INVER GROVE HEIGHTS CITY COUNCIL AGENDA
MONDAY, JULY 25, 2011
8150 BARBARA AVENUE
7:30 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 – July 11, 2011 Regular Council Meeting _____

B. Resolution Approving Disbursements for Period Ending July 20, 2011 _____

C. Pay Voucher No. 2 for City Project No. 2010-09H – South Grove Sod Repair Project _____

D. Change Order No. 1 and Pay Voucher No. 1 for City Project No. 2011-09D, South Grove Street Reconstruction – Area 6 _____

E. Final Compensating Change Order No. 1, Final Pay Voucher No. 2, Engineer's Final Report and Resolution Accepting Work for City Project No. 2010-09, Storm Water Facility Maintenance Program – Zone 7 _____

F. Resolution Approving Supplemental Letter Agreement with Short Elliott Hendrickson, Inc. for Engineering Services Related to Annual Bridge Inspections _____

G. Approve Resolution Authorizing City to Enter into an Agreement with the Union Pacific Railroad for Preliminary Engineering Services for the Railroad Crossing at 66th Street – City Project No. 2011-08 _____

H. Resolution Accepting Proposal from American Engineering Testing, Inc. for Construction Materials Testing Services for the 2011 Pavement Management Program, City Project No. 2010-09I, Blaine Avenue Full Depth Mill & Repave _____

I. Approve Easement Encroachment Agreement for Property located at 7666 Barbara Court _____

J. Recognize the plan update of the City of Inver Grove Heights Emergency Operation Plan _____

K. Approve Year Two (2011) of a Four Year (2010 through 2013) Golf Course Pavement Project _____

L. Approve Spa Heat Exchanger Replacement _____

M. Approve Replacement of Fitness Equipment _____

N. Approve 30-Day Suspension of Firefighter _____

O. 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:

7. REGULAR AGENDA:

COMMUNITY DEVELOPMENT:

A. **LEONARD LOUIS HEALTHCARE (Woodlyn Heights);** Consider Resolution relating to a Conditional Use Permit for a Senior Living Facility to Add an Addition to the Main Entrance of the Existing Building and a Parking lot expansion for the property located at 2060 Upper 55th Street _____

B. **GRACE CHURCH OF NAZARENE;** Consider Resolution related to a Conditional Use Permit to Allow a Daycare Facility in an Existing Church for property located at 7950 Blaine Ave._____

ADMINISTRATION:

C. **CITY OF INVER GROVE HEIGHTS;** Consider Change Order No. 25 for City Project No. 2008-18, Public Safety Addition/City Hall Renovation _____

D. **CITY OF INVER GROVE HEIGHTS;** Consider Resolution Awarding the Sale of General Obligation Refunding Bonds, Series 2011A _____

E. **CITY OF INVER GROVE HEIGHTS;** Consider First Reading of an Ordinance Amending City Code Title 1, Chapter 5, Section 1 - Meetings _____

8. MAYOR AND COUNCIL COMMENTS:

9. EXECUTIVE SESSION

A. Union Negotiations

10. ADJOURN

INVER GROVE HEIGHTS CITY COUNCIL MEETING
MONDAY, JULY 11, 2011 - 8150 BARBARA AVENUE

CALL TO ORDER/ROLL CALL The City Council of Inver Grove Heights met in regular session on Monday, July 11, 2011, in the City Council Chambers. Mayor Tourville called the meeting to order at 7:30 p.m. Present were Council members Grannis, Klein, Madden and Piekarski Krech; City Administrator Lynch, Assistant City Administrator Teppen, City Attorney Kuntz, Public Works Director Thureen, Parks and Recreation Director Carlson, and Community Development Director Link.

3. PRESENTATIONS: None.

4. CONSENT AGENDA:

Councilmember Klein removed Item 4A, Minutes of June 27, 2011 Regular Council Meeting, from the Consent Agenda.

B. **Resolution No. 11-111** Approving Disbursements for Period Ending July 6, 2011

C. Pay Voucher No. 25 for City Project No. 2008-18, Public Safety Addition/City Hall Renovation Project

D. Change Order No. 1 for City Project No. 2011-09B, Sealcoating

E. Final Compensating Change Order No. 1, Final Pay Voucher No. 2, Engineer's Final Report, and **Resolution No. 11-112** Accepting Work for City Project No. 2010-09C, Blaine Avenue Mill and Overlay

F. Approve 2011/2012 Collective Bargaining Agreement between the City and Law Enforcement Labor Services (LELS), Local 84

G. Approve Easement Encroachment Agreement with Cahill Investments, LLC

H. **Resolution No. 11-113** Accepting Proposal from Barr Engineering Co. for Engineering Services to Review Gerten's Greenhouse Plan Submittal Compliance with Storm Water Model

I. Personnel Actions

Motion by Madden, second by Klein, to approve the Consent Agenda

Ayes: 5
Nays: 0 Motion carried.

A. Minutes – June 27, 2011 Regular Council Meeting

Allan Cederberg, 1162 East 82nd Street, stated in order for the King of Diamonds to operate until 2 a.m. they need to have a special license. He asked if the new owner obtained the proper license.

Mayor Tourville confirmed that Mr. Cederberg did not dispute the accuracy of the minutes.

Ms. Rheaume stated that the King of Diamonds does hold a current Optional 2 AM license. She explained that the State approves and issues that license and the information provided by Alcohol Enforcement indicated that because the licensee name remained Kladek, Inc., state personnel would note the transfer of ownership and the new owner would be responsible for renewing the optional license prior to its expiration in September.

Motion by Piekarski Krech, second by Madden, to approve the Minutes of June 27, 2011 Regular Council Meeting

Ayes: 3
Nays: 0
Abstain: 2 (Grannis, Klein) Motion carried.

5. PUBLIC COMMENT:

Dian Piekarski, 7609 Babcock Trail, addressed the Council regarding the public input process. She stated every two weeks council members receive and are expected to read informational packets that can exceed 300 pages. She explained when citizens take the time to review specific agenda items and make the effort to attend meetings to ask questions or express concerns it is expected that members of the Council be open minded to their input. She noted citizens may have different view points or ideas than those of council members. She stated members of the Council have the opportunity to get answers to their questions in advance of a meeting and citizens are generally not afforded the same opportunity. She opined that citizens have limited access to agenda materials and do not always have the same amount of time to review materials or gather information. She stated it is inappropriate for members of the council to berate citizens for their questions and concerns. She explained it is often obvious, through body language or facial expressions, when council members appear disinterested or are not listening. She stated citizens attend meetings because they care and want to understand and believe they can make a difference. She added that council members are elected to represent citizens and to hold people (staff or developers) accountable. She stated citizens should feel that they can express their opinions freely. She requested that council members make the effort to read all of the information that is provided to them, listen to the input of citizens, ask questions, and use that knowledge to make an informed decision.

6. PUBLIC HEARINGS:

A. CITY OF INVER GROVE HEIGHTS; Consider Proposed Spending Plan to Authorize Expenditures of Tax Increments from the City's TIF District No. 4-1 pursuant to Minnesota Statutes, Sections 469.176 Subd. 4m and a Proposed Business Subsidy Agreement pursuant to Sections 116J.993 to 116J.995

Mr. Lynch stated the public hearing for this item began at the June 27th meeting and comments were taken from the public and the Council opted to table a decision until all five council members were present. He noted that Steve Bubel and Steve Apfelbacher were again in attendance to answer questions. He reviewed that state law allows the City to use tax increments from one district to create jobs and stimulate economic development in another tax increment financing district. He clarified that the Argenta Hills development is not in bankruptcy, is not delinquent in the payment of taxes or assessments, and is not in foreclosure. He reiterated that the developer approached the City seeking assistance that is made available through a recently passed state law. He explained that TIF District 4-1 has a fund balance of approximately $3 million and the City is considering a forgivable loan in the amount of $1.25 million to Argenta Hills, IGH Investments LLC. He noted the City would still have a fund balance of approximately $1.2 million available for use in that district at the end of 2011, including the remaining debt service. He explained that private improvements would need to be completed by certain dates specified in the development contract and proof of payment for those improvements would need to be provided to the City by IGH Investments LLC in an amount up to $549,000. He noted the money would be placed into an escrow account until such time that proof of payment is provided by IGH Investments LLC. He stated the contract also included a provision that the Target store must be open by December 1, 2012. He added that the $701,000 would also be placed into an escrow account until such time that proof is provided by IGH Investments LLC that construction of the Target store began by February 15, 2012 and opened for business by December 1, 2012. He reiterated that the money being held in the escrow account would be returned to the City if IGH Investments LLC fails to make the required private improvements or to provide proof of payment for those improvements, or if construction of the Target store does not commence by the date specified in the development contract, or if the Target store does not open by the date set forth in the development contract. He stated the terms of the development contract specify that the Target store must remain open for business for a period of five (5) years and if that does not occur IGH Investments LLC must repay the City a prorated share of the $1.25 million dollars based on the months remaining in the original 60 month time period. He clarified that in TIF District 4-1 the $1.25 million is generated by several taxing authorities including the County, the City, and Independent School District 199 and $543,500 is the City share, including fiscal disparities. He explained that the fiscal disparities should be factored out of that amount, leaving $198,000 as the City's share of the $1.25 million. He stated a payback period (for the City's share) of approximately 2.75 years is calculated when the $77,000 of new, annual taxes that would be generated in Argenta Hills are factored in.

Councilmember Piekarski Krech questioned who wrote the development contract.

Mr. Lynch responded that the development contract was drafted by Steve Bubel and reviewed by Mr. Kuntz and Mr. Apfelbacher.

Councilmember Piekarski Krech stated she is concerned with the contract and specifically addressed Page 12, Section 3 of the development contract which provides for the extension of the deadlines by one (1) year if so approved at a public hearing. She questioned if that provision would allow all of the deadlines to be extended by one (1) year, including the construction of the Target store.

Steve Bubel, Kennedy and Graven, clarified that language was included because it is part of the business subsidy agreement. He stated that the business subsidy statute states that the goals must be identified and if the goals are not met the deadlines may be extended by the period of one (1) year at the sole discretion of the City Council. He noted that even if the language was eliminated from the contract it would still be the law.
Councilmember Piekarski Krech stated she is extremely concerned about the protection of the City and the money involved if something was to happen. She referenced page 23, letter C pertaining to the ability of the developer to transfer the obligations of the agreement and the statement on page 12 that the developer does not have a parent corporation and is a newly formed company in and of itself. She stated she is leery that all of the guarantees and obligations can be met.

Mr. Bubel acknowledged that the developer is a limited liability company, likely created for this particular development. He explained that is one of the reasons that the issues of security were so heavily scrutinized throughout the negotiation of the development contract and business subsidy agreement. He stated that letters of credit, performance bonds, and guarantees are all mechanisms to protect the City, but each of them has their weaknesses. He explained the two strongest ways to protect the City are to not deliver the funds until the goal has been met (opening of the Target store) and to have the money escrowed with a title company so it cannot be released to the developer and must be released back to the City if the goal isn't met. He stated in a project of this nature the City is about as secure as it can possibly be with the current legal system.

Councilmember Piekarski Krech clarified that no money would be released until Target is open for five years.

Mr. Bubel explained that money would be deposited with a title company once the developer has provided proof that they have spent $549,000 on private improvements and they started some type of construction. He noted that meant the money would be in a holding pattern and the developer would not have access to it unless and until Target opens. He reiterated that if all of the deadlines are not met the money would be released back to the City.

Councilmember Grannis questioned what would happen if Target opens, the money is released, and the store closes a month later. He asked if IGH Investments LLC would be the sole entity responsible for the repayment of the $701,000 to the City.

Mr. Bubel responded in the affirmative and explained that the risky period is before construction of the store and before its opening. He explained there is a covenant, as required by the business subsidy statute, that Target must stay open and operating for five (5) years. He acknowledged that there is a graduated payback system during that five (5) year time period. He reiterated that it is true that if the Target store opened and closed a month later the City would only have recourse against IGH Investments LLC to recoup the money. He noted that the expectation is that once Target opens it will stay open beyond the five (5) year time period. He pointed out that they were not aware of any instance in which a Target store closed after opening, even beyond the five (5) years.

Councilmember Klein opined that would not be a feasible scenario because Target would not risk the backlash that would occur if the store closed a month after opening. He stated the store would have already been stocked, employees would have been hired, and a grand opening would have occurred. He opined that the media scrutiny would be tremendous.

Councilmember Grannis questioned if the City would be more protected if McGough Construction and

Traditional Homes were also liable for the repayment of funds.

Mr. Bubel responded in the affirmative and stated if the City added an additional security or guarantee from another corporation it would be more secure.

Councilmember Piekarski Krech questioned if the business subsidy statute required the five (5) year time period or if other time frames could be established.

Mr. Bubel stated the five (5) year period is a minimum under the statute.

Councilmember Grannis asked if interest is paid on the money while it is held in escrow.

Mr. Bubel stated the escrow agent would invest the money and interest would go to whoever gets the escrow when it is released.

Councilmember Grannis asked if the contract could be written so the City would get the interest when the money is released.

Mr. Bubel responded in the affirmative.

Councilmember Grannis asked how long it would take before the County and School District would get paid back the money that would have gone back to them had it been returned at the end of the district rather than using it for this.

Mr. Lynch explained that neither entity would get paid until the end of the TIF district which does not expire for another eight (8) years. He indicated that figure could be calculated and provided to the Council.

Councilmember Grannis stated he would like to know that figure. He clarified that IGH Investments LLC gets to keep the $1.25 million if Target closes after five (5) years and one (1) day.

Mr. Bubel responded in the affirmative.

Councilmember Grannis clarified that the calculations for this project were made assuming that there would be ancillary development once Target goes in.

Mr. Bubel stated he believes one of the major reasons why the City is considering this request is that having the Target development start and then stall has been an impediment to completing other development. He added that completing the Target store is likely to facilitate other commercial development.

Councilmember Grannis questioned how the payback figures would be affected if the ancillary development does not take place.

Mr. Lynch clarified that the payback figure included the Target facility and the requisite 15,000 square feet of retail.

Dian Piekarski, 7609 Babcock Trail, stated that it seems as though the City and citizens did what was needed to get Target to Inver Grove Heights by investing in the installation of infrastructure and modifying the payback mechanism for the developer's assessments. She opined that it is now up to the developer and Target to do the rest and the City should not have to invest in the project to make it work. She stated Target has a vested interest in the project because they own the property and pay the associated taxes. She opined that the City needs to wait for Target to complete their investment and not force it. She referred to page 11, item number two (2) of the development contract and questioned if the City or developer has any current development projects or inquiries that are contingent upon Target moving forward. She also asked if the City is anticipating any financial risk regarding the bond payments for the existing infrastructure if no development were to occur for the next five (5) years. She opined that question needed to be answered in order to determine if this is the best use of the money. She expressed concerns with the development contract granting authority to an "authorized City representative" to make certain changes to the contract. She stated that it doesn't seem that the changes are specifically defined and the authority is too open-ended. She asked what generates the bulk of the money in the TIF district and questioned if those funds could be jeopardized by the current economic climate. She questioned where the money would go if Target does not open and the money is returned to the City.

Mr. Lynch explained the money would go back to the TIF 4-1 fund balance.

Ms. Piekarski opined that the fund balance for TIF District 4-1 has been depleted by almost everything except for development in the area for which it was created. She commented that the money that has been spent could have been put towards development in that area and creating additional tax base for the city, county, and school district. She opined that Walmart should be upset that the City is providing assistance to Target if they did not receive the same type of deal for their development. She commented that the City should be more proactive in trying to attract the businesses residents want in the City, not just taking whatever they can get.

Mayor Tourville stated that the Walmart & other retail development in that area did receive some assistance for the infrastructure from the state, city, and county. He explained that without the infrastructure the retail development would not have been able to come to Inver Grove Heights. He asked if the language in the contract could be adjusted to eliminate the references to an "authorized City representative" and designate the City Council as the approval authority.

Mr. Bubel indicated the language could be tightened up. He explained in many contracts there are minor approvals that need to be given and an authorized representative is normally designated to eliminate the need to bring every minor detail back to the City Council for approval. He noted that the language would be adjusted to address the issue.

Mayor Tourville stated the City is not broke in terms of being able to make the bond payments for the existing infrastructure. He opined that the agreement is in place to protect the City in the event that the worst case scenario occurs. He stated the City also needs to consider the good things that could happen if the development moves forward and Target opens. He opined that the City could end up with additional development and retail space, and a potential interchange at Highway 55 and Argenta Trail could be discussed with Mn/DOT if development starts to occur in the area.

Councilmember Grannis commented that a lot of the businesses located near the Walmart development are now closed and TIF money was used for that infrastructure as well.

Mr. Lynch clarified that the City is not broke in sewer and water and they are doing substantially well with the water. He explained the City paid for the infrastructure primarily in cash from the water fund and recently issued bonds for it. He stated a financial analysis was done to project five (5) years out so the City could make smaller payments up front to afford the debt and take into account the possibility that development would not occur for a five (5) year period. He explained the City does know that if the projected level of development has not come to fruition after that five (5) year period an adjustment may need to be made to the financing. He noted the City would have a number of options to consider at that point. He reiterated that a five (5) year cushion was built in to account for development not occurring as rapidly as was envisioned.

Aida Schaeffer, 8450 Alta Avenue East, stated she works as a financial strategist, primarily on the corporate side, doing economic development deals. She expressed concerns regarding the need for the $1.25 million forgivable loan to the developer. She contended that the forgivable loan would be passed on from the developer to Target as an incentive. She stated she would like the City to provide a financial analysis that supports or demonstrates the need for assistance and asked for evidence that the proposed development would not commence without the assistance. She noted that Section 2B of the spending plan states that the City must document its finding that construction of this project would not have commenced before the required date without the assistance under the spending plan at the time the assistance is approved for each development. She opined that without the referenced documentation the City has not given this decision the financial due diligence it requires. She stated the Target Corporation made over $65 billion dollars in revenue in 2010, $3 billion in net income, and have 1755 stores. She calculated that each store makes approximately $1.7 million dollars in net income annually. She opined that it seems as though the City is subsidizing 75% of Target's first year. She stated Target has a fiduciary responsibility to its shareholders to take the money if it is offered.

Mayor Tourville clarified that the money would go from the City to the developer for infrastructure.

Ms. Schaeffer stated she wants assurance that financial due diligence has been done by the City. She questioned if the Council received anything that would indicate that the proposed development would not move forward without the assistance.

Councilmember Grannis stated they have not seen anything to that effect. He noted that he requested financial information from the developer and he was told they would not provide it because it was private information. He opined that if the developer wants public money for the project they should make their financials public information.

Mr. Lynch explained that the City relied on its financial consultant, Ehlers & Associates, to meet with IGH Investments LLC and review their financial information. He noted the City Council was aware that the developer is a privately held company and they would not reveal their information directly to the City, but would to the City's financial consultant. He stated Mr. Apfelbacher and an assistant met with the developer, reviewed their financial information, and subsequently informed the City Council that the developer would need $1.25 million to make the project work.

Councilmember Grannis stated he could not vote to approve the assistance when he has not reviewed the developer's financial statements.

Ms. Schaeffer stated the City is basing its decision on the financial analysis completed by Ehlers and Associates and questioned who paid the financial consultant.

Mr. Lynch stated the financial consultant works for the City, not the developer. He clarified that the City has an agreement in place whereby the developer reimburses the City for the fees it incurs for items such as consultant and attorney fees for work related to this project.

Mayor Tourville noted the Council was told from the beginning that the developer was a privately held company and they would not make their financial information available to the public. He stated he trusts the analysis done by Ehlers and Associates.

Ms. Schaeffer stated she is not convinced there is a financial need for the assistance. She reiterated that the City is most at risk during the first five (5) years after Target opens and the money has been released from escrow. She stated if Target closed the City would have little to no recourse against the LLC because there is no guarantee or security agreement in place to protect the City from default. She opined that Target has already invested $7 million in the project by purchasing the land and when the economy is right they will build and open a store. She suggested using an interest rate subsidy to assist the developer. She also suggested that the payment terms in the agreement be clarified.

Allan Cederberg, 1162 East 82nd Street, asked when they City got $3 million and if it was available in cash.

Mr. Lynch stated it is a cash fund balance and it is a part of the City's investment portfolio. He explained the money was accrued over time.

Mr. Cederberg questioned why the $3 million cash fund balance was not shown on the recently published summary of the City's financial report.

Mayor Tourville stated it is not included in the summary because it is part of the City's investment portfolio.

Mr. Cederberg asked if the City designated the money to be used in TIF District 4-1.

Councilmember Piekarski Krech asked Mr. Cederberg if he understood what a tax increment financing district was.

Mr. Cederberg responded in the negative.

Councilmember Piekarski Krech explained that it is an area where previously there was nothing there and the City created the tax increment financing district to help pay for improvements such as roads or moving gas lines. As development came in more taxes were generated, and the extra taxes are deposited into the tax increment finance district. She stated the $3 million dollars was generated by the development (commercial, residential) that was built within the district.

Mr. Cederberg confirmed that the State has no control over the money in the TIF District.

Councilmember Piekarski Krech reiterated that the money is generated through property taxes.

Mr. Cederberg asked if the spending plan included a requirement for the creation of jobs.

Mayor Tourville clarified that the 2010 bill requires that a jobs quotient be included in the spending plan.

Mr. Cederberg commented on one of the conditions being that the developer needs to provide proof of 14 construction jobs and asked why they do not have to provide jobs for the entire amount of the loan.

Councilmember Klein stated incidental jobs would also be created.

Mr. Cederberg questioned why money from TIF 4-1 was being used to make bond payments for the community center.

Mr. Lynch explained in 2000 the State of Minnesota changed the classification rates on properties which changed the financial condition of that TIF district. He noted the State allowed the City to pool money from other districts to pay those districts that had deficits. He clarified that the TIF district does not have a deficit because of the VMCC, there is a deficit because the State changed the classification rates. He stated the City Council authorized the payment of debt service at that time.

Mr. Cederberg opined that the City Council is responsible for the decision and what happens as a result.

Ms. Piekarski opined that the money is an incentive to get Target to build here sooner rather than later. She referenced an email from Mr. Lynch which stated that Target would owe the developer approximately $700,000 for their completed improvements and explained that the City's agreement would be to place the $700,000 into an escrow account, only payable to the developer if Target opens for business. She opined that Target will benefit from the money.

Councilmember Klein stated that the money is being used to install infrastructure, so the City is getting something for the money.

Ms. Piekarski stated the developer agreed to install the infrastructure to begin with.

Councilmember Klein commented on the requirements that have to be met to build in the Northwest Area and stated that the City may have to help to spur development.

Councilmember Grannis asked Mr. Apfelbacher if he was the individual who determined the amount of the $1.25 million forgivable loan to IGH Investments LLC.

Steve Apfelbacher, Ehlers and Associates, stated he was asked to look at the books of the developer to determine if the request for the $1.25 million could be justified.

Councilmember Grannis questioned what books or documents were looked at to determine that number.

Mr. Apfelbacher explained they reviewed the figures provided by the developer. He stated they looked at the dollars the developer had invested in the project and their projections of the revenues they would receive with the development of the project.

Councilmember Grannis asked if Mr. Apfelbacher's review demonstrated that the developer was short $1.25 million.

Mr. Apfelbacher stated it was determined that the developer was short more than $1.25 million. He noted when the individual numbers were reviewed there were several areas in which their numbers may have been a little different. He explained that the developer purchased the land at the peak of the market and land values have significantly decreased since that time. He stated there were also holding costs involved because the developer had anticipated moving forward with the project in 2008 and the development has been delayed and may not begin until 2012. He added the housing that was built was on a much smaller scale than what was projected for the development and the commercial development was completely stalled.

Councilmember Grannis clarified that the developer sold the land to Target in 2008 for $7,300,531.50.

Mr. Apfelbacher confirmed the sale of the property to Target and noted there were also outstanding

hookup charges, approximately $660,000, that the City specially assessed and are the responsibility of the developer.

Councilmember Grannis stated the hookup charges existed when the development was originally approved and the charges were always the responsibility of the developer.

Mr. Apfelbacher explained there was a change made to the original contract to allow the developer to pay the assessment over a ten (10) year period.

Councilmember Grannis questioned what documents were reviewed to determine that the developer was short $1.25 million and where the numbers came from in terms of income and expenses.

Mr. Apfelbacher reiterated that the numbers were prepared by the developer, IGH Investments LLC.

Councilmember Grannis questioned if any of individual partners' tax returns were reviewed to see how much money they made and how much they could pay towards the project.

Mr. Apfelbacher responded in the negative.

Councilmember Grannis opined that the partners could be multi-millionaires as far as the City is aware.

Mr. Apfelbacher estimated that they would likely have to be in order to put up the equity that they have for the project.

Councilmember Grannis referenced a document entitled "Tax Increment Balances Can be Used for Construction Projects to Create Jobs", specifically the question related to how a City can provide assistance to a project. He asked Mr. Apfelbacher to explain the option regarding "equity or similar investments in corporation, partnership, or limited liability company".

Mr. Apfelbacher explained that an EDA can be involved as a joint partner with particular private corporations and this would allow funding of an equity share in a private development under state statute.

Mr. Bubel further explained that the intent of the statute was to stimulate job creation. He stated the law basically states that anything a City can do to stimulate the creation of jobs can be done, including becoming an equity partner in a private development.

Councilmember Grannis clarified that the City could ask to become a business partner in the project and share in the profits in exchange for the $1.25 million.

Mr. Bubel responded in the affirmative.

Mr. Apfelbacher explained that it is Ehlers and Associates policy to only work for cities. He stated the arrangement that has been agreed upon is that if the firm gets involved in EDA issues they will not be paid by the developer. He reiterated that in this particular case the developer has a contract with the City through their original development agreement to reimburse the City for its administrative costs, which encompass the fees charged by his firm.

Councilmember Grannis opined that Mr. Apfelbacher and Mr. Bubel do an excellent job in their respective roles as consultants for the City.

Councilmember Grannis asked Mr. Munson if he recalled standing in front of the Council in 2008 and saying they could trust him and approve the extension of sewer and water, despite not having a signed contract with Target, and telling the Council that Target was coming and would open in July of 2009.

Mr. Munson stated that sounds like what the tone of his message would have been at that time. He explained that his company invested approximately $30 million dollars into the project based on the expectation that Target would open in July of 2009. He clarified that they did have a signed agreement with Target, but it did not have specific date for the start of construction.

Councilmember Grannis asked what McGough Construction and IGH Investments LLC were doing to jump start the Argenta Hills development besides asking the City to provide financing for the project.

Mr. Munson stated first and foremost they are trying to get the anchor tenant going. He acknowledged that they are seeking assistance from the City because they have been unsuccessful in their attempts to make that happen. He explained this proposal has received some interest from the anchor tenant. He stated while the credit markets have been frozen and access to capital has been unavailable, they have been able to find a way to generate sufficient cash to start modest doses of the housing to try to maintain interest in the project. He noted their brokers have been very proactive in attempting to find a second anchor tenant and smaller commercial users.

Councilmember Grannis stated the housing development was always a part of the project.

Mr. Munson explained that the housing development would have been completely stalled had they not formed the LLC. He stated they have not walked away from the project and will not walk away from the project in the future. He explained they found a way to move the housing development forward during a time of great duress.
Councilmember Klein asked if any of the homes were sold.

Mr. Munson responded in the affirmative, noting they were not sold at prices that were originally anticipated. He estimated that they were sold at a 25-30% discount from what was projected.

Councilmember Grannis asked what has been done specifically with Target to entice them to start construction.

Mr. Munson stated the only thing they can do is continue to communicate. He reiterated that he did believe in 2008 that construction would start in 2009. He explained that this time around the agreement has specific dates set forth with respect to the start of construction and an opening date for the Target store. He stated he would not want the City to spend money unless they get the result that everyone is seeking.

Councilmember Grannis questioned why they did not need the $1.25 million in 2008.

Mr. Munson responded that the cost structure has not changed since 2008, but everything that will be produced as a commodity of the investment will return significantly less.

Councilmember Grannis asked how Target would benefit from the City providing IGH Investments LLC with $1.25 million.

Mr. Munson stated they are providing Target with subsidy. He explained that Target has an outstanding obligation of $700,000 to them for the remaining improvements and infrastructure that need to be completed on the site. He stated they are forgiving the obligation for Target to pay them upon completion of the improvements.

Councilmember Grannis asked if IGH Investments LLC was still unwilling to show the City Council their financial information to justify their request.

Mr. Munson stated they are not willing to make their personal financial statements and tax returns public data.

Councilmember Grannis confirmed that they still wanted public money for their private development.

Mr. Munson stated they were willing to share information regarding the project finances and they have done so.

Councilmember Piekarski Krech stated one of her major concerns is artificially creating a market. She stated that Target has said that they do not feel this is the right time to build in the City and questioned how the City can be assured that Target will put forth their best effort to make this a viable, long term store. She asked how creating an artificial market will induce other development to come.

Mr. Munson stated that he cannot speak directly for Target, but he believes they are very good at what they do and his company is in a position of trusting that Target knows what they are doing and that they would not agree to this proposal if they did not think it would work and be viable. He explained he knows

that Target is a huge attraction for shadow retailers and their presence will bring even more interest in the project. He stated he has letters of intent from several shadow retailers that are waiting until Target is finalized to build.

Councilmember Piekarski Krech clarified that Mr. Munson believes he will get other retailers if Target is a part of the project.

Mr. Munson stated that his company believes in the project and the fact that Target is the catalyst that will make the project successful and attract other shadow retailers. He reiterated that the City will not release the money unless the Target store and additional 15,000 square feet of retail space are completed.

Ms. Schaeffer opined that the $549,000 would be used by the developer for protection of the profit of the LLC.

Mayor Tourville asked if the contract requires the developer to submit proof that the $549,000 was spent on the required public improvements.
Mr. Bubel and Mr. Apfelbacher responded in the affirmative.

Mayor Tourville clarified that the $549,000 was not to cover the developer's margin.

Mr. Munson explained that the agreement is set up so that the entire amount, $1.25 million, would be a reimbursement to them for money they will spend to install infrastructure. He stated they have no profit to protect on the project.

Ms. Schaeffer stated if the developer is unable to obtain credit through commercial means the City should not provide the money as a forgivable loan. She suggested that the City require the money to be paid back, with interest. She opined that Target has enough money to finance the project on their own and approving this request would set a precedent for future requests for the same type of assistance.

Mayor Tourville stated the 2010 TIF bill was a one-time piece of legislation that likely will not be able to be repeated because the projects would essentially need to be ready to be built by the deadlines imposed in the bill.

Ms. Schaeffer questioned if the tax rate would be stabilized if the money was not spent, remained in the TIF district, and was returned the City, County, and school district at the end of the TIF district's life.

Councilmember Grannis responded that it would depend on how much money is spent and how it's used.

Mayor Tourville opined that by 2019 he thinks there will be some ideas on how to use the money that is left and the money that will be generated in TIF District 4-1.

Ms. Schaeffer stated residents want their taxes reduced. She opined that the City does not need to put in as much money to make it happen.

Mayor Tourville stated residents also want the City to create a larger tax base and the proposed development could do that.

Ms. Schaeffer asked if the financial need has been documented.

Mr. Kuntz stated based on the discussions between Mr. Apfelbacher and Mr. Bubel, who drafted the spending plan, due diligence has been done.

Mr. Bubel clarified that the plan expressly states that the City will provide $1.25 million for this particular project and it also states because the statute was extended to July 1, 2012 the City is authorized to do additional projects, but each additional project would have to come back before the City Council and the same findings would have to be made. He explained the analysis for this particular project was completed and the City made its findings in the resolutions and in the plan. He reiterated that the findings are based on the numbers that were reviewed by the City's financial advisor.

Ms. Schaeffer questioned if the City had to document the findings at the time of approval for this particular development.

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Mr. Bubel responded that the City has done that already because the documentation is in the contracts and the requirements set forth. He reiterated that the major finding under the spending plan is that the project will create construction jobs that would not have otherwise happened at this particular time. He explained the numbers that were reviewed by the financial consultant demonstrated that without the assistance this construction would not have begun at this point in time.

Motion by Klein, second by Madden, to close the public hearing.

Mr. Cederberg stated the Q&A sheet included in the packet indicated that TIF money cannot be used to pay off debt on existing bonds. He questioned how the bonds for the community center could be paid off with TIF money.

Mr. Apfelbacher explained that money cannot be taken out of existing TIF District 4-1 and use it to pay bonds in another district for another type of use that has already been approved. He stated the money can be used to pay off bonds that are the direct obligation of the district. He noted the community center bonds are the direct obligation of the district through the nature of pooling.
Mr. Cederberg questioned when the additional 15,000 square feet of retail would be built, if there were any conditions that needed to be met for that portion of the project, and who was paying for them.

Mr. Lynch stated the developer would be paying for it.

Mr. Cederberg questioned how the developer would raise the $1.25 million that is needed up front for the public improvements. He asked why the developer needed to be reimbursed if they had enough money to cover the costs of the infrastructure to begin with.

Councilmember Grannis opined that the developer wanted to increase their profits on the project.

Mr. Munson explained they will borrow funds from other purposes and quickly try to recover that money and redistribute the funds for their intended purpose.

Mayor Tourville opined that this is a way to get the development to happen sooner rather than later and to expand the City's tax base.

Councilmember Madden opined that the proposal would expedite development.

Mr. Cederberg stated there was an error on page 2; letter F of the spending plan.

Councilmember Piekarski Krech stated the comma could be put in the right place.

Mayor Tourville noted the correction would be made.

Ayes: 5
Nays: 0 Motion carried.

Councilmember Klein asked if the agreement could be amended to reflect that City would receive the interest that accrues on the money while it is held in the escrow account.

Mr. Lynch stated the amendment could be made if it was acceptable to the developer.

Mr. Munson stated he did not have a problem with making that change. He questioned how the interest accrued while in escrow would be applied to the 1.7% interest that is due on any pro-rata payments that are made by the developer to the City in the event of failure to meet a condition during the five (5) year time period.

Mr. Bubel stated that the document could be approved with the understanding that the interest on the escrow when it is broken does not go to the developer. He explained that may mean that an adjustment would need to be made within that five (5) year period and asked if the Council would allow him to work out the technical language, subject to his approval and approval by Mr. Kuntz.

Mayor Tourville stated he would not support the City becoming an equity partner in the project.

Councilmember Grannis asked if there is a way to protect the City if it became an equity partner in the project through the EDA so the City could share in the profits but eliminate any exposure to liability for

expenses.

Mayor Tourville asked the developer if they would agree to allow the City to be a partner in the project with no liability.

Mr. Munson stated that option had never been discussed, but his initial reaction would be no.

Mr. Kuntz stated that in order to be a partner the developer would also have to agree to what is being proposed. He explained his understanding of the inquiry by Mr. Apfelbacher into the developer's books is that the cash call to the partners to finance the improvements, subject to reimbursement if and only if the improvements are in and Target opens, indicates that becoming a full-fledged partner would come with risks that can only be minimized if the developer agreed to fully indemnify the City from all losses.

Councilmember Grannis suggested that could be a condition of approval of the $1.25 million.

Mr. Kuntz stated he has not seen or heard anything which indicates that the developer would be willing to do that.
Mayor Tourville clarified that they do not need the EDA to do any of that, the City can do it because of the special legislation previously discussed.

Mr. Lynch noted that the EDA does not currently have an identified funding source.

Councilmember Grannis questioned if TIF money could be used as the funding source.

Mr. Lynch responded in the affirmative.

Mayor Tourville asked Mr. Munson to state what his position would be with respect to the City becoming an equity partner in the project and being fully indemnified from all losses.

Mr. Munson stated they would not be willing to pursue that option.

Mayor Tourville questioned how the language referring to "City representative" could be amended so it is clear who is authorized to make certain decisions.

Mr. Bubel suggested that all references to City representative be eliminated from the contract and replaced with City Council.

Mr. Kuntz stated the terminology appears on pages 9, 16, and 23. He explained it first appears in an instance of if the project is transferred but this developer is still responsible, the City representative could approve the transfer papers because the same developer is still responsible for its obligations. The other is an instance of authorizing the City representative to sign the completion certificates. He stated changing the language to City Council would seem to be the most appropriate change.

Mr. Munson clarified that the change would not mean he would need to come to the Council for approval of every lease entered into for the project.

Mr. Bubel indicated he would not have to come back to the Council for approval of leases.

Mayor Tourville questioned if the job covenant outlined in Section 3.5 of the contract was specific enough.

Mr. Bubel stated the description of a construction job is a bit difficult because of its temporary nature. He explained that contract defines a construction job as "any job that lasts for one 35 hour week during the construction period". He noted part time jobs could be aggregated to reach the total for one job. He clarified that the developer has to provide the information and proof that the jobs were created even if they did not essentially create the jobs.

Councilmember Klein stated the reason he is supporting the proposal is because if nothing gets done, no money is released to the developer and if construction does occur the City gets the development going sooner rather than later. He noted this is the only project that the money could realistically be used for at this time because it is ready to begin construction.

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Motion by Klein, second by Madden, to adopt Resolution No. 11-114 approving a Spending Plan for Tax Increment District 4-1 and Resolution No. 11-115 approving a Contract for Private Development between the City of Inver Grove Heights and IGH Investment, LLC

Councilmember Grannis stated he read a newspaper article in which Target identified the Inver Grove Heights location to be a "soft" store site, meaning they did not expect it to be very profitable and they were not going to build there. He opined that Target is only willing to build the store now if the City helps finance the project. He agreed with Ms. Schaeffer that it makes no sense to move this project forward when Target is saying that it doesn't make sense unless the City pays $1.25 million towards the project. He stated that Target could pay for the store because their revenues were $64,948,000 in 2008 and approximately $67,390,000 in 2010. He noted their net earnings grew 17.3% in 2010, their revenues for the first quarter of 2011 were $50.9 million, and the CEO's annual salary including bonuses is $8 million dollars and he owns $26 million dollars worth of Target stock. He opined that the CEO could afford to pay for the store in Inver Grove Heights and the City should let Target pay the money rather than agree to a government bailout. He stated he watched the replay of the last council meeting and heard Ms. Dian Piekarski ask if things are done in the City based upon a wink and a handshake and Mayor Tourville responded no. He stated he strongly disagreed with that response because in his estimation a wink and a handshake is exactly what got the City into this financial mess. He noted Mr. Munson told the Council in 2008 to trust him and that they could approve the extension because Target was going to open by July, 2009 and they still have not opened. He stated IGH Investments LLC is asking the City to give them $1.25 million dollars and yet they are not willing to show the City their tax returns or the company's books to prove that the money is really needed. He stated the City provided TIF money for the interchange at Highway 55 and Concord Blvd. and now many businesses in that area are closed, including A&W, a business the City provided financial assistance to. He stated that at the last Council meeting Mr. Munson indicated that if the City was going to move forward on the project based only on the word of a developer, it should be his, and Councilmember Grannis indicated he did not trust Mr. Munson. He agreed with the opinion of Fine & Associates that the money could be put to a better use to buy the homes that are surrounded by 494, Highway 52 and commercial development. He suggested that the contract be amended to reflect that Target had to stay open for business longer than 5 years, and recommended a 25 year requirement.

Councilmember Piekarski Krech asked if there would still be enough money to buy the houses and complete the development in TIF District 4-1 if this item was approved.

Mr. Lynch stated there would be money approximately $1.2 million dollars of fund balance that could be utilized for that area. He noted the additional increment that could be created by further development by Fine & Associates is not factored into that number. He added the City could consider utilizing money in that area and would still be able to fulfill all of the debt obligations.

Councilmember Piekarski Krech opined that completing the development in TIF District 4-1 is more critical at this point. She agreed with a lot Councilmember Grannis' comments and stated that she understands why the City would want to jump start the Argenta Hills development. She explained she has a lot of reservations about the proposed agreement, including forgiving the loan amount and the five (5) year requirement. She stated she would like more assurance that the developer would not default on its responsibility to repay the money if Target does not stay open for five (5) years. She indicated that she would be willing to vote in favor of the agreement if it was amended to reflect that Target had to stay open for business for ten (10) years.

Mayor Tourville asked if extending the time period to ten (10) years would be a deal breaker.

Mr. Munson responded in the affirmative.

Mayor Tourville stated he would support the project because of the additional tax base it could create and the fact that it could happen now versus some unknown time in the future. He opined that if the developer completes Main Street other businesses will come to the development sooner rather than later. He stated the construction jobs involved with the project will create other jobs. He suggested that the City meet with Fine & Associates to see if something could be done for the development in TIF District 4-1.

Ayes: 3 (Klein, Madden, Tourville)
Nays: 2 (Grannis, Piekarski Krech) Motion carried.

Mayor Tourville called for a five minute recess.

B. CITY OF INVER GROVE HEIGHTS; Resolution Approving Layout No. 1 of the T.H. 52 West Frontage Road from 0.35 Miles South of Concord Boulevard to 0.20 Miles North of Inver Grove in the City of Inver Grove Heights as prepared by the Minnesota Department of Transportation

Mr. Thureen reviewed the proposed layout of the frontage road and stated the project would actually be the eighth in a series of projects constructed over the past several years in conjunction with Mn/DOT and developers. He explained this segment was included in the State's 2012 Transportation Improvement Plan, and if approved by the Council the project would be under construction in 2012. He noted the project as proposed would be fully funded by Mn/DOT. He explained the proposed frontage road system is the result of the 2002 corridor study that was done for T.H. 52 in which this segment was specifically identified as a concern in terms of safety and traffic flow. He stated the specific improvements identified were the interchange at 117th Street, closing the center median openings along T.H. 52, closing private driveways and side street entrances through this segment of T.H. 52, and construction of the frontage road system. He indicated that the project would be a two-lane, paved frontage road with concrete curb and gutter and storm sewer. He noted there would be a cul-de-sac toward the south end located in the vicinity of 9955 Courthouse Boulevard. He stated 96th Street would be realigned and the storm sewer design would involve taking the stormwater and constructing an infiltration basin in the large center median along T.H. 52. He explained the City would be responsible for the maintenance of the infiltration basin and it would have an overflow in a large depressed area on the east side of northbound T.H. 52. He stated comments were received from property owners regarding an existing drainage issue and concerns with the impact of the noise on a residential property. He stated both issues would be addressed by Mn/DOT after the shutdown ends.

Councilmember Madden asked what the purpose of the cul-de-sac was.

Mr. Thureen stated they needed a temporary turn around until the system is complete. He explained other alternatives were considered but would have required the purchase of right-of-way.

Councilmember Klein asked if there would be enough room for semi-trucks to turn around at the dead end.

Mr. Thureen stated the turn around was sized for a large school bus. He noted he would check on the turning radius for a semi-truck.

Mayor Tourville stated it would be much better than what is there now.

Councilmember Grannis asked what the approximate distance was from where the frontage road would end on the southern point of the north end to the northern end of the southern part by Briggs Drive. Mr. Thureen stated he could obtain that information and provide it at another time. He explained the driving factor in that case is the cost incurred from needing the bridges to cross the railroad tracks.

Councilmember Grannis stated he is concerned with completing the frontage road and questioned if it would be a long time before the remainder of the segment was completed. He asked if the City were to work from the south and go north would there be a better chance of getting it completed faster.

Mr. Thureen stated in terms of length of road and dollars that are available the City can get more done now by moving forward with the project as proposed.

Mr. Lynch explained the City wanted to pursue the money that had actually been set aside for this segment.

Mr. Thureen noted that Mn/DOT has been a good partner on this project and have helped find a way to get the most done for the least amount of money.

Amy Hunting, 2645 96th Street East, stated she is very much in favor of the project. She explained there is a lot of traffic on 96th Street and the "t" intersection would help alleviate some of the congestion. She stated this site has very unique vegetation, specifically lilac bushes located along the street. She

explained her request is that she and another neighbor be allowed to take the bushes and plant them on their properties to save them. She requested that the City go to Mn/DOT and ask that they be allowed to remove the bushes in order to save them. She also asked that the City arrange to harvest the bushes and bring them down the street to be replanted.

Mr. Thureen indicated the question could be presented to Mn/DOT. He noted that Mn/DOT would likely identify that as a city-funded item.

Mayor Tourville stated that perhaps the City could find a way to have the bushes removed, and noted that those who want the bushes may not get them for free.

Councilmember Klein suggested that those who want the bushes could hire someone to remove the bushes and transport them rather than using a city vehicle and city employees.

Motion by Klein, second by Madden, close the public hearing.

Ayes: 5
Nays: 0 Motion carried.

Motion by Madden, second by Klein, to adopt Resolution No. 11-116 Approving Layout No. 1 of the T.H. 52 West Frontage Road from 0.35 Miles South of Concord Boulevard to 0.20 Miles North of Inver Grove in the City of Inver Grove Heights as prepared by the Minnesota Department of Transportation

Ayes: 5
Nays: 0 Motion carried.

7. <u>REGULAR AGENDA:</u>

COMMUNITY DEVELOPMENT:

A. STEPHEN WEBB; Consider the following actions for property located at 10115 Cloman Path:

i) A Conditional Use Permit to allow an amateur radio tower in excess of height allowed in a residential zoning district

ii) A Variance to exceed structure height in the Critical Area Overlay District

Mr. Link explained the item was discussed at the June 27th meeting and no action was taken because two council members were absent. At the meeting the neighbor to the south spoke and inquired about the location of the tower. He stated staff subsequently met on site with the applicant and the neighbor to discuss options for other possible locations. He explained it was discovered that the septic system and reserve area are located in the northwest corner of the lot and therefore the tower could not be relocated too much further north than proposed. He noted the applicant did more detailed measuring to determine the approximate location and found the tower would be located approximately 90 feet from the west and south property lines in a natural clearing area on the lot. He stated the general consensus between all parties involved was that this approximate location would be acceptable. He added that in order to make room for the antenna on top of the tower, some trees may need to be removed or topped to allow the tower to rotate. He explained staff recommended that condition number one (1) be modified so it states, "the radio tower shall be constructed on the property at least 92 feet from the south property line and 80 feet from the west property line, and any alteration to the location shown on the site plan as revised on July 11, 2011, shall require City approval prior to issuance of any City building permits". He stated Planning staff recommended approval of the modified location of the tower and the Planning Commission previously recommended approval of the original request.

Mayor Tourville clarified that the Planning Commission did not consider the modified location of the tower.

Mr. Link confirmed that the Planning Commission approved the original request. He noted the commission did provide for modifications to condition number one (1).

Councilmember Madden questioned if the neighbor to the south agreed with the proposed location.

Bill Kostner, 10145 Cloman Path, complimented the City employees for their assistance in resolving the situation. He also thanked Mr. Webb and his family for understanding his feelings relating to the location of the tower. He stated the issue was resolved in a friendly manner and he supported the revised location of the tower.

Stephen Webb, 10115 Cloman Path, explained when he made the measurements for the revised plan he had to estimate. He stated if the approval would be for exactly 80 feet and 92 feet he is not sure it will be that exact distance. He displayed his map and reviewed the proposed location of the tower.

Mayor Tourville suggested that the approval could say approximately 80 feet and 92 feet.

Mr. Kuntz recommended adding the word approximately and using the scale on the submitted site plan.

Mr. Webb discussed the structure that would be removed and where the new one would be.

Motion by Klein, second by Madden, to adopt Resolution No. 11-117 approving a Conditional Use Permit to allow an amateur radio tower in excess of height allowed in a residential zoning district and Resolution No. 11-118 approving a Variance to exceed structure height in the Critical Area Overlay District

Ayes: 5
Nays: 0 Motion carried.

B. LUTHER NISSAN KIA; Consider Resolution relating to a Conditional Use Permit Amendment to add a 20,000 Square Foot Building Addition and a 43,000 Square Foot Parking Lot Addition to the Existing Site for the Property Located at 1470 50th Street

Mr. Link stated the property is located on the west side of 50th Street. He noted this was before the City Council on June 27th and a 4/5 vote is required. He explained that the request meets the criteria for a Conditional Use Permit and noted that the access would not change and the applicant has been working with the Engineering department to finalize stormwater and grading plans. He stated the applicant also requested two temporary sales trailers to be allowed during construction and the date for removal of the trailers had not been finalized and some legal documents need to be drafted and brought back to Council at a later date. He recommended that condition #15 of the resolution be modified to state that the trailers shall be removed no later than a date to be determined by the Development Contract or when a Certificate of Occupancy has been issued, whichever comes first. He stated both Planning staff and the Planning Commission recommended approval of the request with the amendment to condition #15.

Motion by Piekarski Krech, second by Klein, to adopt Resolution No. 11-119 approving a Conditional Use Permit Amendment to add a 20,000 Square Foot Building Addition and a 43,000 Square Foot Parking Lot Addition to the Existing Site for the property located at 1470 50th Street with the suggested modification to Condition #15

Ayes: 5
Nays: 0 Motion carried.

C. XPAND, INC.; Consider a Resolution for an Interim Use Permit for an Agricultural Building in the Northwest Area for property located at 1400 70th Street

Mr. Link explained the applicant proposed to construct a 1,728 square foot building to be used to store tractors associated with farming on the property. He state the building would be metal pole construction, dirt floor, and would not have electricity or plumbing. He noted the Northwest Area Overlay District agricultural buildings by interim use permit with a time frame or event by when the building must be removed. He explained an interim use permit agreement would need to be signed by the landowner and recorded with the County prior to any structures being built. He stated staff recommended that the building be removed 3 years after either the subject property is platted or if the land within one quarter mile is platted. He explained the character of the area would change from open agricultural to residential and the continuation of agricultural buildings is not consistent with the purpose and intent of the Northwest Area Overlay District. He stated Planning staff & the Planning Commission recommended approval of the request as proposed with the conditions listed in the resolution.

Councilmember Grannis questioned why the City was requiring the building to be removed no later than 15 years after the approval of the Interim Use Permit even if there hasn't been any development or platting occurring.

Mr. Link explained the idea was to provide some certainty for the eventual removal of the building. He stated it is a temporary, interim building.

Councilmember Grannis stated he would be willing to grant the applicant a longer period of time.

Councilmember Piekarski Krech questioned if the applicant listed was the company that was going to construct the building.

Mr. Link responded in the affirmative.

Mayor Tourville asked if language could be incorporated regarding the ability of the applicant to request an extension for condition #4, letter d.

Mr. Link explained the ordinance does allow for one extension.

Councilmember Piekarski Krech suggested saying when the property is no longer farmed.

Mr. Kuntz clarified the parcel where the building would be placed is not farmed. He stated the thought process behind the number of years was related specifically to refurbishment of the building.

Motion by Klein, second by Madden, to adopt Resolution No. 11-120 approving an Interim Use Permit for an Agricultural Building in the Northwest Area for property located at 1400 70th Street

Ayes: 5
Nays: 0 Motion carried.

D. CITY OF INVER GROVE HEIGHTS; Consider an Ordinance Amendment to the City Code relating to Criteria for Granting a Variance

Mr. Link explained the City Attorney drafted a proposed ordinance amendment to make the City's variance regulations consistent with State Statutes. He noted due to the nature of the proposed ordinance, staff recommended that Council waive the standard three readings and approve the amendment in one reading.

Mayor Tourville asked if the two (2) variances that have been approved by Council prior to the proposed amendment would need to be reconsidered.

Mr. Kuntz responded in the negative, noting that the two variances were approved in accordance with state law.

Motion by Grannis, second by Madden, to adopt Ordinance No. 1237 amending the City Code relating to Criteria for Granting a Variance

Ayes: 5
Nays: 0 Motion carried.

E. CITY OF INVER GROVE HEIGHTS; Consider an Ordinance Amendment to Change the Zoning of Two City Owned Parcels from A, Agricultural District and R-1B, Single Family Residential District to P, Institutional District for properties located at 8336 Babcock Trail and along the 7400 block of River Road

Mr. Link explained the Council previously approved an amendment to the Zoning Ordinance to allow outdoor storage on Public zoned property for local government use. He stated the Council approved six (6) sites to be used for outdoor storage, four of which were already zoned P, Institutional. He explained the two sites being reviewed are zoned Agricultural and Residential and both sites are guided in the Comp Plan as Park or Public/Institutional. He reviewed the location of the two sites and stated the Gish property has been used for storage over many years and the Kuchera property would be a primary location for ash tree storage.

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Councilmember Piekarski Krech asked what was stored on the Gish property.

Mr. Thureen stated there were some old pieces of reinforced concrete pipe, corrugated metal pipe, sealcoat rock, and spare concrete standards.
Councilmember Piekarski Krech suggested that the items be disposed of on the next City-wide clean up day.
Councilmember Klein stated it is time to get the site cleaned up.

Mr. Thureen stated the items could be removed if work was done to clear trees in order to get equipment in and out of the site.

Mayor Tourville noted the concern in the neighborhood is that the site is a junk pit for the city. He stated the original premise for the site was to have a place to store items that could be reused and if the City has no use for the materials that are on the site they should be disposed of. He noted that the City needs to try to be a good neighbor. He explained the other concern raised by the neighborhood was that the site would be used for the storage and disposal of diseased trees and they do not want the disease to spread to their currently unaffected area is not affected by diseased trees right now.

Councilmember Piekarski Krech opined if trees and weeds are growing around and through the materials the City probably has no intention of using anything on the site. She suggested that the City designate a less environmentally sensitive site for the long-term storage of similar types of materials.

Motion by Klein, second by Madden, to adopt an Ordinance to Change the Zoning of Two City Owned Parcels from A, Agricultural District and R-1B, Single Family Residential District to P, Institutional District for properties located at 8336 Babcock Trail and along the 7400 block of River Road

Ayes: 5
Nays: 0 Motion carried.

F. CITY OF INVER GROVE HEIGHTS; Consider a Conditional Use Permit to allow fill in excess of 1,000 Cubic Yards in the Floodplain for property located at 4301 63rd Street

Mr. Link reviewed the location of the property and stated the City acquired the property a couple of months ago. He explained the City is proposing to place 4 feet of fill over the site as part of the soil remediation program required by the Minnesota Pollution Control Agency. He stated fill would also be placed on adjacent properties in order to match grades. He noted the excess fill would come from the South Grove street reconstruction project. He stated at the public hearing Castaways Marina raised concerns pertaining to the drainage extending from the site to their property. He explained the grading plan was prepared by Emmons & Olivier and was reviewed by the City's Engineering department. He stated it was determined that the grading plan was designed in such a way that any stormwater extending east would be intercepted on the Doffing Avenue right-of-way and extend north, up to a pond. He noted there would be no stormwater draining onto the Castaways Marina property. He explained the marina's second concern was regarding dust control. He stated the marina had issues with dust during the larger-scale fill project done in Heritage Village Park. He noted there is a clause in the contract which requires the contractor to manage the dust. He stated staff believes both concerns raised were addressed. He stated the Planning Commission, Environmental Commission, and Planning staff recommended approval of the request.

Tom Lind, 6140 Doffing Avenue, Castaways Marina, spoke about the dust problem during the fill project at Heritage Village Park. He showed pictures of the canvas covers on his boat slips. He stated they received a bid to have them cleaned for $450 per canvas, $8,100 in total. He explained they are concerned that the dust will not be controlled properly. He asked the City to help clean their canvasses.

Mr. Lynch explained that the City submitted an insurance claim to the League of Minnesota cities and a determination was made that the City was not liable for the canvasses. He noted that the claim asked for the replacement of all the tops, not just cleaning them.

Mr. Lind clarified they just want assistance to clean the tops, not to replace them.

Mr. Lynch indicated they could discuss assistance to help with a portion of the cleaning because they do not believe the City caused the problem entirely.

Mayor Tourville stated this could be discussed at another time as it did not pertain to the agenda item.

Mr. Lind explained that there has been a drainage problem for years and they do not want more water coming onto their property as a result of the grading.

Mr. Kaldunski explained the grading plan. He stated in order to get rid of the water problem the road would have to be rebuilt.

Mayor Tourville suggested meeting with other neighbors in the area and City staff to come up with some solutions to the drainage issues because others may not want the street to be reconstructed.

Mr. Lind questioned if they had to use 4 feet of fill.

Mr. Link indicated that the MPCA was requiring that the City use 4 feet of fill.

Motion by Klein, second by Grannis, to adopt Resolution No. 11-121 approving a Conditional Use Permit to allow fill in excess of 1,000 Cubic Yards in the Floodplain for property located at 4301 63rd Street

Ayes: 5
Nays: 0 Motion carried.

PUBLIC WORKS:

G. CITY OF INVER GROVE HEIGHTS; Consider Resolution related to the Concord Hills Development

Mr. Kaldunski explained there is a July 15th date by which outstanding punch list items need to be completed. He stated the developer has addressed many of the items since the last meeting, and noted there are still several remaining items to be completed.

Councilmember Klein stated they usually wait until development is finished before the final lift of asphalt.

Mr. Kaldunski stated another extension could be granted.

Councilmember Grannis asked expiration of the developer's letter of credit.

Mr. Kaldunski explained that a new letter of credit through 2014 would be required if an extension is granted.

Councilmember Grannis opined that the letter of default should be sent to motivate the developer to complete the remaining items, with the exception of the final lift of asphalt.

Mayor Tourville asked the developer if the remaining items, with the exception of the final lift, could be completed by the July 22nd date.

Mr. Danner responded in the affirmative.

Motion by Klein, second by Piekarski Krech, to adopt Resolution No. 11-122 extending the deadline for completion of the final lift of asphalt.

Ayes: 5
Nays: 0 Motion carried.

ADMINISTRATION:

H. CITY OF INVER GROVE HEIGHTS; Consider Resolution Providing for the Sale of $4,610,000 General Obligation Refunding Bonds, Series 2011A

Mr. Lynch stated the item pertains to the sale of General Obligation Refunding Bonds. He stated the estimated savings to the City would be approximately $216,000. He noted they are also going to use $900,000 to refund the escrow.

Motion by Klein, second by Madden, to adopt Resolution No. 11-123 Providing for the Sale of $4,610,000 General Obligation Refunding Bonds, Series 2011A

Ayes: 5
Nays: 0 Motion carried.

8. MAYOR & COUNCIL COMMENTS:

Councilmember Piekarski Krech notified staff of a dirt problem on Babcock Trail.

Mayor Tourville discussed the State shutdown and the City's options for recourse regarding inspections that are being delayed on larger construction project.

9. ADJOURN: Motion by Klein, second by Grannis, to adjourn. The meeting was adjourned by a unanimous vote at 12:15 a.m.

DRAFT

AGENDA ITEM _____4B_____

CITY OF INVER GROVE HEIGHTS **REQUEST FOR COUNCIL ACTION**

Meeting Date:	July 25, 2011		**Fiscal/FTE Impact:**
Item Type:	Consent		None
Contact:	Cathy Shea 651-450-2521	X	Amount included in current budget
Prepared by:	Cathy Shea Asst. Finance Director		Budget amendment requested
Reviewed by:	N/A		FTE included in current complement
			New FTE requested – N/A
			Other

PURPOSE/ACTION REQUESTED

Approve the attached resolution approving disbursements for the period of July 7, 2011 to July 20, 2011.

SUMMARY

Shown below is a listing of the disbursements for the various funds for the period ending July 20, 2011. The detail of these disbursements is attached to this memo.

General & Special Revenue	$82,369.17
Debt Service & Capital Projects	1,062,544.74
Enterprise & Internal Service	299,584.26
Escrows	1,129.80
Grand Total for All Funds	$1,445,627.97

July 8, 2011 we completed our first check run in our new software. Attached is the report generated from the new software for all checks processed since that date. If you have any questions about any of the disbursements on the list, please call Shannon Battles, Accountant at 651-450-2488 or Cathy Shea, Asst. Finance Director at 651-450-2521.

Attached to this summary for your action is a resolution approving the disbursements for the period July 7, 2011 to July 20, 2011 and the listing of disbursements requested for approval.

DAKOTA COUNTY, MINNESOTA

RESOLUTION NO. _____

RESOLUTION APPROVING DISBURSEMENTS FOR THE PERIOD ENDING JULY 20, 2011

WHEREAS, a list of disbursements for the period ending July 20, 2011 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		$82,369.17
	Debt Service & Capital Projects		1,062,544.74
	Enterprise & Internal Service		299,584.26
	Escrows		1,129.80
	Grand Total for All Funds		$1,445,627.97

Adopted by the City Council of Inver Grove Heights this 25th day of July, 2011.

Ayes:

Nays:

_____
George Tourville, Mayor

ATTEST:

_____
Melissa Rheaume, Deputy City Clerk

City of Inver Grove Heights

Expense Approval Report
By Fund

Payment Dates 7/7/2011 - 7/20/2011

Vendor Name	Payment Number	Payable Number	Account Name	Account Number	Amount
Fund: 101 - GENERAL FUND					
AFSCME COUNCIL 5	107411	PR 7/15	SALARIES PAYABLE	101.203.2030100	841.29
UNITED WAY	107509	INV PR 7/15	UNITED WAY DEDUCT PAYA	101.203.2031300	230.00
METROPOLITAN COUNCIL E	107480	6/11-02	OTHER GEN GOV/CHARGES-	101.41.0000.3414000	-22.30
PROGRESS PLUS	107489	INV1397	DUES, LICENSES & SUBSCRIP	101.41.1000.413.50070	12,500.00
TEPPEN, JENELLE	107505	7/11/11	MEALS AND LODGING	101.41.1000.413.50075	84.93
DAKOTA CTY PROP TAXATIO	107433	6/28/11	ADVERTISING/PUBLISHED N	101.41.1100.413.50025	138.00
DAKOTA CTY PROP TAXATIO	107433	INV10832	OTHER PROFESSIONAL SERVI	101.41.2000.415.30700	17.92
PRECISION DATA SYSTEMS	107399	INV008495	PRINTING & BINDING	101.41.2000.415.50030	279.27
DEPT OF PUBLIC SAFETY	107438	INVMD01909001L	REPAIR & MAINT-OFFICE EQ	101.42.4000.421.40044	390.00
ROBERTSON, JOSEPH	107494	INV18351789-13405013999	TELEPHONE	101.42.4000.421.50020	37.50
BCA/CRIMINAL JUSTICE TRAI	107418	INV369	CONFERENCES AND SEMINA	101.42.4000.421.50080	350.00
GLASSING FLORIST	107449	INV00309837	SUPPLIES - OTHER	101.42.4000.421.60065	91.96
LAKEVILLE TROPHY CO	107467	INV13596	SUPPLIES - OTHER	101.42.4000.421.60065	51.37
TAB PRODUCTS CO. LLC	107502	INV2029713	SUPPLIES - OTHER	101.42.4000.421.60065	350.56
DAKOTA CTY FINANCIAL SVC	107432	INV MAY-11	LEASE PAYMENTS	101.42.4000.421.70300	1,369.14
DAKOTA CTY FINANCIAL SVC	107432	INV MAY-11	OTHER PROFESSIONAL SERVI	101.42.4200.423.30700	1,417.18
TERRI KENISON	107405	INV6	OTHER PROFESSIONAL SERVI	101.42.4200.423.30700	908.44
MIKE'S SHOE REPAIR, INC.	107482	INV6282011	OTHER PROFESSIONAL SERVI	101.42.4200.423.30700	66.00
BELLEISLE, MONICA	107362	6/22/11-6/27/11	TRAVEL	101.42.4200.423.50065	9.18
VOLUNTEER FIREFIGHTERS B	107512	8/25/11	DUES, LICENSES & SUBSCRIP	101.42.4200.423.50070	562.00
METRO FIRE	107392	INV41343	SM TOOLS & MISC EQUIPME	101.42.4200.423.60040	145.21
ASPEN MILLS	107415	INV109765	UNIFORMS & CLOTHING	101.42.4200.423.60045	288.67
ASPEN MILLS	107361	INV109995	UNIFORMS & CLOTHING	101.42.4200.423.60045	8.55
CULLIGAN	107370	6/13/11	SUPPLIES - OTHER	101.42.4200.423.60065	72.40
CULLIGAN	107431	6/30/11	SUPPLIES - OTHER	101.42.4200.423.60065	55.15
ASPEN MILLS	107415	INV109766	SUPPLIES - OTHER	101.42.4200.423.60065	176.11
DAKOTA CTY PROP TAXATIO	107433	INV10832	OTHER PROFESSIONAL SERVI	101.43.5100.442.30700	62.56
DAKOTA CTY FINANCIAL SVC	107432	INV MAY-11	OTHER PROFESSIONAL SERVI	101.43.5200.443.30700	48.04
RCM SPECIALTIES, INC.	107493	INV1384	REPAIR & MAINT.-EQUIPME	101.43.5200.443.40042	7,912.00
SAFE STEP LLC	107496	INV1215	REPAIR & MAINT.-ROAD	101.43.5200.443.40046	1,630.99
RCM SPECIALTIES, INC.	107493	INV1387	REPAIR & MAINT.-ROAD	101.43.5200.443.40046	5,934.00
VERSA-LOK	107511	INV2451760	STORM WATER	101.43.5200.443.40066	1,140.89
M & J SERVICES, LLC	107475	INV56	STORM WATER	101.43.5200.443.40066	550.00
M & J SERVICES, LLC	107475	INV57	STORM WATER	101.43.5200.443.40066	530.00
M & J SERVICES, LLC	107475	INV58	STORM WATER	101.43.5200.443.40066	2,645.00
M & J SERVICES, LLC	107475	INV59	STORM WATER	101.43.5200.443.40066	2,515.00
LEON BARTHOLOME	107472	4/9/11	SUPPLIES - MAINTENANCE	101.43.5200.443.60016	85.82
CITY OF SAINT PAUL	107423	INV119038	SUPPLIES - MAINTENANCE	101.43.5200.443.60016	2,498.98
BITUMINOUS ROADWAYS, I	107419	INV18362	SUPPLIES - MAINTENANCE	101.43.5200.443.60016	752.87
SOLBERG AGGREGATE CO	107404	INV6295	SUPPLIES - MAINTENANCE	101.43.5200.443.60016	1,172.24
SHERWIN-WILLIAMS	107403	INV6368-4	SUPPLIES - MAINTENANCE	101.43.5200.443.60016	214.71
SOLBERG AGGREGATE CO	107497	INV6402	SUPPLIES - MAINTENANCE	101.43.5200.443.60016	292.22
SOLBERG AGGREGATE CO	107497	INV6432	SUPPLIES - MAINTENANCE	101.43.5200.443.60016	561.54
SOLBERG AGGREGATE CO	107497	INV6491	SUPPLIES - MAINTENANCE	101.43.5200.443.60016	1,588.34
NEWMAN SIGNS INC	107484	INVTI-0236403	SUPPLIES - MAINTENANCE	101.43.5200.443.60016	172.86
TRACTOR SUPPLY CREDIT PL	107508	TICKET43889	SUPPLIES - MAINTENANCE	101.43.5200.443.60016	79.94
TRACTOR SUPPLY CREDIT PL	107507	TICKET43890	SUPPLIES - MAINTENANCE	101.43.5200.443.60016	8.55
ARAMARK UNIFORM SERVIC	107360	INV629-7273061	UNIFORMS & CLOTHING	101.43.5200.443.60045	18.04
ARAMARK UNIFORM SERVIC	107413	INV629-72778333	UNIFORMS & CLOTHING	101.43.5200.443.60045	12.86
DAKOTA ELECTRIC ASSN	107373	6/28/11-01	ELECTRIC UTILITY SERVICES	101.44.6000.451.40020	513.60
DAKOTA ELECTRIC ASSN	107372	6/28/11-02	ELECTRIC UTILITY SERVICES	101.44.6000.451.40020	4,272.79
DAKOTA ELECTRIC ASSN	107374	6/28/11-03	ELECTRIC UTILITY SERVICES	101.44.6000.451.40020	10.97
DAKOTA ELECTRIC ASSN	107371	6/28/11-04	ELECTRIC UTILITY SERVICES	101.44.6000.451.40020	365.69

Vendor Name	Payment Number	Payable Number	Account Name	Account Number	Amount
PRAIRIE RESTORATIONS, INC	107486	INV0016271	REPAIR &MAINT-OTHER STR	101.44.6000.451.40047	275.00
GOPHER	107450	INV8341639	REPAIR &MAINT-OTHER STR	101.44.6000.451.40047	174.00
LANDSCAPE STRUCTURES, IN	107468	INVM86737	REPAIR &MAINT-OTHER STR	101.44.6000.451.40047	323.83
QWEST	107490	INV 651-457-7671 869	TELEPHONE	101.44.6000.451.50020	41.59
QWEST	107490	INV 651-457-7674 999	TELEPHONE	101.44.6000.451.50020	41.59
COLE PAPERS INC	107427	INV8636125	SUPPLIES-JANITOR/CLEANIN	101.44.6000.451.60011	721.50
LOWE'S	107474	INV02787	SUPPLIES - MAINTENANCE	101.44.6000.451.60016	37.17
MIDWEST PLAYSCAPES, INC.	107481	INV4639	SUPPLIES - MAINTENANCE	101.44.6000.451.60016	3,550.39
R.N.D. SIGNS	107492	7/1/11	PESTICIDES	101.44.6000.451.60035	88.00
ARAMARK UNIFORM SERVIC	107360	INV629-7273061	UNIFORMS & CLOTHING	101.44.6000.451.60045	23.32
ARAMARK UNIFORM SERVIC	107413	INV629-72778333	UNIFORMS & CLOTHING	101.44.6000.451.60045	28.50
METRO ATHLETIC SUPPLY	107391	INV132703	SUPPLIES - OTHER	101.44.6000.451.60065	555.54
				Fund 101 - GENERAL FUND Total:	**61,869.46**
Fund: 204 - RECREATION FUND					
IGH SENIOR CENTER	107385	6/29/11	SR PROGRAMS COMMUNITY	204.227.2271000	32.00
COMMUNITY EDUCATION	107429	6/29/11	SR PROGRAMS COMMUNITY	204.227.2271000	1,395.00
LAWLER, NICHOLAS	107469	5/31/11	OTHER PROFESSIONAL SERVI	204.44.6100.452.30700	45.00
SAM'S CLUB	107401	2256	RECREATION	204.44.6100.452.60009	21.18
SAM'S CLUB	107401	2683-1	RECREATION	204.44.6100.452.60009	71.99
SAM'S CLUB	107401	3935	RECREATION	204.44.6100.452.60009	12.61
SAM'S CLUB	107401	5004	RECREATION	204.44.6100.452.60009	2.96
SAM'S CLUB	107401	5004	RECREATION	204.44.6100.452.60009	6.91
SAM'S CLUB	107401	8922	RECREATION	204.44.6100.452.60009	133.31
BORDERBOXES	107420	INV2717	RECREATION	204.44.6100.452.60009	264.35
				Fund 204 - RECREATION FUND Total:	**1,985.31**
Fund: 205 - COMMUNITY CENTER					
STERICYCLE INC	107499	INV4002641458	REFUSE DISPOSAL	205.44.6200.453.40025	388.26
JOHNSON CONTROLS	107459	INV1-3229733634	REPAIR & MAINT-BUILDINGS	205.44.6200.453.40040	2,305.02
JOHNSON CONTROLS	107459	INV1-3238594690	REPAIR & MAINT-BUILDINGS	205.44.6200.453.40040	425.75
DAKOTA GLASS & GLAZING I	107376	INV2011265	REPAIR & MAINT-BUILDINGS	205.44.6200.453.40040	600.00
DAKOTA GLASS & GLAZING I	107376	INV2011287	REPAIR & MAINT-BUILDINGS	205.44.6200.453.40040	585.00
PLUNKETT'S PEST CONTROL	107398	INV2400525	REPAIR & MAINT-BUILDINGS	205.44.6200.453.40040	558.64
PLUNKETT'S PEST CONTROL	107398	INV2400525	REPAIR & MAINT-BUILDINGS	205.44.6200.453.40040	558.63
HUEBSCH SERVICES	107384	INV2732064	REPAIR & MAINT-BUILDINGS	205.44.6200.453.40040	105.57
AQUA LOGIC, INC.	107412	INV37536	REPAIR & MAINT-BUILDINGS	205.44.6200.453.40040	638.16
OLSEN FIRE PROTECTION, IN	107396	INV53406	REPAIR & MAINT-BUILDINGS	205.44.6200.453.40040	709.00
DURAFLEX INTERNATIONAL	107440	INV70363	REPAIR & MAINT-BUILDINGS	205.44.6200.453.40040	3,921.00
GOPHER	107378	INV8342190	REPAIR & MAINT.-EQUIPME	205.44.6200.453.40042	1,182.73
GRAINGER	107380	INV9576346960	REPAIR & MAINT.-EQUIPME	205.44.6200.453.40042	280.10
HILLYARD INC	107383	INV6796373	SUPPLIES-JANITOR/CLEANIN	205.44.6200.453.60011	425.76
HILLYARD INC	107383	INV6796373	SUPPLIES-JANITOR/CLEANIN	205.44.6200.453.60011	425.77
HILLYARD INC	107456	INV6810163	SUPPLIES-JANITOR/CLEANIN	205.44.6200.453.60011	124.72
HILLYARD INC	107456	INV6810163	SUPPLIES-JANITOR/CLEANIN	205.44.6200.453.60011	124.72
GRAINGER	107451	INV9571996660	SUPPLIES-JANITOR/CLEANIN	205.44.6200.453.60011	53.93
CULLIGAN	107431	6/30/11 157/01143890-8	SUPPLIES - MAINTENANCE	205.44.6200.453.60016	666.05
CULLIGAN	107431	6/30/11 157/01143890-8	SUPPLIES - MAINTENANCE	205.44.6200.453.60016	166.51
BUILDING MATERIAL SUPPLY	107364	INV29306	SUPPLIES - MAINTENANCE	205.44.6200.453.60016	541.26
ACE PAINT & HARDWARE	107359	INV507574/5 507643/5	SUPPLIES - MAINTENANCE	205.44.6200.453.60016	24.54
ACE PAINT & HARDWARE	107359	INV507574/5 507643/5	SUPPLIES - MAINTENANCE	205.44.6200.453.60016	41.64
GRAINGER	107451	INV9568548425	SUPPLIES - MAINTENANCE	205.44.6200.453.60016	23.09
GRAINGER	107451	INV9569993059	SUPPLIES - MAINTENANCE	205.44.6200.453.60016	92.69
FERRELLGAS	107444	INV5000334470	FUELS	205.44.6200.453.60021	171.52
HAWKINS, INC.	107454	INV3236269	POOL CHEMICALS	205.44.6200.453.60024	1,925.68
GRAINGER	107451	INV0000122	SM TOOLS & MISC EQUIPME	205.44.6200.453.60040	95.61
SAM'S CLUB	107401	0858-1	SUPPLIES - OTHER	205.44.6200.453.60065	99.64
SAM'S CLUB	107401	0874	SUPPLIES - OTHER	205.44.6200.453.60065	41.86
SAM'S CLUB	107401	2198	SUPPLIES - OTHER	205.44.6200.453.60065	50.25
SAM'S CLUB	107401	2256	SUPPLIES - OTHER	205.44.6200.453.60065	28.85
SAM'S CLUB	107401	2507	SUPPLIES - OTHER	205.44.6200.453.60065	13.91
SAM'S CLUB	107401	2678	SUPPLIES - OTHER	205.44.6200.453.60065	313.39

Vendor Name	Payment Number	Payable Number	Account Name	Account Number	Amount
SAM'S CLUB	107401	2678	SUPPLIES - OTHER	205.44.6200.453.60065	19.21
SAM'S CLUB	107401	3358	SUPPLIES - OTHER	205.44.6200.453.60065	6.40
SAM'S CLUB	107401	4267	SUPPLIES - OTHER	205.44.6200.453.60065	33.56
COMDATA	107369	60114	SUPPLIES - OTHER	205.44.6200.453.60065	7.67
SAM'S CLUB	107401	9268	SUPPLIES - OTHER	205.44.6200.453.60065	35.18
NORTH ST PAUL PIZZA FACT	107395	INV584321	SUPPLIES - OTHER	205.44.6200.453.60065	283.50
KRAMES STAYWELL, LLC	107463	INV6651439	SUPPLIES - OTHER	205.44.6200.453.60065	20.35
SAM'S CLUB	107401	2507	FOOD	205.44.6200.453.76050	122.25
SAM'S CLUB	107401	2678	FOOD	205.44.6200.453.76050	17.91
SAM'S CLUB	107401	2678	FOOD	205.44.6200.453.76050	13.48
SAM'S CLUB	107401	2683-1	FOOD	205.44.6200.453.76050	6.27
SAM'S CLUB	107401	3358	FOOD	205.44.6200.453.76050	72.54
COMDATA	107369	60114	BEVERAGES	205.44.6200.453.76100	4.15
COMDATA	107369	61309	BEVERAGES	205.44.6200.453.76100	49.00
COMDATA	107369	61711	BEVERAGES	205.44.6200.453.76100	15.68
COMDATA	107369	62010	BEVERAGES	205.44.6200.453.76100	49.00
COMDATA	107369	62710	BEVERAGES	205.44.6200.453.76100	49.00
				Fund 205 - COMMUNITY CENTER Total:	**18,514.40**
Fund: 404 - SEWER CONNECTION FUND					
METROPOLITAN COUNCIL E	107480	6/11-01	DUE TO MCES-SAC	404.217.2170000	2,230.00
				Fund 404 - SEWER CONNECTION FUND Total:	**2,230.00**
Fund: 428 - 2008 IMPROVEMENT FUND					
SHAW-LUNDQUIST ASSOCIA	107352	PV25	BUILDINGS	428.72.5900.728.80200	151,593.02
				Fund 428 - 2008 IMPROVEMENT FUND Total:	**151,593.02**
Fund: 429 - 2009 IMPROVEMENT FUND					
SAM'S CLUB	107401	2508	OTHER MISCELLANEOUS	429.72.5900.729.70600	127.06
SAM'S CLUB	107401	2676	OTHER MISCELLANEOUS	429.72.5900.729.70600	-18.77
SAM'S CLUB	107401	2678	OTHER MISCELLANEOUS	429.72.5900.729.70600	91.12
SAM'S CLUB	107401	7546	OTHER MISCELLANEOUS	429.72.5900.729.70600	35.98
JUST RITE CONST INC	107461	INV052026	OTHER MISCELLANEOUS	429.72.5900.729.70600	1,644.00
NATURE CALLS, INC.	107483	INV15290	OTHER MISCELLANEOUS	429.72.5900.729.70600	187.44
				Fund 429 - 2009 IMPROVEMENT FUND Total:	**2,066.83**
Fund: 430 - 2010 IMPROVEMENT FUND					
GARTZKE CONSTRUCTION IN	107446	PAY VOUCHER NO. 2	STORM WATER	430.73.5900.730.40066	1,300.00
				Fund 430 - 2010 IMPROVEMENT FUND Total:	**1,300.00**
Fund: 431 - 2011 IMPROVEMENT FUND					
BLACKHAWK TILE & STONE, I	107363	6/23/11	BUILDINGS	431.73.5900.731.30200	26,948.00
BUILDING MATERIAL SUPPLY	107364	INV29178	BUILDINGS	431.73.5900.731.30200	3,974.67
BUILDING MATERIAL SUPPLY	107364	INV29213	BUILDINGS	431.73.5900.731.30200	3,974.67
BUILDING MATERIAL SUPPLY	107364	INV29214	BUILDINGS	431.73.5900.731.30200	1,331.67
MASTER MECHANICAL INC	107390	INV30593	BUILDINGS	431.73.5900.731.30200	14,683.00
				Fund 431 - 2011 IMPROVEMENT FUND Total:	**50,912.01**
Fund: 440 - PAVEMENT MANAGEMENT PROJ					
WINDSCAPES	107515	PAY VOCHER NO. 2	IMPROVEMENTS (NON-BLDG	440.74.5900.740.80300	10,907.66
NORTHWEST ASPHALT, INC.	107355	PV 2	IMPROVEMENTS (NON-BLDG	440.74.5900.740.80300	6,789.43
S. M. HENTGES & SONS, INC.	107495	PV NO.1	IMPROVEMENTS (NON-BLDG	440.74.5900.740.80300	829,607.19
				Fund 440 - PAVEMENT MANAGEMENT PROJ Total:	**847,304.28**
Fund: 441 - STORM WATER MANAGEMENT					
EAGAN, CITY OF	107441	6/30/11	EAGAN UTILITY CONNECTIO	441.207.2070500	2,208.60
				Fund 441 - STORM WATER MANAGEMENT Total:	**2,208.60**
Fund: 444 - PARKS MTCE & REPLACEMENT					
PRAIRIE RESTORATIONS, INC	107486	INV0016271	REPAIR &MAINT-OTHER STR	444.74.5900.744.40047	4,930.00
				Fund 444 - PARKS MTCE & REPLACEMENT Total:	**4,930.00**
Fund: 501 - WATER UTILITY FUND					
CITY OF BLOOMINGTON	107367	6/1/11-6/29/11	OTHER PROFESSIONAL SERVI	501.50.7100.512.30700	430.00
GLASSING FLORIST	107449	INV00309671	OTHER PROFESSIONAL SERVI	501.50.7100.512.30700	78.09
GOPHER STATE ONE-CALL	107379	INV15015	OTHER PROFESSIONAL SERVI	501.50.7100.512.30700	674.25

Vendor Name	Payment Number	Payable Number	Account Name	Account Number	Amount
DOWNHOLE WELL SERVICES,	107377	INV6137	OTHER PROFESSIONAL SERVI	501.50.7100.512.30700	1,200.00
EAGAN, CITY OF	107441	6/30/11	WATER UTILITY SERVICES	501.50.7100.512.40005	15,568.92
XCEL ENERGY	107521	INV191922861	GAS UTILITY SERVICES	501.50.7100.512.40010	26.78
XCEL ENERGY	107531	INV191923248	GAS UTILITY SERVICES	501.50.7100.512.40010	26.78
XCEL ENERGY	107547	INV191923305	GAS UTILITY SERVICES	501.50.7100.512.40010	419.69
XCEL ENERGY	107543	INV191923437	GAS UTILITY SERVICES	501.50.7100.512.40010	26.72
XCEL ENERGY	107534	INV191923499	GAS UTILITY SERVICES	501.50.7100.512.40010	26.72
XCEL ENERGY	107517	INV191923691	GAS UTILITY SERVICES	501.50.7100.512.40010	26.72
XCEL ENERGY	107545	INV191923945	GAS UTILITY SERVICES	501.50.7100.512.40010	26.72
XCEL ENERGY	107518	INV191924173	GAS UTILITY SERVICES	501.50.7100.512.40010	27.46
XCEL ENERGY	107528	INV191924428	GAS UTILITY SERVICES	501.50.7100.512.40010	26.78
DAKOTA ELECTRIC ASSN	107375	5/9 - 6/7	ELECTRIC UTILITY SERVICES	501.50.7100.512.40020	11.19
XCEL ENERGY	107533	INV378978787	ELECTRIC UTILITY SERVICES	501.50.7100.512.40020	73.02
XCEL ENERGY	107519	INV378979311	ELECTRIC UTILITY SERVICES	501.50.7100.512.40020	248.05
XCEL ENERGY	107537	INV378979562	ELECTRIC UTILITY SERVICES	501.50.7100.512.40020	1,755.52
XCEL ENERGY	107546	INV378979822	ELECTRIC UTILITY SERVICES	501.50.7100.512.40020	84.43
XCEL ENERGY	107538	INV378979953	ELECTRIC UTILITY SERVICES	501.50.7100.512.40020	6,304.60
XCEL ENERGY	107548	INV378980186	ELECTRIC UTILITY SERVICES	501.50.7100.512.40020	17.70
XCEL ENERGY	107530	INV378980220	ELECTRIC UTILITY SERVICES	501.50.7100.512.40020	237.69
XCEL ENERGY	107523	INV378981155	ELECTRIC UTILITY SERVICES	501.50.7100.512.40020	35.49
XCEL ENERGY	107536	INV378981211	ELECTRIC UTILITY SERVICES	501.50.7100.512.40020	2,792.80
XCEL ENERGY	107520	INV378981347	ELECTRIC UTILITY SERVICES	501.50.7100.512.40020	3,835.77
XCEL ENERGY	107527	INV378981621	ELECTRIC UTILITY SERVICES	501.50.7100.512.40020	6,325.09
XCEL ENERGY	107522	INV378983014	ELECTRIC UTILITY SERVICES	501.50.7100.512.40020	396.27
RY-MAK PLUMBING & HEATI	107400	7/4/11-01	REPAIR & MAINT-BUILDINGS	501.50.7100.512.40040	105.00
RY-MAK PLUMBING & HEATI	107400	7/4/11-02	REPAIR & MAINT-BUILDINGS	501.50.7100.512.40040	105.00
RY-MAK PLUMBING & HEATI	107400	7/4/11-03	REPAIR & MAINT-BUILDINGS	501.50.7100.512.40040	105.00
RY-MAK PLUMBING & HEATI	107400	7/4/11-04	REPAIR & MAINT-BUILDINGS	501.50.7100.512.40040	460.50
RY-MAK PLUMBING & HEATI	107400	7/4/11-05	REPAIR & MAINT-BUILDINGS	501.50.7100.512.40040	376.73
RY-MAK PLUMBING & HEATI	107400	7/4/11-06	REPAIR & MAINT-BUILDINGS	501.50.7100.512.40040	105.00
RY-MAK PLUMBING & HEATI	107400	7/4/11-07	REPAIR & MAINT-BUILDINGS	501.50.7100.512.40040	376.73
RY-MAK PLUMBING & HEATI	107400	7/4/11-08	REPAIR & MAINT-BUILDINGS	501.50.7100.512.40040	105.00
RY-MAK PLUMBING & HEATI	107400	7/4/11-09	REPAIR & MAINT-BUILDINGS	501.50.7100.512.40040	460.50
TWIN CITY FILTER SERVICE IN	107408	INV0491570-IN	REPAIR & MAINT-BUILDINGS	501.50.7100.512.40040	706.26
BALDWIN SUPPLY CO	107416	INVIB138786	REPAIR & MAINT-BUILDINGS	501.50.7100.512.40040	94.22
BALDWIN SUPPLY CO	107416	INVIB138950	REPAIR & MAINT-BUILDINGS	501.50.7100.512.40040	26.16
HD SUPPLY WATERWORKS L	107381	INV3186165	REPAIR & MAINT.-UTILITIES	501.50.7100.512.40043	224.12
JOHN ROBERTS COMPANY	107387	INV206736	PRINTING & BINDING	501.50.7100.512.50030	5,552.16
GERTENS	107448	7/8/11	SUPPLIES - MAINTENANCE	501.50.7100.512.60016	78.99
BARTON SAND & GRAVEL CO	107417	INV0000259	SUPPLIES - MAINTENANCE	501.50.7100.512.60016	973.13
LAKELAND ENGINEERING EQ	107466	INV12237405-01	SUPPLIES - MAINTENANCE	501.50.7100.512.60016	768.71
JRK SEED & TURF SUPPLY	107388	INV1476	SUPPLIES - MAINTENANCE	501.50.7100.512.60016	188.10
JRK SEED & TURF SUPPLY	107460	INV1610	SUPPLIES - MAINTENANCE	501.50.7100.512.60016	159.12
ACE PAINT & HARDWARE	107359	INV507667/5	SUPPLIES - MAINTENANCE	501.50.7100.512.60016	12.78
ACE PAINT & HARDWARE	107359	INV507668/5	SUPPLIES - MAINTENANCE	501.50.7100.512.60016	9.61
				Fund 501 - WATER UTILITY FUND Total:	**51,696.07**
Fund: 502 - SEWER UTILITY FUND					
DAKOTA CTY TREASURER	107434	6/11	SURCHARGE	502.207.2070100	160.00
EAGAN, CITY OF	107441	6/30/11	SEWER UTILITY SERVICES	502.51.7200.514.40015	21,002.67
METROPOLITAN COUNCIL	107479	INV964737	SEWER UTILITY SERVICES	502.51.7200.514.40015	126,744.67
XCEL ENERGY	107541	INV378979055	ELECTRIC UTILITY SERVICES	502.51.7200.514.40020	165.35
XCEL ENERGY	107526	INV378979783	ELECTRIC UTILITY SERVICES	502.51.7200.514.40020	12.54
XCEL ENERGY	107542	INV378980032	ELECTRIC UTILITY SERVICES	502.51.7200.514.40020	524.43
XCEL ENERGY	107516	INV378980721	ELECTRIC UTILITY SERVICES	502.51.7200.514.40020	147.97
XCEL ENERGY	107524	INV378981071	ELECTRIC UTILITY SERVICES	502.51.7200.514.40020	101.68
XCEL ENERGY	107544	INV378981177	ELECTRIC UTILITY SERVICES	502.51.7200.514.40020	13.01
XCEL ENERGY	107535	INV378984621	ELECTRIC UTILITY SERVICES	502.51.7200.514.40020	54.53
PIPELINE ANALYTICS	107397	INV135	SUPPLIES - MAINTENANCE	502.51.7200.514.60016	3,512.12
				Fund 502 - SEWER UTILITY FUND Total:	**152,438.97**

Vendor Name	Payment Number	Payable Number	Account Name	Account Number	Amount
Fund: 503 - INVER WOOD GOLF COURSE					
WILSON SPORTING GOODS	107514	INV4509714194	CLUBS	503.52.8200.523.76250	88.82
DRAFT TECHNOLOGIES	107439	INV0627117J	REPAIR & MAINT.-EQUIPME	503.52.8300.524.40042	35.00
DRAFT TECHNOLOGIES	107439	INV0711116J	REPAIR & MAINT.-EQUIPME	503.52.8300.524.40042	35.00
SUMMIT FACILITY & KITCHE	107500	INV54915	REPAIR & MAINT.-EQUIPME	503.52.8300.524.40042	187.75
PRESTIGE ELECTRIC, INC.	107488	INV85176	REPAIR & MAINT.-EQUIPME	503.52.8300.524.40042	180.00
PRESTIGE ELECTRIC, INC.	107488	INV85177	REPAIR & MAINT.-EQUIPME	503.52.8300.524.40042	113.00
US FOODSERVICE	107510	INV3456889	SUPPLIES - OTHER	503.52.8300.524.60065	188.45
US FOODSERVICE	107510	INV3578477	SUPPLIES - OTHER	503.52.8300.524.60065	300.47
US FOODSERVICE	107510	INV3716300	SUPPLIES - OTHER	503.52.8300.524.60065	244.27
ARCTIC GLACIER, INC.	107414	INV381117605	SUPPLIES - OTHER	503.52.8300.524.60065	92.08
US FOODSERVICE	107510	INV3816392	SUPPLIES - OTHER	503.52.8300.524.60065	56.09
ARCTIC GLACIER, INC.	107414	INV382117301	SUPPLIES - OTHER	503.52.8300.524.60065	116.92
ARCTIC GLACIER, INC.	107414	INV38211900	SUPPLIES - OTHER	503.52.8300.524.60065	166.60
ARCTIC GLACIER, INC.	107414	INV387118612	SUPPLIES - OTHER	503.52.8300.524.60065	133.48
ARCTIC GLACIER, INC.	107414	INV388119406	SUPPLIES - OTHER	503.52.8300.524.60065	67.24
ARCTIC GLACIER, INC.	107414	INV396118301	SUPPLIES - OTHER	503.52.8300.524.60065	139.00
ARCTIC GLACIER, INC.	107414	INV461118003	SUPPLIES - OTHER	503.52.8300.524.60065	133.48
COLLEGE CITY BEVERAGE	107428	INV248230	BEER AND WINE	503.52.8300.524.75150	395.40
COLLEGE CITY BEVERAGE	107428	INV249480	BEER AND WINE	503.52.8300.524.75150	390.00
HEGGIES PIZZA	107455	INV1032847	FOOD	503.52.8300.524.76050	202.20
HEGGIES PIZZA	107455	INV1033143	FOOD	503.52.8300.524.76050	70.25
HEGGIES PIZZA	107455	INV1033222	FOOD	503.52.8300.524.76050	131.40
M. AMUNDSON LLP	107476	INV111294	FOOD	503.52.8300.524.76050	276.20
M. AMUNDSON LLP	107476	INV11738	FOOD	503.52.8300.524.76050	254.42
GRANDMA'S BAKERY	107452	INV142451	FOOD	503.52.8300.524.76050	35.55
GRANDMA'S BAKERY	107452	INV142730	FOOD	503.52.8300.524.76050	35.47
GRANDMA'S BAKERY	107452	INV142986	FOOD	503.52.8300.524.76050	35.48
GRANDMA'S BAKERY	107452	INV143252	FOOD	503.52.8300.524.76050	55.40
GRANDMA'S BAKERY	107452	INV143531	FOOD	503.52.8300.524.76050	35.48
GRANDMA'S BAKERY	107452	INV143761	FOOD	503.52.8300.524.76050	35.48
GRANDMA'S BAKERY	107452	INV144041	FOOD	503.52.8300.524.76050	35.48
GRANDMA'S BAKERY	107452	INV144330	FOOD	503.52.8300.524.76050	35.45
GRANDMA'S BAKERY	107452	INV144580	FOOD	503.52.8300.524.76050	35.45
GRANDMA'S BAKERY	107452	INV144858	FOOD	503.52.8300.524.76050	40.43
GRANDMA'S BAKERY	107452	INV145131	FOOD	503.52.8300.524.76050	38.34
GRANDMA'S BAKERY	107452	INV145785	FOOD	503.52.8300.524.76050	35.45
GRANDMA'S BAKERY	107452	INV145919	FOOD	503.52.8300.524.76050	35.45
GRANDMA'S BAKERY	107452	INV146004	FOOD	503.52.8300.524.76050	45.41
GRANDMA'S BAKERY	107452	INV146233	FOOD	503.52.8300.524.76050	35.45
GRANDMA'S BAKERY	107452	INV146481	FOOD	503.52.8300.524.76050	35.45
GRANDMA'S BAKERY	107452	INV146757	FOOD	503.52.8300.524.76050	35.45
GRANDMA'S BAKERY	107452	INV146984	FOOD	503.52.8300.524.76050	35.45
GRANDMA'S BAKERY	107452	INV147244	FOOD	503.52.8300.524.76050	35.45
GRANDMA'S BAKERY	107452	INV147499	FOOD	503.52.8300.524.76050	35.45
GRANDMA'S BAKERY	107452	INV147744	FOOD	503.52.8300.524.76050	35.45
GRANDMA'S BAKERY	107452	INV148024	FOOD	503.52.8300.524.76050	35.45
US FOODSERVICE	107510	INV3456889	FOOD	503.52.8300.524.76050	647.76
US FOODSERVICE	107510	INV3578477	FOOD	503.52.8300.524.76050	681.19
US FOODSERVICE	107510	INV3716300	FOOD	503.52.8300.524.76050	561.67
US FOODSERVICE	107510	INV3816392	FOOD	503.52.8300.524.76050	562.21
COCA COLA BOTTLING COM	107426	INV00118490722	BEVERAGES	503.52.8300.524.76100	454.09
COCA COLA BOTTLING COM	107426	INV0158514607	BEVERAGES	503.52.8300.524.76100	654.06
COCA COLA BOTTLING COM	107426	INV0158515511	BEVERAGES	503.52.8300.524.76100	769.89
US FOODSERVICE	107510	INV3578477	BEVERAGES	503.52.8300.524.76100	139.09
US FOODSERVICE	107510	INV3716300	BEVERAGES	503.52.8300.524.76100	91.33
COLLEGE CITY BEVERAGE	107428	INV250566	BEER	503.52.8300.524.76150	584.30
R.J.'S GOLF CARTS	107491	INV2227	OTHER RENTALS	503.52.8400.525.40065	640.00
YOCUM OIL COMPANY, INC.	107549	6/30/11	FUELS	503.52.8400.525.60021	1,441.92
XCEL ENERGY	107540	INV191433037	GAS UTILITY SERVICES	503.52.8500.526.40010	43.17

Vendor Name	Payment Number	Payable Number	Account Name	Account Number	Amount
XCEL ENERGY	107529	INV378001131	ELECTRIC UTILITY SERVICES	503.52.8500.526.40020	145.28
XCEL ENERGY	107525	INV378001190	ELECTRIC UTILITY SERVICES	503.52.8500.526.40020	1,002.88
XCEL ENERGY	107532	INV378001674	ELECTRIC UTILITY SERVICES	503.52.8500.526.40020	408.68
COVERALL OF THE TWIN CITI	107430	INV7070167179	REPAIR & MAINT-BUILDINGS	503.52.8500.526.40040	1,122.19
CHECKPOINT SYSTEMS INC	107422	INV900371118	REPAIR & MAINT-BUILDINGS	503.52.8500.526.40040	332.50
CHECKPOINT SYSTEMS INC	107422	INV900371119	REPAIR & MAINT-BUILDINGS	503.52.8500.526.40040	190.00
TDS METROCOM	107503	7/13/11	TELEPHONE	503.52.8500.526.50020	258.75
VERIZON WIRELESS	107409	INV2590402554	TELEPHONE	503.52.8500.526.50020	8.71
PIONEER PRESS	107485	INV0611520544	ADVERTISING/PUBLISHED N	503.52.8500.526.50025	1,800.00
TEE TIMES PRESS	107504	INV11383	ADVERTISING/PUBLISHED N	503.52.8500.526.50025	598.50
SOUTH BAY DESIGN	107498	INV7/2/11	ADVERTISING/PUBLISHED N	503.52.8500.526.50025	489.00
CITY PAGES	107424	INVD1004621	ADVERTISING/PUBLISHED N	503.52.8500.526.50025	630.00
XCEL ENERGY	107539	INV191433333	GAS UTILITY SERVICES	503.52.8600.527.40010	32.21
DAKOTA ELECTRIC ASSN	107436	6/28/11-05	ELECTRIC UTILITY SERVICES	503.52.8600.527.40020	224.99
XCEL ENERGY	107537	INV377799941	ELECTRIC UTILITY SERVICES	503.52.8600.527.40020	2,282.20
LAKE ELMO SOD FARM, LLC	107465	INV12742	SUPPLIES - GOLF COURSE	503.52.8600.527.60020	295.13
LAKE ELMO SOD FARM, LLC	107465	INV12755	SUPPLIES - GOLF COURSE	503.52.8600.527.60020	23.03
LAKE ELMO SOD FARM, LLC	107465	INV12785	SUPPLIES - GOLF COURSE	503.52.8600.527.60020	295.13
LEITNER COMPANY	107471	INV205142	SUPPLIES - GOLF COURSE	503.52.8600.527.60020	413.18
LEITNER COMPANY	107471	INV205777	SUPPLIES - GOLF COURSE	503.52.8600.527.60020	531.23
ACE PAINT & HARDWARE	107410	INV507631/5	SUPPLIES - GOLF COURSE	503.52.8600.527.60020	4.26
PRECISION TURF & CHEMICA	107487	INV36726	FERTILIZERS	503.52.8600.527.60030	1,152.81
PRECISION TURF & CHEMICA	107487	INV36729	FERTILIZERS	503.52.8600.527.60030	1,977.44
PRECISION TURF & CHEMICA	107487	INV36727	PESTICIDES	503.52.8600.527.60035	2,660.17
				Fund 503 - INVER WOOD GOLF COURSE Total:	**28,964.39**
Fund: 602 - RISK MANAGEMENT					
LEAGUE OF MN CITIES	107470	INV37430	PROPERTY DAMAGE INSURA	602.00.2100.415.50011	1,430.00
				Fund 602 - RISK MANAGEMENT Total:	**1,430.00**
Fund: 603 - CENTRAL EQUIPMENT					
MN WANNER COMPANY	107393	INV0089824-IN	GAS UTILITY SERVICES	603.00.5300.444.40010	253.43
FRAMING PLACE & GALLERY,	107445	INV17492	REPAIR & MAINT-BUILDINGS	603.00.5300.444.40040	134.14
ACE PAINT & HARDWARE	107410	INV507771/5	REPAIR & MAINT-BUILDINGS	603.00.5300.444.40040	24.01
TRACTOR SUPPLY CREDIT PL	107506	TICKET43770	REPAIR & MAINT-BUILDINGS	603.00.5300.444.40040	92.11
CENTENNIAL GLASS	107366	6/28/11-01	REPAIR & MAINT.-VEHICLES	603.00.5300.444.40041	197.26
CENTENNIAL GLASS	107366	6/28/11-02	REPAIR & MAINT.-VEHICLES	603.00.5300.444.40041	39.95
TRACTOR SUPPLY CREDIT PL	107406	6/29/11	REPAIR & MAINT.-VEHICLES	603.00.5300.444.40041	26.77
TURFWERKS	107407	INV0I24617	REPAIR & MAINT.-VEHICLES	603.00.5300.444.40041	56.87
KREMER SERVICES LLC	107464	INV11611	REPAIR & MAINT.-VEHICLES	603.00.5300.444.40041	170.18
FACTORY MOTOR PARTS CO	107442	INV1-3672712	REPAIR & MAINT.-VEHICLES	603.00.5300.444.40041	85.03
FACTORY MOTOR PARTS CO	107442	INV1-3673830	REPAIR & MAINT.-VEHICLES	603.00.5300.444.40041	297.10
CLAREY'S SAFETY EQUIPMEN	107368	INV139879	REPAIR & MAINT.-VEHICLES	603.00.5300.444.40041	555.75
CARQUEST AUTO PARTS STO	107365	INV1596-155801	REPAIR & MAINT.-VEHICLES	603.00.5300.444.40041	34.38
CARQUEST AUTO PARTS STO	107365	INV1596-155807	REPAIR & MAINT.-VEHICLES	603.00.5300.444.40041	23.73
CARQUEST AUTO PARTS STO	107421	INV1596-155881	REPAIR & MAINT.-VEHICLES	603.00.5300.444.40041	69.87
CARQUEST AUTO PARTS STO	107365	INV1596-155902	REPAIR & MAINT.-VEHICLES	603.00.5300.444.40041	42.10
CARQUEST AUTO PARTS STO	107421	INV1596-155981	REPAIR & MAINT.-VEHICLES	603.00.5300.444.40041	64.10
GERLACH OUTDOOR POWER	107447	INV173513	REPAIR & MAINT.-VEHICLES	603.00.5300.444.40041	112.17
MASTER TRANSMISSION	107477	INV215143	REPAIR & MAINT.-VEHICLES	603.00.5300.444.40041	995.37
KIRVIDA FIRE, INC.	107462	INV2259	REPAIR & MAINT.-VEHICLES	603.00.5300.444.40041	1,161.00
FARIBAULT HARLEY-DAVIDS	107443	INV268596	REPAIR & MAINT.-VEHICLES	603.00.5300.444.40041	703.90
FARIBAULT HARLEY-DAVIDS	107443	INV268598	REPAIR & MAINT.-VEHICLES	603.00.5300.444.40041	703.90
NORTH AMERICAN TRAILER	107394	INV3211660009	REPAIR & MAINT.-VEHICLES	603.00.5300.444.40041	885.07
INVER GROVE FORD	107386	INV5065354	REPAIR & MAINT.-VEHICLES	603.00.5300.444.40041	74.56
INVER GROVE FORD	107386	INV5065984	REPAIR & MAINT.-VEHICLES	603.00.5300.444.40041	508.23
INVER GROVE FORD	107386	INV5065987	REPAIR & MAINT.-VEHICLES	603.00.5300.444.40041	46.70
INVER GROVE FORD	107457	INV5066117	REPAIR & MAINT.-VEHICLES	603.00.5300.444.40041	55.36
ACE PAINT & HARDWARE	107410	INV507621/5	REPAIR & MAINT.-VEHICLES	603.00.5300.444.40041	16.66
FACTORY MOTOR PARTS CO	107442	INV74-014138	REPAIR & MAINT.-VEHICLES	603.00.5300.444.40041	232.10
PRESTIGE ELECTRIC, INC.	107488	INV85179	REPAIR & MAINT.-VEHICLES	603.00.5300.444.40041	72.00
ARAMARK UNIFORM SERVIC	107360	INV629-7273061	OTHER RENTALS	603.00.5300.444.40065	32.95

Vendor Name	Payment Number	Payable Number	Account Name	Account Number	Amount
HILLYARD INC	107383	INV6806457	SUPPLIES-JANITOR/CLEANIN	603.00.5300.444.60011	226.60
WESTERN PETROLEUM COM	107513	INV0357263	SUPPLIES - SHOP	603.00.5300.444.60012	456.21
METRO JANITORIAL SUPPLY I	107478	INV11010764	SUPPLIES - SHOP	603.00.5300.444.60012	107.40
CARQUEST AUTO PARTS STO	107365	INV1596-155639	SUPPLIES - SHOP	603.00.5300.444.60012	6.58
CARQUEST AUTO PARTS STO	107421	INV1596-156156	SUPPLIES - SHOP	603.00.5300.444.60012	44.88
CARQUEST AUTO PARTS STO	107421	INV1596-156209	SUPPLIES - SHOP	603.00.5300.444.60012	20.52
CARQUEST AUTO PARTS STO	107421	INV1596-156327	SUPPLIES - SHOP	603.00.5300.444.60012	30.62
CARQUEST AUTO PARTS STO	107421	INV1596-155974	SM TOOLS & MISC EQUIPME	603.00.5300.444.60040	66.86
ARAMARK UNIFORM SERVIC	107360	INV629-7273061	UNIFORMS & CLOTHING	603.00.5300.444.60045	17.21
ARAMARK UNIFORM SERVIC	107413	INV629-72778333	UNIFORMS & CLOTHING	603.00.5300.444.60045	17.21
ARAMARK UNIFORM SERVIC	107413	INV629-72778333	UNIFORMS & CLOTHING	603.00.5300.444.60045	32.95
WESTERN PETROLEUM COM	107513	INV0356154	SHOP INVENTORY	603.140.1450050	818.74
CARQUEST AUTO PARTS STO	107365	INV1596-155482	SHOP INVENTORY	603.140.1450050	21.59
CARQUEST AUTO PARTS STO	107365	INV1596-155761	SHOP INVENTORY	603.140.1450050	10.47
CARQUEST AUTO PARTS STO	107365	INV1596-155828	SHOP INVENTORY	603.140.1450050	53.39
CARQUEST AUTO PARTS STO	107365	INV1596-155904	SHOP INVENTORY	603.140.1450050	24.11
CARQUEST AUTO PARTS STO	107421	INV1596-155910	SHOP INVENTORY	603.140.1450050	44.52
CARQUEST AUTO PARTS STO	107421	INV1596-156156	SHOP INVENTORY	603.140.1450050	27.60
CARQUEST AUTO PARTS STO	107421	INV1596-156280	SHOP INVENTORY	603.140.1450050	20.82
SYN-TECH SYSTEMS	107501	INV63344	SHOP INVENTORY	603.140.1450050	95.00
LARSON COMPANIES	107389	INVF-211790026	SHOP INVENTORY	603.140.1450050	38.40
YOCUM OIL COMPANY, INC.	107549	INV442689	FUEL INVENTORY	603.140.1450060	5,056.74
YOCUM OIL COMPANY, INC.	107549	INV442691	FUEL INVENTORY	603.140.1450060	4,136.69
YOCUM OIL COMPANY, INC.	107549	INV442699	FUEL INVENTORY	603.140.1450060	10,926.47
				Fund 603 - CENTRAL EQUIPMENT Total:	**30,068.33**
Fund: 604 - CENTRAL STORES					
PRECISION DATA SYSTEMS	107399	INV008494	SUPPLIES - OFFICE	604.00.2200.416.60010	1,612.64
PRECISION DATA SYSTEMS	107399	INV008495	SUPPLIES - OFFICE	604.00.2200.416.60010	282.55
				Fund 604 - CENTRAL STORES Total:	**1,895.19**
Fund: 605 - CITY FACILITIES					
LONE OAK COMPANIES	107473	INV51626	POSTAGE/DELIVERY	605.00.7500.460.50035	503.91
LONE OAK COMPANIES	107473	INV51651	POSTAGE/DELIVERY	605.00.7500.460.50035	218.33
				Fund 605 - CITY FACILITIES Total:	**722.24**
Fund: 606 - TECHNOLOGY FUND					
DAKOTA CTY TREASURER-AU	107435	INV2011-IGH	OTHER PROFESSIONAL SERVI	606.00.1400.413.30700	2,328.00
CIVICPLUS	107425	INV90209	OTHER PROFESSIONAL SERVI	606.00.1400.413.30700	1,750.50
DELL MARKETING	107437	INVXFC6KD491	REPAIR & MAINT - COMPUTE	606.00.1400.413.40049	481.74
DELL MARKETING	107437	INVXFCC11KK7	REPAIR & MAINT - COMPUTE	606.00.1400.413.40049	53.55
DELL MARKETING	107437	INVXFCDJTP2	REPAIR & MAINT - COMPUTE	606.00.1400.413.40049	20,532.58
DELL MARKETING	107437	INVXFCDMK5X4	REPAIR & MAINT - COMPUTE	606.00.1400.413.40049	7,222.70
				Fund 606 - TECHNOLOGY FUND Total:	**32,369.07**
Fund: 702 - ESCROW FUND					
CARLTON COUNTY SHERIFF'S	107353	1011581	POLICE FORFEITURES	702.228.2291000	300.00
RICE COUNTY SHERIFF'S OFFI	107358	11285	POLICE FORFEITURES	702.228.2291000	300.00
HENNEPIN COUNTY DISTRIC	107357	11403567	POLICE FORFEITURES	702.228.2291000	50.00
HENNEPIN COUNTY DISTRIC	107382	11406994	POLICE FORFEITURES	702.228.2291000	50.00
DAKOTA CTY SHERIFF'S DEPT	107356	201152428	POLICE FORFEITURES	702.228.2291000	250.00
				Fund 702 - ESCROW FUND Total:	**950.00**
Fund: 703 - LANDFILL ABATEMENT					
J.R.'S APPLIANCE DISPOSAL, I	107458	INV75761	REFUSE DISPOSAL	703.43.5500.446.40025	179.80
				Fund 703 - LANDFILL ABATEMENT Total:	**179.80**
				Grand Total:	**1,445,627.97**

AGENDA ITEM 4C

CITY OF INVER GROVE HEIGHTS **REQUEST FOR COUNCIL ACTION**

Consider Pay Voucher No. 2 for City Project No. 2010-09H – South Grove Sod Repair Project.

Meeting Date:	July 25, 2011		**Fiscal/FTE Impact:**
Item Type:	Consent		None
Contact:	Thomas J. Kaldunski, 651.450.2572		Amount included in current budget
Prepared by:	Thomas J. Kaldunski, City Engineer		Budget amendment requested
Reviewed by:	Scott D. Thureen, Public Works Director		FTE included in current complement
			New FTE requested – N/A
		X	Other: Pavement Management Fund

TJK

SDT CS

PURPOSE/ACTION REQUESTED

Consider Pay Voucher No. 2 for City Project No. 2010-09H – South Grove Sod Repair Project.

SUMMARY

The improvements were ordered as part of the 2010 Pavement Management Program. The contract was awarded in the amount of $38,625.00 to Windscapes on April 26, 2010 for City Project No. 2010-09H – South Grove Sod Repair Project.

The contractor has completed the work through June 30, 2011 in accordance with the contract plans and specifications. A minimum of five (5) percent retainage will be maintained until the project is completed.

I recommend approval of Payment Voucher No. 2 in the amount of $10,907.66 for work on City Project No. 2010-09H – South Grove Sod Repair Project.

TJK/kf
Attachments: Pay Voucher No. 2

CITY OF INVER GROVE HEIGHTS
CONSTRUCTION PAY VOUCHER

ESTIMATE NO: 2 (Two)

DATE: July 25, 2011

PERIOD ENDING: June 30, 2011

CONTRACT: 2010 Pavement Management Program

PROJECT NO: 2010-09H – South Grove Sod Repair Project

TO: Windscapes
1848 50th Street East, Suite 104
Inver Grove Heights, MN 55077

Original Contract Amount	$38,625.00
Total Addition (Change Order No. 1)	$7,292.40
Total Deduction	$0.00
Total Contract Amount	$45,917.40
Total Value of Work to Date	$39,066.15
Less Retained (5%)	$1,953.31
Less Previous Payment	$26,205.18
Total Approved for Payment this Voucher	$10,907.66
Total Payments including this Voucher	$37,112.84

Approvals:

Pursuant to our field observation, I hereby recommend for payment the above state amount for work performed through June 30, 2011.

Signed by: Thomas J. Kaldunski, City Engineer — July 19, 2011

Signed by: Windscapes — Date

Signed by: George Tourville, Mayor — July 25, 2011

Payment Detail List

Contract: CP 2010-09H
Owner: City of Inver Grove Heights
Project: South Grove Sod Repair Project

Schedule:
Description:

Item No.	Item Description	Unit	Estimated Quantitiy	Quantity To-Date	Contract Unit Price	Total Estimated Cost	Total Contract Cost To-Date
1	Street Sweeper with Pickup Broom	HR	5	5.00	$135.00	$ 675.00	$ 675.00
2	Terraseeding	LS	1	0.987	$36,450.00	$ 36,450.00	$ 35,976.15
3	Water Usage Allowance	LS	1	1.00000	$1,500.00	$ 1,500.00	$ 1,500.00

Schedule A Subtotal: $ 38,625.00 $ 37,476.15

Description		Total Estimated Cost	Total Contract Cost To-Date
Sod Replacement		$ 38,625.00	$ 37,476.15
	Total Base Cost	$ 38,625.00	$ 37,476.15
	Change Order No. 1	$ 7,292.40	$ 1,590.00
	Total Contract Amount	$ 38,625.00	$ 45,917.40
	Contract Work Completed To Date		$ 39,066.15
	Retainage (5%)		$ 1,953.31
	Previous Payments		$ 26,205.18
	Amount Due This Payment #2		$ 10,907.66

AGENDA ITEM 4D

CITY OF INVER GROVE HEIGHTS **REQUEST FOR COUNCIL ACTION**

Consider Change Order No. 1 and Pay Voucher No. 1 for City Project No. 2011-09D – South Grove Urban Street Reconstruction – Area 6

Meeting Date:	July 25, 2011
Item Type:	Consent TJK
Contact:	Thomas J. Kaldunski, 651.450.2572
Prepared by:	Thomas J. Kaldunski, City Engineer
Reviewed by:	Scott D. Thureen, Public Works Director SDT

Fiscal/FTE Impact:

	None
	Amount included in current budget
	Budget amendment requested
	FTE included in current complement
	New FTE requested – N/A
X	Other: Pavement Management Fund, Special Assessments, MSA Funds, Water Fund, Sewer Fund, 402 Park Fund

PURPOSE/ACTION REQUESTED

Consider Change Order No. 1 and Pay Voucher No. 1 for City Project No. 2011-09D – South Grove Urban Street Reconstruction – Area 6.

SUMMARY

The improvements were ordered as part of the 2011 Pavement Management Program. The contract was awarded in the amount of $2,661,044.70 to S. M. Hentges and Sons, Inc., on May 9, 2011 for City Project No. 2011-09D South Grove Urban Street Reconstruction, Area 6.

Change Order No. 1, in the amount of $9,133.53, is for 3 items as follows: 1. Additional stripping and re-spreading of existing topsoil at Skyview Park; 2. Removal of an existing buried sign base at Dehrer Way and 74th Street; and 3. Repair of an existing gate valve box at Dehrer Way and 74th Street. The first item is being funded by the 402 Park Fund. The second item is being funded by the Pavement Management Fund. The last item is being funded by the Water Operation Fund. The contractor has completed the work through June 30, 2011 in accordance with the contract plans and specifications. A five (5) percent retainage will be maintained until the project is completed.

I recommend approval of Change Order No. 1 in the amount of $9,133.53 (for a revised contract amount of $2,670,178.23), and approval of Payment Voucher No. 1 in the amount of $829,607.19 for work on City Project No. 2011-09D – South Grove Urban Street Reconstruction Area 6.

TJK/kf
Attachments: Change Order No. 1
Pay Voucher No. 1

CHANGE ORDER NO. 1

2011 PAVEMENT MANAGEMENT PROGRAM
CITY PROJECT NO. 2011-09D
URBAN STREET RECONSTRUCTION – SOUTH GROVE AREA 6

Owner: City of Inver Grove Heights 8150 Barbara Avenue Inver Grove Heights, MN 55077	Date of Issuance: July 14, 2011
Contractor: S.M. Hentges and Sons, Inc. 650 Quaker Ave. Jordan, MN 55352	Engineer: City Engineer

PURPOSE OF CHANGE ORDER

See attached.

CHANGE IN CONTRACT PRICE	CHANGE IN CONTRACT TIME
Original Contract Price: $2,661,044.70	Original Contract Time:
Previous Change Orders $0.00	Net Change from Previous Change Orders
Contract Price Prior to this Change Order $2,661,044.70	Contract Time Prior to this Change Order
Net Increase of this Change Order $9,133.53	Net Increase (Decrease) of Change Order
Contract Price with all Approved Change Orders $2,670,178.23	Contract Time with Approved Change
Recommended By:_____ Nick Hahn, Engineering Technician	Approved By:_____ S.M. Hentges and Sons, Inc.

Approved By:	Approved By:	Date of Council Action:
Thomas J. Kaldunski, City Engineer	George Tourville, Mayor	July 25, 2011

ATTACHMENT TO CHANGE ORDER NO. 1

CITY PROJECT NO. 2011-09D – URBAN STREET RECONSTRUCTION SOUTH GROVE AREA 6

Description of Changes:

Additional Topsoil Stripping and Re-spreading at Skyview Park

After the contract was awarded, the Parks Department requested that the contractor strip one foot of topsoil from Skyview Park prior to filling, and re-spread that amount of topsoil after the filling is complete. Typically, only four inches of topsoil is stripped and re-spread. The contractor has requested, and City staff has agreed to, payment for the additional eight inches of topsoil work. The final invoiced amount was $8286.08 based on field measurements.

3872 Cubic Yards of Topsoil X $2.14 per Cubic Yard = $8286.08

Removal of Existing Sign Base at the Corner of Dehrer Way and 74th Street

A large buried concrete sign base was discovered in the work area at the corner of Dehrer Way and 74th Street. The sign base had to be removed to complete grading and utility work. This work was done as time-and-materials work with an agreed price of $397.45.

Total Cost of Sign Base Removal = $397.45

Repair of Existing Gate Valve Box at the Intersection of Dehrer Way and 74th Street

One of the existing gate valves at the intersection of Dehrer Way and 74th Street had a valve box that could not be adjusted to grade due to its poor condition. The contractor replaced the degraded valve box parts and adjusted the valve to grade. The contract contains no items to address replacing valve boxes on existing gate valves. This work was done as time-and-materials work with an agreed price of $450.00

Total Cost of Valve Box Repair at Dehrer Way and 74th Street = $450.00

Total Cost of Revisions $9,133.53

CITY OF INVER GROVE HEIGHTS
CONSTRUCTION PAY VOUCHER

ESTIMATE NO: 1 (One)

DATE: July 14, 2011

PERIOD ENDING: June 30, 2011

CONTRACT: 2011 Pavement Management Program

PROJECT NO: 2011-09D – Urban Street Reconstruction - South Grove Area 6

TO: S.M. Hentges and Sons, Inc.
650 Quaker Ave.
Jordan, MN 55352

Original Contract Amount	$2,661,044.70
Total Addition (Change Order No. 1)	$9,133.53
Total Deduction	$0.00
Total Contract Amount	$2,670,178.23
Total Value of Work to Date	$873,270.73
Less Retained (5%)	$43,663.54
Less Previous Payment	$0.00
Total Approved for Payment this Voucher	$829,607.19
Total Payments including this Voucher	$829,607.19

Approvals:

Pursuant to our field observation, I hereby recommend for payment the above state amount for work performed through June 30, 2011.

Signed by: Thomas J. Kalduncki — July 14, 2011
Thomas J. Kalduncki, City Engineer

Signed by: _____ _____
S.M. Hentges, Inc. — Date

Signed by: _____ July 25, 2011
George Tourville, Mayor

COST SUMMARY

Contract: CP 2009-09D

Owner: City of Inver Grove Heights

Project: South Grove Street Reconstruction Area 4

Schedule	Description	Total Estimated Cost	Total Contract Cost To-Date
A	Street Improvements	$ 1,733,779.95	$ 479,756.55
B	Storm Sewer Improvements	$ 300,831.75	$ 170,379.28
C	Sanitary Sewer Improvements	$ 108,917.50	$ 15,513.75
D	Watermain Improvements	$ 292,300.50	$ 182,517.63
E	Allowances	$ 41,000.00	$ -
	Total Base Cost	$ 2,476,829.70	$ 848,167.20
1	Bid Alternate 1 - Craig Court Full Reconstruction	$ 119,230.50	$ 3,198.00
4	Bid Alternate 4 - Skyview Park	$ 24,006.50	$ 7,772.00
5	Bid Alternate 5 - McPhillips	$ 25,900.50	$ -
6	Bid Alternate 6 - 66th Street Project Fill Site	$ 15,077.50	$ 5,000.00
	Total Bid Alternates	$ 184,215.00	$ 15,970.00
	Change Order No. 1		$ 9,133.53
	Change Order No. 2		
	Change Order No. 3		
	Total Contract Amount	$ 2,661,044.70	
	Contract Work Completed To Date		$ 873,270.73
	Retainage (5.0%)		$ 43,663.54
	Previous Payments		
	Amount Due This Partial Payment #1		$ 829,607.19

AGENDA ITEM 4E

CITY OF INVER GROVE HEIGHTS **REQUEST FOR COUNCIL ACTION**

Consider Final Compensating Change Order No. 1, Final Pay Voucher No. 2, Engineer's Final Report, and Resolution Accepting Work for City Project No. 2010-19 – Storm Water Facility Maintenance Program Zone 7

Meeting Date:	July 25, 2011 TJK	
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 SDT CS	

Fiscal/FTE Impact:

	None
	Amount included in current budget
	Budget amendment requested
	FTE included in current complement
	New FTE requested – N/A
X	Other: Street Maintenance Fund

PURPOSE/ACTION REQUESTED

Consider Final Compensating Change Order No. 1, Final Pay Voucher No. 2, Engineer's Final Report, and Resolution Accepting Work for City Project No. 2010-19 – Storm Water Facility Maintenance Program Zone 7.

SUMMARY

The improvements were included as part of the 2010 Storm Water Facility Maintenance Program. The contract was awarded in an amount of $35,352.00 to Gartzke Construction, Inc. on September 13, 2010.

The contractor has completed the work through June 30, 2011 in accordance with the contract plans and specifications. The Final Compensating Change Order, in the amount of -$10,414.00 is to balance the final contract amount with the final work completed to date.

I recommend approval of the Final Compensating Change Order in the amount of -$10,414.00 (for a final contract amount of $24,938.00), Final Pay Voucher No. 2 in the amount of $1,300.00, acceptance of the Engineer's Final Report, and approval of the Resolution Accepting Work for City Project No. 2010-19 – Storm Water Facility Maintenance Program Zone 7.

TJK/kf

Attachments: Final Compensating Change Order No. 1
Final Pay Voucher No. 2
Engineer's Final Report
Resolution Accepting Work

FINAL COMPENSATING CHANGE ORDER No. 1

2010 IMPROVEMENT PROGRAM
CITY PROJECT NO. 2010-19
STORM WATER FACILITY MAINTENANCE PROGRAM

Owner: City of Inver Grove Heights 8150 Barbara Avenue Inver Grove Heights, MN 55077	Date of Issuance: July 5, 2011
Contractor: Gartzke Construction, Inc. 2177 Highland Drive Hastings, MN 55033	Engineer: City Engineer

Purpose of Change Order

The contract has been modified to include the following:

See attached explanation sheet.

CHANGE IN CONTRACT PRICE	CHANGE IN CONTRACT TIME
Original Contract Price: $35,352.00	Original Contract Time:
Previous Change Orders $0.00	Net Change from Previous Change Orders
Contract Price Prior to this Change Order $35,352.00	Contract Time Prior to this Change Order
Net Decrease of this Change Order ($10,414)	Net Increase (Decrease) of Change Order
Contract Price with all Approved Change Orders Orders $24,938.00	Contract Time with Approved Change
Recommended By: _____ Engineering Technician	Approved By: _____ Gartzke Construction, Inc.

Approved By:	Approved By:	Date of Council Action:
Thomas J. Kaldunski, City Engineer	George Tourville, Mayor	

ATTACHMENT TO FINAL COMPENSATING CHANGE ORDER No. 1

Final compensating amount to balance value of work completed and total payments made to Contractor. Accounts for miscellaneous increases and decreases in contract quantities listed in Final Payment Voucher form. The amount is calculated as follows:

Total Value of work completed to date	$ 24,938.00
Contract amount to date	$ 35,352.00
Compensating Change Order Amount	**-$10,414.00**

Total of Change Order Number 1 -$10,414.00

CONSTRUCTION PAY VOUCHER

ESTIMATE NO: 2 (Two) - FINAL

DATE: July 1, 2011

PERIOD ENDING: June 30, 2011

CONTRACT: 2010 Storm Water Facility Maintenance Program

PROJECT NO: 2010-19 – Storm Water Facility Maintenance Program Zone 7

TO: Gartzke Construction, Inc.
2177 Highland Drive
Hastings, MN 55033

Original Contract Amount $35,352.00

Total Addition $0.00

Total Deduction (Final Compensating Change Order No. 1) ..... ($10,414.00)

Total Contract Amount $24,938.00

Total Value of Work to Date $24,938.00

Less Retained (0%) $0.00

Less Previous Payment $23,638.00

Total Approved for Payment this Voucher $1,300.00

Total Payments including this Voucher $24,938.00

Approvals:

Pursuant to our field observation, I hereby recommend for payment the above stated amount for work performed through June 30, 2011.

Signed by: Thomas J. Kaldunski — July 5, 2011
Thomas J. Kaldunski, City Engineer

Signed by: _____ _____
Gartzke Construction, Inc. Date

Signed by: _____ July 25, 2011
George Tourville, Mayor

2010 STORM WATER FACILITY MAINTENANCE PROGRAM
CITY OF INVER GROVE HEIGHTS
ZONE 7
CITY PROJECT NO. 2010-19

BASE BID

ITEM NO.	MN/DOT NO.	DESCRIPTION	UNITS	ESTIMATED QUANTITY	QUANTITY TO DATE	UNIT PRICE	TOTAL ESTIMATED COST	CONTRACT COST TO DATE
1	2021.501	MOBILIZATION	LS	1.0	1.0	$ 500.00	$ 500.00	$ 500.00
2	2104.501	REMOVE EXISTING 15" RC PIPE SEWER	LF	8.0	8.0	$ 5.00	$ 40.00	$ 40.00
3	2104.509	REMOVE EXISTING 15" RC APRON	EA	1.0	1.0	$ 1,000.00	$ 1,000.00	$ 1,000.00
4	2105.505	MUCK EXCAVATION (EV)	CY	50.0	50.0	$ 20.00	$ 1,000.00	$ 1,000.00
5	SPECIAL	EXCAVATION (FILL IN FLOOD PLAIN) (P)	CY	468.0	468.0	$ 4.00	$ 1,872.00	$ 1,872.00
6	2501.573	INSTALL FLEX STAKE MARKER POST	EA	4.0	2.0	$ 50.00	$ 200.00	$ 100.00
7	2501.602	18" RC PIPE APRON AND TRASH GUARD	EA	1.0	1.0	$ 1,500.00	$ 1,500.00	$ 1,500.00
8	2503.541	18" RC PIPE SEWER DESIGN 3006 CLASS III	LF	30.0	30.0	$ 40.00	$ 1,200.00	$ 1,200.00
9	2506.502	CONSTRUCT DRAINAGE STRUCTURE, DESIGN 48-4020	EA	1.0	1.0	$ 4,000.00	$ 4,000.00	$ 4,000.00
10	2506.522	ADJUST FRAME AND RING CASTING	EA	1.0	2.0	$ 200.00	$ 200.00	$ 400.00
11	2506.602	CONNECT TO EXISTING STORM SEWER	EA	1.0	1.0	$ 2,000.00	$ 2,000.00	$ 2,000.00
12	2511.501	RANDOM RIP RAP - CLASS IV	CY	50.0	37.5	$ 80.00	$ 4,000.00	$ 3,000.00
13	2511.515	GEOTEXTILE FILTER, TYPE III	SY	80.0	88.0	$ 3.00	$ 240.00	$ 264.00
14	2575.602	TERRASEEDING, SEED MIXTURE 325	SY	600.0	438.0	$ 3.00	$ 1,800.00	$ 1,314.00
15	2575.602	TERRASEEDING, SEED MIXTURE 270	SY	400.0	0.0	$ 3.00	$ 1,200.00	$ -
16	SPECIAL	SOD WITH SELECT TOPSOIL	SY	800.0	346.0	$ 6.00	$ 4,800.00	$ 2,076.00
17	2211.501	AGGREGATE BASE, CLASS 5	TON	50.0	28.6	$ 20.00	$ 1,000.00	$ 572.00
18	SPECIAL	EROSION CONTROL	LS	1.0	0.0	$ 1,000.00	$ 1,000.00	$ -
19	SPECIAL	SPRINKLER SYSTEM REPAIR (ALLOWANCE)	LS	1.0	0.3	$ 5,000.00	$ 5,000.00	$ 1,300.00
						BASE BID SUBTOTAL:	**$ 32,552.00**	**$ 22,138.00**

BID ALTERNATE NO. 1

ITEM NO.	MN/DOT NO.	DESCRIPTION	UNITS	ESTIMATED QUANTITY	QUANTITY TO DATE	UNIT PRICE	TOTAL ESTIMATED COST	CONTRACT COST TO DATE
1	SPECIAL	CLEARING AND GRUBBING INCLUDING MOBILIZATION	LS	1.0	1.0	$ 2,800.00	$ 2,800.00	$ 2,800.00

ORIGINAL CONTRACT AMOUNT:	**$ 35,352.00**
FINAL COMPENSATING CHANGE ORDER 1:	**$ (10,414.00)**
FINAL CONTRACT AMOUNT:	**$ 24,938.00**

CONTRACT WORK COMPLETED TO DATE:	**$ 24,938.00**
RETAINAGE (0%):	**$ -**
PREVIOUS PAYMENTS:	**$ 23,638.00**
PAYMENT #2 FINAL TOTAL:	**$ 1,300.00**

CITY OF INVER GROVE HEIGHTS
DAKOTA COUNTY, MINNESOTA

ENGINEER'S REPORT OF FINAL ACCEPTANCE

CITY PROJECT NO. 2010-19
STORM WATER FACILITY MAINTENANCE PROGRAM

July 25, 2011

TO THE CITY COUNCIL
INVER GROVE HEIGHTS, MINNESOTA

HONORABLE MAYOR AND CITY COUNCIL MEMBERS:

This is to advise you that I have received the work under contract to Gartzke Construction, Inc. The work consisted of bituminous Storm Water Facility Maintenance Program.

The contractor has completed the project in accordance with the contract.

It is recommended, herewith, that final payment be made for said improvements to the contractor in the amount as follows:

ORIGINAL CONTRACT PRICE	$35,352.00
CHANGE ORDER (Deduction)	($10,414.00)
FINAL CONTRACT AMOUNT	$24,938.00
FINAL VALUE OF WORK	$24,938.00
PREVIOUS PAYMENTS	$23,638.00
BALANCE DUE	$1,300.00

Sincerely,

Thomas J. Kaldunski

Thomas J. Kaldunski, P.E.
City Engineer

CITY OF INVER GROVE HEIGHTS
DAKOTA COUNTY, MINNESOTA

RESOLUTION ACCEPTING WORK OF GARTZKE CONSTRUCTION, INC. AND AUTHORIZING FINAL PAYMENT IN THE AMOUNT OF $1,300.00

2010 STORM WATER FACILITY MAINTENANCE PROGRAM
CITY PROJECT NO. 2010-19 – STORM WATER FACILITY MAINTENANCE PROGRAM

RESOLUTION NO. _____

WHEREAS, pursuant to a written contract with the City of Inver Grove Heights dated September 27, 2010, Gartzke Construction, Inc., satisfactorily completed improvements and appurtenances for the 2010 Storm Water Facility Maintenance Program, City Project No. 2010-19 – Storm Water Facility Maintenance Program.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF INVER GROVE HEIGHTS: That the work completed under this contract is hereby accepted and approved, and

BE IT FURTHER RESOLVED: That the Mayor and the City Clerk are hereby directed to issue a proper order for final payment on such contract, taking the contractor's receipt in full.

Adopted by the City Council of Inver Grove Heights this 25th day of July 2011.

AYES:
NAYS:

_____
George Tourville, Mayor

ATTEST:

_____
Melissa Rheaume, Deputy Clerk

AGENDA ITEM 4F

CITY OF INVER GROVE HEIGHTS **REQUEST FOR COUNCIL ACTION**

Resolution Approving Supplemental Letter Agreement with Short Elliott Hendrickson, Inc. for Engineering Services Related to Annual Bridge Inspections

Meeting Date:	July 25, 2011
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:

	None
	Amount included in current budget
	Budget amendment requested
	FTE included in current complement
	New FTE requested – N/A
X	Other: Engineering Division (30-30) and Parks and Recreation Maintenance Fund

PURPOSE/ACTION REQUESTED

Consider a resolution approving a supplemental letter agreement with SEH, Inc. for engineering services for conducting annual bridge inspections to ensure City compliance with this regulation.

SUMMARY

The City of Inver Grove Heights has been responsible for conducting annual bridge inspections on three bridges under the City's jurisdiction. These bridges are railroad bridges over City streets identified as bridge numbers 19554, 19558 and L3292. Recently, the City has utilized the Bridge Inspection Services provided by Dakota County. In early 2011, the County notified a number of cities (such as Inver Grove Heights and Burnsville) that these services would not be available for the 2012 Bridge Inspections.

The City contacted engineering consultants in our structural consulting pool to determine if these services could be provided. SEH, Inc. has been selected to perform the City's Annual Bridge Inspections from the Engineering Consulting Pool. A copy of a supplemental agreement for these services is attached. SEH was selected for these services because of their knowledge and experience on bridges. The City has recently worked with SEH on the swing bridge renovations. The swing bridge pier will likely need to be added to the inspections program. It is also likely that the new bridge on the East Frontage Road of TH 52 will be added in the foreseeable future.

Some bridges will be inspected annually, while some can be inspected every two years. The City Engineer will become the program administrator and SEH will conduct the inspections. SEH will provide their services on an hourly basis for the actual services rendered. The anticipated budget for the 2012 inspections will be in the range of $1500 to $2500. Funding is provided through the Engineering Division budget for Engineering Consultants and the Parks and Recreation Maintenance Fund.

It is recommended that the City Council adopt the resolution approving the supplemental agreement with SEH, Inc. for the City's Bridge Inspection Program.

TJK/kf
Attachments: Resolution
Supplemental Agreement

CITY OF INVER GROVE HEIGHTS
DAKOTA COUNTY

RESOLUTION APPROVING SUPPLEMENTAL LETTER AGREEMENT FROM SHORT ELLIOT HENDRICKSON, INC. FOR ENGINEERING SERVICES FOR THE ANNUAL BRIDGE INSPECTION PROGRAM

RESOLUTION NO. _____

WHEREAS, the City of Inver Grove Heights is required to perform regular bridge safety inspections on structures within its jurisdiction; and

WHEREAS, SEH, Inc. has submitted a supplemental letter agreement for engineering services to ensure the City of Inver Grove Heights' Annual Bridge Inspection Program continues, as requested by the City of Inver Grove Heights; and

WHEREAS, SEH, Inc. is in the City's Structural Consultant Pool and has the knowledge and experience needed to conduct the City's Bridge Inspections, including the swing bridge pier on 66th Street.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF INVER GROVE HEIGHTS, MINNESOTA THAT:

1. The proposal dated July 13, 2011 with SEH, Inc. for the following work is hereby approved. Tasks include:
   (a) Perform routine bridge inspections on one and two-year intervals in accordance with Mn/DOT requirements
   (b) Update Bridge Inspection Reports and Bridge Inventory Reports
   (c) Summarize the inspection findings and offer recommendations on repairs to the City

2. Funding for this work, estimated to range from $1500 to $2500, shall come from the Engineering Division budget for Engineering Consultants and the Parks and Recreation Maintenance Fund.

Adopted by the City Council of Inver Grove Heights, Minnesota this 25th day of July 2011

AYES:
NAYS:

_____
George Tourville, Mayor

ATTEST:

_____
Melissa Rheaume, Deputy Clerk

Supplemental Letter Agreement

In accordance with the Master Agreement for Professional Services between City of Inver Grove Heights ("Client"), and Short Elliott Hendrickson Inc. (Consultant), effective May 27, 2009, this Supplemental Letter Agreement dated July 13, 2011 authorizes and describes the scope, schedule, and payment conditions for Consultant's work on the Project described as: Routine Bridge Inspections.

Client's Authorized Representative: Tom Kaldunski, PE City Engineer
Address: 8150 Barbara Ave
Inver Grove Heights, MN 55077
Telephone: 651.450.2572 **e-mail:** tkaldunski@ci.inver-grove-heights.mn.us

Project Manager: Jeff A. Johnson, PE
Address: 3535 Vadnais Center Drive
St. Paul, MN 55110
Telephone: 651.490.2078 **e-mail:** jjohnson@sehinc.com

Scope: The Basic Services to be provided by Consultant as set forth herein is provided subject to the General Conditions and Exhibits attached to this Agreement.

Consultant will perform Routine Bridge Inspections and update the Bridge Inspection Reports and Bridge Inventory Reports, on one and two year intervals in accordance with Mn/DOT requirements for the bridge structures in the City of Inver Grove Heights. Currently there are three bridges (Br# 19554, 19555 & L3292 which carry the UP Railroad over local roads) that the State identifies as local bridges and requires that the City routinely inspect and report. Other bridges may be added that include, but not limited to, the TH 52 East Frontage Road over the UP Railroad and the Rock Island Swing Bridge pedestrian pier.

The bridges will be inspected and an updated Bridge Inspection Report and Bridge Inventory Report for each bridge will provided to the Client. A memo summarizing the inspection finding and offering recommendations on repairs will also be prepared and will transmit the reports to the Client. The Consultant will provide a Team Leader certified by Mn/DOT to make the field inspection. The Client will perform the role of Program Administrator with Mn/DOT and will submit the reports to Mn/DOT on behalf of the Client.

Schedule: The inspections are anticipated to be made in the fall of the year as specified by the Mn/DOT one and two year inspection frequency cycles. Reports will be submitted by February of the following year. This will be an ongoing service provided by the Consultant that will automatically renew every two years from the date of this agreement unless terminated in writing by either the Client or Consultant.

Payment: The fee is hourly including expenses and equipment. The payment method, basis, frequency and other special conditions are set forth in attached Exhibit A-1.

Other Terms and Conditions: Other or additional terms contrary to the Master Agreement for Professional Services that apply solely to this project as specifically agreed to by signature of the Parties and set forth herein: None

c:\projects\inver grove hts\annual bridge inspections\suppl letter agreement.doc

Short Elliott Hendrickson Inc.

By: _____
Jeff A. Johnson, PE
Title: Principal/ Structural Project Manager

City of Inver Grove Heights

By: _____

Title: _____

Exhibit A-1
to Supplemental Letter Agreement
Between City of Inver Grove Heights (Client)
and
Short Elliott Hendrickson Inc. (Consultant)
Dated July, 13, 2011

Payments to Consultant for Services and Expenses Using the Hourly Basis Option

The Agreement for Professional Services is amended and supplemented to include the following agreement of the parties:

A. Hourly Basis Option

The Client and Consultant select the hourly basis for payment for services provided by Consultant. Consultant shall be compensated monthly. Monthly charges for services shall be based on Consultant's current billing rates for applicable employees plus charges for expenses and equipment. Current billing rates shall be the Actual Billing Rates of Personnel Method as indicated in the Agreement.

1. **Actual Billable Rates of Personnel Method** - Applicable billing rates of employees shall be based on the actual payroll rates of personnel times a multiplier plus the cost of expenses and equipment outlined in Paragraphs B and C of this Exhibit.

Consultant will provide an estimate of the costs for services in this Agreement. It is agreed that after 90% of the estimated compensation has been earned and if it appears that completion of the services cannot be accomplished within the remaining 10% of the estimated compensation, Consultant will notify the Client and confer with representatives of the Client to determine the basis for completing the work.

Compensation to Consultant based on the Rate Table Method is conditioned on completion of the work within the effective period of the rate table. Should the time required to complete the work be extended beyond this period, the rates in the Rate Table shall be appropriately adjusted.

B. Expenses

The following items involve expenditures made by Consultant employees or professional consultants on behalf of the Client. Their costs are not included in the hourly charges made for services and shall be paid for as described in this Agreement but instead are reimbursable expenses required in addition to hourly charges for services:

1. Transportation and travel expenses.
2. Long distance services, dedicated data and communication services, teleconferences, Project Web sites, and extranets.
3. Lodging and meal expense connected with the Project.
4. Fees paid, in the name of the Client, for securing approval of authorities having jurisdiction over the Project.
5. Plots, Reports, plan and specification reproduction expenses.
6. Postage, handling and delivery.
7. Expense of overtime work requiring higher than regular rates, if authorized in advance by the Client.
8. Renderings, models, mock-ups, professional photography, and presentation materials requested by the Client.
9. All taxes levied on professional services and on reimbursable expenses.
10. Other special expenses required in connection with the Project.
11. The cost of special consultants or technical services as required. The cost of subconsultant services shall include actual expenditure plus 10% markup for the cost of administration and insurance.

The Client shall pay Consultant monthly for expenses.

C. Equipment Utilization

The utilization of specialized equipment, including automation equipment, is recognized as benefiting the Client. The Client, therefore, agrees to pay the cost for the use of such specialized equipment on the project. Consultant invoices to

the Client will contain detailed information regarding the use of specialized equipment on the project and charges will be based on the standard rates for the equipment published by Consultant.

The Client shall pay Consultant monthly for equipment utilization.

c:\projects\inver grove hts\annual bridge inspections\exhibit a1.doc

AGENDA ITEM 4G

CITY OF INVER GROVE HEIGHTS **REQUEST FOR COUNCIL ACTION**

Approve Resolution Authorizing City to Enter into an Agreement with the Union Pacific Railroad for Preliminary Engineering Services for the Railroad Crossing – City Project No. 2011-08

Meeting Date:	July 25, 2011		Fiscal/FTE Impact:
Item Type:	Consent	[ ]	None
Contact:	Thomas J. Kaldunski, 651.450.2572	[ ]	Amount included in current budget
Prepared by:	Thomas J. Kaldunski, City Engineer	[ ]	Budget amendment requested
Reviewed by:	Scott D. Thureen, Public Works Director SDT	[ ]	FTE included in current complement
		[ ]	New FTE requested – N/A
		[X]	Other: Project Funds

PURPOSE/ACTION REQUESTED

The City Council will consider approving a resolution to enter into an agreement with the Union Pacific Railroad for their preliminary engineering services related to the railroad crossing of 66th Street and the proposed trail.

SUMMARY

The City of Inver Grove Heights has become the road authority with jurisdiction on 66th Street from Concord Boulevard to the Mississippi River at the Swing Bridge Pier. This occurred following a road turnback from Dakota County. Dakota County has provided the City with $291,000 in turnback funds.

The City has also proceeded with the renovation of the Swing Bridge Pier and the execution of a contract with SEH, Inc. to provide engineering services for the 66th Street Improvement Project (CPN 2011-08) from Concord Boulevard to the Swing Bridge Pier. This project will construct improvements depicted in the master plan for the southern portion of the Heritage Park including improving the pavement surface, adding some curb and gutter, storm drainage facilities, a new trail on the north side of 66th Street, a public parking lot and various trails on City-owned right-of-way in the area. The Parks and Recreation Department has applied for various grants to fund the park improvements. The project is on schedule for completion in the spring of 2012.

Preliminary discussions with the Union Pacific Railroad indicate that improvements will be needed at the proposed trail crossing on 66th Street. All work on the railroad right-of-way is under the jurisdiction of the Union Pacific Railroad. The railroad will be responsible for the design and construction of the crossing.

Attached is an agreement for preliminary engineering services and submittal of Exhibit A for railroad approval. This document will implement the railroad's planning and design work for the crossing improvements. The railroad has estimated these costs at $8,000.

It is recommended that the City Council approve the resolution to execute this agreement for preliminary engineering services and authorize payment to the UPRR for these services. Funding for this expense will be provided by the Parks and Recreation Department. It is important to move this agreement further at this time to allow the UPRR time to make their improvements next spring (2012).

TJK/kf
Attachments: Resolution
Agreement for Preliminary Engineering Services
Exhibit A – Preliminary Concept Plan

CITY OF INVER GROVE HEIGHTS
DAKOTA COUNTY

RESOLUTION AUTHORIZING CITY TO ENTER INTO AN AGREEMENT WITH THE UNION PACIFIC RAILROAD FOR PRELIMINARY ENGINEERING SERVICES FOR THE RAILROAD CROSSING AT 66TH STREET (CITY PROJECT NO. 2011-08)

RESOLUTION NO. _____

WHEREAS, the City of Inver Grove Heights will be improving 66th Street from Concord Boulevard to the Mississippi River as City Project No. 2011-08 in 2012; and

WHEREAS, improvements will be needed on the railroad right-of-way at the proposed trail crossing on 66th Street as part of City Project No. 2011-08; and

WHEREAS, all work on the railroad right-of-way is under the jurisdiction of the railroad; and

WHEREAS, Union Pacific Railroad has estimated the costs for preliminary engineering services to be $8,000 and would like to enter into an agreement with the City to fund these costs.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF INVER GROVE HEIGHTS, MINNESOTA THAT:

1. The City of Inver Grove Heights agrees to enter into an agreement with the Union Pacific Railroad for Preliminary Engineering Services and Submittal of Exhibit A for Railroad Approval for the estimated amount of $8,000. Funding will be provided by project funds.

Adopted by the City Council of Inver Grove Heights, Minnesota this 25th day of July 2011.

AYES:
NAYS:

_____
George Tourville, Mayor

ATTEST:

_____
Melissa Rheaume, Deputy Clerk

AGREEMENT FOR PRELIMINARY ENGINEERING SERVICES AND SUBMITTAL OF EXHIBIT "A" FOR RAILROAD APPROVAL

June 21, 2011

RE: Inver Grove Heights, Minnesota
Crossing: ☐ Public: ☒
M.P.: 344.51, Albert Lea Subdivision
184902M
Dakota County

Mr. Michael G. Blackley
Manager, Industry & Public Projects
Union Pacific Railroad Company
1400 Douglass Street MS 0901
Omaha, NE 68179

Dear Mr. Blackley:

Plans are being prepared to reconstruct 66th Street at the location referenced above. The proposed work includes new roadway curb and gutter and extension of concrete surface. In connection with the project, the Agency considers it necessary for the successful advancement of the project for your company to collaborate in the development of the project by performing the following:

- Preliminary engineering and other related services
- Development of cost estimates
- Review of the project's preliminary layouts
- Submit current train and switching moves

The Agency authorizes and agrees to reimburse the Railroad for its expenses and actual costs that are incurred for collaborating in the development of the project's preliminary engineering and other preliminary activities. The Railroad has estimated that these preliminary engineering and other preliminary costs will be $8,000.00. Payment will be made within thirty (30) days from the Agency's receipt and approval of the Railroad's request for reimbursement. Railroad will refer to Agency's Project Number 2011-08 and forward Invoices to City of Inver Grove Heights.

Additionally, attached for your company's review and approval is one (1) set of half-scale prints of the concept plans marked **Exhibit A**, which are the 30% complete plans and show the basic features of the proposed highway project at the location referenced above. Please review and provide comment on the basic features of the **Exhibit A** as soon as possible. Also enclosed is one (1) set of photos of the project area.

The project may require the Railroad to incur costs for force account activities. Please prepare the railroad force account cost estimate for work activities to be provided by your company, as identified in **Exhibit A** and submit them at your earliest convenience so that they may be attached to the railroad generated Construction & Maintenance (C&M) agreement.

Please verify the number of current regular train (9) and switching movements (1) with a Maximum Speed of 30 MPH at this location as currently shown in our inventory records. This information will be used by the Agency's Contractor to obtain Railroad Protective Liability Insurance.

This agreement is intended to address Preliminary Engineering. It is understood by both parties that railroad may withhold its approval for any reason directly or indirectly related to safety or its operations, property issues or effect to its facilities. If the Project is approved, Union Pacific will continue to work with the Agency to develop Final Plans, Specifications and prepare Material and Cost Estimates for Railroad Construction Work associated with the project. It is also understood that if the project is constructed, if at all, at no cost to the railroad.

The Agency and the Railroad will enter into separate License, Right of Entry, Construction and Maintenance Agreements associated with the actual construction of the project if the project is accepted and approved by the railroad. The Agreements will be drafted by Union Pacific and forwarded to the Agency after the **Exhibit A** and cost estimates have been approved.

Please contact Greg Anderson and telephone number 651.490.2172 or via email at ganderson@sehinc.com if you have any questions. Your assistance in this matter is appreciated.

Sincerely,

Thomas J. Kaldunski, PE
City Engineer
City of Inver Grove Heights

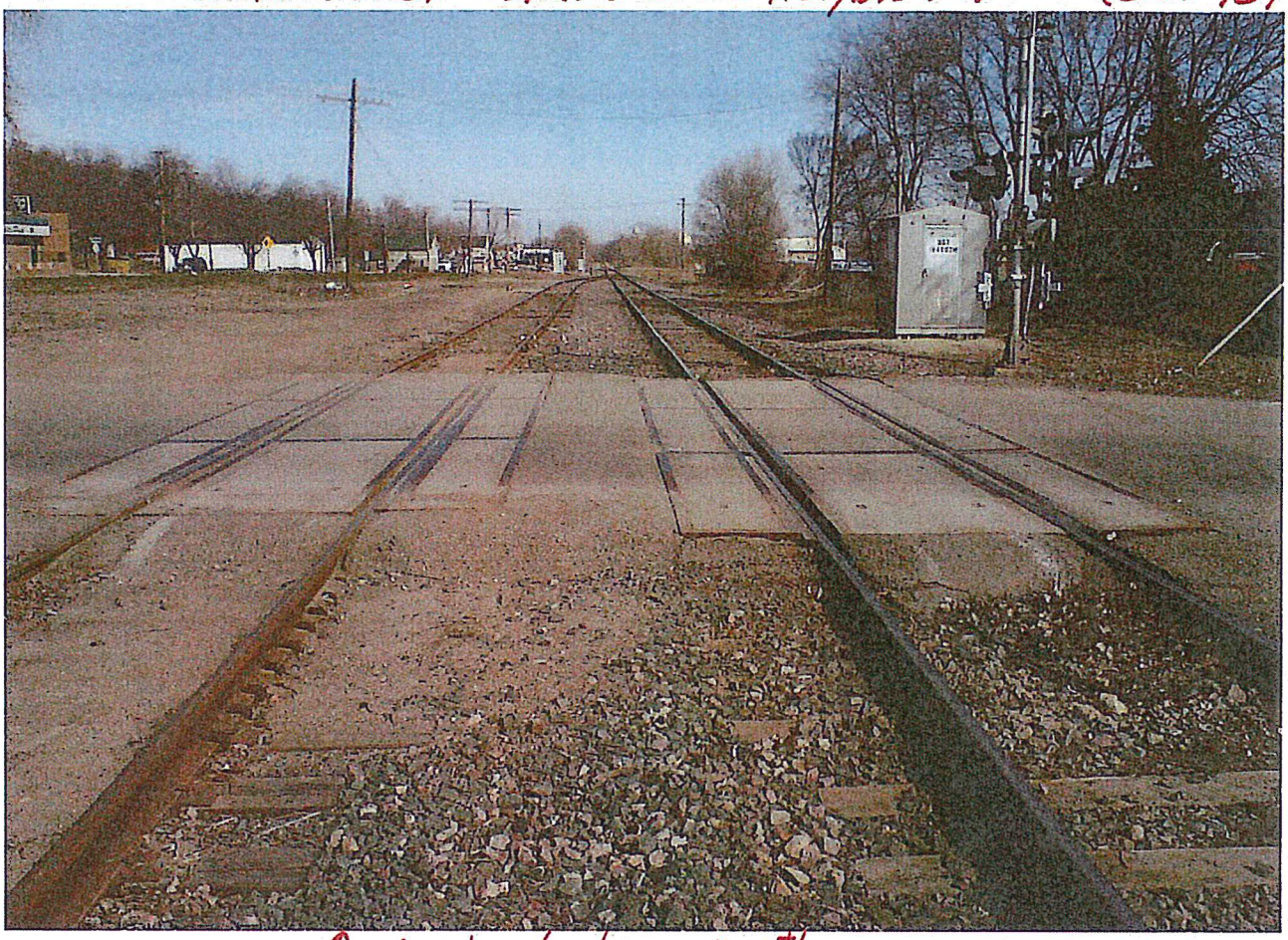
ah

UNION PACIFIC RAILROAD COMPANY

By: _____ Date: _____

Name and Title: _____
Attachment(s)
c:

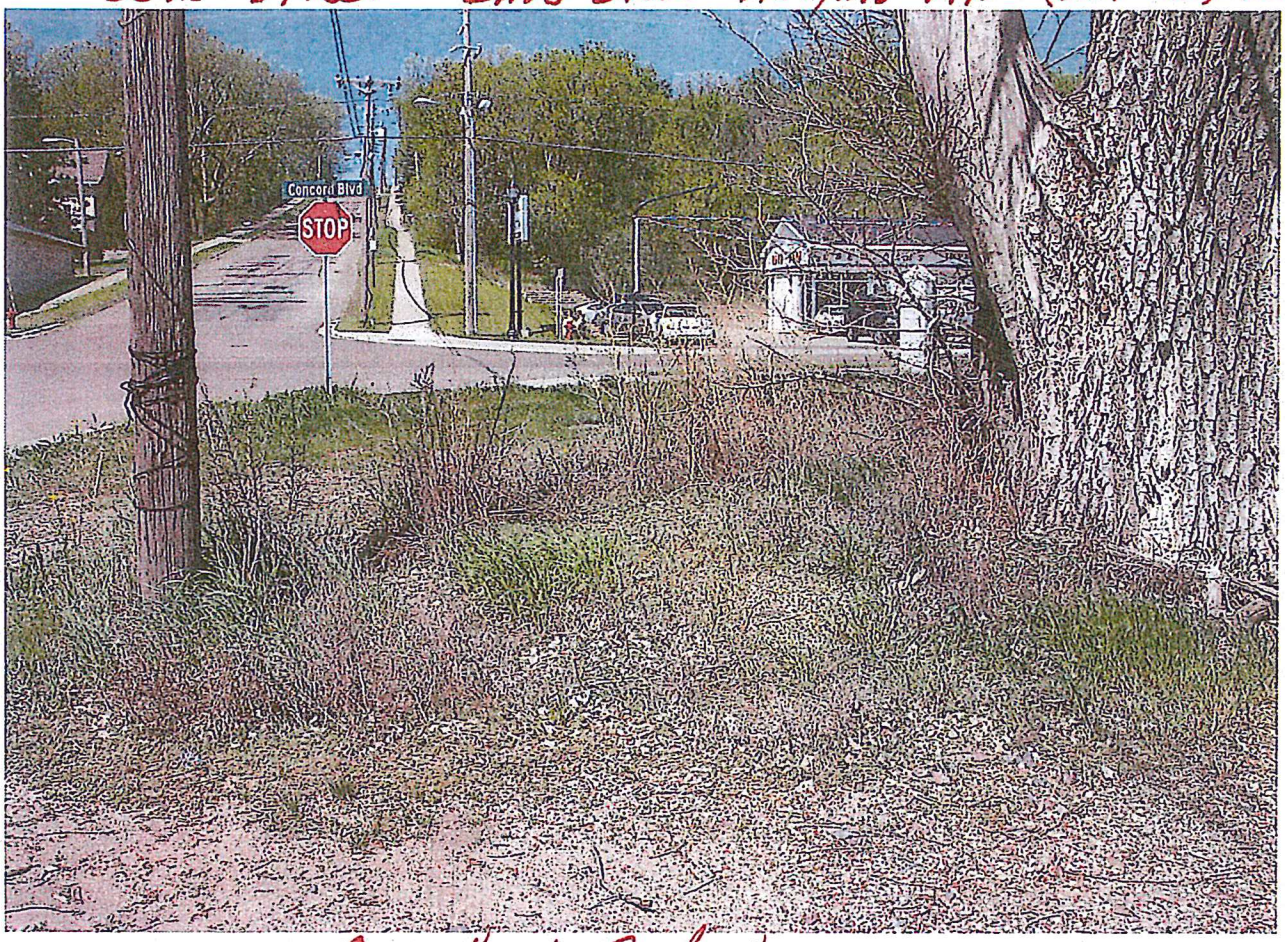
66th Street Inver Grove Heights MN (DOT 184902M



↑ tracks looking north

↑ ~~the~~ southwest Quadrant

66th Street Inver Grove Heights MN (DOT 185902M)



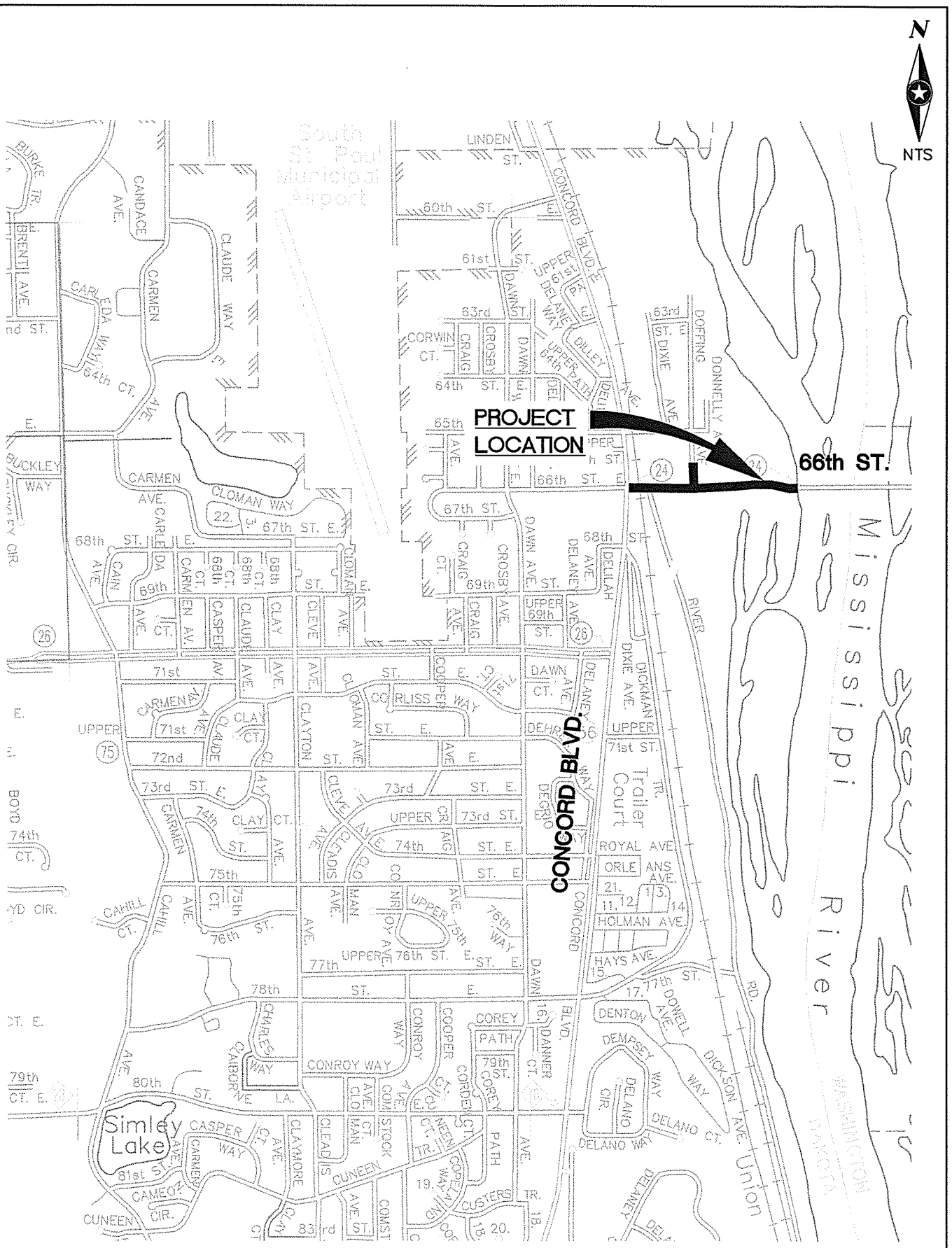
↑ northwest Quadrant

↑ southeast Quadrant

66th Street Inver Grove Heights MN (DOT 184 902M)

↑ looking west

↑ looking west



S:\FJ\Inver\116692\4-rprt\Exhibits\lg116692 loc map.dwg 6/15/2011 2:54 PM jbecker

SEH

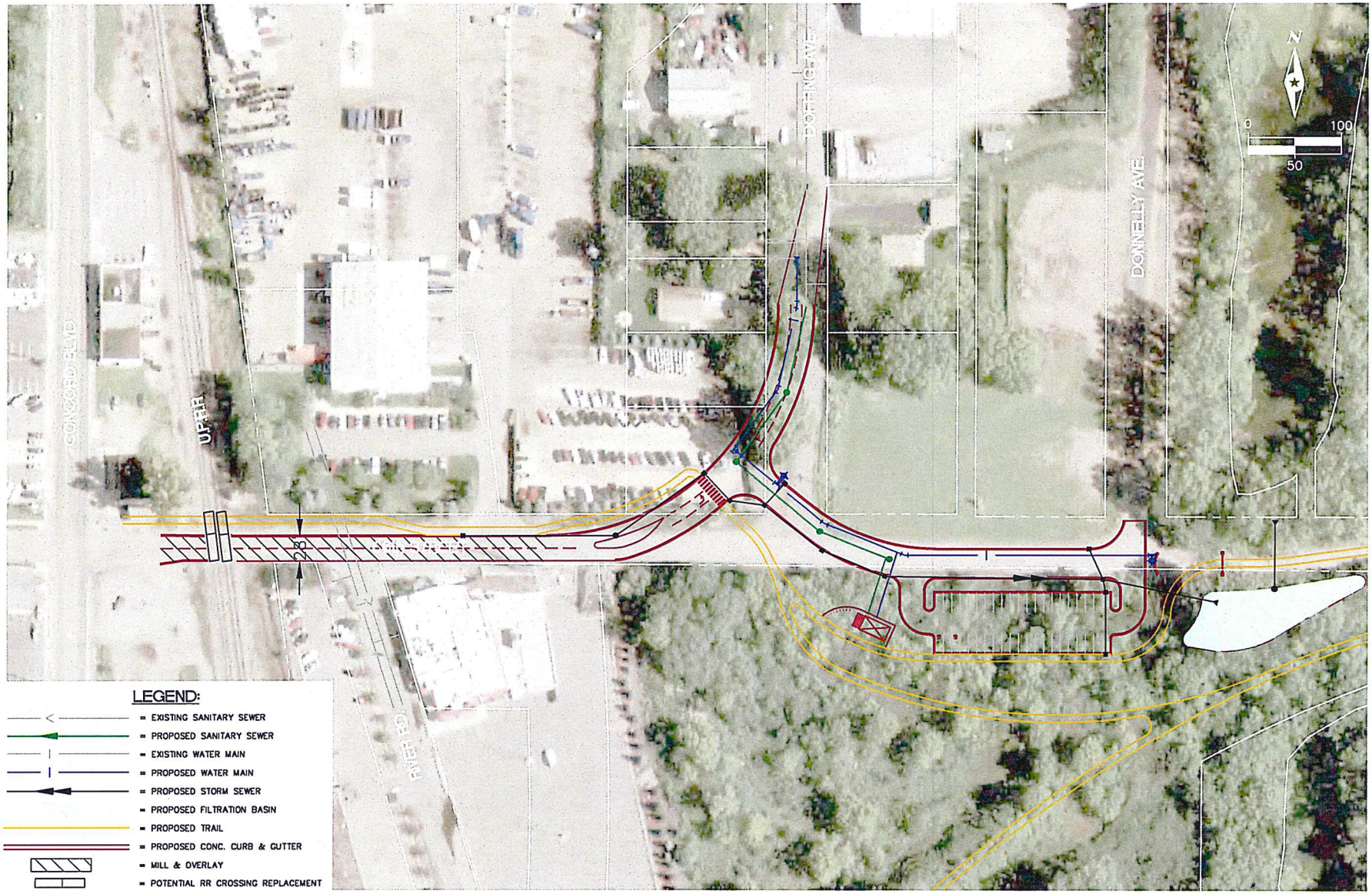
PHONE: (651) 490-2000
3535 VADNAIS CENTER DR.
ST. PAUL, MN 55110

FILE NO.
116692

DATE:
6/16/11

66TH STREET RECONSTRUCTION
PROJECT LOCATION MAP
INVER GROVE HEIGHTS, MINNESOTA

FIGURE 1



SEH PHONE: (651) 490-2000 3535 VADNAIS CENTER DR. ST. PAUL, MN 55110	INVER GROVE HEIGHTS, MINNESOTA Exhibit "A"	66TH STREET RECONSTRUCTION	PROPOSED CONSTRUCTION	FILE NO. 116692 DATE 6/16/11	FIGURE 2

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AGENDA ITEM 4H

CITY OF INVER GROVE HEIGHTS **REQUEST FOR COUNCIL ACTION**

Resolution Accepting Proposal from American Engineering Testing, Inc. for Construction Materials Testing Services for the 2011 Pavement Management Program, City Project 2010-09I – Blaine Avenue Full Depth Mill & Repave

Meeting Date:	July 25, 2011
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

SDT

Fiscal/FTE Impact:

	None
	Amount included in current budget
	Budget amendment requested
	FTE included in current complement
	New FTE requested – N/A
X	Other: Pavement Management Fund, Special Assessments, Utility Funds

PURPOSE/ACTION REQUESTED

Resolution accepting proposal from American Engineering Testing, Inc. for construction materials testing services for the 2011 Pavement Management Program, City Project 2010-09I – Blaine Avenue Full Depth Mill & Repave.

SUMMARY

City Project No. 2010-09I was ordered on May 9, 2011. AET has performed construction materials testing on many of the City's projects and is currently under contract for the 2011-09D South Grove Street Reconstruction Area 6 project. AET is currently aiding the City in meeting State Aid inspection requirements for South Grove and Blaine Avenue is a Municipal State Aid Street. AET is best suited to meet the construction timeline of the Blaine Avenue project while meeting Mn/DOT standards during the current government shutdown. The current proposal from AET includes the following: material testing and control, concrete testing, bituminous testing, aggregate materials testing, soils observations, compaction and related testing on the site.

AET has added a litigation reimbursement clause to their contract agreements with the City of Inver Grove Heights; therefore, we no longer need to add an Addendum to their proposals.

I recommend that the Council adopt the resolution accepting the July 13, 2011 proposal from AET for construction materials testing services for the 2011 Pavement Management Program, City Project No. 2010-09I – Blaine Avenue Full Depth Mill and Repave.

TJK/swd
Attachments: Resolution
Proposal

CITY OF INVER GROVE HEIGHTS
DAKOTA COUNTY

RESOLUTION ACCEPTING A CONSTRUCTION MATERIALS TESTING PROPOSAL FROM AMERICAN ENGINEERING TESTING FOR THE 2011 PAVEMENT MANAGEMENT PROGRAM, CITY PROJECT NO. 2010-09I – BLAINE AVENUE FULL DEPTH MILL & REPAVE

RESOLUTION NO. _____

WHEREAS, as part of the City's 2011 Pavement Management Program, a portion of Blaine Avenue has been identified for reconstruction starting in 2011; and

WHEREAS, in order to complete the materials testing services in a timely manner for the 2011 Pavement Management Program, City Project No. 2010-09I – Blaine Avenue Full Depth Mill and Repave, assistance from a consulting engineering firm is required; and

WHEREAS, City staff requested, and received a proposal from AET; and

WHEREAS, based on the experience of the firm, the scope and associated fee for the proposed services, it was decided that AET be selected from the Engineering Technical Consultant Pool to provide the materials testing services on City Project No. 2010-09I.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF INVER GROVE HEIGHTS, MINNESOTA THAT:

1. The proposal of AET, dated July 13, 2011, is accepted and staff is authorized to enter into a contract with AET in an estimated amount of $16,096 for materials testing services and other deliverables as identified in the proposal for the 2011 Pavement Management Program, City Project No. 2010-09I – Blaine Avenue Full Depth Mill & Repave.

Adopted by the City Council of Inver Grove Heights, Minnesota this 25th day of July 2011.

AYES:
NAYS:

_____
George Tourville, Mayor

ATTEST:

_____
Melissa Rheaume, Deputy Clerk

AMERICAN ENGINEERING TESTING, INC.

CONSULTANTS
• ENVIRONMENTAL
• GEOTECHNICAL
• MATERIALS
• FORENSICS

July 13, 2011

City of Inver Grove Heights
Department of Public Works
8150 Barbara Avenue
Inver Grove Heights, MN 55077

Attn: Steve Dodge

RE: Proposal for Materials Testing Services
Blaine Ave. Full Depth Mill and Repave
City Project 2010-09I
Inver Grove Heights, Minnesota
AET Proposal No. 22-00856

Dear Mr. Dodge:

Thank you for the opportunity to provide you with this proposal to perform engineering observation and materials testing services for the referenced project. American Engineering Testing, Inc., (AET) is pleased to provide this letter which presents our anticipated scope of services, our unit rates, and an estimated total cost to perform these services. If you have any questions regarding the anticipated work scope or need additional information, please contact me.

Project Information

We understand the proposed construction will consist of full depth milling of the bituminous surfacing of Blaine Avenue and placement of new bituminous mixture as well as some concrete curbs and sidewalks. We understand that Blaine Avenue is a municipal state aid road and that the scope of the testing will be performed generally according to the Mn/DOT Schedule of Materials Control. You have provided us with an estimate of the project material quantities.

Scope of Services

Based on the estimated materials quantities you have provided to us and our previous experience with similar projects in the City of Inver Grove Heights, our anticipated scope of services is outlined below. The actual schedule of bituminous and concrete placements is not available. We have attempted to estimate the quantities of tests which may be required based on the amounts of testing required by the Mn/DOT Schedule of Materials Control along with estimated rates of concrete and bituminous placement. The scope of our services will be to perform Testing Services as requested by the City of Inver Grove Heights personnel and/or as outlined in the Schedule of Materials Control,

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including observations and testing at the concrete and bituminous production plants if requested. We assume the contractor will be required to perform the additional QC testing as outlined in the Schedule of Materials Control. **If possible, representatives of the City of Inver Grove Heights should contact the appropriate Mn/DOT personnel prior to start of the project. Mn/DOT will then perform quality testing and observation at the bituminous and concrete production plants**. If requested, AET can provide the testing and observation at the production plant. If these services are requested, the services will be provided in accordance with the rates indicated on the attached fee schedule.

Soil Observation & Testing

During excavation for reconstruction of the roadway we will perform intermittent trips to the site if requested by the City of Inver Grove Heights. If requested, we will also visit the site to observe test roll operations of the completed roadway subgrades before placement of Class 5 base or Select Granular Borrow. Since the quantities of site visits (if any) is not know at this time, the cost for these services is not included in our cost estimate.

During placement of Class 5 base in the pavement areas, an Engineering Technician will visit the site on a will-call basis to test the imported aggregate when requested by the City of Inver Grove Heights. Our services will include the following:

- Compaction tests to evaluate the density of the aggregate base material using the dynamic cone penetrometer (DCP) method or sand cone density test.
- Standard Proctor tests for every different type of fill used.
- Sieve analysis tests of Class 5 aggregate base.
- Bitumen content of recycled bituminous mixture planned for use as aggregate base.
- Laboratory testing of Select Topsoil Borrow.

We have estimated a total of about 4 trips will be required by the Engineering Technician to perform the compaction testing and materials sampling. Periodic reports will be issued presenting the results of our testing.

Concrete Testing

Personnel from AET will perform testing of concrete placed for the curb & gutter, sidewalks and pedestrian ramps on a will-call basis, when requested by the City of Inver Grove Heights. These services will be performed by Concrete Field Engineering Technicians. Our services will include the following:

- Test the slump of the plastic concrete.
- Test the air content of the plastic concrete.
- Measure the temperature of the plastic concrete.

- Compare the test results to the requirements of the project specifications.

Any discrepancies from the project specifications will be brought to the attention of the City of Inver Grove Heights and the contractor. Daily field reports of our observations and testing will be available to the Engineer. The results of our tests will be provided in reports that are issued periodically.

During placement of the concrete, our Engineering Technicians will also cast test cylinders for compressive strength testing. Each set will consist of four cylinders; one of which will be tested after 7 days and two which will be tested after 28 days. The fourth cylinder will be held in reserve for possible future testing. AET will also pick up the cylinders from the site and return them to our laboratory for testing. The results of our compressive strength testing will be presented as they become available.

Based on the material quantities you provided and our experience on the previous projects in the City of Inver Grove Heights, we estimate that about 11 sets of cylinders will be required and that about11 site visits will be required to perform the testing.

If requested, AET can provide a Mn/DOT Certified Technician to perform monitoring of the concrete production plant in general conformance with the requirements of Mn/DOT specifications.

Bituminous Mixture Testing

Testing will be performed as required by the City of Inver Grove Heights. Samples may also be taken by the contractor on a random basis during placement. If so, a split portion of each sample will be delivered to our laboratory for testing. The samples will be tested in our laboratory for the following:

- Bituminous mixture properties: Gyratory Density (AASHTO T312) Mn/DOT Modified, Rice Specific Gravity (ASTM:D2041) Extraction/Gradation (ASTM:D2172 Method E-11) Mn/DOT Modified C136 and C117, Fine Aggregate Angularity (AASHTO T304, Method A, Mn/DOT 1206.5), Percent Crushed Particles (Mn/DOT 1214.8)

Mn/DOT specifications indicate that coring of in-place bituminous mixture is to be performed by the contractor at locations selected by the project engineer on a random number basis. However, if requested, after the completion of each days paving we will obtain the core samples of the in-place mixture. Based on the estimated quantities provided, we estimate the coring will consist of about 48 cores. Half of the core samples will be delivered to the laboratory for testing and the other half are for testing by the contractor. This testing will include the following:

- The thickness of each layer of the core sample.
- The density of each layer of the core sample.

- Determination of the percent of maximum (Gmm) density of each layer of the core sample.

If requested, AET can provide a Mn/DOT Certified Technician to perform monitoring of the bituminous production plant in general conformance with the requirements of Mn/DOT Specifications.

Estimated Fees

Our services will be provided on a unit cost basis according to the unit rates provided in the attached Fee Schedule tabulation. Please note that the unit rates on the attached Fee Schedule are lower than the rates established in our February 10, 2011, Contract Agreement Between the City of Inver Grove Heights and American Engineering Testing, Inc. for Professional Services. Our monthly invoices will be determined by multiplying the number of personnel hours or tests by their respective unit rates. We have also estimated a total cost which we anticipate will be required to complete the previously described observations and testing services, based on the material quantities you provided and our previous experience with similar projects in the City of Inver Grove Heights. Our estimated total cost will be $16,096.00.

We caution that this is only an estimated cost. Often, variations in the overall cost of the services occur due to reasons beyond our control, such as weather delays, changes in the contractor's schedule, unforeseen conditions, retesting of services or an increase or decrease in test quantities or scope of services which may be requested by the City of Inver Grove Heights. 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. The total cost or scope of services will not be increased without authorization from the City of Inver Grove Heights.

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, including Section IV-G, "Litigation Reimbursement".

Acceptance

This proposal is presented in duplicate. Please indicate your acceptance of this proposal by endorsing the enclosed copy and returning it to us. The original proposal should be kept for your records.

General Remarks

If you have any questions regarding this proposal, or if we can be of further assistance, please call me at 651-659-1363.

Sincerely,
American Engineering Testing, Inc.

Gary A. Larson
Senior Engineering Assistant

Attachments:

Fee Schedule Tabulations (two pages)

PROPOSAL ACCEPTED BY:

Signature:_____

Typed Name:_____

Company:_____

Date: _____

FEE SCHEDULE
PROJECT TESTING SERVICES
BLAINE AVENUE FULL DEPTH MILL AND REPAVE
INVER GROVE HEIGHTS, MINNESOTA
AET PROPOSAL No. 22-00856
CITY PROJECT NO. 2010-09I

SERVICE DESCRIPTION	PROJECT BUDGET			TOTAL AMOUNTS INVOICED TO DATE		Invoice Amount Through	
	ESTIMATED UNITS	UNIT RATE	BUDGET AMOUNT	# Units	Amount	# Units	Amount
Excavation Observations and Compaction Testing							
1. Staff Engineer I or Senior Engineering Assistant for observations of roadway excavations and subgrade test rolls, consultation and reporting **(services provided on a will-call basis if required)**.	hours	$96.00	$0.00	0.0	$0.00	0.0	$0.00
2. Engineering Technician mobilization for soil compaction testing, Aggregate Base Penetration Index Method testing (DCP), relative moisture testing, and sample collection **(services provided on a will-call basis - assumes 4 trips to the jobsite)**.	4 trips	$50.00	$200.00	0.0	$0.00	0.0	$0.00
3. Personal or Company vehicle mileage (Engineers).	miles	$0.65	$0.00	0.0	$0.00	0.0	$0.00
4. Engineering Technician site time to perform sampling, Soil/Aggregate Base compaction tests, materials sampling, or DCP testing of aggregate base.	6 hours	$65.00	$390.00	0.0	$0.00	0.0	$0.00
5. Standard Proctor tests (Method B or C).	tests	$90.00	$0.00	0.0	$0.00	0.0	$0.00
6. Oil content test on reclaimed bituminous sample.	1 tests	$135.00	$135.00	0.0	$0.00	0.0	$0.00
7. Sieve tests of Class 5 aggregate base.	1 tests	$82.00	$82.00	0.0	$0.00	0.0	$0.00
8. Relative moisture test of Class 5, select granular borrow and embankment fill(MnDOT method).	tests	$20.00	$0.00	0.0	$0.00	0.0	$0.00
9. Nuclear Density Guage Rental.	days	$10.00	$0.00	0.0	$0.00	0.0	$0.00
10. Select Topsoil Borrow Tests.	1 tests	$320.00	$320.00	0.0	$0.00	0.0	$0.00
11. Topsoil Borrow Grain size Analysis Tests.	tests	$230.00	$0.00	0.0	$0.00	0.0	$0.00
Concrete Testing							
1. Engineering Technician for testing of concete. **(services provided on a will-call basis)**.	11 hours	$65.00	$715.00	0.0	$0.00	0.0	$0.00
2. Engineering Technician mobilization for concrete testing **(services provided on a will-call basis - assumes 11 trips to the jobsite)**.	11 trips	$50.00	$550.00	0.0	$0.00	0.0	$0.00
3. MnDOT Certified Engineering Technician for monitoring of concrete production at the concrete production plant. **(services provided on a will-call basis-if required - minimum of 4 hours per day) Assumes 11 days of concrete placement.**	44 hours	$75.00	$3,300.00	0.0	$0.00	0.0	$0.00
4. Personal or Company vehicle mileage (Engineers and Technicians).	500 miles	$0.65	$325.00	0.0	$0.00	0.0	$0.00
5. Curing, handling and compressive strength testing of concrete test cylinders (11 sets of cylinders).	33 cyl.	$21.00	$693.00	0.0	$0.00	0.0	$0.00
6. Curing, handling of non-tested hold cylinders.	11 cyl.	$20.00	$220.00	0.0	$0.00	0.0	$0.00
7. Concrete cylinder pick-up service from jobsite.	7 trips	$60.00	$420.00	0.0	$0.00	0.0	$0.00
Bituminous Testing							

FEE SCHEDULE
PROJECT TESTING SERVICES
BLAINE AVENUE FULL DEPTH MILL AND REPAVE
INVER GROVE HEIGHTS, MINNESOTA
AET PROPOSAL No. 22-00856
CITY PROJECT NO. 2010-09I

SERVICE DESCRIPTION	PROJECT BUDGET			TOTAL AMOUNTS INVOICED TO DATE		Invoice Amount Through	
	ESTIMATED UNITS	UNIT RATE	BUDGET AMOUNT	# Units	Amount	# Units	Amount
1. MnDOT certified Engineering Technician sampling of bituminous materials at the jobsite or retrieval of bituminous cores cut by the contractor **(services provided on a will-call basis - assumes 9 trips to the jobsite)** .	14 hours	$65.00	$910.00	0.0	$0.00	0.0	$0.00
2. MnDOT certified Engineering Technician to perform monitoring of production plant or laboratory testing **(services provided on a will-call basis - if required - minimum of 4 hours per day). Assumes 6 days of bituminous placement.**	30 hours	$75.00	$2,250.00	0.0	$0.00	0.0	$0.00
2. Personal or Company vehicle mileage (Engineers and Technicians).	600 miles	$0.65	$390.00	0.0	$0.00	0.0	$0.00
3. Removal of cores from finished bituminous surface, if required. (minimum of 4 per trip)	cores	$80.00	$0.00	0.0	$0.00	0.0	$0.00
4. Thickness and density tests of companion bituminous core samples provided by the contractor.	24 tests	$37.00	$888.00	0.0	$0.00	0.0	$0.00
5. Asphalt extraction and aggregate gradation tests of bituminous mixtures.	tests	$198.00	$0.00	0.0	$0.00	0.0	$0.00
6. Marshall density and Rice specific gravity tests of bituminous mixtures.	tests	$167.00	$0.00	0.0	$0.00	0.0	$0.00
7. Tests of Bituminous mixture properties (gyratory method).	6 tests	$500.00	$3,000.00	0.0	$0.00	0.0	$0.00
Project Management & Coordination							
1. Project Manager for coordination of AET personnel and activities, attending pre-construction meeting, consultation and report preparation.	12 hours	$96.00	$1,152.00	0.0	$0.00	0.0	$0.00
2. Principal Engineer for special consultation and report review.	1 hours	$156.00	$156.00	0.0	$0.00	0.0	$0.00
	ESTIMATED BUDGET		$16,096.00	TOTAL INVOICED TO DATE	$0.00	MONTHLY INVOICE TOTAL	$0.00

AGENDA ITEM 4I

CITY OF INVER GROVE HEIGHTS **REQUEST FOR COUNCIL ACTION**

Approve Easement Encroachment Agreement for Property Located at 7666 Barbara Court

Meeting Date:	July 25, 2011		Fiscal/FTE Impact:
Item Type:	Consent	X	None
Contact:	Steve W. Dodge, 651.450.2541		Amount included in current budget
Prepared by:	Steve W. Dodge, Asst. City Engineer		Budget amendment requested
Reviewed by:	Scott D. Thureen, Public Works Director SDT		FTE included in current complement
			New FTE requested

PURPOSE/ACTION REQUESTED

Approve the execution of an agreement related to a homeowner's chain link fence encroaching within a drainage and utility easement near Barbara Court and Barbara Avenue.

SUMMARY

The homeowners at 7666 Barbara Court, David and Jessica Donnelly, applied for a fence permit on June 9, 2011. During the review process they requested authorization to cross a drainage and utility easement to connect to their neighbor's existing fence. Since the easement contains a storm sewer outfall to a pond, Engineering staff required that an easement encroachment agreement be executed requiring the homeowner to install 20-foot gates in order to provide access through the easement to the pond and storm water facilities. The added gates and easement encroachment agreement will keep the homeowner in compliance with the City's Obstruction Policy for pond and storm water facilities access.

It is recommended that the City Council authorize the execution of the agreement as outlined in this memo.

SWD/js
Attachments: Agreement

AGREEMENT RELATING TO LANDOWNER IMPROVEMENTS WITHIN CITY EASEMENT ON LOT 22, BLOCK 4, INVER GROVE ESTATES, IN THE CITY OF INVER GROVE HEIGHTS, DAKOTA COUNTY, MINNESOTA

AGREEMENT RELATING TO LANDOWNER IMPROVEMENTS WITHIN CITY EASEMENT ON LOT 22, BLOCK 4, INVER GROVE ESTATES, IN THE CITY OF INVER GROVE HEIGHTS, DAKOTA COUNTY, MINNESOTA

THIS AGREEMENT, made this 11th day of July, 2011, by and between the City of Inver Grove Heights (hereafter referred to as "City"), a Minnesota municipal corporation, and David D. Donnelly and Jessica A. Donnelly, husband and wife, (hereafter referred to as "Landowner"). Based on the covenants, agreements, representations and recitals herein contained, the parties agree as follows:

ARTICLE 1
TERMS

1.1 Terms. Unless specifically defined elsewhere in this Agreement, the following terms shall have the following meanings.

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

1.3 Subject Lot. "Subject Lot" means Lot 22, Block 4, Inver Grove Estates, according to the plat thereof on file and of record in the office of the Dakota County Recorder, Dakota County, Minnesota. The Subject Lot is located in the City of Inver Grove Heights, Dakota County, Minnesota.

1.4 City Easement. "City Easement" means, individually and collectively, the following easements on the Subject Lot:

> The permanent drainage and utility easement on the Subject Lot dedicated on the recorded plat of Inver Grove Estates, Dakota County, Minnesota.

1.5 Landowner. "Landowner" means David D. Donnelly and Jessica A. Donnelly, husband and wife; and their assigns and successors in interest with respect to the Subject Lot.

1.6 Formal Notice. "Formal Notice" means notice 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 prepaid, addressed as follows:

IF TO CITY:	City of City of Inver Grove Heights Attention: Director of Public Works 8150 Barbara Avenue Inver Grove Heights, MN 55077
IF TO LANDOWNER	David Donnelly and Jessica Donnelly 7666 Barbara Court Inver Grove Heights, MN 55076

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.

1.7 Landowner Improvements. "Landowner Improvements" means the four foot chain link fence and accompanying access gates.

1.8 City Easement Improvements. "City Easement Improvements" means all existing and future sanitary sewer, municipal water and storm water pipes, conduits, culverts, ditches, ponds, catch basins, water collection mechanisms, drainage facilities, maintenance access routes and other utility appurtenances lying within the City Easement now or in the future.

1.9 Construction Plan. "Construction Plan" means the attached sketch which identifies the location of the Landowner Improvements. The Construction Plan is on file with the City.

1.10 City Utility Costs. "City Utility Costs" means all costs incurred by the City, (whether performed by the City or its agents or contractors), for the inspection of and access to and repair, maintenance and replacement of the City's Easement Improvements located in the City Easement and the placement of additional City Easement Improvements in the City Easement. City Utility Costs, include, without limitation: excavation costs, labor costs, costs of removing fill, costs of re-burying the City Easement Improvements, re-compacting the soils over the City Easement Improvements, restoring the City Easement area, and all engineering and attorneys' fees incurred in connection therewith. City Utility Costs also include the costs of temporarily removing the Landowner Improvements and subsequently replacing the Landowner Improvements in the City Easement, if such costs have not already been paid by the Landowners.

1.11 Pre-Encroachment Costs. "Pre-Encroachment Costs" means a reasonable estimate by the City of the costs the City would have incurred for City Utility Costs if the Landowner Improvements did not exist.

1.12 Cost Differential. "Cost Differential" means the difference between the Pre-Encroachment Costs and the City Utility Costs caused by the existence of the Landowner Improvements. The City's reasonable determination of the amount of the Cost Differential shall be binding on the Landowners. The City's reasonable determination shall be appropriately supported by cost estimates obtained from independent contractors or engineers.

ARTICLE 2
RECITALS

Recital No. 1. The undersigned Landowner has an ownership interest in the Subject Lot located in Inver Grove Heights, Dakota County, Minnesota.

Recital No. 2 The City Easement is on the Subject Lot. The City owns the City Easement. The City Easement Improvements are within the City Easement and future City Easement Improvements may be located within the City Easement.

Recital No. 3. Landowner has requested permission from the City to place Landowner Improvements within the City Easement for the benefit of the Subject Lot.

Recital No. 4. Subject to the terms of this Agreement, the City is willing to allow the Landowner Improvements to be placed within the within the City Easement if the following conditions are met:

a.) The Landowner maintains the Landowner Improvements;

b.) The Landowner agrees to pay the City any Cost Differential relating to inspections, access, repair, maintenance and replacement of the existing City Easement Improvements and the placement of any future City Easement Improvements in the City Easement.

c.) The Landowner agrees to temporarily remove the Landowner Improvements in the event the City has need to access the area where the Landowner Improvements exist in order for the City to inspect, repair, maintain, and replace the existing City Easement Improvements or construct future City Easement Improvements in the Easement Area.

d.) The Landowner agrees to modify the Landowner Improvements if the Landowner Improvements interfere with the City Easement Improvements or reduce the capacity of the City Easement for storm water retention.

NOW, THEREFORE, THE CITY OF INVER GROVE HEIGHTS AND THE UNDERSIGNED LANDOWNERS, FOR THEMSELVES AND THEIR SUCCESSORS AND ASSIGNS DO HEREBY AGREE:

ARTICLE 3
AGREEMENTS

3.1 Construction And Maintenance Of Landowner Improvements. Under the terms and conditions stated herein, the Landowner, at its own cost, is hereby authorized by the City to make the Landowner Improvements within the City Easement. The Landowner Improvements shall only be placed at the locations specified in the Construction Plan. The Landowner Improvements must be constructed according to the Construction Plan.

The Landowner shall not place any other structures, irrigation systems, buildings, fences, landscaping, trees or shrubs within the City Easement, except for the Landowner Improvements. After construction, the Landowner, at its expense, shall maintain and repair the Landowner Improvements.

3.2 City Not Responsible For Landowner Improvements. Nothing contained herein shall be deemed an assumption by the City of any responsibility for construction, maintenance, replacement or repair of the Landowner Improvements.

3.3 Continuing Right To City Easement. Nothing contained herein shall be deemed a waiver or abandonment or transfer of the right, title and interest that the City holds to the City Easement.

3.4 Subordinate Position Of Landowner Improvements. The Landowner Improvements are subordinate to the rights of the City in the City Easement and in the City Easement Improvements.

3.5 Risk Of Loss. The Landowner understands and agrees that the Landowner Improvements within the City Easement may be adversely affected by use of the City Easement. The parties agree that the City is not responsible for such events; the City shall have no liability to the Landowner for such events. The Landowner assumes the risk of installing the Landowner Improvements in the City Easement area.

3.6 Landowner To Bear Cost Of Relocating Landowner Improvements. The City is responsible for the repair and maintenance of the City Easement Improvements in the City Easement.

The City may require the Landowner to temporarily remove and subsequently replace the Landowner Improvements in the City Easement in order for the City to gain access to the City Easement Improvements for the purpose of inspecting, repairing, maintaining, or replacing, the City Improvements or adding future City Easement Improvements.

If the Landowner does not perform such tasks, the City may perform such tasks and in such case the Landowner shall reimburse the City for the City's costs and expenses. Prior to commencing such tasks, the City shall send Formal Notice to the Landowner and allow the Landowner twenty (20) days from the date of the Formal Notice to perform the tasks. If the Landowner has not completed the work within the twenty (20) days, then the City may proceed to perform the tasks. Once the City's costs and expenses have been determined by the City, the City shall send an invoice for such costs and expenses to the Landowner. The Landowner must pay the invoice within thirty (30) days after the date of the invoice. Such costs and expenses include, but are not limited to, costs charged the City by third parties such as contractors as well as the costs for City personnel that may have performed the work. Bills not paid shall incur the standard penalty and interest established by the City for utility billings within the City.

3.7 Emergency. Notwithstanding the requirements contained in Sections 3.6 relating to a twenty (20) day Formal Notice to the Landowner to perform its obligations under Sections 3.6, the City shall not be required to give such Formal Notice if the City's engineer determines that an emergency exists. In such instance, the City, without giving Formal Notice to the Landowner may perform the work and in such case the Landowner shall reimburse the City for the costs and expenses relating to the work. Once the City's costs and expenses have been determined by the City, the City shall send an invoice for such costs and expenses to the Landowner. The Landowner must pay the invoice within thirty (30) days after the date of the invoice. Such costs and expenses include, but are not limited to, costs charged the City by third parties such as contractors as well as the costs for City personnel that may have performed the work. Bills not paid shall incur the standard penalty and interest established by the City for utility bills within the City.

3.8 Cost Differential. If a Cost Differential occurs relating to the access to or inspection, maintenance, repair or replacement of the City Easement Improvements or relating to construction of new City Easement Improvements in the future, then the Landowner shall pay the Cost Differential to the City. The Landowner must make payment for the Cost Differential within 30 days after the City has sent a written invoice for the Cost Differential to the Landowner.

3.9 Modifications To Landowner Improvements. If in the future the City reasonably determines that the Landowner Improvements interfere with access for inspection or with repair, maintenance, reconstruction, or replacement of City Easement Improvements, then the Landowner, at its own expense, shall make such modifications to the Landowner Improvements as directed by the City. Such modifications may include, but are not limited to, reconfiguration, removal and relocation of the Landowner Improvements.

If Landowner does not make the modifications, the City may make the modifications and in such case the Landowner shall reimburse the City for the City's costs and expenses. Prior to commencing such modifications, the City shall send Formal Notice to the Landowner and allow the Landowner twenty (20) days from the date of the Formal Notice to make the modifications. If Landowner does not completely make the modifications, the City may

proceed to make the modifications. Once the City's costs and expenses have been determined by the City, the City shall send an invoice for such costs and expenses to the Landowner. The Landowner must pay the invoice within thirty (30) days after the date of the invoice. Such costs and expenses include, but are not limited to, costs charged the City by third parties such as contractors as well as the costs for City personnel that may have performed the work relating to the modifications.

3.10 **Remedies.** If the Landowner fails to perform their obligations under this Agreement, then the City may avail itself of any remedy afforded by law or in equity and any of the following non-exclusive remedies:

a.) The City may specifically enforce this Agreement.

b.) If the Landowner fails to make payments under Section 3.6, 3.7, 3.8 or 3.9, then the City may certify to Dakota County the amounts due as payable with the real estate taxes for the Subject 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 Landowner waives any and all procedural and substantive objections to the imposition of such usual and customary charges on the Subject Lot.

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

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 this 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.

3.11 **Indemnification.** The Landowner shall indemnify, defend and hold the City, its council, agents, consultants, attorneys, employees 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 any of the following:

a.) The Landowner Improvements;

b.) Installation and maintenance of the Landowners Improvements;

c.) Failure by the Landowner to observe or perform any covenant, condition, obligation or agreement on their part to be observed or performed under this Agreement; and

d.) Use of the City Easement for Landowner Improvements.

3.12 **City Duties.** Nothing contained in this Agreement shall be considered an affirmative duty upon the City to perform the Landowner's obligations contained in Article 3 if the Landowner does not perform such obligations.

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

3.14 **Recording.** The City may record this Agreement with the Dakota County Recorder.

3.15 **Binding Agreement.** The parties mutually recognize and agree that all terms and conditions of this recordable Agreement shall run with the Subject Lot and shall be binding upon the heirs, successors, administrators and assigns of the parties.

This Agreement shall also be binding upon all after-acquired rights, interests and title of the parties that may be acquired from and after the date of this Agreement.

3.16 **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 and 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.

3.17 **Governing Law.** This Agreement shall be governed by and construed in accord with the laws of the State of Minnesota.

3.18 **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.

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

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

CITY OF INVER GROVE HEIGHTS

By: _____
George Tourville, Mayor

ATTEST:

By: _____
Melissa Rheaume, Deputy City Clerk

STATE OF MINNESOTA)
) ss.
COUNTY OF DAKOTA)

On this 11th day of July, 2011, before me a Notary Public within and for said County, personally appeared George Tourville and Melissa Rheaume, to me personally known, who being each by me duly sworn, each did say that they are respectively the Mayor and Deputy City 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 in behalf of said municipality by authority of its City Council and said Mayor and Deputy City Clerk acknowledged said instrument to be the free act and deed of said municipality.

_____
Notary Public

LANDOWNER:

David D. Donnelly

Jessica A. Donnelly

STATE OF MINNESOTA)
) ss.
COUNTY OF DAKOTA)

On this 15 day of July, 2011, before me a Notary Public within and for said County, personally appeared David D. Donnelly and Jessica A. Donnelly, husband and wife, to me personally known to be the persons described in and who executed the foregoing instrument and they acknowledged that they executed the same as their free act and deed.

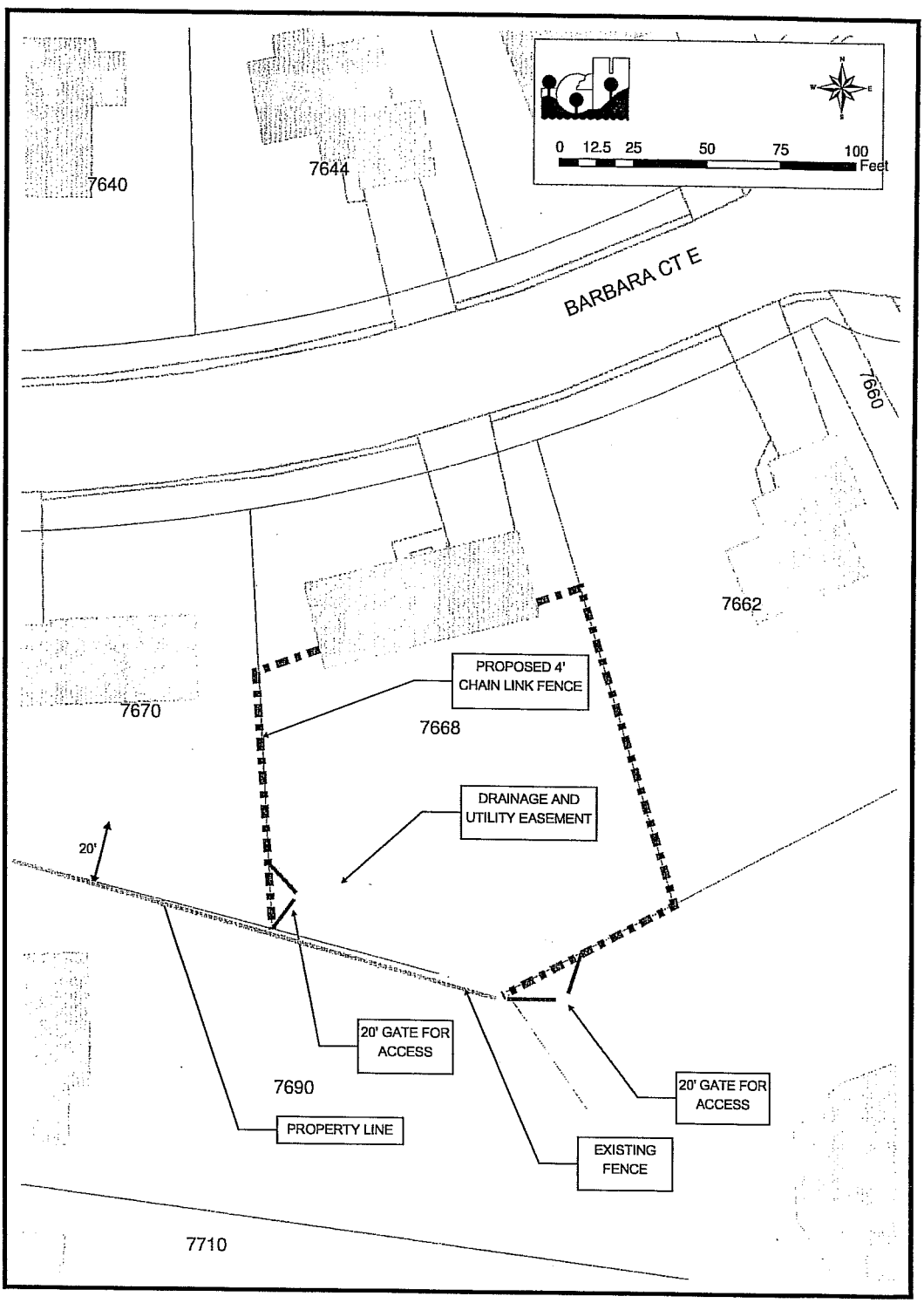
KATHLEEN JOAN FISCHER
Notary Public - Notarial Seal
My Commission Expires
January 31, 2015

Notary Public

THIS INSTRUMENT DRAFTED
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 BY RETURN THIS INSTRUMENT 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
CONSTRUCTION PLAN



AGENDA ITEM _____

CITY OF INVER GROVE HEIGHTS **REQUEST FOR COUNCIL ACTION**

Meeting Date:	July 25, 2011		**Fiscal/FTE Impact:**
Item Type:	Consent	X	None
Contact:	Lt. Larry Stanger (651) 450-2528		Amount included in current budget
Prepared by:	Lt. Larry Stanger Department of Public Safety		Budget amendment requested
Reviewed by:			FTE included in current complement
			New FTE requested – N/A
			Other

PURPOSE/ACTION REQUESTED:

Recognize the plan **update** of the City of Inver Grove Heights Emergency Operation Plan (EOP).

SUMMARY:

Minnesota Statutes, Section 299K.05 stipulate that "Political subdivisions should prepare emergency plans that adequately address the requirements contained in section 11003 of the federal act. The emergency plan may be a part of a plan prepared by a political subdivision in accordance with chapter 12. The 'federal act" is the Emergency Planning and Community Right to Know Act, otherwise known as Title III of the Superfund Amendments and Reauthorization Act (SARA) of 1986. SARA Title III includes several requirements regarding the developments, exercising, and updating of a local emergency plan.

The recommendation under SARA Title III is to have a plan **update** every two years to maintain accuracy.

Once the verification of plan approval has been signed by the Mayor, updated Emergency Operation Plans will be distributed to the City Council and Department Heads.

VERIFICATION OF PLAN APPROVAL

The City of Inver Grove Heights Emergency Operations Plan has been reviewed and approved by the Mayor and by the Inver Grove Heights Emergency Preparedness Coordinator this date.

Mayor	Date
Emergency Preparedness Coordinator	Date

AGENDA ITEM _____

CITY OF INVER GROVE HEIGHTS **REQUEST FOR COUNCIL ACTION**

Consider Approval of Year Two (2011) of a Four Year (2010 through 2013) Golf Course Pavement Project

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Meeting Date:	July 25, 2011		**Fiscal/FTE Impact:**
Item Type:	Consent Agenda	[ ]	None
Contact:	Al McMurchie – 651.457.3667	[ ]	Amount included in current budget
Prepared by:	Al McMurchie	[ ]	Budget amendment requested
Reviewed by:	Eric Carlson – Parks & Recreation	[ ]	FTE included in current complement
		[ ]	New FTE requested – N/A
		[X]	Other

PURPOSE/ACTION REQUESTED

Consider approval of Phase Two (2011) golf course path replacements to be funded by the Host Community Fund.

SUMMARY

Inver Wood contains approximately 25,800 linear feet of bituminous golf car paths. The original paths were installed in 1991 on wet, unstable soil resulting in an inconsistent base layer and inconsistent bituminous layer thickness. The paths were specified at a width of six feet requiring the contractor to adjust installation equipment which further compromised the quality of the paths.

A four year, four phase replacement program was approved by the City Council on July 26, 2010 and is depicted by Attachment A. Total projected cost for the program, including turf restoration resulting from the installation process is $414,424.

For the 2011 phase, proposals were requested from three (3) local pavement contractors to replace 5,466 feet, reroute 114 feet, and remove 632 feet of path. The majority of paths will be replaced at a width of 8 feet. A few sections (136 feet) will be replaced at widths varying from 4 feet to 14 feet.

The chart below summarizes the proposals:

TERM	Ace Blacktop, Inc. Inver Grove Heights, MN	Pine Bend Paving, Inc. Vermillion, MN	Bituminous Roadways,Inc. Mendota Heights, MN
Total Pavement Cost	$ 122,092.24	$ 82,208.80	$ 82,753.00
Turf Restoration	$ 8,220.00	$ 8,220.00	$ 8,220.00
TOTAL	**$ 130,312.24**	**$ 90,428.80**	**$ 90,973.00**

We recommend the City Council approve the 2011 proposal as submitted by Pine Bend Paving, Inc. of Vermillion, Minnesota for $82,208.80, a turf restoration amount of 8,220.00 (10 percent) to restore path edges and repair damage from equipment traffic, for a total project cost of $90,428.80 to be funded by the Host Community Fund.

Subsequent phases will be bid annually for City Council approval.

INVER WOOD GOLF COURSE
GOLF CAR PATH INVENTORY - Listed by Annual Phased Replacement

PHASE 1 - 2010

Priority	Hole	Description	Footage
1	16	16 greenside to comfort station	355
2	17/18	comfort station "Y" to 17 tee to 18 tee	1260
3	18	18 greenside to clubhouse path	184
4	9 Ex	9 Ex green to clubhouse path	200
5	4 Ex	4 Ex green to 5 Ex tee	464
6	7 Ex	comfort station "Y" to 7 Ex tee	469
7	10	Pumphouse section	218
8	8	8 greenside to 1st Tee "Y"	1032
9	7	7 fairway	374
10	7	7 green thru 8th Tee	992
11	7	7 Tee to Fairway	610
		Total Footage - Phase 1	6,158
		Average Price per Foot	$12.95
		Pavement Price - Actual	$79,700
		Turf Restoration @ 10 percent	$7,970
		Total - Phase 1	**$87,670**

PHASE 2 - 2011

Sequence	Hole	Description	Footage
1	1	practice putting green "Y" to 1st tee	540
2	1	1 greenside thru 2nd tee	1,268
3	2	2 greenside thru 3rd tee	692
4	3	3 greenside thru 4th tee	974
5	4	4 greenside thru 5th tee	1,004
6	5	5 greenside thru 7th tee	1,616
		Total Footage - Phase 2	6,094
		Average Price per Foot	$14.00
		Pavement Price - Projected	$85,316
		Turf Restoration @ 10 percent	$8,532
		Total - Phase 2	**$93,848**

PHASE 3 - 2012

Sequence	Hole	Description	Footage
1	1 Ex	1 Ex tee	416
2	1 Ex	1 Ex green to 4 Ex tee	2,163
3	5 Ex	5 Ex green to 6 Ex tee	671
4	6 Ex	6 Ex green to comfort station	311
5	7 Ex	7 Ex green to 8 Ex tee	910
6	8 Ex	8 Ex green to 9 Ex tee	692
		Total Footage - Phase 3	5,163
		Average Price per Foot	$15.00
		Pavement Price - Projected	$77,445
		Turf Restoration @ 10 percent	$7,745
		Total - Phase 3	**$85,190**

PHASE 4 - 2013

Sequence	Hole	Description	Footage
1	10	10 greenside to comfort station	559
2	11	comfort station to 11th tee	525
3	11	11 greenside thru 13th tee	2,720
4	13	13 greenside thru 14th tee	1,322
5	15	15 green thru 16th Tee	900
6	15	Maintenance Trail @ 10 foot width	1,040
7	Clubhouse Area	Practice Putting Green - @ 10 foot width	927
8	Clubhouse Area	Clubhouse Path @ 12 foot width	400
		Total Footage - Phase 4	8,393
		Average Price per Foot	$16.00
		Pavement Price - Projected	$134,288
		Turf Restoration @ 10 percent	$13,429
		Total - Phase 4	**$147,717**

TOTAL - ALL PHASES	**$414,424**

ATTACHMENT A

AGENDA ITEM _____

CITY OF INVER GROVE HEIGHTS **REQUEST FOR COUNCIL ACTION**

Consider Approval of Spa Heat Exchanger Replacement

Meeting Date:	July 25,2011		**Fiscal/FTE Impact:**
Item Type:	Consent Agenda		None
Contact:	Michael Sheggeby 651.450.2514		Amount included in current budget
Prepared by:	Michael Sheggeby	X	Budget amendment requested
Reviewed by:	Eric Carlson – Parks & Recreation		FTE included in current complement
			New FTE requested – N/A
			Other

PURPOSE/ACTION REQUESTED

Accept proposal for Spa Pool Heat Exchanger Replacement from NAC Mechanical & Electrical Services in the amount of $13,476.72

SUMMARY

The heat exchanger that serves the Spa pool has failed and has developed four holes in the cast iron head that is leaking water out of the heat exchanger. Proposals were received for identical replacement of heat exchanger which has nickel tubes and cast iron head. We will also be bringing back a recommendation at a future meeting to install Ultraviolet Sanitation to extend the life of this pool equipment. The use of UV systems reduces the amount of Chlorine in the pool as a sanitizer which causes corrosion of the pool equipment and structures. Project will be funded from the VMCC operating budget C2500-80-20.

	Bid
NAC	$13,476.72
Johnson Controls	$28,232.00

Staff recommends accepting the proposal from NAC Mechanical & Electrical Services in the amount of $13,476.72

AGENDA ITEM _____

CITY OF INVER GROVE HEIGHTS **REQUEST FOR COUNCIL ACTION**

Consider Replacement of Fitness Equipment for the Veterans Memorial Community Center

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Meeting Date:	July 25, 2011		**Fiscal/FTE Impact:**
Item Type:	Consent Agenda		None
Contact:	Tracy Petersen – 651.450.2588	X	Amount included in current budget
Prepared by:	Tracy Petersen		Budget amendment requested
Reviewed by:	Eric Carlson – Parks & Recreation		FTE included in current complement
			New FTE requested – N/A
			Other

PURPOSE/ACTION REQUESTED

To accept the quote of $23,197.22 from Push Pedal Pull for three (3) pieces of cardio equipment and the following strength equipment: dumbbells and rack, 1 back extension, 1 decline ab bench, 1 3-way Olympic bench, 1 pressing chair, 1 preacher curl and 2 adjustable ab benches. An amount of $24,000 is included in the 2011 VMCC budget for these items. Quotes include appropriate sales tax and trade-in values.

SUMMARY

In an effort to maintain a quality, safe and up-to-date fitness center, three (3) pieces of cardio equipment and various pieces of strength equipment are being proposed for purchase. A total of two (2) quotes were received and are listed below.

The equipment indicated is being proposed for purchase and replaced for the following reasons:

Safety:

Much of our current strength equipment is ten (10) years old and is warped, rusted and contains sharp edges. The design of many of the pieces is also out-dated in design and because of that, our members experience unsafe situations while utilizing the current equipment. The proposed equipment has a smaller foot print and due to our limited space, would result in more room for movement.

Increase in Use:

The fitness center has seen a continued increase in usage over the past two years. From 2008-2010, our personal training sessions increased from 663 to 1,027. In 2010, 900 persons participated in some type of paid fitness class and that number is expected to surpass 1,100 in 2011. In 2009, there were 1,299 memberships, 1,455 in 2010 and at mid-year 2011, there are 1,437 memberships. This continued increase in the volume of people we are servicing has caused additional wear and tear to both our cardio and strength equipment.

Changing Demographics:

The fitness center serves a spectrum of users ranging in age from 10-90. Our primary user is ages 35-50. This age group can highly benefit from new equipment that is easier to handle and has a more streamlined design to be better able to fit in smaller areas such as our center. In addition, our older adult population is also increasing and the addition of a NuStep (recumbent piece of cardio equipment) is in high demand as we currently only have one available for use. The newly designed strength equipment will also provide a more safe and quality experience in our Silver Sneakers classes.

Finally, the equipment being proposed for purchase is the same brand as we currently have in the fitness center. This brand has served the facility well both in terms of its reliability and

durability. In addition, the proposed vendor has provided excellent and timely service in the past on any necessary repairs to equipment.

Vendor	Quote	Parts Warranty Cardio	Labor Warranty Cardio	Frame Warranty Cardio	Extended Warranty Cardio
2nd Wind Exercise Equipment	$23,310.51	NuStep-5 yrs Stairmaster-3yrs	Both-1 year	NuStep-10 years Stairmaster-15 years	Labor-3 years additional on Stairmaster
Push Pedal Pull	$23,197.22	NuStep-5yrs Stairmaster-3yrs	Both -1 year	NuStep-10 years Stairmaster-15 years	Labor-3 years additional on Stairmaster

AGENDA ITEM _____

CITY OF INVER GROVE HEIGHTS **REQUEST FOR COUNCIL ACTION**

30-DAY SUSPENSION OF FIREFIGHTER

Meeting Date:	July 25, 2011		**Fiscal/FTE Impact:**
Item Type:	Consent	X	None
Contact:	Judy Thill, Fire Chief		Amount included in current budget
Prepared by:	Judy Thill		Budget amendment requested
Reviewed by:	n/a		FTE included in current complement
			New FTE requested – N/A
			Other

PURPOSE/ACTION REQUESTED Confirm suspension of Firefighter Luke Nightengale for failing to meet minimum call percentages for two quarters in a 24 month period.

SUMMARY According to Fire Department Policy #5 Call Requirements, all firefighters must maintain a minimum call percentage of 15% in each calendar quarter. Any Firefighter failing to meet this requirement for a second time in a 24 month period shall have a suspension letter placed in his/her file and shall be suspended for 30 days. City Code, Section 315.03, "The Fire Chief shall report each suspension of a member of the Fire Department as soon as possible to the City Administrator for transmission to the City Council for its confirmation or denial at the first regular meeting occurring more than ten days after such suspension."

Luke Nightengale will be suspended for 30 days from July 15, 2011 through August 13, 2011 for failing to meet minimum call percentage for a second quarter in a 24 month period.

Staff recommends City Council confirm this suspension according to Fire Department policy, and City Code.

AGENDA ITEM 4O

CITY OF INVER GROVE HEIGHTS **REQUEST FOR COUNCIL ACTION**

PERSONNEL ACTIONS

Meeting Date:	July 25, 2011		**Fiscal/FTE Impact:**
Item Type:	Consent		None
Contact:	Jenelle Teppen, Asst. City Admin	X	Amount included in current budget
Prepared by:	Amy Brinkman, H.R. Coordinator		Budget amendment requested
Reviewed by:	n/a		FTE included in current complement
			New FTE requested – N/A
			Other

PURPOSE/ACTION REQUESTED Staff requests that the Council approve the personnel actions listed below:

Please confirm the seasonal/temporary employment of: Toby Collodora.

Please confirm the separation of employment of: Eric Resnikoff, Firefighter.

Please confirm the promotion of: Jessica Billmeyer, Police Sergeant.

AGENDA ITEM 7A

CITY OF INVER GROVE HEIGHTS **REQUEST FOR COUNCIL ACTION**

LEONARD LOUIS HEALTHCARE (Woodlyn Heights) – Case No. 11-17CA

Meeting Date: July 25, 2011
Item Type: Regular
Contact: Heather Botten 651.450.2569
Prepared by: Heather Botten, Associate Planner
Reviewed by: Planning

Fiscal/FTE Impact:

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

PURPOSE/ACTION REQUESTED

Consider a Resolution relating to a **Conditional Use Permit** for a senior living facility to add an addition to the main entrance of the existing building and a parking lot expansion for the property located at 2060 Upper 55th Street.

- Requires a 4/5th's vote.
- 60-day deadline: August 8, 2011 (second 60-days)

SUMMARY

The existing building was constructed in 1974 and is used for a senior living facility. The property is 5.4 acres in size. The applicant is requesting a conditional use permit to add a 532 square foot lobby addition with a canopy and a parking lot expansion. The parking lot expansion would be adding 27 additional stalls to the property.

The proposed request meets the Conditional Use Permit criteria relating to the Comprehensive Plan and zoning consistency, land use impacts such as setbacks, landscaping, and aesthetics, environmental impacts, and public health and safety impacts. Access to the site is not changing. The applicant has been working with the Engineering Department to finalize stormwater and grading plans.

Planning Staff: Based on the information provided staff recommends approval of the conditional use permit to add an addition to the existing building and parking lot expansion with the conditions listed in the attached resolution.

Planning Commission: At the July 5, 2011 public hearing, the Planning Commission recommended approval of the request with the conditions listed in the attached resolution (7-0).

Attachments: CUP Resolution
Planning Commission Recommendation
Planning Staff Report

CITY OF INVER GROVE HEIGHTS
DAKOTA COUNTY, MINNESOTA

RESOLUTION NO. _____

RESOLUTION APPROVING A CONDITIONAL USE PERMIT FOR A SENIOR LIVING FACILITY TO ADD AN ADDITION TO THE MAIN ENTRANCE OF THE EXISITNG BUILDING AND A PARKING LOT EXPANSION

Leonard Louis Healthcare Properties, LLP
Case No. 11-17CA

WHEREAS, an application for a Conditional Use Permit Amendment has been submitted for the property located at 2060 Upper 55th Street and legally described as:

See Attached

WHEREAS, an application for a conditional use permit has been submitted in order to allow for an expansion of the existing building and a parking lot expansion;

WHEREAS, the aforedescribed property is zoned P, Public/Institutional;

WHEREAS, the request has been reviewed against Title 10, Chapter 3, Article A, Section 10-3A-5 regarding the criterion for a Conditional Use Permit and meets the minimum standards; the request is consistent with the Comprehensive Plan and it does not have a negative impact on public health, safety or welfare;

WHEREAS, a public hearing concerning the conditional use permit was held before the Inver Grove Heights Planning Commission in accordance with Minnesota Statute, Section 462.357, Subdivision 3 on July 5, 2011;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF INVER GROVE HEIGHTS, that a Conditional Use Permit to allow for an expansion of the existing building and parking lot expansion is hereby approved with the following conditions:

1. The site shall be developed in substantial conformance with the following plans on file with the Planning Department except as may be modified by the conditions

below.

Civil Plan Set date stamped 06/09/11

2. All parking lot lighting on site shall be a down cast "shoe-box" style and the bulb shall not be visible from property lines.

3. The City Code Enforcement Officer, or other designee, shall be granted right of access to the property at all reasonable times to ensure compliance with the conditions of this permit.

4. Any expansion of the use as shown on the site plan requires additional city approvals and is not part of this conditional use permit.

5. A storm water facility maintenance agreement shall be prepared by the City Attorney and executed by both the City and the property owner to ensure long term maintenance of the facilities. An operation and maintenance plan is required for the new storm water facilities.

6. Prior to the issuance of a building permit, an Engineering cash escrow shall be submitted to the City to ensure the proper construction of the improvements and to review the drainage modeling.

7. The developer shall meet all the conditions outlined in the City Engineers review letters and subsequent correspondence. Prior to commencement of any grading, the final grading, drainage and erosion control, and utility plans shall be approved by the City Engineer.

8. All final development plans shall be subject to the review and approval of the City Fire Marshal.

BE IT FURTHER RESOLVED that the Deputy Clerk is hereby authorized and directed to record a certified copy of this Resolution at the Dakota County Recorder's Office.

Adopted by the City Council of Inver Grove Heights this _____ day of _____, 2011.

AYES:
NAYS:

_____
George Tourville, Mayor

ATTEST:

_____
Melissa Rheaume, Deputy Clerk

Exhibit A

(Inver Grove Heights, Minnesota)

That part of the Southwest Quarter (SW¼) of Section Thirty-three (33), Township Twenty-eight (28) North, Range Twenty-two (22) West, Dakota County, Minnesota described as follows:

Beginning at the point of intersection of the South line of the North 1,012 feet of said Southwest Quarter and the Southerly right-of-way line of County Road No. 18, as described in Document No. 501801; thence North 89 degrees 46 minutes 10 seconds West along said South line of the North 1,012 feet a distance of 78.44 feet to the West line of said Southwest Quarter; thence South 00 degrees 03 minutes 49 seconds East 584.97 feet along the said West line of the Southwest Quarter; thence North 89 degrees 56 minutes 11 seconds East 511.76 feet; thence North 00 degrees 03 minutes 49 seconds West 329.71 feet to said Southerly right-of-way line of County Road No. 18; thence Northwesterly along said Southerly right-of-way line 507.17 feet, more or less, to the point of beginning.

(Dakota County)

RECOMMENDATION TO
CITY OF INVER GROVE HEIGHTS

TO: Mayor and City Council of Inver Grove Heights

FROM: Planning Commission

DATE: July 5, 2011

SUBJECT: **LEONARD LOUIS HEALTHCARE (Woodlyn Heights) – CASE NO. 11-17CA**

Reading of Notice
Commissioner Simon read the public hearing notice to consider the request for a conditional use permit to add an addition to the main entrance and to expand the parking lot for the property located at 2060 Upper 55th Street East. 16 notices were mailed.

Presentation of Request
Heather Botten, Associate Planner, explained the request as detailed in the report. She advised that the original structure was built on the property in 1974 and is being used as a senior living facility, which is a conditional use in the Public/Institutional District. Staff was unable to locate an existing CUP for the property, therefore to bring the property into conformance a CUP is being requested to add a 532 square foot lobby addition with a canopy and a parking lot expansion. The applicant is also adding a canopy expansion to the rear entry. The applicant has been working with the City Engineering Department on stormwater and grading requirements. She noted that staff received a few general inquiries from the public and no concerns were raised. Staff recommends approval of the request with the eight conditions listed in the report.

Commissioner Simon asked for clarification of 1) whether the proposed canopy should have been included in the public notice and 2) what was required for the replacement of the existing monument sign.

Ms. Botten replied that the request for a canopy did not need to be included in the public notice, and the sign replacement required a building permit.

Commissioner Simon stated it was difficult to determine the location of the proposed additions from the site plan in the packet.

Ms. Botten apologized, stating she forgot to highlight the specific locations on the site plan.

Opening of Public Hearing
Jill Krance, Elness Swenson Graham Architects, stated she was available to answer any questions.

Chair Bartholomew asked if the applicant was agreeable with the eight conditions listed in the report.

Ms. Krance requested to review the conditions.

Commissioner Simon asked if the applicant was still in the process of working on the

stormwater treatment plan, to which Ms. Botten replied in the affirmative.

Commissioner Simon asked if the applicants planned to include rain gardens as part of the stormwater plan.

Pat Koehnen, Van Sickle Allen & Associates, replied they were proposing a rain garden between the parking lot expansion and the existing parking lot and will meet all City requirements.

Ms. Krance advised that she read the eight conditions of approval and was agreeable with them.

Commissioner Elsmore asked if the parking lots were primarily for staff or visiting families, to which Ms. Krance replied both.

Commissioner Elsmore asked how many parking stalls were currently on site.

Mr. Koehnen advised there were 77 existing parking stalls, 27 being proposed, for a total of 104.

Planning Commission Discussion
Chair Bartholomew stated he supported the request.

Planning Commission Recommendation
Motion by Commissioner Wippermann, second by Commissioner Scales, to approve the request for a conditional use permit for a senior living facility to add an addition to the main entrance of the existing building and a parking lot expansion, for the property located at 2060 Upper 55th Street, with the eight conditions listed in the report.

Motion carried (7/0). This item goes to the City Council on July 25, 2011.

PLANNING REPORT
CITY OF INVER GROVE HEIGHTS

REPORT DATE: June 30, 2011 **CASE NO:** 11-17CA

HEARING DATE: July 5, 2011

APPLICANT and PROPERTY OWNER: Leonard Louis Healthcare Properties, LLP (Woodlyn Heights Care Center)

REQUEST: A conditional use permit for a senior living facility to add an addition to the main entrance and to expand the parking area.

LOCATION: 2060 Upper 55th Street

COMPREHENSIVE PLAN: P, Public / Institutional

ZONING: P, Public/Institutional

REVIEWING DIVISIONS: Planning, Engineering

PREPARED BY: Heather Botten, Associate Planner

BACKGROUND

The existing building was constructed in 1974 and is used for a senior living facility. The property is 5.4 acres in size. The use of a senior living facility (nursing home) is a conditional use in the P district. Staff was unable to locate an existing CUP for the property therefore to bring the property into conformance a CUP is being requested. The applicant is requesting a conditional use permit for a senior living facility to add a 532 square foot lobby addition with a canopy and a parking lot expansion. The applicant is also adding a canopy expansion to the rear entry.

The specific request consists of the following:

A.) A **Conditional Use Permit** for a senior living facility to add an addition to the main entrance and to expand the parking area.

EVALUATION OF THE REQUEST

The following land uses, zoning districts, and comprehensive plan designations surround the subject property:

North	IGH Fire Station; zoned P; guided P
East	Vacant; zoned R-1C single-family; guided Low Density Residential
South	Vacant; zoned R-1C single-family; guided Low Density Residential
West	Residential; zoned R-1C single-family; guided Low Density Residential

SITE PLAN REVIEW

Building Setbacks. The proposed building addition is located over 100 feet from the closest property line, exceeding setback requirements.

Parking Lot. The proposed parking lot expansion meets setback and surfacing requirements. Overall, there will be 27 additional stalls added to the property for a total of 104 parking stalls.

Lot Coverage. The P, Public/Institutional zoning district does not have a maximum impervious surface requirement. The property is allowed 20% maximum building coverage. With the proposed addition the building coverage is about 11% for the site, meeting code requirements.

Access. Access to the site is not changing; there is one main entrance and one service entrance off of Upper 55th Street along the north side of the property.

Tree Preservation/Landscaping. Based on the tree protection and preservation ordinance, tree removal falls under the allowed removal threshold and therefore no reforestation would be required.

Landscaping requirements require a total of 4 overstory trees or the equivalent to be planted as part of the property improvements. The applicant has provided a landscape plan which shows 11 trees and numerous shrubs. The proposed plan meets and exceeds the landscaping requirements.

Engineering. The parking lot expansion would be adding to the impervious surface on the property. Engineering is reviewing the plans and has been working with the applicant on stormwater and grading requirements. Engineering has made some recommendations on conditions that should be added to the approval. These conditions are included in the list of conditions at the end of this report. The applicant shall continue to work with the City to secure final approval of the construction drawings.

Lighting. The applicant has submitted a lighting plan which illustrates the location of lighting in the parking lot. The proposed illumination pattern of the lights complies with the maximum foot candles at the center line of the street and property lines. All parking lot lighting shall be designed so as to deflect light away from any adjoining residential zones or from the public streets. The source of light shall be hooded, recessed, or controlled in some manner so as not to be visible from adjacent property or streets.

Signs. All new signs shall require a sign permit and follow the sign regulations in the Zoning Code (Section 10-15E).

Fire Marshal Review. All plans shall be subject to the review and approval of the City Fire Marshal for fire lane designation and the signage or marking of the fire lanes at time of building permit.

GENERAL CONDITIONAL USE PERMIT REVIEW

This section reviews the plans against the CUP criteria in the Zoning Ordinance (Section 10-3A).

1. *The use is consistent with the goals, policies and plans of the City Comprehensive Plan, including future land uses, utilities, streets and parks.*

   The use is consistent with the goals, policies, and plans of the Comprehensive Plan. The future land use of this parcel is P, Public/Institutional; senior living is consistent with the uses envisioned in this district.

2. *The use is consistent with the City Code, especially the Zoning Ordinance and the intent of the specific Zoning District in which the use is located.*

   The applicant's property is zoned public/institutional. The land use of a senior living facility is consistent with the intent of the P zoning district.

3. *The use would not be materially injurious to existing or planned properties or improvements in the vicinity.*

   The proposed site improvements would not have a detrimental effect on public improvements in the vicinity of the property.

4. *The use does not have an undue adverse impact on existing or planned City facilities and services, including streets, utilities, parks, police and fire, and the reasonable ability of the City to provide such services in an orderly, timely manner.*

   The property improvements do not appear to have any negative effects on City facilities or services.

5. *The use is generally compatible with existing and future uses of surrounding properties, including:*

   i. Aesthetics/exterior appearance
   The proposed building addition would be constructed with cultured stone, meeting code requirements.
   ii. Noise
   The proposed addition would not generate noises that are inconsistent with P zoning
   iii. Fencing, landscaping and buffering
   No fencing is proposed and landscaping exceeds the City's requirements.

6. *The property is appropriate for the use considering: size and shape; topography, vegetation, and other natural and physical features; access, traffic volumes and flows; utilities; parking; setbacks; lot coverage and other zoning requirements; emergency access, fire lanes, hydrants, and other fire and building code requirements.*

   Access to the site is not changing. The amount of traffic would not be out of the ordinary for a residential area. Building and parking setbacks meet or exceed code requirements.

7. *The use does not have an undue adverse impact on the public health, safety or welfare.*

   This use does not appear to have any negative effects on the public health, safety or welfare.

8. *The use does not have an undue adverse impact on the environment, including, but not limited to, surface water, groundwater and air quality.*

   This use would not have an undue adverse impact on the environment. The applicant is working with the City Engineering Department, creating a stromwater treatment plan.

ALTERNATIVES

The Planning Commission has the following actions available on the following requests:

A. **Approval.** If the Planning Commission finds the application to be acceptable, the following action should be taken:

- Approval of a **Conditional Use Permit** for an assisted living facility to add an addition to the existing building and expand the parking lot area subject to the following conditions:

  1. The site shall be developed in substantial conformance with the following plans on file with the Planning Department except as may be modified by the conditions below.

     Civil Plan Set date stamped 06/09/11

  2. All parking lot lighting on site shall be a down cast "shoe-box" style and the bulb shall not be visible from property lines.

  3. The City Code Enforcement Officer, or other designee, shall be granted right of access to the property at all reasonable times to ensure compliance with the conditions of this permit.

4. Any expansion of the use as shown on the site plan requires additional city approvals and is not part of this conditional use permit.

5. A storm water facility maintenance agreement shall be prepared by the City Attorney and executed by both the City and the property owner to ensure long term maintenance of the facilities. An operation and maintenance plan is required for the new storm water facilities.

6. Prior to the issuance of a building permit, an Engineering cash escrow shall be submitted to the City to ensure the proper construction of the improvements and to review the drainage modeling.

7. The developer shall meet all the conditions outlined in the City Engineers review letters and subsequent correspondence. Prior to commencement of any grading, the final grading, drainage and erosion control, and utility plans shall be approved by the City Engineer.

8. All final development plans shall be subject to the review and approval of the City Fire Marshal.

B. **Denial**. If the Planning Commission does not favor the proposed application the above request should be recommended for denial. With a recommendation for denial, findings or the basis for the denial should be given.

RECOMMENDATION

Based on the information in the preceding report and the conditions listed in Alternative A, staff is recommending approval of the request.

Attachments: Zoning/Location Map
Narrative
Grading Plan
Landscaping Plan
Elevations

Location Map
Woodlyn Heights

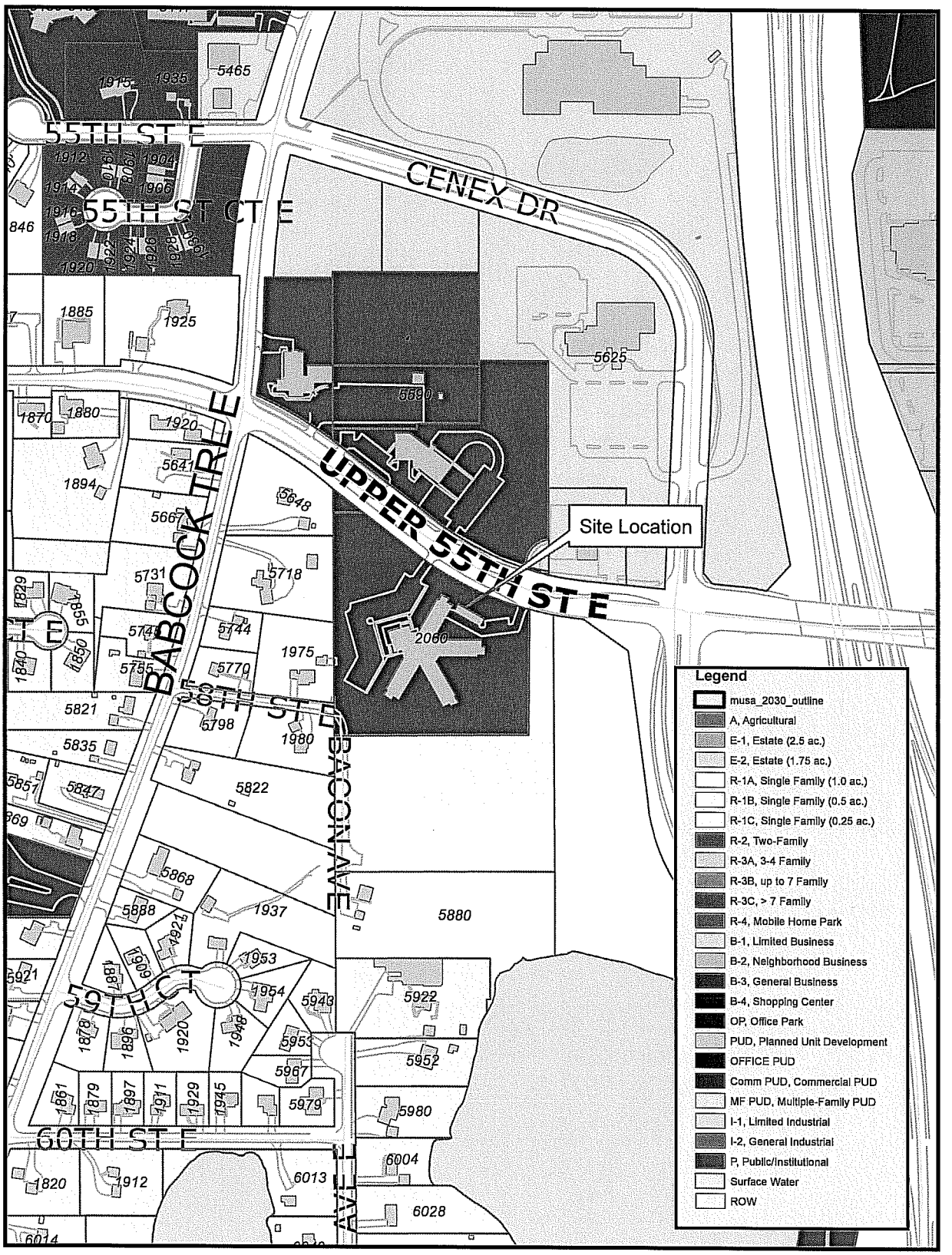

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Exhibit A
Zoning Map

June 14, 2011

Heather Botten
Associate Planner
City of Inver Grove Heights
8150 Barbara Avenue
Inver Grove Heights, MN 55077

Re: Woodlyn Heights Conditional Use Permit – Narrative Scope

Dear Ms. Botten:

The Owners of Woodlyn Heights Care Center, 2060 Upper 55th St. E, are proposing a site renovation to their property. Included in the renovation are the following items:

- Expand existing parking while resurfacing existing and resolving current drainage issues. A new drop-off area is to be included with parking lot redesign.
- Provide entry/lobby addition
- Add canopy at rear entrance
- Replace existing monument sign with new sign.

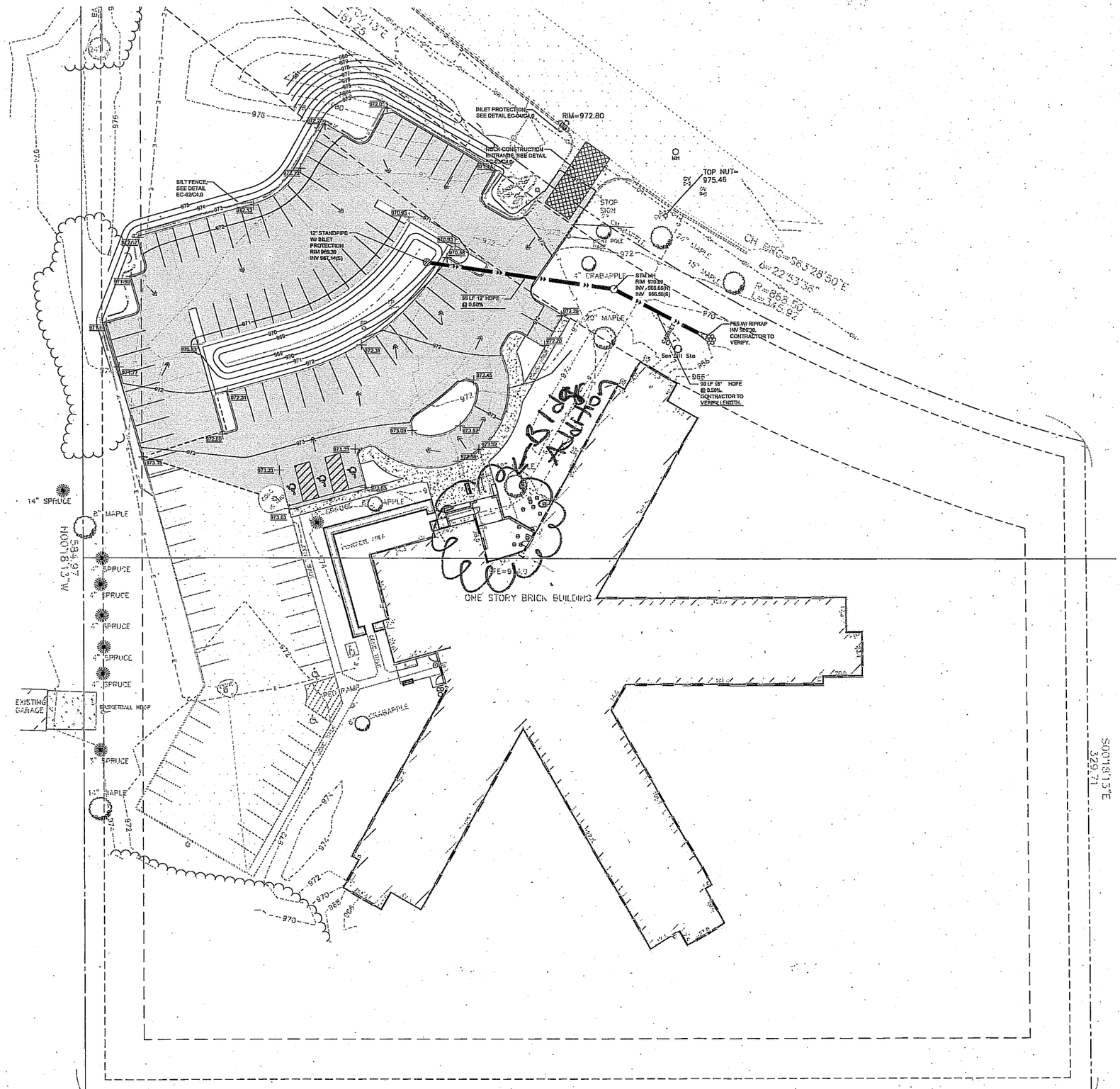
If there are further questions on the scope, please feel free to contact me at any time.

Sincerely,

ELNESS SWENSON GRAHAM ARCHITECTS, INC.

Jill Krance, AIA, CID, LEED AP
Senior Associate and Director of Senior Housing
d. 612.373.4620
e. jill.krance@esgarch.com

cc: Patrick Koehnen, VAA; Steve Harl, Tealwood
File: 210607/docs/narrative scope.doc



GENERAL NOTES

1. ALL EXISTING INFORMATION TAKEN FROM SURVEY BY EAGLE LAND SURVEYING, DATED 4-15-11.
2. SUBSURFACE GEOTECHNICAL INVESTIGATION: NOT PROVIDED.
3. CONTRACTOR TO FIELD VERIFY ALL EXISTING CONDITIONS INCLUDING LOCATIONS OF EXISTING UTILITIES, AND NOTIFY ENGINEER OF ANY DISCREPANCIES PRIOR TO STARTING CONSTRUCTION.
4. ALL EXISTING UTILITIES AND OTHER IMPROVEMENTS ARE TO REMAIN UNLESS NOTED OTHERWISE.
5. CONTRACTOR TO PROTECT FROM DAMAGE ALL EXISTING IMPROVEMENTS, LANDSCAPING, STRUCTURES AND UTILITIES THAT ARE TO REMAIN. CONTRACTOR TO REPAIR ANY DAMAGE AT OWN EXPENSE.
6. ALL WORK TO CONFORM WITH CITY OF WOODLYN AND STATE OF MINNESOTA STANDARDS AND REGULATIONS.
7. ALL EXCAVATIONS MUST COMPLY WITH THE REQUIREMENTS OF OSHA 29 CFR, PART 1926, SUBPART P "EXCAVATIONS AND TRENCHES". THIS DOCUMENT STATES THAT EXCAVATION SAFETY IS THE SOLE RESPONSIBILITY OF THE CONTRACTOR.
8. CATCHBASINS AND MANHOLES ARE SHOWN ON PLAN LARGER THAN ACTUAL SIZE. COORDINATE LOCATION OF MANHOLE COVER AND CASTING SO THAT IT IS PROPERLY LOCATED AT THE BACK OF CURBLINE FOR THE CURB INLETS OR CENTERED IN THE AREA AS SHOWN ON THE PLAN FOR THE AREA DRAINS AND MANHOLE COVERS.
9. PROVIDE TRAFFIC CONTROL AT STREETS AND SIDEWALKS PER CITY OF INVER GROVE HEIGHTS AND MNUTCD REQUIREMENTS.
10. ANY WORK PERFORMED OUTSIDE THE PROPERTY BOUNDARIES MUST BE APPROVED BY OWNER AND ALL REGULATING GOVERNMENT AGENCIES AND APPROPRIATE PERMITS MUST BE OBTAINED.

GRADING NOTES

1. PROPOSED SPOT ELEVATIONS AND CONTOURS ARE TO TOP OF GRADE, PAVEMENT OR GUTTER LINE, UNLESS OTHERWISE SPECIFIED.
2. CONTRACTOR TO PREVENT DIRT AND/OR DEBRIS FROM ENTERING STORM SEWER OR BEING TRANSPORTED OFF-SITE IN AN UNCONTROLLED MANNER. CONTRACTOR TO VERIFY AT PROJECT CLOSE-OUT THAT STORM SEWER SYSTEM IS CLEAR OF SEDIMENT AND/OR DEBRIS AND IS FULLY FUNCTIONAL. CONTRACTOR TO FOLLOW BEST MANAGEMENT PRACTICES (BMPS).
3. ALL AREAS DISTURBED BY CONSTRUCTION WHICH ARE OUTSIDE THE LIMITS OF PAVING ARE TO BE RESTORED AND REVEGETATED.
4. CONTRACTOR TO PROVIDE TEMPORARY ROCK CONSTRUCTION ENTRANCE AT ALL CONSTRUCTION ACCESS LOCATIONS.
5. ALL EROSION CONTROL ELEMENTS ARE TEMPORARY. CONTRACTOR TO INSTALL EROSION CONTROL ELEMENTS PRIOR TO START OF LAND DISTURBING ACTIVITIES, MAINTAIN IN GOOD CONDITION DURING CONSTRUCTION AND REMOVE FROM THE SITE UPON COMPLETION OF FINAL PAVING AND TURF ESTABLISHMENT.
6. CONTRACTOR TO INSTALL INLET PROTECTION AROUND ALL EXISTING CATCHBASINS AND MANHOLES PRIOR TO THE START OF LAND DISTURBING ACTIVITIES AND AROUND ALL NEW CATCHBASINS AND MANHOLES AFTER THEY ARE INSTALLED..
7. REMOVE ALL SOILS AND SEDIMENTS TRACKED OR OTHERWISE DEPOSITED ONTO PUBLIC AND PRIVATE PAVEMENT AREAS. REMOVAL SHALL BE ON A DAILY BASIS THROUGHOUT THE DURATION OF THE CONSTRUCTION. CLEAN PAVED ROADWAYS BY SHOVELING OR SWEEPING. STREET WASHING IS ALLOWED ONLY AFTER SHOVELING OR SWEEPING HAS REMOVED SEDIMENT. SEE CITY OF INVER GROVE HEIGHTS STANDARDS AND REGULATIONS

LEGEND

970	PROPOSED CONTOUR
971.50	PROPOSED SPOT ELEVATION
2.00%	DENOTES SURFACE DRAINAGE
	SILT FENCE
	SEDIMENT CONTROL AT MH/CB
	PROPOSED STORM SEWER
	PROPOSED CATCHBASIN
	PROPOSED MANHOLE
	PROPOSED FLARED END SECTION (FES) WITH RIPRAP
976	EXISTING CONTOUR
CH	EXISTING OVERHEAD ELECTRIC
GAS	EXISTING GAS
E	EXISTING UNDERGROUND ELECTRIC
SS	EXISTING SANITARY SEWER
T	EXISTING UNDERGROUND TELEPHONE
	EXISTING CONCRETE
	EXISTING BITUMINOUS PAVEMENT
San Lift Sta	EXISTING SANITARY LIFT STATION

NORTH

1 C2.0 GRADING, DRAINAGE AND EROSION CONTROL PLAN

0 20' 40' 60' 1"=20'

WOODLYN HEIGHTS REMODEL

Inver Grove Heights, MN

elness swenson graham architects

500 washington avenue south
minneapolis minnesota 55415
p. 612.339.3508
f. 612.339.5382
www.esgarch.com

I hereby certify that this document was prepared by me or under my direct supervision and that I am a duly licensed architect under the laws of the State of Minnesota

Signature

Typed or Printed Name

License # Date

APR 20, 2011
–
NOT FOR CONSTRUCTION

ORIGINAL ISSUE: 08/28/05

REVISIONS

No.	Description	Date

210607
PROJECT NUMBER

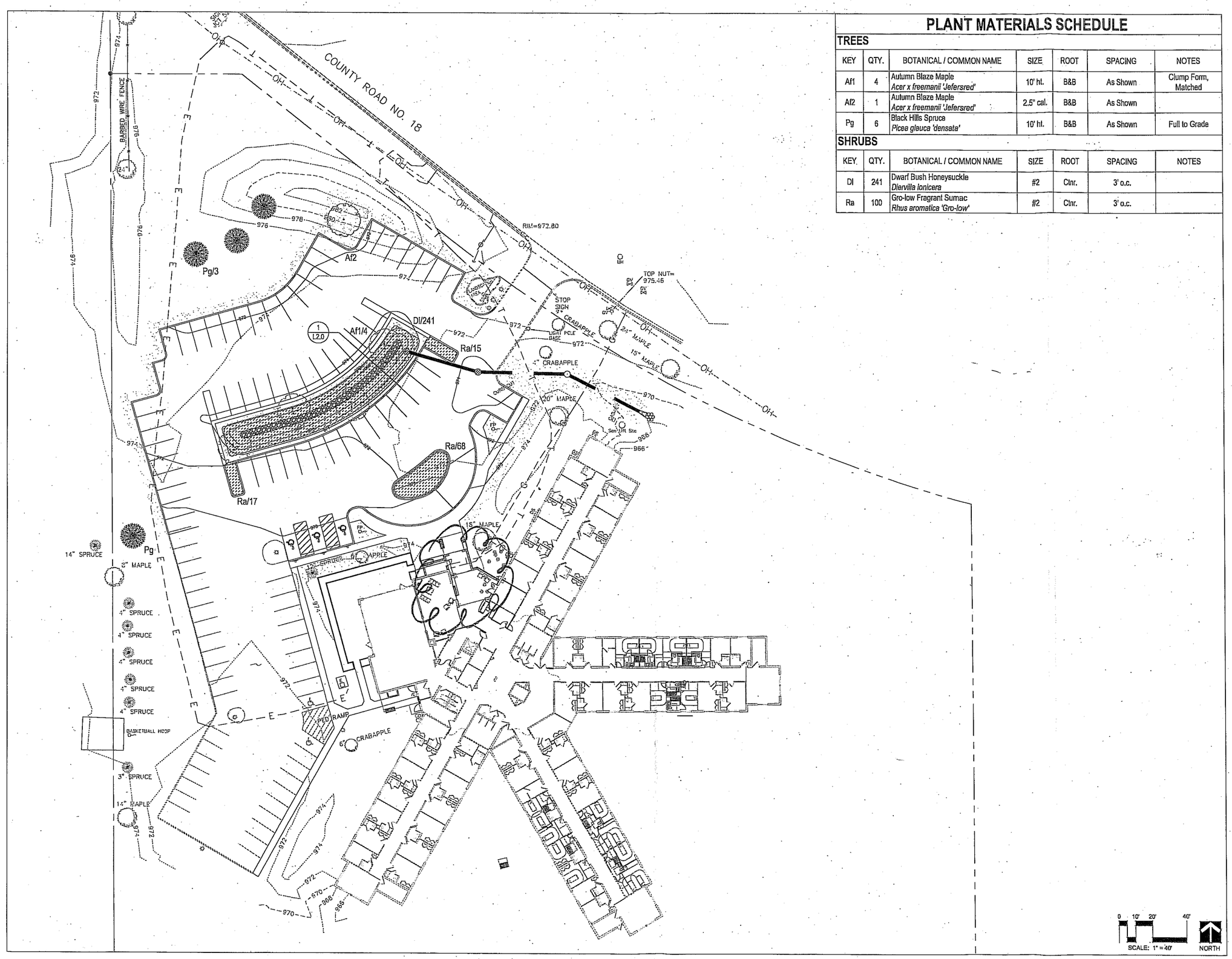
NMH DRAWN BY · PDK CHECKED BY

WOODLYN HEIGHTS REMODEL

GRADING, DRAINAGE AND EROSION CONTROL PLAN

C2.0

WOODLYN
HEIGHTS REMODEL
Inver Grove Heights, MN



PLANT MATERIALS SCHEDULE

TREES

KEY	QTY.	BOTANICAL / COMMON NAME	SIZE	ROOT	SPACING	NOTES
Af1	4	Autumn Blaze Maple *Acer x freemanii 'Jefersred'*	10' ht.	B&B	As Shown	Clump Form, Matched
Af2	1	Autumn Blaze Maple *Acer x freemanii 'Jefersred'*	2.5" cal.	B&B	As Shown	
Pg	6	Black Hills Spruce *Picea glauca 'densata'*	10' ht.	B&B	As Shown	Full to Grade

SHRUBS

KEY	QTY.	BOTANICAL / COMMON NAME	SIZE	ROOT	SPACING	NOTES
Dl	241	Dwarf Bush Honeysuckle *Diervilla lonicera*	#2	Ctnr.	3' o.c.	
Ra	100	Gro-low Fragrant Sumac *Rhus aromatica 'Gro-low'*	#2	Ctnr.	3' o.c.	

LANDSCAPE ARCHITECTURE, INC.

Landscape Architecture
Master Planning & Sustainable Design
858 RAYMOND AVENUE, SUITE C
ST. PAUL, MN 55114
TEL: 651.646.1626
Web: www.landarchinc.com

elness swanson graham architects

500 washington avenue south
minneapolis minnesota 55415
p. 612.339.5506
f. 612.339.5332
www.esgarch.com

I hereby certify that this document was prepared by me or under my direct supervision and that I am a duly licensed landscape architect under the laws of the State of Minnesota

Signature

Typed or Printed Name

License # Date

CUP Application
JUNE 6, 2011
NOT FOR CONSTRUCTION

ORIGINAL ISSUE: -

REVISIONS

No.	Description	Date

210607
PROJECT NUMBER

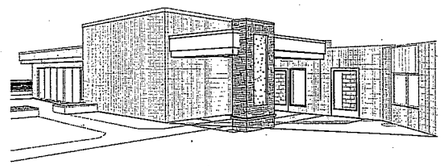
SPM - SPM
DRAWN BY - CHECKED BY

WOODLYN HEIGHTS REMODEL

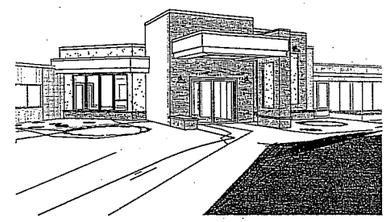
PLANTING PLAN

L1.0

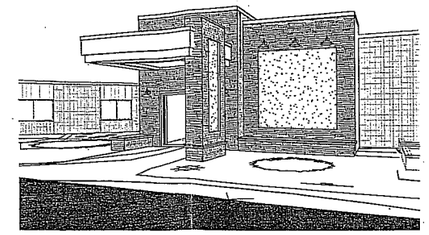
WOODLYN
HEIGHTS REMODEL
Inver Grove Heights, MN



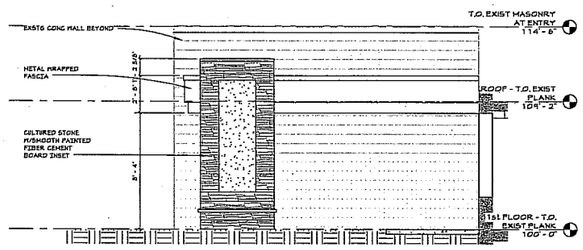
PERSPECTIVE VIEW AT REAR ENTRY



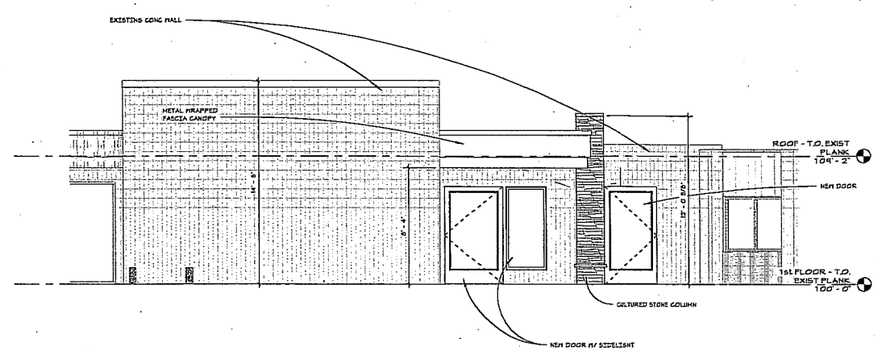
PERSPECTIVE VIEW 2



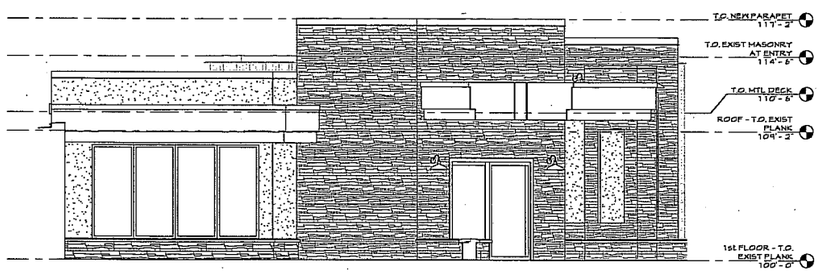
PERSPECTIVE VIEW 1



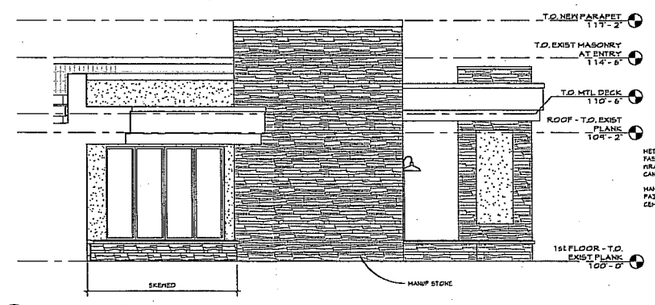
6 A1.3 REAR ENTRY WEST ELEVATION
1/4" = 1'-0"



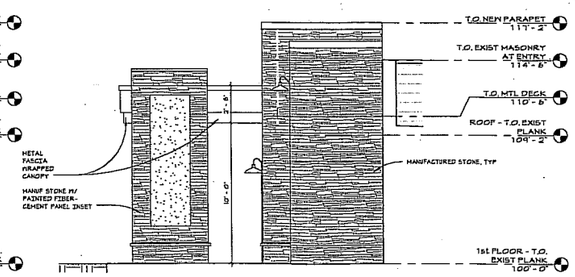
5 A1.3 REAR ENTRY SOUTH ELEVATION
1/4" = 1'-0"



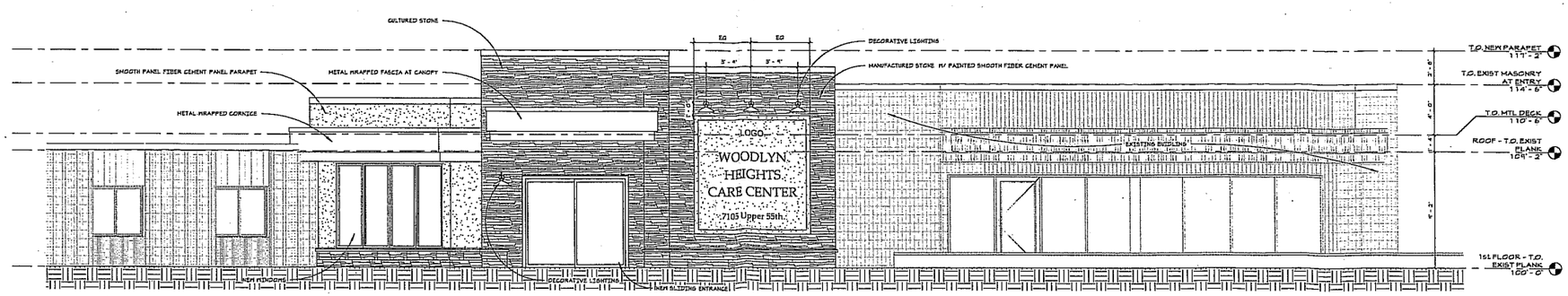
4 A1.3 SOUTHWEST ELEVATION
1/4" = 1'-0"



3 A1.3 WEST ELEVATION
1/4" = 1'-0"



2 A1.3 EAST ELEVATION
1/4" = 1'-0"



1 A1.3 SOUTH ELEVATION
1/4" = 1'-0"

elness swenson graham architects
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I hereby certify that this document was prepared by me or under my direct supervision and that I am a duly licensed architect under the laws of the State of Minnesota

Signature

Typed or Printed Name

License # Date

CUP APPLICATION
JUNE 6, 2011
NOT FOR CONSTRUCTION

ORIGINAL ISSUE: 12/06/05

REVISIONS

No.	Description	Date

210607
PROJECT NUMBER

Author — DRAWN BY
Checker — CHECKED BY

WOODLYN HEIGHTS REMODEL

EXTERIOR ELEVATIONS

A1.3

AGENDA ITEM 7B

GRACE CHURCH OF NAZARENE
ACTION

REQUEST FOR COUNCIL

CITY OF INVER GROVE HEIGHTS

Meeting Date:	July 25, 2011
Item Type:	Regular Agenda
Contact:	Allan Hunting 651.450.2554
Prepared by:	Allan Hunting, City Planner
Reviewed by:	

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
Consider a Resolution relating to a **Conditional Use Permit** to allow a daycare in the existing church building for property located at 7950 Blaine Avenue:

- Requires 4/5th's vote.
- 60-day deadline: August 19, 2011 (first 60-days)

SUMMARY
The applicant is proposing to operate a daycare facility out of the existing church. No changes to the interior of the building are being proposed as the church contains existing classrooms that would be used for the daycare operation. No other outdoor improvements are being proposed other than a possible future fence. The day care would operate normal business hours during the week.

ANALYSIS
The anticipated maximum number of children would range from 60-100. Based on state standards for child to teacher ratio, there would be approximately 10-13 teachers or employees on site. The site has ample parking and ample room for the pickup and drop off area.

RECOMMENDATION

Planning Staff: Recommends approval of the request as presented with the conditions listed in the attached resolution.

Planning Commission: Recommends approval of the request as presented. (5-0).

Attachments: Conditional Use Permit Resolution
Planning Commission Recommendation
Planning Report

CITY OF INVER GROVE HEIGHTS
DAKOTA COUNTY, MINNESOTA

RESOLUTION NO. _____

RESOLUTION APPROVING A CONDITIONAL USE PERMIT TO ALLOW A DAYCARE FACILITY WITHIN THE EXISTING CHURCH IN THE P, INSTITUTIONAL DISTRICT

(Grace Church of the Nazarene)
Case No. 11-18C

WHEREAS, an application for a Conditional Use Permit has been submitted for the property legally described as:

Lot 1, Block 1, Grace Nazarene Addition, according to the recorded plat thereof, Dakota County, Minnesota

WHEREAS, an application for a conditional use permit has been submitted to allow a daycare facility in the existing church in the P, Institutional District;

WHEREAS, the aforedescribed property is zoned P, Institutional;

WHEREAS, the request has been reviewed against Title 10, Chapter 3, Article A, Section 10-3A-5 regarding the criterion for a Conditional Use Permit and meets the minimum standards; the request is consistent with the Comprehensive Plan and it does not have a negative impact on public health, safety or welfare;

WHEREAS, a public hearing concerning the conditional use permit was held before the Inver Grove Heights Planning Commission in accordance with Minnesota Statute, Section 462.357, Subdivision 3 on July 19, 2011;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF INVER GROVE HEIGHTS, that a Conditional Use Permit to allow a daycare facility within the existing church in the P, Institutional District is hereby approved with the following conditions:

1. The site shall be in substantial compliance with the site plan dated 6/20/11 on file with the Planning Department indicating the parking lot/drop off and pick up traffic pattern and play ground area.

2. The daycare operation may not commence until proper approval from the City, including Building Inspections and Fire Marshal review, and any other government agencies is received.

3. The City Code Enforcement Officer, or other designee, shall be granted right of access to the property at all reasonable times to ensure compliance with the conditions of this permit.

BE IT FURTHER RESOLVED that the Deputy Clerk is hereby authorized and directed to record a certified copy of this Resolution at the Dakota County Recorder's Office.

Adopted by the City Council of Inver Grove Heights this 25th day of July, 2011.

AYES:
NAYS:

_____
George Tourville, Mayor

ATTEST:

_____
Melissa Rheaume, Deputy Clerk

RECOMMENDATION TO
CITY OF INVER GROVE HEIGHTS

TO: Mayor and City Council of Inver Grove Heights

FROM: Planning Commission

DATE: July 19, 2011

SUBJECT: **GRACE CHURCH OF NAZARENE – CASE NO. 11-18C**

Reading of Notice
Commissioner Simon read the public hearing notice to consider a conditional use permit to allow the operation of a child care center in the existing church, for the property located at 7950 Blaine Avenue. 43 notices were mailed.

Presentation of Request
Allan Hunting, City Planner, explained the request as detailed in the report. He advised that Grace Church is requesting a conditional use permit to operate a day care facility out of the existing church building. No changes to the interior layout of the building are being proposed. No outdoor improvements are being proposed other than a possible future fence. The anticipated maximum number of children would range from 60-100. The request complies with all conditional use permit criteria; therefore, staff recommends approval of the request with the three conditions listed in the report.

Chair Bartholomew asked if staff heard from any of the neighbors, to which Mr. Hunting replied they did not.

Opening of Public Hearing
The applicants, Tony Robinette, 9068 Hidden Meadow Road, Woodbury, and Reverend Timothy Asbill, 7950 Blaine Avenue, advised they were available to answer any questions.

Chair Bartholomew asked if the applicants were agreeable with the conditions listed in the report, to which Mr. Robinette and Rev. Asbill replied in the affirmative.

Commissioner Simon asked what the average age would be of the children attending the child care center.

Mr. Robinette replied they would care mostly for children infant through preschool age, with the oldest being 6th graders.

Commissioner Simon asked if they would obtain all necessary State licenses and permits, to which Mr. Robinette replied in the affirmative.

Commissioner Lissarrague encouraged the applicants install a fence around the play area.

Mr. Robinette advised they would initially use the indoor fellowship hall as a play area, but would likely install a fence next spring.

Planning Commission Recommendation

Motion by Commissioner Simon, second by Commissioner Wippermann, to approve the request for a conditional use permit to allow a daycare facility in an existing church, with the conditions listed in the report, for the property located at 7950 Blaine Avenue.

Motion carried (5/0). This item goes to the City Council on July 25, 2011.

PLANNING REPORT
CITY OF INVER GROVE HEIGHTS

REPORT DATE: July 12, 2011 **CASE NO.:** 11-18C

APPLICANT: Grace Church of the Nazarene

PROPERTY OWNER: Grace Church of the Nazarene

REQUEST: Conditional Use Permit to allow a daycare facility

LOCATION: 7950 Blaine Avenue

HEARING DATE: July 19, 2011

COMP PLAN: Public/Institutional

ZONING: P, Institutional

REVIEWING DIVISIONS: Planning **PREPARED BY:** Allan Hunting
City Planner

BACKGROUND

The applicant has submitted a request for a conditional use permit to operate a daycare facility out of the existing church. No changes to the interior layout of the church building are being proposed. The building contains existing classrooms that would be used for the daycare operation. No other outdoor improvements are being proposed other than a possible future fence. There is existing outdoor play equipment on the east side of the building and the grounds contain large open grass areas for exercise. The daycare will operate normal business hours approximately from 6:30 a.m. to 6:00 p.m. The operator would be a different entity from the church but would still require all necessary permits from the State.

The anticipated maximum number of children would range from 60-100. Based on State standards for child to teacher ratio, there would be approximately 10 to 13 teachers or employees on site.

SPECIFIC REQUEST

Approval of a Conditional Use Permit to allow a daycare facility to be operated out of the existing church, located at the property 7950 Blaine Avenue.

EVALUATION OF REQUEST

Surrounding Uses: The subject site is surrounded by the following uses:

North	Single family housing; zoned R-1/PUD; guided LDR, Low Density Residential
East	Single family housing; zoned R-1C; guided LDR
South	Inverwood Community College; zoned P, Institutional; guided Public/Institutional

Conditional Use Permit (CUP)

The specific request for a CUP for a daycare facility is reviewed below against the standards found in the Zoning Ordinance, Section 10-3A-5.A.

1. *The use is consistent with the goals, policies and plans of the City Comprehensive Plan, including future land uses, utilities, streets and parks.*

   The proposed use is consistent with Comprehensive Plan. The designation of Public/Institutional is consistent with the zoning of the property.

2. *The use is consistent with the City Code, especially the Zoning Ordinance and the intent of the specific Zoning District in which the use is located.*

   This standard is met. The P, Institutional District allows for churches, schools and daycare. A daycare facility would be consistent with the types of uses allowed in the P District.

3. *The use would not be materially injurious to existing or planned properties or improvements in the vicinity.*

   This standard is met. The proposed use would not create any adverse physical impacts upon the neighborhood. The neighborhood is developed with residential and school uses. The addition of a daycare would not negatively impact the neighborhood

4. *The use does not have an undue adverse impact on existing or planned City facilities and services, including streets, utilities, parks, police and fire, and the reasonable ability of the City to provide such services in an orderly, timely manner.*

   This standard is met. The addition of a daycare would not have a negative impact on city facilities and services.

5. *The use is generally compatible with existing and future uses of surrounding properties, including:*

   a) *Aesthetics/exterior appearance*

There are no changes proposed to the exterior other than a possible fence around the play area.

b) *Noise*

Noise generated by the proposed day care is not anticipated to be a problem for surrounding land owners. Children may be playing outside during the daytime hours but other than that noise will not be an issue.

c) *Traffic*

The peak hours for the daycare will be during the morning drop-off and the afternoon pick-up of children. The proposed use will not likely create a traffic problem. The parking lot has sufficient parking for both employees and for parents picking up the children. The site would also accommodate a pick up/drop off area in front of the church.

d) *Drainage*

No additional impervious surface is planned at this time. This condition is met.

e) *Fencing, landscaping and buffering*

A future chain link fence may be installed around the play ground area for the safety of the children. Fencing is not required by the Zoning Ordinance.

f) *Other operational characteristics - N/A*

6. *The property is appropriate for the use considering: size and shape; topography, vegetation, and other natural and physical features; access, traffic volumes and flows; utilities; parking; setbacks; lot coverage and other zoning requirements; emergency access, fire lanes, hydrants, and other fire and building code requirements.*

Parking requirements for a daycare is based on the number of employees (one space per employee) and children (one loading/parking area for every 6 students). The possible maximum capacity for the daycare would be 60-100 students. Based on a maximum of 100, a total of 30 spaces would be required for student and employee parking. The existing church parking lot has ample room to accommodate the daycare parking demands. The daycare would run during the week and would not conflict with the Sunday parking demands.

The Fire Marshall and Building Official would review the building to confirm compliance with fire and building codes before the operation could begin.

7. *The use does not have an undue adverse impact on the public health, safety or welfare.*

Staff is not aware of any public health, safety or welfare issues associated with the proposal. This standard has been met.

8. *The use does not have an undue adverse impact on the environment, including, but not limited to, surface water, groundwater and air quality.*

N/A

ALTERNATIVES

The Planning Commission has the following alternatives available for the proposed request:

A. Approval If the Commission finds the request acceptable, the Conditional Use Permit shall be recommended for approved with the following conditions:

1. The site shall be in substantial compliance with the site plan dated 6/20/11 on file with the Planning Department indicating the parking lot/drop off and pick up traffic pattern and play ground area.

2. The daycare operation may not commence until proper approval from other government agencies is received.

3. The City Code Enforcement Officer, or other designee, shall be granted right of access to the property at all reasonable times to ensure compliance with the conditions of this permit.

B. Denial If the Planning Commission does not favor the proposed application, the above request should be recommended for denial. With a recommendation for denial, findings or the basis for the denial should be given.

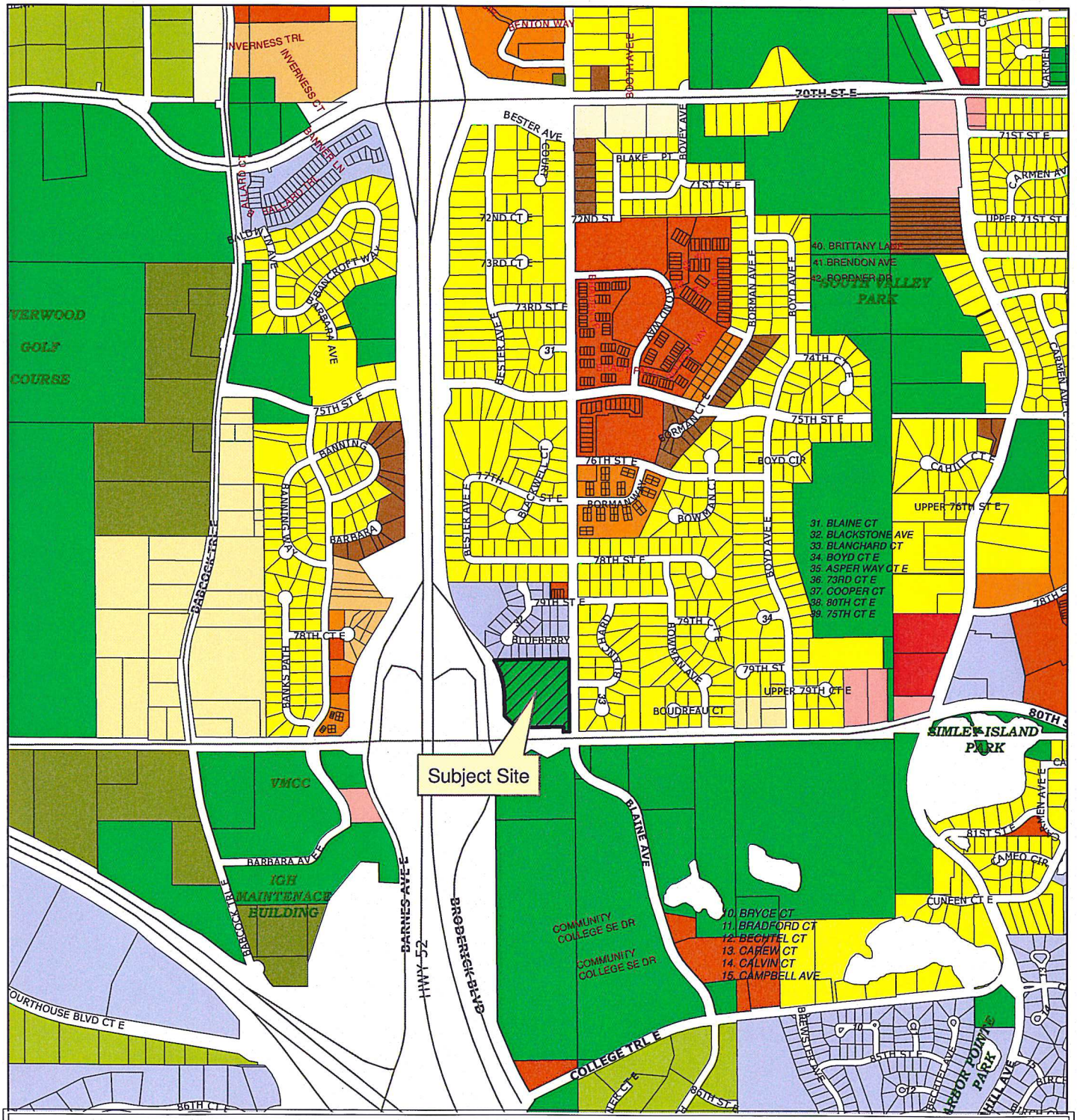
RECOMMENDATION

Based on the preceding report, Staff recommends approval of the conditional use permit with the 3 conditions listed above.

Attachments Exhibit A - Zoning and Location Map
Exhibit B - Applicant Narrative
Exhibit C - Site Plan
Exhibit D - Proposed Day Care layout/Floor Plans of the Church

Inver Grove Heights

Location Map
Case No. 11-18C



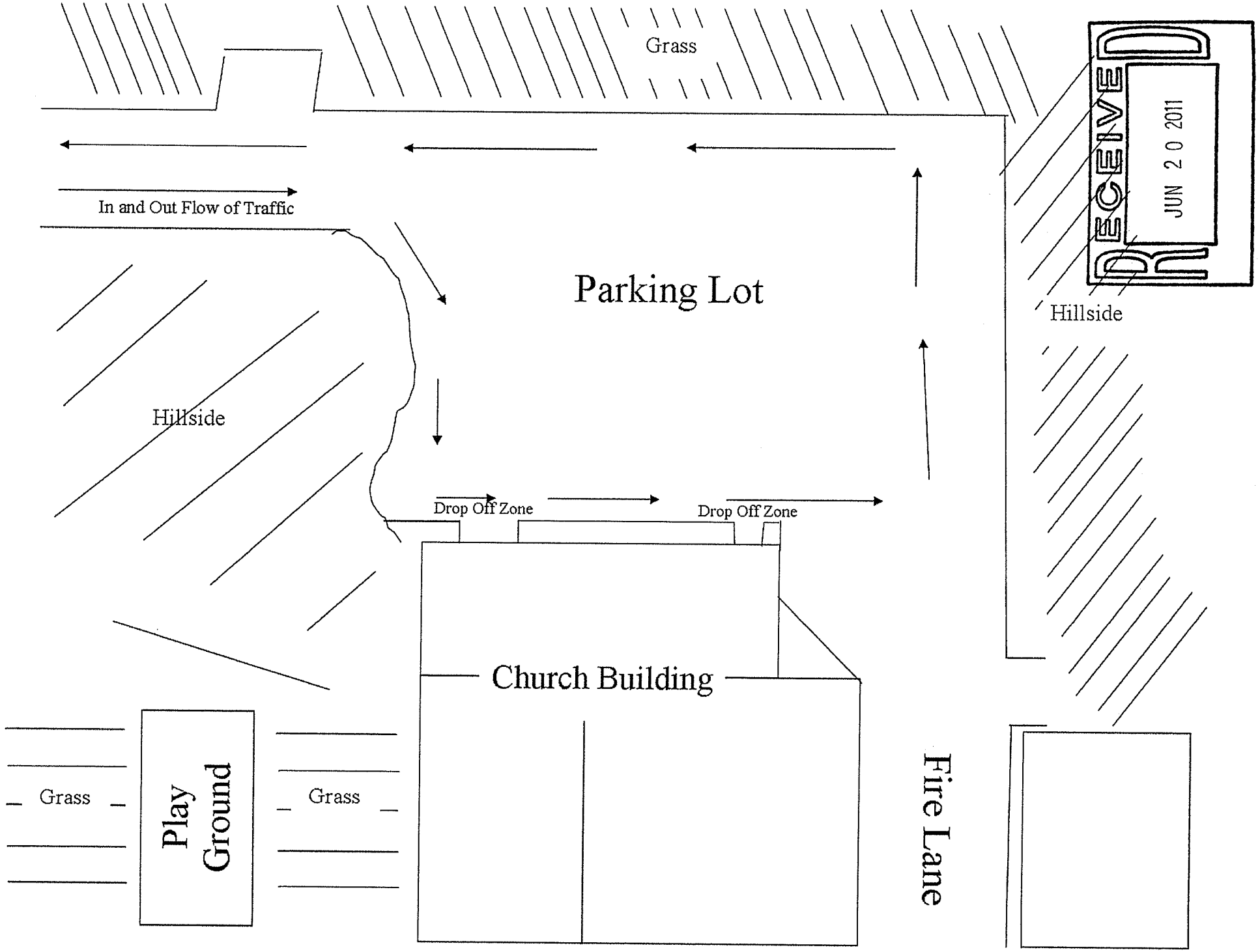
Legend

- A, Agricultural
- E-1, Estate (2.5 ac.)
- E-2, Estate (1.75 ac.)
- R-1A, Single Family (1.0 ac.)
- R-1B, Single Family (0.5 ac.)
- R-1C, Single Family (0.25 ac.)
- R-2, Two-Family
- R-3A, 3-4 Family
- R-3B, up to 7 Family
- R-3C, > 7 Family
- R-4, Mobile Home Park
- B-1, Limited Business
- B-2, Neighborhood Business
- B-3, General Business
- B-4, Shopping Center
- OP, Office Park
- PUD, Planned Unit Development
- OFFICE PUD
- Comm PUD, Commercial PUD
- MF PUD, Multiple-Family PUD
- I-1, Limited Industrial
- I-2, General Industrial
- P, Institutional
- Surface Water
- ROW

We would like to change the usage of our facility and real property to include the operation of a child care center.
This would not, at this time include any changes to our facility and real property, other than anything that may be needed for meeting the City and State child care codes.

The existing and only driveway would be used for the entrance and exit. The current parking lot would have ample parking for this need.
Our drop off would be the main entrance. We may need to add some directional arrows and or lines so that the "flow of traffic" is more clearly evident.

We understand that our current facility meets all city and state codes for the usage that it is now rated for.



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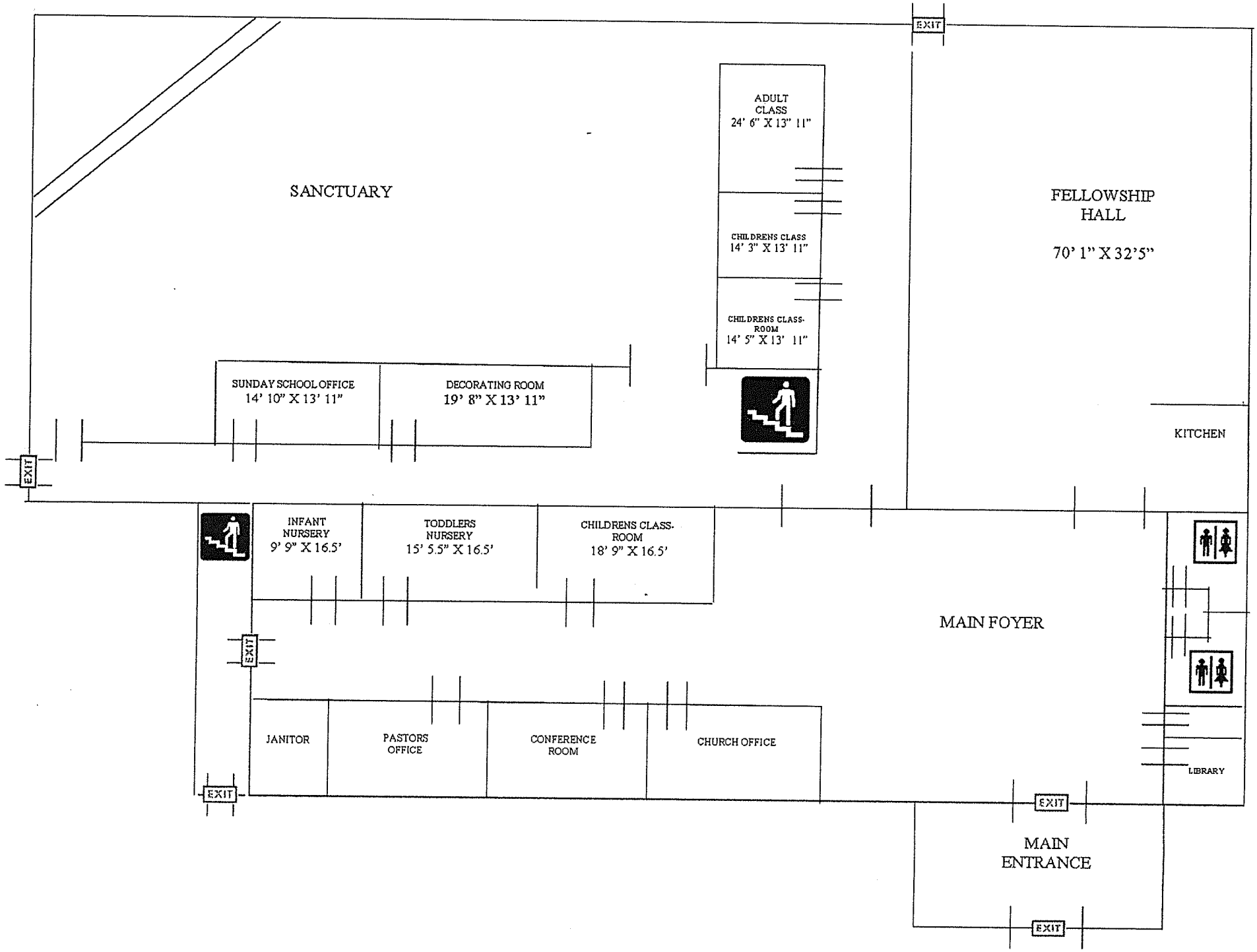
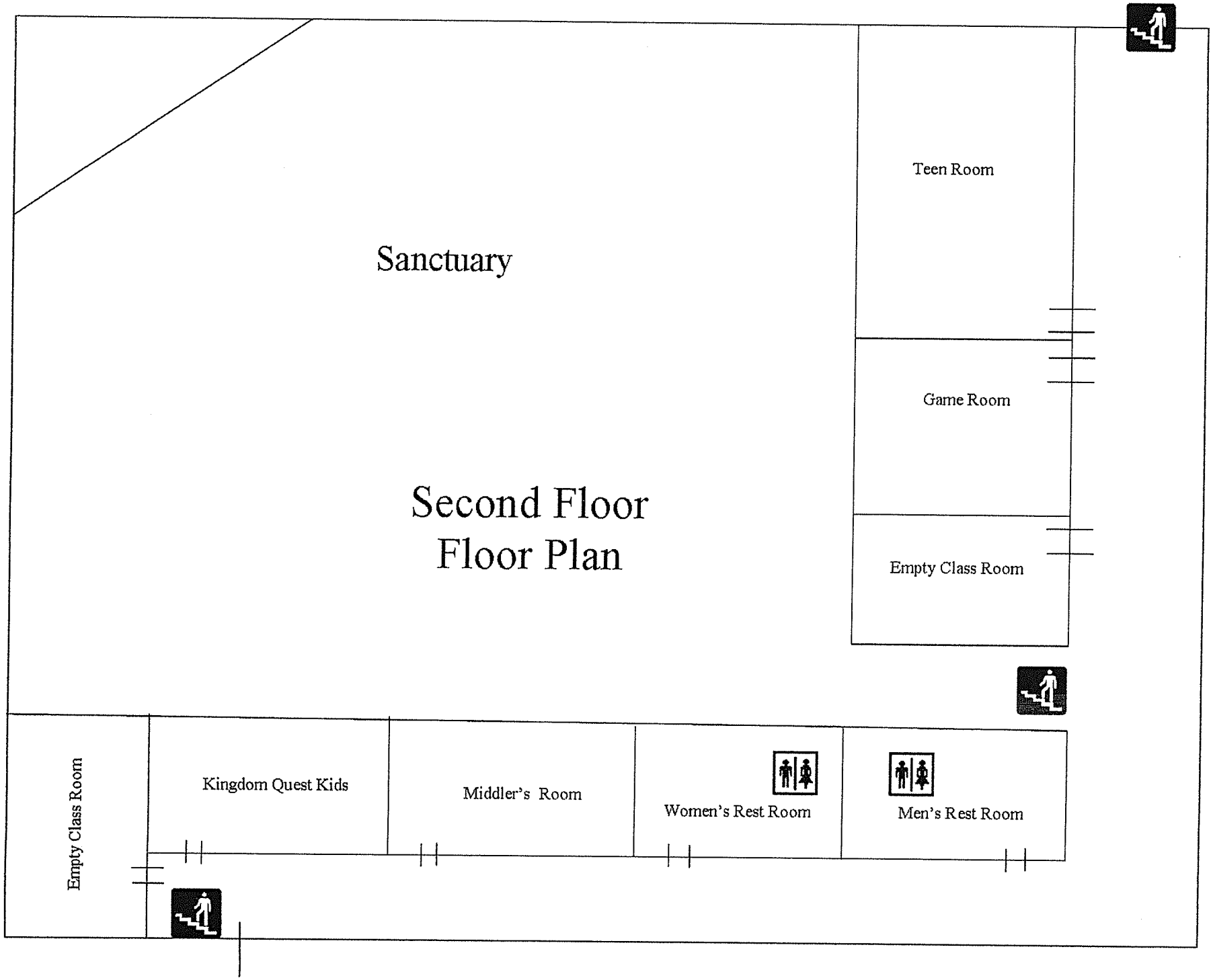
JUN 20 2011


EXIT
SANCTUARY
ADULT CLASS 24' 6" X 13" 11"
CHILDRENS CLASS 14' 3" X 13' 11"
CHILDRENS CLASS-ROOM 14' 5" X 13' 11"
FELLOWSHIP HALL
70' 1" X 32'5"
SUNDAY SCHOOL OFFICE 14' 10" X 13' 11"
DECORATING ROOM 19' 8" X 13' 11"
KITCHEN
EXIT
INFANT NURSERY 9' 9" X 16.5'
TODDLERS NURSERY 15' 5.5" X 16.5'
CHILDRENS CLASS-ROOM 18' 9" X 16.5'
MAIN FOYER
EXIT
JANITOR
PASTORS OFFICE
CONFERENCE ROOM
CHURCH OFFICE
LIBRARY
EXIT
EXIT
MAIN ENTRANCE
EXIT


Sanctuary
Teen Room
Game Room
Empty Class Room
Second Floor
Floor Plan
Empty Class Room
Kingdom Quest Kids
Middler's Room
Women's Rest Room
Men's Rest Room

AGENDA ITEM _____

CITY OF INVER GROVE HEIGHTS **REQUEST FOR COUNCIL ACTION**

CONSIDER CHANGE ORDER NO. TWENTY- FIVE FOR CITY PROJECT 2008-18 PUBLIC SAFETY ADDITION/CITY HALL RENOVATION

Meeting Date: July 25, 2011
Item Type: Regular
Contact: JTeppen, Asst City Admin
Prepared by:
Reviewed by:

Fiscal/FTE Impact:

	None
	Amount included in current budget
	Budget amendment requested
	FTE included in current complement
	New FTE requested – N/A
x	Other – Project Budget

PURPOSE/ACTION REQUESTED Consider the attached Change Order No. 25 for City Project 2008-18 Public Safety Addition/City Hall Renovation.

SUMMARY As the Council will recall, throughout the length of this project we will be asking the Council to consider any change orders at the second meeting of the month, with a Pay Voucher request from the Contractor on the first meeting of the month with a revised contract amount.

As Council will also recall, the amounts reflected in some Change Orders have already been approved – either by the Council or by staff if the amounts fall under $15,000.

PR 165R Revise Stair C Guardrail. Field condition: Existing stair guardrail which must be updated to meet current code is not attached per the original plans. Revisions provide for code upgrade while accommodating existing conditions. $234

PR 183R2 Added control valves at heat pump system. Provide additional heat pump control valves. Based on review of the ground source heat pump system start up and operations, the Mechanical Engineer and the Commissioning Agent have determined that additional valves are necessary for additional control and optimal performance. $3,954

The Contract amount is reflected to increase $4,188 for a revised contract total of $12,043,059.10.

Change Orders are financed from the project contingency which started at $613,601 and is now at $45,731.90 with the above change/amount.

CHANGE ORDER

OWNER	___
ARCHITECT	___
CONTRACTOR	___
FIELD	___
OTHER	___

AIA DOCUMENT G701

THIS DOCUMENT HAS IMPORTANT LEGAL CONSEQUENCES; CONSULTATION WITH AN ATTORNEY IS ENCOURAGED WITH RESPECT TO ITS COMPLETION OR MODIFICATION. AUTHENTICATION OF THIS ELECTRONICALLY DRAFTED AIA DOCUMENT MAY BE MADE BY USING AIA DOCUMENT D401.

PROJECT:	Inver Grove Heights Public Safety & City Hall Remodel	**CHANGE ORDER NO.:**	**Twenty Five (25)**
		DATE:	July 25, 2011
TO CONTRACTOR:	Shaw-Lundquist Associates 2757 West Service Road St. Paul, MN 55121	**ARCHITECT'S PROJECT #:**	1643.01
		CONTRACT DATE:	May 19, 2009
		CONTRACT FOR:	Addition & Remodel

The contract is changed as follows:

	Description	Cost	Days
1.	PR 165R Revise Stair C Guardrail	$234	0
2.	PR 183R2 Add control valves at heat pump system	$3,954	0

The original Contract Sum was	$11,501,900.00
Net change by previously authorized Change Orders	$536,971.10
The Contract Sum prior to this Change Order was	$12,038,871.10
The Contract Sum will be (increased) (~~decreased~~) (~~unchanged~~) by this change order in the amount of	$4,188.00
The new Contract Sum including this Change Order will be	$12,043,059.10

The Contract time will be ~~(increased)(decreased)~~(unchanged).	0 Days

The dates of Substantial Completion therefore are ~~(increased)(decreased)~~(unchanged

Phase IB: Construct Public Safety Addition (unchanged)	Phase IB: July 25, 2010
Phase IIB: Construct City Hall Addition and Renovate Existing Building (Increased)	Phase IIB: Sept. 15, 2011

CHANGE ORDER NO. 25
IGH Public Safety Addition & City Hall Remodel
1643.01

Authorized:

ARCHITECT	CONTRACTOR	OWNER
Boarman Kroos Vogel Group, Inc.	Shaw-Lundquist & Associates	City of Inver Grove Heights
Address	Address	Address
222 N. 2nd Street	2757 West Service Road	8150 Barbara Avenue
Minneapolis, MN 55401	St. Paul, MN 55121	Inver Grove Heights, MN 55077
BY_____	BY_____	BY_____
Jack Boarman, President		
DATE	DATE	DATE

AIA DOCUMENT G701 * CHANGE ORDER * 1987 EDITION * AIA - COPYRIGHT 1987 *
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AGENDA ITEM _____

CITY OF INVER GROVE HEIGHTS **REQUEST FOR COUNCIL ACTION**

Meeting Date:	July 25, 2011		**Fiscal/FTE Impact:**
Item Type:	Regular Agenda		None
Contact:	Joe Lynch, City Administrator		Amount included in current budget
Prepared by:	Joe Lynch, City Administrator		Budget amendment requested
Reviewed by:			FTE included in current complement
			New FTE requested – N/A
		X	Other

PURPOSE/ACTION REQUESTED

Council is asked to approve the Sale of Bonds Refunding approximately $4,610,000 General Obligation Bonds, Series 2011A refunding General Obligation Tax Increment Financing Bonds, Series 2003D and General Obligation Improvement Bonds, Series 2006A.

SUMMARY

As was presented at your meeting two weeks ago, the Council authorized our Financial Consultant, Ehlers & Associates, to solicit bids awarding the sale of these Bonds to the lowest bidder. The Bid Opening will be Monday, July 25th. The Sale and notification of the winning party will be included with the completed Resolution at your meeting on Monday, July 25th. The City has an opportunity to save money by Refunding these two outstanding Bonds, Series 2003D and 2006A. A Resolution Awarding the Sale of the Bonds is included in your packet and staff recommends Council approve this Resolution. . I will have a tabulation sheet outlining each of the respective bids received, along with additional information like net interest cost and payments necessary by the City.

In the opinion of Bond Counsel, the interest on the Bonds is excludable from gross income of the recipient for United States income tax purposes, and, to the same extent, from taxable net income of individuals, trusts and estates for Minnesota income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax (but is included in adjusted current earnings) in calculating federal alternative minimum taxes on corporations and Minnesota franchise taxes imposed on corporations, including financial institutions, as measured by net income and the alternative minimum tax base according to present federal and Minnesota laws, regulations, rulings and decisions. (See "Tax Exemption" herein.)

The City will designate the Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended, relating to the ability of financial institutions to deduct from income for federal income tax purposes, interest expense that is allocable to carrying and acquiring tax-exempt obligations.

New Issue **Rating Application Made: Standard & Poor's**

PRELIMINARY OFFICIAL STATEMENT DATED JULY 14, 2011

CITY OF INVER GROVE HEIGHTS, MINNESOTA

$4,610,000* GENERAL OBLIGATION REFUNDING BONDS, SERIES 2011A

PROPOSAL OPENING: July 25, 2011, 11:00 A.M., C.T.
CONSIDERATION: July 25, 2011, 7:30 P.M., C.T.

PURPOSE/AUTHORITY/SECURITY: The $4,610,000 General Obligation Refunding Bonds, Series 2011A (the "Bonds") are being issued pursuant to Minnesota Statutes, Chapters 429 and 469, and Section 475.67, by the City of Inver Grove Heights, Minnesota (the "City") for the purpose of effecting an advanced partial net cash refunding of the 2013 through 2019 maturities of the $4,200,000 General Obligation Tax Increment Refunding Bonds, Series 2003D, dated November 19, 2003, and the 2014 through 2018 maturities of the $3,775,000 General Obligation Improvement Bonds, Series 2006A, dated July 25, 2006. The Bonds will be general obligations of the City for which its full faith, credit and taxing powers are pledged. Delivery is subject to receipt of an approving legal opinion of Kennedy & Graven, Chartered, Minneapolis, Minnesota.

DATE OF BONDS: August 18, 2011

MATURITY: February 1 as follows:

Year	Amount*	Year	Amount*	Year	Amount*
2012	$65,000	2015	$760,000	2018	$730,000
2013	390,000	2016	750,000	2019	565,000
2014	610,000	2017	740,000		

MATURITY ADJUSTMENTS: * The City reserves the right to increase or decrease the principal amount of the Bonds on the day of sale, in increments of $5,000 each. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per $1,000.

TERM BONDS: See "Term Bond Option" herein.

INTEREST: February 1, 2012 and semiannually thereafter.

OPTIONAL REDEMPTION: Bonds maturing February 1, 2018 and thereafter are subject to call for prior redemption on February 1, 2017 and any date thereafter, at par.

MINIMUM PROPOSAL: $4,577,730.

GOOD FAITH DEPOSIT: $92,200.

PAYING AGENT: Wells Fargo Bank, N.A., Minneapolis, Minnesota.

ESCROW AGENT: Wells Fargo Bank, N.A., Minneapolis, Minnesota.

BOOK-ENTRY-ONLY: See "Book-Entry-Only System" herein.

This Preliminary Official Statement will be further supplemented by an addendum specifying the offering prices, interest rates, aggregate principal amount, principal amount per maturity, anticipated delivery date, and Syndicate Manager and Syndicate Members, together with any other information required by law, and, as supplemented, shall constitute a "Final Official Statement" of the City with respect to the Bonds, as defined in S.E.C. Rule 15c2-12.

REPRESENTATIONS

No dealer, broker, salesperson or other person has been authorized by the City to give any information or to make any representation other than those contained in this Preliminary Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized by the City. ***This Preliminary Official Statement does not constitute an offer to sell or a solicitation of an offer to buy any of these Bonds in any jurisdiction to any person to whom it is unlawful to make such an offer or solicitation in such jurisdiction.***

This Preliminary Official Statement is not to be construed as a contract with the Syndicate Manager or Syndicate Members. Statements contained herein which involve estimates or matters of opinion are intended solely as such and are not to be construed as representations of fact. Ehlers prepared this Preliminary Official Statement and any addenda thereto relying on information of the City and other sources for which there is reasonable basis for believing the information is accurate and complete. Bond Counsel has not participated in the preparation of this Preliminary Official Statement except as described herein and is not expressing any opinion as to the completeness or accuracy of the information contained therein. Compensation of Ehlers, payable entirely by the City, is contingent upon the sale of the issue.

COMPLIANCE WITH S.E.C. RULE 15c2-12

Certain municipal obligations (issued in an aggregate amount over $1,000,000) are subject to General Rules and Regulations, Securities Exchange Act of 1934, Rule 15c2-12 Municipal Securities Disclosure (the "Rule").

Preliminary Official Statement: This Preliminary Official Statement was prepared for the City for dissemination to potential customers. Its primary purpose is to disclose information regarding these Bonds to prospective underwriters in the interest of receiving competitive proposals in accordance with the sale notice contained herein. Unless an addendum is posted prior to the sale, this Preliminary Official Statement shall be deemed nearly final for purposes of the Rule subject to completion, revision and amendment in a Final Official Statement as defined below.

Review Period: This Preliminary Official Statement has been distributed to members of the legislative body and other public officials of the City as well as to prospective bidders for an objective review of its disclosure. Comments or requests for the correction of omissions or inaccuracies must be submitted to Ehlers at least two business days prior to the sale. Requests for additional information or corrections in the Preliminary Official Statement received on or before this date will not be considered a qualification of a proposal received from an underwriter. If there are any changes, corrections or additions to the Preliminary Official Statement, interested bidders will be informed by an addendum at least one business day prior to the sale.

Final Official Statement: Upon award of sale of these Bonds, the Preliminary Official Statement together with any previous addendum of corrections or additions will be further supplemented by an addendum specifying the offering prices, interest rates, aggregate principal amount, principal amount per maturity, anticipated delivery date, and Syndicate Manager and Syndicate Members, together with any other information required by law, and, as supplemented, shall constitute a "Final Official Statement" of the City with respect to the Bonds, as defined in S.E.C. Rule 15c2-12. Copies of the Final Official Statement will be delivered to the underwriter (Syndicate Manager) within seven business days following the proposal acceptance.

Continuing Disclosure: Subject to certain exemptions, issues in an aggregate amount over $1,000,000 may be required to comply with provisions of the Rule which require that underwriters obtain from the issuers of municipal securities (or other obligated party) an agreement for the benefit of the owners of the securities to provide continuing disclosure with respect to those securities. This Preliminary Official Statement describes the conditions under which these Bonds are exempt or required to comply with the Rule.

CLOSING CERTIFICATES

Upon delivery of these Bonds, the purchaser (underwriter) will be furnished with the following items: (1) a certificate of the appropriate officials to the effect that at the time of the sale of these Bonds and all times subsequent thereto up to and including the time of the delivery of these Bonds, this Preliminary Official Statement did not and does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; (2) a receipt signed by the appropriate officer evidencing payment for these Bonds; (3) a certificate evidencing the due execution of these Bonds, including statements that (a) no litigation of any nature is pending, or to the knowledge of signers, threatened, restraining or enjoining the issuance and delivery of these Bonds, (b) neither the corporate existence or boundaries of the City nor the title of the signers to their respective offices is being contested, and (c) no authority or proceedings for the issuance of these Bonds have been repealed, revoked or rescinded; and (4) a certificate setting forth facts and expectations of the City which indicates that the City does not expect to use the proceeds of these Bonds in a manner that would cause them to be arbitrage bonds within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, or within the meaning of applicable Treasury Regulations.

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CITY COUNCIL

		Term Expires
George Tourville	Mayor	January, 2013
Vance Grannis III	Council Member	January, 2013
Bill Klein	Council Member	January, 2013
Dennis Madden	Council Member	January, 2015
Rosemary Piekarski Krech	Council Member	January, 2015

ADMINISTRATION

Joe Lynch, City Administrator
Ann Lanoue, Finance Director
Melissa Rheaume, Deputy City Clerk

PROFESSIONAL SERVICES

Levander, Gillen & Miller, P.A., City Attorney, South St. Paul, Minnesota

Kennedy & Graven, Chartered, Bond Counsel, Minneapolis, Minnesota

Ehlers & Associates, Inc., Financial Advisors, Roseville, Minnesota
(*Other offices located in Brookfield, Wisconsin and Lisle, Illinois*)

INTRODUCTORY STATEMENT

This Preliminary Official Statement contains certain information regarding the City of Inver Grove Heights, Minnesota (the "City") and the issuance of its $4,610,000 General Obligation Refunding Bonds, Series 2011A (the "Bonds"). Any descriptions or summaries of the Bonds, statutes, or documents included herein are not intended to be complete and are qualified in their entirety by reference to such statutes and documents and the form of the Bonds to be included in the resolution authorizing the sale of the Bonds ("Award Resolution") to be adopted by the City Council on July 25, 2011.

Inquiries may be directed to Ehlers & Associates, Inc. ("Ehlers" or the "Financial Advisor"), Roseville, Minnesota, (651) 697-8500, the City's Financial Advisor. A copy of this Preliminary Official Statement may be downloaded from Ehlers' web site at www.ehlers-inc.com by connecting to the link to the Bond Sales and following the directions at the top of the site.

THE BONDS

GENERAL

The Bonds will be issued in fully registered form as to both principal and interest in denominations of $5,000 each or any integral multiple thereof, and will be dated, as originally issued, as of August 18, 2011. The Bonds will mature on February 1 in the years and amounts set forth on the cover of this Preliminary Official Statement. Interest will be payable on February 1 and August 1 of each year, commencing February 1, 2012, to the registered owners of the Bonds appearing of record in the bond register as of the close of business on the 15th day (whether or not a business day) of the immediately preceding month. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the MSRB. All Bonds of the same maturity will bear interest from date of issue until paid at a single, uniform rate.

The Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). (See "Book-Entry-Only System" herein.) As long as the Bonds are held under the book-entry system, beneficial ownership interests in the Bonds may be acquired in book-entry form only, and all payments of principal of, premium, if any, and interest on the Bonds shall be made through the facilities of DTC and its Participants. If the book-entry system is terminated, principal of, premium, if any, and interest on the Bonds shall be payable as provided in the resolution awarding the sale of the Bonds.

The City has selected Wells Fargo Bank, N.A., Minneapolis, Minnesota, to act as paying agent (the "Paying Agent") and escrow agent (the "Escrow Agent") . The City will pay the charges for Paying Agent/Escrow Agent services. The City reserves the right to remove the Paying Agent/Escrow Agent and to appoint a successor.

OPTIONAL REDEMPTION

At the option of the City, Bonds maturing on or after February 1, 2018 shall be subject to redemption prior to maturity on February 1, 2017 and on any date thereafter, at a price of par plus accrued interest.

Redemption may be in whole or in part of the Bonds subject to prepayment. If redemption is in part, the selection of the amounts and maturities of the Bonds to be redeemed shall be at the discretion of the City. If only part of the Bonds having a common maturity date are called for redemption, then the City or Paying Agent, if any, will notify DTC of the particular amount of such maturity to be redeemed. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interest in such maturity to be redeemed.

Notice of redemption shall be sent by mail not more than 60 days and not fewer than 30 days prior to the date fixed for redemption to the registered owner of each Bond to be redeemed at the address shown on the registration books.

AUTHORITY; PURPOSE

The Bonds are issued pursuant to Minnesota Statutes, Chapters 429 and 469, and Section 475.67, by the City, for the purpose of effecting an advanced partial net cash refunding of the 2013 through 2019 maturities of the $4,200,000 General Obligation Tax Increment Refunding Bonds, Series 2003D, dated November 19, 2003 and the 2014 through 2018 maturities of the $3,775,000 General Obligation Improvement Bonds, Series 2006A, dated July 25, 2006.

Following are the maturities of the Series 2003D Bonds which are being refunded by this issue:

Issue Being Refunded	Date of Refunded Issue	Call Date	Call Price	Maturities Being Refunded	Interest Rates	Principal to be Refunded
Series 2003D Bonds	11/19/03	2/01/12	Par	2013	3.50%	$ 285,000
				2014	3.60%	340,000
				2015	3.75%	510,000
				2016	3.85%	525,000
				2017	4.00%	550,000
				2018	4.10%	570,000
				2019	4.20%	585,000
Total Series 2003D Bonds Being Refunded						$3,365,000

Following are the maturities of the Series 2006A Bonds which are being refunded by this issue:

Issue Being Refunded	Date of Refunded Issue	Call Date	Call Price	Maturities Being Refunded	Interest Rates	Principal to be Refunded
Series 2006A Bonds	7/25/06	2/01/13	Par	2014	4.100%	$ 380,000
				2015	4.125%	380,000
				2016	4.150%	380,000
				2017	4.200%	370,000
				2018	4.200%	365,000
Total Series 2006A Bonds Being Refunded						$1,875,000

The Bonds are being sold in advance of the call dates of the Series 2003D and Series 2006A Bonds and proceeds of the Bonds will be invested in accordance with the Internal Revenue Code of 1986, as amended. Acceptance of a proposal is dependent upon satisfactory escrow accounts being established in an amount sufficient to pay principal and interest payments due on the Series 2003D Bonds through February 1, 2012 and principal and interest payments due on the Series 2006A Bonds through February 1, 2013 and to pay the principal being refunded on the Series 2003D Bonds on February 1, 2012 and to pay the principal being refunded on the Series 2006A Bonds on February 1, 2013. The City will establish an escrow account with direct obligations of the United States, securities whose principal and interest are guaranteed by the United States, or securities issued by agencies of the United States which are authorized under state law as permitted securities for refunding escrow accounts. Actuarial services necessary to insure adequacy of the escrow account to provide timely payment of the Series 2003D Bonds and the Series 2006A Bonds to be refunded on the call dates will be performed by a certified public accountant.

ESTIMATED SOURCES AND USES

Sources	2003D Refunding Portion	2006A Refunding Portion	Total Bond Issue
Par Amount of Bonds	$3,500,000	$1,110,000	$4,610,000
Transfers from Prior Issue Debt Service Fund	0	900,000	900,000
Total Sources	**$3,500,000**	**$2,010,000**	**$5,510,000**
Uses			
Deposit to Net Cash Escrow Fund	$3,429,807	$1,985,946	$5,415,753
Discount Allowance	24,500	7,770	32,270
Finance Related Expenses	45,553	14,447	60,000
Contingency	140	1,837	1,977
Total Uses	**$3,500,000**	**$2,010,000**	**$5,510,000**

SECURITY

The Bonds are general obligations of the City for which its full faith, credit and taxing powers are pledged without limitation as to rate or amount. The City anticipates that the debt service will be paid from a combination of special assessments and taxes levied against properties benefitted by improvements financed by the Series 2006A Bonds, and from tax increment revenues generated by Tax Increment Financing District Nos. 2-1 and 4-1 financed by the Series 2003D Bonds. If special assessments, ad valorem taxes and tax increment revenues are insufficient to meet principal and interest on the Bonds, the City is required to levy additional ad valorem taxes without limit as to rate or amount on all taxable property in the City to make up the deficiency.

RATING

The City has requested a rating on this issue from Standard & Poor's, and bidders will be notified as to the assigned rating prior to the sale. Such a rating, if and when received, will reflect only the view of the rating agency and any explanation of the significance of such rating may only be obtained from Standard & Poor's. There is no assurance that such rating, if and when received, will continue for any period of time or that it will not be revised or withdrawn. Any revision or withdrawal of the rating may have an effect on the market price of the Bonds.

CONTINUING DISCLOSURE

In order to comply with the provisions of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 (the "Rule") the City has entered into an undertaking (the "Undertaking") for the benefit of the holders of the Bonds. Through the Undertaking, the City covenants and agrees to provide certain annual financial information and operating data about the City and to provide notice of the occurrence of certain material events. This information shall be provided according to the time parameters described in the Undertaking to the Municipal Securities Rulemaking Board as required by the Rule. The specific provisions of the Undertaking are set forth in the Continuing Disclosure Certificate in substantially the form attached hereto as Appendix D. The Continuing Disclosure Certificate will be executed and delivered by the City at the time the Bonds are delivered. The City is the only "obligated person" with respect to the Bonds within the meaning of the Rule. **The City has complied in all material respects with any previous undertaking under the Rule.**

LEGAL OPINION

An opinion as to the validity of the Bonds and the exemption from taxation of the interest thereon will be furnished by Kennedy & Graven, Chartered, Minneapolis, Minnesota, bond counsel to the City, and will accompany the Bonds. The legal opinion will state that the Bonds are valid and binding general obligations of the City; provided that the rights of the owners of the bonds and the enforceability of the bonds may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights and by equitable principles (which may be applied in either a legal or equitable proceeding).

TAX EXEMPTION

In the opinion of Bond Counsel, under existing statutes, regulations, rulings and decisions, interest on the Bonds is not includable in the "gross income" of the owners thereof for purposes of federal income taxation and is not includable in taxable net income of individuals, estates or trusts for purposes of State of Minnesota income taxation, but is subject to State of Minnesota franchise taxes measured by income that are imposed upon corporations, including financial institutions.

Noncompliance following the issuance of the Bonds with certain requirements of the Internal Revenue Code of 1986, as amended (the "Code") and covenants of the bond resolution may result in the inclusion of interest on the Bonds in gross income (for federal tax purposes) and taxable net income (for State of Minnesota tax purposes) of the owners thereof. No provision has been made for redemption of the Bonds, or for an increase in the interest rate on the Bonds, in the event that interest on the Bonds becomes subject to United States or State of Minnesota income taxation.

The Code imposes an alternative minimum tax with respect to individuals and corporations on alternative minimum taxable income. Interest on the Bonds will not be treated as a preference item in calculating alternative minimum taxable income. The Code provides, however, that a portion of the adjusted current earnings of a corporation not otherwise included in the minimum tax base is included in adjusted current earnings for purposes of calculating the alternative minimum tax that may be imposed with respect to corporations. Adjusted current earnings include income received that is otherwise exempt from taxation such as interest on the Bonds.

The Code provides that in the case of an insurance company subject to the tax imposed by Section 831 of the Code, the amount which otherwise would be taken into account as "losses incurred" under Section 832(b)(5) shall be reduced by an amount equal to 15% of the interest on the Bonds that is received or accrued during the taxable year.

Interest on the Bonds may be included in the income of a foreign corporation for purposes of the branch profits tax imposed by Section 884 of the Code. Under certain circumstances, interest on the Bonds may be subject to the tax on "excess net passive income" of Subchapter S corporations imposed by Section 1375 of the Code.

The above is not a comprehensive list of all Federal tax consequences which may arise from the receipt of interest on the Bonds. The receipt of interest on the Bonds may otherwise affect the Federal or State income tax liability of the recipient based on the particular taxes to which the recipient is subject and the particular tax status of other items or deductions. Bond Counsel expresses no opinion regarding any such consequences. All prospective purchasers of the Bonds are advised to consult their own tax advisors as to the tax consequences of, or tax considerations for, purchasing or holding the Bonds.

QUALIFIED TAX-EXEMPT OBLIGATIONS

The City will designate the Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code relating to the ability of financial institutions to deduct from income for federal income tax purposes, interest expense that is allocable to carrying and acquiring tax-exempt obligations.

Prior to the adoption of the Code, financial institutions were generally permitted to deduct 80% of their interest expenses allocable to tax-exempt obligations. Under the Code, however, financial institutions are generally not entitled to such a deduction for tax-exempt obligations purchased after August 7, 1986. However, the City will designate the Bonds of this issue as qualified tax-exempt obligations pursuant to section 265(b)(3) of the Code which would permit financial institutions to deduct interest expenses allocable to the Bonds to the extent permitted under prior law.

FINANCIAL ADVISOR

Ehlers has served as Financial Advisor to the City in connection with the issuance of the Bonds. The Financial Advisor will not participate in the underwriting of the Bonds. The financial information included in this Preliminary Official Statement has been compiled by the Financial Advisor. Such information does not purport to be a review, audit or certified forecast of future events and may not conform with accounting principles applicable to compilations of financial information. Ehlers is not a firm of certified public accountants.

RISK FACTORS

Following is a description of possible risks to holders of these Bonds without weighting as to probability. This description of risks is not intended to be all-inclusive, and there may be other risks not now perceived or listed here.

Taxes: The Bonds of this offering are general obligations of the City, the ultimate payment of which rests in the City's ability to levy and collect sufficient taxes to pay debt service should other revenue (special assessments and tax increment revenues) be insufficient.

State Actions: Many elements of local government finance, including the issuance of debt and the levy of property taxes, are controlled by state government. Past and future actions of the State may affect the overall financial condition of the City, the taxable value of property within the City, and the ability of the City to levy property taxes.

Ratings; Interest Rates: In the future, the City's credit rating may be reduced or withdrawn, or interest rates for this type of obligation may rise generally, either possibility resulting in a reduction in the value of the Bonds for resale prior to maturity.

Tax Exemption: If the federal government or the State of Minnesota taxes the interest on municipal obligations, directly or indirectly, or if there is a change in federal or state tax policy, the value of the Bonds may fall for purposes of resale. Noncompliance following the issuance of the Bonds with certain requirements of the Code and covenants of the bond resolution may result in the inclusion of interest on the Bonds in gross income of the recipient for United States or in taxable net income of individuals, estates or trusts for State of Minnesota income tax purposes. No provision has been made for redemption of the Bonds, or for an increase in the interest rate on the Bonds, in the event that interest on the Bonds becomes subject to United States or State of Minnesota income taxation, retroactive to the date of issuance.

Continuing Disclosure: A failure by the City to comply with the Agreement for continuing disclosure (see "Continuing Disclosure") will not constitute an event of default on the Bonds. Any such failure must be reported in accordance with the Rule and must be considered by any broker, dealer, or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

State Economy; State Aids: State of Minnesota cash flow problems could affect local governments and possibly increase property taxes.

Book-Entry-Only System: The timely credit of payments for principal and interest on the Bonds to the accounts of the Beneficial Owners of the Bonds may be delayed due to the customary practices, standing instructions or for other unknown reasons by DTC participants or indirect participants. Since the notice of redemption or other notices to holders of these obligations will be delivered by the City to DTC only, there may be a delay or failure by DTC, DTC participants or indirect participants to notify the Beneficial Owners of the Bonds.

Economy: A combination of economic, climatic, political or civil disruptions or terrorist actions could affect the local economy and result in reduced tax collections and/or increased demands upon local government.

VALUATIONS

OVERVIEW

All non-exempt property is subject to taxation by local taxing districts. Exempt real property includes Indian lands, public property, and educational, religious and charitable institutions. Most personal property is exempt from taxation (except investor-owned utility mains, generating plants, etc.).

The valuation of property in Minnesota consists of two elements. (1) The estimated market value is set by city or county assessors. Not less than 20% of all real properties are to be appraised by local assessors each year. (2) The tax capacity (taxable) value of property is determined by class rates set by the State Legislature. The tax capacity rate varies according to the classification of the property. Tax capacity represents a percent of estimated market value.

The property tax rate for a local taxing jurisdiction is determined by dividing the total tax capacity or market value of property within the jurisdiction into the dollars to be raised from the levy. State law determines whether a levy is spread on tax capacity or market value. Major classifications and the percentages by which tax capacity is determined are:

Type of Property	2008/09	2009/10	2010/11
Residential homestead[1]	First $500,000 - 1.00% Over $500,000 - 1.25%	First $500,000 - 1.00% Over $500,000 - 1.25%	First $500,000 - 1.00% Over $500,000 - 1.25%
Agricultural homestead[1]	First $500,000 HGA - 1.00% Over $500,000 HGA - 1.25% First $890,000 - 0.50%[2] Over $890,000 - 1.00% [2]	First $500,000 HGA - 1.00% Over $500,000 HGA - 1.25% First $1,010,000 - 0.50% [2] Over $1,010,000 - 1.00% [2]	First $500,000 HGA - 1.00% Over $500,000 HGA - 1.25% First $1,140,000 - 0.50% [2] Over $1,140,000 - 1.00% [2]
Agricultural non-homestead	Land - 1.00% [2]	Land - 1.00% [2]	Land - 1.00% [2]
Seasonal recreational residential	First $500,000 - 1.00% [3] Over $500,000 - 1.25% [3]	First $500,000 - 1.00% [3] Over $500,000 - 1.25% [3]	First $500,000 - 1.00% [3] Over $500,000 - 1.25% [3]
Residential non-homestead:	1 unit - 1st $500,000 - 1.00% Over $500,000 - 1.25% 2-3 units - 1.25% 4 or more - 1.25% Small City [4] - 1.25%	1 unit - 1st $500,000 - 1.00% Over $500,000 - 1.25% 2-3 units - 1.25% 4 or more - 1.25% Small City [4] - 1.25%	1 unit - 1st $500,000 - 1.00% Over $500,000 - 1.25% 2-3 units - 1.25% 4 or more - 1.25% Small City [4] - 1.25%
Industrial/Commercial/Utility[4]	First $150,000 - 1.50% Over $150,000 - 2.00%	First $150,000 - 1.50% Over $150,000 - 2.00%	First $150,000 - 1.50% Over $150,000 - 2.00%

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1 A residential property qualifies as "homestead" if it is occupied by the owner or a relative of the owner on the assessment date.

2 Applies to land and buildings. Exempt from referendum market value tax.

3 Exempt from referendum market value tax.

4 The estimated market value of utility property is determined by the Minnesota Department of Revenue.

CURRENT PROPERTY VALUATIONS

Estimated Full Value of Taxable Property, 2010/11 — $3,146,982,274 [1]

	2010/11 Assessor's Taxable Market Value	2010/11 Net Tax Capacity
Real Estate	$ 3,096,374,300	$ 36,017,156
Personal Property	32,396,300	642,312
Total Valuation	$ 3,128,770,600	$ 36,659,468
Less: Captured Tax Increment Tax Capacity[2]		(2,112,798)
Fiscal Disparities Contribution[3]		(3,792,994)
Taxable Net Tax Capacity		$ 30,753,676
Plus: Fiscal Disparities Distribution[3]		5,245,569
Adjusted Taxable Net Tax Capacity		$ 35,999,245
Mobile Home Valuation[4]	$15,112,200	$150,764

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1 According to the Minnesota Department of Revenue, the Assessor's Taxable Market Value (the "ATMV") for the City of Inver Grove Heights is about 99.9% of the actual selling prices of property most recently sold in the City. That sales ratio was calculated by comparing the selling prices with the ATMV. Dividing the ATMV of real estate by 0.999 and adding personal property and mobile home ATMV, if any, results in an "Estimated Full Value of Taxable Property" for the City of $3,146,982,274.

2 The captured tax increment value shown above represents the captured net tax capacity of tax increment financing districts in the City of Inver Grove Heights.

3 Each community in the seven-county metropolitan area contributes 40% of the growth in its commercial-industrial property tax base since 1972 to an area pool which is then distributed among the municipalities on the basis of population, special needs, etc. Each governmental unit makes a contribution and receives a distribution--sometimes gaining and sometimes contributing net tax capacity for tax purposes.

4 Mobile home valuations are not included in the net tax capacity for purposes of determining tax capacity rates. However, valuations of mobile homes are determined at the beginning of the collection year, and the same tax capacity rates are applied to mobile home net tax capacity valuations as to real estate and personal property.

2010/11 NET TAX CAPACITY BY CLASSIFICATION

	2010/11 Net Tax Capacity	Percent of Total Net Tax Capacity
Residential homestead	$24,036,275	65.57%
Agricultural	238,552	0.65%
Commercial/industrial	7,597,641	20.72%
Public utility	1,143,590	3.12%
Railroad operating property	112,500	0.31%
Apartments	2,888,598	7.88%
Personal property	642,312	1.75%
Total	$36,659,468	100.00%

TREND OF VALUATIONS

Levy Year	Assessor's Taxable Market Value	Net Tax Capacity[1]	Adjusted Taxable Net Tax Capacity[2]	Percent +/- in Assessor's Taxable Market Value
2006/07	$3,424,105,600	$38,980,588	$37,570,600	+ 9.62%
2007/08	3,550,439,300	40,698,637	39,347,455	+ 3.69%
2008/09	3,586,873,800	41,493,816	40,207,408	+ 1.03%
2009/10	3,311,984,400	38,716,047	37,515,071	- 7.66%
2010/11	3,128,770,600	36,659,468	35,999,245	- 5.53%

[1] Net Tax Capacity is before fiscal disparities adjustments and includes tax increment values.

[2] Adjusted Taxable Net Tax Capacity is after fiscal disparities adjustments and does not include tax increment values.

LARGER TAXPAYERS

Taxpayer	Type of Property	2010/11 Assessor's Taxable Market Value	2010/11 Net Tax Capacity
Xcel Energy	Utility	$79,393,300	$ 1,581,644
Flint Hills Resources LP	Industrial	29,033,700	496,264
ML Casa IV LP[1]	Apartment	31,720,000	396,501
Lake Cove Village Partnership	Apartment	26,044,400	325,554
PHM Inver Grove INC	Apartment	25,779,500	322,244
Vansouth LTD Partnership	Commercial	14,272,500	284,700
Farmers Union Central Exchange	Commercial	12,971,300	258,676
Salem Green Limited Partnership	Apartment	19,594,100	244,927
Brentwood Hills Limited Partnership	Apartment	21,000,000	218,400
Individuals	Apartment	16,000,000	200,000

Source: Current Property Valuations, Net Tax Capacity by Classification, Trend of Valuations and Larger Taxpayers have been furnished by Dakota County.

[1] Formerly I & G Southview LLC.

DEBT

DIRECT DEBT[1]

General Obligation Debt (see schedules following)

Total g.o. debt being paid from revenues	$ 19,765,000
Total g.o. debt being paid from special assessments	2,010,000
Total g.o. debt being paid from tax increment revenues	4,910,000
Total g.o. debt being paid from taxes	11,076,708
Total g.o. debt being paid from special assessments and taxes	10,570,000
Total g.o. debt being paid from water revenues and tax increment revenues	834,927
Total g.o. debt being paid from special assessments, taxes and TIF revenues (the Bonds of this offering)	4,610,000
Total General Obligation Debt	$ 53,776,635

Revenue Debt (see schedules following)

Total revenue debt being paid from golf course revenues	$ 1,620,000

Other Obligations

On May 1, 2007, Dakota County and its member cities issued $7,315,000 Public Safety Revenue Bonds, Series 2007, on behalf of the Dakota Communications Center. The City of Inver Grove Heights has a contractual obligation to make 6.4% of the total debt service payments, totaling $470,000. The current principal amount outstanding on the City's share is $215,000.

[1] Outstanding debt is as of the dated date of the Bonds.

CITY OF INVER GROVE HEIGHTS, MINNESOTA
Schedule of Bonded Indebtedness
General Obligation Debt Being Paid From Revenues
(As of 8/18/11)

	Refunding 1)		Water		Sewer		Sewer							
Dated	12/15/04		7/25/06		11/20/07		10/06/10							
Amount	$4,760,000		$4,725,000		$6,220,000		$6,865,000							
Maturity	2/01		2/01		2/01		2/01							
Fiscal Year Ending	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid	Fiscal Year Ending
2012	375,000	118,700	275,000	150,664	225,000	228,675	0	224,175	875,000	722,214	1,597,214	18,890,000	4.43%	2012
2013	400,000	103,200	285,000	139,079	235,000	220,165	0	224,175	920,000	686,619	1,606,619	17,970,000	9.08%	2013
2014	435,000	86,500	295,000	127,044	245,000	211,285	220,000	221,975	1,195,000	646,804	1,841,804	16,775,000	15.13%	2014
2015	460,000	68,600	310,000	114,490	255,000	202,035	220,000	217,575	1,245,000	602,700	1,847,700	15,530,000	21.43%	2015
2016	485,000	49,700	320,000	101,418	265,000	192,415	225,000	213,125	1,295,000	556,658	1,851,658	14,235,000	27.98%	2016
2017	500,000	30,000	335,000	87,826	280,000	182,333	230,000	208,575	1,345,000	508,734	1,853,734	12,890,000	34.78%	2017
2018	500,000	10,000	350,000	73,613	290,000	171,715	235,000	203,338	1,375,000	458,665	1,833,665	11,515,000	41.74%	2018
2019			365,000	58,685	305,000	160,483	240,000	197,400	910,000	416,568	1,326,568	10,605,000	46.34%	2019
2020			385,000	42,935	315,000	148,624	245,000	190,725	945,000	382,284	1,327,284	9,660,000	51.13%	2020
2021			400,000	26,350	330,000	136,166	255,000	183,225	985,000	345,741	1,330,741	8,675,000	56.11%	2021
2022			420,000	8,925	345,000	123,045	260,000	175,500	1,025,000	307,470	1,332,470	7,650,000	61.30%	2022
2023					360,000	109,298	270,000	167,550	630,000	276,848	906,848	7,020,000	64.48%	2023
2024					380,000	94,773	280,000	159,300	660,000	254,073	914,073	6,360,000	67.82%	2024
2025					395,000	79,466	285,000	150,469	680,000	229,935	909,935	5,680,000	71.26%	2025
2026					415,000	63,365	295,000	141,044	710,000	204,409	914,409	4,970,000	74.85%	2026
2027					435,000	46,365	305,000	131,294	740,000	177,659	917,659	4,230,000	78.60%	2027
2028					455,000	28,451	315,000	121,219	770,000	149,670	919,670	3,460,000	82.49%	2028
2029					475,000	9,619	325,000	110,413	800,000	120,031	920,031	2,660,000	86.54%	2029
2030							335,000	98,863	335,000	98,863	433,863	2,325,000	88.24%	2030
2031							350,000	86,000	350,000	86,000	436,000	1,975,000	90.01%	2031
2032							365,000	71,700	365,000	71,700	436,700	1,610,000	91.85%	2032
2033							380,000	56,800	380,000	56,800	436,800	1,230,000	93.78%	2033
2034							395,000	41,300	395,000	41,300	436,300	835,000	95.78%	2034
2035							410,000	25,200	410,000	25,200	435,200	425,000	97.85%	2035
2036							425,000	8,500	425,000	8,500	433,500	0	100.00%	2036
	3,155,000	466,700	3,740,000	931,028	6,005,000	2,408,276	6,865,000	3,629,438	19,765,000	7,435,442	27,200,442			

1) This issue refunded the 2006 through 2018 maturities of the City's $5,250,000 General Obligation Water Revenue Bonds, Series 1997A, dated August 1, 1997.

CITY OF INVER GROVE HEIGHTS, MINNESOTA
Schedule of Bonded Indebtedness
General Obligation Debt Being Paid Primarily From Special Assessments
(As of 8/18/11)

Improvement

Dated	11/20/07
Amount	$2,650,000
Maturity	2/01

Fiscal Year Ending	Principal	Interest	Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid	Fiscal Year Ending
2012	315,000	74,100	315,000	74,100	389,100	1,695,000	15.67%	**2012**
2013	315,000	61,500	315,000	61,500	376,500	1,380,000	31.34%	**2013**
2014	310,000	49,000	310,000	49,000	359,000	1,070,000	46.77%	**2014**
2015	220,000	38,400	220,000	38,400	258,400	850,000	57.71%	**2015**
2016	215,000	29,700	215,000	29,700	244,700	635,000	68.41%	**2016**
2017	215,000	21,100	215,000	21,100	236,100	420,000	79.10%	**2017**
2018	210,000	12,600	210,000	12,600	222,600	210,000	89.55%	**2018**
2019	210,000	4,200	210,000	4,200	214,200	0	100.00%	**2019**
	2,010,000	290,600	2,010,000	290,600	2,300,600			

CITY OF INVER GROVE HEIGHTS, MINNESOTA
Schedule of Bonded Indebtedness
General Obligation Debt Being Paid From Tax Increment Revenues
(As of 8/18/11)

	Refunding 1)		Refunding 2)		Refunding 3)		Refunding 4)							
Dated	11/19/03		11/19/03		12/08/05		12/08/05							
Amount	$3,275,000		$4,200,000		$2,245,000		$4,010,000							
Maturity	2/01		2/01		2/01		2/01							
Fiscal Year Ending	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid	Fiscal Year Ending
2012	245,000	20,819	210,000	3,675	225,000	42,588	405,000	111,693	1,085,000	178,774	1,263,774	3,825,000	22.10%	2012
2013	150,000	11,250			235,000	34,249	420,000	95,193	805,000	140,691	945,691	3,020,000	38.49%	2013
2014	150,000	3,750			245,000	25,428	435,000	78,093	830,000	107,270	937,270	2,190,000	55.40%	2014
2015					180,000	17,520	150,000	66,393	330,000	83,913	413,913	1,860,000	62.12%	2015
2016					180,000	10,680	160,000	60,153	340,000	70,833	410,833	1,520,000	69.04%	2016
2017					185,000	3,608	170,000	53,406	355,000	57,014	412,014	1,165,000	76.27%	2017
2018							275,000	44,056	275,000	44,056	319,056	890,000	81.87%	2018
2019							285,000	32,156	285,000	32,156	317,156	605,000	87.68%	2019
2020							295,000	19,831	295,000	19,831	314,831	310,000	93.69%	2020
2021							310,000	6,781	310,000	6,781	316,781	0	100.00%	2021
	545,000	35,819	210,000	3,675	1,250,000	134,071	2,905,000	567,754	4,910,000	741,319	5,651,319			

1) This issue refunded the 2005 through 2019 maturities of the City's $970,000 Taxable General Obligation Tax Increment Refunding Bonds, Series 1997A, dated May 1, 1997; the 2005 through 2019 maturities of the City's $2,550,000 Taxable General Obligation Tax Increment Refunding Bonds, Series 1997B, dated May 1, 1997; and the 2005 through 2006 maturities of the City's $965,000 Taxable General Obligation Tax Increment Refunding Bonds, Series 1997C, dated May 1, 1997.

2) This issue refunded the 2005 through 2019 maturities of the City's $4,325,000 General Obligation Tax Increment Bonds, Series 1997D, dated June 1, 1997.

3) This issue refunded the 2007 through 2017 maturities of the City's $3,050,000 General Obligation Tax Increment Bonds, Series 1995C, dated December 1, 1995.

4) This issue refunded the 2009 through 2021 maturities of the City's $5,670,000 General Obligation Tax Increment Bonds, Series

CITY OF INVER GROVE HEIGHTS, MINNESOTA
Schedule of Bonded Indebtedness
General Obligation Debt Being Paid From Taxes
(As of 8/18/11)

	MSABC/Armory 1)		Refunding 2)		Equipment		Equipment		Capital Improvement							
Dated	10/01/96		12/08/05		11/20/07		12/30/08		6/03/09							
Amount	$656,500		$905,000		$640,000		$520,000		$9,900,000							
Maturity	12/31		2/01		2/01		2/01		2/01							
Fiscal Year Ending	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid	Fiscal Year Ending
2011	41,052	19,648	0	0	0	0	0	0	0	0	41,052	19,648	60,700	11,035,656	0.37%	2011
2012	43,818	16,882	85,000	21,300	135,000	2,700	85,000	3,809	165,000	383,244	513,818	427,936	941,753	10,521,838	5.01%	2012
2013	46,769	13,931	90,000	17,800			90,000	1,294	175,000	379,406	401,769	412,431	814,200	10,120,069	8.64%	2013
2014	49,919	10,781	100,000	14,000					185,000	374,444	334,919	399,225	734,144	9,785,151	11.66%	2014
2015	53,281	7,419	100,000	10,000					200,000	368,669	353,281	386,088	739,369	9,431,870	14.85%	2015
2016	56,870	3,830	100,000	6,000					215,000	362,444	371,870	372,274	744,144	9,060,000	18.21%	2016
2017			100,000	2,000					235,000	355,694	335,000	357,694	692,694	8,725,000	21.23%	2017
2018									260,000	348,269	260,000	348,269	608,269	8,465,000	23.58%	2018
2019									290,000	339,294	290,000	339,294	629,294	8,175,000	26.20%	2019
2020									320,000	328,619	320,000	328,619	648,619	7,855,000	29.09%	2020
2021									350,000	316,456	350,000	316,456	666,456	7,505,000	32.25%	2021
2022									380,000	302,294	380,000	302,294	682,294	7,125,000	35.68%	2022
2023									435,000	285,994	435,000	285,994	720,994	6,690,000	39.60%	2023
2024									470,000	267,894	470,000	267,894	737,894	6,220,000	43.85%	2024
2025									490,000	248,694	490,000	248,694	738,694	5,730,000	48.27%	2025
2026									515,000	228,594	515,000	228,594	743,594	5,215,000	52.92%	2026
2027									540,000	207,494	540,000	207,494	747,494	4,675,000	57.79%	2027
2028									570,000	185,294	570,000	185,294	755,294	4,105,000	62.94%	2028
2029									600,000	161,519	600,000	161,519	761,519	3,505,000	68.36%	2029
2030									630,000	136,150	630,000	136,150	766,150	2,875,000	74.04%	2030
2031									665,000	109,025	665,000	109,025	774,025	2,210,000	80.05%	2031
2032									700,000	80,019	700,000	80,019	780,019	1,510,000	86.37%	2032
2033									735,000	49,525	735,000	49,525	784,525	775,000	93.00%	2033
2034									775,000	16,953	775,000	16,953	791,953	0	100.00%	2034
	291,708	72,492	575,000	71,100	135,000	2,700	175,000	5,103	9,900,000	5,835,985	11,076,708	5,987,380	17,064,088			

1) These Bonds are paid from taxes; however, are not subject to the City's debt limit.

2) This issue refunded the 2007 through 2017 maturities of the City's $1,100,000 General Obligation Storm Water District Bonds, Series 1996B, dated September 1, 1996. These Bonds are paid primarily from taxes levied on storm water districts which are not subject to

CITY OF INVER GROVE HEIGHTS, MINNESOTA
Schedule of Bonded Indebtedness
General Obligation Debt Being Paid From Special Assessments and Taxes
(As of 8/18/11)

	Improvement		Improvement		Improvement		Refunding 1)							
Dated	7/25/06		12/30/08		10/06/10		10/06/10							
Amount	$3,775,000		$4,855,000		$4,885,000		$905,000							
Maturity	2/01		2/01		2/01		2/01							
Fiscal Year Ending	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid	Fiscal Year Ending
2012	380,000	22,800	525,000	155,500	0	124,894	170,000	13,360	1,075,000	316,554	1,391,554	9,495,000	10.17%	2012
2013	380,000	7,600	515,000	137,300	360,000	121,294	170,000	9,960	1,425,000	276,154	1,701,154	8,070,000	23.65%	2013
2014			505,000	118,819	360,000	114,094	125,000	7,010	990,000	239,923	1,229,923	7,080,000	33.02%	2014
2015			495,000	99,450	360,000	106,894	65,000	5,110	920,000	211,454	1,131,454	6,160,000	41.72%	2015
2016			490,000	79,750	360,000	99,694	65,000	3,810	915,000	183,254	1,098,254	5,245,000	50.38%	2016
2017			480,000	60,350	365,000	92,444	65,000	2,461	910,000	155,255	1,065,255	4,335,000	58.99%	2017
2018			475,000	40,656	365,000	84,688	75,000	881	915,000	126,225	1,041,225	3,420,000	67.64%	2018
2019			465,000	20,681	365,000	76,019			830,000	96,700	926,700	2,590,000	75.50%	2019
2020			240,000	5,400	365,000	65,981			605,000	71,381	676,381	1,985,000	81.22%	2020
2021					370,000	54,956			370,000	54,956	424,956	1,615,000	84.72%	2021
2022					375,000	43,781			375,000	43,781	418,781	1,240,000	88.27%	2022
2023					235,000	34,631			235,000	34,631	269,631	1,005,000	90.49%	2023
2024					240,000	27,506			240,000	27,506	267,506	765,000	92.76%	2024
2025					245,000	20,078			245,000	20,078	265,078	520,000	95.08%	2025
2026					255,000	12,266			255,000	12,266	267,266	265,000	97.49%	2026
2027					265,000	4,141			265,000	4,141	269,141	0	100.00%	2027
	760,000	30,400	4,190,000	717,906	4,885,000	1,083,360	735,000	42,593	10,570,000	1,874,258	12,444,258			

1) This issue refunded the 2011 through 2018 maturities of the City's $3,975,000 General Obligation Permanent Improvement Revolving Fund and Watershed Management Tax District Bonds, Series 2002A, dated June 1, 2002.

CITY OF INVER GROVE HEIGHTS, MINNESOTA
Schedule of Bonded Indebtedness
General Obligation Debt Being Paid From Water Revenues and Tax Increment Revenues
(As of 8/18/11)

	Taxable Tax Inc. (CABs) 1)
Dated	6/30/97
Amount	$2,001,513.10
Maturity	12/01

Fiscal Year Ending	Principal	Interest	Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid	Fiscal Year Ending
2011	154,570	205,430	154,570	205,430	360,000	680,358	18.51%	**2011**
2012	145,768	214,232	145,768	214,232	360,000	534,590	35.97%	**2012**
2013	534,590	865,410	534,590	865,410	1,400,000	0	100.00%	**2013**
	834,927	1,285,073	834,927	1,285,073	2,120,000			

1) These Bonds were purchased and held by the City.

CITY OF INVER GROVE HEIGHTS, MINNESOTA

Schedule of Bonded Indebtedness
General Obligation Debt Being Paid From Special Assessments, Taxes and TIF Revenues
(As of 8/18/11)

This Issue 1)

Dated	8/18/11
Amount	$4,610,000
Maturity	2/01

Fiscal Year Ending	Principal	Estimated Interest	Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid	Fiscal Year Ending
2012	65,000	69,446	65,000	69,446	134,446	4,545,000	1.41%	**2012**
2013	390,000	71,225	390,000	71,225	461,225	3,545,000	9.87%	**2013**
2014	610,000	66,865	610,000	66,865	676,865	3,545,000	23.10%	**2014**
2015	760,000	59,218	760,000	59,218	819,218	2,785,000	39.59%	**2015**
2016	750,000	49,030	750,000	49,030	799,030	2,035,000	55.86%	**2016**
2017	740,000	36,748	740,000	36,748	776,748	1,295,000	71.91%	**2017**
2018	730,000	21,873	730,000	21,873	751,873	565,000	87.74%	**2018**
2019	565,000	6,921	565,000	6,921	571,921	0	100.00%	**2019**
	4,610,000	381,325	4,610,000	381,325	4,991,325			

1) This issue is refunding the 2013 through 2019 maturities of the City's $4,200,000 General Obligation Tax Increment Refunding Bonds, Series 2003D, dated November 19, 2003 and the 2014 through 2018 maturities of the City's $3,775,000 General Obligation Improvement Bonds, Series 2006A , dated July 25, 2006.

CITY OF INVER GROVE HEIGHTS, MINNESOTA
Schedule of Bonded Indebtedness
Non-General Obligation Debt Being Paid From Golf Course Revenues
(As of 8/18/11)

Golf Course Refunding 1)

Dated	10/30/03
Amount	$3,940,000
Maturity	12/01

Fiscal Year Ending	Principal	Interest	Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid	Fiscal Year Ending
2011	385,000	36,708	385,000	36,708	421,708	1,235,000	23.77%	**2011**
2012	395,000	57,053	395,000	57,053	452,053	840,000	48.15%	**2012**
2013	415,000	39,278	415,000	39,278	454,278	425,000	73.77%	**2013**
2014	425,000	20,188	425,000	20,188	445,188	0	100.00%	**2014**
	1,620,000	153,225	1,620,000	153,225	1,773,225			

1) This issue refunded the 2004 through 2014 maturities of the City's $5,170,000 Golf Course Gross Revenue Refunding Bonds, Series 1998C, dated June 18, 1998.

DEBT LIMIT

The statutory limit on debt of Minnesota municipalities other than school districts or cities of the first class (Minnesota Statutes, Section 475.53, subd. 1) is 3% of the Assessor's Taxable Market Value of all taxable property within its boundaries. "Net debt" (Minnesota Statutes, Section 475.51, subd. 4) is the amount remaining after deducting from gross debt: (1) obligations payable wholly or partly from special assessments levied against benefitted property (e.g. the Bonds of this offering); (2) warrants or orders having no definite or fixed maturity; (3) obligations issued to finance any public revenue producing convenience; (4) obligations issued to create or maintain a permanent improvement revolving fund; (5) funds held as sinking funds for payment of principal and interest on debt other than those deductible under 1-4 above; (6) other obligations which are not to be included in computing the net debt of a municipality under the provisions of the law authorizing their issuance.

Assessor's Taxable Market Value	$3,128,770,600
Multiply by 3%	0.03
Statutory Debt Limit	$ 93,863,118
Less: Long-Term Debt Outstanding Being Paid Solely from Taxes[1]	(10,210,000)
Less: Non-General Obligation Debt Being Paid from Taxes[2]	(215,000)
Unused Debt Limit	$ 83,438,118

[1] The $656,500 General Obligation MSABC/Inver Grove Heights Armory Bonds of 1996 and the $905,000 General Obligation Storm Water District Refunding Bonds, Series 2005D are ***not*** subject to the City's debt limit

[2] This amount represents the City's proportionate share of the Dakota Communications Center's $7,435,000 Public Safety Revenue Bonds, Series 2007, which are subject to the City debt limit.

OVERLAPPING DEBT[1]

Taxing District	2010/11 Taxable Net Tax Capacity	% In City	Total G.O. Debt	City's Proportionate Share
Dakota County	$ 383,768,975	8.0136%	$ 57,880,000	$ 4,638,266
I.S.D. No. 196	139,200,876	4.9773%	115,024,864	5,725,102
I.S.D. No. 197	54,911,698	0.7782%	69,210,000	538,597
I.S.D. No. 199	24,896,394	93.9812%	50,620,000	47,573,290
Metropolitan Council	3,497,366,060	0.8793%	223,105,000 [2]	1,961,848
City's Share of Total Overlapping Debt				$60,437,103

[1] Only those taxing jurisdictions with general obligation debt outstanding are included in this section. Does ***not*** include non-general obligation debt, self-supporting general obligation revenue debt, short-term general obligation debt, or general obligation tax/aid anticipation certificates of indebtedness.

[2] The above debt includes all outstanding general obligation debt supported by taxes of the Metropolitan Council. The Council also has general obligation sewer revenue, wastewater revenue, and radio revenue bonds and lease obligations outstanding all of which are supported entirely by revenues and have not been included in the Overlapping Debt or Debt Ratios sections.

DEBT RATIOS

	G.O. Debt	Debt/Estimated Full Value of Taxable Property ($3,146,982,274)	Debt/33,880 2010 U.S. Census Population
Direct G.O. Debt Being Paid From:			
Revenues	$ 19,765,000		
Special Assessments	2,010,000		
Tax Increment Revenues	4,910,000		
Taxes	11,076,708		
Special Assessments & Taxes	10,570,000		
Water Revenue & Tax Increment Revenues	834,927		
Special Assessments, Taxes & TIF Revenues	4,610,000		
Total General Obligation Debt	$ 53,776,635		
Less: G.O. Debt Paid Entirely from Revenues[1]	(19,765,000)		
Net General Obligation Debt	$ 34,011,635	1.08%	$1,003.89
City's Share of Total Overlapping Debt	$ 60,437,103	1.92%	$1,783.86

DEBT PAYMENT HISTORY

The City has never defaulted in the payment of principal and interest on its debt.

FUTURE FINANCING

The City reports no plans for additional financing in the next three months.

[1] Debt service on the City's general obligation revenue debt is being paid entirely from revenues and therefore is considered self-supporting debt.

TAX LEVIES AND COLLECTIONS

TAX COLLECTIONS

Tax Year	Certified Levy[1]	Total Collected Following Year	Collected to Date[2]	% Collected
2006/07	$ 13,920,446	$ 13,743,336	$ 13,907,644	99.91%
2007/08	14,908,875	14,681,828	14,886,838	99.85%
2008/09	15,420,973	15,222,047	15,367,665	99.65%
2009/10	15,689,990	15,490,314	15,553,669	99.13%
2010/11	15,632,796	In process of collection		

Property taxes are collected in two installments in Minnesota--the first by May 15 and the second by October 15. Mobile home taxes are collectible in full by August 31. Minnesota Statutes require that levies (taxes and special assessments) for debt service be at least 105% of the actual debt service requirements to allow for delinquencies.

TAX CAPACITY RATES[3]

	2006/07	2007/08	2008/09	2009/10	2010/11
City of Inver Grove Heights	36.514%	37.403%	37.878%	41.757%	43.169%

Source: Tax Collections and Tax Capacity Rates have been furnished by Dakota County.

LEVY LIMITS

The State Legislature has periodically imposed limitations on the ability of municipalities to levy property taxes. In 2008, the Legislature imposed levy limits for all counties and all cities over 2,500 population for budget years 2009, 2010 and 2011. These limitations do not apply to taxes levied to pay debt service on general obligation bonds of the City or to pay bonds of another governmental unit. For more detailed information about Minnesota levy limits, contact the Minnesota Department of Revenue or Ehlers & Associates.

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[1] This reflects the Final Levy Certification of the City after all adjustments have been made.

[2] Collections are through June 30, 2011.

[3] After reduction for state aids. Does not include the statewide general property tax against commercial/industrial, non-homestead resorts and seasonal recreational residential property.

THE ISSUER

CITY GOVERNMENT

The City of Inver Grove Heights was organized as a municipality in 1965. The City operates under a statutory form of government consisting of a five-member City Council of which the Mayor is a voting member. The City Administrator, Deputy City Clerk and Finance Director are responsible for administrative details and financial records.

EMPLOYEES; PENSIONS; UNIONS

The City currently has 128 full-time, 3 part-time and 256 seasonal employees. All full-time and certain part-time employees of the City are covered by defined benefit pension plans administered by the Public Employee Retirement Association of Minnesota (PERA). PERA administers the Public Employees Retirement Fund (PERF) and the Public Employees Police and Fire Fund (PEPFF) which are cost-sharing multiple-employer retirement plans. PERA members belong to either the Coordinated Plan or the Basic Plan. Coordinated members are covered by Social Security. See the Notes to Financial Statements in Appendix A for a detailed description of the Plans.

Recognized and Certified Bargaining Units

Bargaining Unit	Expiration Date of Current Contract
AFSCME, Local 1065	December 31, 2011
LELS, Local 189, Police Sergeants	December 31, 2010
LELS, Local 84, Patrol Officers	December 31, 2011
IUOE, Local 70	December 31, 2011

Status of Contracts

Contract which expired on December 31, 2010 is currently in negotiations.

LIABILITIES FOR OTHER POST EMPLOYMENT BENEFITS

The City has obligations for some post-employment benefits (some mandated by State Statute and others that cover a portion of the cost of health insurance during retirement) for the majority of its employees. Accounting for these obligations is dictated by Governmental Accounting Standards Board Statement No. 45 (GASB 45). The City has completed an actuarial study of its obligations, dated January 1, 2009. The study shows an actuarial accrued liability of $603,682 with a discount rate of 4.50% as of January 1, 2009. The City is currently funding these obligations on a pay-as-you-go basis.

FUNDS ON HAND (As of June 30, 2011)

Fund	Total Cash and Investments
General	$ 4,748,920
Special Revenue	456,781
Debt Service	6,778,269
Capital Projects	19,102,562
Enterprise Funds	11,273,129
Internal Service	16,582,277
Trust & Agency	1,367,973
Total Funds on Hand	$ 60,309,911

ENTERPRISE FUNDS

Cash flows for the City's enterprise funds have been as follows as of December 31 each year:

	2008	2009	2010
Water			
Total Operating Revenues	$ 2,927,775	$ 2,977,914	$ 2,758,168
Less: Operating Expenses	(2,283,938)	(2,312,751)	(2,367,258)
Operating Income	$ 643,837	$ 665,163	$ 390,910
Plus: Depreciation	726,187	787,330	802,233
Revenues Available for Debt Service	$ 1,370,024	$ 1,452,493	$ 1,193,143
Sewer			
Total Operating Revenues	$ 2,598,373	$ 2,662,849	$ 2,697,623
Less: Operating Expenses	(2,459,592)	(2,606,924)	(2,728,937)
Operating Income	$ 138,781	$ 55,925	$ (31,314)
Plus: Depreciation	321,204	392,433	449,524
Revenues Available for Debt Service	$ 459,985	$ 448,358	$ 418,210

SUMMARY GENERAL FUND INFORMATION

Following are summaries of the revenues and expenditures and fund balances for the City's General Fund for the past five fiscal years. These summaries are not purported to be the complete audited financial statements of the City. Copies of the complete audited financial statements are available upon request. See Appendix A for excerpts from the City's 2010 audited financial statement.

	FISCAL YEAR ENDING DECEMBER 31				
COMBINED STATEMENT	**2006**	**2007**	**2008**	**2009**	**2010**
REVENUES					
General property taxes	$ 10,705,289	$ 12,216,016	$ 13,223,315	$ 13,985,899	$ 13,945,436
Intergovernmental revenue	654,165	1,212,011	692,655	443,644	498,438
Licenses and permits	1,149,773	976,524	818,150	635,156	515,398
Charges for services	890,814	984,001	1,064,227	1,003,535	975,719
Fines and forfeits	178,512	196,372	228,450	211,425	141,962
Franchise fees	65,012	71,693	78,252	84,045	86,148
Rentals	143,478	108,697	107,402	208,364	168,341
Donations	3,746	7,030	1,790	7,369	4,469
Special assessments	0	0	400	4,659	3,141
Investment income	201,007	217,339	211,922	88,891	50,194
Miscellaneous	39,355	25,366	51,774	27,675	18,340
Total Revenues	$ 14,031,151	$ 16,015,049	$ 16,478,337	$ 16,700,662	$ 16,407,586
EXPENDITURES					
Current:					
General government	$ 1,719,222	$ 1,740,388	$ 1,882,347	$ 1,959,896	$ 1,868,119
Public safety	5,439,344	6,506,134	6,825,682	7,043,048	7,202,451
Public works	2,605,052	2,975,513	3,372,157	3,225,269	3,446,639
Recreation	1,334,580	1,436,810	1,541,089	1,530,091	1,588,057
Community development	1,051,464	1,145,706	1,269,484	1,224,278	1,213,366
Capital outlay	188,253	34,111	67,341	51,619	13,000
Total Expenditures	$ 12,337,915	$ 13,838,662	$ 14,958,100	$ 15,034,201	$ 15,331,632
Excess of revenues over (under) expenditures	$ 1,693,236	$ 2,176,387	$ 1,520,237	$ 1,666,461	$ 1,075,954
Other Financing Sources (Uses)					
Operating transfers in	$ 348,478	$ 1,382,400	$ 652,425	$ 650,000	$ 913,000
Operating transfers out	(1,303,500)	(2,220,188)	(1,983,131)	(2,002,917)	(1,909,099)
Total Other Financing Sources (Uses)	$ (955,022)	$ (837,788)	$ (1,330,706)	$ (1,352,917)	$ (996,099)
Excess of revenues and other financing sources over (under) expenditures and other financing uses	$ 738,214	$ 1,338,599	$ 189,531	$ 313,544	$ 79,855
General Fund Balance January 1	3,116,574	3,854,788	5,193,387	5,382,918	5,696,462
Prior Period Adjustment	0	0	0	0	0
Residual Equity Transfer in (out)	0	0	0	0	0
General Fund Balance December 31	$ 3,854,788	$ 5,193,387	$ 5,382,918	$ 5,696,462	$ 5,776,317
DETAILS OF DECEMBER 31 FUND BALANCE					
Reserved	$ 0	$ 3,585	$ 108,185	$ 98,333	$ 2,745
Unreserved:					
Designated	3,854,788	5,189,802	5,274,733	5,598,129	5,773,572
Undesignated	0	0	0	0	0
Total	$ 3,854,788	$ 5,193,387	$ 5,382,918	$ 5,696,462	$ 5,776,317

GENERAL INFORMATION

LOCATION

The City of Inver Grove Heights, with a 2010 U.S. Census population of 33,880 and comprising an area of 19,000 acres, is located approximately 10 miles south of the Minneapolis-St. Paul metropolitan area. For additional information regarding the City, please visit their website at www.ci.inver-grove-heights.mn.us.

LARGER EMPLOYERS

Larger employers in the City of Inver Grove Heights include the following:

Firm	Type of Business/Product	Estimated No. of Employees
Flint Hills Resources	Oil refinery	1,200
CHS, Inc.	Agricultural supply/service cooperative	880
I.S.D. No. 199 (Inver Grove Heights)	Elementary and secondary education	535 [1]
Evergreen Industries, Inc.	Seasonal evergreen wreaths, trees & decorations	500
Gertens	Garden center and nursery	475
City of Inver Grove Heights	Municipal government and services	387 [1]
Inver Hills Community College	Post-secondary education	350
Travel Tags, Inc.	Luggage tags, credit cards and badges	350
Total Construction & Equipment, Inc.	Construction, electrical and large equipment	250
Wal-Mart	Discount retail store	220

Source: *Infogroup (www.salesgenie.com).*

[1] Source: Written/telephone survey.

The City is located within the Minneapolis-St. Paul-Bloomington, MN-WI Metropolitan Statistical Area (the "MSA"). Larger employers in the MSA include the following:

Firm	Type of Business/Product	Estimated No. of Employees
Allina Hospitals & Clinics	Healthcare	22,347
State of Minnesota	State government and services	21,656 [1]
Fairview Hospitals & Clinics	Healthcare	20,000
Target Corporation	Corporate headquarters and retail stores	18,170
University of Minnesota - Twin Cities	Schools-Universities & Colleges Academic	16,773 [2]
Park Nicollet Hospitals & Clinics	Healthcare	14,000
3M	Manufacturers, distributors and ind. products	12,000
Tyco Electronics	Telephone equipment & system manufacturers	9,300
West Thomson Reuters	Legal research	7,500
Ameriprise Financial	Financial advisory services	7,000

Source: *Infogroup (www.salesgenie.com).*

Employment by market sector in the MSA[3]:

Employment Sector	% of Market Sector within the MSA
Mining, Logging & Construction	3.1%
Manufacturing	10.2%
Trade, Transportation & Utilities	17.8%
Information	2.3%
Financial Activities	7.8%
Professional & Business Services	15.2%
Education and Health Services	16.0%
Leisure and Hospitality	9.2%
Other Services	4.3%
Government	14.3%
Total[4]	**100.0%**

Source: *U.S. Bureau of Labor Statistics.*

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1 Minnesota Management & Budget, Workforce Report 2010.

2 Office of Institutional Research, University of Minnesota.

3 As of May, 2011.

4 Non-farm wage and salary employment

BUILDING PERMITS

	2007	2008	2009	2010	2011[1]
New Single Family Homes					
No. of building permits	27	15	15	14	8
Valuation	$9,987,000	$6,632,000	$6,403,000	$5,272,000	$2,442,000
New Multiple Family Buildings					
No. of building permits	1	1	1	0	0
Valuation	$6,235,000	$11,000,000	$2,837,000	$0	$0
New Commercial/Industrial					
No. of building permits	5	3	2	0	0
Valuation	$18,605,000	$10,670,000	$2,077,000	$0	$0
No. of All Building Permits *(including additions and remodelings)*	1,093	952	829	905	401
Valuation of All Building Permits *(including additions and remodelings)*	$53,515,800	$50,545,400	$40,847,600	$18,250,700	$14,341,200

[1] As of June 30, 2011.

U.S. CENSUS DATA

Population Trend: City of Inver Grove Heights, Minnesota

2000 U.S. Census population	29,751
2010 U.S. Census population	33,880
Percent of Change 2000 - 2010	+ 13.88%

Income and Age Statistics

	City of Inver Grove Heights	Dakota County	State of Minnesota	United States
1999 per capita income	$25,493	$27,008	$23,198	$21,587
1999 median household income	$59,090	$61,863	$47,111	$41,994
1999 median family income	$68,629	$71,062	$56,874	$50,046
2000 median gross rent	$767	$722	$566	$602
2000 median value owner occupied housing	$144,800	$152,400	$122,400	$119,600
2000 median age	33.8 yrs.	33.7 yrs.	35.4 yrs.	35.3 yrs.

	State of Minnesota	United States
City % of per capita income	109.89%	118.09%
City % of median family income	120.67%	137.13%

Housing Statistics

	City of Inver Grove Heights		
	2000	2010	Percent of Change
All Housing Units	11,452	14,062	22.79%

Source: *2000 and 2010 Census of Population and Housing.*

EMPLOYMENT/UNEMPLOYMENT DATA

Rates are not compiled for individual communities within counties.

	Average Employment	Average Unemployment	
Year	Dakota County	Dakota County	State of Minnesota
2007	220,658	4.1%	4.6%
2008	220,010	4.9%	5.4%
2009	215,162	7.3%	8.1%
2010	217,790	6.7%	7.3%
2011, April	216,583	6.1%	6.6%

Source: *Minnesota Department of Employment and Economic Development.*

APPENDIX A

EXCERPTS FROM FINANCIAL STATEMENTS

Reproduced on the following pages are excerpts from the City's audited Financial Statements for the fiscal year ending December 31, 2010. The Financial Statements have been prepared by the City and audited by a certified public accountant. The Management's Discussion and Analysis and the Notes to Financial Statements are an integral part of the audit and any judgment of the Financial Statements should be based on the Financial Statements as a whole.

Copies of the complete audited financial statements for the past three years and the current budget are available upon request from Ehlers.

KDV

Expert advice. When you need it.℠

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members
of the City Council
City of Inver Grove Heights
Inver Grove Heights, Minnesota

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, as of and for the year ended December 31, 2010, which collectively comprise the City's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit. The prior year partial comparative information has been derived from the City's 2009 financial statements and, in our report dated April 30, 2010, we expressed unqualified opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information.

We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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 of Inver Grove Heights, Minnesota, as of December 31, 2010, 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 conformity with U.S. generally accepted accounting principles.

The City has implemented Governmental Accounting Standards Board (GASB) Statement No. 51, *Accounting and Financial Reporting for Intangible Assets.*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 29, 2011, on our consideration of the City' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

KDV

U.S. generally accepted accounting principles require that the Management's Discussion and Analysis, which follows this report letter, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the GASB, 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 U.S. generally accepted auditing standards, 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.

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

The information listed under the Introductory and Statistical Section in the Table of Contents is not necessary for a fair presentation of the basic financial statements, but is presented as additional analytical data. This information has not been subjected to any audit procedures and, accordingly, we express no opinion on it.

Kern, DeWenter, Viere, Ltd.

KERN, DEWENTER, VIERE, LTD.
St. Cloud, Minnesota
April 29, 2011

As management of the City of Inver Grove Heights, we offer readers of the City of Inver Grove Heights' financial statements this narrative overview and analysis of the financial activities of the City of Inver Grove Heights for the fiscal year ended December 31, 2010. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 3-10 of this report.

Financial Highlights

- The assets of the City of Inver Grove Heights exceeded its liabilities at the close of the most recent fiscal year by $170,432,043 (*net assets*). Of this amount, $58,494,753 (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net assets increased by $10,534,032 as a result of operations. $10,877,245 of this was the increase from governmental activities and there was a decrease from business-type activities of $343,213.
- At the close of the current fiscal year, the City of Inver Grove Heights' governmental funds reported combined ending fund balances of $34,770,647, an increase of $5,490,340 in comparison with the prior year. Approximately $29,425,091 of this total amount is *available for spending* at the government's discretion (*unreserved fund balance*).
- At the end of the current fiscal year, unreserved fund balance for the general fund was $5,773,572, or 37.7% of total general fund expenditures.
- The City of Inver Grove Heights' total debt increased by $7,696,472 (14.4 percent) during the current fiscal year. A key factor in this increase was the issuance of three bond issues: $6,885,000 General Obligation Sewer Revenue Bonds, Series 2010A; $4,885,000 General Obligation Improvement Bonds, Series 2010B; and $905,000 General Obligation Refunding Bonds, Series 2010C.

Overview of the Financial Statements

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

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

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

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

City of Inver Grove Heights, Minnesota
Management's Discussion and Analysis
December 31, 2010

Both of the government-wide financial statements distinguish functions of the City of Inver Grove Heights that are principally supported by taxes and intergovernmental revenues (*government 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 of Inver Grove Heights include general government, public safety, public works, culture and recreation, and community development. The business-type activities of the City of Inver Grove Heights include water, sanitary sewer, and golf course.

The government-wide financial statements can be found on pages 32-33 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 of Inver Grove Heights, 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 of Inver Grove Heights can be divided into two categories: governmental funds and proprietary 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 of 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 of Inver Grove Heights maintains 31 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 balance for the general fund, two debt service funds and four capital projects funds, which are considered to be major funds. Data from the other 24 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

The City of Inver Grove Heights adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 34-39 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 of Inver Grove Heights 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 of Inver Grove Heights' various functions. The City of Inver Grove Heights uses internal service funds to account for compensated absences, risk management, central equipment maintenance, office supplies and equipment, city facilities and management information systems. 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, sanitary sewer and golf funds, which are considered to be major funds of the City of Inver Grove Heights. 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 can be found on pages 40-42 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 43-64 of this report.

Other information. The combining statements referred to earlier in connection with non-major governmental funds and internal service funds are presented immediately following the required supplementary information. Combining and individual fund statements can be found on pages 67-82 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City of Inver Grove Heights, assets exceeded liabilities by $170,432,043 at the close of the most recent fiscal year.

By far the largest portion of the City of Inver Grove Heights' net assets (58.0 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 of Inver Grove Heights uses these capital assets to provide services to its citizens; consequently, these assets are *not* available for future spending. Although the City of Inver Grove Heights' 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' Net Assets

	Governmental activities		Business-type activities		Total	
	2010	2009	2010	2009	2010	2009
Current and other assets	$ 63,188,618	$ 59,437,727	$ 13,712,047	$ 15,504,652	$ 76,900,665	$ 74,942,379
Capital assets	113,914,329	99,220,649	46,802,256	45,659,481	160,716,585	144,880,130
Total assets	177,102,947	158,658,376	60,514,303	61,164,133	237,617,250	219,822,509
Long-term liabilities outstanding	59,425,555	51,359,083	1,565,278	1,921,597	60,990,833	53,280,680
Other liabilities	5,749,761	6,248,907	444,613	394,911	6,194,374	6,643,818
Total liabilities	65,175,316	57,607,990	2,009,891	2,316,508	67,185,207	59,924,498
Net assets:						
Invested in capital assets, net of related debt	74,158,575	57,281,127	45,236,978	43,737,884	98,825,553	86,769,011
Restricted	12,453,322	18,781,144	658,415	658,585	13,111,737	19,439,729
Unrestricted	25,315,734	24,988,115	12,609,019	14,451,156	58,494,753	53,689,271
Total net assets	$ 111,927,631	$ 101,050,386	$ 58,504,412	$ 58,847,625	$ 170,432,043	$ 159,898,011

An additional portion of the City of Inver Grove Heights' net assets (7.6 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* ($58,494,753) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City of Inver Grove Heights is able to report positive balances in all three categories of net assets, for the government as a whole, as well as for its separate governmental and business-type activities. In the prior year the City was able to report positive balances in all three categories of net assets, for the government as a whole as well as for its governmental and business-type activities.

Governmental activities

Governmental activities increased the City of Inver Grove Heights' net assets by $10,877,245 and business-type activities decreased net assets by $343,213. Key elements of this increase are:

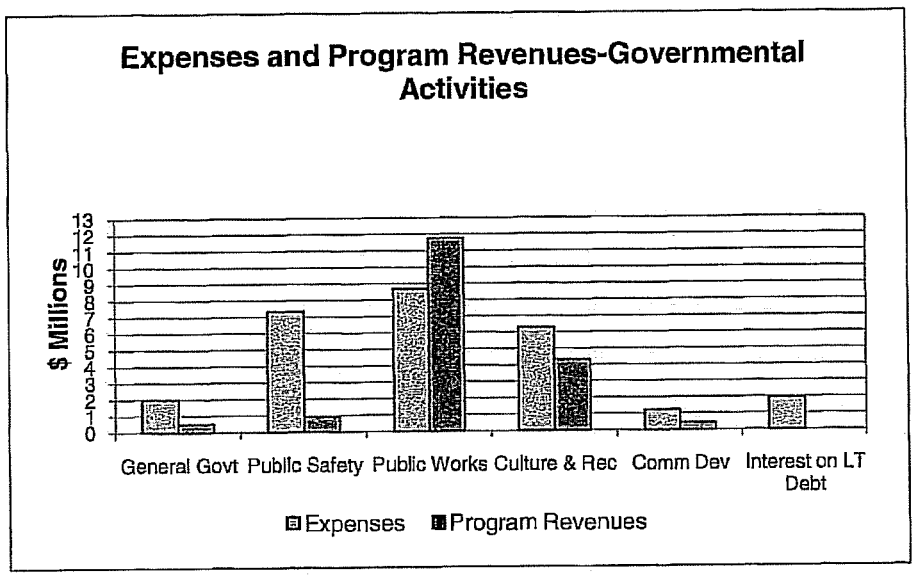
- Charges for services were $7,455,393 which is $145,924 greater than in 2009. Increased host community fee activity contributed to this increase.
- Taxes increased by $272,263 over 2009. Most of this increase was in property tax and tax increments.
- Grants and contributions not restricted to specific programs were slightly less than in 2009 largely due to a decrease in Market Value Homestead Credit in our tax increment financing districts.

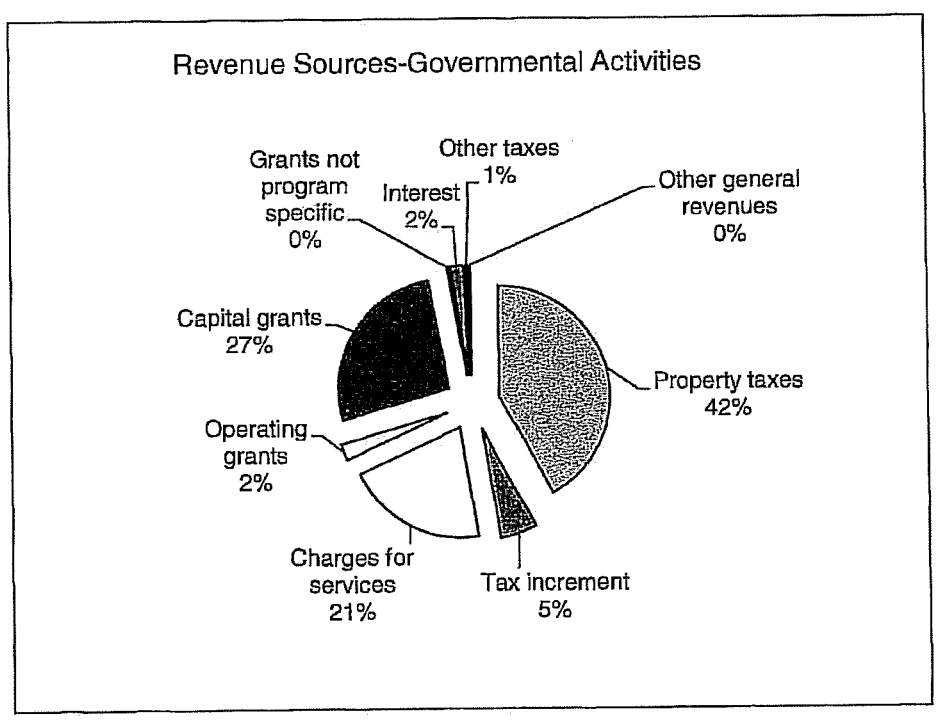
City of Inver Grove Heights, Minnesota
Management's Discussion and Analysis
December 31, 2010

City of Inver Grove Heights Changes in Net Assets

	Governmental activities		Business-type activities		Total	
	2010	2009	2010	2009	2010	2009
Revenues:						
Program revenues:						
Charges for services	$ 7,455,393	$ 7,309,469	$ 6,896,104	$ 7,083,467	$ 14,351,497	$ 14,392,936
Operating grants and contributions	861,740	438,040	-	-	861,740	438,040
Capital grants and contributions	9,618,339	3,541,500	1,852,464	-	11,470,803	3,541,500
General revenues:						
Property taxes and credits	15,188,210	14,904,906	-	-	15,188,210	14,904,906
Tax increment	1,931,921	1,944,714	-	-	1,931,921	1,944,714
Other taxes	153,477	151,725	-	-	153,477	151,725
Grants and contributions not restricted to specific programs	130,042	146,602	-	-	130,042	146,602
Other general revenues	93,539	73,453	-	-	93,539	73,453
Unrestricted investment earnings	669,074	540,070	131,225	230,333	800,299	770,403
Gain on sale of capital assets	-	6,800	-	-	-	6,800
Total revenues	$ 36,101,735	$ 29,057,279	$ 8,879,793	$ 7,313,800	$ 44,981,528	$ 36,371,079
Expenses:						
General government	$ 1,996,947	$ 2,026,218	$ -	$ -	$ 1,996,947	$ 2,026,218
Public safety	7,335,691	7,042,090	-	-	7,335,691	7,042,090
Public works	8,655,734	6,319,903	-	-	8,655,734	6,319,903
Culture and recreation	6,296,071	6,316,467	-	-	6,296,071	6,316,467
Community development	1,216,039	1,206,108	-	-	1,216,039	1,206,108
Interest on long-term debt	1,945,392	1,820,910	-	-	1,945,392	1,820,910
Water	-	-	2,367,258	2,312,751	2,367,258	2,312,751
Sewer	-	-	2,728,937	2,606,924	2,728,937	2,606,924
Golf course	-	-	1,905,427	1,732,070	1,905,427	1,732,070
Total expenses	$ 27,445,874	$ 24,731,696	$ 7,001,622	$ 6,651,745	$ 34,447,496	$ 31,383,441
Excess (deficiency) before transfers	8,655,861	4,325,583	1,878,171	662,055	10,534,032	4,987,638
Transfers	2,221,384	(3,428,802)	(2,221,384)	3,428,802	-	-
Increase (decrease) in net assets	$ 10,877,245	$ 896,781	$ (343,213)	$ 4,090,857	$ 10,534,032	$ 4,987,638
Net assets - beginning	101,050,386	100,153,605	58,847,625	54,756,768	159,898,011	154,910,373
Net assets - ending	$ 111,927,631	$ 101,050,386	$ 58,504,412	$ 58,847,625	$ 170,432,043	$ 159,898,011

Below are specific graphs which provide comparisons of the governmental activities revenues and expenditures.

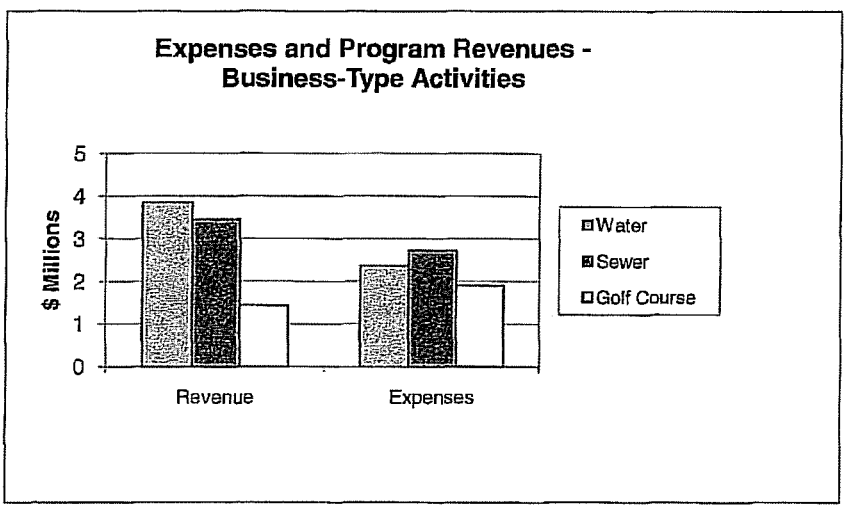


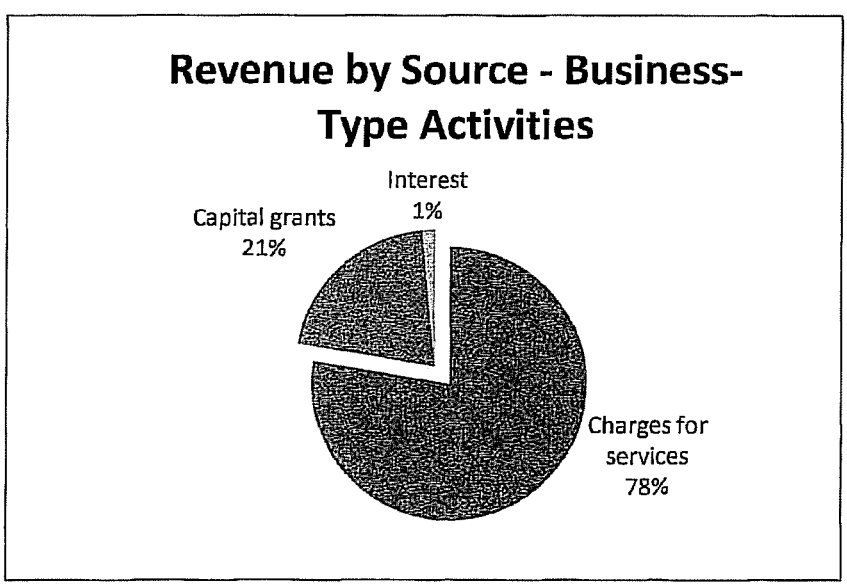


Business-type activities
Business-type activities decreased by $343,213.

- Transfers out from water and sewer business-type activities to governmental activities for financing of construction projects activities were $2,221,384.

Below are graphs showing the business-type activities revenues and expense comparisons.





Financial Analysis of the Government's Funds

Governmental funds. The focus of the City of Inver Grove Heights' governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such

information is useful in assessing the City of Inver Grove Heights' financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the current year, the City of Inver Grove Heights' governmental funds reported combined ending fund balances of $34,770,647. Approximately eighty-five percent ($29,425,091) constitutes unreserved fund balance. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed to prepaid expenses ($4,495) and to pay debt service ($5,341,061).

The general fund increased by $79,855 in 2010. Revenues were $22,014 under budget and expenditures were $346,968 under budget. The Improvement Bonds Debt Service Fund increased by $67,149 which was less than the increase in 2009 due to decreased special assessment payments. The Closed Bond Fund decreased by $1,072,095 due largely to decreased earnings on investments and increased transfers out. The Pavement Management Fund increased $3,722,690, the Permanent Improvement Revolving Fund increased by $194,746 and the Local Improvement Construction Fund increased $4,907,387. Due to timing differences in project revenues and expenses, a substantial decrease (or increase) can occur in these capital improvement funds. $11,770,000 in bonds were issued in 2010 to finance capital projects and to do a current refunding. The Host Community Fund had a slight increase in fund balance of $53,425. Host community fees were higher than in 2009, but there were also increased expenditures and transfers out to help finance some capital projects.

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

The unrestricted net assets in the respective proprietary funds are Water - $9,049,254, Sewer - $6,450,855, and Golf Course - a deficit of $2,891,090. The sewer fund had a small increase in total net assets in 2010 and the water fund and the golf course had a decrease in total net assets.

Budgetary Highlights

General Fund

The general fund had two amendments in 2010. The first amendment was for budget carryovers for items appropriated in the 2009 budget which were not completed until 2010. The other budget amendment was to move budget expenditures to transfers out for storm water projects that were accounted for as projects in the local improvement construction fund with funding to be provided by the general fund budget. Revenues were under budget by $22,014. General property taxes were under budget by $223,964. This should have been partially offset by intergovernmental revenues. Market Value Homestead Credit (MVHC) is included in the budget with general property taxes, but is accounted for as intergovernmental revenue since it is the portion of residential property taxes paid by the State of Minnesota. The City only received $21,905 in Market Value Homestead Credit in 2010 for manufactured housing in the general fund. The original amount of $612,485 was unalloted by the Governor, but we continue to receive MVHC for manufactured housing. Licenses and permit revenues were under the amended budget due to the economic slowdown and lack of significant building activity. Charges for services were over budget by $93,519 mainly due to resident engineering charges that were higher than budgeted. Investment income was over budget by $194. The budget was decreased for 2010 due to decreased interest rates on the City's investments and we were almost

on target. Expenditures were $346,968 under budget mainly due to lower than anticipated expenditures for professional/technical services, small tools and miscellaneous equipment, street and storm water maintenance, and capital outlay.

Capital Asset and Debt Administration

Capital assets. The City of Inver Grove Heights' investment in capital assets for its governmental and business-type activities as of December 31, 2010, amounts to $160,716,585 (net of depreciation). This investment in capital assets includes land (tangible & intangible), construction in progress, buildings, infrastructure, machinery and equipment.

Major capital asset events during the current fiscal year included the following:

- Purchase of $1,031,063 of machinery and equipment. This included $739,248 for an aerial ladder fire truck, $30,167 for a vehicle for the fire chief, $67,759 for police squad cars. Other equipment purchased included a wash water treatment system, stationary pressure washer system, an upgrade to the phone system, HVAC equipment for the golf course club house, vending machines, submersible pump for an irrigation well, and computer hardware and software.
- Infrastructure improvements totaling $10,429,671 were completed and added to the City's capital assets. Projects included $2,619,984 for street, storm sewer, trail and sidewalk improvements in the Argenta Hills development; $3,687446 for Project 2008-09D in storm drainage improvements; $3,458,002 for Project 2009-09D Urban Street reconstruction in South Grove and $664,239 for Project 2008-09F Salem Hills Farm Street reconstruction.
- Land acquisitions totaling $338,607 for parks purposes and easements (intangibles) of $1,936,697 for utility and road construction purposes.
- Construction in progress is $36,750,258.

City of Inver Grove Heights' Capital Assets
(Net of Depreciation)

	Governmental activities		Business-type activities		Total	
	2010	2009	2010	2009	2010	2009
Land	$ 24,528,548	$ 24,189,941	$ 2,830,452	$ 2,830,452	$ 27,359,000	$ 27,020,393
Land - Intangible	1,927,175	-	9,522	-	1,936,697	-
Construction in progress	36,750,258	31,849,913	-	-	36,750,258	31,849,913
Buildings and system	8,903,109	9,889,532	42,094,308	40,877,828	50,997,417	50,767,360
Improvements other than buildings	2,656,849	2,473,585	1,623,166	1,681,425	4,280,015	4,155,010
Machinery and equipment	2,277,186	1,985,074	244,808	269,776	2,521,994	2,254,850
Infrastructure	36,871,204	28,832,604	-	-	36,871,204	28,832,604
	$ 113,914,329	$ 99,220,649	$ 46,802,256	$ 45,659,481	$ 160,716,585	$ 144,880,130

Additional information on the City's capital assets can be found in Note 3 on pages 52-54 of the report.

Long-term debt. At the end of the current fiscal year, the City of Inver Grove Heights had total long-term debt outstanding of $61,045,555. The Statement of Net Assets reports long-term debt at $60,990,833 which is the total debt net of discount amount of $54,722. $16,055,000 was for general obligation special assessment debt which has financed capital improvements that have been special assessed to abutting property owners. $11,128,847 is general obligation tax increment financing debt which has financed various projects in our tax increment financing districts. Other general obligation debt includes $291,708 in MSABC bonds which financed the City's share of armory construction; $655,000 in general obligation storm water district bonds which financed construction of storm drainage facilities; $7,485,000 in general obligation water revenue bonds; $13,085,000 in general obligation sewer revenue bonds; $9,900,000 general obligation capital improvement bonds for the construction of the public safety addition and city hall remodeling; and $825,000 in general obligation equipment certificates which were used to finance the purchase of vehicles and equipment. In addition the City has $1,620,000 in golf course gross revenue bonds which financed the construction of the golf course.

City of Inver Grove Heights' Outstanding Debt
General Obligation Improvement Bonds, General Obligation Tax Increment Bonds, General Obligation Bonds and Revenue Bonds

	Governmental		Business-type		Total	
	2009	2010	2009	2010	2009	2010
General Obligation Improvement Bonds	$ 12,440,000	$ 16,055,000	$ -	$ -	$ 12,440,000	$ 16,055,000
General Obligation Tax Increment Bonds	12,343,913	11,128,847	-	-	12,343,913	11,128,847
General Obligation Bonds	26,575,170	32,241,708	-	-	26,575,170	32,241,708
Golf Course Gross Revenue Bonds	-	-	1,990,000	1,620,000	1,990,000	1,620,000
Total	$ 51,359,083	$ 59,425,555	$ 1,990,000	$ 1,620,000	$ 53,349,083	$ 61,045,555

The City of Inver Grove Heights had their AA bond rating from Standard and Poor's confirmed on the issuance of three bond issues on September 13, 2010.

State statutes limit the amount of general obligation debt a Minnesota city may issue to 3% of total estimated market value. The current debt limitation for the City of Inver Grove Heights is $99,474,529. Only the $32,241,708 in general obligation 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.

Additional information on the City of Inver Grove Heights' long-term debt can be found in Note 3 on pages 56-59 of this report.

Economic Factors and next year's Budgets and Rates

- The City's tax capacity decreased by 5.3% for taxes payable in 2011 as compared to a decrease of 6.7% for taxes payable in 2010. Residential property decreased 6.5% and commercial property decreased by 3.6% and industrial property decreased 7.5%. Without new construction the decrease in tax capacity would have been 5.8%. The City's tax levy was the same as in 2010 but due to the decrease in tax capacity the tax capacity rate increased 3.36%.

- License and permit revenues are projected to decrease by an estimated 10.7% in 2011 as compared to the 2010 amended budget. This is as a result of the continuing economic slowdown.
- Funding for the Pavement Management Program was maintained at $1,200,000 for 2011. This is the same amount as in 2010.
- There are continuing costs for the federally mandated storm water quality program under NPDES.
- The State Legislature increased the contribution rates for employee pension plans for 2010.
- Water and sewer fees were increased 2.5% and 3.5% respectively for 2011, based on our long-range financing plan.

These factors were considered when the City of Inver Grove Heights prepared its 2011 budget.

Requests for information. This financial report is designed to provide a general overview of the City of Inver Grove Heights' finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be directed to the Director of Finance, 8150 Barbara Avenue, Inver Grove Heights, MN 55077.

City of Inver Grove Heights, Minnesota
Statement of Net Assets
December 31, 2010

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	$ 49,790,168	$ 14,167,964	$ 63,958,132
Accrued interest receivable	204,947	-	204,947
Receivables:			
Accounts	229,189	1,423,694	1,652,883
Taxes	1,501,470		1,501,470
Special assessments	8,423,660	32,098	8,455,758
Due from other governments	130,848	5,503	136,351
Internal balances	2,711,507	(2,711,507)	-
Inventories	63,394	3,281	66,675
Prepaids	133,435	128,083	261,518
Council deferred special assessments	-	4,516	4,516
Restricted assets:			
Temporarily restricted:			
Cash and cash equivalents	-	458,415	458,415
Revenue bond covenant account	-	200,000	200,000
Capital assets (net of accumulated depreciation): See Note 3			
Land	24,528,548	2,830,452	27,359,000
Land - Intangibles	1,927,175	9,522	1,936,697
Buildings and system	8,903,109	42,094,308	50,997,417
Improvements other than buildings	2,656,849	1,623,166	4,280,015
Machinery and equipment	2,277,186	244,808	2,521,994
Infrastructure	36,871,204	-	36,871,204
Construction in progress	36,750,258	-	36,750,258
Total assets	177,102,947	60,514,303	237,617,250
LIABILITIES			
Accounts and contracts payable	1,545,635	54,155	1,599,790
Salaries payable	291,433	30,587	322,020
Due to other governments	437,293	98,961	536,254
Unearned revenue	255,101	-	255,101
Compensated absences	1,514,780	224,197	1,738,977
Accrued interest payable	835,081	6,118	841,199
Deposits payable	870,438	30,595	901,033
Long-term liabilities:			
Due within one year	4,421,052	385,000	4,806,052
Due in more than one year	55,004,503	1,180,278	56,184,781
Total liabilities	65,175,316	2,009,891	67,185,207
NET ASSETS			
Invested in capital assets, net of related debt	74,158,575	45,236,978	98,825,553
Restricted for:			
Debt service	9,134,547	658,415	9,792,962
Capital Asset Acquisition	900,199	-	900,199
Tax increment	2,418,576	-	2,418,576
Unrestricted	25,315,734	12,609,019	58,494,753
Total net assets	$ 111,927,631	$ 58,504,412	$ 170,432,043

City of Inver Grove Heights, Minnesota
Statement of Activities
For the Year Ended December 31, 2010

		Program Revenues			Net (Expense) Revenue and Changes in Net Assets Primary Government		
Functions/Programs	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**	**Governmental Activities**	**Business-type Activities**	**Total**
Governmental activities:							
General government	$ 1,996,947	$ 495,545	$ -	$ -	$ (1,501,402)	$ -	$ (1,501,402)
Public safety	7,335,691	413,967	490,228	-	$ (6,431,496)	-	(6,431,496)
Public works	8,655,734	3,435,705	364,794	7,963,199	$ 3,107,964	-	3,107,964
Recreation	6,296,071	2,673,480	6,718	1,655,140	$ (1,960,733)	-	(1,960,733)
Community development	1,216,039	436,696	-	-	$ (779,343)	-	(779,343)
Interest on long-term debt	1,945,392	-	-	-	$ (1,945,392)	-	(1,945,392)
Total governmental activities	27,445,874	7,455,393	861,740	9,618,339	(9,510,402)	-	(9,510,402)
Business-type activities:							
Water	2,367,258	2,762,005	-	1,090,495	-	1,485,242	1,485,242
Sewer	2,728,937	2,697,623	-	761,969	-	730,655	730,655
Golf course	1,905,427	1,436,476	-	-	-	(468,951)	(468,951)
Total business-type activities	7,001,622	6,896,104	-	1,852,464	-	1,746,946	1,746,946
Total government	$ 34,447,496	$ 14,351,497	$ 861,740	$ 11,470,803	$ (9,510,402)	$ 1,746,946	$ (7,763,456)
General revenues:							
Property taxes					15,188,210	-	15,188,210
Tax increments					1,931,921	-	1,931,921
Lodging taxes					67,329	-	67,329
Franchise taxes					86,148	-	86,148
Grants and contributions not restricted to specific programs					130,042	-	130,042
Other general revenues					93,539	-	93,539
Unrestricted investment earnings					669,074	131,225	800,299
Transfers					2,221,384	(2,221,384)	-
Total general revenues and transfers					20,387,647	(2,090,159)	18,297,488
Change in net assets					10,877,245	(343,213)	10,534,032
Net assets - beginning					101,050,386	58,847,625	159,898,011
Net assets - ending					$ 111,927,631	$ 58,504,412	$ 170,432,043

City of Inver Grove Heights, Minnesota
Balance Sheet
Governmental Funds
December 31, 2010

		Major Debt Service Funds		Major Capital Projects Funds					
	General	Improvement Bonds	Closed Bond	Pavement Management	Permanent Improvement Revolving	Local Improvement Construction	Host Community	Non-major Governmental Funds	Total Governmental Funds
ASSETS									
Cash and cash equivalents	$ 5,233,293	$ 4,362,318	$ 835,105	$ 4,098,116	$ -	$ -	$ 1,856,616	$ 16,722,411	$ 33,107,860
Accrued interest receivable	-	-	204,947	-	-	-	-	-	204,947
Accounts receivable	4,636	-	-	-	-	19,504	154,027	42,938	221,105
Taxes receivable:									
Current	992,290	22,412	6,280	-	-	-	-	67,960	1,088,942
Delinquent	314,572	4,316	7,637	-	-	-	-	86,003	412,528
Special assessments receivable:									
Current	-	127,295	1,188	37,499	173,860	7,126	-	-	346,968
Deferred	19,245	3,883,419	828,144	884,299	650,096	1,789,093	-	22,396	8,076,692
Due from other funds	-	-	2,629,805	-	-	-	2,711,507	-	5,341,312
Advances from other funds	-	-	90,539	-	-	-	-	47,869	138,408
Due from other governments	21,693	-	-	-	-	73,783	-	35,172	130,648
Prepaid items	2,745	-	-	1,750	-	-	-	-	4,495
Total assets	$ 6,588,674	$ 8,399,760	$ 4,603,646	$ 5,021,664	$ 823,956	$ 1,889,506	$ 4,722,150	$ 17,024,749	$ 49,074,105
LIABILITIES AND FUND BALANCE									
Liabilities:									
Accounts payable	174,786	-	2,803	9,516	-	79,978	-	100,520	367,603
Salaries payable	229,273	-	-	-	-	-	-	50,781	280,054
Contracts payable	-	-	-	31,081	-	1,016,019	-	-	1,047,100
Due to other funds	-	-	-	-	921,328	1,306,156	-	402,321	2,629,805
Advances to other funds		-	-	-				138,408	138,408
Due to other governments	58,625	-	-	1,050	-	26,134	173,823	102,321	361,953
Deferred revenue	349,673	3,887,735	835,781	884,299	650,096	1,845,168	-	155,345	8,608,097
Deposits payable	-	-	-	-	-	-	-	670,436	670,436
Total liabilities	812,357	3,887,735	838,584	925,946	1,571,424	4,273,455	173,823	1,620,134	14,303,458
Fund Balance:									
Reserved for prepaids	2,745	-	-	1,750	-	-	-	-	4,495
Reserved for specific debt service	-	4,512,025	-	-	-	-	-	829,036	5,341,061
Unreserved, designated for debt service	-	-	3,765,062	-	-	-	-	29,575	3,794,637
Unreserved, designated for subsequent expenditures, general fund	5,773,572	-	-	-	-	-	-	-	5,773,572
Unreserved, designated for subsequent expenditures, reported in special revenue funds	-	-	-	-	-	-	-	772,562	772,562
Unreserved, designated for future capital projects, reported in capital projects funds	-	-	-	4,093,968	-	-	4,548,327	13,975,595	22,617,890
Unreserved undesignated reported in capital projects funds	-	-	-	-	(747,468)	(2,383,949)	-	(402,153)	(3,533,570)
Total fund balance	5,776,317	4,512,025	3,765,062	4,095,718	(747,468)	(2,383,949)	4,548,327	15,204,615	34,770,647
Total liabilities and fund balance	$ 6,588,674	$ 8,399,760	$ 4,603,646	$ 5,021,664	$ 823,956	$ 1,889,506	$ 4,722,150	$ 17,024,749	$ 49,074,105

City of Inver Grove Heights, Minnesota
Reconciliation of the Balance Sheet
To the Statement of Net Assets
Governmental Funds
As of December 31, 2010

Total Fund Balance - Governmental Funds (Modified Accrual Amount)	$ 34,770,647
Amounts reported for governmental activities in the Statement of Net Assets are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.	
Cost of Capital Assets	161,982,533
Less: Accumulated Depreciation	(51,222,294)
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 City Hall and Fire Station and maintenance of computer systems. These balances are reported with the governmental funds.	18,304,385
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	
Long-Term Liabilities at Year-End Consist of:	
Improvement Bonds Principal Payable	(16,055,000)
General Obligation Bonds Principle Payable	(32,241,708)
TIF Bonds Principal Payable	(11,128,847)
Delinquent property taxes receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures, and therefore are deferred in the funds.	412,528
Deferred special assessment receivable are not available to pay for current expenditures and, therefore, are deferred in the funds.	7,940,468
Governmental funds do not report a liability for accrued interest on long-term due debt until due and payable.	(835,081)
Total Net Assets - Governmental Activities	$ 111,927,631

City of Inver Grove Heights, Minnesota
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Year Ended December 31, 2010

		Major Debt Service Funds		Major Capital Projects Funds					
	General	Improvement Bonds	Closed Bond	Pavement Management	Permanent Improvement Revolving	Local Improvement Construction	Host Community	Non-major Governmental Funds	Total Governmental Funds
REVENUES									
General property taxes	$ 13,945,436	$ 342,632	$ 69,600	$ -	$ -	$ -	$ -	$ 755,915	$ 15,113,583
Tax increments	-	-	-	-	-	-	-	1,931,921	1,931,921
Lodging taxes	-	-	-	-	-	-	-	67,329	67,329
Intergovernmental revenue	496,438	365	80	1,080,061	-	1,625,928	-	142,353	3,347,225
Licenses and permits	515,398	-	-	-	-	-	-	-	515,398
Charges for services	975,719	-	-	-	-	33,007	2,825,288	2,349,000	6,183,014
Fines and forfeits	141,962	-	-	-	-	-	-	-	141,962
Franchise fees	86,148	-	-	-	-	-	-	-	86,148
Rentals	168,341	-	-	-	-	-	-	281,900	450,241
Donations	4,469	-	-	-	-	7,060	-	147,367	158,896
Special assessments	3,141	1,246,219	6,765	934,943	366,847	328,716	-	459	2,887,090
Investment income	50,194	29,994	130,482	20,692	-	21,839	47,390	226,423	527,014
Miscellaneous	18,340	-	-	136,700	-	776,039	-	6,452	937,531
Total revenues	16,407,586	1,619,210	206,927	2,172,396	366,847	2,792,589	2,872,678	5,909,119	32,347,352
EXPENDITURES									
Current:									
General government	1,868,119	-	4,945	-	-	-	-	-	1,873,064
Public safety	7,202,451	-	-	-	-	-	-	-	7,202,451
Public works	3,446,639	-	29,862	516,406	-	441,325	174,564	340,948	4,949,744
Recreation	1,588,057	-	-	-	-	-	15,001	3,416,477	5,019,535
Community development	1,213,366	-	47,454	-	-	-	8,750	-	1,269,570
Debt service:									
Principal	-	1,264,500	-	-	-	-	-	2,563,962	3,828,462
Interest and other charges	-	929,825	-	500	-	-	-	1,063,619	1,993,944
Capital outlay	13,000	-	-	4,078,758	-	11,556,123	418,306	14,375	16,080,562
Total expenditures	15,331,632	2,194,325	82,261	4,595,664	-	11,997,448	616,621	7,399,381	42,217,332
Excess (deficiency) of revenues over (under) expenditures	1,075,954	(575,115)	124,666	(2,423,268)	366,847	(9,204,859)	2,256,057	(1,490,262)	(9,869,980)
OTHER FINANCING SOURCES (USES)									
Transfers In	913,000	458,723	242,500	2,024,527	-	7,271,908	-	3,812,589	14,723,247
Transfers (out)	(1,909,099)	-	(1,439,261)	(591,178)	(172,101)	(5,200)	(2,202,632)	(4,794,971)	(11,114,442)
Long-term debt issuance	-	177,760	-	4,720,210	-	6,865,000	-	7,030	11,770,000
Payment on Refunding Bonds	-	(597,000)	-	-	-	-	-	(288,000)	(885,000)
Issuance on Refunding Bonds	-	597,000	-	-	-	-	-	288,000	885,000
Bonds (discount) premium	-	5,781	-	(7,601)	-	(19,462)	-	2,797	(18,485)
Total other financing sources (uses)	(996,099)	642,264	(1,196,761)	6,145,958	(172,101)	14,112,246	(2,202,632)	(972,555)	15,380,320
Net change in fund balances	79,855	67,149	(1,072,095)	3,722,690	194,746	4,907,387	53,425	(2,462,817)	5,490,340
Fund balances - beginning	5,696,462	4,444,876	4,837,157	373,028	(942,214)	(7,291,336)	4,494,902	17,667,432	29,280,307
Fund balances - ending	$ 5,776,317	$ 4,512,025	$ 3,765,062	$ 4,095,718	$ (747,468)	$(2,383,949)	$ 4,548,327	$ 15,204,615	$ 34,770,647

City of Inver Grove Heights, Minnesota
Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balance
To Statement of Activities - Governmental Funds
For the Year Ended December 31, 2010

Total Net Change in Fund Balance - Governmental Funds (Modified Accrual Amount)	$ 5,490,340
Amounts reported for governmental activities in the Statement of Activities are different because:	
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	16,035,030
Depreciation Expense	(3,637,550)
Capital Assets Transferred to Business Type Activities	(699,421)
Gain/Loss on Disposal of Capital Assets	(447,216)
Donated Assets	4,449,916
Capital Assets Contributed to County	(1,216,220)
Certain revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds (special assessments).	(1,005,759)
Principal payments on long-term debt are recognized as expenditures in the governmental funds but as an increase in net assets on the Statement of Activities.	4,713,462
Proceeds from long-term debt are recognized as an other financing source in the governmental funds but as a decrease in net assets on the Statement of Activities.	(12,655,000)
The accreted value of capital appreciation bonds	(124,934)
Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds 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.	48,552
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 City Hall and Fire Station and maintenance of computer systems. The net revenue of the internal service funds is reported with governmental activities.	(148,582)
Delinquent property taxes receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures, and therefore are deferred in the funds.	74,627
Change in Net Assets - Governmental Activities	$ 10,877,245

City of Inver Grove Heights, Minnesota
Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
General Fund
For the Year Ended December 31, 2010

	Budget			
	Original	Final	Actual Amounts	Variance with Final Budget- Positive (Negative)
REVENUES				
General property tax	$ 14,169,400	$ 14,169,400	$ 13,945,436	$ (223,964)
Intergovernmental revenue	368,800	368,800	498,438	129,638
Licenses and permits	585,900	585,900	515,398	(70,502)
Charges for services	882,200	882,200	975,719	93,519
Fines and forfeits	175,000	175,000	141,962	(33,038)
Franchise fees	84,000	84,000	86,148	2,148
Rentals	113,000	113,000	168,341	55,341
Donations	-	-	4,469	4,469
Investment income	50,000	50,000	50,194	194
Miscellaneous	1,300	1,300	21,481	20,181
Total revenues	16,429,600	16,429,600	16,407,586	(22,014)
EXPENDITURES				
Current:				
General government	1,906,800	1,906,800	1,868,119	38,681
Public safety	7,252,900	7,288,500	7,202,451	86,049
Public works	3,686,400	3,528,300	3,446,639	81,661
Recreation	1,561,400	1,555,000	1,588,057	(33,057)
Community development	1,249,600	1,249,600	1,213,366	36,234
Contingency	105,000	105,000	-	105,000
Capital outlay	25,000	45,400	13,000	32,400
Total expenditures	15,787,100	15,678,600	15,331,632	346,968
Excess of revenue over expenditures	642,500	751,000	1,075,954	324,954
OTHER FINANCING (USES) SOURCES				
Transfers in	913,000	913,000	913,000	-
Transfers (out)	(1,744,600)	(1,909,100)	(1,909,099)	1
Total other financing (uses) sources	(831,600)	(996,100)	(996,099)	1
Net change in fund balance	$ (189,100)	$ (245,100)	79,855	$ 324,955
Fund balance - beginning			5,696,462	
Fund balance - ending			$ 5,776,317	

City of Inver Grove Heights, Minnesota
Statement of Net Assets
Proprietary Funds
December 31, 2010
With Comparative Totals for December 31, 2009

	Business-type Activities - Enterprise Funds							Governmental Activities-Internal Service Funds
	Water Current Year	Water Prior Year	Sewer Current Year	Sewer Prior Year	Golf Course Current Year	Golf Course Prior Year	Totals Current Year	
ASSETS								
Current assets:								
Cash and cash equivalents	$ 8,281,087	$ 9,534,026	$ 5,866,877	$ 5,859,300	$ -	$ -	$ 14,167,964	$ 16,882,308
Restricted assets:								
Cash and cash equivalents	-	-	-	-	458,415	458,585	458,415	-
Accounts receivable (net of allowance for uncollectible)	884,942	834,276	537,754	532,285	998	7,951	1,423,694	8,084
Special assessments receivable:								
Delinquent	32,098	30,944	-	-	-	-	32,098	-
Due from other governments	5,503	2,004	-	-	-	-	5,503	-
Inventories	-	-	-	-	3,281	4,182	3,281	63,394
Prepaid items	-	-	126,746	117,639	1,337	1,013	128,083	128,940
Total current assets	9,203,630	10,401,249	6,551,377	6,509,224	464,031	471,731	16,219,038	16,882,726
Noncurrent assets:								
Special Assessement Receivable:								
Council Deferred	4,516	4,516	-	-	-	-	4,516	-
Restricted assets:								
Revenue bond covenant account	-	-	-	-	200,000	200,000	200,000	-
Capital assets:								
Land	461,598	461,598	401,680	401,680	1,967,174	1,967,174	2,830,452	209,122
Land Intangibles	-	-	9,522	-	-	-	9,522	-
Buildings and system	40,087,929	38,377,712	22,197,530	21,445,084	826,192	821,129	63,111,651	3,330,716
Improvements other than buildings	98,108	98,108	-	-	4,240,782	4,161,083	4,338,890	271,368
Machinery and equipment	125,281	125,281	108,620	108,620	801,188	738,957	1,035,089	8,205,943
Less accumulated depreciation	(12,664,575)	(11,862,342)	(8,194,048)	(7,744,523)	(3,664,725)	(3,440,080)	(24,523,348)	(8,863,059)
Total capital assets (net of accumulated depreciation)	28,108,341	27,200,357	14,523,304	14,210,861	4,170,611	4,248,263	46,802,256	3,154,090
Total noncurrent assets	28,112,857	27,204,873	14,523,304	14,210,861	4,370,611	4,448,263	47,006,772	3,154,090
Total assets	37,316,487	37,606,122	21,074,681	20,720,085	4,834,642	4,919,994	63,225,810	20,036,816
LIABILITIES								
Current liabilities:								
Accounts payable	32,459	34,133	7,630	3,609	14,065	3,753	54,155	130,932
Salaries payable	12,161	5,764	7,795	3,861	10,630	5,879	30,587	11,379
Due to other funds	-	-	-	-	2,711,507	2,082,068	2,711,507	-
Due to other governments	39,609	45,126	41,359	39,536	17,793	14,253	98,961	75,340
Compensated absences	74,463	69,679	43,737	38,764	105,997	93,999	224,197	1,514,780
Accrued interest payable	-	-	-	-	6,118	7,382	6,118	-
Revenue bonds - current	-	-	-	-	385,000	370,000	385,000	-
Deposits payable -gift certificates	-	-	-	-	30,595	29,153	30,595	-
Total current liabilities	158,692	154,702	100,522	85,790	3,281,706	2,606,487	3,541,120	1,732,431
Noncurrent liabilities:								
Revenue bonds payable (net of unamortized discounts and deferred amount on refunding)	-	-	-	-	1,180,278	1,551,597	1,180,278	-
Total noncurrent liabilities	-	-	-	-	1,180,278	1,551,597	1,180,278	-
Total liabilities	158,692	154,702	100,522	85,790	4,461,984	4,158,084	4,721,398	1,732,431
NET ASSETS								
Invested in capital assets, net of related debt	28,108,341	27,200,357	14,523,304	14,210,861	2,605,333	2,326,666	45,236,978	3,154,090
Restricted for debt service	-	-	-	-	658,415	658,585	658,415	-
Unrestricted	9,049,254	10,251,063	6,450,855	6,423,434	(2,891,090)	(2,223,341)	12,609,019	15,150,295
Total net assets	$ 37,157,595	$ 37,451,420	$ 20,974,159	$ 20,634,295	$ 372,658	$ 761,910	$ 58,504,412	$ 18,304,385

City of Inver Grove Heights, Minnesota
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended December 31, 2010
With Comparative Totals for Year Ended December 31, 2009

	Business-type Activities - Enterprise Funds							
	Water Current Year	Water Prior Year	Sewer Current Year	Sewer Prior Year	Golf Course Current Year	Golf Course Prior Year	Totals Current Year	Governmental Activities-Internal Service Funds
Operating revenues:								
Charges for sales and services								
Water sales	$ 2,646,075	$ 2,671,091	$ -	$ -	$ -	$ -	$ 2,646,075	$ -
Sewer charges	-	-	2,617,197	2,591,810	-	-	2,617,197	-
Late fees	109,086	100,602	80,426	71,039	-	-	189,512	-
Water meter sales	3,007	6,221	-	-	-	-	3,007	-
Green fees	-	-	-	-	818,621	840,581	818,621	-
Golf cart rentals	-	-	-	-	261,561	215,069	261,561	-
Practice center	-	-	-	-	128,836	137,297	128,836	-
Golf shop	-	-	-	-	51,153	50,320	51,153	-
Food and beverage	-	-	-	-	151,819	139,448	151,819	-
Other	-	-	-	-	23,940	25,493	23,940	3,662,801
Total operating revenues	2,758,168	2,977,914	2,697,623	2,662,849	1,435,930	1,408,208	6,891,721	3,662,801
Operating expenses:								
Personnel services	425,608	423,193	345,712	292,739	1,003,948	913,270	1,775,268	658,467
Other current expenses	1,139,417	1,102,228	1,933,701	1,921,752	575,482	479,300	3,648,600	1,977,326
Depreciation	802,233	787,330	448,524	392,433	224,646	224,051	1,476,403	663,434
Total operating expenses	2,367,258	2,312,751	2,728,937	2,606,924	1,804,076	1,616,621	6,900,271	3,299,227
Operating income (loss)	390,910	665,163	(31,314)	55,925	(368,146)	(208,413)	(8,550)	363,574
Nonoperating revenues (expenses):								
Interest on special assessments	3,837	22,285	-	-	-	-	3,837	-
Investment earnings	79,662	147,902	51,563	82,281	-	150	131,225	142,060
Other nonoperating revenue	-	-	-	-	546	12,211	546	93,539
Interest expense	-	-	-	-	(101,351)	(115,449)	(101,351)	-
Gain (Loss) on sale of capital assets	-	-	-	-	-	-	-	(59,755)
Total nonoperating revenue (expenses)	83,499	170,187	51,563	82,281	(100,805)	(103,088)	34,257	175,844
Income (loss) before contributions and transfers	474,409	835,350	20,249	138,206	(468,951)	(311,501)	25,707	539,418
Capital contributions	1,710,217	24,320	761,969	5,243,941	79,699	-	2,551,885	-
Transfers out	(2,478,451)	(1,838,872)	(442,354)	(587)	-	-	(2,920,805)	(888,000)
Change in net assets	(293,825)	(979,202)	339,864	5,381,560	(389,252)	(311,501)	(343,213)	(148,582)
Total net assets - beginning	37,451,420	38,430,622	20,634,295	15,252,735	761,910	1,073,411	58,847,625	18,452,967
Total net assets - ending	$ 37,157,595	$ 37,451,420	$ 20,974,159	$ 20,634,295	$ 372,658	$ 761,910	$ 58,504,412	$ 18,304,385

The notes to the financial statements are an integral part of these financial statements.

Net Changes in the net assets reported above	$343,213
Amounts reported for business-type activies in the Statement of activities are different because:	
Transfer in of capital assets from governmental activites	$699,421
Governmental activities contribution revenue reported above	($699,421)
Change in net assets of business-type activities (statement 2)	$343,213

City of Inver Grove Heights, Minnesota
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2010
With Comparative Totals for Year Ended December 31, 2009

	Business-type Activities-Enterprise Funds							Governmental Activities-Internal Service Funds
	Water Current Year	Water Prior Year	Sewer Current Year	Sewer Prior Year	Golf Course Current Year	Golf Course Prior Year	Totals Current Year	
CASH FLOWS FROM OPERATING ACTIVITIES								
Receipts from customers and users	$ 2,702,848	$ 2,792,204	$ 2,692,154	$ 2,644,554	$ 1,444,325	$ 1,403,687	$ 6,839,327	$ 3,663,902
Payments to suppliers	(1,141,091)	(1,103,599)	(1,938,784)	(1,926,708)	(564,592)	(477,538)	(3,644,467)	(1,947,529)
Payments to employees	(413,174)	(437,022)	(335,892)	(300,329)	(985,500)	(925,659)	(1,734,666)	(551,652)
Other receipts (payments)	(6,570)	11,060	890	(1,421)	631,925	458,295	626,245	93,540
Net cash provided by operating activities	1,142,013	1,262,643	418,368	416,096	526,058	458,785	2,086,439	1,258,261
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES								
Transfer to other funds	(2,478,451)	(1,838,872)	(442,354)	(587)	-	-	(2,920,805)	(688,000)
Net cash provided (used) by capital and related financing activities	(2,478,451)	(1,838,872)	(442,354)	(587)	-	-	(2,920,805)	(688,000)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES								
Interest on special assessments	3,837	22,285	-	-	-	-	3,837	-
Principal payments - bonds	-	-	-	-	(370,000)	(350,000)	(370,000)	-
Interest and paying agent fees on bonds	-	-	-	-	(88,935)	(102,935)	(88,935)	-
Sales of capital assets	-	-	-	-	-	-	-	22,126
Purchases of capital assets	-	(2,816)	-	-	(67,293)	-	(67,293)	(954,457)
Net cash provided (used) by capital and related financing activities	3,837	19,469	-	-	(526,228)	(452,935)	(522,391)	(932,331)
CASH FLOWS FROM INVESTING ACTIVITIES								
Interest and dividends received	79,662	147,902	51,563	82,281	-	150	131,225	142,060
Net cash provided (used) by investing activities	79,662	147,902	51,563	82,281	-	150	131,225	142,060
Net increase (decrease) in cash and cash equivalents	(1,252,939)	(408,858)	27,577	497,790	(170)	6,000	(1,225,532)	(220,010)
Cash and cash equivalents - January 1	9,534,026	9,942,884	5,859,300	5,361,510	658,585	652,585	16,051,911	16,902,318
Cash and cash equivalents - December 31	8,281,087	9,534,026	5,886,877	5,859,300	658,415	658,585	14,826,379	16,682,308
Reconciliation of operating income to net cash provided (used) by operating activities:								
Operating income (loss)	390,910	665,163	(31,314)	55,925	(368,146)	(208,413)	(8,550)	363,574
Adjustments to reconcile operating income to net cash provided (used) by operating activities:								
Depreciation expense	802,233	787,330	449,524	392,433	224,646	224,051	1,476,403	663,434
Miscellaneous non-operating income	-	-	-	-	546	12,211	546	93,540
(Increase) decrease in accounts receivable	(51,821)	(201,502)	(5,469)	(18,295)	6,953	(6,317)	(50,337)	1,101
(Increase) decrease in intergovernmental receivables	(3,499)	819	-	-	-	-	(3,499)	-
(Increase) decrease in due from other funds	-	14,973	-	-	-	-	-	-
(Increase) decrease in inventories	-	-	-	-	901	141	901	3,347
(Increase) decrease in prepaids	-	-	(9,105)	(3,595)	(324)	327	(9,429)	(30,515)
Increase (decrease) in customer deposits	-	-	-	-	1,442	1,796	1,442	-
Increase (decrease) in accounts payable	(1,674)	(1,371)	4,022	(1,361)	10,313	1,294	12,661	54,593
Increase (decrease) in salaries payable	6,397	(10,620)	3,915	(5,149)	4,751	(12,602)	15,063	5,140
Increase (decrease) in compensated absences	4,764	(1,765)	4,973	(1,625)	11,997	1,760	21,754	94,805
Increase (decrease) in intergovernmental payables	(5,317)	9,636	1,822	(2,237)	3,540	(2,156)	45	9,242
Increase (decrease) in due to other funds	-	-	-	-	629,439	446,693	629,439	-
Total adjustments	751,103	597,480	449,682	360,171	894,204	667,198	2,094,989	894,687
Net cash provided by operating activities	$ 1,142,013	$ 1,262,643	$ 418,368	$ 416,096	$ 526,058	$ 458,785	$ 2,086,439	$ 1,258,261

Noncash investing, capital and financing activities:

- Distribution system assets in the amount of $1,710,217 and $24,320 were contributed to the Water Fund in 2010 and 2009, respectively.
- Distribution system assets in the amount of $761,969 and $5,243,941 were contributed to the Sewer Fund in 2010 and 2009, respectively.
- Assets in the amount of $79,699 and $0 were contributed to the Golf Course Fund in 2010 and 2009, respectively.
- Bond discount amortization in the amount of $13,680 was recognized in both 2010 and 2009 in the Golf Course Enterprise Fund.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the City of Inver Grove Heights, Minnesota (the City) have been prepared in conformity 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). The City's significant accounting policies are described below.

A. Financial Reporting Entity of the City

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 financial statements present the City and its component units. 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 City is considered financially accountable for a component unit if it appoints a voting majority of the organization's governing body and it is able to impose its will on the organization by significantly influencing the programs, projects, activities, or level of services performed or provided by the organization, or there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the City.

As a result of applying the component unit definition criteria above, it has been determined that the City of Inver Grove Heights has no component units.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the City. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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. 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 properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the 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 in the current period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

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

The improvement bonds and closed bond debt service funds account for resources accumulated and payments for principal and interest on long term general obligation special assessment debt.

The host community, permanent improvement revolving, pavement management and local improvement construction funds 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 type:

Internal service funds account for compensated absences, risk management, central equipment, central stores, city facilities and management information systems services provided to other departments or agencies of the City.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989 generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this 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 from the various functions concerned.

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the City's enterprise funds and 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 nonoperating revenues and expenses.

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

D. Assets, liabilities, and net assets or equity

1. Deposits and investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and investments.

State statutes authorize investments which are direct obligations or obligations guaranteed by the United States or its agencies; shares of investment companies registered under the Federal Investment Company Act of 1940 and receives the highest credit rating, is rated in one of the two highest rating categories by a nationally recognized rating agency, and all of the investments have a final maturity of thirteen months or less; general obligations rated "A" or better; revenue obligations rated "AA" or better, general obligations of the Minnesota Housing Finance Agency rated "A" or better; bankers acceptances of United States banks eligible for purchase by the Federal Reserve System; commercial paper issued by United States corporations or their Canadian subsidiaries, of the highest quality category by at least two nationally recognized rating agencies, and maturing in 270 days or less; guaranteed Investment Contracts guaranteed by a United States commercial bank, domestic branch of a foreign bank, or a United States insurance company or its Canadian subsidiary, and with a credit quality in one of the top two highest categories, repurchase or reverse repurchase agreements and securities lending agreements with financial institutions qualified as a "depository" by the City 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 Federal Reserve Bank of New York, or certain Minnesota securities broker-dealers.

Investments for the City are reported at fair value and are based on quoted market prices at year end.

Interest rate risk. In accordance with the City's investment policy, the City will not directly invest more than five percent (5%) of the total portfolio in securities maturing more than five (5) years from the date of purchase, unless matched to a specific cash flow.

Credit risk. The City's investment policy limits investments to types of securities permissible by state law. State law limits investments in unsecured debt to the top two ratings issued by a nationally recognized rating agency, unless the issuer is headquartered in Minnesota. Commercial paper is limited to the top rating and must have a maturity of 720 days or less from the purchase date.

Concentration of credit risk. 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%) of the City's total investments.

Custodial credit risk – investments. The City does not have an investment policy for custodial credit risk.

Custodial credit risk – deposits. The City's policy states that in order to provide a level of security for all funds, the collateralization level will be 110% of market value.

2. 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 the interfund loan) 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".

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

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.

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 is 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.

3. Restricted assets

A portion of bond proceeds and contributions is classified as restricted assets since its use is limited by bond resolution.

4. 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

5. 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 assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant and equipment of the City is depreciated using the straight line method over the following estimated useful lives:

Buildings and structures	20–50 years
Equipment and machinery	3-20 years
Distribution and collection systems	50 years
Streets and public infrastructure	25 years

6. 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. It has been determined through internal City policy that the entire liability for compensated absences is a current liability.

7. Other Post Employment Benefits

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. The City has only the implicit rate subsidy OPEB and, historically, retirees reaching the age of 65 do not stay on the plan. The ARC liability calculated was determined to be immaterial. Therefore, no liability for other post-employment benefits has been recorded in the financial statements.

8. 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 debt are reported as liabilities in the applicable governmental activities, business-type activities, and proprietary fund type statement of net assets.

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 the debt issued is reported as other financing sources. Premiums received on bond issuances are reported as other financing sources while discounts on debt issues are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

9. Fund equity

In the fund financial statements, governmental funds reported reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative Council plans that are subject to change.

10. Net assets

Net assets represent the difference between assets and liabilities in the government-wide financial statements. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. A reclassification of $20,570,000 was made between this net asset class and unrestricted net assets in the total column on the Statement of Net Assets to recognize the portion of debt attributable to capital assets donated from governmental activities to business-type activities. Net assets are reported as restricted in the government-wide financial statement when there are limitations on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

11. Comparative data/reclassifications

Comparative total data for the prior year have been presented only for individual enterprise funds in the fund financial statements in order to provide an understanding of the changes in the financial position and operations of these funds. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with this year's presentation.

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 and Community Center Non-major 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 and Community Center Special Revenue Non-major 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 transfer of budgeted amounts between City funds.

B. Excess of expenditures over appropriations

In the year ended December 31, 2010, expenditures exceeded appropriations in the Convention and Visitors Bureau Fund by $6,897.

C. Deficit fund equity

The Local Improvement Construction Fund had a deficit fund balance of $2,383,949, the Permanent Improvement Revolving Fund had a deficit of $747,468 and the Other Non-major Funds had a deficit of $402,153 in unreserved undesignated reported in capital projects funds. The Golf Course Fund had a deficit unrestricted net asset balance of $2,891,090. These deficits are expected to be covered from future fund revenues or transfers from other funds.

NOTE 3 - DETAILED NOTES ON ALL FUNDS

A. Deposits and investments

As of December 31, 2010, the City had the following investments:

Investment Type	Fair Value	Weighted Avg Maturity (Years)
Brokered Certificates of Deposit	$ 6,930,321	0.94
U.S. Government Bonds	35,914,496	4.1
Municipal Bonds	8,740,121	3.54
Mutual Funds	12,412,729	0.00
Total Fair Value	$ 63,997,667	

As of December 31, 2010, the City had deposits and petty cash as follows:

Checking and Sweep Account	$610,630
Petty Cash	8,250
Total Deposits and Petty Cash	$618,880

Interest rate risk. In accordance with the City's investment policy, the City will not directly invest more than five percent (5%) 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. State law limits investments in unsecured debt to the top two ratings issued by a nationally recognized rating agency, unless the issuer is headquartered in Minnesota. Commercial paper is limited to the top rating and must have a maturity of 720 days or less from the purchase date. As of December 31, 2010, the City's had no investment in commercial paper and the U.S. Government bonds were rated Aaa or greater by Standard & Poor's and Moody's. The municipal bonds were rated A2 or greater by Standard & Poor's and Moody's and the brokered certificates of deposit and the mutual funds were unrated.

Concentration of credit risk. Concentration of credit risk is defined as positions of 5% 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%) of the City's total investments. As of December 31, 2010, the following investments exceeded 5% of the City's total investments: FDMAC/FHLMC (19.56%), FHLB (17.89%), FNMA (14.02%), and Mutual Funds (19.40%).

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. As of December 31, 2010, all of the City's bank balance of $719,779 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, 2010, all securities were held by the City or its agent in the City's name.

Summary of cash deposits and investments as of December 31, 2010:

Deposits and petty cash	$ 618,880
Investments	63,997,667
Total Deposits and Investments	$64,616,547

Deposits and investments are presented in the December 31, 2010 basic financial statements as follow:

Statement of New Assets	
Cash and cash equivalents	$63,958,132
Temporarily restricted:	
Cash and cash equivalents	458,415
Revenue Bond Covenant Account	200,000
Total	$64,616,547

B. Receivables

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

	Unavailable	Unearned	Total
General Fund delinquent property taxes receivable	$ 314,572	$ -	$ 314,572
Improvement Bonds Debt Service Fund property taxes receivable	4,316	-	4,316
Closed Bond Fund delinquent property taxes receivable	7,637	-	7,637
Other non-major funds delinquent property taxes receivable	86,003	-	86,003
General Fund special assessments	19,245	-	19,245
Improvement Bonds Debt Service Fund special assessments	3,883,419	-	3,883,419
Closed Bond Fund special assessments	691,920	-	691,920
Local Improvement Construction Fund special assessments	1,789,093	-	1,789,093
Pavement Management Fund special assessments.	884,299	-	884,299
Permanent Improvement Revolving Fund special assessments	650,096	-	650,096
Other non-major funds special assessments	22,396	-	22,396
Other non-major funds recreation fees	-	16,812	16,812
Other non-major funds Community Center fees	-	30,134	30,134
General Fund miscellaneous	-	15,856	15,856
Closed Bond Fund miscellaneous	-	136,224	136,224
Local Improvement Construction Fund grant revenue	-	56,075	56,075
Total deferred/unearned revenue for governmental funds	$ 8,352,996	$ 255,101	$ 8,608,097

C. Capital assets

Capital asset activity for the year ended December 31, 2010 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	$ 24,189,941	$ 338,607	$ -	$ 24,528,548
Land - intangible	-	1,927,175	-	1,927,175
Construction in progress	31,849,913	15,634,881	10,734,536	36,750,258
Total capital assets not being depreciated	56,039,854	17,900,663	10,734,536	63,205,981
Capital assets being depreciated:				
Buildings and system	22,088,942	-	246,281	21,842,661
Improvements other than buildings	4,880,040	511,916	54,483	5,337,473
Machinery and equipment	8,650,049	968,832	497,788	9,121,093
Infrastructure	64,062,803	10,429,671	-	74,492,474
Total capital assets being depreciated	99,681,834	11,910,419	798,552	110,793,701
Less accumulated depreciation for:				
Buildings and system	12,199,410	977,422	237,280	12,939,552
Improvements other than buildings	2,406,455	317,967	43,798	2,680,624
Machinery and equipment	6,664,975	614,524	435,592	6,843,907
Infrastructure	35,230,199	2,391,071	-	37,621,270
Total accumulated depreciation	56,501,039	4,300,984	716,670	60,085,353
Total capital assets, being depreciated, net	43,180,795	7,609,435	81,882	50,708,348
Governmental activities capital assets, net	$ 99,220,649	$ 25,510,098	$ 10,816,418	$ 113,914,329

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets not being depreciated:				
Land	$ 2,830,452	$ -	$ -	$ 2,830,452
Land - intangible	-	9,522	-	9,522
Total capital assets not being depreciated	2,830,452	9,522	-	2,839,974
Capital assets being depreciated:				
Buildings and system	60,643,925	2,467,726	-	63,111,651
Improvements other than buildings	4,259,190	79,700	-	4,338,890
Machinery and equipment	972,858	62,231	-	1,035,089
Total capital assets being depreciated	65,875,973	2,609,657	-	68,485,630
Less accumulated depreciation for:				
Buildings and system	19,766,097	1,251,246	-	21,017,343
Improvements other than buildings	2,577,766	137,958	-	2,715,724
Machinery and equipment	703,082	87,199	-	790,281
Total accumulated depreciation	23,046,945	1,476,403	-	24,523,348
Total capital assets, being depreciated, net	42,829,028	1,133,254	-	43,962,282
Business-type activities capital assets, net	$ 45,659,480	$ 1,142,776	$ -	$ 46,802,256

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

Governmental activities:	
General government	$ 92,887
Public safety	256,201
Public works including depreciation of infrastructure	2,644,869
Culture and recreation	1,298,932
Community development	8,095
Total depreciation expense - governmental activities	4,300,984
Business-type activities:	
Water	802,233
Sanitary sewer	449,524
Golf course	224,646
Total depreciation expense - business-type activities	$ 1,476,403

Construction commitments:

The government has active construction projects as of December 31, 2010. The projects include street construction, sanitary sewer construction, storm water construction, parks construction and building construction. At year end the government's commitments with contractors are as follows:

Project	Revised Contract Amount	Work To Date	Remaining Commitment
Street Construction Projects	$ 4,216,151	$ 4,066,550	$ 149,601
Sewer Construction Projects	438,221	426,268	11,953
Storm Water Construction Projects	35,352	23,638	11,714
Parks Construction Projects	1,924,340	1,848,829	75,511
Building Construction Project	12,461,283	10,592,061	1,869,222
Totals	$ 19,075,347	$ 16,957,346	$ 2,118,001

The commitment for the street construction projects are being financed by special assessments that are repaid by the benefiting property owners, Minnesota state aid, Northwest Area storm water fees, and transfers from water connection fund, sewer connection fund, and pavement management fund. The commitment for the sewer construction projects are being financed by special assessments and Northwest area water and sewer connection fees that are repaid by the benefiting property owners and transfers from the water connection fund. The commitment for the storm water construction projects are being financed with Northwest Area fees, Minnesota Department of Transportation (MnDOT) funds, and a transfer from the closed bond fund. The commitment for the parks projects is being financed by various grants and transfers from the host community fund, closed bond fund and the parks acquisition & development fund The commitment for the building construction project is being financed by bond proceeds which will be repaid with tax levies.

D. Interfund receivables, payable and transfers

The composition of interfund balances as of December 31, 2010, is as follows:

Receivable Fund	Payable Fund	Purpose	Amount	Due in 2011
Host Community Fund	Golf Course Fund	Eliminate cash deficit	2,711,507	2,711,507
Closed Bond Fund	Local Improvement Construction Fund	Eliminate cash deficit	1,306,156	1,306,156
Closed Bond Fund	Permanent Improvement Revolving Fund	Eliminate cash deficit	921,328	921,328
Closed Bond Fund	Other Non-major Funds	Eliminate cash deficit	402,321	402,321
Closed Bond Fund	Other Non-major Funds	Loan for Community Center improvements	90,539	10,060
Other Non-major Funds	Other Non-major Funds	Loan for VMCC Heat Exchanger	47,869	15,956
Total			$ 5,479,720	$ 5,367,328

Interfund transfers:

	Transfers In						
Transfers Out	General	Improvement Bonds	Closed Bond Fund	Local Impr. Constr	Pavement Management	Non-Major Gov't Funds	Total
General	$ -	$ -	$ -	$ 156,999	$ 1,207,500	$ 544,600	$ 1,909,099
Closed Bond	-	237,561	-	1,187,645	14,055	-	1,439,261
Local Impr. Constr	-	-	-	-	-	5,200	5,200
Pavement Mgmt				591,178			591,178
Host Community	560,000	-	-	1,295,000	-	347,632	2,202,632
Permamemt Impr Revolving	-	172,101	-	-	-	-	172,101
Non Major Gov't	65,000	49,061	242,500	2,175,287	-	2,263,123	4,794,971
Water Fund	-	-	-	1,025,753	800,664	652,034	2,478,451
Sewer Fund	-	-	-	440,046	2,308	-	442,354
Internal Service	288,000	-	-	400,000	-	-	688,000
Total	$ 913,000	$ 458,723	$ 242,500	$ 7,271,908	$ 2,024,527	$ 3,812,589	$ 14,723,247

Transfers were made to fund operations, make debt service payments and finance capital projects.

E. Long-term debt

The City issues general obligation 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.

General obligation bonds are direct obligations and pledge the full faith and credit of the City. The G.O. Water Revenue bonds were issued with government commitment. The Golf Course Gross Revenue bonds pledge revenues from the golf course. These bonds are issued as serial bonds with debt service payments each year. The original amount of general obligation and revenue bonds for the issues listed below is $77,948,113.

The City's outstanding long-term debt as of December 31, 2010 is as follows:

Purpose	Net Interest Rates	Amount
Governmental activities -		
Special Assessment Debt with Government Commitment	1.76% - 4.99%	$16,055,000
Tax Increment General Obligation Debt	3.77% - 5.95%	11,128,847
General Obligation Debt	3.23% - 6.73%	32,241,708
Business type activities -		
Revenue Bonds	5.43%	1,620,000
		$61,045,555

Annual debt service requirements to maturity for special assessment bonds are as follows:

Year Ending December 31	Governmental Activities: Special Assessment Debt with Governmental Commitment		
	Principal	Interest	Total
2011	$ 1,600,000	$ 497,272	$ 2,097,272
2012	1,390,000	468,549	1,858,549
2013	1,740,000	415,549	2,155,549
2014	1,680,000	359,028	2,039,028
2015	1,520,000	304,331	1,824,331
2016-2020	6,140,000	769,935	6,909,935
2021-2025	1,465,000	180,953	1,645,953
2026-2027	520,000	16,405	536,405
Total	$ 16,055,000	$ 3,012,022	$ 19,067,022

Annual debt service requirements to maturity for tax increment general obligation debt are as follows:

Year Ending December 31	Governmental Activities Tax Increment General Obligation Debt		
	Principal	Interest	Total
2011	$ 1,380,000	$ 557,509	$ 1,937,509
2012	1,445,000	524,500	1,969,500
2013	2,203,847	1,132,606	3,336,453
2014	1,170,000	222,668	1,392,668
2015	840,000	183,627	1,023,627
2016-2020	3,780,000	411,415	4,191,415
2021	310,000	6,781	316,781
Total	$ 11,128,847	$ 3,039,106	$ 14,167,953

Annual debt service requirements to maturity for general obligation debt are as follow:

Year Ending December 31,	Governmental Activities General Obligation Debt		
	Principal	Interest	Total
2011	$ 1,441,052	$ 1,164,437	$ 2,605,489
2012	1,388,817	1,150,150	2,538,967
2013	1,321,769	1,099,050	2,420,819
2014	1,529,919	1,046,027	2,575,946
2015	1,598,281	988,787	2,587,068
2016-2020	7,446,870	4,069,056	11,515,926
2021-2025	6,105,000	2,835,397	8,940,397
2026-2030	6,210,000	1,669,682	7,879,682
2031-2035	4,775,000	536,522	5,311,522
2036	425,000	8,500	433,500
Total	$ 32,241,708	$ 14,567,608	$ 46,809,316

Annual debt service requirement to maturity for revenue bonds are as follows:

Year Ending December 31	Business-type Activities Revenue Bonds Principal	Interest	Total
2011	$ 385,000	$ 73,415	$ 458,415
2012	395,000	57,052	452,052
2013	415,000	39,278	454,278
2014	425,000	20,188	445,188
Total	$ 1,620,000	$ 189,933	$ 1,809,933

Changes in long-term debt:

Governmental Activities	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
General obligation bonds payable:					
Special assessment debt with gov't commitment	$ 12,440,000	$ 5,790,000	$ 2,175,000	$ 16,055,000	$ 1,600,000
Tax increment debt	12,343,913	124,934	1,340,000	11,128,847	1,380,000
General obligation debt	26,575,170	6,865,000	1,198,462	32,241,708	1,441,052
Governmental activities - Long-term liabilities	$ 51,359,083	$ 12,779,934	$ 4,713,462	$ 59,425,555	$ 4,421,052

Additions to long-term debt for governmental activities include $12,655,000 in debt issuance and $124,934 of accretion in tax increment debt on capital appreciation bonds.

Business-type activities	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Revenue bonds payable:					
Revenue bonds	$ 1,990,000	$ -	$ 370,000	$ 1,620,000	$ 385,000
Issuance discount	(68,403)		(13,681)	(54,722)	-
Business-type activities Long-term liabilities	$ 1,921,597	$ -	$ 356,319	$ 1,565,278	$ 385,000

Long-term debt for business activities is reported in the statement of net assets at $1,565,278 which is net of discount of $54,722.

On September 13, 2010 the City issued $905,000 General Obligation Refunding Bonds, Series 2010C dated October 6, 2010, with a true interest rate of 1.758% to refund the principal on the $3,975,000 General Obligation Permanent Improvement Bonds, Series 2002A. The net proceeds of $894,704 were used to call and retire all outstanding G.O. Permanent Improvement Bonds, Series 2002A on November 1, 2010. This current refunding will result in a total reduction in debt service payments of $57,612 over the next 8 years while providing for net present value benefit of $50,179.

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 payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the City, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of December 31, 2010, there was one series of Industrial Revenue Bonds and two series of Housing Revenue Bonds outstanding as follows:

Series	Amount Issued	Balance Outstanding 12/31/10
1992 Industrial Development Revenue Note	$ 350,000	$ 55,408
2005 Senior Housing Revenue Refunding Bonds	32,290,000	32,290,000
2006 Nursing Home Revenue Refunding Bonds	23,265,000	22,305,000
Total	$55,905,000	$54,650,408

NOTE 4 - 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.

B. Employee retirement systems and pension plans

1. Defined benefit pension plans - statewide employees plan

a. Plan Description

All full-time and certain part-time employees of the City of Inver Grove Heights 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, fire-fighters and peace officers 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 State Statute, and vest after three years of credited service. The defined retirement benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service.

Two methods are used to compute benefits for PERA's Coordinated and Basic Plan members. The retiring member receives the higher of a step-rate benefit accrual formula (Method 1) or a level accrual formula (Method 2). Under Method 1, the annuity accrual rate for a Basic Plan member is 2.2 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 members for each year of service. For PEPFF members, the annuity accrual rate is 3.0 percent for each year of service. For all PEPFF members and GERF members hired prior to July 1, 1989 whose annuity is calculated using Method 1, a full annuity is available when age plus years of service equal 90. Normal retirement age is 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 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, by writing to PERA at 60 Empire Drive #200, St. Paul, Minnesota, 55103-2088 or by calling (651) 296-7460 or 1-800-652-9026.

b. Funding Policy

Minnesota Statutes Chapter 353 sets the rates for employer and employee contributions. These statutes are established and amended by the state legislature. The City makes annual contributions to the pension plans equal to the amount required by state statutes. GERF Basic Plan members and Coordinated Plan members were required to contribute 9.10% and 6.00%, respectively, of their annual covered salary in 2010. PEPFF members were required to contribute 9.4% of their annual covered salary in 2010. In 2010 the City of Inver Grove Heights was required to contribute the following percentages of annual covered payroll: 11.78% for Basic Plan PERF members, 7% for Coordinated Plan PERF members, and 14.1% for PEPFF members. The City's contributions to the Public Employees Retirement Fund for the years ending December 31, 2010, 2009 and 2008, were $462,426, $453,717, and $399,038, respectively. The City's contributions to the Public Employees Police & Fire Fund for the years ending December 31, 2010, 2009 and 2008, were $383,562, $387,894, and $346,784, respectively. The City's contributions were equal to the contractually required contributions for each year as set by state statute.

2. Defined Contribution Plan - statewide employees plan

Three council members 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, specifies 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. Total contributions made by the City of Inver Grove Heights during fiscal year 2010 were:

Amount		Percentage of Covered Payroll		Required
Employees	Employer	Employees	Employer	Rates
$1,150	$1,150	5.00%	5.00%	5.00%

3. Single employer defined benefit pension plan - volunteer fire relief association

Plan Description

The Inver Grove Heights Firemen'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, and benefits to survivors upon the death of eligible members. All benefit provisions and the obligation to make contributions are 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 Firemen's Relief Association, 2059 Upper 55th Street, Inver Grove Heights, MN 55077.

APPENDIX B

FORM OF LEGAL OPINION

Kennedy & Graven

Offices in Minneapolis: 470 U.S. Bank Plaza, 200 South Sixth Street, Minneapolis MN 55402

Saint Paul / St. Cloud: (612) 337-9300 telephone, (612) 337-9310 fax, http://www.kennedy-graven.com, Affirmative Action Equal Opportunity Employer

$_____
General Obligation Refunding
Bonds, Series 2011A
City of Inver Grove Heights, Minnesota

We have acted as bond counsel to the City of Inver Grove Heights, Dakota County, Minnesota (the "Issuer") in connection with the issuance by the Issuer of its General Obligation Refunding Bonds, Series 2011A (the "Bonds"), originally dated as of August 18, 2011, and issued in the original aggregate principal amount of $_____. In such capacity and for the purpose of rendering this opinion we have examined certified copies of certain proceedings, certifications and other documents, and applicable laws as we have deemed necessary. Regarding questions of fact material to this opinion, we have relied on certified proceedings and other certifications of public officials and other documents furnished to us without undertaking to verify the same by independent investigation. Under existing laws, regulations, rulings and decisions in effect on the date hereof, and based on the foregoing we are of the opinion that:

1. The Bonds have been duly authorized and executed, and are valid and binding general obligations of the Issuer, enforceable in accordance with their terms.

2. The principal of and interest on the Bonds are payable in part from tax increments resulting from increases in the taxable value of real property in a tax increment financing district of the Issuer, in part from special assessments levied or to be levied on property specially benefited by local improvements, and in part from ad valorem taxes for the Issuer's share of the cost of the improvements, but if necessary for the payment thereof additional ad valorem taxes are required by law to be levied on all taxable property of the Issuer, which taxes are not subject to any limitation as to rate or amount.

3. Interest on the Bonds is excludable from gross income of the recipient for federal income tax purposes and, to the same extent, is excludable from taxable net income of individuals, trusts, and estates for Minnesota income tax purposes, and is not a preference item for purposes of the computation of the federal alternative minimum tax, or the computation of the Minnesota alternative minimum tax imposed on individuals, trusts and estates. However, such interest is taken into account in determining adjusted current earnings for the purpose of computing the federal alternative minimum tax imposed on certain corporations and is subject to Minnesota franchise taxes on corporations (including financial institutions) measured by income and the alternative minimum tax base. The opinion set forth in this paragraph is subject to the condition that the Issuer comply with all

requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes and from taxable net income for Minnesota income tax purposes. The Issuer has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause interest on the Bonds to be included in gross income for federal income tax purposes and taxable net income for Minnesota income tax purposes retroactively to the date of issuance of the Bonds. We express no opinion regarding tax consequences arising with respect to the Bonds other than as expressly set forth herein.

4. The rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditor's rights generally and by equitable principles, whether considered at law or in equity.

We have not been asked and have not undertaken to review the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Bonds, and accordingly we express no opinion with respect thereto.

This opinion is given as of the date hereof and we assume no obligation to update, revise, or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Dated _____, 2011 at Minneapolis, Minnesota.

APPENDIX C

BOOK-ENTRY-ONLY SYSTEM

1. The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the securities (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for [each issue of] the Securities, [each] in the aggregate principal amount of such issue, and will be deposited with DTC. [If, however, the aggregate principal amount of [any] issue exceeds $500 million, one certificate will be issued with respect to each $500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.]

2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard & Poor's highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. [Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.]

6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to [Tender/Remarketing] Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to [Tender/Remarketing] Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to [Tender/Remarketing] Agent's DTC account.

10. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to the City or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

11. The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

APPENDIX D

FORM OF CONTINUING DISCLOSURE CERTIFICATE

$_____
City of Inver Grove Heights
General Obligation Refunding Bonds,
Series 2011A

CONTINUING DISCLOSURE CERTIFICATE

August 18, 2011

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the City of Inver Grove Heights, Dakota County, Minnesota (the "Issuer") in connection with the issuance of its General Obligation Refunding Bonds, Series 2011A, in the original aggregate principal amount of $_____ (the "Bonds"). The Bonds are being issued pursuant to an award resolution adopted by the City Council of the Issuer on July 25, 2011 (the "Resolution") and delivered to _____ (the "Purchaser") on the date hereof. Pursuant to the Resolution, the Issuer has covenanted and agreed to provide continuing disclosure of certain financial information and operating data and timely notices of the occurrence of certain events. In addition, the Issuer hereby covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the Holders (defined herein) of the Bonds in order to assist the Participating Underwriters (defined herein) in complying with SEC Rule 15c2-12(b)(5). This Disclosure Certificate, together with the Resolution, constitutes the written agreement or contract for the benefit of the Holders of the Bonds that is required by the Rule.

Section 2. Definitions. In addition to the defined terms set forth in the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" means any annual report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Audited Financial Statements" means the Issuer's annual financial statements, prepared in accordance with generally accepted accounting principles ("GAAP") for Governmental Units as Prescribed by the Governmental Accounting Standards Board ("GASB").

"EMMA" means the Electronic Municipal Market Access system operated by the MSRB as the primary portal for complying with the continuing disclosure requirements of the Rule.

"Final Official Statement" means the deemed final official statement dated _____, 2011, plus the addendum thereto which together constitute the final official statement delivered in connection with the Bonds, which is available from the MSRB.

"Fiscal Year" means the fiscal year of the Issuer.

"Holder" means the person in whose name a security is registered or a beneficial owner of such a security.

"Issuer" means City of Inver Grove Heights, Dakota County, Minnesota, which is the obligated person with respect to the Bonds.

"Material Event" means any of the events listed in Section 5(a) of this Disclosure Certificate.

"MSRB" means the Municipal Securities Rulemaking Board located at 1900 Duke Street, Suite 600, Alexandria, VA 22314.

"Participating Underwriter" means any of the original underwriter(s) of the Bonds (including the Purchaser) required to comply with the Rule in connection with the offering of the Bonds.

"Repository" means EMMA.

"Rule" means SEC Rule 15c2-12(b)(5) promulgated by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time, and including written interpretations thereof by the SEC.

"SEC" means the Securities and Exchange Commission.

Section 3. Provision of Annual Financial Information and Audited Financial Statements.

(a) The Issuer shall provide, as soon as available, but not later than 12 months after the end of the Fiscal Year commencing with the year that ends December 31, 2012, the Repository with an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the Audited Financial Statements of the Issuer may be submitted separately from the balance of the Annual Report and will be submitted as soon as available.

(b) If the Issuer is unable or fails to provide to the Repository an Annual Report by the date required in subsection (a), the Issuer shall send a notice of that fact to the Repository and the MSRB.

(c) The Issuer shall determine each year prior to the date for providing the Annual Report the name and address of each Repository.

Section 4. Content of Annual Reports. The Issuer's Annual Report shall contain or incorporate by reference the following sections of the Final Official Statement:

1. Current Property Valuations
2. Direct Debt
3. Tax Levies & Collections
4. Population Trend
5. Employment/Unemployment

In addition to the items listed above, the Annual Report shall include Audited Financial Statements submitted in accordance with Section 3 of this Disclosure Certificate.

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the Issuer or related public entities, which have been submitted to the Repository or the SEC. If the document incorporated by reference is a final official statement, it must also be available from the MSRB. The Issuer shall clearly identify each such other document so incorporated by reference.

Section 5. Reporting of Material Events.

(a) This Section 5 shall govern the giving of notice of the occurrence of any of the following events ("Material Events") with respect to the Bonds:

1. Principal and interest payment delinquencies;

2. Non-payment related defaults, if material;

3. Unscheduled draws on debt service reserves reflecting financial difficulties;

4. Unscheduled draws on credit enhancements reflecting financial difficulties;

5. Substitution of credit or liquidity providers, or their failure to perform;

6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701–TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;

7. Modifications to rights of security holders, if material;

8. Bond calls, if material, and tender offers;

9. Defeasances;

10. Release, substitution, or sale of property securing repayment of the securities, if material;

11. Rating changes;

12. Bankruptcy, insolvency, receivership or similar event of the obligated person;

13. The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

14. Appointment of a successor or additional trustee or the change of name of a trustee, if material.

(b) The Issuer shall file a notice of such occurrence with the Repository or with the MSRB within ten (10) business days of the occurrence of the Material Event.

(c) Unless otherwise required by law and subject to technical and economic feasibility, the Issuer shall employ such methods of information transmission as shall be requested or recommended by the designated recipients of the Issuer's information.

Section 6. EMMA. The SEC has designated EMMA as a nationally recognized municipal securities information repository and the exclusive portal for complying with the continuing disclosure requirements of the Rule. Until the EMMA system is amended or altered by the MSRB and the SEC, the Issuer shall make all filings required under this Disclosure Certificate solely with EMMA.

Section 7. Termination of Reporting Obligation. The Issuer's obligations under the Resolution and this Disclosure Certificate shall terminate upon the legal defeasance, or upon the redemption or payment in full of all the Bonds.

Section 8. Agent. The Issuer may, from time to time, appoint or engage a dissemination agent to assist it in carrying out its obligations under the Resolution and this Disclosure Certificate, and may discharge any such agent, with or without appointing a successor dissemination agent.

Section 9. Amendment; Waiver. Notwithstanding any other provision of the Resolution or this Disclosure Certificate, the Issuer may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, if such amendment or waiver is supported by an opinion of nationally recognized bond counsel to the effect that such amendment or waiver would not, in and of itself, cause a violation of the Rule. The provisions of the Resolution constituting the undertaking and this Disclosure Certificate, or any provision hereof, shall be null and void in the event that the Issuer delivers to the Repository an opinion of nationally recognized bond counsel to the effect that those portions of the Rule which require the Resolution and this Disclosure Certificate are invalid, have been repealed retroactively or otherwise do not apply to the Bonds. The provisions of the Resolution and this Disclosure Certificate may be amended without the consent of the Holders of the Bonds, but only upon the delivery by the Issuer to the Repository of the proposed amendment and an opinion of nationally recognized bond counsel to the effect that such amendment, and giving effect thereto, will not adversely affect the compliance of the Resolution and this Disclosure Certificate and by the Issuer with the Rule.

Section 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Material Event, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Material Event in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Material Event.

Section 11. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate any Holder of the Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer to comply with its obligations under the Resolution and this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default with respect to the Bonds and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance.

Section 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Participating Underwriters and Holders from time to time of the Bonds, and shall create no rights in any other person or entity.

IN WITNESS WHEREOF, we have executed this Disclosure Certificate in our official capacities effective as of the date and year first written above.

CITY OF INVER GROVE HEIGHTS, MINNESOTA

_____
Mayor

_____
City Administrator

APPENDIX E

TERMS OF PROPOSAL

$4,610,000* GENERAL OBLIGATION REFUNDING BONDS, SERIES 2011A
CITY OF INVER GROVE HEIGHTS, MINNESOTA

Proposals for the purchase of $4,610,000 General Obligation Refunding Bonds, Series 2011A (the "Bonds") of the City of Inver Grove Heights, Minnesota (the "City") will be received at the offices of Ehlers & Associates, Inc. ("Ehlers"), 3060 Centre Pointe Drive, Roseville, Minnesota 55113-1105, Financial Advisors to the City, until 11:00 A.M., Central Time, and **ELECTRONIC PROPOSALS** will be received via **PARITY**, in the manner described below, until 11:00 A.M. Central Time, on July 25, 2011, at which time they will be opened, read and tabulated. The proposals will be presented to the City Council for consideration for award by resolution at a meeting to be held at 7:30 P.M., Central Time, on the same date. The proposal offering to purchase the Bonds upon the terms specified herein and most favorable to the City will be accepted unless all proposals are rejected.

PURPOSE

The Bonds are issued pursuant to Minnesota Statutes, Chapters 429 and 469, and Section 475.67, by the City, for the purpose of effecting an advanced partial net cash refunding of the 2013 through 2019 maturities of the $4,200,000 General Obligation Tax Increment Refunding Bonds, Series 2003D, dated November 19, 2003 and the 2014 through 2018 maturities of the $3,775,000 General Obligation Improvement Bonds, Series 2006A, dated July 25, 2006. The Bonds will be general obligations of the City for which its full faith, credit and taxing powers are pledged.

DATES AND MATURITIES

The Bonds will be dated August 18, 2011, will be issued as fully registered Bonds in the denomination of $5,000 each, or any integral multiple thereof, and will mature on February 1 as follows:

Year	Amount*	Year	Amount*	Year	Amount*
2012	$65,000	2015	$760,000	2018	$730,000
2013	390,000	2016	750,000	2019	565,000
2014	610,000	2017	740,000		

ADJUSTMENT OPTION

* The City reserves the right to increase or decrease the principal amount of the Bonds on the day of sale, in increments of $5,000 each. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per $1,000.

TERM BOND OPTION

Proposals for the Bonds may contain a maturity schedule providing for any combination of serial bonds and term bonds, subject to mandatory redemption, so long as the amount of principal maturing or subject to mandatory redemption in each year conforms to the maturity schedule set forth above. All dates are inclusive.

INTEREST PAYMENT DATES AND RATES

Interest will be payable on February 1 and August 1 of each year, commencing February 1, 2012, to the registered owners of the Bonds appearing of record in the bond register as of the close of business on the 15th day (whether or not a business day) of the immediately preceding month. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the MSRB. All Bonds of the same maturity must bear interest from date of issue until paid at a single, uniform rate, not exceeding the rate specified for Bonds of any subsequent maturity. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

BOOK-ENTRY-ONLY FORMAT

The Bonds will be designated in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Bonds, and will be responsible for maintaining a book-entry system for recording the interests of its participants and the transfers of interests between its participants. The participants will be responsible for maintaining records regarding the beneficial interests of the individual purchasers of the Bonds. So long as Cede & Co. is the registered owner of the Bonds, all payments of principal and interest will be made to the depository which, in turn, will be obligated to remit such payments to its participants for subsequent disbursement to the beneficial owners of the Bonds.

PAYING AGENT/ESCROW AGENT

The City has selected Wells Fargo Bank, N.A., Minneapolis, Minnesota, to act as paying agent (the "Paying Agent") and escrow agent (the "Escrow Agent") . The City will pay the charges for Paying Agent/Escrow Agent services. The City reserves the right to remove the Paying Agent/Escrow Agent and to appoint a successor.

OPTIONAL REDEMPTION

At the option of the City, Bonds maturing on or after February 1, 2018 shall be subject to redemption prior to maturity on February 1, 2017 and on any date thereafter, at a price of par plus accrued interest.

Redemption may be in whole or in part of the Bonds subject to prepayment. If redemption is in part, the selection of the amounts and maturities of the Bonds to be redeemed shall be at the discretion of the City. If only part of the Bonds having a common maturity date are called for redemption, then the City or Paying Agent, if any, will notify DTC of the particular amount of such maturity to be redeemed. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interest in such maturity to be redeemed.

Notice of redemption shall be sent by mail not more than 60 days and not fewer than 30 days prior to the date fixed for redemption to the registered owner of each Bond to be redeemed at the address shown on the registration books.

DELIVERY

On or about August 18, 2011, the Bonds will be delivered without cost to the winning bidder at DTC. On the day of closing, the City will furnish to the winning bidder the opinion of bond counsel hereinafter described, an arbitrage certification, and certificates verifying that no litigation in any manner questioning the validity of the Bonds is then pending or, to the best knowledge of officers of the City, threatened. Payment for the Bonds must be received by the City at its designated depository on the date of closing in immediately available funds.

LEGAL OPINION

An opinion as to the validity of the Bonds and the exemption from taxation of the interest thereon will be furnished by Kennedy & Graven, Chartered, Minneapolis, Minnesota, bond counsel to the City, and will accompany the Bonds. The legal opinion will state that the Bonds are valid and binding general obligations of the City; provided that the rights of the owners of the bonds and the enforceability of the bonds may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights and by equitable principles (which may be applied in either a legal or equitable proceeding).

SUBMISSION OF PROPOSALS

Proposals must not be for less than $4,577,730 plus accrued interest on the principal sum of $4,610,000 from date of original issue of the Bonds to date of delivery. A signed proposal form must be submitted to Ehlers prior to the time established above for the opening of proposals as follows:

1) In a sealed envelope as described herein; or

2) A facsimile submission to Ehlers, Facsimile Number (651) 697-8555; or

3) Electronically via **PARITY** in accordance with this Terms of Proposal until 11:00 A.M. Central Time, but no proposal will be received after the time for receiving proposals specified above. To the extent any instructions or directions set forth in **PARITY** conflict with this Terms of Proposal, the terms of this Terms of Proposal shall control. For further information about **PARITY**, potential bidders may contact Ehlers or i-Deal LLC at 1359 Broadway, 2nd Floor, New York, New York 10018, Telephone (212) 849-5021.

Proposals must be submitted to Ehlers via one of the methods described above and must be received prior to the time established above for the opening of proposals. Each proposal must be unconditional except as to legality. Neither the City nor Ehlers shall be responsible for any failure to receive a facsimile submission.

A good faith deposit (the "Deposit") in the amount of $92,200, complying with the provisions below, must be submitted with each proposal. The Deposit must be in the form of a certified or cashier's check, or a financial surety bond or a wire transfer of funds to **KleinBank, 1550 Audubon Road, Chaska, Minnesota, ABA No. 091915654 for credit: Ehlers & Associates Good Faith Account No. 3208138**. The Deposit will be retained by the City as liquidated damages if the proposal is accepted and the bidder fails to comply therewith. The Deposit will be returned to the winning bidder at the closing for the Bonds.

The Deposit, payable to the City, shall be retained in the offices of Ehlers with the same effect as if delivered to the City. Alternatively, bidders may wire the Deposit to **KleinBank, 1550 Audubon Road, Chaska, Minnesota, ABA No. 091915654 for credit: Ehlers & Associates Good Faith Account No. 3208138**. The City and any bidder who chooses to so wire the Deposit hereby agree irrevocably that Ehlers shall be the escrow holder of the Deposit wired to such account subject only to these conditions and duties: 1) All income earned thereon shall be retained by the escrow holder as payment for its expenses; 2) If the proposal is not accepted, Ehlers shall, at its expense, promptly return the Deposit amount to the losing bidder; 3) If the proposal is accepted, the Deposit shall be returned to the winning bidder at the closing; 4) Ehlers shall bear all costs of maintaining the escrow account and returning the funds to the bidder; 5) Ehlers shall not be an insurer of the Deposit amount and shall have no liability hereunder except if it willfully fails to perform, or recklessly disregards, its duties specified herein; and 6) FDIC insurance on deposits within the escrow account shall be limited to $250,000 per bidder.

If a financial surety bond is used, it must be from an insurance company licensed to issue such a bond in the State of Minnesota, and preapproved by the City. Such bond must be submitted to Ehlers prior to the opening of the proposals. Such bond must identify each bidder whose Deposit is guaranteed by such financial surety bond. If the Bonds are awarded to a bidder using a financial surety bond, then that bidder is required to submit its Deposit to Ehlers in the form of a certified or cashier's check or wire transfer as instructed by Ehlers not later than 3:00 P.M., Central Time, on the next business day following the award. If such Deposit is not received by that time, the financial surety bond may be drawn by the City to satisfy the Deposit requirement. The amount securing the successful proposal will be retained as liquidated damages if the proposal is accepted and the bidder fails to comply therewith. No proposal can be withdrawn after the time set for receiving proposals unless the meeting of the City scheduled for award of the Bonds is adjourned, recessed, or continued to another date without award of the Bonds having been made.

AWARD

The Bonds will be awarded to the bidder offering the lowest interest rate to be determined on a True Interest Cost (TIC) basis. The City's computation of the interest rate of each proposal, in accordance with customary practice, will be controlling. In the event of a tie, the sale of the Bonds will be awarded by lot. The City reserves the right to reject any and all proposals and to waive any informality in any proposal.

BOND INSURANCE

If the Bonds are qualified for any bond insurance policy, the purchase of such policy shall be at the sole option and expense of the winning bidder. Any cost for such insurance policy is to be paid by the winning bidder, except that, if the City requested and received a rating on the Bonds from a rating agency, the City will pay that rating fee. Any rating agency fees not requested by the City are the responsibility of the winning bidder.

Failure of the municipal bond insurer to issue the policy after the Bonds are awarded to the winning bidder shall not constitute cause for failure or refusal by the winning bidder to accept delivery of the Bonds.

CUSIP NUMBERS

The City will assume no obligation for the assignment or printing of CUSIP numbers on the Bonds or for the correctness of any numbers printed thereon, but will permit such numbers to be printed at the expense of the winning bidder, if the winning bidder waives any delay in delivery occasioned thereby.

QUALIFIED TAX-EXEMPT OBLIGATIONS

The City will designate the Bonds as qualified tax-exempt obligations for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

CONTINUING DISCLOSURE

In order to assist the Underwriters in complying with the provisions of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 the City will enter into an undertaking (the "Undertaking") for the benefit of the holders of the Bonds. A description of the details and terms of the Undertaking is set forth in the Official Statement. **The City has complied in all material respects with any undertaking previously entered into by it under the Rule.**

INFORMATION FROM WINNING BIDDER

The successful purchaser will be required to provide, in a timely manner, certain information relating to the initial offering prices of the Bonds necessary to compute the yield on the Bonds pursuant to the provisions of the Internal Revenue Code of 1986, as amended.

PRELIMINARY OFFICIAL STATEMENT

Bidders may obtain a copy of the Preliminary Official Statement relating to the Bonds prior to the proposal opening by request from Ehlers at www.ehlers-inc.com by connecting to the link to the Bond Sales. The Syndicate Manager will be provided with an electronic copy and up to 10 printed copies upon request of the Final Official Statement within seven business days of the proposal acceptance. Additional copies of the Final Official Statement will be available at a cost of $10.00 per copy.

Information for bidders and proposal forms may be obtained from Ehlers at 3060 Centre Pointe Drive, Roseville, Minnesota 55113-1105, Telephone (651) 697-8500.

By Order of the City Council

Deputy City Clerk
City of Inver Grove Heights, Minnesota

PROPOSAL FORM

The City Council
City of Inver Grove Heights, Minnesota

July 25, 2011

RE: $4,610,000* General Obligation Refunding Bonds, Series 2011A
DATED: August 18, 2011

For all or none of the above Bonds, in accordance with the Terms of Proposal and terms of the Global Book-Entry System as stated in this Preliminary Official Statement, we will pay you $_____ (not less than $4,577,730) plus accrued interest to date of delivery for fully registered Bonds bearing interest rates and maturing in the stated years as follows:

_____	% due	2012	_____	% due	2015	_____	% due	2018
_____	% due	2013	_____	% due	2016	_____	% due	2019
_____	% due	2014	_____	% due	2017			

* The City reserves the right to increase or decrease the principal amount of the Bonds on the day of sale, in increments of $5,000 each. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per $1,000.

We enclose our good faith deposit in the amount of $92,200, to be held by you pending delivery and payment. Alternatively, we have provided a financial surety bond or have wired our good faith deposit to the **KleinBank, 1550 Audubon Road, Chaska, Minnesota, ABA No. 091915654 for credit: Ehlers & Associates Good Faith Account No. 3208138**. If our proposal is not accepted, said deposit shall be promptly returned to us. If the good faith deposit is wired to such escrow account, we agree to the conditions and duties of Ehlers & Associates, Inc., as escrow holder of the good faith deposit, pursuant to the Preliminary Official Statement dated July 14, 2011. This proposal is for prompt acceptance and is conditional upon deposit of said Bonds to The Depository Trust Company, New York, New York, in accordance with the Terms of Proposal. Delivery is anticipated to be on or about August 18, 2011.

This proposal is subject to the City's agreement to enter into a written undertaking to provide continuing disclosure under Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 as described in the Preliminary Official Statement for this Issue.

We have received and reviewed the Preliminary Official Statement and have submitted our requests for additional information or corrections to the Final Official Statement. As Syndicate Manager, we agree to provide the City with the reoffering price of the Bonds within 24 hours of the proposal acceptance.

Account Manager: _____ By: _____

Account Members:

Award will be on a true interest cost basis. According to our computations (the correct computation being controlling in the award), the total dollar interest cost (including any discount or less any premium) computed from August 18, 2011 of the above proposal is $_____and the true interest cost (TIC) is _____%.

The foregoing offer is hereby accepted by and on behalf of the City Council of the City of Inver Grove Heights, Minnesota, on July 25, 2011.

By: _____ By: _____

Title: _____ Title: _____

AGENDA ITEM _____

CITY OF INVER GROVE HEIGHTS **REQUEST FOR COUNCIL ACTION**

CONSIDER THE FIRST READING OF AN ORDINANCE TO AMEND THE CITY CODE, TITLE 1, CHAPTER 5, SECTION 1, MEETINGS

Meeting Date:	July 25, 2011		**Fiscal/FTE Impact:**
Item Type:	Regular	x	None
Contact:	JTeppen, Asst City Admin		Amount included in current budget
Prepared by:			Budget amendment requested
Reviewed by:			FTE included in current complement
			New FTE requested – N/A
			Other

PURPOSE/ACTION REQUESTED Consider the first reading of an ordinance amending the City Code, Title 1, Chapter 5, Section 1, Meetings.

SUMMARY The City Council has asked staff to prepare an ordinance amendment to change the City Council's meeting times from 7:30 pm to 7 pm.

A notice of the proposed change was in the July/August issue of Insights that was delivered to residents on July 11. The notice is also on the home page of the City's web site. To date no comments have been received by staff.

The first meeting that the time change would be effective is the regular meeting of September 12.

CITY OF INVER GROVE HEIGHTS
DAKOTA COUNTY, MINNESOTA

ORDINANCE NO. _____

AN ORDINANCE AMENDING TITLE 1, CHAPTER 5, SECTION 1, MEETINGS

The City Council of Inver Grove Heights does hereby ordain as follows:

Section 1. Amendment No. 1. Inver Grove Heights City Code Title 1, Chapter 5, Section 1 is hereby amended in its entirety to read as follows:

1-5-1: MEETINGS:
A. Regular Meetings: Regular meetings of the council shall be held on the second and fourth Mondays of each calendar month at seven ~~thirty~~ o'clock ~~(7:30)~~ (7:00) P.M. Any regular meeting falling upon a holiday shall be held as determined by the city council at the previous regular meeting. (1974 Code § 200.01).

Section 2. Effective Date. This Ordinance shall be in full force and effect from and after its passage and publication according to law.

Passed this 22nd day of August, 2011.

_____
George Tourville, Mayor

ATTEST:

_____
Melissa Rheaume, Deputy City Clerk