REVENUES AND EXPENDITURES FOR GENERAL OPERATIONS  
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	Total		Percent Increase (Decrease)
	2014	2013	
<b>REVENUES</b>			
Taxes	\$ 17,190,552	\$ 16,627,528	3.39 %
Licenses and permits	1,241,654	951,948	30.43
Intergovernmental	4,124,588	2,143,879	92.39
Charges for services	6,389,688	6,241,363	2.38
Fines and forfeits	135,382	148,113	(8.60)
Special assessments	2,295,620	1,500,383	53.00
Investment earnings	359,937	(183,005)	N/A
Miscellaneous	234,831	261,540	(10.21)
<b>TOTAL REVENUES</b>	<b>\$ 31,972,252</b>	<b>\$ 27,691,749</b>	<b>15.46 %</b>
Per Capita	\$ 928	\$ 810	14.56 %
<b>EXPENDITURES</b>			
Current			
General government	\$ 1,641,093	\$ 1,623,512	1.08 %
Public safety	7,959,499	7,750,149	2.70
Public works	4,466,294	4,168,764	7.14
Culture and recreation	5,174,615	4,926,142	5.04
Community development	1,499,946	1,612,680	(6.99)
Capital outlay			
Public safety	127,117	10,940	1,061.95
Public works	3,839,083	2,563,721	49.75
Culture and recreation	612,844	685,500	(10.60)
Community development	918,702	180,758	408.25
Debt service			
Principal	6,249,919	4,632,042	34.93
Interest and other charges	888,890	1,112,013	(20.06)
Bond issuance costs	83,755	-	N/A
<b>TOTAL EXPENDITURES</b>	<b>\$ 33,461,757</b>	<b>\$ 29,266,221</b>	<b>14.34 %</b>
Per Capita	\$ 971	\$ 856	13.44 %
Total Long-term Indebtedness	\$ 23,568,911	\$ 26,733,403	(11.84) %
Per Capita	684	782	(12.53)
General Fund Balance - December 31	\$ 9,191,116	\$ 8,110,213	13.33 %
Per Capita	267	237	12.44

The purpose of this report is to provide a summary of financial information concerning the City of Inver Grove Heights to interested citizens. The complete financial statements may be examined at City Hall, 8150 Barbara Avenue, Inver Grove Heights, MN 55077-3412. Questions about this report should be directed to Kristi Smith, Director of Finance at (651) 450-2500.

CITY OF INVER GROVE HEIGHTS, MINNESOTA  
STATISTICAL SECTION (UNAUDITED)  
NET POSITION BY COMPONENT  
LAST TEN FISCAL YEARS  
(accrual basis of accounting)

	Fiscal Year			
	2005	2006	2007	2008
Governmental activities				
Net investment in capital assets	\$ 27,953,632	\$ 32,775,616	\$ 50,998,343	\$ 60,697,315
Restricted	17,978,636	16,063,647	18,675,449	12,005,964
Unrestricted	33,204,568	34,566,375	28,104,726	27,450,326
Total governmental activities net position	<u>\$ 79,136,836</u>	<u>\$ 83,405,638</u>	<u>\$ 97,778,518</u>	<u>\$ 100,153,605</u>
Business-type activities				
Net investment in capital assets	\$ 30,390,251	\$ 32,434,034	\$ 31,672,726	\$ 39,534,301
Restricted	452,862	455,035	449,310	452,585
Unrestricted	11,967,394	13,658,080	14,467,523	14,769,882
Total business-type activities net position	<u>\$ 42,810,507</u>	<u>\$ 46,547,149</u>	<u>\$ 46,589,559</u>	<u>\$ 54,756,768</u>
Total primary government				
Net investment in capital assets	\$ 58,343,883	\$ 65,209,650	\$ 82,671,069	\$ 100,231,616
Restricted	18,431,498	16,518,682	19,124,759	12,458,549
Unrestricted	45,171,962	48,224,455	42,572,249	42,220,208
Total primary government net position	<u>\$ 121,947,343</u>	<u>\$ 129,952,787</u>	<u>\$ 144,368,077</u>	<u>\$ 154,910,373</u>

(1) The Water Revenue Bonds and Sewer Revenue Bonds debt service funds and the Water Connection, Sewer Connection, and Water System Improvements capital projects funds were reclassified from governmental activities to business-type activities in 2013. Activity prior to 2012 has not been restated for this change.

Note: The City implemented GASB Statement No. 63 and GASB Statement No. 65 in fiscal 2013. Net position information has been restated for 2012 for this accounting change. Years prior to 2012 have not been restated.

Fiscal Year

2009	2010	2011	Restated 2012 (1)	2013	2014
\$ 57,281,127	\$ 74,158,575	\$ 72,950,086	\$ 83,551,495	\$ 85,313,175	\$ 88,745,756
18,781,144	12,453,322	14,658,567	6,562,002	5,419,184	6,560,238
24,988,115	25,315,734	20,841,229	35,453,954	33,615,784	37,024,099
<u>\$ 101,050,386</u>	<u>\$ 111,927,631</u>	<u>\$ 108,449,882</u>	<u>\$ 125,567,451</u>	<u>\$ 124,348,143</u>	<u>\$ 132,330,093</u>
\$ 43,737,884	\$ 45,236,978	\$ 56,914,506	\$ 34,833,936	\$ 38,002,856	\$ 38,248,637
658,585	658,415	452,053	-	-	-
14,451,156	12,609,019	9,876,848	18,909,882	21,168,180	20,875,925
<u>\$ 58,847,625</u>	<u>\$ 58,504,412</u>	<u>\$ 67,243,407</u>	<u>\$ 53,743,818</u>	<u>\$ 59,171,036</u>	<u>\$ 59,124,562</u>
\$ 101,019,011	\$ 119,395,553	\$ 129,864,592	\$ 118,385,431	\$ 123,316,031	\$ 126,994,393
19,439,729	13,111,737	15,110,620	6,562,002	5,419,184	6,560,238
39,439,271	37,924,753	30,718,077	54,363,836	54,783,964	57,900,024
<u>\$ 159,898,011</u>	<u>\$ 170,432,043</u>	<u>\$ 175,693,289</u>	<u>\$ 179,311,269</u>	<u>\$ 183,519,179</u>	<u>\$ 191,454,655</u>

CITY OF INVER GROVE HEIGHTS, MINNESOTA  
 STATISTICAL SECTION (UNAUDITED)  
 CHANGES IN NET POSITION - CONTINUED ON THE FOLLOWING PAGES  
 LAST TEN FISCAL YEARS  
 (accrual basis of accounting)

	Fiscal Year			
	2005	2006	2007	2008
<b>Expenses</b>				
Governmental activities				
General government	\$ 1,541,242	\$ 1,792,165	\$ 1,771,417	\$ 1,737,716
Public safety	4,883,448	5,439,604	6,346,833	6,336,979
Public works	9,490,971	8,493,389	7,156,773	7,572,473
Culture and recreation	5,072,803	5,603,770	5,445,672	6,069,640
Community development	979,873	870,424	737,322	1,150,747
Interest on long-term debt	1,355,380	1,521,443	1,602,568	1,559,182
Total governmental activities expenses	<u>23,323,717</u>	<u>23,720,795</u>	<u>23,060,585</u>	<u>24,426,737</u>
Business-type activities				
Water	1,919,229	1,983,305	2,155,438	2,292,462
Sewer	2,127,882	2,213,214	2,265,611	2,459,592
Golf course	1,735,116	1,715,543	1,803,911	1,794,455
Total business-type activities expenses	<u>5,782,227</u>	<u>5,912,062</u>	<u>6,224,960</u>	<u>6,546,509</u>
Total primary government expenses	<u>\$ 29,105,944</u>	<u>\$ 29,632,857</u>	<u>\$ 29,285,545</u>	<u>\$ 30,973,246</u>
<b>Program revenues</b>				
Governmental activities				
Charges for services				
General government	\$ 441,988	\$ 461,018	\$ 503,160	\$ 521,732
Public safety	386,317	426,361	417,614	441,372
Public works	3,481,828	3,888,741	2,567,160	2,836,092
Culture and recreation	2,989,512	2,920,599	2,717,820	3,010,263
Community development	1,043,415	1,089,944	892,214	768,835
Operating grants and contributions	642,768	757,674	700,540	731,289
Capital grants and contributions	1,775,863	1,830,082	8,760,506	6,873,396
Total governmental activities program revenues	<u>10,761,691</u>	<u>11,374,419</u>	<u>16,559,014</u>	<u>15,182,979</u>
Business-type activities				
Charges for services				
Water	2,474,627	2,807,351	2,963,389	2,927,775
Sewer	2,319,932	2,359,705	2,512,190	2,598,373
Golf course	1,570,775	1,564,199	1,580,115	1,507,717
Operating grants and contributions	1,705	1,945	-	-
Capital grants and contributions	1,181,655	465,000	-	-
Total business-type activities program revenues	<u>7,548,694</u>	<u>7,198,200</u>	<u>7,055,694</u>	<u>7,033,865</u>
Total primary government program revenues	<u>\$ 18,310,385</u>	<u>\$ 18,572,619</u>	<u>\$ 23,614,708</u>	<u>\$ 22,216,844</u>

Fiscal Year

2009	2010	2011	Restated 2012 (1)	2013	2014
\$ 2,026,218	\$ 1,996,947	\$ 1,873,647	\$ 1,835,043	\$ 1,789,711	\$ 1,764,065
7,042,090	7,335,691	7,399,743	7,840,331	7,806,417	8,069,896
6,319,903	8,655,734	7,135,787	10,021,043	6,225,122	7,284,147
6,316,467	6,296,071	6,990,333	6,320,509	6,417,200	6,382,850
1,206,108	1,216,039	1,202,751	1,786,359	1,784,117	2,403,058
1,820,910	1,945,392	2,230,632	1,612,457	1,026,367	873,009
<u>24,731,696</u>	<u>27,445,874</u>	<u>26,832,893</u>	<u>29,415,742</u>	<u>25,048,934</u>	<u>26,777,025</u>
2,312,751	2,367,258	2,393,558	2,967,411	2,550,172	2,722,584
2,606,924	2,728,937	3,018,197	3,253,964	3,342,170	3,422,724
1,732,070	1,905,427	2,014,668	1,926,395	1,653,246	1,537,243
<u>6,651,745</u>	<u>7,001,622</u>	<u>7,426,423</u>	<u>8,147,770</u>	<u>7,545,588</u>	<u>7,682,551</u>
<u>\$ 31,383,441</u>	<u>\$ 34,447,496</u>	<u>\$ 34,259,316</u>	<u>\$ 37,563,512</u>	<u>\$ 32,594,522</u>	<u>\$ 34,459,576</u>
\$ 532,763	\$ 495,545	\$ 557,450	\$ 578,465	\$ 578,465	\$ 13,086
535,041	413,967	456,068	540,587	540,587	625,566
2,616,135	3,435,705	2,810,312	3,176,747	3,176,747	3,257,758
3,073,540	2,673,480	2,677,946	2,864,888	2,864,888	2,966,749
551,990	436,696	667,667	720,775	391,311	1,144,089
438,040	861,740	876,505	938,347	952,499	1,170,083
3,541,500	9,618,339	5,382,914	5,320,013	2,971,574	6,587,288
<u>11,289,009</u>	<u>17,935,472</u>	<u>13,428,862</u>	<u>14,139,822</u>	<u>11,476,071</u>	<u>15,764,619</u>
3,000,199	2,762,005	2,879,883	3,304,846	3,304,846	2,818,851
2,662,849	2,697,623	2,776,965	2,875,891	2,875,891	3,052,651
1,420,419	1,436,476	1,405,244	2,819,818	1,292,377	1,414,141
-	-	-	-	1,961	1,418
-	1,852,464	28,889	92,036	1,188,808	1,177,104
<u>7,083,467</u>	<u>8,748,568</u>	<u>7,090,981</u>	<u>9,092,591</u>	<u>8,663,883</u>	<u>8,464,165</u>
<u>\$ 18,372,476</u>	<u>\$ 26,684,040</u>	<u>\$ 20,519,843</u>	<u>\$ 23,232,413</u>	<u>\$ 20,139,954</u>	<u>\$ 24,228,784</u>

CITY OF INVER GROVE HEIGHTS, MINNESOTA  
STATISTICAL SECTION (UNAUDITED)  
CHANGES IN NET POSITION - CONTINUED  
LAST TEN FISCAL YEARS  
(accrual basis of accounting)

	Fiscal Year			
	2005	2006	2007	2008
<b>Net revenues (expenses)</b>				
Governmental activities	\$ (12,562,026)	\$ (12,346,376)	\$ (6,501,571)	\$ (9,243,758)
Business-type activities	1,766,467	1,286,138	830,734	487,356
<b>Total primary government net revenues (expenses)</b>	<u>\$ (10,795,559)</u>	<u>\$ (11,060,238)</u>	<u>\$ (5,670,837)</u>	<u>\$ (8,756,402)</u>
<b>General revenues and other changes in net position</b>				
Governmental activities				
Taxes				
Property taxes	\$ 10,746,257	\$ 11,889,473	\$ 13,416,439	\$ 14,512,035
Tax increments	1,001,685	1,433,288	1,549,967	1,755,275
Lodging taxes	77,508	78,841	85,177	79,675
Franchise taxes	57,177	65,012	71,693	78,252
Grants and contributions not restricted to specific programs	451,750	327,880	678,553	394,342
Other general revenues	123,506	43,189	129,155	75,684
Unrestricted investment earnings	1,170,216	2,325,566	2,780,813	1,817,888
Gain on sale of capital assets	7,107	9,944	15,626	21,950
Transfers	180,567	(1,978,760)	1,357,789	(7,116,256)
<b>Total governmental activities</b>	<u>13,815,773</u>	<u>14,194,433</u>	<u>20,085,212</u>	<u>11,618,845</u>
Business-type activities				
Other general revenues	1,063	-	-	-
Unrestricted investment earnings	247,435	471,744	569,465	563,597
Transfers	(180,567)	1,978,760	(1,357,789)	7,116,256
<b>Total business-type activities</b>	<u>67,931</u>	<u>2,450,504</u>	<u>(788,324)</u>	<u>7,679,853</u>
<b>Total primary government</b>	<u>\$ 13,883,704</u>	<u>\$ 16,644,937</u>	<u>\$ 19,296,888</u>	<u>\$ 19,298,698</u>
<b>Change in net position</b>				
Governmental activities	\$ 1,253,747	\$ 1,848,057	\$ 13,583,641	\$ 2,375,087
Business-type activities	1,834,398	3,736,642	42,410	8,167,209
<b>Total primary government</b>	<u>\$ 3,088,145</u>	<u>\$ 5,584,699</u>	<u>\$ 13,626,051</u>	<u>\$ 10,542,296</u>

(1) The Water Revenue Bonds and Sewer Revenue Bonds debt service funds and the Water Connection, Sewer Connection, and Water System Improvements capital projects funds were reclassified from governmental activities to business-type activities in 2013. Activity prior to 2012 has not been restated for this change.

Note: The City implemented GASB Statement No. 63 and GASB Statement No. 65 in fiscal 2013. Net position information has been restated for 2012 for this accounting change. Years prior to 2012 have not been restated.

Fiscal Year

2009	2010	2011	Restated 2012 (1)	2013	2014
\$ (13,442,687)	\$ (9,510,402)	\$ (13,404,031)	\$ (15,275,920)	\$ (13,572,863)	\$ (11,012,406)
431,722	1,746,946	(335,442)	944,821	1,118,295	781,614
<u>\$ (13,010,965)</u>	<u>\$ (7,763,456)</u>	<u>\$ (13,739,473)</u>	<u>\$ (14,331,099)</u>	<u>\$ (12,454,568)</u>	<u>\$ (10,230,792)</u>
\$ 14,904,906	\$ 15,188,210	\$ 15,043,355	\$ 14,943,650	\$ 14,607,605	\$ 15,070,818
1,944,714	1,931,921	1,969,395	1,922,302	1,861,618	1,931,061
67,680	67,329	77,882	79,790	88,151	98,691
84,045	86,148	88,755	90,442	90,442	97,628
146,602	130,042	134,220	300,636	162,694	95,004
73,453	93,539	159,354	-	-	-
540,070	669,074	1,165,824	375,830	(210,750)	575,796
6,800	-	210,741	1,561	17,780	12,855
(3,428,802)	2,221,384	(8,923,244)	(1,388,301)	(4,263,985)	1,112,503
<u>14,339,468</u>	<u>20,387,647</u>	<u>9,926,282</u>	<u>16,325,910</u>	<u>12,353,555</u>	<u>18,994,356</u>
-	-	-	-	-	-
230,333	131,225	151,193	274,251	44,938	284,415
3,428,802	(2,221,384)	8,923,244	1,388,301	4,263,985	(1,112,503)
<u>3,659,135</u>	<u>(2,090,159)</u>	<u>9,074,437</u>	<u>1,662,552</u>	<u>4,308,923</u>	<u>(828,088)</u>
<u>\$ 17,998,603</u>	<u>\$ 18,297,488</u>	<u>\$ 19,000,719</u>	<u>\$ 17,988,462</u>	<u>\$ 16,662,478</u>	<u>\$ 18,166,268</u>
\$ 896,781	\$ 10,877,245	\$ (3,477,749)	\$ 1,049,990	\$ (1,219,308)	\$ 7,981,950
4,090,857	(343,213)	8,738,995	2,607,373	5,427,218	(46,474)
<u>\$ 4,987,638</u>	<u>\$ 10,534,032</u>	<u>\$ 5,261,246</u>	<u>\$ 3,657,363</u>	<u>\$ 4,207,910</u>	<u>\$ 7,935,476</u>

CITY OF INVER GROVE HEIGHTS, MINNESOTA  
 STATISTICAL SECTION (UNAUDITED)  
 FUND BALANCES OF GOVERNMENTAL FUNDS  
 LAST TEN FISCAL YEARS  
 (modified accrual basis of accounting)

	Fiscal Year			
	2005	2006	2007	2008
General fund				
Reserved	\$ -	\$ -	\$ 3,585	\$ 108,185
Unreserved	3,116,574	3,854,788	5,189,802	5,274,733
Nonspendable	N/A	N/A	N/A	N/A
Restricted	N/A	N/A	N/A	N/A
Unassigned	N/A	N/A	N/A	N/A
Total General fund	<u>\$ 3,116,574</u>	<u>\$ 3,854,788</u>	<u>\$ 5,193,387</u>	<u>\$ 5,382,918</u>
All other governmental funds				
Reserved	\$ 15,328,533	\$ 12,208,969	\$ 13,436,456	\$ 4,452,887
Unreserved, reported in				
Special revenue funds	424,378	865,890	936,324	874,094
Capital project funds	21,717,540	21,132,746	24,452,102	14,692,627
Debt service funds	-	-	-	5,856,321
Nonspendable	N/A	N/A	N/A	N/A
Restricted	N/A	N/A	N/A	N/A
Committed	N/A	N/A	N/A	N/A
Assigned	N/A	N/A	N/A	N/A
Unassigned	N/A	N/A	N/A	N/A
Total all other governmental funds	<u>\$ 37,470,451</u>	<u>\$ 34,207,605</u>	<u>\$ 38,824,882</u>	<u>\$ 25,875,929</u>

(1) The Water Revenue Bonds and Sewer Revenue Bonds debt service funds and the Water Connection, Sewer Connection, and Water System Improvements capital projects funds were reclassified from governmental to enterprise (business-type) in 2013. Activity prior to 2012 has not been restated for this change.

Note: GASB Statement No. 54 replaced the categories used to classify fund balance. The City implemented GASB Statement No. 54 in 2011, prior year balances were not reclassified.

Fiscal Year

2009	2010	2011	Restated 2012 (1)	2013	2014
\$ 98,333	\$ 2,745	N/A	N/A	N/A	N/A
5,598,129	5,773,572	N/A	N/A	N/A	N/A
N/A	N/A	\$ 24,021	\$ 9,159	\$ 4,399	\$ 57,292
N/A	N/A	-	45,800	76,800	22,000
N/A	N/A	6,326,550	7,232,157	8,029,014	9,111,824
<u>\$ 5,696,462</u>	<u>\$ 5,776,317</u>	<u>\$ 6,350,571</u>	<u>\$ 7,287,116</u>	<u>\$ 8,110,213</u>	<u>\$ 9,191,116</u>
\$ 5,295,327	\$ 5,342,811	N/A	N/A	N/A	N/A
870,678	772,562	N/A	N/A	N/A	N/A
12,270,926	19,084,320	N/A	N/A	N/A	N/A
5,146,914	3,794,637	N/A	N/A	N/A	N/A
N/A	N/A	\$ 621	\$ 1,001,348	\$ 19,644	\$ 21,450
N/A	N/A	6,874,221	4,234,679	3,088,157	4,137,256
N/A	N/A	596,070	630,787	1,038,100	1,023,281
N/A	N/A	20,691,467	15,858,720	13,113,187	13,249,048
N/A	N/A	(2,144,267)	(3,026,964)	(3,246,835)	(2,727,214)
<u>\$ 23,583,845</u>	<u>\$ 28,994,330</u>	<u>\$ 26,018,112</u>	<u>\$ 18,698,570</u>	<u>\$ 14,012,253</u>	<u>\$ 15,703,821</u>

CITY OF INVER GROVE HEIGHTS, MINNESOTA  
 STATISTICAL SECTION (UNAUDITED)  
 CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
 LAST TEN FISCAL YEARS  
 (modified accrual basis of accounting)

	Fiscal Year			
	2005	2006	2007	2008
<b>Revenues</b>				
Taxes	\$ 11,866,484	\$ 13,438,211	\$ 15,047,852	\$ 16,264,650
Licenses and permits	1,112,286	1,149,773	976,524	818,150
Intergovernmental	2,686,328	1,593,055	4,370,962	2,164,334
Charges for services	5,908,759	5,831,282	5,353,359	5,933,025
Fines and forfeitures	139,544	178,512	196,372	228,450
Special assessments	636,227	816,970	2,119,996	2,586,684
Investment earnings	981,150	1,949,004	2,269,014	1,284,695
Miscellaneous	708,308	792,241	600,513	690,453
<b>Total revenues</b>	<b>24,039,086</b>	<b>25,749,048</b>	<b>30,934,592</b>	<b>29,970,441</b>
<b>Expenditures</b>				
<b>Current</b>				
General government	1,500,518	1,719,222	1,740,388	1,895,023
Public safety	5,036,975	5,454,799	6,506,134	6,825,682
Public works	7,107,801	6,328,727	4,820,017	4,975,347
Culture and recreation	4,733,538	4,778,548	4,769,974	5,043,447
Community development	1,079,073	1,051,464	1,145,706	1,269,484
Capital outlay	1,826,196	9,151,931	11,096,576	19,897,612
Debt service				
Principal	8,352,765	7,510,635	3,701,631	3,828,761
Interest and other charges	1,404,469	1,374,273	1,615,311	1,603,807
Bond issuance costs	-	-	-	-
<b>Total expenditures</b>	<b>31,041,335</b>	<b>37,369,599</b>	<b>35,395,737</b>	<b>45,339,163</b>
Deficiency of revenues under expenditures	(7,002,249)	(11,620,551)	(4,461,145)	(15,368,722)
<b>Other financing sources (uses)</b>				
Transfers in	8,001,584	7,797,287	9,227,808	13,430,166
Transfers out	(8,219,534)	(8,568,904)	(8,323,973)	(12,293,469)
Bond proceeds	7,710,000	9,950,000	9,510,000	5,375,000
Discount on bonds issued	(32,337)	(82,464)	-	-
Premium on bonds issued	-	-	3,186	42,603
Refunding bonds issued	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Principal paid on refunded bonds	-	-	-	(3,945,000)
Insurance recovery	-	-	-	-
Sale of capital assets	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>7,459,713</b>	<b>9,095,919</b>	<b>10,417,021</b>	<b>2,609,300</b>
<b>Net change in fund balances</b>	<b>\$ 457,464</b>	<b>\$ (2,524,632)</b>	<b>\$ 5,955,876</b>	<b>\$ (12,759,422)</b>
Debt service as a percentage of noncapital expenditures	33.40%	31.49%	22.27%	15.77%

(1) The Water Revenue Bonds and Sewer Revenue Bonds debt service funds and the Water Connection, Sewer Connection, and Water System Improvements capital projects funds were reclassified from governmental to enterprise (business-type) in 2013. Activity prior to 2012 has not been restated for this change.

Fiscal Year

2009	2010	2011	Restated 2012 (1)	2013	2014
\$ 17,075,882	\$ 17,198,981	\$ 17,258,994	\$ 17,091,099	\$ 16,627,528	\$ 17,190,552
635,156	515,398	815,420	750,483	951,948	1,241,654
2,289,629	3,347,225	3,948,793	4,170,433	2,143,879	4,124,588
5,578,401	6,183,014	5,560,114	6,168,808	6,241,363	6,389,688
211,425	141,962	115,075	125,164	148,113	135,382
2,274,280	2,887,090	2,397,132	1,945,973	1,500,383	2,295,620
299,861	527,014	991,558	213,053	(183,005)	359,937
826,337	1,546,668	847,598	1,383,500	261,540	234,831
<u>29,190,971</u>	<u>32,347,352</u>	<u>31,934,684</u>	<u>31,848,513</u>	<u>27,691,749</u>	<u>31,972,252</u>
1,982,238	1,873,064	1,852,938	1,697,773	1,623,512	1,641,093
7,043,048	7,202,451	7,304,412	7,644,656	7,750,149	7,959,499
5,230,215	4,949,744	6,081,929	5,995,442	4,168,764	4,466,294
4,976,319	5,019,535	5,346,020	4,932,946	4,926,142	5,174,615
1,224,278	1,269,570	1,212,442	1,298,078	1,612,680	1,499,946
16,794,084	16,080,562	6,819,201	8,003,440	3,440,919	5,497,746
4,121,035	3,828,462	4,215,622	3,194,586	4,632,042	6,249,919
1,581,586	1,993,944	2,278,893	1,476,542	1,112,013	888,890
-	-	-	-	-	83,755
<u>42,952,803</u>	<u>42,217,332</u>	<u>35,111,457</u>	<u>34,243,463</u>	<u>29,266,221</u>	<u>33,461,757</u>
<u>(13,761,832)</u>	<u>(9,869,980)</u>	<u>(3,176,773)</u>	<u>(2,394,950)</u>	<u>(1,574,472)</u>	<u>(1,489,505)</u>
10,943,426	14,723,247	12,099,659	11,122,977	9,003,530	7,171,496
(9,049,622)	(11,114,442)	(10,853,484)	(11,829,020)	(10,907,954)	(5,917,699)
9,900,000	11,770,000	-	-	-	-
(10,512)	(18,485)	-	-	-	-
-	-	58,634	13,500	-	118,912
-	-	4,505,000	395,000	-	4,650,000
-	-	-	-	-	(1,761,033)
-	-	(5,240,000)	-	(400,000)	-
-	-	-	-	15,676	300
-	-	205,000	-	-	-
<u>11,783,292</u>	<u>15,360,320</u>	<u>774,809</u>	<u>(297,543)</u>	<u>(2,288,748)</u>	<u>4,261,976</u>
<u>\$ (1,978,540)</u>	<u>\$ 5,490,340</u>	<u>\$ (2,401,964)</u>	<u>\$ (2,692,493)</u>	<u>\$ (3,863,220)</u>	<u>\$ 2,772,471</u>
<u>18.44%</u>	<u>22.24%</u>	<u>23.32%</u>	<u>16.27%</u>	<u>21.65%</u>	<u>24.25%</u>

CITY OF INVER GROVE HEIGHTS, MINNESOTA  
 STATISTICAL SECTION (UNAUDITED)  
 GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE  
 LAST TEN FISCAL YEARS  
 (modified accrual basis of accounting)

Fiscal Year	Property Tax	Tax Increments	Lodging Tax	Franchise Tax	Total
2005	\$ 10,730,114	\$ 1,001,685	\$ 77,508	\$ 57,177	\$ 11,866,484
2006	11,861,070	1,433,288	78,841	65,012	13,438,211
2007	13,341,015	1,549,967	85,177	71,693	15,047,852
2008	14,351,448	1,755,275	79,675	78,252	16,264,650
2009	14,979,443	1,944,714	67,680	84,045	17,075,882
2010	15,113,583	1,931,921	67,329	86,148	17,198,981
2011	15,122,962	1,969,395	77,882	88,755	17,258,994
2012	14,998,565	1,922,302	79,790	90,442	17,091,099
2013	14,587,317	1,861,618	85,530	93,063	16,627,528
2014	15,063,172	1,931,061	98,691	97,628	17,190,552

CITY OF INVER GROVE HEIGHTS, MINNESOTA  
 STATISTICAL SECTION (UNAUDITED)  
 ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY  
 LAST TEN FISCAL YEARS

Fiscal Year Ended December 31, (1)	Real Property		Tax Capacity		Less		Total Taxable		Total Direct		Assessed	
	Residential Property	Commercial Property	Personal Property	Tax Exempt Real Property	Assessed Value	Tax Rate	Estimated Actual Value	Value as a Percentage of Actual Value				
2005	\$ 23,750,472	\$ 6,270,013	\$ 550,613	\$ 2,406,352	\$ 28,164,746	37.347	\$ 2,664,563,755	1.15 %				
2006	28,092,798	6,785,382	546,827	2,706,324	32,718,683	35.546	3,103,721,900	1.14				
2007	30,713,810	7,675,026	591,752	3,308,206	35,672,382	36.514	3,424,105,600	1.14				
2008	31,628,857	8,479,372	590,408	3,709,772	36,988,865	37.403	3,550,439,300	1.15				
2009	31,596,479	9,301,789	595,548	3,735,276	37,758,540	37.878	3,586,873,800	1.16				
2010	28,706,695	9,408,125	601,227	3,681,380	35,034,667	41.757	3,311,984,400	1.17				
2011	26,997,619	9,019,537	642,312	3,833,236	32,826,232	43.162	3,128,770,600	1.17				
2012	24,584,767	9,012,637	664,866	3,795,448	30,466,822	44.883	2,893,900,109	1.18				
2013	22,793,327	9,065,568	706,136	3,788,856	28,776,175	46.312	2,720,514,055	1.20				
2014	23,523,484	9,252,706	711,742	3,914,916	29,573,016	46.128	2,798,175,018	1.20				

(1) Represents the year the taxes are payable, not the year the taxes are levied.

Source: Dakota County Assessor.

CITY OF INVER GROVE HEIGHTS, MINNESOTA  
 STATISTICAL SECTION (UNAUDITED)  
 PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS  
 LAST TEN FISCAL YEARS

Fiscal Year	City of Inver Grove Heights			Overlapping Rates (1)			Special (2) Districts	Total Direct & Overlapping Rates	
	Operating Millage	Debt Service Millage	Total Direct Rate	Dakota County	School District No. 199	School District No. 196			School District No. 197
2006	32.702 %	2.844 %	35.546 %	26.318 %	17.796 %	27.554 %	21.428 %	4.616 %	133.258 %
2007	33.979	2.535	36.514	25.127	16.607	23.607	19.838	4.416	126.109
2008	34.972	2.431	37.403	25.184	19.764	21.136	18.914	4.393	126.794
2009	35.838	2.040	37.878	25.821	19.303	21.109	18.051	4.328	126.490
2010	39.507	2.250	41.757	27.269	21.795	25.391	18.850	4.421	139.483
2011	40.142	3.020	43.162	29.146	24.987	26.954	19.687	4.669	148.605
2012	41.628	3.255	44.883	31.426	28.363	28.440	21.857	5.021	159.990
2013	42.231	4.081	46.312	33.421	27.556	27.956	24.429	5.341	165.015
2014	41.949	4.179	46.128	31.827	33.418	27.606	23.863	4.993	167.835
2015	44.793	3.338	48.131	29.633	34.864	23.271	24.063	4.567	164.529

Source: Dakota County Treasurer - Auditor.

(1) Overlapping rates are those of local and County governments that apply to property owners within the City. Not all overlapping rates apply to all City property owners (e.g. the rates for School District No. 199 apply only to the proportion of the government's property owners whose property is located within the geographic boundaries of the school district).

(2) Special districts include: Metropolitan Council, Mosquito Control, and Metropolitan Transit.

CITY OF INVER GROVE HEIGHTS, MINNESOTA  
 STATISTICAL SECTION (UNAUDITED)  
 PRINCIPAL PROPERTY TAXPAYERS  
 CURRENT AND NINE YEARS AGO

Taxpayer	2014				2005				
	Net Tax Capacity	Rank	Percent of Total Net Tax Capacity	Net Tax Capacity	Rank	Percent of Total Net Tax Capacity	Net Tax Capacity	Rank	Percent of Total Net Tax Capacity
Xcel Energy (Northern States Power)	\$ 1,965,602	1	5.87 %	\$ 1,492,449	1	4.88 %			
Flint Hills	489,280	2	1.46	-		-			
ML Casa IV LP (I & G Southview LLC)	457,731	3	1.37	-		-			
PHM Inver Grove Inc	337,874	4	1.01	343,950	4	1.13			
Lake Cove Village Partnership	335,105	5	1.00	359,304	3	1.18			
Vansouth Ltd. Partnership	284,646	6	0.85	-		-			
Salem Green Ltd. Partnership	252,178	7	0.75	250,000	7	0.82			
Farmers Union Central Exchange (Genex)	248,314	8	0.74	277,702	5	0.91			
Brentwood Hills Ltd. Partnership	229,321	9	0.68	275,000	6	0.90			
Pearlwood Estates Ltd	209,303	10	0.62	-		-			
Southview Gables	-		-	412,500	2	1.35			
Pine Bend Landfill, Inc.	-		-	248,436	8	0.81			
Individual	-		-	206,250	9	0.67			
Monument Ridge LLC	-		-	168,750	10	0.55			
<b>Total</b>	<b>\$ 4,809,354</b>		<b>14.35 %</b>	<b>\$ 4,034,341</b>		<b>13.20 %</b>			

Source: Dakota County Treasurer - Auditor.

CITY OF INVER GROVE HEIGHTS, MINNESOTA  
 STATISTICAL SECTION (UNAUDITED)  
 PROPERTY TAX LEVIES AND COLLECTIONS  
 LAST TEN FISCAL YEARS

Fiscal Year	Total Tax Levy for Fiscal Year	Collection of Current Year's Levy	Percentage of Levy Collected	Collection of Prior Years' Levy	Total Collections	Percentage of Total Collections to Levy
2005	\$ 11,453,859	\$ 10,971,838	95.79 %	\$ 103,548	\$ 11,075,386	96.70 %
2006	12,428,187	11,987,163	96.45	99,319	12,086,482	97.25
2007	13,920,446	13,785,797	99.03	134,307	13,920,104	100.00
2008	14,908,875	14,464,183	97.02	217,045	14,681,228	98.47
2009	15,420,973	14,752,509	95.67	197,189	14,949,698	96.94
2010	15,689,990	14,872,404	94.79	167,249	15,039,653	95.86
2011	15,632,796	14,836,938	94.91	133,075	14,970,013	95.76
2012	14,958,691	14,850,595	99.28	67,699	14,918,294	99.73
2013	14,551,809	14,394,161	98.92	130,997	14,525,158	99.82
2014	15,056,760	14,777,176	98.14	-	14,777,176	98.14

Source: Dakota County Treasurer - Auditor.

CITY OF INVER GROVE HEIGHTS, MINNESOTA  
 STATISTICAL SECTION (UNAUDITED)  
 RATIOS OF OUTSTANDING DEBT BY TYPE  
 LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities			Business-type Activities		Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation (G.O.) Bonds (1)	G.O. Tax Increment Bonds	G.O. Special Assessments Bonds	G.O. Revenue Bonds (1)	Capital Leases			
2005	\$ 8,501,232	\$ 23,137,205	\$ 7,481,000	\$ 3,325,000	\$ -	\$ 42,444,437	3.55 %	\$ 1,318
2006	12,791,596	19,422,494	9,510,000	3,005,000	-	44,729,090	3.48	1,347
2007	18,549,965	18,504,648	10,635,000	2,675,000	-	50,364,613	3.70	1,517
2008	17,861,204	13,495,593	14,085,000	2,340,000	-	47,781,797	3.46	1,422
2009	26,575,170	12,343,913	12,440,000	1,990,000	-	53,349,083	3.29	1,573
2010	32,241,708	11,128,847	16,055,000	1,620,000	-	61,045,555	3.76	1,802
2011	30,800,655	9,924,586	13,655,000	1,235,000	157,875	55,773,116	4.77	1,651
2012	12,288,258	8,540,273	12,252,929	24,356,205	108,445	57,546,110	4.97	1,704
2013	10,171,859	6,105,000	10,456,544	21,040,004	83,245	47,856,652	4.02	1,400
2014	9,790,308	3,982,550	9,796,053	17,282,225	56,823	40,907,959	3.79	1,187

Details regarding the City's outstanding debt can be found in the notes to the financial statements.

See the Schedule of Demographic and Economic Statistics for personal income and population data.

(1) The G.O. revenue bonds were reclassified from governmental activities to business-type activities in 2013. Activity prior to 2012 has not been restated for this change.

CITY OF INVER GROVE HEIGHTS, MINNESOTA  
 STATISTICAL SECTION (UNAUDITED)  
 RATIOS OF GENERAL BONDED DEBT OUTSTANDING  
 LAST TEN FISCAL YEARS

Fiscal Year	General Obligation Bonds	Less Amounts Restricted for Debt Service	Net Bonded Debt	Percentage of Estimated Market Value (1) of Taxable Property	Per Capita (2)
2005	\$ 42,444,437	\$ 910,638	\$ 41,533,799	1.56 %	\$ 1,290
2006	44,729,090	1,073,623	43,655,467	1.41	1,315
2007	50,364,613	880,062	49,484,551	1.45	1,491
2008	47,781,797	850,429	46,931,368	1.32	1,396
2009	53,349,083	1,110,181	52,238,902	1.46	1,540
2010	61,045,555	805,606	60,239,949	1.82	1,778
2011	55,615,241	482,331	55,132,910	1.76	1,632
2012	57,437,665	5,055,559	52,382,106	1.81	1,551
2013	47,773,407	4,662,906	43,110,501	1.58	1,261
2014	40,851,136	6,000,117	34,851,019	1.25	1,011

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(1) See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property for property value data.

(2) Population data can be found in the Schedule of Demographic and Economic Statistics.

CITY OF INVER GROVE HEIGHTS, MINNESOTA  
 STATISTICAL SECTION (UNAUDITED)  
 COMPUTATION OF DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
 DECEMBER 31, 2014

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (1)	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
Dakota County	\$ 42,730,000	7.9853%	\$ 3,412,119
School District # 199	67,040,000	92.7852%	62,203,198
School District # 196	82,567,253	5.4576%	4,506,190
School District # 197	52,030,000	0.9124%	474,722
Metropolitan Council	196,680,000	1.0682%	2,100,936
Total overlapping debt	441,047,253		72,697,165
City of Inver Grove Heights direct debt	23,568,911	100.0000%	23,568,911
Total direct and overlapping debt	\$ 464,616,164		\$ 96,266,076

Source: Dakota County Treasurer/Auditor.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Inver Grove Heights, Minnesota. This process recognizes that, when considering the government's ability of issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt of each overlapping government.

(1 ) The percentage of overlapping debt applicable is estimated using taxable market property values. Applicable percentages were estimated by determining the portion of the county's taxable market value that is within the City's boundaries and dividing it by the County's total taxable market value.

CITY OF INVER GROVE HEIGHTS, MINNESOTA  
 STATISTICAL SECTION (UNAUDITED)  
 LEGAL DEBT MARGIN INFORMATION  
 LAST TEN FISCAL YEARS

	Fiscal Year			
	2005	2006	2007	2008
Debt limit	\$ 62,553,652	\$ 62,473,730	\$ 68,482,112	\$ 106,625,237
Total net debt applicable to limit	<u>7,590,593</u>	<u>13,865,219</u>	<u>17,669,903</u>	<u>17,010,755</u>
Legal debt margin	<u>\$ 54,963,059</u>	<u>\$ 48,608,511</u>	<u>\$ 50,812,209</u>	<u>\$ 89,614,482</u>
Total net debt applicable to the limit as a percent of debt limit	12.13%	22.19%	25.80%	15.95%

(1) The G.O. revenue bonds were reclassified from governmental activities to business-type activities in 2013. Activity prior to 2012 has not been restated for this change.

Note: Under state law, the City's outstanding general obligation debt should not exceed 3 percent of the market value of taxable property. Net debt is payable solely from ad valorem taxes and, therefore, excludes debt financed partially or entirely by special assessments, enterprise fund revenues, or tax increments. Prior to 2008, state law provided that general obligation debt should not exceed 2 percent. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for the extinguishment of those obligations.

Fiscal Year					
2009	2010	2011	2012 (1)	2013	2014
\$ 107,716,655	\$ 99,474,529	\$ 93,976,981	\$ 86,930,669	\$ 81,615,422	\$ 83,945,251
<u>25,464,989</u>	<u>31,436,102</u>	<u>31,282,986</u>	<u>8,878,622</u>	<u>7,685,804</u>	<u>6,181,018</u>
<u>\$ 82,251,666</u>	<u>\$ 68,038,427</u>	<u>\$ 62,693,995</u>	<u>\$ 78,052,047</u>	<u>\$ 73,929,618</u>	<u>\$ 77,764,233</u>
23.64%	31.60%	33.29%	10.21%	9.42%	7.36%

Legal Debt Margin Calculation for Fiscal Year 2014

Taxable market value	<u>\$ 2,798,175,018</u>
Debt limit (3 percent of market value)	<u>\$ 83,945,251</u>
Debt applicable to limit	
General obligation bonds	9,780,150
Less: amount available in debt service funds	<u>(3,599,132)</u>
Total net debt applicable to limit	<u>6,181,018</u>
Legal debt margin	<u>\$ 77,764,233</u>

CITY OF INVER GROVE HEIGHTS, MINNESOTA  
 STATISTICAL SECTION (UNAUDITED)  
 PLEDGED REVENUE COVERAGE  
 LAST TEN FISCAL YEARS

Water G.O. Revenue Bonds

Fiscal Year	Water Charges and other (2)	Less Operating Expense (1)	Net Available Revenue	Debt Service			Coverage
				Principal (5)	Interest	Total	
2005	\$ 2,474,627	\$ 1,320,085	\$ 1,154,542	\$ 410,000	\$ 9,738	\$ 419,738	275.06 %
2013	3,054,386	1,461,176	1,593,210	685,000	331,270	1,016,270	156.77
2014	2,818,851	1,771,162	1,047,689	745,000	169,423	914,423	114.57

Sewer G.O. Revenue Bonds

Fiscal Year	Sewer Charges and other (3)	Less Operating Expense (1)	Net Available Revenue	Debt Service			Coverage
				Principal (6)	Interest	Total	
2013	\$ 3,016,134	\$ 2,287,807	\$ 728,327	\$ 235,000	\$ 445,141	\$ 680,141	107.08 %
2014	3,052,651	2,299,419	753,232	465,000	434,060	899,060	83.78

Golf Course G.O. Revenue Bonds

Fiscal Year	Golf Course Charges and Others (4)	Less Operating Expense (1)	Net Available Revenue	Debt Service			Coverage
				Principal	Interest	Total	
2005	\$ 1,570,775	\$ 1,335,305	\$ 235,470	\$ 315,000	\$ 140,123	\$ 455,123	51.74 %
2006	1,555,519	1,331,260	224,259	320,000	133,035	453,035	49.50
2007	1,579,503	1,442,783	136,720	330,000	125,035	455,035	30.05
2008	1,475,051	1,446,906	28,145	335,000	114,310	449,310	6.26
2009	1,408,208	1,392,570	15,638	350,000	102,585	452,585	3.46
2010	1,435,930	1,579,430	(143,500)	370,000	88,585	458,585	(31.29)
2011	1,401,052	1,690,209	(289,157)	385,000	73,415	458,415	(63.08)
2012	1,560,687	1,566,754	(6,067)	1,235,000	57,053	1,292,053	(0.47)

(1) Excludes depreciation expense.

(2) There are no water fund debt service requirements from 2006-2012.

(3) There are no sewer debt service requirements before 2013.

(4) There are no golf course debt service requirements after 2012.

(5) Excludes refunded principal paid through cash held with fiscal agent (\$2,380,000 in 2013, \$2,885,000 in 2014).

(6) Excludes refunded principal paid through escrow agent (\$4,780,000 in 2014).

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

CITY OF INVER GROVE HEIGHTS, MINNESOTA  
 STATISTICAL SECTION (UNAUDITED)  
 DEMOGRAPHIC AND ECONOMIC STATISTICS  
 LAST TEN FISCAL YEARS

Fiscal Year	Population	Personal Income	Per Capita Personal Income (1)	Unemployment Rate
2005	32,193	\$1,196,420,652	\$ 37,164	3.6 %
2006	33,195	1,286,339,445	38,751	3.6
2007	33,195	1,362,123,630	41,034	4.2
2008	33,608	1,379,070,672	41,034	5.0
2009	33,917	1,623,369,371	47,863	7.4
2010	33,880	1,621,598,440	47,863	7.3
2011	33,774	1,170,302,874	34,651	6.2
2012	33,774	1,159,022,358	34,317	5.3
2013	34,189	1,190,529,358	34,822	4.7
2014	34,458	1,080,533,964	31,358	3.9

(1) Per Capita Personal Income is for the State of MN, not solely the City of Inver Grove Heights and uses the latest published data.

Data Sources

Metropolitan Council ([www.metrocouncil.org](http://www.metrocouncil.org)).

Minnesota Dept of Employment and Economic Development ([www.deed.state.mn.us](http://www.deed.state.mn.us)).

CITY OF INVER GROVE HEIGHTS, MINNESOTA  
 STATISTICAL SECTION (UNAUDITED)  
 PRINCIPAL EMPLOYERS  
 CURRENT YEAR AND NINE YEARS AGO

	2014			2005		
	Employees	Rank	Percent of City Employment (1)	Employees	Rank	Percent of City Employment (1)
Cenex/CHS Cooperatives	1,000	1	2.65 %	1,000	1	5.02 %
Inver Hills Community College	484	2	1.28	343	4	1.72
Gertens	475	3	1.26			
Evergreen Industries	450	4	1.19	300	5	1.51
Independent School District 199	447	5	1.18	525	2	2.64
Travel Tags	350	6	0.93	350	3	1.76
Total Construction	250	7	0.66			
Wal-Mart	230	8	0.61	270	6	1.36
American Food Groups	220	9	0.58			
City of Inver Grove Heights	212	10	0.56	130	9	0.65
BFI Waste Services	-		-	140	7	0.70
Southview Chevrolet	-		-	135	8	0.68
Inver Grove Ford	-		-	100	10	0.50
<b>Total</b>	<b>4,118</b>		<b>10.90 %</b>	<b>3,293</b>		<b>16.54 %</b>

Source: Minnesota Department of Trade and Economic Development, May 1997, MNPRO.com

(1) Represents total employment, not just within the City.

CITY OF INVER GROVE HEIGHTS, MINNESOTA  
 STATISTICAL SECTION (UNAUDITED)  
 FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION  
 LAST TEN FISCAL YEARS

Function	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General government	30	31	31	30	29	29	27	27	29	29
Public safety										
Police										
Officers	31	33	34	34	33	33	33	33	32	32
Civilians	8	8	9	9	8	6	6	5	5	5
Fire										
Firefighters and officers	-	-	1	1	1	1	1	2	2	2
Civilians	1	1	1	2	2	2	2	2	2	2
Public works										
Engineering	8	8	8	7	8	8	8	8	6	6
Maintenance	16	16	16	15	15	15	15	15	15	15
Culture and recreation	28	29	26	25	25	25	24	23	22	22
Water and Sewer	9	9	9	9	9	9	9	9	7	7
Total	131	135	135	132	130	128	125	124	120	120

Source: City budgets and personnel records.

CITY OF INVER GROVE HEIGHTS, MINNESOTA  
 STATISTICAL SECTION (UNAUDITED)  
 OPERATING INDICATORS BY FUNCTION  
 LAST TEN FISCAL YEARS

Function	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Police</b>										
Physical arrests (1)	1,025	1,749	1,223	983	762	308	383	327	346	353
Traffic violations	5,118	5,090	4,765	4,715	4,535	4,195	2,616	2,237	2,244	1,653
<b>Fire</b>										
Calls answered	677	706	802	1,055	1,143	1,256	1,170	1,243	1,159	1,249
<b>Public works</b>										
Resurfacing (miles)	8.84	7.61	7.12	4.94	4.29	2.45	2.53	2.45	0.83	1.75
<b>Culture and recreation</b>										
Athletic field permits issued	2,220	2,442	2,515	2,591	2,746	2,828	2,884	2,941	2,794	2,849
Community center admissions	93,527	113,997	132,550	149,547	165,500	181,206	198,940	206,968	231,137	230,717
Rounds of golf purchased	52,558	50,975	51,480	45,933	46,075	49,936	50,531	52,581	47,027	50,667
Driving range buckets (2)	30,800	28,057	28,050	25,360	25,368	24,505	20,548	25,216	17,608	17,167
<b>Water</b>										
New connections	168	74	28	31	17	6	10	147	105	50
Water main breaks	3	3	6	4	3	7	4	6	6	10
Average daily consumption (millions of gallons)	2.84	3.10	3.16	3.12	3.05	2.73	2.75	3.08	2.79	2.65

Sources: City department records.

(1) Only felony arrests were tracked in 2010.

(2) Driving range buckets can be purchased in three sizes ranging from twenty to seventy-five balls per bucket.

CITY OF INVER GROVE HEIGHTS, MINNESOTA  
 STATISTICAL SECTION (UNAUDITED)  
 CAPITAL ASSET STATISTICS BY FUNCTION  
 LAST TEN FISCAL YEARS

Function	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Public Safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	20	20	20	20	21	21	21	21	21	21
Fire stations										
Stations	2	2	2	2	2	2	2	2	2	2
Fire trucks	-	-	-	-	11	10	10	10	10	10
Other vehicles	-	-	-	5	5	4	4	4	4	4
Public Works										
Highways and streets										
Streets (miles) (3)	131	144	144	144	147	147	147	134	135	140
Street lights (1)	61	61	61	61	61	61	33	33	33	33
Traffic signals (2)	2	2	2	2	2	2	2	2	2	2
Culture and recreation										
Parks acreage	567	567	885	885	885	885	885	885	844	844
Parks	26	26	27	27	27	27	27	27	28	28
Swimming pools	4	4	4	4	4	4	4	4	4	4
Tennis courts	11	11	11	11	11	11	11	11	11	11
Community centers	1	1	1	1	1	1	1	1	1	1
Golf courses	1	1	1	1	1	1	1	1	1	1
Utilities										
Water										
Miles of water main (3)	151.0	154.0	155.0	155.0	155.0	155.0	155.0	148.0	152.0	158.0
Wells	6	6	6	6	6	7	7	7	7	7
Fire hydrants	1,292	1,561	1,570	1,580	1,585	1,595	1,598	1,605	1,554	1,683
Maximum daily capacity (millions of gallons)	10	8	7	11	11	13	13	13	13	13
Maximum daily treatment capacity (millions of gallons)	6	7	12	-	-	-	-	-	-	-
Sewer										
Miles of sanitary sewer	113.0	113.0	114.0	114.0	116.0	116.0	124.0	128.0	125.0	125.0
Miles of storm sewers	76	76	91	94	99	105	117	120	98	99

Source: City department records.

(1) The majority of street lights in the City are owned by the utility companies.

(2) The majority of traffic lights in the City are owned by Dakota County and/ or the State of Minnesota.

(3) Prior to 2012, calculations included privately owned water mains and streets.

# Management Letter

## City of Inver Grove Heights

Inver Grove Heights, Minnesota

For the Year Ended  
December 31, 2014

Management, Honorable Mayor and City Council  
City of Inver Grove Heights, Minnesota

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Inver Grove Heights, Minnesota, (the City) for the year ended December 31, 2014. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated November 13, 2014. Professional standards also require that we communicate to you the following information related to our audit.

### **Our Responsibility Under Auditing Standards Generally Accepted in the United States of America**

As stated in our engagement letter, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your responsibilities.

Our responsibility is to plan and perform the audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement. As part of our audit, we considered the internal control over financial reporting (internal control) of the City. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control. We are responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures specifically to identify such matters.

### **Significant Audit Findings**

In planning and performing our audit of the financial statements, we considered the City's internal control to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City'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 significant deficiencies or material weaknesses and therefore, there can be no assurance that all such deficiencies have been identified. However, as discussed below, we identified a certain deficiency in internal control that we consider to be a material weakness.

*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 City's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described on the following page as finding 2014-001 to be a material weakness.

## **2014-001 Material audit adjustments**

*Condition:* During our audit, a material adjustment was needed to correct the year-end account for unbilled 2013 storm water charges which were inadvertently adjusted out of receivables.

*Criteria:* Such adjustments were needed to correct year end balances. Amounts reported in the City's accounting system need to agree to the underlying supporting documentation.

*Cause:* City staff did not prepare a year end trial balance reflecting all necessary accounting entries in the areas noted above. City staff support overlooked the unbilled 2013 balances.

*Effect:* This indicates that misstatements may occur and not be detected by the City's system of internal control.

*Recommendation:* We recommend management review the related journal entries, obtain an understanding of why the entries were necessary and modify current procedure to ensure that future corrections are not needed.

### *Management response:*

Management agrees with the finding and understands the reason the adjustments were needed. Procedures over year-end adjustments will be reevaluated to eliminate the need for related audit adjustments in the future.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of compliance with certain provisions of Minnesota statutes. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. While our audit provides a reasonable basis for our opinion, it does not provide a legal determination on the City's compliance with those requirements. We noted no instances of noncompliance with Minnesota statutes.

## **Summary of Prior Year Findings**

### **2013-001 Material audit adjustments**

*Condition:* During our audit, adjustments were needed to correct the year-end trial balance in the following areas: correct the year-end market value of investments and related revenue from investment earnings, allocate investment earnings in accordance with GASB 31, and to adjust year-end special assessments receivable.

*Criteria:* Such adjustments were needed to correct year end balances.

### *Current year status:*

The City has made the necessary adjustments in the current year related to these specific balances.

## **Planned Scope and Timing of the Audit**

We performed the audit according to the planned scope and timing previously communicated to you.

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

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

## **Corrected and Uncorrected Misstatements**

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. We proposed one journal entry that we consider to be audit entry or corrections of management decisions. This related to the situation previously discussed in finding 2014-001.

## **Qualitative Aspects of Accounting Practices**

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended December 31, 2014. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements include depreciation on capital assets, allocation of payroll and compensated absences, the liability for other postemployment benefits, and value of land held for resale.

- Management's estimate of depreciation is based on estimated useful lives of the assets. Depreciation is calculated using the straight-line method.
- Allocations of gross wages and payroll benefits are approved by City Council within the City's budget and are derived from each employee's estimated time to be spent servicing the respective functions of the City. These allocations are also used in allocating accrued compensated absences payable.
- Management's estimate of its OPEB liability is based on several factors including, but not limited to, anticipated retirement age for active employees, life expectancy, turnover, and healthcare cost trend rate.
- Management's estimate of land held for resale is based on estimated net realizable value of acquired assets intended to be resold. Land and property purchased that management believes will be donated for economic development purposes are expensed in the year acquired.

We evaluated the key factors and assumptions used to develop these accounting estimates in determining that it is reasonable in relation to the financial statements taken as a whole. The disclosures in the financial statements are neutral, consistent, and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users.

## **Disagreements with Management**

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

## **Management Representations**

We have requested certain representations from management that are included in the management representation letter dated April 27, 2015.

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

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

## **Other Matters**

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

## Other Audit Findings or Issues

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

## Financial Position and Results of Operations

Our principal observations and recommendations are summarized below. These recommendations resulted from our observations made in connection with our audit of the City's financial statements for the year ended December 31, 2014.

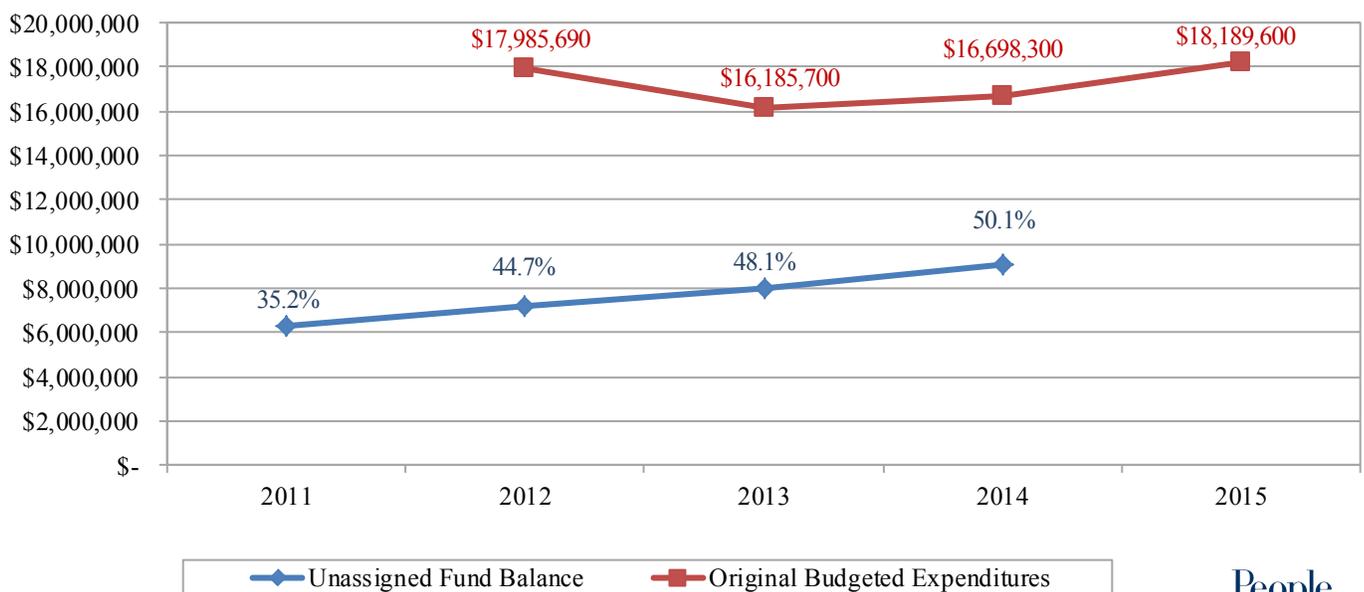
### General Fund

The General fund is used to account for resources traditionally associated with government, which are not required legally or by sound principal management to be accounted for in another fund. The General fund balance increased \$1,080,903 from 2013. We recommend that the fund balance be maintained at a level sufficient to fund operations until the major revenue sources are received in June. The City's fund balance policy for the General fund identifies a target unassigned fund balance of 40 to 45 percent of next year's budgeted expenditures. The City's ending fund balance is above this target level as shown in the chart below.

The purposes and benefits of a strong fund balance are as follows:

- Expenditures are incurred somewhat evenly throughout the year. However, property tax and state aid revenues are not received until the second half of the year. An adequate fund balance will provide the cash flow required to finance the governmental fund expenditures.
- The City is vulnerable to legislative actions at the State and Federal level. The State continually adjusts the local government aid formulas. An adequate fund balance will provide a temporary buffer against aid adjustments and levy limits.
- Expenditures not anticipated at the time the annual budget was adopted may need immediate City Council action. These would include capital outlay, replacement, lawsuits and other items. An adequate fund balance will provide the financing needed for such expenditures.
- A strong fund balance will assist the City in maintaining, improving or obtaining its bond rating. The result may be better interest rates in future bond sales.

**Fund Balance as a Percent of Next Year's Budgeted Expenditures**



The 2014 General fund operations are summarized as follows:

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues	\$ 15,561,700	\$ 16,594,995	\$ 1,033,295
Expenditures	<u>16,371,600</u>	<u>16,073,790</u>	<u>297,810</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(809,900)</u>	<u>521,205</u>	<u>1,331,105</u>
Other financing sources (uses)			
Transfers in	1,106,300	1,106,467	167
Transfers out	(541,200)	(547,069)	(5,869)
Insurance recovery	<u>-</u>	<u>300</u>	<u>300</u>
Total other financing sources (uses)	<u>565,100</u>	<u>559,698</u>	<u>(5,402)</u>
Net change in fund balances	(244,800)	1,080,903	1,325,703
Fund balances, January 1	<u>8,110,213</u>	<u>8,110,213</u>	<u>-</u>
Fund balances, December 31	<u><u>\$ 7,865,413</u></u>	<u><u>\$ 9,191,116</u></u>	<u><u>\$ 1,325,703</u></u>

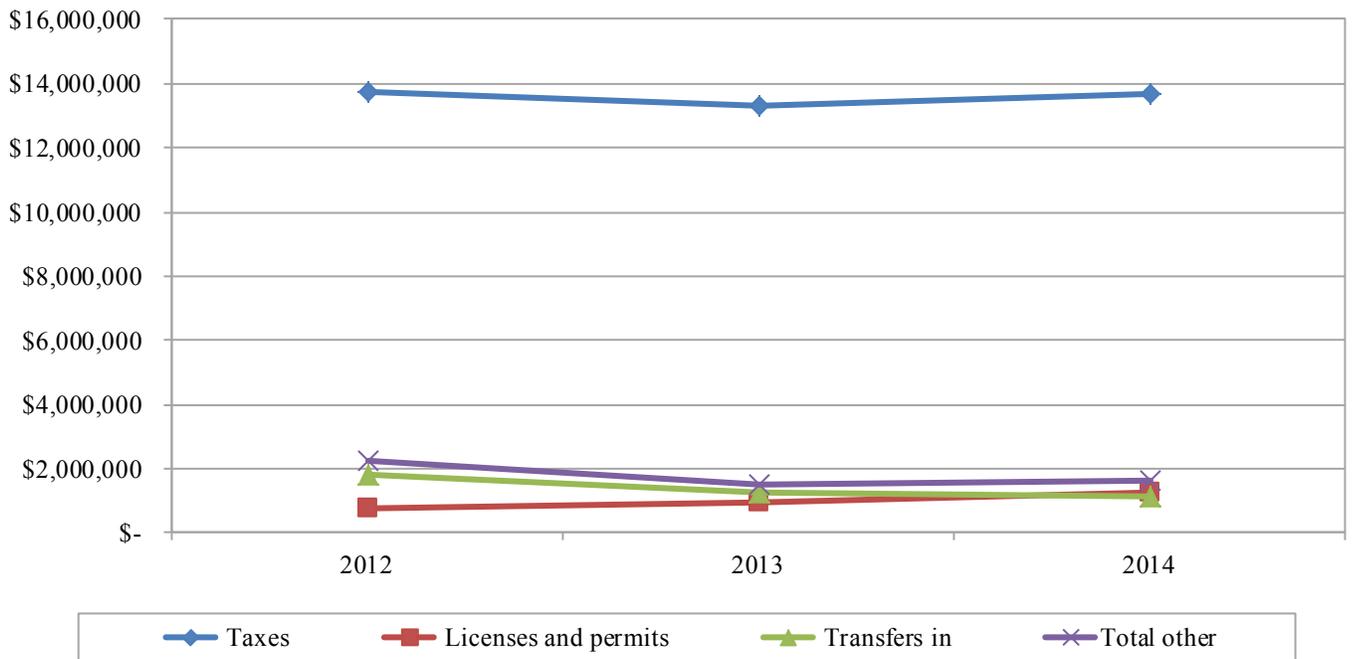
Some of the line items with significant variances are highlighted below:

- The largest revenue variance is within licenses and permits, which is \$527,754 more than budgeted due to more conservative estimates of building activity than actually occurred.
- Revenues from public works charges for services are \$194,734 more than budgeted. The majority of this variance was due to a larger demand for engineering services than anticipated.
- Revenues from police and fire aid intergovernmental revenues are \$141,240 more than budgeted. Of this amount, \$61,645 is a related variance for expenditures that flows through the City to the Fire Relief Association.
- In total, expenditures are \$297,810 less than anticipated. The largest expenditure variance is within the public safety police department, which is \$199,812 less than budgeted.

A comparison between General fund 2012, 2013, and 2014 revenues and other financing sources is presented below:

Source	2012	2013	2014	Percent of Total	Per Capita
Taxes	\$13,714,655	\$13,305,153	\$13,708,133	77.3 %	\$ 398
Licenses and permits	750,483	951,948	1,241,654	7.0	36
Intergovernmental	608,745	646,002	653,290	3.7	19
Charges for services	1,338,057	627,432	735,860	4.2	21
Fines and forfeitures	125,164	148,113	135,382	0.8	4
Special assessments	8,114	4,610	13,099	0.1	-
Investment earnings	45,343	10,723	90,341	0.5	3
Miscellaneous	115,725	42,103	17,236	0.1	1
Transfers in	1,813,000	1,287,928	1,106,467	6.3	32
Insurance recovery	-	15,676	300	-	-
Total revenues and other financing sources	<u>\$18,519,286</u>	<u>\$17,039,688</u>	<u>\$17,701,762</u>	<u>100.0 %</u>	<u>\$ 514</u>

A graphical presentation of 2012, 2013, and 2014 revenues and other financing sources follows:



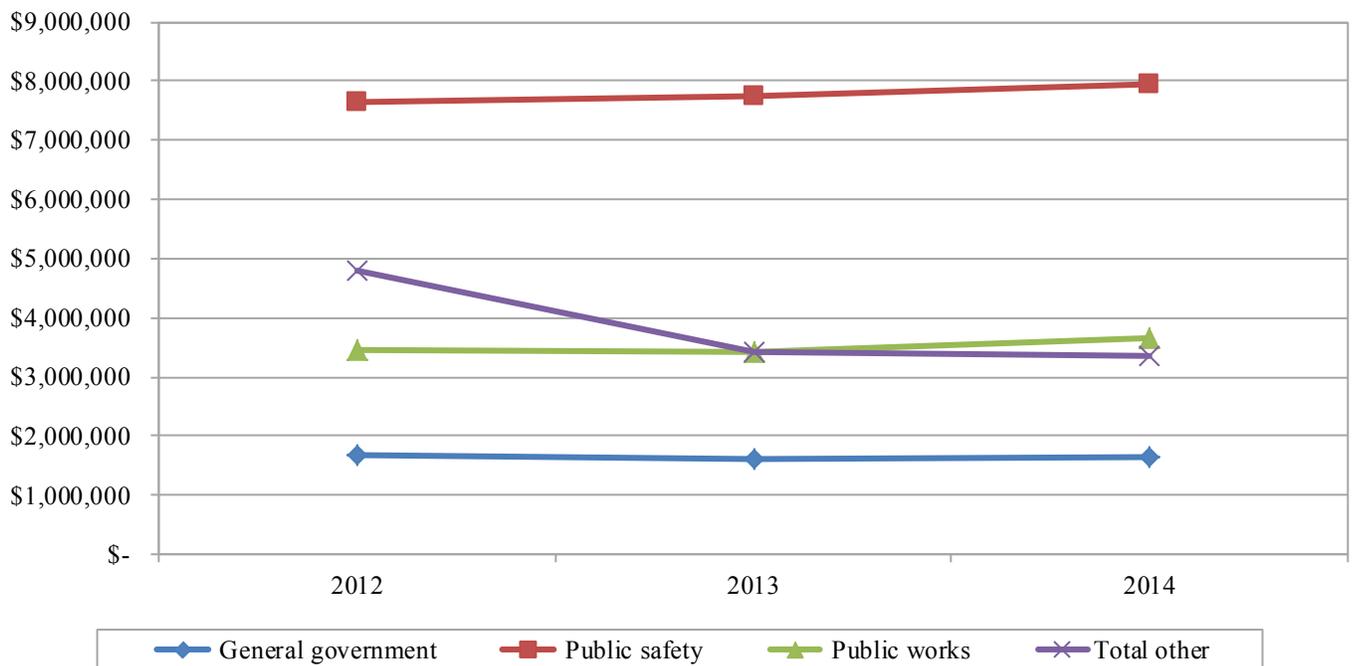
Some of the line items with significant changes are highlighted below:

- Within revenues from taxes, the increase from 2013 to 2014 was mostly a result of an increase in the General fund levy from \$13,171,920 in 2013 to \$13,599,119 in 2014.
- Revenues from licenses and permits increased due to a greater demand for building permits in 2014.
- Within revenues from charges for services, public works charges for services increased \$76,438 from the prior year. This increase can be attributed to internal engineering revenues which fluctuate based on the number of projects in a given year.

A comparison between General fund expenditures and transfers out for 2012, 2013, and 2014 is presented below:

Source	2012	2013	2014	Percent of Total	Per Capita
General government	\$ 1,683,309	\$ 1,621,152	\$ 1,638,718	9.8 %	\$ 47
Public safety	7,630,656	7,746,524	7,959,499	47.9	231
Public works	3,471,265	3,418,863	3,667,554	22.1	106
Culture and recreation	1,631,753	1,567,825	1,677,862	10.1	49
Community development	1,241,806	1,199,255	1,130,157	6.8	33
Capital outlay	879	10,940	-	-	-
Transfers out	1,923,073	652,032	547,069	3.3	16
<b>Total expenditures and transfers out</b>	<b>\$ 17,582,741</b>	<b>\$ 16,216,591</b>	<b>\$ 16,620,859</b>	<b>100.0 %</b>	<b>\$ 482</b>

The expenditures and transfers out summarized above are presented graphically as follows:



Some of the line items with significant changes are highlighted below:

- Public safety expenditures have increased from 2013 \$212,975 (2.7 percent).
- Public works expenditures have increased from 2013 \$248,691 (7.3 percent), largely as a result of street maintenance expenditures.

## Special Revenue Funds

Special revenue funds receive revenue from specific sources and expenditures are for specific purposes. A summary of the special revenue fund balances is shown below:

Fund	Fund Balances December 31,		Increase (Decrease)
	2013	2014	
Nonmajor			
Convention and Visitors Bureau	\$ 85,193	\$ 114,059	\$ 28,866
Recreation	458,590	461,436	2,846
Economic Development Authority (EDA)	363,788	318,989	(44,799)
Community Center	149,173	149,247	74
	<u>1,056,744</u>	<u>1,043,731</u>	<u>(13,013)</u>
Total	<u>\$ 1,056,744</u>	<u>\$ 1,043,731</u>	<u>\$ (13,013)</u>

## Capital Projects Funds

The fund balances of all capital projects funds are summarized below:

Capital Projects Fund	Fund Balances December 31,		Increase (Decrease)
	2013	2014	
Major			
Closed Bond	\$ 2,823,548	\$ 2,548,905	\$ (274,643)
Local Improvement Construction	(2,807,065)	(2,058,299)	748,766
Pavement Management	2,064,844	1,523,454	(541,390)
Host Community	2,979,261	3,717,746	738,485
Nonmajor			
Capital Facilities	1,464,472	1,304,816	(159,656)
Equipment Acquisition	593,236	538,121	(55,115)
Parks Acquisition and Development	1,357,900	1,434,118	76,218
State Aid Construction	724,936	698,632	(26,304)
Capital Improvement Revolving	401,267	406,951	5,684
Storm Water Management	113,993	336,225	222,232
Tree Preservation	17,842	18,124	282
Parks Capital Replacement	793,005	899,724	106,719
ADA	23,532	62,651	39,119
Community Projects	349,587	298,702	(50,885)
Permanent Improvement Revolving	(439,770)	(330,979)	108,791
Tax Increment Financing	65,656	(337,936)	(403,592)
	<u>10,526,244</u>	<u>11,060,955</u>	<u>534,711</u>
Total	<u>\$ 10,526,244</u>	<u>\$ 11,060,955</u>	<u>\$ 534,711</u>

The City should monitor the deficit funds, reviewing planned project sources for these funds to consider whether they will be available within a sufficient timeframe to cover current activity.

- Total expenditures within the above capital project funds are roughly \$5.58 million.
- Within total revenues, significant revenue sources include:
  - Intergovernmental revenues (primarily state MSA funding) are approximately \$2.83 million
  - Charges for services are \$2.91 million (\$78,448 park dedication fees, \$328,880 storm water management fees, and \$2,502,528 for host community fees)
  - Tax increment revenues totaled \$1.93 million
- A significant consideration to the overall change to fund balance relates to transfers. The amount transferred out (net of transfers in) was roughly \$2.88 million, the most significant activity as follows: 1) \$2.09 million transfers from TIF to related debt service for reporting purposes, 2) \$430,000 to the General fund for operations, 3) \$100,000 to the Golf Course, and 4) \$193,821 to the Water and Sewer funds for related closed projects.

## Debt Service Funds

Debt Service funds are a type of governmental fund to account for the accumulation of resources for the payment of interest and principal on debt (other than enterprise fund debt). Debt Service funds may have one or a combination of the following revenue sources pledged to retire debt as follows:

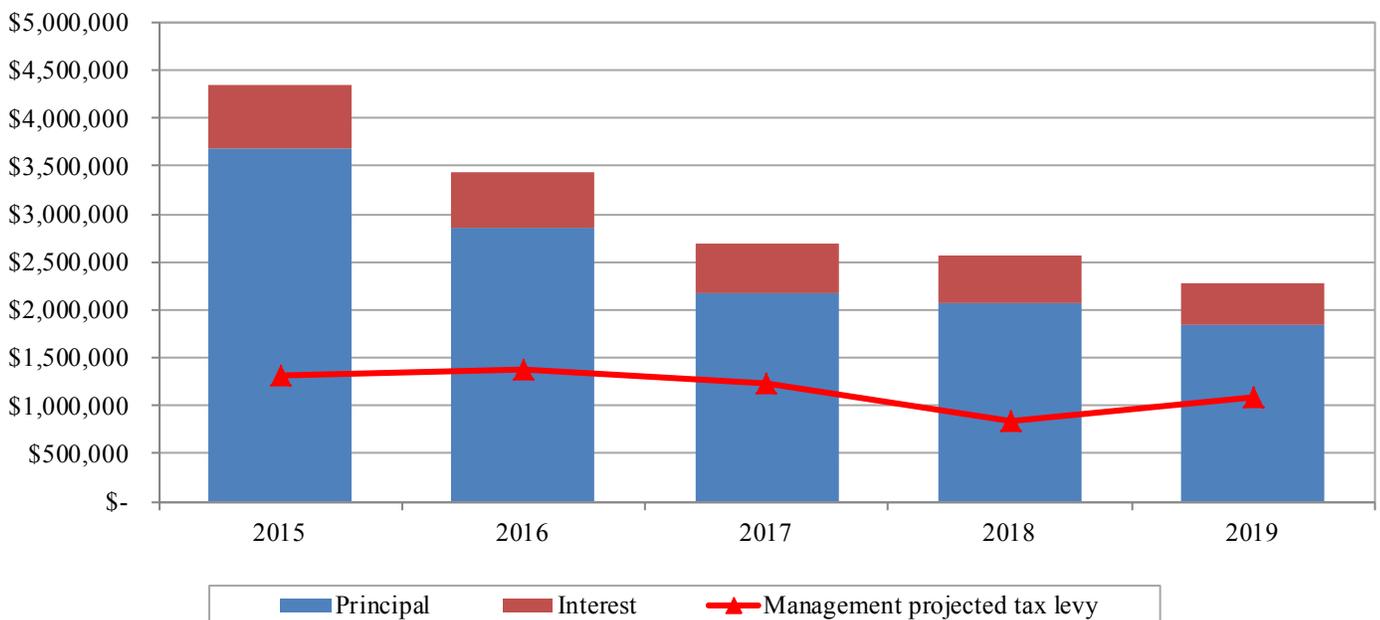
- Property taxes - Primarily for general City benefit projects such as parks and municipal buildings. Property taxes may also be used to fund special assessment bonds which are not fully assessed.
- Tax increments - Pledged exclusively for tax increment/economic development districts.
- Capitalized interest portion of bond proceeds - After the sale of bonds, the project may not produce revenue (tax increments or special assessments) for a period of one to two years. Bonds are issued with this timing difference considered in the form of capitalized interest.
- Special assessments - Charges to benefited properties for various improvements.

In addition to the above pledged assets, other funding sources may be received by Debt Service funds as follows: residual project proceeds from the related capital projects fund, investment earnings, state or federal grants, and transfers from other funds.

The following is a summary of the cash, total assets and bonds outstanding at year end for the governmental Debt Service funds:

Debt Service Fund	Cash Balance	Total Assets	Bonds Outstanding
Major			
Improvement Bonds	\$ 3,198,642	\$ 5,984,522	\$ 19,050,000
TIF Bonds	-	3	3,950,000
Nonmajor			
MSABC Bonds	36,625	42,076	110,150
Storm Water Bonds	233,937	249,706	295,000
<b>Total</b>	<b><u>\$ 3,469,204</u></b>	<b><u>\$ 6,276,307</u></b>	<b><u>\$ 23,405,150</u></b>
Total interest payments			<b><u>\$ 5,957,391</u></b>

### Debt Service Scheduled Principal and Interest for the Next 5 Years

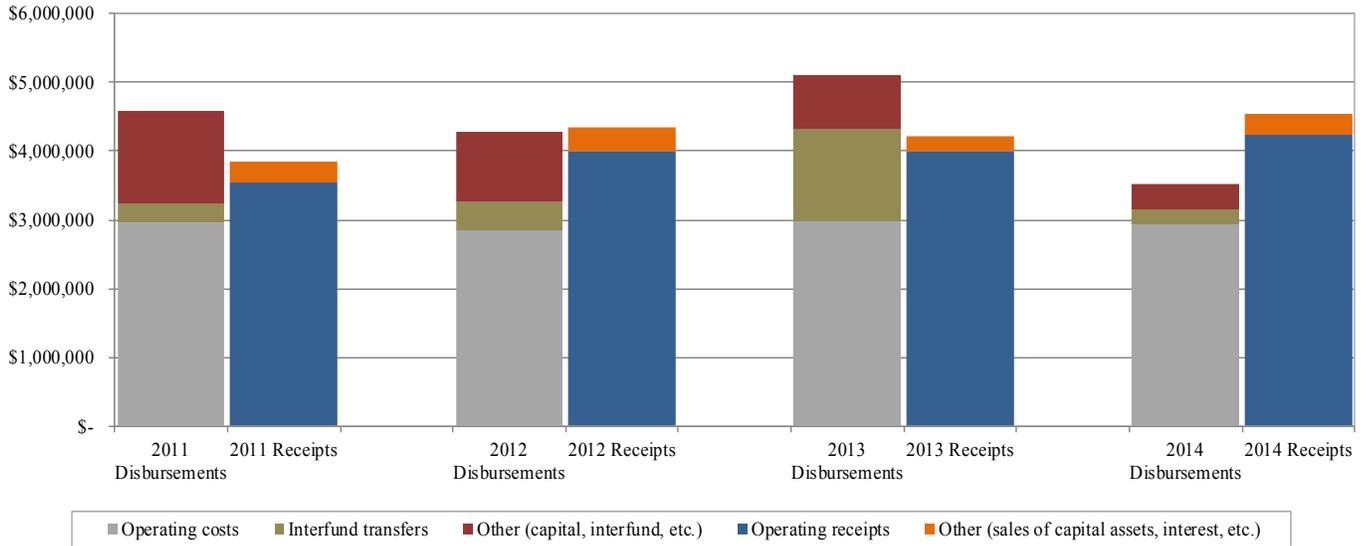


## Internal Service Funds

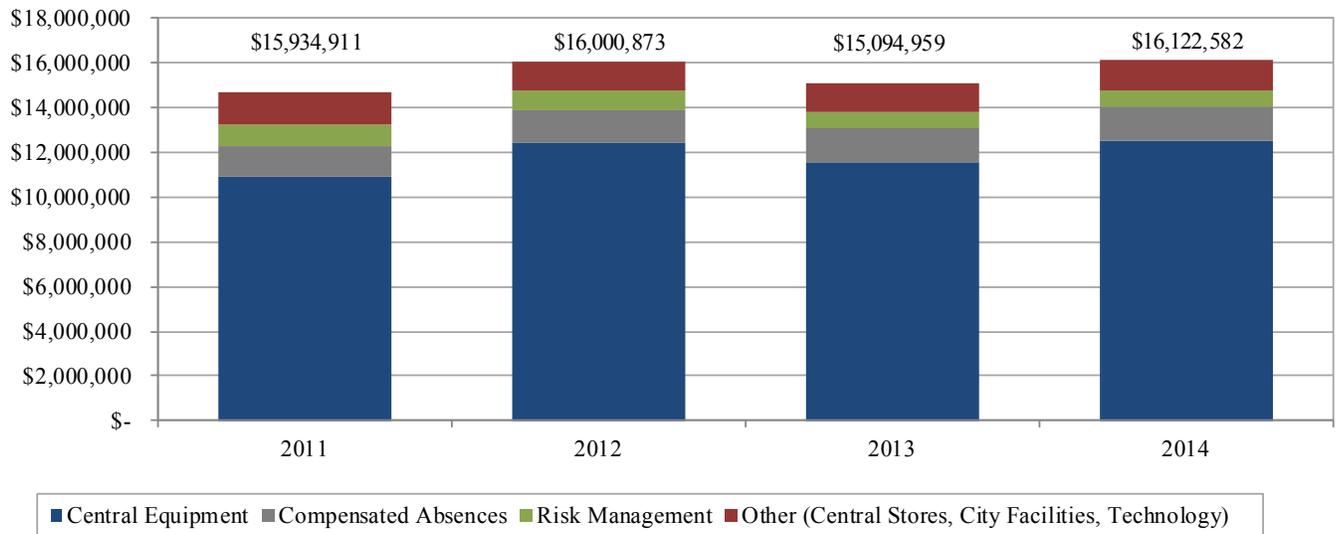
Internal Service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for compensated absences, risk management, central equipment maintenance, office supplies and equipment, city facilities, and technology. Because these services predominantly benefit governmental rather than business-type activities, they have been included within governmental activities in the government-wide financial statements.

The results of the operations in terms of cash flow and the breakdown of the cash balances for the past four years are as follows:

### Internal Service Fund Cash Flow



### Internal Service Fund Cash Balance



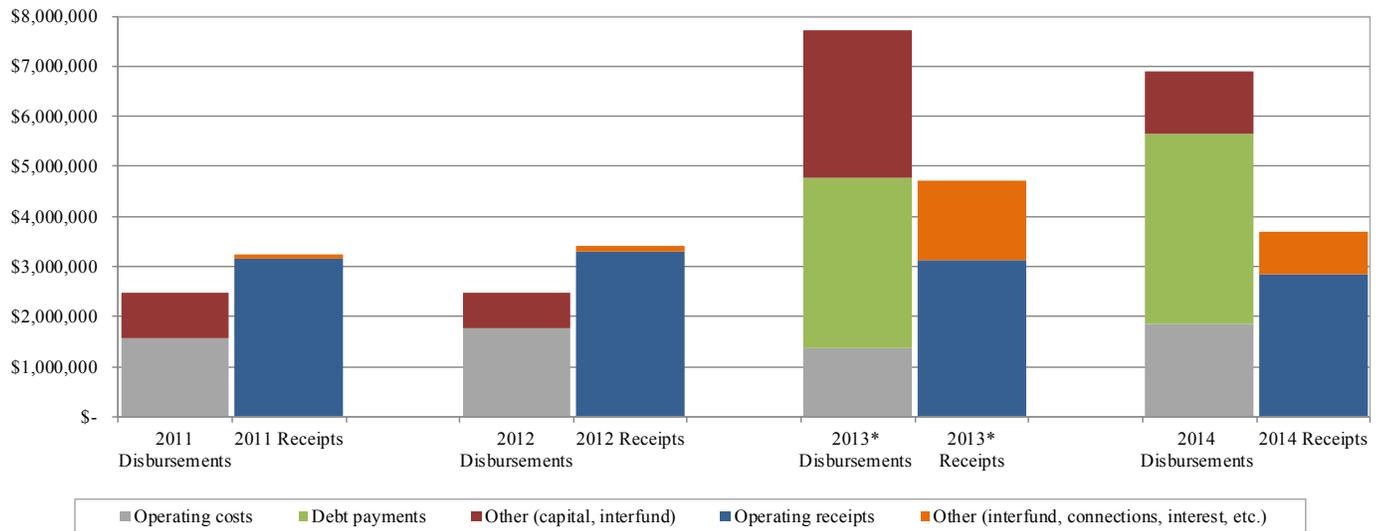
Some of the items with significant changes in the above charts are highlighted below:

- Operating receipts (blue) were sufficient to cover operating costs (grey) for all four years shown above.
- For 2014, the total spent on capital acquisition totaled \$360,418.

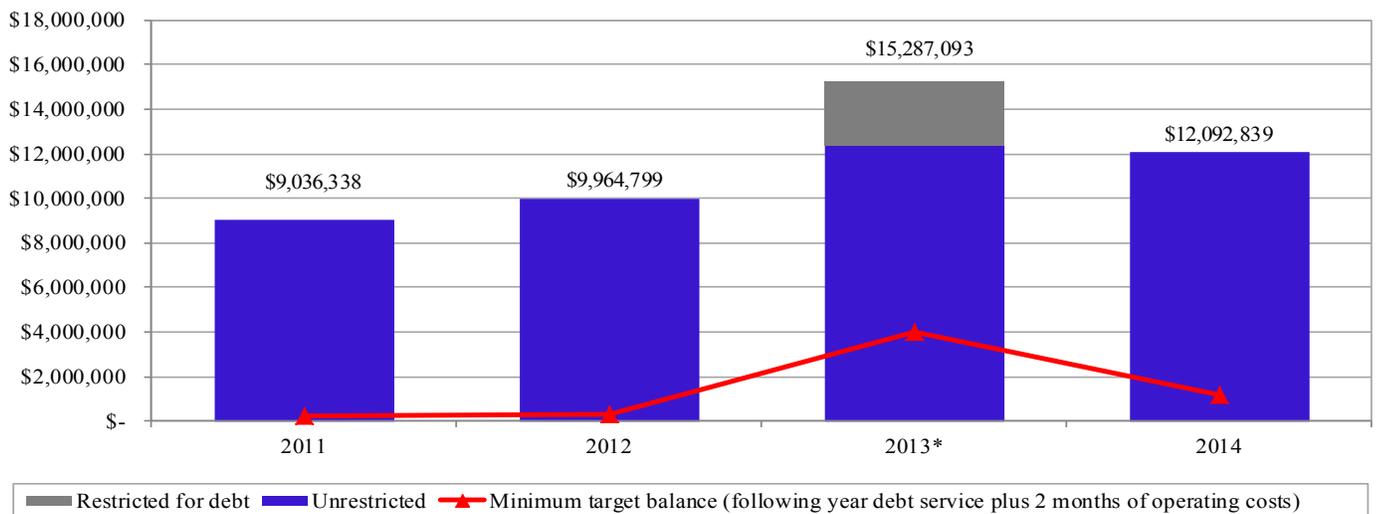
We recommend that the rates be reviewed annually to ensure that they are sufficient to cover operating costs and planned project costs.

**Enterprise Funds** are used to account for operations that are financed and operated in a manner similar to private business enterprises—where the intent is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The results of the operations in terms of cash flow and the breakdown of the cash balances for the past four years are as follows:

### Water Fund Cash Flow



### Water Fund Cash Balance



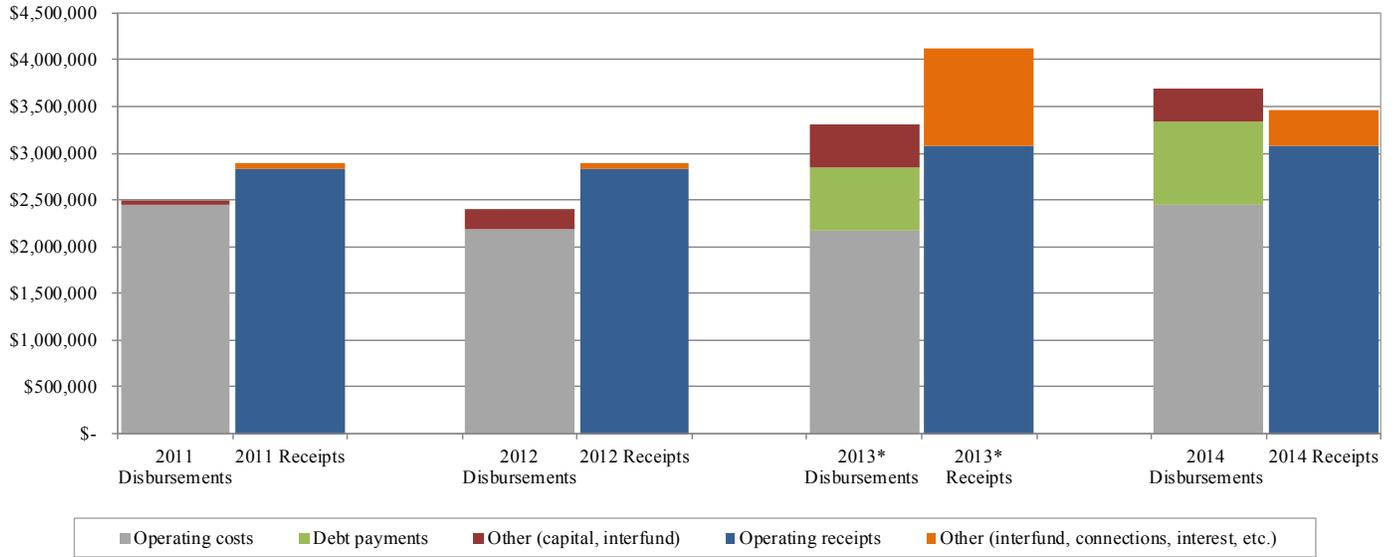
\* In 2013, the Water Revenue Bonds debt service fund and the Water Connection and Water System Improvements capital projects funds were reclassified from governmental to enterprise funds. The impact on beginning cash was \$8,319,507.

Some of the items with significant changes in the above charts are highlighted below:

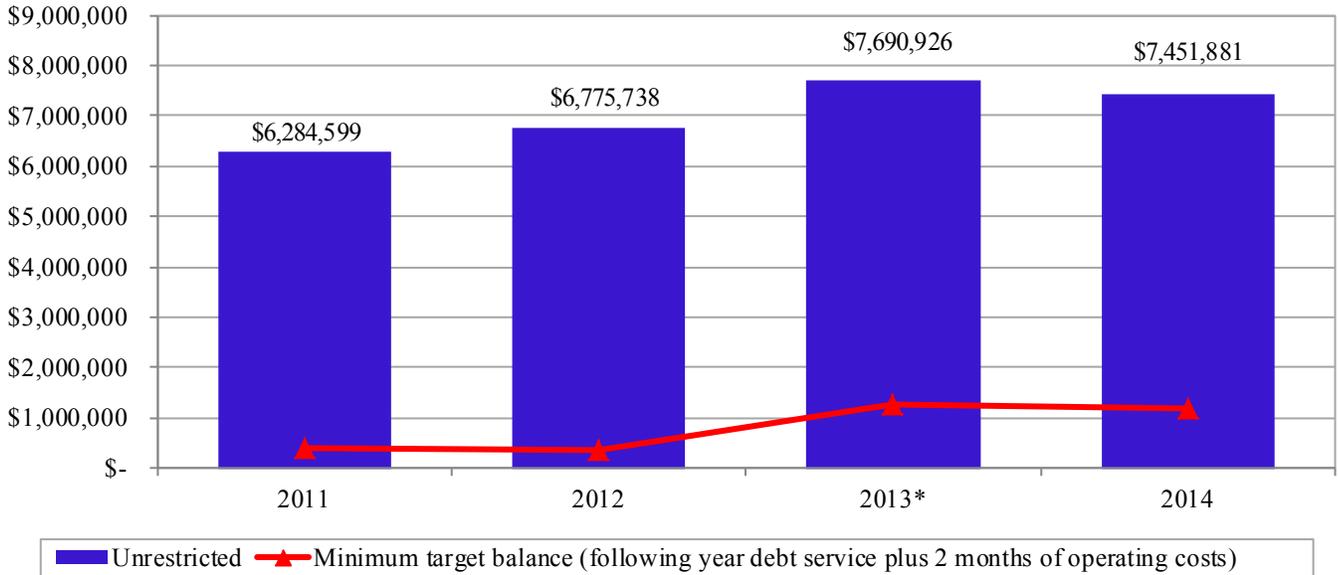
- The outstanding balance for bonds payable, net of premium at December 31, 2014 is \$4,983,804.
- In 2014, the previous restricted cash balance was used to make a refunding bond payment in the amount of \$2,885,000.
- Excluding the portion of debt payments covered by cash held with fiscal agent, operating receipts (blue) were sufficient to cover operating costs (grey) and debt payments (green) in each of the four years shown above.
- Cash received from connection fees (included in orange) were \$363,975 in 2014.

We recommend that the rates be reviewed annually to ensure that they are sufficient to cover operating costs, annual scheduled debt payments, and planned project costs.

### Sewer Fund Cash Flow



### Sewer Fund Cash Balance



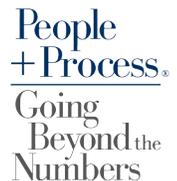
	2011	2012	2013*	2014
Bonds payable, net of premium	\$ -	\$ -	\$ 12,410,000	\$ 12,298,421

\* In 2013, the Sewer Revenue Bonds debt service fund and the Sewer Connection capital projects fund were reclassified from governmental to enterprise funds. The impact on beginning cash was \$110,947.

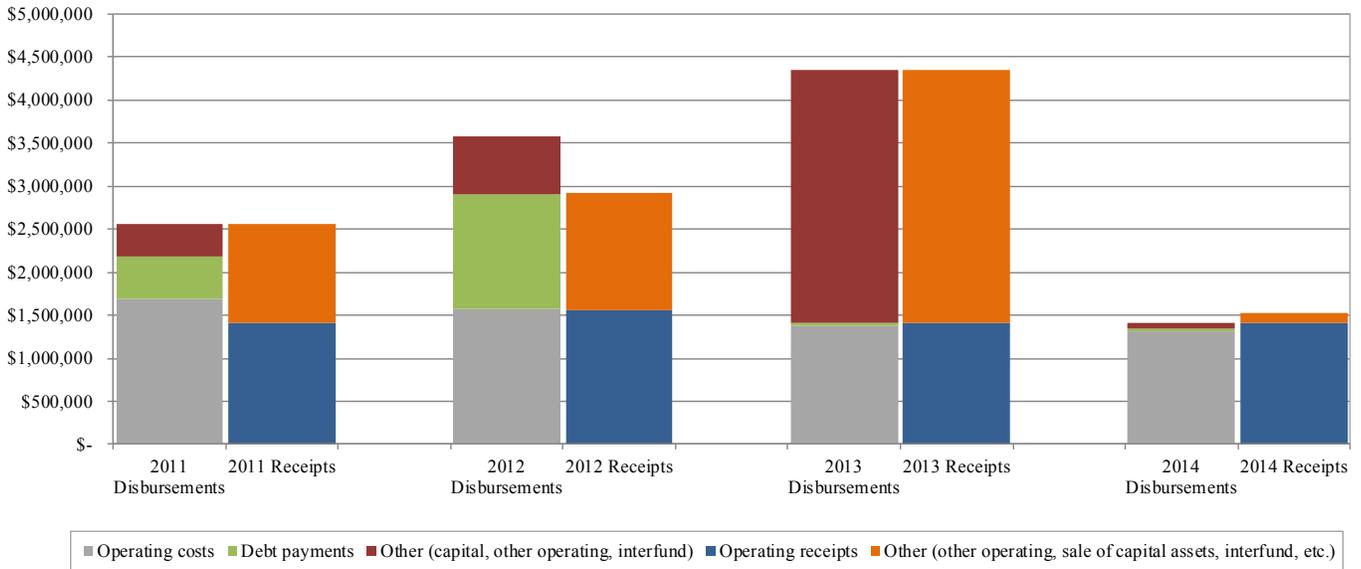
Some of the items with significant changes in the above charts are highlighted below:

- Except for 2014, operating receipts (blue) have been sufficient to cover operating costs (grey) and debt payments (green) in the past three years.
- Cash received from connection fees (included in orange) were \$189,161 in 2014.

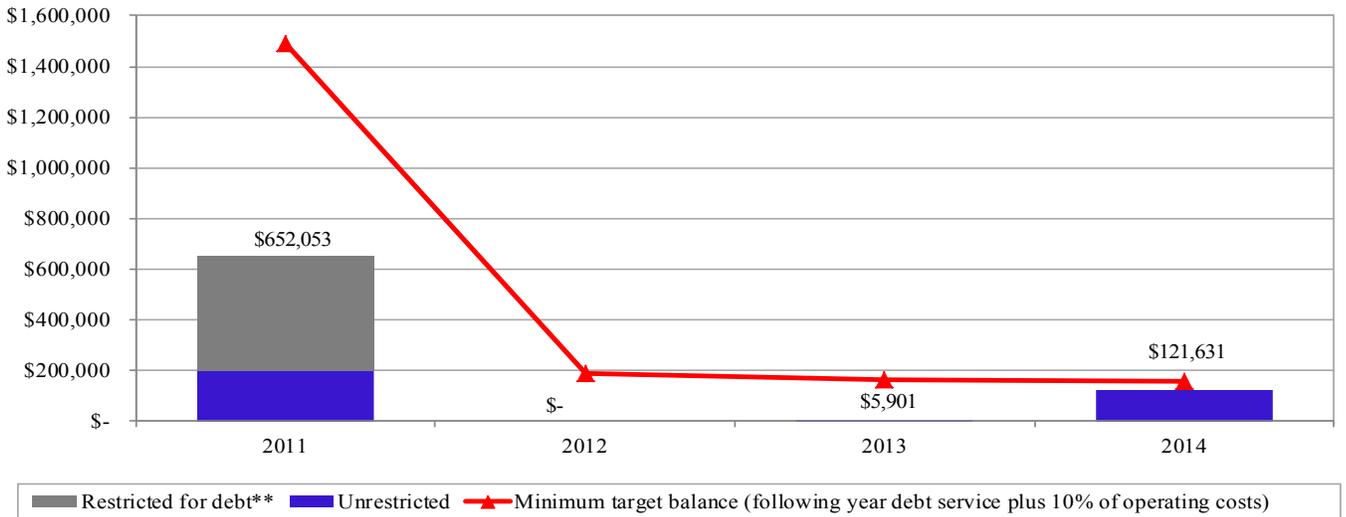
As noted with the Water fund, we recommend that the rates be reviewed annually to ensure that they are sufficient to cover operating costs, annual scheduled debt payments, and planned project costs.



### Golf Course Fund Cash Flow



### Golf Course Fund Cash Balance



	2011	2012	2013	2014
Bonds payable, net of premium	<u>\$ 1,193,958</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Capital lease payable	<u>\$ 132,480</u>	<u>\$ 108,445</u>	<u>\$ 83,245</u>	<u>\$ 56,823</u>
Interfund loan	<u>\$ 3,679,514</u>	<u>\$ 3,007,682</u>	<u>\$ 78,075</u>	<u>\$ 52,050</u>

Some of the items with significant changes in the above charts are highlighted below:

- Other than in 2014, operating receipts (blue) have not been sufficient to cover operating costs (grey) and debt payments (green) for the years shown above. The net cash from operations for 2014 was \$96,221.

## Future Accounting Standard Changes

The following Governmental Accounting Standards Board (GASB) Statements have been issued and may have an impact on future City financial statements: <sup>(1)</sup>

### **GASB Statement No. 68** - *The Accounting and Financial Reporting of Pensions- an Amendment of GASB Statement No. 27*

The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency.

This Statement replaces the requirements of Statement No. 27, Accounting for Pensions by State and Local Governmental Employers, as well as the requirements of Statement No. 50, Pension Disclosures, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria. The requirements of Statements 27 and 50 remain applicable for pensions that are not covered by the scope of this Statement.

This Statement is effective for fiscal years beginning after June 15, 2014. Earlier application is encouraged.

### **How the Changes in This Statement Will Improve Financial Reporting**

The requirements of this Statement will improve the decision-usefulness of information in employer and governmental nonemployer contributing entity financial reports and will enhance its value for assessing accountability and interperiod equity by requiring recognition of the entire net pension liability and a more comprehensive measure of pension expense. Decision-usefulness and accountability also will be enhanced through new note disclosures and required supplementary information.

### **GASB Statement No. 71** - *Pension Transition for Contributions Made Subsequent to the Measure Date - an Amendment of GASB Statement No. 68*

#### **Summary**

The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, Accounting and Financial Reporting for Pensions. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

Statement No. 68 requires a state or local government employer (or nonemployer contributing entity in a special funding situation) to recognize a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year. If a state or local government employer or nonemployer contributing entity makes a contribution to a defined benefit pension plan between the measurement date of the reported net pension liability and the end of the government's reporting period, Statement No. 68 requires that the government recognize its contribution as a deferred outflow of resources. In addition, Statement No. 68 requires recognition of deferred outflows of resources and deferred inflows of resources for changes in the net pension liability of a state or local government employer or nonemployer contributing entity that arise from other types of events. At transition to Statement No. 68, if it is not practical for an employer or nonemployer contributing entity to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, paragraph 137 of Statement No. 68 required that beginning balances for deferred outflows of resources and deferred inflows of resources not be reported.

Consequently, if it is not practical to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, contributions made after the measurement date of the beginning net pension liability could not have been reported as deferred outflows of resources at transition. This could have resulted in a significant understatement of an employer or nonemployer contributing entity's beginning net position and expense in the initial period of implementation.

This Statement amends paragraph 137 of Statement No. 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. Statement No. 68, as amended, continues to require that beginning balances for other deferred outflows of resources and deferred inflows of resources related to pensions be reported at transition only if it is practical to determine all such amounts.

The provisions of this Statement are required to be applied simultaneously with the provisions of Statement No. 68.

## Future Accounting Standard Changes - Continued

### How the Changes in This Statement Will Improve Financial Reporting

The requirements of this Statement will eliminate the source of a potential significant understatement of restated beginning net position and expense in the first year of implementation of Statement No. 68 in the accrual-basis financial statements of employers and nonemployer contributing entities. This benefit will be achieved without the imposition of significant additional costs.

### *GASB Statement No. 72 - Fair Value Measurement and Application*

#### Summary

This Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of *fair value* is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements.

#### Fair Value Measurement

Fair value is described as an exit price. Fair value measurements assume a transaction takes place in a government's principal market, or a government's most advantageous market in the absence of a principal market. The fair value also should be measured assuming that general market participants would act in their economic best interest. Fair value should not be adjusted for transaction costs.

To determine a fair value measurement, a government should consider the unit of account of the asset or liability. The unit of account refers to the level at which an asset or a liability is aggregated or disaggregated for measurement, recognition, or disclosure purposes as provided by the accounting standards. For example, the unit of account for investments held in a brokerage account is each individual security, whereas the unit of account for an investment in a mutual fund is each share in the mutual fund held by a government.

This Statement requires a government to use valuation techniques that are appropriate under the circumstances and for which sufficient data are available to measure fair value. The techniques should be consistent with one or more of the following approaches: the market approach, the cost approach, or the income approach. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets, liabilities, or a group of assets and liabilities. The cost approach reflects the amount that would be required to replace the present service capacity of an asset. The income approach converts future amounts (such as cash flows or income and expenses) to a single current (discounted) amount. Valuation techniques should be applied consistently, though a change may be appropriate in certain circumstances. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

This Statement establishes a hierarchy of inputs to valuation techniques used to measure fair value. That hierarchy has three levels. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs are inputs—other than quoted prices—included within Level 1 that are observable for the asset or liability, either directly or indirectly. Finally, Level 3 inputs are unobservable inputs, such as management's assumption of the default rate among underlying mortgages of a mortgage-backed security.

A fair value measurement takes into account the highest and best use for a nonfinancial asset. A fair value measurement of a liability assumes that the liability would be transferred to a market participant and not settled with the counterparty. In the absence of a quoted price for the transfer of an identical or similar liability and if another party holds an identical item as an asset, a government should be able to use the fair value of that asset to measure the fair value of the liability.

This Statement requires additional analysis of fair value if the volume or level of activity for an asset or liability has significantly decreased. It also requires identification of transactions that are not orderly. Quoted prices provided by third parties are permitted, as long as a government determines that those quoted prices are developed in accordance with the provisions of this Statement.

## Future Accounting Standard Changes - Continued

### Fair Value Application

This Statement generally requires investments to be measured at fair value. An *investment* is defined as a security or other asset that (a) a government holds primarily for the purpose of income or profit and (b) has a present service capacity based solely on its ability to generate cash or to be sold to generate cash. Investments not measured at fair value continue to include, for example, money market investments, 2a7-like external investment pools, investments in life insurance contracts, common stock meeting the criteria for applying the equity method, unallocated insurance contracts, and synthetic guaranteed investment contracts. A government is permitted in certain circumstances to establish the fair value of an investment that does not have a readily determinable fair value by using the net asset value per share (or its equivalent) of the investment.

This Statement requires measurement at acquisition value (an entry price) for donated capital assets, donated works of art, historical treasures, and similar assets and capital assets received in a service concession arrangement. These assets were previously required to be measured at fair value.

### Fair Value Disclosures

This Statement requires disclosures to be made about fair value measurements, the level of fair value hierarchy, and valuation techniques. Governments should organize these disclosures by type of asset or liability reported at fair value. It also requires additional disclosures regarding investments in certain entities that calculate net asset value per share (or its equivalent).

The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2015. Earlier application is encouraged.

### **How the Changes in This Statement Will Improve Financial Reporting**

The requirements of this Statement will enhance comparability of financial statements among governments by requiring measurement of certain assets and liabilities at fair value using a consistent and more detailed definition of fair value and accepted valuation techniques. This Statement also will enhance fair value application guidance and related disclosures in order to provide information to financial statement users about the impact of fair value measurements on a government's financial position.

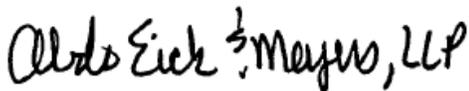
<sup>(1)</sup> *Note.* From GASB Pronouncements Summaries. Copyright 2014 by the Financial Accounting Foundation, 401 Merritt 7, Norwalk, CT 06856, USA, and is reproduced with permission.

\* \* \* \* \*

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

Our audit would not necessarily disclose all weaknesses in the system because it was based on selected tests of the accounting records and related data. The comments and recommendations in the report are purely constructive in nature, and should be read in this context.

If you have any questions or wish to discuss any of the items contained in this letter, please feel free to contact us at your convenience. We wish to thank you for the opportunity to be of service and for the courtesy and cooperation extended to us by your staff.



ABDO, EICK & MEYERS, LLP  
Minneapolis, Minnesota  
April 27, 2015

# Other Required Report

## City of Inver Grove Heights

Inver Grove Heights, Minnesota

For the Year Ended

December 31, 2014

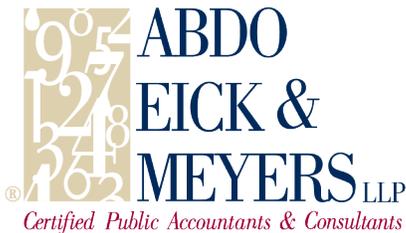
CITY OF INVER GROVE HEIGHTS, MINNESOTA  
OTHER REQUIRED REPORT  
TABLE OF CONTENTS  
FOR THE YEAR ENDED DECEMBER 31, 2014

Page No.

**OTHER REQUIRED REPORT**

Independent Auditor's Report on Minnesota Legal Compliance

2



## INDEPENDENT AUDITOR'S REPORT ON LEGAL COMPLIANCE

Honorable Mayor and City Council  
City of Inver Grove Heights, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Inver Grove Heights, Minnesota (the City), as of and for the year ended December 31, 2014, and the related notes to the financial statements, and have issued our report thereon dated April 27, 2015.

The *Minnesota Legal Compliance Audit Guide for Political Subdivisions*, promulgated by the State Auditor pursuant to Minnesota Statute §6.65, contains seven 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 audit considered all of the listed categories.

In connection with our audit, nothing came to our attention that caused us to believe that the City failed to comply with the provisions of the *Minnesota Legal Compliance Audit Guide for Political Subdivisions*. 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's noncompliance with the above referenced provisions.

This report is intended solely for the information and use those charged with governance and management of the City and the State Auditor and is not intended to be and should not be used by anyone other than these specified parties.

*Abdo Eick & Meyers, LLP*

ABDO, EICK & MEYERS, LLP  
Minneapolis, Minnesota  
April 27, 2015

**CITY OF INVER GROVE HEIGHTS**

**REQUEST FOR COUNCIL ACTION**

Meeting Date: May 11, 2015  
 Item Type: Regular  
 Contact: Judy Thill, Fire Chief  
 Prepared by: Judy Thill Fire Chief  
 Reviewed by:

**Fiscal/FTE Impact:**

<input type="checkbox"/>	None
<input type="checkbox"/>	Amount included in current budget
<input type="checkbox"/>	Budget amendment requested
<input type="checkbox"/>	FTE included in current complement
<input type="checkbox"/>	New FTE requested – N/A
<input checked="" type="checkbox"/>	Other

**PURPOSE/ACTION REQUESTED**

Consider authorizing the Inver Grove Heights Fire Department to order a Fast Attack Fire Truck and pay the full cost at the time it is ordered.

**SUMMARY**

The Fire Department is requesting authorization to purchase a Fast Attack Truck. This is a more compact fire engine that can fit into narrow spaces where it would be difficult or slow to maneuver with a full sized engine. This Fast Attack Truck would be built on a Ford F550 Chassis. It would have a 1,000 GPM Waterous pump, foam system, 300 gallon water tank and body compartments for storage of equipment.

A truck of this size will be useful for all narrow driveways and tight access areas found in the City, but will be particularly beneficial in the southern part where there are more of these limited width driveways, especially the long narrow ones leading into different residences. The smaller size would provide for a quick set up of water supply and allow the truck to pull up directly to the residence versus having to sit out on the main access road. It would have enough equipment, water and crew to begin a quick attack on a house fire.

This truck would be purchased from Custom Fire. They are an established fire truck manufacturer and we have purchased three trucks from them in the past. Through the Houston Galveston Area Council (HGAC) purchasing program, Custom has already purchased the chassis with a group of options, including the body, water tank and pump, with the purchase price based on the 2014/2015 HGAC contract. Although the base truck was purchased through the HGAC by Custom Fire, the HGAC contract allows for the final owner to purchase a limited percentage of additional options (if needed) above and beyond what Custom ordered, without voiding the HGAC agreement. Because the IGHFD Truck Committee has been working on the specifications of a truck very similar to this, based on some other Fast Attack Trucks that Custom has built for other fire departments, the Truck Committee and Custom were able to merge the two plans and come up with a solid price with little change needed.

When Custom Fire purchased this truck, they were able to secure a price before the April 15, 2015 HGAC price increase took effect. They also avoided the new 2016/2017 HGAC contract that will be negotiated later this year, which historically has carried additional increases, because they have to predict prices out two years. By purchasing the truck when they did, Custom Fire also bought a 2015 Ford model year which avoids the increase Ford would typically charge for the next year's model of the same truck. Adding all of those expected 2016 increases would add significant cost to the truck if we waited to purchase this truck in 2016. Custom Fire purchased this truck when they did because they were looking to build a demo unit that could be used at a couple of fire conferences in the fall. As a result, purchasing the truck as a demo until provides and additional discount. .

The total cost of this truck would be \$325,000, which includes a performance bond. By purchasing this 2015 demo unit, the potential savings over a 2016 model and new HGAC contract year would be \$32,500. An option the City has is to pay for the entire truck at the time of purchase. At the present time, there are funds presently in the Fire Department's Central Equipment Fund to pay the entire truck cost, allowing a pre-pay discount of \$8,750. Funds to pay for this truck would come out of the Fire Department's Central Equipment Fund.

Staff recommends purchasing this demo Fast Attack Truck, not to exceed \$325,000, from Custom Fire and prepaying the entire cost of the truck at the time of purchase. This would provide a potential total savings of \$41,250.

CITY OF INVER GROVE HEIGHTS

REQUEST FOR COUNCIL ACTION

**Consider Resolution Levying Assessments for 2015 Improvement Program, City Project No. 2015-14 – 47<sup>th</sup> Street Area Water and Sanitary Sewer Improvements and Rehabilitation**

Meeting Date: May 11, 2015  
 Item Type: Regular  
 Contact: Thomas J. Kaldunski, 651.450.2572  
 Prepared by: Steve W. Dodge, Asst. City Engineer  
 Reviewed by: Scott Thureen, Public Works Director

TJK

**Fiscal/FTE Impact:**

- None
- Amount included in current budget
- Budget amendment requested
- FTE included in current complement
- New FTE requested – N/A
- Other: Special Assessments, Water Fund, Sewer Fund, Agreements

**PURPOSE/ACTION REQUESTED**

Consider Resolution Levying Assessments for 2015 Improvement Program, City Project No. 2015-14 – 47<sup>th</sup> Street Area Water and Sanitary Sewer Improvements and Rehabilitation

Parcels receiving sewer and water improvements along 49<sup>th</sup> Street East:  
 Tax Parcel Number 20536000020 (Subject Property)  
 Tax Parcel Number 205035003300 (Subject Property)

**SUMMARY**

On February 23<sup>rd</sup>, 2015 the City Council held the improvement hearing and ordered Project No. 2015-14 – 47<sup>th</sup> Street Area Water and Sanitary Sewer Improvements and Rehabilitation to include the petitioned 49th Street sewer and water extension to the subject properties. On March 23<sup>rd</sup>, 2015 Council approved the waiver of assessment appeal agreement for the subject parcels and the property owner executed the agreements. The bids were received on April 2, 2015 and are scheduled to be awarded after the levying of assessments for the project, but within 90 days of the bid opening. The project is scheduled for the summer of 2015 with final payment in spring of 2016.

The project includes sanitary sewer main, sanitary services, water main, and water services. The landowner is agreeing to pay the cost of the project component (sanitary sewer extension and water and sewer services to the subject properties) up to \$30,814 (\$15,407 per parcel).

I recommend approval of the levying assessments for 2015 Improvement Program, City Project No. 2015-14 – 47<sup>th</sup> Street Area Water and Sanitary Sewer Improvements and Rehabilitation

SWD/kf

Attachments: Resolution  
 Assessment Map  
 Final Assessment Roll

**CITY OF INVER GROVE HEIGHTS  
DAKOTA COUNTY, MINNESOTA**

**A RESOLUTION LEVYING ASSESSMENTS FOR \$15,407 FOR PARCEL NO. 20536000020 AND FOR \$15,407 FOR PARCEL NO. 205035003300 RELATING TO the 2015 IMPROVEMENT PROGRAM, CITY PROJECT NO. 2015-14 – 47TH STREET AREA WATER AND SANITARY SEWER IMPROVEMENTS AND REHABILITATION**

**RESOLUTION NO. \_\_\_\_\_**

**WHEREAS**, the Eleanor Schmandt Living Trust (Landowner) petitioned and signed waiver of assessment appeal agreements for the City to construct City Project No. 2015-14 – 47th Street Area Water and Sewer Improvements and Rehabilitation for the two parcels as described below; and

**WHEREAS**, Landowner, owns certain two (2) real properties situated in the City of Inver Grove Heights, County of Dakota, State of Minnesota, according to the deed thereof on file and of record with the Office of Dakota County Recorder identified as Tax Parcel Number 20536000020 (Subject Property) and legally described as:

Lots 1 and 2, Oakland Park, Dakota County, Minnesota, according to the plat thereof now on file and of record in the office of the County Recorder in and for said County and State.

**AND**

Tax Parcel Number 205035003300 (Subject Property) and legally described as:

Lots 29 and 30, Block 3, Nabersberg's Addition to Saint Paul, Dakota County, Minnesota, according to the plat thereof now on file and of record in the office of the County Recorder in and for said County and State.

**WHEREAS**, the Landowner has agreed to pay the cost of the project (sanitary sewer extension and water and sewer services to the subject properties) up to \$30,814 (\$15,407 per parcel); and

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF INVER GROVE HEIGHTS, MINNESOTA THAT:**

1. Such proposed assessment, a copy of which is attached hereto and made a part hereof, is hereby accepted and shall constitute the special assessment against the lands herein, and each tract of land therein included is hereby found to be benefited by the proposed assessment levied against it.
2. Such assessment shall be payable in equal installments extending over a period of ten (10) years. The first of the installments shall be payable on or before the first Monday in January 2016, and shall bear interest at the rate of 4.1 percent per annum from the date of adoption of this assessment resolution (or at such later date determined by the City Council).
3. The owner of any property, so assessed, may at any time prior to certification of the assessment to the County Auditor, pay the whole of the assessment on such property with interest accrued to the date of payment, to the City Treasurer, except that no interest shall be charged if the entire assessment is paid within thirty days from the adoption of this resolution; and the owner may, at any time thereafter, pay to the County Treasurer the entire amount of the assessment remaining unpaid, with interest accrued to December 31 of the year in which such payment is made. Such payment must be made before November 15, or interest will be charged through December 31 of the next succeeding year (or such later date determined by the Council).
4. The Clerk, shall, forthwith, transmit a certified duplicate of this assessment to the County Auditor to be extended on the property tax lists of the County, and such assessments shall be collected and paid over the same manner as other municipal taxes

Adopted by the City Council of Inver Grove Heights, Minnesota this 11th day of May 2015

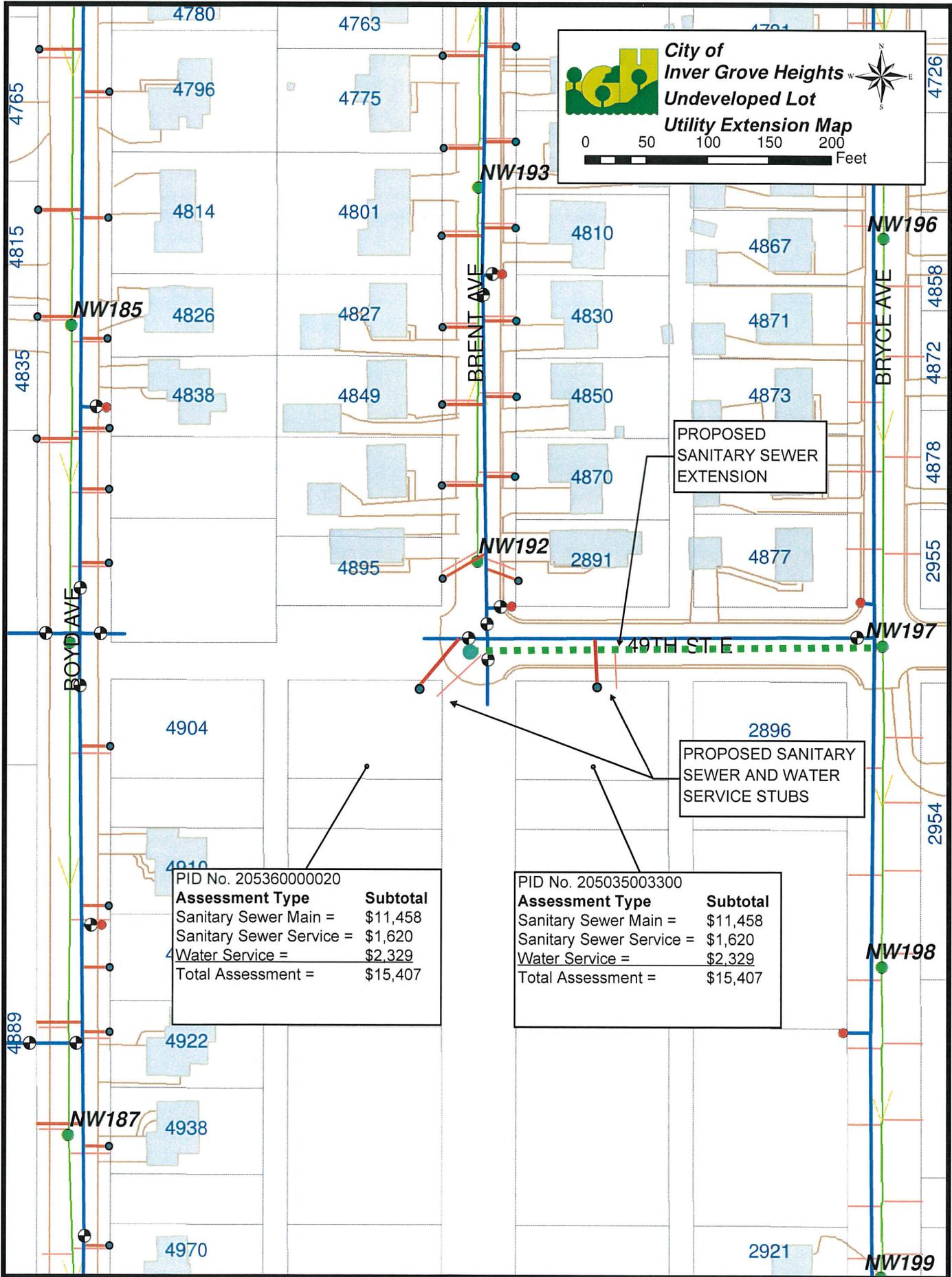
AYES:

NAYS:

\_\_\_\_\_  
George Tourville, Mayor

ATTEST:

\_\_\_\_\_  
Joe Lynch, City Clerk



PREPARED BY: JDS

DATE: APRIL 6, 2015

**City Project No. 2015-14 - 47th Street Area Water and Sewer Improvements and Rehabilitation  
Final Assessment Roll**

<b>MAP NO.</b>	<b>PID</b>	<b>Full Name</b>	<b>Street</b>	<b>Capped Assessment (by Agreement)</b>
23	205035003300	ELEANOR TSTE SCHMANDT	49TH ST E	\$15,407.00
32	205360000020	ELEANOR TSTE SCHMANDT	49TH ST E	\$15,407.00
<b>TOTAL</b>				<b>\$30,814.00</b>

**CITY OF INVER GROVE HEIGHTS**

**REQUEST FOR COUNCIL ACTION**

**Consider Resolution Awarding Contract for the 2015 Pavement Management Program, City Project No. 2015-09E – 47<sup>th</sup> Street Area Reconstruction and the 2015 Improvement Program, City Project No. 2015-14 – 47<sup>th</sup> Street Area Water and Sewer Improvements and Rehabilitation, and Approving a Joint Powers Agreement with South St. Paul**

Meeting Date: May 11, 2015  
 Item Type: Regular  
 Contact: Thomas J. Kaldunski, 651.450.2572  
 Prepared by: Steve W. Dodge, Assistant City Engineer  
 Reviewed by: Scott D. Thureen, Public Works Director

**Fiscal/FTE Impact:**

<input type="checkbox"/>	None
<input type="checkbox"/>	Amount included in current budget
<input type="checkbox"/>	Budget amendment requested
<input type="checkbox"/>	FTE included in current complement
<input type="checkbox"/>	New FTE requested – N/A
<input checked="" type="checkbox"/>	Other: Special Assessments, Pavement Management Fund, Water Fund, Sewer Fund, DCSWCD Grants, Agreements

**PURPOSE/ACTION REQUESTED**

Consider resolution awarding contract for the 2015 Pavement Management Program, City Project No. 2015-09E – 47<sup>th</sup> Street Area Reconstruction and the 2015 Improvement Program, City Project No. 2015-14 – 47<sup>th</sup> Street Area Water and Sewer Improvements and Rehabilitation, and approving a Joint Powers Agreement with South St. Paul.

**SUMMARY**

Bids were opened at 10:30 a.m. on April 2, 2015 for the subject projects. Three contractors submitted bids. The low base bid plus alternates 1 and 2 was submitted by Palda and Sons, Inc. in the amount of \$3,060,086.49. This amount is 3% less than the preliminary engineer’s estimate of \$3,167,429.74.

The bids were received as follows:

BIDDER	BASE BID	ALTERNATE 1	ALTERNATE 2	TOTAL BID
Palda and Sons, Inc.	\$2,968,703.09	\$48,295.47	\$43,087.93	\$3,060,086.49
Meyer Contracting, Inc.	\$3,123,873.43	\$43,640.25	\$48,706.50	\$3,216,220.18
Veit & Company, Inc.	\$3,333,607.95	\$45,908.00	\$50,653.10	\$3,430,169.05

Alternate 1 is for a bioretention basin at 47<sup>th</sup> Street and Boyd Avenue. Alternate 2 is for curbside rain gardens.

A letter was sent to property owners in the project area indicating the City’s intent to award the contract at the May 11, 2015 Council meeting.

Waiver of assessment appeal agreements for sewer and water main extension along 49th Street East were approved by Council on March 23, 2015 and executed by the property owners of respective parcels receiving the necessary improvements.

A cost share contract for construction of the Bower Court hydrodynamic separator and Boyd Avenue bioretention basin with Dakota County Soil and Water Conservation District for Community Conservation Partnership is being approved by Council on May 11th.

A Joint Powers Agreement with the City of South St. Paul has been negotiated between the Public Works Departments for South St. Paul to pay for their portion of street improvements on 49th Street (aka 8th Street South in South St. Paul) and 47th Street near 9th Avenue.

I recommend that the City Council adopt the resolution accepting the bids and awarding the contract to Palda and Sons, Inc. for a total contract amount of \$3,060,086.49 including bid alternates 1 and 2 for the 2015 Pavement Management Program, City Project No. 2015-09E – 47<sup>th</sup> Street Area Reconstruction and the 2015 Improvement Program, City Project No. 2015-14 – 47<sup>th</sup> Street Area Water and Sewer Improvements and Rehabilitation, and approving a Joint Powers Agreement with South St. Paul

SWD/kf

Attachments: Resolution  
April 6, 2015 summary of bids from SEH, Inc.  
Joint Powers Agreement with So. St. Paul

**CITY OF INVER GROVE HEIGHTS  
DAKOTA COUNTY, MINNESOTA**

**RESOLUTION ACCEPTING BIDS AND AWARDING CONTRACT FOR 2015 PAVEMENT MANAGEMENT PROGRAM, CITY PROJECT NO. 2015-09E – 47<sup>TH</sup> STREET AREA RECONSTRUCTION AND THE 2015 IMPROVEMENT PROGRAM, CITY PROJECT NO. 2015-14 – 47<sup>TH</sup> STREET AREA WATER AND SEWER IMPROVEMENTS AND REHABILITATION, AND APPROVING A JOINT POWERS AGREEMENT WITH SOUTH ST. PAUL**

**RESOLUTION NO. \_\_\_\_\_**

**WHEREAS**, pursuant to an advertisement for bids for the 2015 Pavement Management Program, City Project 2015-09E – 47<sup>th</sup> Street Area Reconstruction and the 2015 Improvement Program, City Project No. 2015-14 – 47<sup>th</sup> Street Area Water and Sewer Improvements and Rehabilitation, bids were received, opened, read aloud, and tabulated according to law. The following bids were received complying with the advertisement, acknowledgement of receipt of addendum, and submitted a bid bond.

<b>BIDDER</b>	<b>BASE BID</b>	<b>ALTERNATE 1</b>	<b>ALTERNATE 2</b>	<b>TOTAL BID</b>
Palda and Sons, Inc.	\$2,968,703.09	\$48,295.47	\$43,087.93	\$3,060,086.49
Meyer Contracting, Inc.	\$3,123,873.43	\$43,640.25	\$48,706.50	\$3,216,220.18
Veit & Company, Inc.	\$3,333,607.95	\$45,908.00	\$50,653.10	\$3,430,169.05

**WHEREAS**, Palda and Sons, Inc. is the lowest responsible bidder for the base bid and alternates 1 and 2 for a total contract amount of \$3,060,086.49.

**WHEREAS**, South St. Paul and Inver Grove Heights share portions of 47<sup>th</sup> Street East and 49<sup>th</sup> Street East (aka 8<sup>th</sup> Street South in SSP); and therefore, agree to enter into a Joint Powers Agreement for street improvements and utility repairs.

**NOW, THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF INVER GROVE HEIGHTS, MINNESOTA:**

1. The Mayor and Clerk are hereby authorized and directed to enter into a contract with Palda and Sons, Inc. in the name of the City of Inver Grove Heights, for the 2015 Pavement Management Program, City Project 2015-09E, 47<sup>th</sup> Street Area Reconstruction and the 2015 Improvement Program, City Project No. 2015-14 – 47<sup>th</sup> Street Area Water and Sewer Improvements and Rehabilitation, according to plans and specifications therefore approved by the Council and on file at the Office of the City Clerk.
2. The City Clerk is hereby authorized and directed to return, forthwith, to all bidders, the deposits made with their bids except for the deposit of the successful bidder and the next lowest bidder shall be retained until the contract has been signed.
3. 2015 Pavement Management Program, City Project No. 2015-09E – 47<sup>th</sup> Street Area Reconstruction and the 2015 Improvement Program, City Project No. 2015-14 – 47<sup>th</sup> Street Area Water and Sewer Improvements and Rehabilitation shall be funded through special assessments to the benefiting properties, the Water and Sewer Funds, Dakota County SWCD Grant, Agreements, and the Pavement Management Fund
4. Staff is authorized to enter into a Joint Powers Agreement with the City of South St. Paul for street improvements and utility repairs of 47<sup>th</sup> Street East and 49<sup>th</sup> Street East (aka 8<sup>th</sup> Street South in SSP).

Adopted by the City Council of Inver Grove Heights this 11th day of May 2015.

AYES:  
NAYS:

\_\_\_\_\_  
George Tourville, Mayor

ATTEST:

\_\_\_\_\_  
Joe Lynch, City Clerk



Building a Better World  
for All of Us®

April 6, 2015

RE: City of Inver Grove Heights  
2015 Pavement Management Program  
SEH No. INVER 129894

Mr. Steve Dodge, PE  
Assistant City Engineer  
City of Inver Grove Heights  
8150 Barbara Avenue  
Inver Grove Heights, MN 55077

On April 2, 2015 at 10:30 a.m., three (3) bids were received for the above-referenced project. The bids ranged from a high of \$3,430,169.05 to a low of \$3,060,086.49. The low bid was submitted by Palda and Sons, Inc.

Contractor	BASE BID (SCHEDULE 1 + SCHEDULE 2)	BASE BID + ALTERNATE 1	BASE BID + ALTERNATE 2	BASE BID + ALTERNATE 1 +ALTERNATE 2
1 Palda and Sons, Inc.	\$2,968,703.09	\$3,016,998.56	\$3,011,791.02	\$3,060,086.49
2 Meyer Contracting, Inc.	\$3,123,873.43	\$3,167,513.68	\$3,172,579.93	\$3,216,220.18
3 Veit & Company, Inc.	\$3,333,607.95	\$3,379,515.95	\$3,384,261.05	\$3,430,169.05
Engineer's Estimate	\$3,080,656.24	\$3,125,572.24	\$3,122,513.74	\$3,167,429.74

*\*\* Denotes corrected figure*

The low bid received was submitted by Palda and Sons, Inc., of St. Paul, MN in the amount of \$3,060,086.49.

In reliance on our experience with Palda and Sons, Inc. and materials and information provided by the contractor, we have determined that they have a sufficient understanding of the project and equipment to perform the construction for which it bid. SEH makes no representation or warranty as to the actual financial viability of the contractor or its ability to complete its work.

Accordingly, we recommend the project be awarded to Palda and Sons, Inc. The City may award the base bid and any combination of the alternates at their discretion.

Sincerely,

Greg F. Anderson, PE  
Project Manager

ah

Enclosure: Bid Tabulation

s:\fj\inver\129894\biting documents\recommendation of award.docx



**SEH TABULATION OF BIDS**

2015 Pavement Management Program  
 City of Inver Grove Heights  
 SEH No.: INVER 129894  
 Bid Date: April 2, 2015 at 10:30 a.m.

Shaded area denotes corrected figure

Engineer's Estimate

1  
 Palda and Sons, Inc.  
 1482 Dayton Ave.  
 St. Paul, MN 55104  
 #REF!

2  
 Meyer Contracting, Inc.  
 11000 93rd Ave. N.  
 Maple Grove, MN 55389  
 #REF!

3  
 Veit & Company, Inc.  
 14000 Veit Place  
 Rogers, MN 55374  
 #REF!

Line No.	Item No.	Item	Unit	Est. Quantity	Unit Price	Total Price	Unit Price	Total Price	Unit Price	Total Price
1	2021.501	MOBILIZATION	LS	1	\$26,597.73	\$26,597.73	\$150,000.00	\$150,000.00	\$37,574.00	\$37,574.00
2	2100.601	NIGHT WORK	EACH	3	10,000.00	30,000.00	1,500.00	4,500.00	3,853.00	11,559.00
3	2104.501	REMOVE WATERMAIN	LF	2008	4.00	8,032.00	5.00	10,040.00	6.00	12,048.00
4	2104.501	REMOVE WATER SERVICE	EACH	23	250.00	5,750.00	100.00	2,300.00	303.00	6,969.00
5	2104.509	REMOVE GATE VALVE & BOX	EACH	25	500.00	12,500.00	200.00	5,000.00	149.00	3,725.00
6	2104.509	REMOVE MANHOLE (SANITARY)	EACH	5	350.00	1,750.00	750.00	3,750.00	348.50	1,742.50
7	2104.509	REMOVE CASTING AND RINGS (SANITARY)	EACH	4	250.00	1,000.00	50.00	200.00	72.50	290.00
8	2104.523	SALVAGE HYDRANT AND GATE VALVE	EACH	12	1,000.00	12,000.00	300.00	3,600.00	446.50	5,358.00
9	2451.607	CRUSHED ROCK PIPE BEDDING (WATERMAIN)	CY	25	7,425.00	186,625.00	50.05	1,251.25	66.75	1,618.00
10	2451.607	CRUSHED ROCK PIPE BEDDING (SANITARY)	CY	155	25.00	3,875.00	50.05	7,757.75	66.75	10,346.25
11	2503.602	EXCAV. SPECIAL (POTHOLE EXISTING UTILITY)	EACH	10	500.00	5,000.00	400.00	4,000.00	540.50	5,405.00
12	2503.602	WATER VALVE MANHOLE	EACH	1	3,500.00	3,500.00	3,393.00	3,393.00	4,138.00	4,138.00
13	2503.602	RECONSTRUCT SANITARY MANHOLE	EACH	2	2,000.00	4,000.00	1,528.00	3,056.00	1,787.00	3,574.00
14	2503.602	SANITARY SEWER SERVICE REPLACEMENT	EACH	20	2,500.00	50,000.00	1,385.00	27,700.00	2,025.00	40,500.00
15	2503.602	F&I EXTERNAL MANHOLE CHIMNEY SEAL	EACH	30	100.00	3,000.00	180.00	5,700.00	488.00	14,640.00
16	2503.602	CONNECT TO EXISTING SANITARY SEWER	EACH	3	1,750.00	5,250.00	405.00	1,215.00	1,209.00	3,627.00
17	2503.602	8" X 4" PVC WYE	EACH	3	150.00	450.00	941.00	2,823.00	737.00	2,211.00
18	2503.602	4" PVC PIPE SEWER (SANITARY SERVICE) SDR 26	LF	130	22.00	2,860.00	38.60	5,018.00	32.25	4,192.50
19	2503.603	8" PVC PIPE SEWER (SANITARY) SDR 35	LF	1505	35.00	52,675.00	54.60	82,173.00	59.75	89,923.75
20	2503.603	EXCAVATION POINT REPAIR	EACH	3	15,000.00	45,000.00	1,892.00	5,676.00	2,561.00	7,683.00
21	2503.603	INFILTRATION LEAK REPAIR	EACH	3	1,200.00	3,600.00	600.00	1,800.00	929.00	2,787.00
22	2503.606	SANITARY MANHOLE UMBRELLAS	EACH	30	100.00	3,000.00	150.00	4,500.00	371.00	11,130.00
23	2504.601	TEMPORARY WATER SYSTEM	LS	1	12,000.00	12,000.00	19,400.00	19,400.00	22,100.00	22,100.00
24	2504.602	8" GATE VALVE AND BOX (NEW PIPE)	EACH	11	1,800.00	20,000.00	2,807.00	30,877.00	2,264.00	24,904.00
25	2504.602	CUT IN 6" GATE VALVE AND BOX	EACH	12	1,250.00	15,000.00	3,748.00	44,976.00	2,972.00	35,664.00
26	2504.602	CUT IN 12" GATE VALVE AND BOX	EACH	3	3,000.00	9,000.00	6,473.00	19,419.00	4,957.00	14,871.00
27	2504.602	INSTALL HYDRANT & GATE VALVE	EACH	12	3,300.00	39,600.00	7,269.00	87,228.00	6,495.00	77,940.00
28	2504.602	1" CORPORATION STOP	EACH	25	125.00	3,125.00	176.00	4,450.00	421.50	10,537.50
29	2504.602	1" CURB STOP AND BOX	EACH	25	300.00	7,500.00	265.00	6,625.00	496.50	12,412.50
30	2504.602	WATERMAIN SERVICE ADJUSTMENT	EACH	10	200.00	2,000.00	1,345.00	13,450.00	1,156.00	11,560.00
31	2504.602	CONNECT TO EXISTING WATER SERVICE	EACH	23	250.00	5,750.00	783.00	4,758.00	303.00	6,969.00
32	2504.602	CONNECT TO EXISTING WATER MAIN	EACH	6	1,000.00	6,000.00	783.00	4,758.00	2,628.00	15,768.00
33	2504.602	ADJUST GATE VALVE	EACH	2	550.00	1,100.00	400.00	800.00	103.50	207.00
34	2504.602	ADJUST CURB STOP BOX	EACH	14	250.00	3,500.00	130.00	1,820.00	62.25	871.50
35	2504.603	1" COPPER, TYPE K	LF	810	30.00	24,300.00	42.64	34,538.40	30.50	24,705.00
36	2504.603	8" DIP WATERMAIN CL. 52	LF	2096	36.00	75,456.00	47.30	99,140.80	60.75	127,332.00
37	2504.604	4" POLYSTYRENE INSULATION	SY	21	30.00	630.00	35.00	735.00	41.25	866.25
38	2504.608	DUCTILE IRON FITTINGS (EPOXY COATED)	LB	1085	5.00	5,425.00	9.05	9,819.25	7.50	8,137.50
39	2506.521	INSTALL NEW RINGS AND CASTING (SANITARY)	EACH	7	1,000.00	7,000.00	704.00	4,928.00	597.50	4,182.50
40	2506.522	ADJUST CASTING (SANITARY)	EACH	19	600.00	11,400.00	704.00	13,376.00	399.50	7,590.50
41	2506.602	CONSTRUCT 48" MANHOLE STRUCTURE (SANITARY)	EACH	7	3,000.00	21,000.00	4,703.00	32,921.00	4,084.00	28,588.00
<b>TOTAL SCHEDULE 1 - 4TH STREET AREA WATER AND SEWER IMPROVEMENTS AND SCHEDULE 2 - 4TH STREET AREA RECONSTRUCTION (2015-09E)</b>						<b>567,920.73</b>		<b>785,711.05</b>		<b>734,454.00</b>
1	2021.501	MOBILIZATION	LS	1	\$120,130.26	\$120,130.26	295,700.00	295,700.00	115,058.00	115,058.00
2	2031.501	FIELD OFFICE	EACH	1	6,000.00	6,000.00	10,000.00	10,000.00	15,148.00	15,148.00
3	2101.502	CLEARING	TREE	30	300.00	9,000.00	225.00	6,750.00	283.50	8,505.00
										122,000.00
										13,200.00
										9,300.00



# SEH TABULATION OF BIDS

2015 Pavement Management Program  
 City of Inver Grove Heights  
 SEH No.: INVER 128894  
 Bid Date: April 2, 2015 at 10:30 a.m.

Shaded area denotes  
 corrected figure

1 2 3

Line No.	Item No.	Item	Unit	Quantity	Engineer's Estimate			Unit Price	Total Price	Est.	1			2			3		
					Unit Price	Total Price	#REF!				Unit Price	Total Price	#REF!	Unit Price	Total Price	#REF!	Unit Price	Total Price	#REF!
4	2101.507	GRUBBING	TREE	30	300.00	9,000.00		150.00	4,500.00		141.50	4,245.00	170.00	5,100.00					
5	2104.501	REMOVE CURB AND GUTTER	LF	13220	3.00	39,660.00		4.36	57,639.20		2.10	27,762.00	2.80	37,016.00					
6	2104.501	REMOVE SEWER PIPE (STORM)	LF	504	5.00	2,520.00		7.96	4,011.84		9.00	4,536.00	15.00	7,560.00					
7	2104.501	REMOVE CATCH BASIN OR MANHOLE	EACH	21	300.00	6,300.00		750.00	15,750.00		348.00	7,308.00	400.00	8,400.00					
8	2104.503	REMOVE CONCRETE SIDEWALK	SF	252	3.00	756.00		1.00	252.00		0.50	126.00	11.00	2,772.00					
9	2104.503	REMOVE BITUMINOUS PAVEMENT	SF	4005	2.50	10,012.50		1.00	4,005.00		0.35	1,401.75	1.30	5,206.50					
10	2104.505	REMOVE BITUMINOUS DRIVEWAY OR TRAIL PAVEMENT	SY	1241	2.50	3,102.50		3.42	4,244.22		2.40	2,978.40	2.40	2,978.40					
11	2104.505	REMOVE CONCRETE DRIVEWAY PAVEMENT	SY	1239	6.00	7,434.00		7.17	8,853.63		5.50	6,814.50	6.50	8,053.50					
12	2104.507	REMOVE CONCRETE STEPS	SF	25	6.00	150.00		4.00	100.00		7.10	177.50	0.90	22.50					
13	2104.509	REMOVE CASTING AND RINGS (STORM)	EACH	1	250.00	250.00		50.00	50.00		162.50	162.50	375.00	375.00					
14	2104.523	SALVAGE SIGN TYPE C	EACH	17	25.00	425.00		25.00	425.00		25.00	425.00	450.00	7,650.00					
15	2105.501	COMMON EXCAVATION (EV)(P)	CY	33741	6.00	202,446.00		7.27	245,297.07		9.68	326,612.88	10.35	349,219.35					
16	2105.507	SUBGRADE EXCAVATION (EV)	CY	250	7.00	1,750.00		8.89	2,222.50		14.75	3,687.50	12.80	3,200.00					
17	2105.522	SELECT GRANULAR BORROW (CV)	CY	20336	22.00	447,392.00		9.96	202,546.56		18.75	381,300.00	18.70	380,283.20					
18	2105.541	STABILIZING AGGREGATE	CY	200	25.00	5,000.00		50.05	10,010.00		57.25	11,450.00	34.40	6,880.00					
19	2105.604	GEOTEXTILE FABRIC TYPE V	SY	30459	3.00	91,377.00		0.75	22,844.25		1.40	42,642.60	1.00	30,459.00					
20	2123.61	STREET SWEEPING (WITH PICKUP BROOM)	TON	40	40.00	1,600.00		140.00	5,600.00		150.00	6,000.00	135.00	5,400.00					
21	2130.601	WATER USAGE ALLOWANCE	LS	1	10,000.00	10,000.00		10,000.00	10,000.00		10,000.00	10,000.00	10,000.00	10,000.00					
22	2211.501	AGGREGATE BASE (CV) CLASS 5Q	TON	6536	12.00	78,432.00		11.01	71,961.36		19.25	125,818.00	16.80	109,804.80					
23	2211.501	AGGREGATE BASE (CV) CLASS 5 (100% CRUSHED LIMESTONE), DW & SW	TON	774	12.00	9,288.00		16.71	12,933.54		31.25	24,187.50	16.80	13,003.20					
24	2232.501	MILL BITUMINOUS SURFACE (FULL DEPTH)	SY	580	2.00	1,160.00		5.10	2,958.00		9.00	5,220.00	10.40	6,032.00					
25	2232.501	EDGE MILL BITUMINOUS SURFACE	SY	900	2.00	1,800.00		3.40	3,060.00		6.40	5,760.00	7.50	6,750.00					
26	2301.607	HIGH EARLY STRENGTH CONCRETE	CY	100	100.00	10,000.00		140.00	14,000.00		17.00	1,700.00	19.00	1,900.00					
27	2331.604	BITUMINOUS PAVEMENT RELAXATION (P)	SF	238189	1.50	357,283.50		0.44	105,243.16		0.60	143,513.40	0.60	143,513.40					
28	2357.502	BITUMINOUS TACK COAT	GAL	1240	5.00	6,200.00		4.30	5,332.00		13.00	16,120.00	14.60	18,104.00					
29	2360.501	TYPE SP 9.5 WEARING COURSE MIX (3,C)	TON	3215	60.00	192,900.00		51.00	163,965.00		52.00	167,180.00	56.30	187,434.50					
30	2360.501	TYPE SP 12.5 NON WEAR COURSE MIX (3,C)	TON	3215	55.00	176,825.00		46.00	147,860.00		52.00	167,180.00	56.30	187,434.50					
31	2360.501	TYPE SP 9.5 WEARING COURSE MIX (2,E), 2.5" - DRIVEWAY	TON	190	75.00	14,250.00		210.00	39,900.00		195.50	37,145.00	219.00	41,610.00					
32	2360.501	TYPE SP 9.5 WEARING COURSE MIX (3,B) FOR OVERLAY, 2"	TON	261	60.00	15,660.00		60.50	15,790.50		117.50	30,667.50	132.00	34,452.00					
33	2360.604	FULL DEPTH BITUMINOUS PATCHING	SY	445	4.00	1,780.00		34.00	15,130.00		24.75	11,013.75	28.00	12,460.00					
34	2411.602	LIMESTONE SPLASH BLOCK	EACH	2	200.00	400.00		300.00	600.00		350.00	700.00	560.00	1,120.00					
35	2411.607	CONCRETE STEPS	SF	25	50.00	1,250.00		60.00	1,500.00		65.00	1,625.00	73.00	1,825.00					
36	2501.602	24" RC PIPE APRON AND TRASH GUARD	EACH	1	1,200.00	1,200.00		1,600.00	1,600.00		1,478.00	1,478.00	1,350.00	1,350.00					
37	2502.521	4" PVC SUMP BASKET PIPE	LF	88	35.00	3,080.00		13.64	1,200.32		43.00	3,784.00	13.50	1,188.00					
38	2502.541	4" PERF HDPE PIPE DRAIN WITH CIRCULAR KNIT FILTER SOCK	LF	115	6.00	690.00		7.84	901.60		7.90	908.50	12.50	1,437.50					
39	2502.541	6" PERF PVC PIPE DRAIN WITH CIRCULAR KNIT FILTER SOCK	LF	12383	6.00	74,298.00		4.66	57,704.78		4.20	52,008.60	5.80	71,821.40					
40	2502.602	INSTALL 4" PVC PIPE DRAIN CLEANOUT	EACH	2	400.00	800.00		248.00	496.00		390.50	781.00	670.00	1,340.00					
41	2503.541	15" RC PIPE SEWER DES 3006 CL V	LF	1075	30.00	32,250.00		49.00	52,675.00		39.50	42,462.50	38.00	40,850.00					
42	2503.541	18" RC PIPE SEWER DES 3006 CL III	LF	267	40.00	10,680.00		53.00	14,151.00		36.50	9,745.50	40.00	10,680.00					
43	2503.541	24" RC PIPE SEWER DES 3006 CL III	LF	22	55.00	1,210.00		61.00	1,342.00		53.75	1,182.50	46.00	1,012.00					
44	2503.602	CONNECT TO EXISTING STORM STRUCTURE	EACH	5	600.00	3,000.00		360.00	1,800.00		1,745.00	8,725.00	2,000.00	10,000.00					
45	2503.602	CONNECT TO EXISTING STORM SEWER	EACH	11	500.00	5,500.00		360.00	3,960.00		585.00	6,435.00	1,900.00	20,900.00					



# TABULATION OF BIDS

2015 Pavement Management Program  
 City of Inver Grove Heights  
 SEH No.: INVER 128984  
 Bid Date: April 2, 2015 at 10:30 a.m.

Shaded area denotes  
 corrected figure

Engineer's Estimate

Palda and Sons, Inc.  
 1462 Dayton Ave.  
 St. Paul, MN 55104  
 #REF!

Meyer Contracting, Inc.  
 11000 93rd Ave. N.  
 Maple Grove, MN 55369  
 #REF!

Veit & Company, Inc.  
 14000 Veit Place  
 Rogers, MN 55374  
 #REF!

Line No.	Item No.	Item	Unit	Est. Quantity	Unit Price	Total Price	Unit Price	Total Price	Unit Price	Total Price
46	2504.601	IRRIGATION ALLOWANCE	LS	1	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00
47	2504.602	6"x4" TEE (DRAIN TILE TO PVC)	EACH	8	150.00	1,200.00	80.00	640.00	184.50	1,476.00
48	2504.602	4" KNIFE VALVE AND BOX	EACH	2	1,100.00	2,200.00	673.00	1,346.00	846.00	1,692.00
49	2504.602	CONSTRUCT BULKHEAD (STORM)	EACH	3	250.00	750.00	300.00	900.00	455.50	1,366.50
50	2506.502	CONSTRUCT DRAINAGE STRUCTURE 2' X 3' CB	EACH	17	1,100.00	18,700.00	1,807.00	30,719.00	1,696.00	28,832.00
51	2506.502	CONSTRUCT DRAINAGE STRUCTURE DES 27-4020	EACH	1	900.00	900.00	1,413.00	1,413.00	1,448.00	1,448.00
52	2506.502	CONSTRUCT DRAINAGE STRUCTURE DES 48-4020	EACH	21	1,200.00	25,200.00	2,550.00	53,550.00	2,463.00	51,723.00
53	2506.502	CONSTRUCT DRAINAGE STRUCTURE DES 60-4020	EACH	2	1,800.00	3,600.00	3,525.00	7,050.00	3,361.00	6,722.00
54	2506.521	INSTALL NEW RINGS AND CASTING (STORM)	EACH	1	1,000.00	1,000.00	704.00	704.00	908.50	908.50
55	2506.522	ADJUST CASTING (STORM)	EACH	11	600.00	6,600.00	704.00	7,744.00	332.50	3,657.50
56	2506.602	CONSTRUCT DRAINAGE STRUCTURE (SUMP BASKET)	EACH	9	800.00	7,200.00	365.00	3,285.00	781.00	7,029.00
57	2506.602	CONST. DRAINAGE STRUCTURE DES. SPEC. 1	EACH	2	1,100.00	2,200.00	1,340.00	2,680.00	2,050.00	4,100.00
58	2506.602	CONST. DRAINAGE STRUCTURE DES. SPEC. 2	EACH	1	2,000.00	2,000.00	1,476.00	1,476.00	2,213.00	2,213.00
59	2506.602	OUTLET CONTROL STRUCTURE	EACH	1	1,500.00	1,500.00	4,174.00	4,174.00	3,877.00	3,877.00
60	2506.602	HYDRODYNAMIC SEPARATOR (STORMRECEPTOR MODEL 2400)	EACH	1	35,000.00	35,000.00	29,968.00	29,968.00	24,043.00	24,043.00
61	2521.501	4" CONCRETE WALK (CARRIAGE)	SF	256	4.00	1,024.00	6.00	1,536.00	5.80	1,484.80
62	2521.501	PEDESTRIAN CURB RAMP	EACH	2	1,200.00	2,400.00	700.00	1,400.00	1,200.00	2,400.00
63	2531.501	CONCRETE CURB AND GUTTER DESIGN B618	LF	12427	12.00	149,124.00	9.62	119,547.74	10.50	130,483.50
64	2531.501	CONCRETE CURB AND GUTTER DESIGN B612	LF	120	12.00	1,440.00	18.00	2,160.00	16.00	1,920.00
65	2531.501	CONCRETE CURB AND GUTTER DESIGN D412	LF	1000	12.00	12,000.00	15.19	15,190.00	12.25	12,250.00
66	2531.501	CONCRETE CURB AND GUTTER (HAND POUR)	LF	200	30.00	6,000.00	21.00	4,200.00	18.00	3,600.00
67	2531.507	8" CONCRETE DRIVEWAY PAVEMENT	SY	1326	30.00	39,780.00	47.19	62,573.94	41.00	54,366.00
68	2531.507	DECORATIVE DRIVEWAY ALLOWANCE	LS	105	46.00	4,830.00	68.36	7,177.80	46.75	4,908.75
69	2531.507	MAILBOX MAINTENANCE	LS	1	15,000.00	15,000.00	15,000.00	15,000.00	15,000.00	15,000.00
70	2540.601	BOULEVARD LANDSCAPING ALLOWANCE	LS	1	5,000.00	5,000.00	8,000.00	8,000.00	6,500.00	6,500.00
71	2540.601	LANDSCAPE EDGER - PLASTIC	LF	289	0.75	216.75	9.00	2,601.00	9.00	2,601.00
72	2563.801	TRAFFIC CONTROL ALLOWANCE	LS	1	15,000.00	15,000.00	15,000.00	15,000.00	15,000.00	15,000.00
73	2564.537	INSTALL SIGN TYPE SPECIAL	EACH	5	500.00	2,500.00	125.00	625.00	125.00	625.00
74	2571.507	NATIVE PLUGS	PLANT	2000	5.00	10,000.00	3.50	7,000.00	2.50	5,000.00
77	2572.125	PRUNE TREES	HR	10	50.00	500.00	200.00	2,000.00	300.00	3,000.00
78	2573.502	SILT FENCE, TYPE MS	LF	400	1.70	680.00	4.00	1,600.00	3.00	1,200.00
79	2573.53	STORM DRAIN INLET PROTECTION (WIMCO)	EACH	29	300.00	8,700.00	150.00	4,350.00	338.00	9,802.00
80	2573.533	SEDIMENT CONTROL LOG TYPE COMPOST	LF	120	2.00	240.00	4.00	480.00	3.00	360.00
81	2573.535	STABILIZED CONSTRUCTION EXIT	LS	1	5,000.00	5,000.00	3,500.00	3,500.00	1,857.00	1,857.00
82	2573.55	EROSION CONTROL SUPERVISOR	LS	1	5,000.00	5,000.00	2,000.00	2,000.00	42,934.00	42,934.00
83	2573.801	STORM WATER MANAGEMENT ALLOWANCE	LS	1	15,000.00	15,000.00	15,000.00	15,000.00	15,000.00	15,000.00
84	2574.525	FILTER TOPSOIL BORROW (80/20)	CY	187	65.00	12,155.00	44.39	8,300.93	46.00	8,602.00
85	2574.525	ORGANIC TOPSOIL BORROW (CV)	CY	910	15.00	13,650.00	37.11	33,770.10	31.75	28,892.50
86	2575.501	SEEDING (MIX 25-151)	ACRE	2.06	1,200.00	2,472.00	1,700.00	3,502.00	750.00	1,545.00
87	2575.513	MULCH MATERIAL TYPE 6, SHREDDED HARDWOOD	CY	23	50.00	1,150.00	81.00	1,863.00	81.00	1,863.00
88	2575.56	FLEXITERRA HYDROMULCH (HYDRAULIC SOIL STAB. TYPE SPECIAL)	LB	6180	3.00	18,540.00	3.50	21,630.00	1.70	10,506.00
89	2575.605	EROSION STABILIZATION MAT - SHOREMAXTM	SY	25	60.00	1,500.00	75.00	1,875.00	55.00	1,375.00
90	2575.605	EROSION STABILIZATION MAT - ENKAMAT	SY	13	60.00	780.00	75.00	975.00	55.00	715.00



**SEH TABULATION OF BIDS**

2015 Pavement Management Program  
 City of Inver Grove Heights  
 SEH No.: INVER 129894  
 Bid Date: April 2, 2015 at 10:30 a.m.

Shaded area denotes corrected figure

Engineer's Estimate

1

2

3

Line No.	Item No.	Item	Unit	Est. Quantity	Unit Price	Total Price	Unit Price	Total Price	Unit Price	Total Price
TOTAL SCHEDULE 2 - 47TH STREET AREA RECONSTRUCTION (2015-09E)						\$2,522,735.51		\$2,522,735.51		\$2,522,735.51
TOTAL BASE BID (SCHEDULE 1 + SCHEDULE 2)						\$3,080,656.24		\$3,080,656.24		\$3,080,656.24
<b>ALTERNATE 1 - BIORETENTION BASIN AT 47TH ST. AND BOYD AVE.</b>										
1	2105.501	COMMON EXCAVATION (EV) (P)	CY	700	8.00	5,600.00	19.05	13,335.00	12.25	8,575.00
2	2502.541	4" PERF HDPE PIPE DRAIN WITH CIRCULAR KNIT FILTER SOCK	LF	240	6.00	1,440.00	7.84	1,881.60	7.80	1,896.00
3	2502.602	4" INSTALL PVC PIPE DRAIN CLEANOUT (VENTED)	EACH	3	400.00	1,200.00	248.00	744.00	447.00	1,341.00
4	2504.602	4" KNIFE VALVE AND BOX	EACH	1	1,100.00	1,100.00	673.00	673.00	846.00	975.00
5	2506.602	CONST. DRAINAGE STRUCTURE DES. SPEC. 2	EACH	2	2,000.00	4,000.00	1,476.00	2,952.00	2,213.00	4,426.00
6	2540.603	LANDSCAPE EDGER - PLASTIC	LF	300	0.75	225.00	9.00	2,700.00	9.00	2,700.00
7	2571.507	NATIVE PLUGS	PLANT	1785	5.00	8,925.00	3.50	6,247.50	2.50	4,462.50
8	2573.502	SILT FENCE, TYPE MS	LF	330	1.70	561.00	4.00	1,320.00	3.00	990.00
9	2574.525	FILTER TOPSOIL BORROW (80/20)	CY	288	65.00	18,720.00	44.39	12,784.32	46.00	13,248.00
10	2574.525	ORGANIC TOPSOIL BORROW (CV)	CY	55	15.00	825.00	37.11	2,041.05	30.25	1,663.75
11	2575.501	SEEDING (MIX 25-151)	ACRE	0.1	1,200.00	120.00	2,250.00	225.00	1,000.00	100.00
12	2575.513	MULCH MATERIAL TYPE 6, SHREDDED HARDWOOD	CY	32	50.00	1,600.00	81.00	2,592.00	81.00	2,592.00
13	2575.56	FLEXTERRA HYDROMULCH (HYDRAULIC SOIL STAB. TYPE SPECIAL)	LB	200	3.00	600.00	4.00	800.00	4.00	800.00
TOTAL ALTERNATE 1 - BIORETENTION BASIN AT 47TH ST. AND BOYD AVE.						\$44,916.00		\$48,295.47		\$43,640.25
<b>ALTERNATE 2 - CURBSIDE RAINGARDENS</b>										
1	2105.501	COMMON EXCAVATION (EV) (P)	CY	220	8.00	1,760.00	21.16	4,655.20	12.25	2,695.00
2	2411.618	MODULAR BLOCK RETAINING WALL	SF	290	30.00	8,700.00	45.00	13,050.00	45.00	13,050.00
3	2502.541	4" PERF HDPE PIPE DRAIN WITH CIRCULAR KNIT FILTER SOCK	LF	135	6.00	810.00	7.84	1,058.40	7.80	1,066.50
4	2502.602	4" INSTALL PVC PIPE DRAIN CLEANOUT (VENTED)	EACH	7	400.00	2,800.00	248.00	1,736.00	447.00	3,129.00
5	2504.602	4" KNIFE VALVE AND BOX	EACH	7	1,100.00	7,700.00	673.00	4,711.00	846.00	5,922.00
6	2506.602	CONST. DRAINAGE STRUCTURE DES. SPEC. 2	EACH	7	2,000.00	14,000.00	1,476.00	10,332.00	2,213.00	15,491.00
7	2540.603	LANDSCAPE EDGER - PLASTIC	LF	286	0.75	214.50	9.00	2,574.00	9.00	2,574.00
8	2571.507	NATIVE PLUGS	PLANT	180	5.00	900.00	3.50	630.00	2.50	450.00
9	2574.525	FILTER TOPSOIL BORROW (80/20)	CY	63	65.00	4,095.00	44.39	2,786.57	46.00	2,888.00
10	2574.525	ORGANIC TOPSOIL BORROW (CV)	CY	16	15.00	240.00	37.11	593.76	30.00	480.00
11	2575.513	MULCH MATERIAL TYPE 6, SHREDDED HARDWOOD	CY	7	50.00	350.00	81.00	567.00	81.00	567.00
12	2575.56	FLEXTERRA HYDROMULCH (HYDRAULIC SOIL STAB. TYPE SPECIAL)	LB	96	3.00	288.00	4.00	384.00	4.00	384.00
TOTAL BID PRICE - CURBSIDE RAINGARDENS						\$41,857.50		\$43,087.93		\$48,706.50
TOTAL BID PRICE - SCHEDULE 1 + SCHEDULE 2						\$3,080,656.24		\$2,968,703.09		\$3,123,873.43
TOTAL BASE BID + ALTERNATE 1						\$3,125,572.24		\$3,016,998.56		\$3,179,515.95
TOTAL BASE BID + ALTERNATE 2						\$3,122,513.74		\$3,011,791.02		\$3,172,579.93
TOTAL BASE BID + ALTERNATE 1 + ALTERNATE 2						\$3,167,429.74		\$3,060,086.49		\$3,216,220.18
TOTAL BID PRICE - SCHEDULE 1 + SCHEDULE 2						\$41,857.50		\$43,087.93		\$48,706.50
TOTAL BID PRICE - SCHEDULE 1 + SCHEDULE 2						\$3,080,656.24		\$2,968,703.09		\$3,123,873.43
TOTAL BASE BID + ALTERNATE 1						\$3,125,572.24		\$3,016,998.56		\$3,179,515.95
TOTAL BASE BID + ALTERNATE 2						\$3,122,513.74		\$3,011,791.02		\$3,172,579.93
TOTAL BASE BID + ALTERNATE 1 + ALTERNATE 2						\$3,167,429.74		\$3,060,086.49		\$3,216,220.18
TOTAL BID PRICE - SCHEDULE 1 + SCHEDULE 2						\$41,857.50		\$43,087.93		\$48,706.50
TOTAL BID PRICE - SCHEDULE 1 + SCHEDULE 2						\$3,080,656.24		\$2,968,703.09		\$3,123,873.43
TOTAL BASE BID + ALTERNATE 1						\$3,125,572.24		\$3,016,998.56		\$3,179,515.95
TOTAL BASE BID + ALTERNATE 2						\$3,122,513.74		\$3,011,791.02		\$3,172,579.93
TOTAL BASE BID + ALTERNATE 1 + ALTERNATE 2						\$3,167,429.74		\$3,060,086.49		\$3,216,220.18
TOTAL BID PRICE - SCHEDULE 1 + SCHEDULE 2						\$41,857.50		\$43,087.93		\$48,706.50
TOTAL BID PRICE - SCHEDULE 1 + SCHEDULE 2						\$3,080,656.24		\$2,968,703.09		\$3,123,873.43
TOTAL BASE BID + ALTERNATE 1						\$3,125,572.24		\$3,016,998.56		\$3,179,515.95
TOTAL BASE BID + ALTERNATE 2						\$3,122,513.74		\$3,011,791.02		\$3,172,579.93
TOTAL BASE BID + ALTERNATE 1 + ALTERNATE 2						\$3,167,429.74		\$3,060,086.49		\$3,216,220.18
TOTAL BID PRICE - SCHEDULE 1 + SCHEDULE 2						\$41,857.50		\$43,087.93		\$48,706.50
TOTAL BID PRICE - SCHEDULE 1 + SCHEDULE 2						\$3,080,656.24		\$2,968,703.09		\$3,123,873.43
TOTAL BASE BID + ALTERNATE 1						\$3,125,572.24		\$3,016,998.56		\$3,179,515.95
TOTAL BASE BID + ALTERNATE 2						\$3,122,513.74		\$3,011,791.02		\$3,172,579.93
TOTAL BASE BID + ALTERNATE 1 + ALTERNATE 2						\$3,167,429.74		\$3,060,086.49		\$3,216,220.18
TOTAL BID PRICE - SCHEDULE 1 + SCHEDULE 2						\$41,857.50		\$43,087.93		\$48,706.50
TOTAL BID PRICE - SCHEDULE 1 + SCHEDULE 2						\$3,080,656.24		\$2,968,703.09		\$3,123,873.43
TOTAL BASE BID + ALTERNATE 1						\$3,125,572.24		\$3,016,998.56		\$3,179,515.95
TOTAL BASE BID + ALTERNATE 2						\$3,122,513.74		\$3,011,791.02		\$3,172,579.93
TOTAL BASE BID + ALTERNATE 1 + ALTERNATE 2						\$3,167,429.74		\$3,060,086.49		\$3,216,220.18
TOTAL BID PRICE - SCHEDULE 1 + SCHEDULE 2						\$41,857.50		\$43,087.93		\$48,706.50
TOTAL BID PRICE - SCHEDULE 1 + SCHEDULE 2						\$3,080,656.24		\$2,968,703.09		\$3,123,873.43
TOTAL BASE BID + ALTERNATE 1						\$3,125,572.24		\$3,016,998.56		\$3,179,515.95
TOTAL BASE BID + ALTERNATE 2						\$3,122,513.74		\$3,011,791.02		\$3,172,579.93
TOTAL BASE BID + ALTERNATE 1 + ALTERNATE 2						\$3,167,429.74		\$3,060,086.49		\$3,216,220.18
TOTAL BID PRICE - SCHEDULE 1 + SCHEDULE 2						\$41,857.50		\$43,087.93		\$48,706.50
TOTAL BID PRICE - SCHEDULE 1 + SCHEDULE 2						\$3,080,656.24		\$2,968,703.09		\$3,123,873.43
TOTAL BASE BID + ALTERNATE 1						\$3,125,572.24		\$3,016,998.56		\$3,179,515.95
TOTAL BASE BID + ALTERNATE 2						\$3,122,513.74		\$3,011,791.02		\$3,172,579.93
TOTAL BASE BID + ALTERNATE 1 + ALTERNATE 2						\$3,167,429.74		\$3,060,086.49		\$3,216,220.18
TOTAL BID PRICE - SCHEDULE 1 + SCHEDULE 2						\$41,857.50		\$43,087.93		\$48,706.50
TOTAL BID PRICE - SCHEDULE 1 + SCHEDULE 2						\$3,080,656.24		\$2,968,703.09		\$3,123,873.43
TOTAL BASE BID + ALTERNATE 1						\$3,125,572.24		\$3,016,998.56		\$3,179,515.95
TOTAL BASE BID + ALTERNATE 2						\$3,122,513.74		\$3,011,791.02		\$3,172,579.93
TOTAL BASE BID + ALTERNATE 1 + ALTERNATE 2						\$3,167,429.74		\$3,060,086.49		\$3,216,220.18
TOTAL BID PRICE - SCHEDULE 1 + SCHEDULE 2						\$41,857.50		\$43,087.93		\$48,706.50
TOTAL BID PRICE - SCHEDULE 1 + SCHEDULE 2						\$3,080,656.24		\$2,968,703.09		\$3,123,873.43
TOTAL BASE BID + ALTERNATE 1						\$3,125,572.24		\$3,016,998.56		\$3,179,515.95
TOTAL BASE BID + ALTERNATE 2						\$3,122,513.74		\$3,011,791.02		\$3,172,579.93
TOTAL BASE BID + ALTERNATE 1 + ALTERNATE 2						\$3,167,429.74		\$3,060,086.49		\$3,216,220.18
TOTAL BID PRICE - SCHEDULE 1 + SCHEDULE 2						\$41,857.50		\$43,087.93		\$48,706.50
TOTAL BID PRICE - SCHEDULE 1 + SCHEDULE 2						\$3,080,656.24		\$2,968,703.09		\$3,123,873.43
TOTAL BASE BID + ALTERNATE 1						\$3,125,572.24		\$3,016,998.56		\$3,179,515.95
TOTAL BASE BID + ALTERNATE 2						\$3,122,513.74		\$3,011,791.02		\$3,172,579.93
TOTAL BASE BID + ALTERNATE 1 + ALTERNATE 2						\$3,167,429.74		\$3,060,086.49		\$3,216,220.18
TOTAL BID PRICE - SCHEDULE 1 + SCHEDULE 2						\$41,857.50		\$43,087.93		\$48,706.50
TOTAL BID PRICE - SCHEDULE 1 + SCHEDULE 2						\$3,080,656.24		\$2,968,703.09		\$3,123,873.43
TOTAL BASE BID + ALTERNATE 1						\$3,125,572.24		\$3,016,998.56		\$3,179,515.95
TOTAL BASE BID + ALTERNATE 2						\$3,122,513.74		\$3,011,791.02		\$3,172,579.93
TOTAL BASE BID + ALTERNATE 1 + ALTERNATE 2						\$3,167,429.74		\$3,060,086.49		\$3,216,220.18
TOTAL BID PRICE - SCHEDULE 1 + SCHEDULE 2						\$41,857.50		\$43,087.93		\$48,706.50
TOTAL BID PRICE - SCHEDULE 1 + SCHEDULE 2						\$3,080,656.24		\$2,968,703.09		\$3,123,873.43
TOTAL BASE BID + ALTERNATE 1						\$3,125,572.24		\$3,016,998.56		\$3,179,515.95
TOTAL BASE BID + ALTERNATE 2						\$3,122,513.74		\$3,011,791.02		\$3,172,579.93
TOTAL BASE BID + ALTERNATE 1 + ALTERNATE 2						\$3,167,429.74		\$3,060,086.49		\$3,216,220.18
TOTAL BID PRICE - SCHEDULE 1 + SCHEDULE 2						\$41,857.50		\$43,087.93		\$48,706.50
TOTAL BID PRICE - SCHEDULE 1 + SCHEDULE 2						\$3,080,656.24		\$2,968,703.09		\$3,123,873.43
TOTAL BASE BID + ALTERNATE 1						\$3,125,572.24		\$3,016,998.56		\$3,179,515.95
TOTAL BASE BID + ALTERNATE 2						\$3,122,513.74		\$3,011,791.02		\$3,172,579.93
TOTAL BASE BID + ALTERNATE 1 + ALTERNATE 2						\$3,167,429.74		\$3,060,086.49		\$3,216,220.18
TOTAL BID PRICE - SCHEDULE 1 + SCHEDULE 2						\$41,857.50		\$43,087.93		\$48,706.50
TOTAL BID PRICE - SCHEDULE 1 + SCHEDULE 2						\$3,080,656.24		\$2,968,703.09		\$3,123,873.43
TOTAL BASE BID + ALTERNATE 1						\$3,125,572.24		\$3,016,998.56		\$3,179,515.95
TOTAL BASE BID + ALTERNATE 2						\$3,122,513.74		\$3,011,791.02		\$3,172,579.93
TOTAL BASE BID + ALTERNATE 1 + ALTERNATE 2						\$3,167,429.74		\$3,060,086.49		\$3,216,220.18
TOTAL BID PRICE - SCHEDULE 1 + SCHEDULE 2						\$41,857.50		\$43,087.93		\$48,706.50
TOTAL BID PRICE - SCHEDULE 1 + SCHEDULE 2						\$3,080,656.24		\$2,968,703.09		\$3,123,873.43
TOTAL BASE BID + ALTERNATE 1						\$3,125,572.24		\$3,016,998.56		\$3,179,515.95
TOTAL BASE BID + ALTERNATE 2						\$3,122,513.74		\$3,011,791.02		\$3,172,579.93
TOTAL BASE BID + ALTERNATE 1 + ALTERNATE 2						\$3,167,429.74		\$3,060,086.49		\$3,216,220.18
TOTAL BID PRICE - SCHEDULE 1 + SCHEDULE 2						\$41,857.50		\$43,087.93		\$48,706.50
TOTAL BID PRICE - SCHEDULE 1 + SCHEDULE 2						\$3,080,656.24		\$2,968,703.09		\$3,123,873.43
TOTAL BASE BID + ALTERNATE 1						\$3,125,572.24		\$3,016,998.56		\$3,179,515.95
TOTAL BASE BID + ALTERNATE 2						\$3,122,513.74		\$3,011,791.02		\$3,172,579.93
TOTAL BASE BID + ALTERNATE 1 + ALTERNATE 2						\$3,167,429.74		\$3,060,086.49		\$3,216,220.18
TOTAL BID PRICE - SCHEDULE 1 + SCHEDULE 2						\$41,857.50		\$43,087.93		\$48,706.50
TOTAL BID PRICE - SCHEDULE 1 + SCHEDULE 2						\$3,080,656.24		\$2,968,703.09		\$3,123,873.43
TOTAL BASE BID + ALTERNATE 1						\$3,125,572.24		\$3,016,998.56		\$3,179,515.95
TOTAL BASE BID + ALTERNATE 2						\$3,122,513.74		\$3,011,791.02		\$3,172,579.93
TOTAL BASE BID + ALTERNATE 1 + ALTERNATE 2						\$3,167,429.74		\$3,060,086.49		\$3,216,220.18
TOTAL BID PRICE - SCHEDULE 1 + SCHEDULE 2</										

**JOINT POWERS AGREEMENT**  
**BETWEEN THE CITY OF INVER GROVE HEIGHTS AND**  
**THE CITY OF SOUTH ST. PAUL RELATING TO**  
**8<sup>TH</sup> STREET SOUTH AND RELATING TO 47<sup>TH</sup> STREET**

**THIS JOINT POWERS AGREEMENT BETWEEN THE CITY OF INVER GROVE HEIGHTS AND THE CITY OF SOUTH ST. PAUL RELATING TO 8<sup>TH</sup> STREET SOUTH AND RELATING TO 47<sup>TH</sup> STREET, ("Agreement")** is made and entered into as of the 6<sup>th</sup> day of April, 2015, by and between the City of South St. Paul ("SSP"), a Minnesota municipal corporation, and the City of Inver Grove Heights ("IGH"), a Minnesota municipal corporation (each sometimes hereinafter called "party" and both sometimes collectively called "parties").

**WITNESSETH:**

**WHEREAS**, each of the parties hereto has the authority to construct, maintain, repair, and improve public streets within their respective corporate limits; and

**WHEREAS**, IGH has ordered construction of IGH Project No. 2015-09E - 47<sup>th</sup> Street Area Reconstruction. IGH is in the process of finalizing plans and specifications for IGH Project No. 2015-09E and is in the process of preparing to solicit bids for Project 2015-09E; and

**WHEREAS**, IGH Project No. 2015-09E consists of mill and overlay and street reconstruction of various streets within IGH; and

**WHEREAS**, SSP has two street segments abutting IGH Project No. 2015-09E. Those segments are:

- 8<sup>th</sup> Street South in SSP (also known as 49<sup>th</sup> Street in IGH) from 9<sup>th</sup> Avenue to the corporate border between IGH and SSP
- A segment approximately 130 feet in length from 9<sup>th</sup> Avenue in SSP running to the west 130 feet within the south half of 47<sup>th</sup> Street

**WHEREAS**, the parties hereto desire to undertake a joint project to construct IGH Project No. 2015-09E and to improve the two street segments in SSP and to share the costs of such improvements by IGH paying for IGH Project No. 2015-09E and SSP paying for improvements to the two street segments in SSP as herein provided; and

**WHEREAS**, the authority of the parties to enter into this Agreement is provided by Minnesota Statutes, sections 471.59, 429.031, subdivision 1, and 429.041, subd. 5;

**NOW, THEREFORE**, in consideration of the mutual promises and covenants of each to the other contained in this Agreement and other good and valuable consideration, receipt of which is hereby acknowledged, the parties hereto do covenant and agree as follows:

**ARTICLE 1**  
**THE AGREEMENT**

**Section 1.01. Purposes.** The purpose of this Agreement is to define the rights and obligations of SSP and IGH with respect to IGH Project No. 2015-09E and the SSP Street Segment Project and the sharing of the costs.

**Section 1.02. Cooperation.** SSP and IGH shall cooperate and use their best efforts to ensure the most expeditious implementation of the various provisions of this Agreement. The parties agree in good faith to undertake resolution of disputes, if any, in an equitable and timely manner.

**Section 1.03. Relationship to Other Contracts.** SSP and IGH acknowledge that Contract Documents will be entered into by IGH on behalf of the parties with respect to IGH Project No. 2015-09E and the SSP Street Segment Project and that Change Orders or other documents may be entered into by the parties or by IGH on behalf of the parties with respect to IGH Project No. 2015-09E and SSP Street Segment Project. This Agreement shall be construed so as to give the fullest effect to its provisions, consistent with the provisions of the other contracts and documents referred to above.

**Section 1.04. Term.** The term of this Agreement shall be for a period commencing on the date hereof and terminating on the date IGH Project No. 2015-09E and the SSP Street Segment Project are completed, accepted by the parties and all amounts owed by one party to the other have been paid in full.

**Section 1.05. Recitals.** The above recitals are true and correct as of the date hereof and constitute a part of this Agreement.

**ARTICLE 2**  
**DEFINITIONS**

**Section 2.01. Definitions.** In this Agreement the following terms shall have the following meanings unless the context requires otherwise:

- (a) **Agreement:** this Agreement, as it may be amended, supplemented, or restated from time to time.
- (b) **Change Order:** a written order to the Contractor approved by both parties hereto and signed by the IGH Representative on behalf of the parties authorizing a change in the work included within the Contract Documents and/or an adjustment in the price and/or an adjustment in the construction schedule, issued after execution of the contract for the construction of IGH Project No. 2015-09E and the SSP Street Segment Project.

- (c) **Contract Documents:** drawings; specifications; general and special conditions; addenda, if any; Change Orders; and the construction contract for IGH Project No. 2015-09E and the SSP Street Segment Project; approved by the parties, or their respective representatives.
- (d) **Contractor:** the person or entity which is awarded the contract for the construction of IGH Project No. 2015-09E and the SSP Street Segment Project.
- (e) **IGH:** the City of Inver Grove Heights, a Minnesota municipal corporation.
- (f) **IGH Direct Costs for SSP Street Segment Project:** the compensation and wages (including applicable payroll burden) of IGH employees for the time(s) such employees are performing services on behalf of the SSP Street Segment Project, including all construction testing costs and all IGH attorneys' and consultants' fees.
- (g) **IGH Overhead Costs for SSP Street Segment Project:** bonding costs and interest during construction, calculated as one percent of SSP Street Segment Project Construction Costs.
- (h) **IGH Representative:** the IGH City Engineer, or his designee.
- (i) **SSP Street Segment Project:** the improvement of the following SSP Street Segments in the following manner:
- Mill and overlay of 8<sup>th</sup> Street South in SSP from 9<sup>th</sup> Avenue to the corporate border between IGH and SSP.
  - Street reconstruction of a segment approximately 130 feet in length from 9<sup>th</sup> Avenue in SSP running to the west 130 feet within the south half of 47<sup>th</sup> Street.
- (j) **IGH Administrative Costs for SSP Street Segment Project:** all costs incurred by IGH for and associated with the design, bidding, and contract award, of the SSP Street Segment Project including IGH Direct Costs for SSP Street Segment Project, IGH Overhead Costs for SSP Street Segment Project, but excluding both parties' easement acquisition costs, SSP personnel direct and indirect costs.
- (k) **SSP Street Segment Project Construction Costs:** all costs for and associated with the construction of SSP Street Segment Project, including but not limited to bituminous milling and surfacing and street restoration.
- (l) **SSP:** the City of South St. Paul, a Minnesota municipal corporation.
- (m) **SSP Representative:** the SSP City Engineer, or his designee.

- (n) **SSP Street Segments:** the following two street segments in SSP:
- 8<sup>th</sup> Street South in SSP from 9<sup>th</sup> Avenue to the corporate border between IGH and SSP
  - A segment approximately 130 feet in length from 9<sup>th</sup> Avenue in SSP running to the west 130 feet within the south half of 47<sup>th</sup> Street
- (o) **Uncontrollable Circumstances:** the occurrence or non-occurrence of acts or events beyond the reasonable control of the party relying thereon, and not the result of willful or negligent action or inaction of the party claiming the event as an Uncontrollable Circumstance, that materially and adversely affects the performance of the party claiming the event as an Uncontrollable Circumstance including but not limited to the following:
- (i) Acts of God, including, but not limited to floods, ice storms, blizzards, tornadoes, landslides, lighting and earthquakes (but not including reasonably anticipated weather conditions for the geographic area), riots, insurrections, war or civil disorder affecting the performance of work, blockades, power or other utility failure, and fires or explosions.
  - (ii) The adoption of or change in any federal, state, or local laws, rules, regulations, ordinances, permits, or licenses, or changes in the interpretation of such laws, rules, regulations, ordinances, permits, or licenses by a court or public agency having appropriate jurisdiction after the date of the execution of this Agreement.
  - (iii) A suspension, termination, interruption, denial, or failure of renewal of any permit, license, consent, authorization, or approval essential to the construction of the Project.
  - (iv) Orders and/or judgments of any federal, state, or local court, administrative agency, or governmental body, provided, however, that the contesting in good faith by such party of any such order and/or judgment shall not constitute or be construed to constitute a willful or negligent action or inaction of such party.
  - (v) Strikes or other such labor disputes shall not be considered an Uncontrollable Circumstance, unless such strike or labor dispute involves persons with whom the parties or either of them have no employment relationship and for whom, despite using best efforts, the parties or either of them cannot obtain substitute performance.

**ARTICLE 3**  
**CONSTRUCTION**

**Section 3.01. Contract Award.** IGH Project No. 2015-09E and the SSP Street Segment Project shall both be included within the Contract Documents. ~~The Contract Documents shall be prepared and administered by IGH. The Contract Documents shall be approved by the parties prior to the solicitation of bids.~~

In accordance with the applicable provisions of Minnesota Statutes Chapter 429, IGH will cause bids to be received by it for the construction of IGH Project No. 2015-09E and the SSP Street Segment Project and, subject to approval by the IGH Representative, shall award the contract for the construction of IGH Project No. 2015-09E and the SSP Street Segment Project to the lowest responsible bidder. IGH shall enter into the Contract Documents with the Contractor.

**Section 3.02. SSP Street Segment Project Construction.** Subject to Uncontrollable Circumstances, IGH shall cause the SSP Street Segment Project to be constructed in accordance with the Contract Documents.

**Section 3.03. Construction Administration.** IGH shall perform appropriate construction administration services, including, without limitation, representation of the parties hereto with regard to activities of the Contractor at the construction site, periodic observations of the work at the construction site, initiate appropriate action to present or have corrected as appropriate, any work observed not to be in accordance with the Contract Documents, process Change Orders, and process Contractor pay request. IGH shall not be responsible for the acts or omissions of the Contractor nor shall IGH be responsible for construction means, methods, techniques, sequences, procedures or safety precautions at the construction site.

**Section 3.04. Easements.** With respect to the SSP Street Segment Project, SSP shall be responsible for and obtain any easements required within its corporate limits for the construction of the SSP Street Segment Project. With respect to IGH Project No. 2015-09E, IGH shall be responsible for and obtain any easements required within its corporate limits for the construction of the IGH Project No. 2015-09E.

The acquisition costs of any easement(s) shall not be a component of either the administrative costs or the construction costs and shall be the sole responsibility of the party acquiring the easement(s).

**Section 3.05. Resident Notification.** **IGH and SSP shall be responsible for notifying and communicating the Project to the affected landowners within their respective corporate boundaries.**

**ARTICLE 4**  
**SSP STREET SEGMENT PROJECT COSTS**

**Section 4.01. Allocation.** Upon completion of the SSP Street Segment Project, SSP shall pay to IGH the following:

- (a) 100% of IGH Administrative Costs for SSP Street Segment Project.
- (b) 100% of SSP Street Segment Project Construction Costs attributed to and based upon the construction performed within the SSP corporate limits.

IGH shall submit an itemized written invoice of the expenses listed above and SSP shall be responsible to pay such invoice within 40 days after the date of the invoice. In order to verify the invoiced amounts, SSP shall have full access to all IGH records, data and other information concerning both SSP Street Segment Project and IGH Project No. 2015-09E, including Contractor billings.

**Section 4.02. Payments to Contractor.** IGH shall make progress payments to the Contractor and, upon prior approval of both parties hereto, the final payment to the Contractor in accordance with the Contract Documents as agent for SSP and on its own behalf.

**ARTICLE 5**  
**GENERAL PROVISIONS**

**Section 5.01. Notices.** All notices or communications required or permitted pursuant to this Agreement shall be either hand delivered or mailed to SSP and IGH, certified mail, return-receipt requested, as the following address:

<b>SSP:</b>	SSP City Engineer Municipal Building 125 Third Avenue North South St. Paul, MN 55075
<b>IGH:</b>	IGH City Engineer City Hall 8150 Barbara Avenue Inver Grove Heights, MN 55077

Either party may change its address or authorized representative by written notice delivered to the other party pursuant to this Section 5.01.

**Section 5.02. Counterparts.** This Agreement may be executed in more than one counterpart, each of which shall be deemed to be an original but all of which taken together shall be deemed a single instrument.

**Section 5.03. Survival of Representations and Warranties.** The representations, warranties, covenants, and agreements of the parties under this Agreement, and the remedies of either party for the breach of such representations, warranties, covenants, and agreements by the other party shall survive the execution and termination of this Agreement.

**Section 5.04. Non-Assignability.** Neither SSP nor IGH shall assign any interest in this Agreement nor shall transfer any interest in the same, whether by subcontract, assignment or novation, without the prior written consent of the other party. Such consent shall not be unreasonably withheld.

**Section 5.05. Alteration.** Any alteration, variation, modification or waiver of the provisions of the Agreement shall be valid only after it has been reduced to writing and duly signed by all parties.

**Section 5.06. Waiver.** The waiver of any of the rights and/or remedies arising under the terms of this Agreement on any one occasion by any party hereto shall not constitute a waiver or any rights and/or remedies in respect to any subsequent breach or default of the terms of this Agreement. The rights and remedies provided or referred to under the terms of this Agreement are cumulative and not mutually exclusive.

**Section 5.07. Severability.** The provisions of this Agreement are severable. If any paragraph, section, subdivision, sentence, clause or phrase of this Agreement is for any reason held to be contrary to law, or contrary to any rule or regulation having the force and effect of law, such decision shall not affect the remaining portions of this Agreement.

**Section 5.08. Interpretation According to Minnesota Law.** This Agreement shall be interpreted and construed according to the laws of the State of Minnesota.

**Section 5.09. Entire Agreement.** This Agreement shall constitute the entire agreement between the parties and shall supersede all prior oral or written negotiations.

**Section 5.10. Final Payment.** Before final payment is made by IGH to the Contractor, IGH shall obtain from the Contractor a certificate of compliance from the Commissioner of Revenue certifying that the Contractor and any out-of-state subcontractors have complied with the provisions of Minnesota Statutes, Section 290.92.

**Section 5.11. Headings.** The headings to the various sections of this Agreement are inserted only for convenience of reference and are not intended, nor shall they be construed, to modify, define, limit, or expand the intent of the parties as expressed in this Agreement.

**Section 5.12. Further Actions.** The parties agree to execute such further documents and take such further actions as may reasonably be required or expedient to carry out the provisions and intentions of this Agreement, or any agreement or document relating hereto or entered into in connection herewith.

**Section 5.13. Parties in Interest.** This Agreement shall be binding upon and insure solely to the benefit of the parties hereto and their permitted assigns, and nothing in this Agreement, express or implied, is intended to confer upon any other person any rights or remedies of any nature under or by reason of this Agreement.

**IN WITNESS WHEREOF**, the parties hereto have caused this Agreement to be executed by their duly authorized representatives as of the day and year first above written.

**CITY OF SOUTH ST. PAUL**

Attest:

By: Christy Wilcox  
Christy Wilcox  
City Clerk

By: Beth Baumann  
Beth Baumann  
Mayor

Dated: April 6, 2015

Dated: April 6, 2015

**CITY OF INVER GROVE HEIGHTS**

Attest:

By: Joe Lynch  
~~Melissa Kennedy~~  
~~Deputy~~ City Clerk

By: George Tourville  
George Tourville  
Mayor

Dated: \_\_\_\_\_

Dated: \_\_\_\_\_

CITY OF INVER GROVE HEIGHTS

REQUEST FOR COUNCIL ACTION

**Resolution Approving Two Cost Share Contracts with Dakota County Soil and Water Conservation District for Community Conservation Partnership Funding Program and Acceptance of a Permanent Drainage, Utility and Storm Water Ponding Easement for City Project No. 2015-09E – 47th Street Area Reconstruction**

Meeting Date: May 11, 2015  
 Item Type: Regular  
 Contact: Thomas J. Kaldunski, 651-450-2572  
 Prepared by: Steve W. Dodge, Asst. City Engineer  
 Reviewed by: Scott D. Thureen, Public Works Director

*SST*

	Fiscal/FTE Impact:
<input type="checkbox"/>	None
<input type="checkbox"/>	Amount included in current budget
<input type="checkbox"/>	Budget amendment requested
<input type="checkbox"/>	FTE included in current complement
<input type="checkbox"/>	New FTE requested – N/A
<input checked="" type="checkbox"/>	Other: SWCD Community Conservation Partnership Grants, PMP Funds, Assessments

**PURPOSE/ACTION REQUESTED**

Resolution Approving Two Cost Share Contracts with Dakota County Soil and Water Conservation District for Community Conservation Partnership (CCP) Funding Program and Acceptance of a Permanent Drainage, Utility and Storm Water Ponding Easement for City Project No. 2015-09E – 47th Street Area Reconstruction.

**SUMMARY**

On March 9, 2015 Council authorized the City Engineering Division to apply for two cost share CCP grants with the Dakota County Soil and Water Conservation District (SWCD) and secure a drainage easement with Bethesda Evangelical Lutheran Church for City Project No. 2015-09E – 47th Street Area Reconstruction. The proposed storm water management facilities will improve the water quality for Seidl’s Lake from storm water run-off.

On April 2, 2015 the Dakota County SWCD Board took action to approve the two Cost Share Contracts: (1) the Bower Court hydrodynamic separator for up to \$46,869.60; and (2) the Boyd Avenue biofiltration basin for up to \$32,205.00. This funding is being provided from the Community Conservation Partnership (CCP) Program which is being administered by the Dakota County SWCD. Copies of the cost share contract agreements are attached.

The City acquired a permanent drainage easement on the Bethesda Church property in order to construct the proposed bioretention basin in the northeast corner of Boyd Avenue and 47<sup>th</sup> Street East. Bethesda Church has received Church Council approval and executed the necessary easement agreement for the Boyd Avenue biofiltration basin on May 4, 2015 in exchange for a payment of \$9,000. After the assessment hearing and award of the project’s contract, the City thereby agrees to pay down the Bethesda Church assessment in the amount of \$9,000. A copy of the document is attached.

Funding for the projects will come from SWCD grants, the pavement management fund and assessments.

I recommend adoption of the resolution approving two cost share CCP contracts with Dakota County Soil and Water Conservation District and the acceptance of a permanent drainage, utility and storm water ponding easement with Bethesda Church for City Project No. 2015-09E – 47<sup>th</sup> Street Area Reconstruction project. If project construction does not begin by November 1, 2015, the grant will be withdrawn.

SWD/kf

- Attachments: Resolution  
 Cost Share Contracts  
 Basin Plan and Easement Exhibit  
 Hydrodynamic Separator Fact Sheet  
 Easement Conveyance Agreement

**DAKOTA COUNTY  
INVER GROVE HEIGHTS, MINNESOTA**

**RESOLUTION APPROVING TWO COST SHARE CONTRACTS WITH THE DAKOTA COUNTY SOIL AND WATER CONSERVATION DISTRICT FOR COMMUNITY CONSERVATION PARTNERSHIP (CCP) FUNDING PROGRAM AND ACCEPTANCE OF A PERMANENT DRAINAGE, UTILITY AND STORM WATER PONDING EASEMENT FOR CITY PROJECT NO. 2015-09E – 47<sup>TH</sup> STREET AREA RECONSTRUCTION**

**RESOLUTION NO. \_\_\_\_\_**

**WHEREAS**, as part of the City's 2015 Pavement Management Program, City Project No. 2015-09E – 47<sup>th</sup> Street Area Reconstruction, a bioretention basin and hydrodynamic separator have been identified for construction starting in 2015; and

**WHEREAS**, the City applied for and received two Community Conservation Program Grants from the Dakota County Soil and Water Conservation District; and

**WHEREAS**, the existing 47<sup>th</sup> Street and Boyd Avenue street rights-of-way and other existing public easement areas cannot fully accommodate the installation of the bioretention basin water quality improvements; and

**WHEREAS**, the City needs to acquire easement rights along 47<sup>th</sup> Street and Boyd Avenue from two (2) private property tax parcels owned by Bethesda Evangelical Lutheran Church of So. St. Paul (8255 47<sup>th</sup> Street); and

**WHEREAS**, The City offered Bethesda Evangelical Lutheran Church of So. St. Paul \$9,000 (by way of easement payment) to purchase the permanent easement rights that the City needs to construct the improvements; and

**WHEREAS**, In exchange for the payment of \$9,000, Bethesda Evangelical Lutheran Church of So. St. Paul has executed the attached Easement Conveyance Agreement.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF INVER GROVE HEIGHTS, MINNESOTA THAT:**

1. The City is authorized to enter into two Cost Sharing Contracts with the Dakota County Soil & Water Conservation District (SWCD) relating to the Community Conservation Program (CCP) for a bioretention basin at Boyd Avenue and 47<sup>th</sup> Street for up to \$46,869.60 and a hydrodynamic separator within Bower Path for up to \$32,205.00 for City Project No. 2015-09E – 47<sup>th</sup> Street Area Reconstruction.
2. The project funding will consist of SWCD grant funds, City Pavement Management Funds and assessments.
3. The negotiated settlement in the sum of \$9,000 concerning the direct purchase of permanent easement rights on the Bethesda Evangelical Lutheran Church of So. St. Paul property in connection with City Project 2015-09E is hereby approved. After the project assessment hearing and contract award, staff is authorized to pay down the Bethesda Church assessment in the amount of \$9,000 in accordance with the easement agreement.
4. The Mayor and City Clerk are hereby authorized to execute the attached Easement Conveyance Agreement and two Cost Share Contracts.

Adopted this 11th day of May 2015 by the City Council of Inver Grove Heights.

AYES:

NAYS:

\_\_\_\_\_  
George Tourville, Mayor

ATTEST:

\_\_\_\_\_  
Joe Lynch, City Clerk



**GENERAL INFORMATION**

Watershed Name Seidl Lake (Mississippi River)	Contract Number 15-IGH-02	Individual / Group	Board Meeting Date(s): 4/2/2015
--	------------------------------	--------------------	------------------------------------

**APPLICANT**

Applicant Steve Dodge, P.E. 651-450-2541 sdodge@invergroveheights.org	Address/City/State 8150 Barbara Avenue Inver Grove Heights, MN 55077	Contact Information Steve Dodge 651-450-2541 sdodge@invergroveheights.org
--	--	--

\* If this is a group contract, this must be filed and signed by the group spokesperson as designated in the group agreement.

**CONSERVATION PRACTICE LOCATION**

Address or Township Name 2670 Bower Court (approximate) Inver Grove Heights, MN 55077	Township 28	Range 22	Section 28	1/4, 1/4 0 of 0
---	----------------	-------------	---------------	--------------------

**CONTRACT INFORMATION**

I (we), the undersigned Applicant, do hereby request cost-share assistance to help defray the cost of installing the Project as listed below subject to the following terms and conditions. It is agreed that:

1. The Applicant is solely responsible to obtain all permits and perform the work in compliance with local, state and federal regulations.
2. The Project must be completed in compliance with the approved plans, specifications and the District's technical standards. Any requests to change the approved plans, specifications or costs estimates must be submitted in writing to the District for review and approval.
3. The District reserves the right, at its sole discretion, to determine Project compliance to its technical standards and may withhold or deny payment for Projects that are non-compliant, improperly installed and/or improperly maintained or payment requests for expenses the District determines to be non-essential to the Project. The Applicant is responsible to confirm project compliance with the District for critical project components, including but not limited to, final design, layout staking, sub-grade excavations, soil preparation, piping and appurtenance installations, site grading, planting and final site stabilization. Unless otherwise agreed in writing, the Applicant is responsible to correct all non-compliance issues to the satisfaction of the District at its sole expense. At its option, the District may determine the non-compliance of a single project component to be non-compliance for the project as a whole.
4. The Applicant is solely responsible for the cost of constructing the Project per the approved plans and specifications. Upon Project completion and acceptance by the District Board of Supervisors, the reimbursement payment to the Applicant is limited to a maximum of seventy-five (75) percent of the actual project expenses, not to exceed the maximum cost share amount. All requests for cost share payment must be supported by itemized project receipts and invoices determined by the District to be practical and reasonable for the completion of the Project. Partial payments prior to Project completion shall not be made unless otherwise agreed in writing.

5. The Applicant is responsible to comply with the Project Operation & Maintenance Plan and shall provide at his sole expense, all labor and materials to properly maintain the Project during its minimum effective life (10 Years). If the Project is removed or modified without consent of the District, the Applicant shall be liable for monetary damages, not to exceed the amount of cost share received from the District for that Project. If land ownership is transferred to another party, it shall be the responsibility of the property owner/applicant who signed this contract to advise the new landowner that this contract shall remain in force.
6. Grant the Dakota County SWCD representative(s) access to the parcel where the conservation practice is located for the effective life of the project (10 years from installation) for inspection purposes.  
[initial/date \_\_\_\_\_ ]
7. This contract, when approved by the District Board of Supervisors, will remain in effect unless canceled by mutual agreement, except when installation of the Project covered by this contract has not been started by 11/1/2015 (date) in which case this contract will automatically terminate on that date.
8. The Project will be installed by 11/15/2015 (date), unless this contract is amended by mutual consent to reschedule the work and funding.
9. The Applicant is solely liable for his/her own acts and agrees to hold harmless and defend the District against claims, actions, demands or damages arising out of the performance of this Agreement.
10. The Applicant authorizes the Dakota County SWCD to take and disclose photographs of the conservation practice for use in publications or promotional materials or on their website for the purpose of highlighting the Dakota County SWCD's programs. I also authorize the Dakota County SWCD to disclose my name and applicable conservation practice information with any conservation practice photograph.

**Sign Here**

### APPLICANT SIGNATURES

Date	Landowner/Applicant	Address	City/State/Zip Code
------	---------------------	---------	---------------------

**Sign Here**

### CONSERVATION PRACTICE

Eligible component(s) 570 Stormwater Runoff Control	Other recognized technical practice	Engineered Practice <input checked="" type="checkbox"/>	Ecological Practice <input type="checkbox"/>	Total Cost Estimate <b>\$42,940.00</b>
--	-------------------------------------	---	--	---

### TECHNICAL ASSESSMENT AND COST ESTIMATE

Dakota County SWCD Technical Representative 	Date <u>4-2-15</u>
--	-----------------------

### AMOUNT AUTHORIZED FOR PAYMENT (ENCUMBRANCE)

Cost share is approved at up to 75% of the total estimated project cost. The final cost share reimbursement amount shall be determined by applying the approved percentage to the total actual project costs as reviewed and approved and is limited to not exceed \$32,205.00

Dakota County SWCD Board Chair	Board Meeting Date
--------------------------------	--------------------



# Dakota County Soil and Water Conservation District COST SHARE CONTRACT

SOIL & WATER  
CONSERVATION DISTRICT

Cost Share Program Type

CCS

CIF

CCP

## GENERAL INFORMATION

Watershed Name Seidl Lake	Contract Number 15-CCP-01	Individual / Group	Board Meeting Date(s): 4/2/2015
------------------------------	------------------------------	--------------------	------------------------------------

## APPLICANT

Applicant Steve Dodge, P.E. 651-450-2541 sdodge@invergroveheights.org	Address/City/State 8150 Barbara Avenue Inver Grove Heights, MN 55077	Contact Information Steve Dodge 651-450-2541 sdodge@invergroveheights.org
--	--	--

\* If this is a group contract, this must be filed and signed by the group spokesperson as designated in the group agreement.

## CONSERVATION PRACTICE LOCATION

Address or Township Name 2855 47th Street Inver Grove Heights, MN 55077	Township 28	Range 22	Section 28	1/4, 1/4 0 of 0
---	----------------	-------------	---------------	--------------------

## CONTRACT INFORMATION

I (we), the undersigned Applicant, do hereby request cost-share assistance to help defray the cost of installing the Project as listed below subject to the following terms and conditions. It is agreed that:

1. The Applicant is solely responsible to obtain all permits and perform the work in compliance with local, state and federal regulations.
2. The Project must be completed in compliance with the approved plans, specifications and the District's technical standards. Any requests to change the approved plans, specifications or costs estimates must be submitted in writing to the District for review and approval.
3. The District reserves the right, at its sole discretion, to determine Project compliance to its technical standards and may withhold or deny payment for Projects that are non-compliant, improperly installed and/or improperly maintained or payment requests for expenses the District determines to be non-essential to the Project. The Applicant is responsible to confirm project compliance with the District for critical project components, including but not limited to, final design, layout staking, sub-grade excavations, soil preparation, piping and appurtenance installations, site grading, planting and final site stabilization. Unless otherwise agreed in writing, the Applicant is responsible to correct all non-compliance issues to the satisfaction of the District at its sole expense. At its option, the District may determine the non-compliance of a single project component to be non-compliance for the project as a whole.
4. The Applicant is solely responsible for the cost of constructing the Project per the approved plans and specifications. Upon Project completion and acceptance by the District Board of Supervisors, the reimbursement payment to the Applicant is limited to a maximum of seventy-five (75) percent of the actual project expenses, not to exceed the maximum cost share amount. All requests for cost share payment must be supported by itemized project receipts and invoices determined by the District to be practical and reasonable for the completion of the Project. Partial payments prior to Project completion shall not be made unless otherwise agreed in writing.

5. The Applicant is responsible to comply with the Project Operation & Maintenance Plan and shall provide at his sole expense, all labor and materials to properly maintain the Project during its minimum effective life (10 Years). If the Project is removed or modified without consent of the District, the Applicant shall be liable for monetary damages, not to exceed the amount of cost share received from the District for that Project. If land ownership is transferred to another party, it shall be the responsibility of the property owner/applicant who signed this contract to advise the new landowner that this contract shall remain in force.
6. Grant the Dakota County SWCD representative(s) access to the parcel where the conservation practice is located for the effective life of the project (10 years from installation) for inspection purposes.  
[initial/date \_\_\_\_\_ ]
7. This contract, when approved by the District Board of Supervisors, will remain in effect unless canceled by mutual agreement, except when installation of the Project covered by this contract has not been started by 11/1/2015 (date) in which case this contract will automatically terminate on that date.
8. The Project will be installed by 11/15/2015 (date), unless this contract is amended by mutual consent to reschedule the work and funding.
9. The Applicant is solely liable for his/her own acts and agrees to hold harmless and defend the District against claims, actions, demands or damages arising out of the performance of this Agreement.
10. The Applicant authorizes the Dakota County SWCD to take and disclose photographs of the conservation practice for use in publications or promotional materials or on their website for the purpose of highlighting the Dakota County SWCD's programs. I also authorize the Dakota County SWCD to disclose my name and applicable conservation practice information with any conservation practice photograph.

Sign Here

**APPLICANT SIGNATURES**

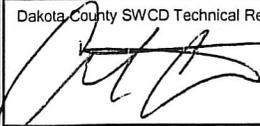
Date	Landowner/Applicant	Address	City/State/Zip Code
------	---------------------	---------	---------------------

Sign Here

**CONSERVATION PRACTICE**

Eligible component(s) 570 Stormwater Runoff Control	Other recognized technical practice	Engineered Practice <input checked="" type="checkbox"/>	Ecological Practice <input type="checkbox"/>	Total Cost Estimate <b>\$62,492.80</b>
--	-------------------------------------	---	--	---

**TECHNICAL ASSESSMENT AND COST ESTIMATE**

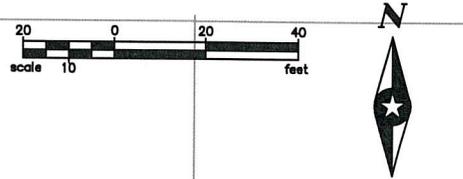
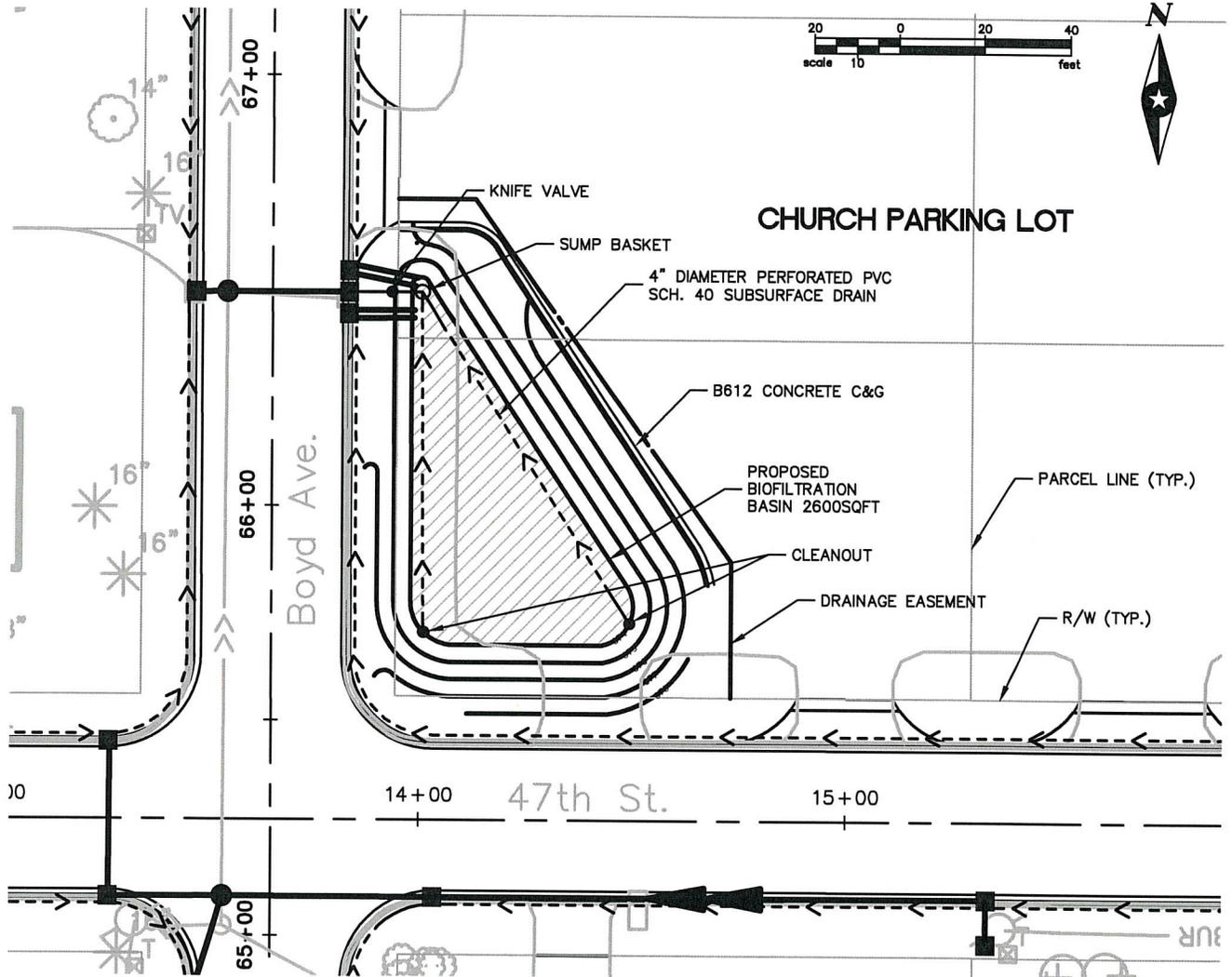
Dakota County SWCD Technical Representative 	Date <u>4-2-15</u>
--	-----------------------

**AMOUNT AUTHORIZED FOR PAYMENT (ENCUMBRANCE)**

Cost share is approved at up to 75% of the total estimated project cost. The final cost share reimbursement amount shall be determined by applying the approved percentage to the total actual project costs as reviewed and approved and is limited to not exceed \$46,869.60

Dakota County SWCD Board Chair	Board Meeting Date
--------------------------------	--------------------

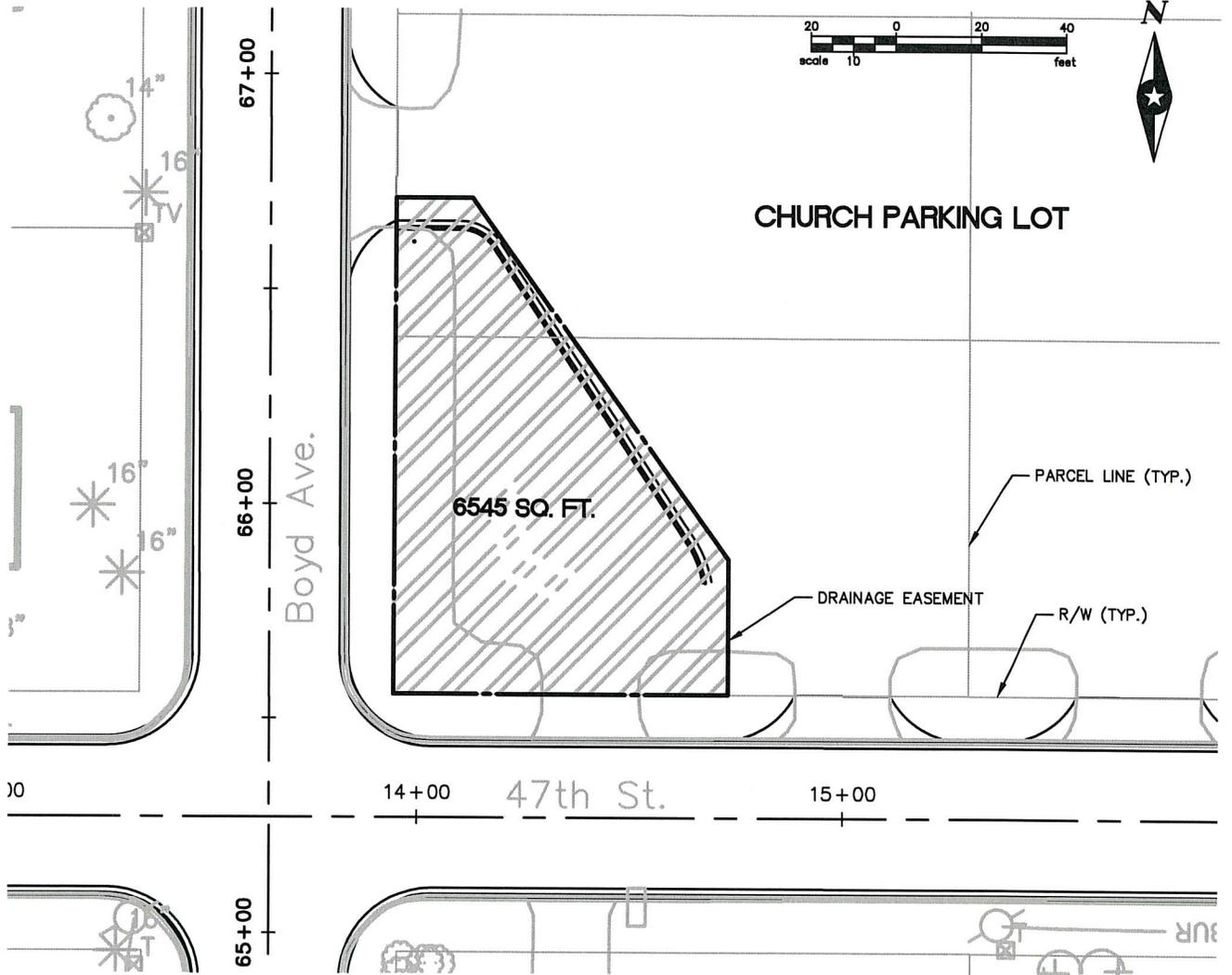
S:\F\Inver\129894\5-final-dsgn\51-const-dwgs-CAD\10-Civil\cad\dwg\EXHIBITS\church inf. basin.dwg 4/1/2015 10:28 AM dcesatsky



### CHURCH PARKING LOT

 <p>PHONE: 651.490.2000 3535 VADNAIS CENTER DR. ST. PAUL, MN 55110-5196 www.sehinc.com</p>	<p>FILE NO. 129894</p>	<p><b>BIOFILTRATION BASIN CHURCH PARKING LOT</b></p>	<p><b>EXHIBIT NO. 4</b></p>
	<p>DATE: 3-4-15</p>		

S:\F\N\Inver\129894\5-final-dsgn\51-const-dwgs-CAD\10-Civil\cad\dwg\EXHIBITS\church RW.dwg 4/1/2015 12:09 PM dcesafsky



PHONE: 651.490.2000  
 3535 VADNAIS CENTER DR.  
 ST. PAUL, MN 55110-5196  
 www.sehinc.com

FILE NO.  
 129894  
 DATE:  
 3-4-15

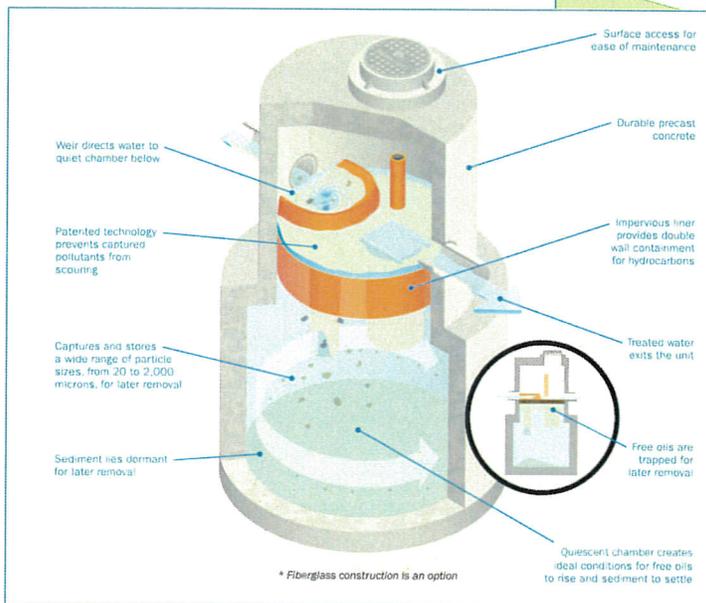
**DRAINAGE EASEMENT  
 CHURCH PARKING LOT**

**EXHIBIT  
 NO. 5**



# CITY OF INVER GROVE HEIGHTS

## BOWER COURT HYDRODYNAMIC SEPARATOR



### PRACTICE:

- Stormwater Retrofit (Hydrodynamic Separator)

### BENEFITS:

- Phosphorus and sediment saved from traveling downstream
- Improved water quality

### PARTNERS:

- Minnesota Board of Water and Soil Resources
- City of Inver Grove Heights

### WATERSHED:

- Mississippi River

### RECEIVING WATERS:

- Seidl Lake

### INSTALLATION:

- 2015

**PROJECT:** Installation of a Hydrodynamic Separator to treat stormwater runoff from the adjacent neighborhoods. The structure will be installed as part of the stormsewer system during a street reconstruction project and will remove sediment and phosphorus before stormwater is discharged to Seidl's Lake.

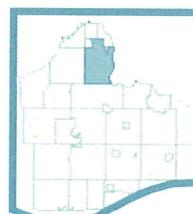
**FUNDING:**

<b>Total Project Cost:</b>	<b>\$42,940.00</b>
<b>City:</b>	<b>\$10,735.00</b>
<b>Cost share request:</b>	<b>\$32,205.00</b>



*Clean Water Fund:  
Protecting and restoring  
Minnesota's waters for  
generations to come.*

**LOCATION:**  
Bower Court  
Inver Grove Heights, MN



**CITY OF INVER GROVE HEIGHTS  
EASEMENT CONVEYANCE AGREEMENT  
WITH BETHESDA EVANGELICAL LUTHERAN CHURCH OF SO. ST. PAUL  
FOR CITY PROJECT NO. 2015-09E (47<sup>TH</sup> STREET AREA RECONSTRUCTION)**

**THIS EASEMENT CONVEYANCE AGREEMENT** ("Agreement") is made, entered into and effective as of the 11<sup>th</sup> day of May, 2015 ("Agreement Date"), by and between the City of Inver Grove Heights, a Minnesota municipal corporation (the "City"), and Bethesda Evangelical Lutheran Church of So. St. Paul, a religious corporation under the laws of Minnesota (the "Owner").

**WITNESSETH:**

**WHEREAS**, the Owner owns the six (6) tax parcels identified on the attached **Exhibit No. 1** (the Assessed Real Property). The six tax parcels are generally located at 2855 – 47<sup>th</sup> Street East, Inver Grove Heights, MN 55076 in Dakota County, Minnesota; and

**WHEREAS**, the Owner is willing to provide the City with an Easement Conveyance (pursuant to a Permanent Drainage, Utility and Storm Water Ponding Easement Agreement in the form attached hereto as **Exhibit No. 2**) in exchange for the sum of \$9,000 (Easement Payment); and

**WHEREAS**, the City proposes to specially assess the Assessed Real Property for the Project.

**WHEREAS**, the City is willing to pay the Owner the Easement Payment by a partial prepayment of the special assessments to be levied against the Assessed Real Property for City Project No. 2015-09E and the Owner is willing to accept the Easement Payment by the City

partially prepaying the special assessments against the Assessed Real Property for City Project No. 2015-09E; and

**WHEREAS**, the obligations of the City and the Owner under this Agreement are contingent on the City receiving the Grant as hereafter defined.

**NOW, THEREFORE**, in consideration of the mutual promises and covenants of each to the other contained in this Agreement and other good and valuable consideration, receipt of which is hereby acknowledged, the parties hereto do covenant and agree as follows:

**ARTICLE 1**  
**DEFINITIONS**

**1.1 DEFINITIONS.** The following are terms used in this Agreement. Their meanings as used in this Agreement shall be expressly indicated below, unless the context of this Agreement requires otherwise:

- (a) Agreement. This agreement for an easement conveyance.
- (b) Agreement Date. The date written in the first paragraph of the Agreement.
- (c) Assessed Real Property. The six (6) tax parcels identified on the attached Exhibit No. 1.
- (d) City. The City of Inver Grove Heights, a Minnesota municipal corporation.
- (e) Easement Conveyance. The Owner's execution and delivery of the Permanent Drainage, Utility and Storm Water Ponding Easement Agreement to the City in the form attached hereto as Exhibit No. 2.
- (f) Easement Payment. Easement Payment means the sum of \$9,000.
- (g) Grant. A Grant from the Dakota County Soil and Water Conservation District for the Community Conservation Partnership Program for City Project No. 2015-09E for the Boyd Avenue Biofiltration Basin.
- (h) Owner. Bethesda Evangelical Lutheran Church of So. St. Paul, a religious corporation under the laws of Minnesota.

- (i) Project. City Project No. 2015-09E – 47<sup>th</sup> Street Area Reconstruction.

**ARTICLE 2**  
**COVENANTS AND AGREEMENTS**

**2.1 COVENANTS AND AGREEMENTS OF THE OWNER.** The Owner covenants and agrees with the City that:

- (a) Easement Conveyance. Owner, in consideration of Easement Payment and other good and valuable consideration, does hereby agree to grant and convey to the City, its successors and assigns, forever, a permanent easement for drainage, utility and storm water ponding purposes pursuant to the Permanent Drainage, Utility and Storm Water Ponding Easement Agreement attached hereto as Exhibit No. 2. The Easement Conveyance shall be executed by the Owner and delivered to the City within ten days after request by the City.
- (b) Easement Payment to Reduce Assessed Real Property Assessment. For the Project, Owner authorizes the City to pay the Easement Payment by prepaying the prepayment amounts shown on Exhibit No. 1.

**2.2 COVENANTS AND AGREEMENTS OF THE CITY.** The City covenants and agrees with the Owner that:

- (a) Payment of Easement Payment. In consideration of the covenants and agreements of the Owner, the City agrees that upon the City requesting delivery of the Easement Conveyance, the City shall pay the Easement Payment in the manner hereafter set forth. The manner and timing of payment for the Easement Payment shall be by the City prepaying the amounts shown on Exhibit No. 1 in order to reduce the remaining special assessments against the Assessed Real Property. The remaining unpaid special assessments shall be the assessments certified to the county for collection unless the Owner chooses to also pay the remaining unpaid amounts prior to certification to the county.
- (b) Project Assessments. City agrees that the levied assessments for the Project against the Assessed Real Property shall not exceed the amounts shown on Exhibit No. 1 in the column labeled “Assessments to be Levied.” The principal amount of the assessments shall be spread over ten (10) annual principal payments plus interest. The first installment of principal and interest shall be in calendar year 2016. Interest on the special assessments shall begin to accrue from and after January 1, 2016.

The interest rate shall be determined by the City Council.

**ARTICLE 3**  
**CONDITION PRECEDENT**

**3.1 CONDITION PRECEDENT.** An express condition precedent to the obligations of the Owner and City under this Agreement is that the City, prior to August 1, 2015, receive notice from the Dakota County Soil and Conservation District that the City has received the Grant. If by August 1, 2015, the City is not notified that it has received the Grant, then this Agreement is null and void and neither party has any obligation under this Agreement.

**ARTICLE 4**  
**GENERAL PROVISIONS**

**4.1 NOTICES.** All notices, requests, demands or other communications required or permitted by this Agreement shall be in writing and delivery shall be deemed to be sufficient if delivered personally or by registered or certified mail, return receipt accepted, postage prepaid, addressed as follows:

If to the City:

City of Inver Grove Heights  
Attn: City Administrator  
8150 Barbara Avenue  
Inver Grove Heights, MN 55077

If to the Owner:

Bethesda Evangelical Lutheran Church of So. St. Paul  
Attn: *Pastor Terry Nordheim*  
2855 - 47<sup>th</sup> Street East  
Inver Grove Heights, MN 55076

**4.2 NON-ASSIGNABILITY.** The City shall not assign any interest in this Agreement or transfer any interest in the same without the prior written consent of Owner.

**4.3 BINDING EFFECT.** This Agreement and the terms, conditions and covenants contained herein and the transaction contemplated hereunder shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. This Agreement shall further be binding on subsequent purchasers of the Assessed Real Property and shall run with the Assessed Real Property herein described.

**4.4 SEVERABILITY.** In the event any provision of this Agreement shall be held

invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

**4.5 AMENDMENTS, CHANGES AND MODIFICATIONS.** This Agreement may be amended or any of its terms modified or changed only by a written amendment authorized and executed by the City and the Owner.

**4.6 COUNTERPARTS.** This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

**4.7 ENTIRE AGREEMENT.** This Agreement shall constitute the entire agreement between the parties and shall supersede all prior oral or written negotiations.

**4.8 APPLICABLE LAW.** This Agreement shall be governed by and construed in accordance with the laws of the State of Minnesota.

**4.9 DEFAULT.** If a party to this Agreement materially defaults in the due and timely performance of any of its covenants, or agreements hereunder, the other party(s) may give notice of default of this Agreement. The notice shall specify with particularity the default or defaults on which the notice is based. The notice shall specify a 10 day cure period within which the specified default or defaults must be cured. If the specified defaults are not cured within the cure period, the other party(s) may pursue all remedies and sanctions available at law and in equity, including specific performance.

**[the remainder of this page has been intentionally left blank]**



**CITY OF INVER GROVE HEIGHTS**

By: \_\_\_\_\_  
George Tourville, Mayor

ATTEST:

\_\_\_\_\_  
Joe Lynch, City Administrator / Clerk

STATE OF MINNESOTA    )  
  )     ss.  
COUNTY OF DAKOTA    )

On this 11<sup>th</sup> day of May, 2015, before me a Notary Public within and for said County, personally appeared George Tourville and Joe Lynch, to me personally known, who being each by me duly sworn, each did say that they are respectively the Mayor and City Administrator / Clerk of the City of Inver Grove Heights, the municipality named in the foregoing instrument, and that the seal affixed to said instrument was signed and sealed on behalf of said municipality by authority of its City Council and said Mayor and City Administrator / Clerk acknowledged said instrument to be the free act and deed of said municipality.

\_\_\_\_\_  
Notary Public

**This instrument was drafted by:**  
Timothy J. Kuntz  
LeVander, Gillen & Miller, P.A.  
633 South Concord Street, Suite 400  
South St. Paul, Minnesota 55075

**After recording, please return to:**  
Timothy J. Kuntz  
LeVander, Gillen & Miller  
633 South Concord Street, Suite 400  
South St. Paul, Minnesota 55075

(651) 451-1831

(651) 451-1831

**EXHIBIT NO. 1**  
**ASSESSED REAL PROPERTY**

<b>TAX PARCEL IDENTIFICATION NO. (ASSESSED REAL PROPERTY)</b>	<b>CITY PROPOSED ASSESSMENTS TO BE LEVIED</b>	<b>AMOUNT TO BE PREPAID BY CITY BY WAY OF EASEMENT PAYMENT</b>	<b>REMAINING UNPAID ASSESSMENTS</b>
20-44400-03-060	\$9,166.67	\$1,500.00	\$7,666.67
20-44400-03-050	\$9,166.67	\$1,500.00	\$7,666.67
20-44400-03-040	\$9,166.67	\$1,500.00	\$7,666.67
20-44400-03-030	\$9,166.67	\$1,500.00	\$7,666.67
20-44400-02-040	\$9,166.66	\$1,500.00	\$7,666.66
20-44400-02-030	\$9,166.66	\$1,500.00	\$7,666.66

<b>TOTAL</b>	<b>\$55,000</b>	<b>\$9,000</b>	<b>\$46,000</b>
--------------	-----------------	----------------	-----------------

**EXHIBIT NO. 2**

**PERMANENT DRAINAGE, UTILITY AND STORM WATER PONDING  
EASEMENT AGREEMENT**

**THIS PERMANENT DRAINAGE, UTILITY AND STORM WATER PONDING EASEMENT AGREEMENT** (Permanent Easement Agreement) is made, granted and conveyed this \_\_\_\_ day of \_\_\_\_\_, 2015, by and between Bethesda Evangelical Lutheran Church of So. St. Paul, a religious corporation under the laws of Minnesota, hereinafter referred to as “Owner,” and the City of Inver Grove Heights, a Minnesota municipal corporation, hereinafter referred to as the “City.”

The Owner owns the real property situated within Dakota County, Minnesota as described on the attached **Exhibit A** (hereinafter “Owner’s Property”).

The Owner in consideration of the sum of One Dollar and other good and valuable consideration to it in hand paid by the City, the receipt and sufficiency of which is hereby acknowledged, does hereby grant and convey unto the City, its successors and assigns, the following:

A permanent non-exclusive easement for utilities, drainage, bio-retention facilities, raingardens, storm water ponding, storm water collection, storm water control improvements and for purposes and uses incident and related thereto, including, without limitation, the construction, inspection, maintenance, repair and replacement of utilities, drainage improvements, bio-retention facilities, storm water ponding, storm water collection and control facilities; and, all such purposes ancillary, incident or related thereto (hereinafter “Permanent Easement”) under, over, across, through and upon that real property identified and legally described and depicted on **Exhibit B**, (hereinafter the “Permanent Easement Area”) attached hereto and incorporated herein by reference.

The Permanent Easement rights granted herein are forever and shall include, but not be limited to, the construction, inspection, maintenance, repair and replacement of any utilities, underground pipes, conduits, other utilities and mains, drainage improvements, bio-retention basins, raingardens, storm sewers, sanitary sewers, water mains, storm water ponds, storm water collection, storm water control improvements and all facilities and improvements ancillary, incident or related thereto, under, over, across, through and upon the Permanent Easement Area.

The rights of the City also include the right of the City, its contractors, agents and servants:

- a.) to enter upon the Permanent Easement Area at all reasonable times for the purposes of construction, reconstruction, inspection, repair, replacement, grading, sloping, and restoration relating to the purposes of this Permanent Easement Agreement; and
- b.) to maintain the Permanent Easement Area, any City improvements and any underground pipes, conduits, or mains, together with the right to excavate and refill ditches or trenches for the location of such pipes, conduits or mains; and
- c.) to remove from the Permanent Easement Area trees, brush, herbage, aggregate, undergrowth and other obstructions interfering with the location, construction and maintenance of the pipes, conduits, or mains and to deposit earthen material in and upon the Permanent Easement Area; and
- d.) to remove or otherwise dispose of all earth or other material excavated from the Permanent Easement Area as the City may deem appropriate.

The City shall not be responsible for any costs, expenses, damages, demands, obligations, penalties, attorneys' fees and losses resulting from any claims, actions, suits, or proceedings based upon a release or threat of release of any hazardous substances, petroleum, pollutants, and contaminants which may have existed on, or which relate to, the Permanent Easement Area or the Owner's Property prior to the date hereof, except to the extent caused by or resulting from the acts or omissions of the City, its agents or employees.

Nothing contained herein shall be deemed a waiver by the City of any governmental immunity defenses, statutory or otherwise. Further, any and all claims brought by the Owner, its successors or assigns, shall be subject to any governmental immunity defenses of the City and the maximum liability limits provided by Minnesota Statute, Chapter 466.

The Owner, for itself and its successors and assigns, does hereby warrant to and covenant

with the City, its successors and assigns, that it is well seized in fee of the Owner's Property described on Exhibit A, and the Permanent Easement Area described and depicted on Exhibit B, and has good right to grant and convey the Permanent Easement rights described herein to the City.

This Permanent Easement Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Upon first receiving written consent from the City, the Owner may plant and maintain flowers, native plants, shrubs and bushes in the Permanent Easement Area subject to the conditions imposed by the City in its written approval and subject to the City approving in writing the type and location of the flowers, native plants, shrubs and bushes. The City may with or without cause withdraw or revoke its written consent. The City may from time to time modify the conditions of approval and may modify the type and locations of the flowers, native plants, shrubs and bushes that are approved. Owner understands that such plantings may be adversely affected by the storm water within the bioretention basin; the Owner accepts this risk and agrees that the City has no liability or obligation to the Owner with respect to any plantings that are damaged due to the City's use of the Permanent Easement Area.

Owner may erect and maintain a monument sign in the Permanent Easement Area at a location approved by the City in writing. Owner understands that such monument sign may be adversely affected by the storm water within the bioretention basin; the Owner accepts this risk and agrees that the City has no liability or obligation to the Owner with respect to damage to the monument sign due to the City's use of the Permanent Easement Area.

**[the remainder of this page has been intentionally left blank]**

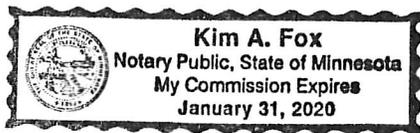
IN TESTIMONY WHEREOF, the Owner and the City have caused this Permanent Easement Agreement to be executed as of the day and year first above written.

**BETHESDA EVANGELICAL LUTHERAN CHURCH OF SO. ST. PAUL**

By: Sally Muraski  
Its: President

STATE OF MINNESOTA    )  
  )    ss.  
COUNTY OF DAKOTA    )

On this 4<sup>th</sup> day of May, 2015, before me a Notary Public within and for said County, personally appeared Sally Muraski to me personally known, who being by me duly sworn, did say that he/she is the President of Bethesda Evangelical Lutheran Church of So. St. Paul, a religious corporation under the laws of Minnesota, the entity named in the foregoing instrument, and that said instrument was signed on behalf of said religious corporation by authority of its Board of Directors and said she acknowledged said instrument to be the free act and deed of the religious corporation.



Kim A. Fox  
Notary Public

**CITY OF INVER GROVE HEIGHTS**

By: \_\_\_\_\_  
George Tourville, Mayor

ATTEST:

\_\_\_\_\_  
Joe Lynch, City Administrator / Clerk

STATE OF MINNESOTA    )  
  )        ss.  
COUNTY OF DAKOTA     )

On this 11<sup>th</sup> day of May, 2015, before me a Notary Public within and for said County, personally appeared George Tourville and Joe Lynch, to me personally known, who being each by me duly sworn, each did say that they are respectively the Mayor and City Administrator / Clerk of the City of Inver Grove Heights, the municipality named in the foregoing instrument, and that the seal affixed to said instrument was signed and sealed on behalf of said municipality by authority of its City Council and said Mayor and City Administrator / Clerk acknowledged said instrument to be the free act and deed of said municipality.

\_\_\_\_\_  
Notary Public

**This instrument was drafted by:**  
Timothy J. Kuntz  
LeVander, Gillen & Miller, P.A.  
633 South Concord Street, Suite 400

**After recording, please return to:**  
Timothy J. Kuntz  
LeVander, Gillen & Miller  
633 South Concord Street, Suite 400

South St. Paul, Minnesota 55075  
(651) 451-1831

South St. Paul, Minnesota 55075  
(651) 451-1831

**EXHIBIT A**  
**TO THE PERMANENT DRAINAGE, UTILITY AND STORM WATER**  
**PONDING EASEMENT AGREEMENT**

**LEGAL DESCRIPTION OF OWNER'S PROPERTY**

Lots 4 and 5, Block 3, Lametti Addition, according to the recorded plat thereof, Dakota County, Minnesota.

**EXHIBIT B**  
**TO THE PERMANENT DRAINAGE, UTILITY AND STORM WATER**  
**PONDING EASEMENT AGREEMENT**

**LEGAL DESCRIPTION AND DEPICTION OF THE PERMANENT EASEMENT AREA**

A permanent drainage, utility and storm water ponding easement over, under and across that part of Lot 4, Block 3, Lametti Addition, according to the recorded plat thereof, Dakota County, Minnesota, lying westerly of the following described line:

Commencing at the Southwest corner of said Lot 4, thence North 89 degrees 35 minutes 42 seconds East (assumed bearing) along the south line of said Lot 4 a distance of 78.69 feet to the point of beginning of the line to be herein described; thence North 00 degrees 24 minutes 12 seconds West a distance of 31.55 feet; thence North 36 degrees 14 minutes 14 seconds West a distance of 63.26 feet to the north line of said Lot 4, said point being 41.65 feet easterly of the northwest corner of said Lot 4, and said line there terminating.

(Containing approximately 5,569 square feet)

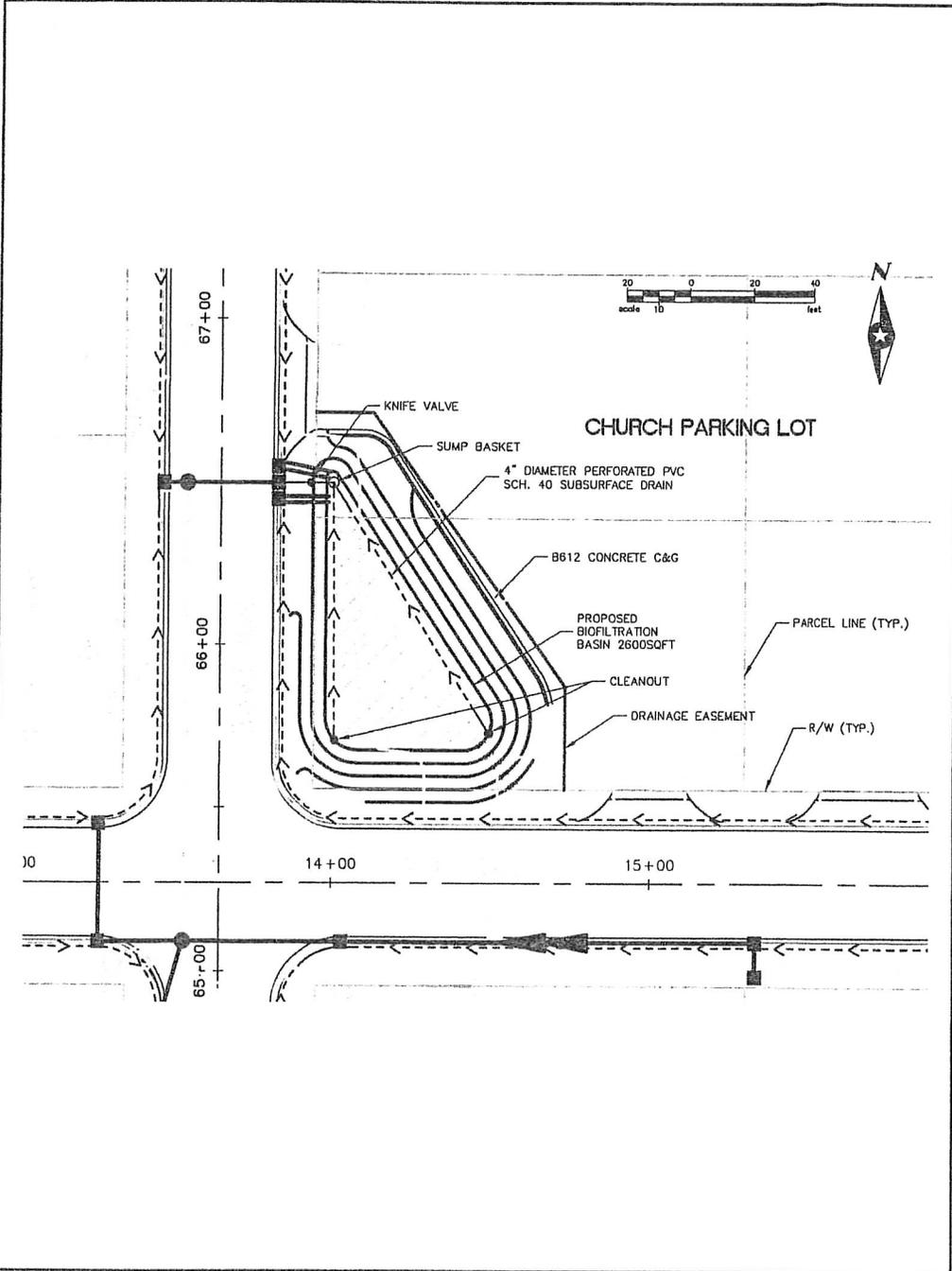
**AND**

A permanent drainage, utility and storm water ponding easement over, under and across that part of Lot 5, Block 3, Lametti Addition, according to the recorded plat thereof, Dakota County, Minnesota, lying westerly and southerly of the following described line:

Commencing at the Southwest corner of said Lot 5, thence North 89 degrees 35 minutes 42 seconds East (assumed bearing) along the south line of said Lot 5 a distance of 41.65 feet to the point of beginning of the line to be herein described; thence North 36 degrees 14 minutes 14 seconds West a distance of 40.30 feet; thence South 89 degrees 35 minutes 42 seconds West a distance of 18.06 feet to the west line of said Lot 5, said line there terminating.

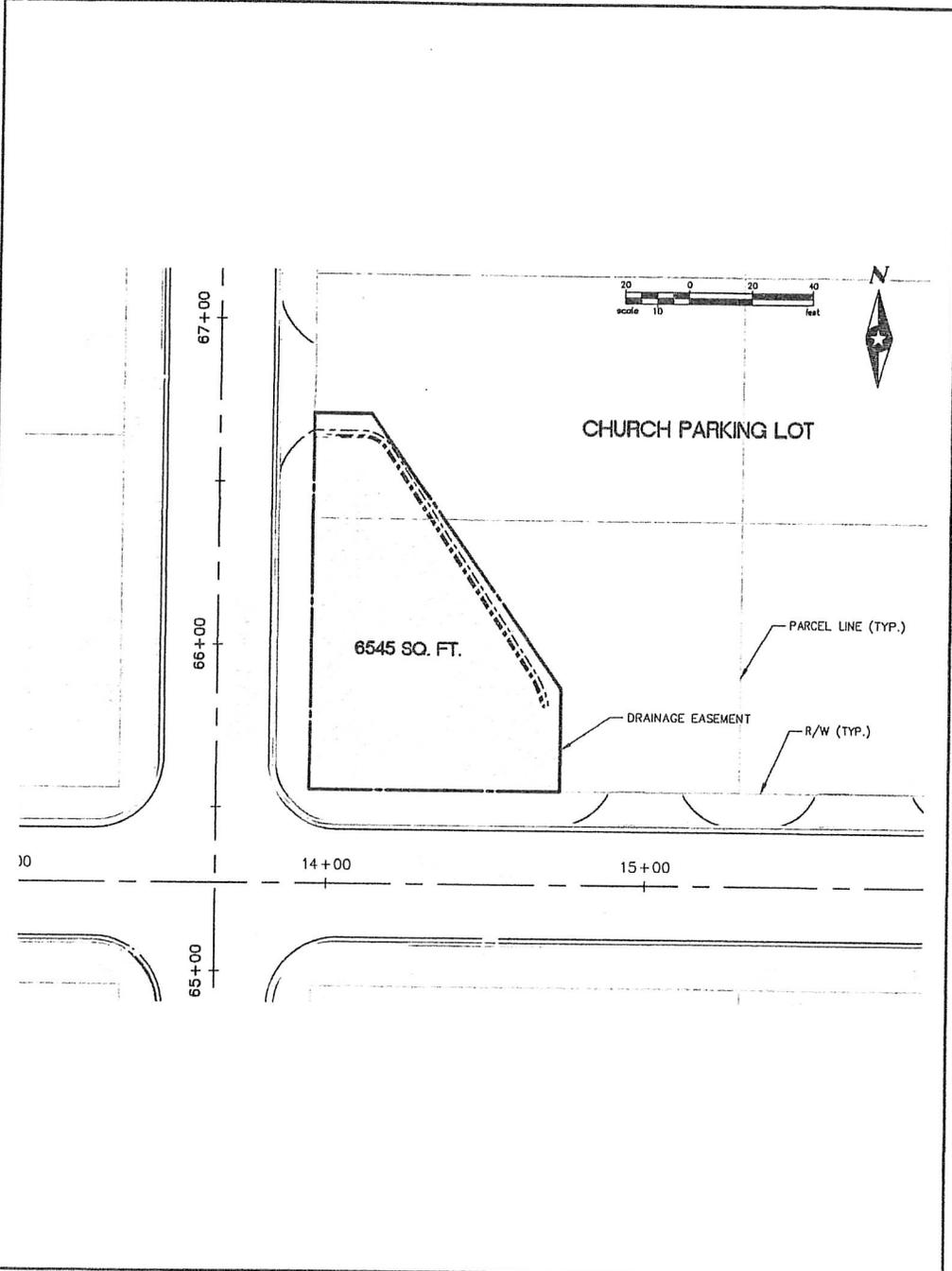
(Containing approximately 976 square feet)

S:\FA\128894\5-line-2\2-2\10-25-15\10-25-15.dwg 4/1/2015 10:28 AM secondary



 PHONE: 651.490.2000 3535 VADNAIS CENTER DR. ST. PAUL, MN 55110-5196 www.sehinc.com	FILE NO. 129894	BIOFILTRATION BASIN CHURCH PARKING LOT	EXHIBIT NO. 4
	DATE: 3-4-15		

S:\V\Ver-128894\3-final-35.plt\31-consist-ewgs-CAD\10-Civil\3d\3d\Exhibits\church\_RW.dwg 4/1/2015 12:09 PM drc:afsky




 PHONE: 651.490.2000  
 3535 VADNAIS CENTER DR.  
 ST. PAUL, MN 55110-5196  
 www.sehinc.com

FILE NO.  
 129894  
 DATE:  
 3-4-15

DRAINAGE EASEMENT  
 CHURCH PARKING LOT

EXHIBIT  
 NO. 5

CITY OF INVER GROVE HEIGHTS

REQUEST FOR COUNCIL ACTION

**Resolution Accepting Proposal from American Engineering Testing, Inc. (AET) for Construction Phase Geotechnical Services for City Project No. 2015-09E – 47th Street Area Reconstruction and City Project No. 2015-14 – 47th Street Area Water and Sewer Rehabilitation and Improvements**

Meeting Date: May 11, 2015  
Item Type: Regular  
Contact: Thomas J. Kaldunski, 651.450.2572  
Prepared by: Steve W. Dodge, Asst. City Engineer  
Reviewed by: Scott D. Thureen, Public Works Director

*SW*

**Fiscal/FTE Impact:**

- None
- Amount included in current budget
- Budget amendment requested
- FTE included in current complement
- New FTE requested – N/A
- Other: Pavement Management Fund, Special Assessments, Sewer Fund, Water Fund, SWCD Grants

**PURPOSE/ACTION REQUESTED**

Resolution accepting proposal from AET for construction phase geotechnical services for City Project No. 2015-09E – 47th Street Area Reconstruction and City Project No. 2015-14 – 47th Street Area Water and Sewer Rehabilitation and Improvements.

**SUMMARY**

City staff has requested, and received, a proposal for construction phase materials testing services for this project. Attached is the May 4, 2015 proposal from AET for the requested services. The proposal is in the amount of \$35,251 and will be paid for with Pavement Management Funds, Utility Funds, Assessments and SWCD Grants.

Geotechnical services are proposed to be provided by AET because they have performed many geotechnical services during the construction phase of other City projects. They have been selected from our engineering consultant pool because they have the expertise and knowledge to provide these construction geotechnical services for the City.

I recommend that the Council adopt the resolution accepting the May 4, 2015 proposal from AET for construction phase geotechnical services for City Project No. 2015-09E – 47th Street Area Reconstruction and City Project No. 2015-14 – 47th Street Area Water and Sewer Rehabilitation and Improvements.

SWD/kf

Attachments: Resolution  
May 4, 2015 AET Proposal

**CITY OF INVER GROVE HEIGHTS  
DAKOTA COUNTY, MINNESOTA**

**RESOLUTION ACCEPTING PROPOSAL FROM AMERICAN ENGINEERING TESTING, INC. (AET)  
FOR CONSTRUCTION PHASE GEOTECHNICAL SERVICES FOR CITY PROJECT NO. 2015-09E –  
47TH STREET AREA RECONSTRUCTION AND CITY PROJECT NO. 2015-14 – 47TH STREET  
AREA WATER AND SEWER REHABILITATION AND IMPROVEMENTS**

**RESOLUTION NO. \_\_\_\_\_**

**WHEREAS**, City Council approved a proposal on April 13, 2015 from Short, Elliot, and Hendrickson, Inc. (SEH) for professional engineering services which included design, bidding services, construction staking and construction phase engineering services in the amount of \$176,600; and

**WHEREAS**, SEH has recommended geotechnical testing services during the construction phase of City Project Nos. 2015-09E and City Project No. 2015-14; and

**WHEREAS**, AET has provided a proposal for construction phase geotechnical services as outlined in their May 4, 2015 proposal.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF INVER GROVE HEIGHTS, MINNESOTA THAT:**

1. AET's proposal dated May 4, 2015 is accepted and staff is authorized to enter into an agreement for construction phase geotechnical services for City Project No. 2015-09E – 47th Street Area Reconstruction and City Project No. 2015-14 – 47th Street Area Water and Sewer Rehabilitation and Improvements in the amount of \$35,251.
2. The work shall be funded from the Pavement Management Fund, special assessments, utility funds, and SWCD Grant Funds.

Adopted by the City Council of Inver Grove Heights, Minnesota this 11th day of May 2015.

AYES:

NAYS:

\_\_\_\_\_  
George Tourville, Mayor

ATTEST:

\_\_\_\_\_  
Joe Lynch, City Clerk



## PROPOSAL FOR PROJECT TESTING SERVICES

AET PROPOSAL No. 20-13115

May 4, 2015

**American Engineering Testing, Inc.** (AET) has been requested to provide a proposal for Project Testing Services for the referenced project by Steve Dodge from the City of Inver Grove Heights on April 22, 2015.

**Project:** 47<sup>th</sup> Street Area Reconstruction  
47<sup>th</sup> Street Area Water & Sewer Improvements & Rehabilitation  
City Project No. 2015-09E & 2015-14

**Address:** Inver Grove Heights, Minnesota

**Our Client:** City of Inver Grove Heights  
**Address:** 8150 Barbara Avenue  
Inver Grove Heights, Minnesota 55077

**Contact:** Steve Dodge  
**Telephone:** (651) 450-2541

### **PROJECT INFORMATION**

We understand the City of Inver Grove Heights will reconstruct and make water and sewer improvements to several city streets including portions of 47<sup>th</sup> Street, Bower Path, Bower Court, 46<sup>th</sup> Court, Boyd Avenue, Brent Avenue, Bryce Avenue and 49<sup>th</sup> Street. The proposed construction will include bituminous pavement reclamation as well as some full-depth mill and overlay, removal of some existing watermain and sewer, and installation of new watermain and sewer. The reconstructed pavement section will typically include 4 inches of bituminous, 8 inches of class 5 aggregate base, 24 inches of select granular fill, and geotextile fabric over the pavement subgrade. New concrete curb and gutter, driveway, and sidewalk will be placed.

### **SCOPE OF SERVICES**

AET's anticipated scope of services for this project will be performed according to the project plans provided to us. The services provided by AET will be performed on a will-call basis, when notified by your field personnel. Our anticipated scope of services will include:

#### **Soil Observations and Testing for Pavement Subgrades:**

During excavation for reconstruction of the roadways and utility construction, we will perform intermittent trips to the site if requested by your site personnel. We can also provide test roll observations of the completed roadway subgrade before placement of geotextile fabric, select granular borrow, and Class 5 aggregate base.



During placement of fill, select granular borrow, and Class 5 aggregate base in the pavement areas, an Engineering Technician will visit the site on a will-call basis to test the fill, when requested by your field personnel. Our services will include the following:

- Soil compaction tests using a nuclear density gauge in pavement/utility excavations (by an Engineering Technician II).
- Aggregate base density tests using the Mn/DOT dynamic cone penetrometer.
- Standard Proctor tests of each different type of soil encountered at our test locations.
- Perform sieve tests of granular fill and Class 5 aggregate base.

### **Concrete Testing:**

Personnel from AET will perform testing of concrete placed for curb and gutter, driveways, and sidewalks, on a will-call basis, when requested by your field personnel. Our services will include:

- Field testing of concrete: including slump tests, air content tests, and temperature tests (by an Engineering Technician I or II).
- Casting concrete test cylinders for compressive strength testing (1 set of 4 cylinders for every 100 cubic yards or fraction thereof for each type of concrete placed each day).
- Pick up cylinders from the jobsite for delivery to AET laboratory.
- Compressive strength testing of concrete test cylinders (1 test at 7 days; 2 tests at 28 days; 1 HOLD cylinder).
- Evaluate conformance of above services to project plans and specifications.

We can also provide concrete plant inspection services at your request. Based on our discussion we have included 2 trips to the concrete plant to provide these services in our fee estimate.

### **Bituminous Testing:**

Testing will be performed as required by the City of Inver Grove Heights. A split portion of each sample will be provided to our laboratory for testing. The number of tests required will depend primarily upon the number of days of bituminous placement. Coring of the bituminous pavement will be performed by the contractor at locations selected by the project engineer on a random basis. Half of the core samples will be delivered to our laboratory for testing and the other half are for testing by the contractor. The number of cores will depend on the daily amount of bituminous placement. During bituminous placement, we will perform the following testing if requested.

- Perform roll pattern testing of the bituminous as it is being placed, measuring in-place thickness and approximate density (by Engineering Technician II).
- Obtain samples of bituminous from the jobsite for lab testing (by Engineering Technician II).



- Perform MnDOT Gyratory Properties tests of each bituminous mixture; including asphalt extraction and aggregate gradation tests, Rice specific gravity tests, and Gyratory or Marshall density test.
- Measure the thickness of each layer of each of the cores.
- Determine the density of each layer of the cores to determine the “compaction” of the bituminous.
- Evaluate conformance of all tests to project plans and specifications.

**Project Management and Coordination:**

- Project management and supervision of AET personnel/activities by Principal Engineer (Registered Professional Engineer).
- Issuing periodic reports presenting the results of our observations and testing, as well as a final summary report.

**FEES**

All services will be invoiced on a unit cost basis according to the attached Fee Schedule. Our invoices will be determined by multiplying the number of tests, hours, or other units accumulated each billing period by their respective unit rates. We have also estimated a total cost which we anticipate will be required to complete the previously described observation and testing services, based on the material quantities provided on the project plans and our previous experience with similar projects in the City of Inver Grove Heights. Our estimated total cost will be \$35,251.

We caution that this proposal presents an estimated cost. Often, variations in the overall cost of the services occur due to reasons beyond our control, such as construction change orders, weather delays, changes in the contractor’s schedule, unforeseen conditions or retesting of services. These variations will affect the actual invoice totals, either increasing or decreasing our total costs for the project from those estimated in this proposal. If more time or tests are required, additional fees may be needed to complete the project testing services. If less time or tests are needed, a cost savings will be realized. We will not, however, exceed the estimated total cost for the project without first obtaining your authorization.

**TERMS AND CONDITIONS**

Our services will be performed per the Contract Agreement Between the City of Inver Grove Heights and American Engineering Testing, Inc. for Professional Services, dated February 10, 2011 and Addendum No. 1 to the Master Contract dated April 6, 2012.

**ACCEPTANCE**

Please indicate your acceptance of this proposal by signing below and returning a copy to us. When you accept this proposal, you represent that you are authorized to accept on behalf of the Client.

City of Inver Grove Heights  
Proposal for Project Testing Services  
AET Proposal No. 20-13115  
May 4, 2015  
Page 4 of 4



**REMARKS**

The estimated total cost and the terms of this document will be valid for 60 calendar days from the date of this proposal. After that time, if not authorized, we reserve the right to renegotiate any and all aspects of this proposal.

Thank you for this opportunity to submit our proposal. If you have any questions or need any additional information, please call me at (651) 789-4657 or email me at [rschmidt@amengtest.com](mailto:rschmidt@amengtest.com).

**SIGNATURES**

**AET REPRESENTATIVE:**



\_\_\_\_\_  
Ryan F. Schmidt, PE  
Senior Engineer

May 4, 2015

\_\_\_\_\_  
Date

**CLIENT ACCEPTANCE:**

\_\_\_\_\_  
Date

**FEE SCHEDULE  
PROJECT TESTING SERVICES  
47th STREET AREA RECONSTRUCTION  
INVER GROVE HEIGHTS, MINNESOTA  
AET PROPOSAL NO. 20-13115**



SERVICE DESCRIPTION	PROJECT BUDGET		
	ESTIMATED UNITS	UNIT RATE	BUDGET AMOUNT
<b><i>Excavation Observations and Compaction Testing</i></b>			
1. Staff Engineer I for observations of excavations and subgrade test rolls, consultation and reporting ( <b>services provided on a will-call basis - assumes 5 trips to the jobsite</b> ).	10 hours	\$115.00	\$1,150.00
2. Engineering Technician II for soil/aggregate base compaction testing and sampling services ( <b>services provided on a will-call basis - assumes 50 trips to the jobsite</b> ).	100 hours	\$80.00	\$8,000.00
3. Personal or Company vehicle mileage.	1540 miles	\$0.75	\$1,155.00
4. Nuclear density gauge test.	120 tests	\$26.00	\$3,120.00
5. Standard Proctor tests (Methods A or B).	12 tests	\$125.00	\$1,500.00
6. Sieve tests of granular fill and Class 5 aggregate base.	12 tests	\$90.00	\$1,080.00
7. Oil content test on reclaimed bituminous sample.	4 tests	\$155.00	\$620.00
<b><i>Concrete Testing</i></b>			
1. Engineering Technician II for testing of concrete only - NO OBSERVATIONS OF REINFORCING STEEL ( <b>services provided on a will-call basis - assumes 16 trips to the jobsite</b> ).	45 hours	\$80.00	\$3,600.00
2. Sr. Engineering Technician for concrete plant inspection ( <b>services provided on a will-call basis- assumes 2 trips to the plant</b> ).	8 hours	\$85.00	\$680.00
3. Personal or Company vehicle mileage.	504 miles	\$0.75	\$378.00
4. Curing, handling and compressive strength testing of 4" x 8" or 6" x 12" concrete test cylinders (includes handling of non-tested cylinders).	64 cyls.	\$25.00	\$1,600.00
5. Concrete cylinder pick-up service from jobsite.	16 trips	\$75.00	\$1,200.00

FEE SCHEDULE  
 PROJECT TESTING SERVICES  
 47th STREET AREA RECONSTRUCTION  
 INVER GROVE HEIGHTS, MINNESOTA  
 AET PROPOSAL NO. 20-13115



SERVICE DESCRIPTION	PROJECT BUDGET		
	ESTIMATED UNITS	UNIT RATE	BUDGET AMOUNT
<b><i>Bituminous Testing</i></b>			
1. Engineering Technician II for observations of bituminous placement, establishing roll pattern, thickness and density testing, and obtaining samples for laboratory testing ( <b>services provided on a will-call basis-assumes 12 trips to the jobsite</b> ).	24 hours	\$80.00	\$1,920.00
2. Personal or Company vehicle mileage.	336 miles	\$0.75	\$252.00
3. Removal of cores from finished bituminous surface (includes all personnel, equipment rental and patching materials).	0 cores	\$120.00	\$0.00
4. Thickness and density tests of bituminous core samples.	20 tests	\$42.00	\$840.00
5. MnDOT Gyratory properties of bituminous; including Asphalt Extraction and Aggregate Gradation tests, Rice Specific Gravity test, and Gyratory Density test.	8 tests	\$500.00	\$4,000.00
<b><i>Project Management &amp; Coordination</i></b>			
1. Staff Engineer II/Project Manager for coordination of AET personnel and activities, attending meetings (if requested), consultation and report preparation.	32 hours	\$125.00	\$4,000.00
2. Principal Engineer for special consultation and report review.	1 hour	\$156.00	\$156.00
3. Personal or Company vehicle mileage.	0 miles	\$0.75	\$0.00
	<b>ESTIMATED BUDGET</b>		<b>\$35,251.00</b>

**CITY OF INVER GROVE HEIGHTS**

**REQUEST FOR COUNCIL ACTION**

**Approve Agreement with Xcel Energy for Topsoil and Seeding on City Project No. 2015-09E – 47<sup>th</sup> Street Area Reconstruction**

Meeting Date: May 11, 2015  
 Item Type: Regular  
 Contact: Thomas J. Kaldunski, 651-450-2572  
 Prepared by: Steve W. Dodge, Assistant City Engineer  
 Reviewed by: Scott D. Thureen, Public Works Director

*SST*

	Fiscal/FTE Impact:
X	None
	Amount included in current budget
	Budget amendment requested
	FTE included in current complement
	New FTE requested – N/A
	Other:

**PURPOSE/ACTION REQUESTED**

The City Council will consider an agreement with Xcel Energy to perform topsoil and seeding of areas disturbed by Xcel Energy on City Project No. 2015-09E – 47<sup>th</sup> Street Area Reconstruction.

**SUMMARY**

As part of City Project No. 2015-09E, the City will be restoring the boulevards on the streets affected by the project. The City's contract requires the Contractor to place topsoil and seed by September 20, 2015 to allow for 30 days of growth before cool weather occurs in late October.

Xcel has been coordinating efforts to relocate and replace existing gas and electric systems and services within the project area. Xcel Energy is responsible to obtain permits and restore disturbed areas on City right-of-way and adjacent easements.

Beginning in 2009, City staff coordinated boulevard restoration with Xcel, and Xcel reimbursed the City. An agreement has been negotiated annually since 2010 which allows the City to complete all boulevard restoration adjacent to a City project. This coordinated effort results in uniform standards being used on the boulevard restoration. This greatly reduces the number of complaints the City and Xcel receive related to boulevard restoration. Residents receive sod or seed that is consistent, and installed and maintained by the City's contractor. Xcel reimburses the City for the boulevard restoration work at the City's contract prices.

Attached is the 2015 agreement between the City and Xcel to continue this boulevard restoration for City Project No. 2015-09E – 47<sup>th</sup> Street Area Reconstruction. This agreement will allow the City's contractor to complete the boulevard restoration in conjunction with the project. Xcel and City staff will measure the areas disturbed by Xcel and they will be invoiced for the turf restoration costs per the agreement.

It is recommended that the City Council adopt the resolution approving the agreement for topsoil and seeding on City Project No. 2015-09E – 47<sup>th</sup> Street Area Reconstruction.

SWD/js

Attachments: Resolution Agreement

**CITY OF INVER GROVE HEIGHTS  
DAKOTA COUNTY, MINNESOTA**

**RESOLUTION APPROVING TOPSOIL AND SEEDING AGREEMENT WITH XCEL ENERGY FOR  
CITY PROJECT NO. 2015-09E – 47<sup>TH</sup> STREET AREA RECONSTRUCTION**

**RESOLUTION NO. \_\_\_\_\_**

**WHEREAS**, during the 2015 construction season, the City will be constructing City Project No. 2015-09E – 47<sup>th</sup> Street Area Reconstruction. In order to construct the Project, street boulevards will be disturbed by the City's construction activities and by utility company relocations within the boulevard.

**WHEREAS**, the City and Xcel Energy desire to work together to restore the disturbed boulevards for City Project No. 2015-09E in an effort to provide uniform, cost-effective boulevard restoration; and

**WHEREAS**, the attached Topsoil and Seeding Agreement is a contractual mechanism for the City and Xcel Energy to coordinate their single project boulevard restoration efforts and equitably allocate topsoil and seeding costs between the parties.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Inver Grove Heights, Minnesota, as follows:

1. The City Council approves the attached Topsoil and Seeding Agreement for 2015-09E – 47<sup>th</sup> Street Area Reconstruction.
2. The Mayor and City Clerk are authorized to execute the attached Topsoil and Seeding Agreement for 2015-09E – 47<sup>th</sup> Street Area Reconstruction.

Adopted by the City Council of the City of Inver Grove Heights this 11th day of May 2015.

\_\_\_\_\_  
George Tourville, Mayor

ATTEST:

\_\_\_\_\_  
Joe Lynch, City Clerk

**TOPSOIL AND SEEDING AGREEMENT  
BETWEEN CITY OF INVER GROVE HEIGHTS AND NORTHERN STATES POWER  
COMPANY d/b/a XCEL ENERGY FOR CITY PROJECT 2015-09E – 47TH STREET  
AREA RECONSTRUCTION**

**THIS TOPSOIL AND SEEDING AGREEMENT** (Agreement) is made, entered into and effective this 13<sup>th</sup> day of April, 2015, by and between the City of Inver Grove Heights, a Minnesota municipal corporation (City) and Northern States Power Company, a Minnesota corporation, d/b/a Xcel Energy (Xcel Energy). Subject to the terms and conditions hereafter stated and based on the representations, warranties, covenants, agreements, exhibits and recitals of the parties herein contained, the parties do hereby agree as follows:

**ARTICLE 1**  
**DEFINITIONS**

**Section 1.1 Terms.** The following terms, unless elsewhere specifically defined herein, shall have the following meanings as set forth below.

**Section 1.2 Agreement.** “Agreement” means this Topsoil and Seeding Agreement.

**Section 1.3 City.** “City” means the City of Inver Grove Heights, a Minnesota municipal corporation.

**Section 1.4 Construction Contract.** “Construction Contract” means the City of Inver Grove Heights contract with the City’s general contractor for the Project improvements including any Construction Contract amendments and/or Construction Contract change orders.

**Section 1.5 Project.** “Project” means City of Inver Grove Heights Project No. 2015-09E – 47<sup>th</sup> Street Area Reconstruction.

**Section 1.6 Seeding.** “Seeding” means the final grading of disturbed areas pursuant to the plans and specifications of the Construction Contract, to include but not limited to, common excavation, subgrade preparation, raking, scarifying, and the placement of topsoil, seed, Terraseed, Flexterra, Hydroseeding, broadcast seeding, slit seeding, fertilizer, mulch, stabilization blankets, soil tackifier, and/or hydraulic mix. The material specifications, construction means and methods, maintenance requirements, watering and warranty provisions are more specifically described in the Construction Contract.

**Section 1.7 Utility Company.** “Utility Company” means Xcel Energy.

**ARTICLE 2**  
**RECITALS**

**Recital No. 1.** The purpose of this Agreement is to define the rights and obligations of the parties in connection with the City's agreement to include Seeding specifications within the City's Construction Contract that provides for Seeding over areas disturbed during the Utility Company's location or relocation of its utilities provided that the Utility Company reimburses the City for its proportionate share of Construction Contract costs for Seeding of areas disturbed during the Utility Company's location or relocation of its utilities.

**Recital No. 2.** The City customarily requires its construction contractor to perform final grading, replace top soil, and seed disturbed areas following construction of City public improvements.

**Recital No. 3.** Utility companies customarily require their utility location or relocation contractors to perform final grading, replace top soil and seed disturbed areas following the relocation of their utilities.

**Recital No. 4.** The City's seeding and utility companies seeding are often performed pursuant to different contract schedules and pursuant to different contract specifications even though the City's seeding and the utility companies' seeding may occur adjacent to each other at or near the boulevard of street right-of-way.

**Recital No. 5.** The City and the Utility Company intend to facilitate cost savings and a higher quality joint seeding effort with this Agreement.

### **ARTICLE 3** **AGREEMENTS RELATING TO CITY SEEDING**

**Section 3.1 Seeding.** The City agrees to include Seeding specifications in its Construction Contract to provide for the Seeding requirements generally shown on the Project plan sheets attached hereto as Exhibit A. The City agrees to process any Construction Contract amendments and/or change orders provided that the areas disturbed by either the City during the Project construction and/or by the Utility Company during the associated utility location or relocation exceeds or materially changes from the Seeding requirements generally shown on the Project plan sheets referenced on Exhibit A. The City agrees to pay its Project contractor pursuant to the Construction Contract unit prices for Seeding and/or pursuant to any Construction Contract amendments and/or change orders affecting the Construction Contract unit prices for Seeding.

**Section 3.2 Seeding Cost Calculation.** The City and Utility Company agree to meet on-site, measure and calculate:

- A. The areas disturbed by the City during the construction of the Project, and
- B. The areas disturbed by the Utility Company during utility location or relocation.

From time to time during construction and upon completion of construction, the parties agree to meet on-site to calculate and/or verify the calculation of their proportionate share of Seeding Construction Contract costs based on the areas disturbed by City and Utility Company respectively. The Construction Contract costs allocated to the City and allocated to the Utility Company shall use the same Construction Contract unit prices and/or shall be pursuant to Construction Contract amendments and/or Construction Contract change orders. The City may make any and all Construction Contract amendments and/or Construction Contract change orders pursuant to the City's sole discretion, but the City agrees that that the Utility Company shall not be charged higher unit prices than the City pays pursuant to the Construction Contract, pursuant to Construction Contract amendments and/or pursuant to Construction Contract change orders. In the event that the same area is disturbed by the City and by the Utility Company during their respective Project construction and utility location or relocation activities, the City and the Utility Company agree to allocate the Seeding Construction Contract costs evenly between the City and the Utility Company for said jointly disturbed area(s). If the Utility Company is unable or unavailable to meet on-site to calculate the Utility Company's proportionate share of the Seeding Construction Contract costs for a Project area or areas, the City agrees, upon request of the Utility Company, to provide the Utility Company with the City's and/or its Project contractor's calculations (and with available Project documents used in the City's and/or the Project contractor's calculations, including any video, photographs or other Project documents memorializing the seeding work performed) of Seeding Construction Contract costs for said Project area or areas.

**Section 3.3 Seeding Billing of Utility Company by City.** The City agrees to bill the Utility Company, on a pass through basis without any administrative markup, for its proportionate share of Seeding Construction Contract costs calculated pursuant to Article 3, Section 3.2 within 90 days of completion of work by Xcel Energy.

**Section 3.4 Seeding Warranty.** The City agrees that the City will contractually require its Project contractor to warranty the growth of Seeding pursuant to the terms and specification of the City's Construction Contract. The City agrees to use reasonable efforts to enforce the warranty terms and specifications of its Construction Contract. This Agreement, however, shall not impose or require the City to declare a default under the City's Construction Contract. Furthermore, the City shall not be obligated or required to expend pecuniary or other resources to legally pursue a Construction Contract default, nor will the City be obligated or required by this Agreement to pursue remedies under any contract bond or pursuant to other arbitration or litigation remedies. The City's decision to pursue or not to pursue Construction Contract enforcement remedies shall not negate the Utility Company's agreement to reimburse the City for billed Seeding Construction Contract costs, nor will the City's decision to pursue or not to pursue Construction Contract enforcement remedies entitle the Utility Company to a refund for any pending or paid Seeding Construction Contract costs. It is expressly understood by the parties that Utility Company has no responsibility for maintaining or warranting Seeding. Any refunds or damages paid by Project contractor for Seeding shall be divided between the parties pursuant to the same proportionate share allocation calculated by City and approved by Utility Company as provided in Section 3.2. City agrees to hold harmless and indemnify Utility Company for all claims arising out of any failure of

City's Project contractor to meet the warranty terms and specifications for Seeding in City's Construction Contract.

**Section 3.5 Right-of-Way and Utility Easement Limits.** This Agreement shall not obligate or require the City and/or its Project contractor to perform Seeding within any areas disturbed by the Utility Company outside of public right-of-way, outside of public utility easement areas, and/or outside Utility Company's easement areas.

**ARTICLE 4**  
**AGREEMENTS RELATING TO UTILITY COMPANY'S PAYMENT**

**Section 4.1 Obligation of Utility Company to Reimburse City for Seeding.** The Utility Company agrees to pay invoices sent pursuant to Article 3, Section 3.3 within 60 days of the date of the City's billing statement.

**ARTICLE 5**  
**TERMINATION AND SCOPE OF AGREEMENT**

**Section 5.1 Termination of this Agreement.** Any party may terminate this Agreement without cause upon 60 days notice provided to the other parties pursuant to Article 6, Section 6.1. Utility company's contractual obligation to pay the City for Seeding already performed upon the utility company's behalf pursuant to this Agreement shall survive termination of this Agreement. The City agrees to direct its Project contractor to terminate Seeding performed on the Utility Company's behalf pursuant to this Agreement as soon as practical following the City's receipt of an Agreement termination notice from the Utility Company pursuant to this Section 5.1.

**Section 5.2 Scope of Agreement.** This Agreement is intended to provide a contractual mechanism whereby the City can perform Seeding on behalf of the Utility Company, and whereby the City can equitably bill and be paid by the Utility Company for Project Construction Contract costs that would have been performed and paid for by the Utility Company.

This Agreement is not intended to constitute a right-of-way permit or right-of-way use approval granted by the City pursuant to the City's right-of-way management ordinances.

This Agreement is not intended to alter, amend or change any rights or obligations of the parties pursuant to any franchise agreement(s), and/or pursuant to any applicable Minnesota Statutes, Minnesota Rules, or other local, State or Federal laws.

Furthermore, this Agreement is not intended to grant or convey any license, easement, or other property right between the parties hereto. In the event for the need for right-of-way or other property right acquisition for the City to perform its Project improvements, or in the event for the need for right-of-way or other property right acquisition for the Utility Company to perform its utility location or relocation activities, each party shall be remain obligated and responsible for its respective public activities as if this Agreement did not exist.

**ARTICLE 6**  
**MISCELLANEOUS**

**Section 6.1 Notices.** All notices or communications required or permitted pursuant to this Agreement shall be either hand delivered, or mailed to the parties, certified mail, return-receipt requested, at the following addresses:

City: City of Inver Grove Heights  
Attn: Director of Public Works  
8150 Barbara Avenue  
Inver Grove Heights, MN 55077

Xcel Energy: Xcel Energy  
Attn: General Counsel  
414 Nicollet Mall  
Minneapolis, MN 55401

Any party may change its address or authorized representative by written notice delivered to the other party pursuant to this Section 6.1.

**Section 6.2 Counterparts.** This Agreement may be executed in more than one counterpart, each of which shall be deemed to be an original but all of which taken together shall be deemed a single instrument.

**Section 6.3 Non-Assignability.** Neither of the parties shall assign any interest in this Agreement nor shall transfer any interest in the same, whether by subcontract, assignment, or novation, without the prior written consent of the other party. Such consent shall not be unreasonably withheld.

**Section 6.4 Alteration.** Any alteration, variation, modification, or waiver of the provisions of the Agreement shall be valid only after it has been reduced to writing and duly signed by all parties.

**Section 6.5 Waiver.** The waiver of any of the rights and/or remedies arising under the terms of this Agreement on any one occasion by any party hereto shall not constitute a waiver of any rights and/or remedies in respect to any subsequent breach or default of the terms of this Agreement. The rights and remedies provided or referred to under the terms of this Agreement are cumulative and not mutually exclusive.

**Section 6.6 Severability.** The provisions of this Agreement are severable. If any paragraph, section, subdivision, sentence, clause, or phrase of this Agreement is for any reason held to be contrary to law, or contrary to any rule or regulation having the force and effect of law, such decision shall not affect the remaining portions of this Agreement.

**Section 6.7 Interpretation According to Minnesota Law.** This Agreement shall be interpreted and construed according to the laws of the State of Minnesota.

**Section 6.8 Entire Agreement.** This Agreement shall constitute the entire agreement between the parties and shall supersede all prior oral or written negotiations.

**Section 6.9 Headings.** The headings to the various sections of this Agreement are inserted only for convenience of reference and are not intended, nor shall they be construed, to modify, define, limit, or expand the intent of the parties as expressed in this Agreement.

**Section 6.10 Parties in Interest.** This Agreement shall be binding upon and inure solely to the benefit of the parties hereto and their permitted assigns, and nothing in this Agreement, express or implied, is intended to confer upon any other person any rights or remedies of any nature under or by reason of this Agreement.

**The balance of this page is intentionally left blank.**

IN WITNESS WHEREOF, the parties have executed this Agreement on the day and year first stated above.

**CITY OF INVER GROVE HEIGHTS**

By: \_\_\_\_\_  
George Tourville, Mayor

ATTEST:

\_\_\_\_\_  
Joe Lynch, City Administrator / Clerk

STATE OF MINNESOTA    )  
  )        ss.  
COUNTY OF DAKOTA    )

On this \_\_\_\_\_ day of April, 2015, before me a Notary Public within and for said County, personally appeared George Tourville and Joe Lynch, to me personally known, who being each by me duly sworn, each did say that they are respectively the Mayor and City Administrator / Clerk of the City of Inver Grove Heights, the municipality named in the foregoing instrument, and that the seal affixed to said instrument was signed and sealed on behalf of said municipality by authority of its City Council and said Mayor and City Administrator / Clerk acknowledged said instrument to be the free act and deed of said municipality.

\_\_\_\_\_  
Notary Public



**EXHIBIT A**  
**PROJECT DOCUMENTS GENERALLY SHOWING PROJECT SEEDING**  
**REQUIREMENTS**

1. Specification Manual for 2015-09E – 47<sup>th</sup> Street Area Reconstruction (on file with the City).
2. Plans for 2015-09E – 47<sup>th</sup> Street Area Reconstruction (on file with the City).

**INVER GROVE HEIGHTS**

**REQUEST FOR COUNCIL ACTION**

**Matthew Gens – Case No. 15-06ZA**

Meeting Date: May 11, 2015  
Item Type: Regular Agenda  
Contact: Heather Botten 651.450.2569  
Prepared by:  Heather Botten, Associate Planner  
Reviewed by:

<b>Fiscal/FTE Impact:</b>	
<input checked="" type="checkbox"/>	None
<input type="checkbox"/>	Amount included in current budget
<input type="checkbox"/>	Budget amendment requested
<input type="checkbox"/>	FTE included in current complement
<input type="checkbox"/>	New FTE requested – N/A
<input type="checkbox"/>	Other

**PURPOSE/ACTION REQUESTED**

Consider the Second Reading of an Ordinance Amendment to Title 10 of the City Code (Zoning Ordinance) to amend the definition of Dwelling/Dwelling Unit, and to add the use of Supervised Student Housing as an Interim Use in single family residential zoning districts.

- Requires 3/5th's vote.
- 2<sup>nd</sup> 60-day deadline: June 17, 2015

**SUMMARY**

Council reviewed the first reading of the ordinance amendment at the April 27, 2015 meeting. Council had some follow-up questions for staff to research and suggested staff to make some changes to the ordinance. The following change was made to the ordinance:

- Language was added to limit the interim use to 501(c)(3), non-profit status.

Council questioned whether the Building Code had maximum density requirements relating to bedroom and/or house size to the number of people living in a house. The Inver Grove Heights Building Official stated the MN State Building Code does not have square footage requirements that would limit the number of people occupying a bedroom and/or a home. Limiting the maximum number of students by ordinance gives the City control on the number of students allowed addressing the density concern. Another option would be to review the number of students allowed during the actual interim use permit application. The Council could then establish a number of students based on how many bedrooms were located in the specific home and how large the lot is for the permit request.

A question was also brought up regarding property taxes and if a non-profit would be tax exempt. Staff spoke with Dakota County Assessing Services and they stated a non-profit could be tax exempt; an application would have to be submitted to the County for review and approval to qualify for exempt status. Eligibility requirements of exempt status are attached to this memo.

Once the applicant has chosen a residence the interim use permit application would be required which includes notification to the surrounding property owners and review of the business operation. The interim use permit requires action by the city council in the same manner as requests for conditional use permits.

**RECOMMENDATIONS**

Planning Staff: Presents an amended ordinance per Council comments for second reading

Attachment: Draft Ordinance

**CITY OF INVER GROVE HEIGHTS  
DAKOTA COUNTY, MINNESOTA**

**ORDINANCE NO. \_\_\_\_\_**

**AN ORDINANCE AMENDING INVER GROVE HEIGHTS CITY CODE,  
TITLE 10, (ZONING ORDINANCE) REGARDING THE DEFINITION OF  
DWELLING/DWELLING UNIT AND TO ADD SUPERVISED STUDENT  
HOUSING TO THE LIST OF INTERIM USES**

---

THE CITY COUNCIL OF THE CITY OF INVER GROVE HEIGHTS ORDAINS AS FOLLOWS:

**Section One. Amendment.** Title 10, Chapter 2-2, DEFINITIONS, of the Inver Grove Heights City Code is hereby amended to add the following

**DWELLING/ DWELLING UNIT:**

C. There are two (2) principal types of “dwelling units”, single-family and multiple-family. Multiple-family dwelling units are grouped into two-family, duplex, twin home, townhouse, condominium, cooperative and apartment groups.

**Single-Family Dwelling:**

A freestanding residence structure designed for or occupied by one family only. In addition to a single family occupying a single family dwelling, supervised student housing may occupy the dwelling as an interim use subject to:

1. Up to eight (8) students under the general supervision of the single-family occupying the dwelling, pursuant to a program sponsored by an organization, holding a tax status of 501(c)(3) that promotes education provided students are participating in an educational program located in Dakota County.
2. The interim use shall expire if the organization sponsoring the program changes or if there are no students occupying the premises for more than a year.

**Section Two. Amendment.** Title 10, Chapter 14-2, INTERIM USES ENUMERATED, of the Inver Grove Heights City Code is hereby amended to add the following:

H. Within A, E-1, E-2, R-1A, R-1B, R-1C, & R-2 zoning districts, the following form of supervised student housing shall be allowed subject to the following:

1. Up to eight (8) students under the general supervision of the single-family occupying the dwelling, pursuant to a program sponsored by an organization holding a tax status of 501(c)(3) that promotes education provided students are participating in an educational program located in Dakota County.

2. The interim use shall expire if the organization sponsoring the program changes or if there are no students occupying the premises for more than a year.

**Section Four. Effective Date.** This Ordinance shall be in full force and effect upon its publication as provided by law.

Passed in regular session of the City Council on the \_\_\_\_ day of \_\_ May \_\_\_\_, 2015.

**CITY OF INVER GROVE HEIGHTS**

By: \_\_\_\_\_  
George Tourville, Mayor

ATTEST:

\_\_\_\_\_  
Joe Lynch, City Clerk



WELCOME TO  
**DAKOTA COUNTY, MINNESOTA**  
 — A PREMIER COUNTY IN WHICH TO LIVE & WORK —

[Government](#) | 
 [Home & Property](#) | 
 [Permits & Licenses](#) | 
 [Law & Justice](#) | 
 [Health & Family](#) | 
 [Environment](#) | 
 [Transportation](#) | 
 [Libraries](#) | 
 [Parks](#)

[Maps & Directions](#) | 
 [Departments](#) | 
 [About Us](#) | 
 [Contact Us](#)

## Property Tax Programs, Homesteads & Credits

### Exempt Status

A property receiving a property tax exemption does not pay general property taxes. However, property exempt from the general property tax may be required to pay for special assessments and services or may be required to pay a portion of the income from the property in lieu of the general property tax.

### Eligibility requirements

As a general rule, all property in the state of Minnesota is taxable, except tribal lands, unless the property is owned and used for a public purpose, education, or religious or charitable ministration.

The following is a partial list of the types of property that may qualify for a property tax exemption:

- Public burying grounds
- Public schools
- Public hospitals
- Academies, colleges, universities, and seminaries of learning
- Churches, church property, and houses of worship
- Institutions of purely public charity
- Public property used exclusively for public purposes
- Personal property used primarily for the abatement and control of air, water, and land pollution
- Manure pits certified by the State
- Electric power distribution lines
- Transitional housing
- Wind energy conversion systems
- Waste water treatment systems operated by a municipality

For a complete list of properties that may qualify for a property tax exemption, refer to [Minnesota Statute 272, Section 02](#).

### Organizations that qualify

The Minnesota Supreme Court established factors that are often cited as guidelines for determining if an organization qualifies as an institution of purely public charity. These six factors are referred to as the Northstar Factors.

They are:

1. Whether the stated purpose of the undertaking is to be helpful to others without immediate expectation of material reward.
2. Whether the entity involved is supported by donations and gifts in whole or in part.
3. Whether the recipients of the "charity" are required to pay for the assistance received in whole or in part.
4. Whether the income received from gifts and donations and charges to users produces a profit to the charitable institution.
5. Whether the beneficiaries of the "charity" are restricted or unrestricted and, if

<https://www.co.dakota.mn.us/HomeProperty/TaxPrograms/Exempt/Pages/default.aspx>

restricted, whether the class of persons to whom the charity is made available is one having a reasonable relationship to the charitable objectives and,  
6. Whether the dividends, in form or substance, or assets upon dissolution are available to private interest.

All six requirements should be met, unless the organization is able to provide reasonable justification for failing to meet the second, third, or fifth requirement.

### Applying for exemption

All owners applying for a property tax exemption must use one of the following forms:

-  [Exempt Application](#)
-  [Exempt Application of Purely Public Charity](#)
-  [Exempt Application for Nursing Homes](#)

You can email completed application to [assessing.services@co.dakota.mn.us](mailto:assessing.services@co.dakota.mn.us).

Documents that may be requested include:

- Application for Property Tax Exemption
- Deed(s) to the property
- Articles of Incorporation
- A letter from the Internal Revenue Service granting tax exempt status under Internal Revenue Code 501(c)3
- Income & Expense statements and IRS Form 990
- Leases or other agreements for space used by individuals or other entities
- A detailed written explanation of all current and intended uses of the property
- Other documents and records unique to a specific property

### Cost

There is no cost to file for a property tax exemption.

### Length of time to get exemption

The length of time needed to process an exempt application depends on the complexity of the issues surrounding the ownership and use of the property. Applications can be approved in as little as a week or as long as three months. Please be patient. Every effort will be made to process your application as quickly as possible.

### After getting an exemption

If exemption status is granted, property that is subject to the general property tax on Jan. 2 and is acquired and used for an exempt purpose before July 1 of the same year will qualify for exemption for that assessment year and will not pay a general property tax the following year.

### Ending an exemption

Property that is exempt from the general property tax on Jan. 2, and for any reason loses its exemption before July 1 of the same year, will be placed on the assessment roll for that year. Property taxes will be due and payable the following year.

### Not all parcels owned by the same entity are exempt

Each parcel must satisfy all of the requirements for exemption. Also, a parcel that is incidental to the operation of the organization may not be eligible for exemption. There must be a necessary, substantial, and continuing use of the parcel for an exempt purpose by the organization in order for the parcel to be considered for exemption.

### You will be notified if you are approved or not

Whether your request for an exemption from the general property tax is approved or not, you will be notified. You may also appeal the Assessor's Office decision to the Dakota County Board of Appeal & Equalization or to the Minnesota Tax Court.

Last updated: 11/20/2013 5:49 AM

---

**LEVANDER,  
GILLEN &  
MILLER, P.A.**

ATTORNEYS AT LAW

TIMOTHY J. KUNTZ  
DANIEL J. BEESON  
\*KENNETH J. ROHLF  
◊STEPHEN H. FOCHLER  
◊JAY P. KARLOVICH  
ANGELA M. LUTZ AMANN  
\*KORINE L. LAND  
◻\*DONALD L. HOEFT  
DARCY M. ERICKSON  
DAVID S. KENDALL  
BRIDGET McCAULEY NASON  
DAVID B. GATES •  
HAROLD LEVANDER  
1910-1992 •  
ARTHUR GILLEN  
1919-2005 •  
• ROGER C. MILLER  
1924-2009

## MEMO

\*ALSO ADMITTED IN WISCONSIN  
◊ALSO ADMITTED IN NORTH DAKOTA  
◻ALSO ADMITTED IN MASSACHUSETTS  
◻ALSO ADMITTED IN OKLAHOMA

---

**TO: Inver Grove Heights Mayor and Councilmembers**  
**FROM: Timothy J. Kuntz, City Attorney**  
**DATE: May 7, 2015**  
**RE: Draft Massage Therapist and Massage Business Licensing Ordinance**  
**Second Reading**

---

**Section 1. Background.** The City is revising the Massage Therapist Ordinance. A first reading of the Ordinance was held at the last Council meeting. The second reading is occurring on May 11, 2015.

The Ordinance is attached. No changes have been made from the first reading.

**Section 2. Council Action.** The Council is asked to consider at the May 11, 2015 meeting the second reading of the attached draft ordinance amending various provisions of the Code related to the provision of massage services and the licensing of massage therapists within the city. If the Council elects to move ahead with adoption of the Code changes found in this ordinance, an ordinance amending related provisions of the City's zoning ordinance, including updating the terminology used in that section, will be prepared for review by the Planning Commission and Council at a later date.

Attachments

**CITY OF INVER GROVE HEIGHTS  
DAKOTA COUNTY, MINNESOTA  
ORDINANCE NO. \_\_\_\_\_  
AN ORDINANCE REPEALING INVER GROVE HEIGHTS CITY CODE,  
TITLE 4, CHAPTER 8 RELATED TO MASSAGE BUSINESSES AND MASSAGE  
THERAPISTS AND AMENDING SECTIONS 1-10-2 AND 3-2-5 RELATED TO  
MASSAGE THERAPISTS AND BUSINESSES**

---

THE CITY COUNCIL OF THE CITY OF INVER GROVE HEIGHTS ORDAINS AS FOLLOWS:

**Section One.** Repeal and Replacement. Title 4, Chapter 8, of the Inver Grove Heights City Code is hereby repealed in its entirety and replaced as follows and the following is hereby ordained and adopted:

**4-8-1 MASSAGE THERAPY**

(A) *Purpose.*

The purpose of this chapter of the city code is to prohibit the operation of massage businesses and the offering of massage services to the public except by those licensed as therapeutic massage businesses and massage therapists pursuant to this section. The licensing regulations prescribed herein are necessary in order to protect businesses that are operating legitimate businesses, to prevent criminal activity and to protect the health and welfare of the community. The purpose of this section is not to impose restrictions or limitations on the freedom of protected speech or expression.

(B) *Findings of the city council.*

The city council makes the following findings regarding the need to license therapeutic massage businesses and massage therapists and to prohibit all other types of massage businesses and services to the public:

- (1) Persons who have bona fide and standardized training in therapeutic massage, health, and hygiene can provide a legitimate and necessary service to the general public.
- (2) Health and sanitation regulations governing therapeutic massage businesses and therapists can minimize the risk of the spread of communicable diseases and can promote overall health and sanitation.
- (3) Establishing license qualifications for therapeutic massage businesses and therapists can minimize the risk that such businesses and persons will facilitate prostitution and other criminal activity in the community.

- (4) Massage businesses which employ persons with no specialized and standardized training can tax law enforcement services because such businesses are more likely to be operated as fronts for prostitution and other criminal activity than operations established by persons with standardized training.
- (5) The training of professional massage therapists at accredited institutions is an important means of ensuring the fullest measure of protecting the public health, safety, and welfare.

(C) *Definitions.*

The following words and terms when used in this section shall have the following meanings unless the context clearly indicates otherwise:

*Accredited institution* means an educational institution holding accredited status with the United States Department of Education or Minnesota Office of Higher Education.

*Accredited program* means a professional massage program accredited by the Commission on Massage Therapy Accreditation (COMTA).

*Clean* means the absence of dirt, grease, rubbish, garbage, and other offensive, unsightly, or extraneous matter.

*Good repair* means free of corrosion, breaks, cracks, chips, pitting, excessive wear and tear, leaks, obstructions, and similar defects so as to constitute a good and sound condition.

*Issuing authority* means the city council.

*Massage* means any method of pressure on, or friction against, or the rubbing, stroking, kneading, tapping, pounding, vibrating, stimulating, or rolling of the external parts of the human body with the hands or with the aid of any mechanical or electrical apparatus, or other appliances or devices, with or without such supplementary aids as rubbing alcohol, liniment, antiseptic, oil, powder, cream, lotion, ointment, or other similar preparations.

*Massage therapist* means an individual who practices or administers massage to the public who can demonstrate to the issuing authority that he or she:

- (1) Has current insurance coverage of \$1,000,000.00 for professional liability in the practice of massage;
- (2) Is affiliated with, employed by, or owns a therapeutic massage business licensed by the city; and

(3) Provides proof that the applicant has met the academic requirements of the issuing authority by providing both of the following:

- a. A certified copy of a transcript of academic record from an accredited program or accredited institution that has been approved by the issuing authority; and
- b. A copy of the diploma or certificate of graduation from an accredited program or accredited institution that has been approved by the issuing authority. The accredited program or accredited institution must confirm that the applicant has successfully completed at least 500 hours of certified therapeutic massage training with content that includes the subjects of anatomy, physiology, hygiene, ethics, massage theory and research, and massage practice from the same accredited program or accredited institution.

(4) In lieu of the academic requirement in Section (3) above, the applicant may provide proof of passage of the National Certification Exam offered by the National Certification Board for Therapeutic Massage and Bodywork and a minimum of seven (7) years of full-time work experience as a massage therapist within the United States. The applicant is still required to provide proof of Sections (1) and (2).

*Operate* means to own, manage, or conduct, or to have control, charge, or custody over.

*Person* means any individual, firm, entity, association, partnership, corporation, joint venture, or combination of individuals.

*Therapeutic massage business* means an entity which operates a business which hires only massage therapists licensed by the city to provide therapeutic massage to the public. The owner/operator of a therapeutic massage business need not be licensed as a therapeutic massage therapist if he or she does not at any time practice or administer massage to the public. A therapeutic massage business may employ other individuals such as cosmetologists and estheticians, and these individuals are not required to have a massage therapist license as long as they are not providing therapeutic massage to the public.

*Within the city* means includes physical presence as well as telephone referrals such as phone-a-massage operations in which the business premises, although not physically located within the city, serves as a point of assignment of employees who respond to requests for the provision of massage services to various locations within the city.

(D) *License required.*

(1) *Therapeutic massage business license.* It shall be unlawful for any person or entity to own, operate, engage in, or carry on, within the city, any type of massage

services to the public for compensation without first having obtained a therapeutic massage business license from the city pursuant to this section.

- (2) *Massage therapist license.* It shall be unlawful for any individual to practice, administer, or provide massage services to the public for compensation within the city without first having obtained a personal massage therapist license from the city pursuant to this section.

(E) *Exceptions.*

A therapeutic massage business or massage therapist license is not required for the following persons and places:

- (1) Persons duly licensed by this state to practice medicine, surgery, osteopathy, chiropractic, physical therapy, or podiatry, provided the massage is administered by the individual in the regular course of the medical business and not provided as part of a separate and distinct massage business.
- (2) Persons duly licensed by this state as beauty culturists or barbers, provided such persons do not hold themselves out as giving massage treatments and provided the massage by beauty culturists is limited to the head, hand, neck, and feet and the massage by barbers is limited to the head and neck.
- (3) Persons hired or employed by a person duly licensed by this state pursuant to Minnesota Statutes Chapters 147, 148, or a dental professional licensed under Chapter 150A. Such persons shall only be authorized to provide massage services on the business premises of the employer.
- (4) Places duly licensed or operating as a hospital, nursing home, hospice, sanitarium, or group home established for the hospitalization or care of human beings.
- (5) Students of an accredited institution who are performing massage services in the course of a clinical component of an accredited program of study, provided that the students are performing the massage services at the location of the accredited institution and provided the students are identified to the public as students of massage therapy. Students of an accredited institution may perform massage services at clinics or other facilities located outside of the accredited institution provided that they have at least 150 hours of certified therapeutic massage training at the accredited institution prior to performing the therapy outside of the institution, have proof of liability insurance, and are identified to the public as a student of massage therapy.
- (6) Persons or organizations providing temporary Massage services such as “chair massages” provided the following requirements are met:

- i. The massage is provided in a place of business where the Massage can easily be seen by any employee or visitor on the premises;
- ii. The location does not hold a license to sell alcoholic beverages;
- iii. Massages are offered at the location no more than ten days per calendar year;
- iv. Each recipient of a massage remains in an upright position, either sitting or standing; and
- v. Each recipient of a massage remains in the normal daytime attire worn when entering the business and does not remove any clothing except outdoor wear such as a coat or jacket.

(F) *License application.* All applicants shall complete and submit the requisite license application form provided by the city and provide all information required therein, as well as comply with providing the following information:

(1) *Therapeutic massage business license application.* An application for a therapeutic massage business license shall be made on a form supplied by the city clerk and shall request the following information:

(a) *All applicants.* For all applicants:

1. The legal description of the premises to be licensed together with a plan of the area showing dimensions, location of buildings, street access, and parking facilities.
2. The floor number, street number, suite number(s) and rooms where the massage services are to be conducted.
3. Whenever the application is for premises either planned or under construction or undergoing substantial alteration, the application shall be accompanied by a set of preliminary plans showing the design of the proposed premises to be licensed. If the plans for design are on file with the city's building and inspection department, no plans need be submitted to the issuing authority.
4. All applications for licenses, whether business or individual applications, shall be signed and notarized. If the application is that of a natural person, it shall be signed and notarized by such person; if by a corporation, by an officer thereof; if by an incorporated association, by the manager or officer thereof; if by a limited liability company (LLC), by a member thereof. Any falsification of information on the license application shall result in the denial, suspension or revocation of the license.

5. Whether the applicant has had an interest in, as an individual or as part of a corporation, partnership, association, enterprise, business or firm, a massage license that was revoked or suspended within the last five years of the date the license application is submitted to the issuing authority.
6. Such other information as city staff or the city council shall require.

(b) *Individuals*. For applicants who are individuals:

1. Proof of whether the applicant is a citizen of the United States or a resident alien or has the legal authority to work in the United States.
2. Whether the applicant is currently licensed in other communities to perform massage therapy, and if so, where.
3. Names and addresses and contact information including phone numbers and email addresses of the applicant's employers for the preceding five years and dates for such employment.
4. Whether the applicant has ever been convicted of any felony, crime, or violation of any ordinance other than a minor traffic offense. If so, the applicant shall furnish information as to the time, place and offense for each conviction.
5. Whether the applicant has ever been engaged in the operation of a massage business. If so, applicant shall furnish information as to the name, place and length of time of the involvement in such an establishment.

(c) *Partnerships*. For applicants that are partnerships: the names and addresses of all general and limited partners and all information concerning each general partner as is required in paragraph (b) of this section. The managing partners shall be designated and the interest of each general and limited partner in the business shall be disclosed. A true copy of the partnership agreement shall be submitted with the application, and if the partnership is required to file a certificate as to a trade name under Minn. Stat. § 333.02, a certified copy of such certificate shall be submitted. The license shall be issued in the name of the partnership.

(d) *Corporations and other organizations or entities*. For applicants that are corporations or other types of organizations:

1. The name of the organization, and if incorporated, the state of incorporation.
2. A true copy of the certificate of incorporation, and, if a foreign corporation, a certificate of authority as described in Minn. Stat. § 303.02.

3. The name of the general manager, corporate officers, proprietor, and other person in charge of the premises to be licensed, and all the information about said persons as is required in paragraph (b) of this section of this chapter.
  4. A list of all persons who own or control an interest in the corporation or organization or who are officers of said corporation or organization, together with their addresses and all the information regarding such persons as is required in paragraph (b) of this section.
- (2) *Massage therapist license application.* An application for a massage therapist license shall be made on a form supplied by the city clerk and shall request the following information:
- (a) The applicant's home telephone and cell phone number.
  - (b) The applicant's physical description, including weight, height, color of eyes, and color of hair. The applicant shall provide a color photocopy of the applicant's driver's license or state-issued I.D. front and back, or any other government-issued I.D.
  - (c) Whether the applicant has ever been convicted of any felony, crime, or violation of any ordinance other than a minor traffic offense and, if so, the time, place, and offense for each conviction.
  - (d) Whether the applicant has had an interest in, as an individual or as part of a corporation, partnership, association, enterprise, entity, business or firm, a massage license that was revoked or suspended within the last five years of the date the license application is submitted to the issuing authority.
  - (e) Three (3) names, residential and business addresses, and current contact information, including a phone number, for three residents within the metropolitan area, of good moral character, not related to the applicant or financially interested in the premises of the business, who may be referred to attest to the applicant's character.
  - (f) Proof of whether the applicant is a U.S. citizen or resident alien or has the legal authority to work in the United States.
  - (g) Proof that the applicant has met the definition of a massage therapist in this chapter.
  - (h) Whether the applicant is currently licensed in other communities to perform massage therapy, and if so, where.

(i) Whether the applicant has ever been engaged in the operation of massage services, and if so, information as to the name, place, dates and length of time of the involvement in such an establishment.

(j) Such other information as the city council shall require.

(G) *License fee.*

The fees for therapeutic massage business and massage therapist licenses shall be as set forth by city council resolution. An investigation fee shall be charged for therapeutic massage business licenses and individual massage therapist license. Each application for a license shall be accompanied by payment in full of the required license and investigation fees. An application shall be deemed incomplete unless it is accompanied with the required fees, all documentation required by this chapter, and is completed in its entirety.

(H) *License application investigation.* An investigation is required prior to the issuance of any license. No investigation fee in part or whole shall be refunded. Out of state investigations shall require the applicant to pay actual out-of-pocket expenses. A deposit for an out-of-state investigation shall be required in advance, pursuant to city council resolution and the applicant shall be refunded any unused deposit upon completion of the investigation. The city council may order and conduct such additional investigation as it deems necessary. Upon completion of the investigation by the police department, the council shall approve or deny the license.

(I) *Inspections.* In light of the high risk of involvement with illegal conduct an establishment providing massage therapy poses to the general public, city staff and/or the police department shall have the right to enter, inspect, and search the licensed premises during the hours in which the licensed premises is open for business to ensure compliance with all provisions of this chapter. Any search of the licensed premises is subject to reasonableness standards as recognized by the courts; search warrants will be secured when applicable. Any entry into a private residence will require consent, exigent circumstances, or a search warrant. With reasonable notice, the business records of the licensee, including income tax returns, shall be available for inspection during the hours in which the licensed premises is open for business.

(J) *Denial, suspension or revocation.* In addition to the grounds found elsewhere in the city code, the following reasons may be grounds for the denial, suspension, or revocation of an individual license or business license:

(1) The applicant has been convicted of criminal prostitution, similar sex offenses, or other crimes directly related to the offering of massage therapy services or the running of a therapeutic massage business.

(2) The applicant is a partnership, corporation, or other entity which has in its employ or is owned by any persons convicted of criminal prostitution, similar sex offenses, or other crimes directly related to the offering of massage therapy services or the running of a therapeutic massage business.

- (3) The owner, manager, lessee or any of the employees are found to be in control or possession of any alcoholic beverages, narcotic drugs or controlled substances, as defined by state statutes, on the premises.
  - (4) If the holder of a business license fails to maintain with the issuing authority a current list of all employees of such licensed premises. The list shall include all massage therapists licensed under this chapter.
  - (5) A material variance in the actual plan and design of the premises from the plans submitted.
  - (6) There is any fraud, deception, or misstatement on the license application.
  - (7) The owner, manager, lessee, or their employees or any massage therapist, are convicted of any ordinance violation or crime occurring on the licensed premises.
  - (8) The licensed premises are not located in an approved zoning district or otherwise do not meet the health and safety standards found within the city code for the licensed premises.
  - (9) The applicant is delinquent upon its payment to the city of taxes, fines, or penalties assessed or imposed against the applicant.
  - (10) The licensed activity is conducted in such a manner as to constitute a breach of the peace, a menace to the health, safety, or welfare of the public, or a disturbance of the peace or comfort of the residents of the city, upon recommendation of the Police Chief or an appropriate city official.
  - (11) The licensee fails to continuously comply with all conditions required as precedent to approval of the license.
  - (12) Based on the findings of a background investigation, granting a license would be a menace to the safety, health, morals, or welfare of the public.
  - (13) The applicant or licensee is not of good moral character.
- (K) *License Restrictions.*
- (1) *Posting of license.*
    - a. Business License. A therapeutic massage business license issued must be posted in a conspicuous place on the premises for which it is used.
    - b. Personal Massage Therapist License. A person licensed as a massage therapist shall post the massage therapist license, along with a color photo, in

a conspicuous place on the premises at which the therapist is associated. A massage therapist shall have readily available at all times that therapeutic massage services are rendered a government-issued photo identification card.

(2) *Licensed premises.*

- a. **Business License.** A therapeutic massage business license is only effective for the compact and contiguous space specified in the approved license application. If, following issuance of the license, the licensed premises is enlarge, altered, or extended, the licensee shall inform the city clerk of the same within ten (10) business days of the enlargement, alteration, or extension. The licensee shall meet with designated city staff who shall confirm that the enlarged, altered, or expanded space is in full compliance with all city regulations, including the building code. If the enlarged, altered, or expanded space is in full compliance with all city regulations, the business license shall be amended to encompass the larger space.
- b. **Massage Therapist License.** A massage therapist license shall entitle the licensed therapist to perform on-site massage at a business, public gathering, private home, or other site not on the therapeutic massage business premises. It shall be the continuing duty of each licensee to notify the city clerk, within ten business days, of any change in the information or facts required to be furnished on the application for license and failure to comply with this section shall constitute cause for revocation or suspension of such license.

(3) *Affiliation with business required.* A massage therapist shall be employed by, affiliated with, or own a massage business licensed by the city, unless a person or place is specifically exempted from obtaining a therapeutic massage business license pursuant to this chapter.

(4) *Employment of unlicensed massage therapists prohibited.* No therapeutic massage business shall employ or use any person to perform massage who is not licensed as a massage therapist under this section, unless the person is specifically exempted from obtaining a therapist license pursuant to this chapter.

(5) *Coverage of genitals during massage.* The licensee shall require that the person who is receiving the massage shall at all times have his or her genitals covered with non-transparent material or clothing.

(6) *Therapist dress requirements.* Any therapist performing massage shall at all times be dressed professionally.

(7) *Massage of certain body parts prohibited.* At no time shall the massage therapist intentionally massage or offer to massage the penis, scrotum, mons veneris, vulva, breasts, or vaginal area of a person.

- (8) *Restrictions regarding hours of operation.* No therapeutic massage business shall be open for business, nor will any therapeutic massage therapist offer massage services, before 8:00 a.m. or after 10:00 p.m. any day of the week. No customers or patrons shall be allowed to remain upon the licensed premises after 10:30 p.m. and before 8:00 a.m. daily. Support activities such as cleaning, maintenance and bookkeeping are allowed outside of business hours.
- (9) *Illegal activities.* In addition to the license restrictions set forth in this section, any advertising by a licensee of any potential unlawful or erotic conduct at the licensed establishment or by a licensed massage therapist shall be prohibited. A licensee under this chapter shall be strictly responsible for the conduct of the business being operated in compliance with all applicable laws and ordinances, including the actions of any employee or agent of the licensee on the licensed premises.
- (10) *Restrictions involving minors.* No person under the age of 18 shall be permitted at any time to be in or on the licensed premises as a customer, guest, or employee, unless accompanied by his/her parent or guardian.
- (L) *Restrictions regarding sanitation, health and safety.*
- (1) *Toilet room requirements.* A licensed therapeutic massage business shall be equipped with adequate and conveniently located toilet rooms for the accommodation of its employees and patrons. The toilet room shall be well ventilated by natural or mechanical methods and be enclosed with a door. The toilet room shall be kept clean and in good repair and shall be adequately lighted.
- (2) *Paper/linen requirements.* A licensed therapeutic massage business shall provide single-service disposal paper or clean linens to cover the table, chair, furniture, or area on which the patron receives the massage; or in the alternative, if the table, chair, or furniture on which the patron receives the massage is made of material impervious to moisture, such table, chair, or furniture shall be properly sanitized after each massage.
- (3) *Washing of hands required.* The licensed business premises shall contain an on-site sink. The massage therapist shall wash his or her hands and arms with water and soap, anti-bacterial scrubs, alcohol, or other disinfectants prior to and following each massage service performed.
- (4) *Door latches and locks.* Doors on massage therapy rooms shall not be locked or capable of being locked. Locks, latches or other devices intended to secure a door so as to prevent it from being opened by any person from either side of the door with or without a key cannot be present on any doors of rooms intended for massage therapy.

**Section Two.** Amendment. Title 1, Chapter 10, Section 2, subparts B(2) and B(3) of the Inver Grove Heights City Code are hereby amended as follows:

- B. 2. ~~Massage therapy/sauna/escort service—individual license.~~ Massage therapist.
- 3. ~~Massage therapy/sauna/escort service—business license.~~ Therapeutic massage business.

**Section Three.** Amendment. Title 3, Chapter 2, Section 5 of the Inver Grove Heights City Code is hereby amended as follows:

~~Saunas, massage parlors, escort services and employees.~~ Massage therapists and therapeutic massage businesses.

**Section Four. Effective Date.** This Ordinance shall be in full force and effect beginning on \_\_\_\_\_, 2015.

Passed in regular session of the City Council on the \_\_\_ day of \_\_\_\_\_, 2015.

**CITY OF INVER GROVE HEIGHTS**

By: \_\_\_\_\_  
George Tourville, Mayor

ATTEST:

By: \_\_\_\_\_  
Joe Lynch, Administrator/Clerk

**CITY OF INVER GROVE HEIGHTS**

**REQUEST FOR COUNCIL ACTION**

CONSIDER APPROVAL OF A CITY CLERK JOB DESCRIPTION AND COMPENSATION, REVISIONS TO THE CITY ADMINISTRATOR JOB DESCRIPTION, AND AUTHORIZATION TO POST THE CITY CLERK POSITION

Meeting Date: May 11, 2015  
Item Type: Regular Agenda  
Contact: Janet Shefchik  
Prepared by: Janet Shefchik  
Reviewed by: Joe Lynch

**Fiscal/FTE Impact:**

- None
- Amount included in current budget
- Budget amendment requested
- FTE included in current complement
- New FTE requested – N/A
- Other

**PURPOSE/ACTION REQUESTED** Consider approval of a City Clerk job description and classification/compensation level, authorize staff to post the position, and consider approval of a revised job description for the City Administrator.

**SUMMARY** The City’s Deputy Clerk position has been vacant since the incumbent resigned at the end of March. This position plays an integral part in the daily operations of City and Council proceedings such as coordinating the agenda process and recording the meeting minutes. It is also responsible for the recording of city ordinances, issuing a multitude of licenses and renewals, and acting as the main election official for the City. In essence, it is a key position in the continuity of City operations.

While the position has been vacant, the City has been assessing its needs in regard to the role and duties of the position. The City is required to ensure that the “Duties of Clerk”, as defined under State Statute (412.151), are performed. This includes providing notice and certifying results of special and regular elections, recording of meeting minutes, recordkeeping for resolutions and City ordinances, signing official papers and acting as custodian of the City’s seal and records.

The City Administrator’s current job description includes language reflecting the formal responsibilities and duties of Clerk; however, in the past it has been the City’s Deputy Clerk that has been assigned to carry out a majority of the required Clerk duties. This is permitted under City Code (1-6A-4), which allows the City Administrator to designate such responsibilities to other suitable employees. Of course the City Administrator still maintains the oversight and ultimate responsibility to ensure that all required duties are performed.

In analyzing the City’s current structure and requisite Clerk duties, staff has reviewed information from other area cities regarding reporting relationships, job descriptions and pay rates. Additionally, staff has examined the way in which the work is currently being done internally, and how the duties may be better aligned. The City Administrator has also spoken with Council to better understand their wishes in regard to the position. The sum of this information, together with the recognition of the importance of duties to be performed, has resulted in a recommendation to create and fill this position at the City Clerk level.

While the reporting structure and assigned duties will not change significantly from the Deputy Clerk, the City Clerk position will include the minimum requirement that candidates already hold a Municipal Clerk certification. This certification is obtained over a period of 3 years, and will help the City and chosen candidate to fulfill the responsibilities and duties of City Clerk. The position will also require one year of elections experience, as this will also prove valuable in the performance of these highly regulated processes. With these requirements and an understanding of area comparables, it is recommended that the position be slotted on the "U" grade level of the Non-Union Compensation Plan, which is one grade level above the previous Deputy Clerk position. Additionally, staff requests Council authorization to post the attached City Clerk position, as soon as possible.

Finally, to formally reflect the assignment of duties and responsibilities to the City Clerk, it is recommended that Council approve the revised City Administrator job description, as attached.

The funds necessary to cover the City Clerk position are included in the 2015 General Fund budget, and will be calculated into the upcoming 2016 budget.

**City of Inver Grove Heights**

**POSITION DESCRIPTION**

**Position Title:** ~~Deputy~~ City Clerk

**Department/Location:** Administrative Services

**Immediate Supervisor:** City Administrator

**Latest PD Revision:** 4.15

---

**Position Summary:** This position performs a variety of clerical and administrative responsibilities involving the duties of a ~~Deputy~~ City Clerk as assigned pursuant to Minnesota Statutes 412.151.

---

**Essential Accountabilities and Expected Outcomes**

- 1) Responsible for the accurate preparation, recording and maintenance of the minutes of the City Council. Responsible for retention of all official City records and documentation.
- 2) Responsible for the agenda process of the City Council through the coordination of items; ensuring that items submitted are placed on the agenda, that packets are prepared completely and accurately and distributed and posted in a timely manner.
- 3) Responsible for the successful coordination of the City's election processes.
- 4) Responsible for the various licenses and renewals issued by the City in a timely, effective manner.
- 5) Acts as the City's Data Practices Official; determines data classification and responds to data requests.
- 6) Responsible for updates to and maintenance of City Codes and Ordinances.
- 7) Coordinate Citizen Advisory Commissions, town hall meetings, and other special events.
- 8) Responsible for establishing and maintaining positive and respectful relationships with co-workers, City Council members and members of the public.
- 9) Assumes additional accountabilities as assigned.

**Accountabilities Shared by all City Employees:**

Developing and maintaining a thorough working knowledge of all department and City-wide policies, protocols and procedures that apply to the performance of this position.

Demonstrating by personal example the service excellence and integrity expected from all employees.

Developing respectful and cooperative working relationships with co-workers, including willing assistance to fellow employees so that their job responsibilities can be performed with confidence as quickly as possible.

Conferring regularly with and keeping one’s immediate supervisor informed on all important matters pertaining to assigned job accountabilities.

Representing the City in a professional manner to all outside contacts when doing the City’s business and also with the general public.

**Typical Working Environment:**

Demands of the position require employee to work days/evenings/weekends as the demands of the position require.

Position is primarily administrative in nature, working in a typical office environment with occasional need to visit programs, facilities or projects outside of the office in the elements of a year-round season.

**Typical Physical Requirements for this Position:**

Must be able to sit, stand, speak, hear, and effectively communicate. Ability to lift and move up to 40 pounds.

**Selection Criteria to Qualify for this Position:**

Certification as a Municipal Clerk, ~~or the ability to obtain within four years.~~

Associates Degree in communication, business management or related.

Five years of highly skilled secretarial/administrative experience.

~~Desired~~— One year of experience overseeing municipal elections, providing staff support for council meetings and maintaining official city records.

Recent work experience handling questions, requests and complaints from customers or citizens, both in person and via the telephone.

Valid, unrestricted Minnesota Drivers License.

Clean background check.

**Employee’s Acknowledgement and Date:** \_\_\_\_\_

**Supervisor’s Acknowledgement and Date:** \_\_\_\_\_

**Administrative Services Acknowledgement and Date:** \_\_\_\_\_

## City of Inver Grove Heights

### POSITION DESCRIPTION

<b><u>Position Title:</u></b>	<b>City Administrator</b>
<b><u>Department/Location:</u></b>	<b>Administrative Services</b>
<b><u>Immediate Supervisor:</u></b>	<b>Mayor and City Council</b>
<b><u>Latest PD Revision:</u></b>	<b><u>4.15</u></b>

---

**Position Summary:** *The City Administrator is appointed by the City Council and serves as the chief management and administrative officer ~~and Clerk~~ of the City. The City Administrator supervises the operations and functions of the city departments, plans and directs the administration and the supervision of City affairs. This position is responsible for effectively recommending policies, employee staffing, budgeting and expenditures to the City Council.*

---

#### Essential Accountabilities and Expected Outcomes

- 1) Directs the overall management and leadership of the organization.
  - a) Effectively supervise the operations and functions of all departments of the City.
  - b) Oversees the personnel function of the City, and recommend the appointment and removal of personnel.
  - c) Oversees employee and labor relations activities.
  - d) Establish the City's annual budget, submit the budget to the Council for consideration and adoption, and monitor budget compliance upon adoption, advising the Council of the financial condition of the City.
  - e) Works in partnership with other governmental units, and business and citizen groups affected by city policies and operations.
  - f) Develops a culture within the organization that reinforces positive values and accountability to job responsibilities.
- 2) Develops and sustains an effective and productive working relationship with all employees, City Council, Advisory Commissions, and the public.
  - a) Demonstrates an ability to work with others in a team atmosphere.
  - b) Ability to foster collaboration between elected officials, staff, and the public.
- 3) Oversees the development of policies and procedures for the efficient and effective provision of city services.
  - a) Informs the Mayor and Council as needed regarding citizen complaints
  - b) Meets with citizens and groups as needed or requested
  - c) Provides means and methods to make continuous improvements to city services and products
- 4) Prepares overall City operational and capital budgets.
  - a) Monitors revenue and expense budgets ensuring budgeted amounts are met.
  - b) Budgets are designed to protect the city's investment in personnel, programs, facilities, equipment, and infrastructure.
- 5) Responsible for establishing and maintaining positive and respectful relationships with co-workers and members of the public.
- 6) The City Administrator directly oversees the ~~Deputy~~ City Clerk to assure that all duties of the City Clerk as described in Statute and Ordinance are performed as required.

7) Assumes additional accountabilities as assigned.

**Accountabilities Shared by all City Employees:**

Develop and maintain a thorough working knowledge of all department and City-wide policies, protocols and procedures that apply to the performance of this position.

Demonstrate by personal example the service excellence and integrity expected from all employees.

Develop respectful and cooperative working relationships with co-workers, including willing assistance to fellow employees so that their job responsibilities can be performed with confidence as quickly as possible.

Confer regularly with and keeping one's immediate supervisor informed on all important matters pertaining to assigned job accountabilities.

Represent the City in a professional manner to all outside contacts when doing the City's business and also with the general public.

**Typical Working Environment:**

Demands of the position require employee to work days/evenings/weekends as the demands of the position require.

Position is primarily administrative in nature, working in a typical office environment with occasional need to visit programs, facilities or projects outside of the office in the elements of a year-around season.

**Typical Physical Requirements for this Position:**

Must be able to sit, stand, speak, hear, and effectively communicate.

**Selection Criteria to Qualify for this Position:**

Bachelor's degree in Public Administration or related field.

10 years of governmental experience, 5 years supervisory experience.

Proven capabilities in leadership, problem solving, strategic thinking, and knowledge of governmental operations.

Valid unrestricted Minnesota Drivers license.

Clean background check.

Desirable – Graduate degree in Public Administration and more than 5 years supervisory experience.

**Employee's Acknowledgement and Date:** \_\_\_\_\_

**Supervisor's Acknowledgement and Date:** \_\_\_\_\_

**Administrative Services Acknowledgement and Date:** \_\_\_\_\_

2014 Non-Union Compensation Plan

POSITION	RANGE	STEP 1	STEP 2	STEP 3	STEP 4	STEP 5
Police Chief Public Works Director Community Development Director Parks and Recreation Director Finance Director Fire Chief	Y	\$96,600	\$102,700	\$108,700	\$114,600	\$120,700
City Engineer Lieutenant Assistant Fire Chief	W	\$82,800	\$87,900	\$93,200	\$98,300	\$103,500
Chief Building Official Recreation Superintendent City Planner Assistant City Engineer Utility Superintendent Streets Maintenance Supt. Parks Maintenance Supt. Technology Manager Human Resources Manager	V	\$76,700	\$81,600	\$86,400	\$91,200	\$95,900
Golf Course Superintendent Golf Course Clubhouse Supt.	U	\$66,100	\$70,400	\$74,400	\$77,500	\$82,600
Guest Services Supervisor Human Resources Coordinator Deputy City Clerk	T	\$57,000	\$60,700	\$64,200	\$67,700	\$71,300
Asst. Golf Course Supt. Golf Operations Coordinator MIS Technician	S	\$50,800	\$53,900	\$57,100	\$60,400	\$63,500
Utility Lead Worker	R	\$56,827.48	\$58,450.51	\$59,943.69		
Utility Maintenance Worker	Q	\$43,332.58	\$46,040.86	\$48,749.15	\$51,457.44	\$54,165.72